



## DANVILLE CITY COUNCIL WORK SESSION AGENDA

### MUNICIPAL BUILDING

March 19, 2019

7:30 P.M.

#### MEETING CALLED TO ORDER

#### MINUTES

- A. Consideration of Approval of Minutes from Regular Work Session held on February 5, 2019.  
Council Letter Number CL - 2078.

#### WORK SESSION ITEMS

- A. Review of the General Fund Financial Report as of February 28, 2019.  
Council Letter Number CL - 2053
- B. Consideration of Amending the Fiscal Year 2019 Budget Appropriation Ordinance for VDOT Revenue Sharing Program Funds.  
Council Letter Number CL - 2079.
- C. Consideration of Affirming the City's Commitment to Funding the Locality Shares of Approved Projects with VDOT.  
Council Letter Number CL - 2080
- D. Multi-Year Budgeting Update.  
Council Letter Number CL - 2087

#### 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-2078**

**Meeting Minutes Item #: A.**

**Work Session Meeting**

**Meeting Date:** 03/19/2019

**Subject:** Consideration of Approval of Meeting Minutes

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

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### **COUNCIL ACTION**

Work Session Meeting: 03/19/2019

### **SUMMARY**

Consideration of Approval of Minutes from Regular Work Session held on February 5, 2019.

Council Letter Number CL - 2078.

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### **Attachments**

Meeting Minutes

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February 5, 2019

A Regular Work Session of the Danville City Council convened on February 5, 2019 at 7:38 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 Campbell and **second** by Council Member Shanks, Minutes from the Regular Work Session held on January 3, 2019, were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

## **APPOINTMENTS**

Council Member Campbell noted that the Committee on Appointments met earlier this evening and make the following recommendations:

Airport Commission:	Appoint:	Jason Payne
Building Code Board of Appeals:	Appoint:	Harold Garrison
DRHA	Appoint:	Vanessa Cain
Danville Pittsylvania Community Services	Appoint:	Matthew Bailey
Danville Community Policy & Management Team	Appoint:	Tia Hairston as the Danville Public Schools Representative

There were no objections from Council.

## **CONSIDERATION OF DESIGNATION OF THE DNDC AS THE CITY'S OFFICIAL LAND BANK ENTITY**

Deputy City Manager Earl Reynolds noted several years ago, Vice Mayor Vogler brought before Council and administration the idea of land banks as a tool to help with the City's blight eradication program. At that time in Virginia, there was no enabling legislation for land banks. Mr. Vogler took the idea to Delegate Danny Marshall who was the head of the State Housing Commission. Delegate Marshall brought the matter before the Housing Commission, a study was done by the Commission in 2015 and in 2016 legislation was introduced by Delegate Marshall on behalf of the Housing Commission. The General Assembly passed the legislation, it was signed by the Governor and as of July 1, 2016, in Virginia, localities can establish land bank entities. While that legislation was being discussed at the state level, the City of Danville partnered with the National Resource Network who was doing a study for the City on ways the City could improve their blight eradication efforts, as well as do more to improve the overall appearance and quality of life in the neighborhoods; one of their recommendations was the establishment of the Neighborhood Development Corporation. With Council's approval, the Neighborhood Development Corporation

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was established and the primary mission of the NDC was to carry out the land bank function. Legislation requires that any locality wishing to establish a land bank, would need to pass an Ordinance; there also needs to be a memorandum of understanding as to how the entity will carry out the land banking process or administration. As a first step, the City Council would need to adopt the ordinance authorizing the City Manager to execute the MOU and they will need some money to get the process started.

Council Member Campbell stated he thought it was a good program and thanked Mr. Vogler for initiating the idea. In response to Mr. Campbell, Mr. Reynolds explained the goal was that all the properties in the land bank that are developable, are developed and executed, to put housing and/or commercial structures back on the property so it becomes revenue producing, taxable property. If it already has an existing structure, that it be rehabilitated, put back in use and it becomes a revenue producing and taxable property. Mr. Campbell questioned if there were several people pursuing the same property, was the City pursuing the highest bid and Mr. Reynolds noted proposals would be submitted and the proposal that best meets the need of that particular property, in line with the plan for that neighborhood, would probably be the one that would be selected.

Mr. Shanks asked if the entity would be buying any properties at auction or would it just be property the City already has, and Mr. Reynolds noted initially the property the City already has that is currently in trust with the DRHA. Moving forward, the land bank entity would be able to purchase property, bid on property at auction and also accept property by gift. Mr. Shanks stated if there was an interested buyer bidding on a property, he would hate to see the entity be in a position to outbid them, unless there is a valid reason to. Mr. Reynolds noted the goal of the DNDC was to facilitate the improvement of derelict properties; if someone else wants to invest in that property, bring it back and put it on the tax rolls, there is no reason for the City to stop that process.

Dr. Miller questioned where they were getting their money from and Mr. Reynolds stated to date, the City has underwritten the cost of the establishment of the entity and it has also received grants from other sources such as the Danville Regional Foundation and the Community Foundation; the City has underwritten \$250,000. Dr. Miller noted it has been almost three years since the bill passed in 2016, what's happened and Mr. Reynolds explained in 2016, the legislation was passed and became effective on July 1. At that time, the City was working with the NRN on developing options and strategies, and the DNDC didn't actually get chartered and established until June 2017. They went through the process of learning how to be an effective organization; DRF underwrote the cost of the board taking a trip to Youngstown, OH where they spent time with the Youngstown Neighborhood Development Corporation, which also has a land bank. Mr. Reynolds stated there was only one other land bank in Virginia and that was a hybrid created as a part of the legislation, in Richmond, the Maggie Walker Land Bank and Land Trust. Danville did not have a Virginia model they could emulate, and they wanted to make sure they methodically put it together.

Mr. Shanks noted the \$250,000 seed money, will there be continual annual funding for the DNDC, and Mr. Reynolds stated any funds that the City gave in the future would be project based. Mr. Shanks stated twenty years from now there will be a different Council and it was important to him that there was an understanding that the DNDC would not be bidding against the public. Mr. Shanks questioned if that thought process can be referred to in the MOU as a statement, nonbinding, to let everyone know that was the intent when it was passed by City Council. Mr. Reynolds stated the Board of Directors was very committed to making sure the operation of the entity was in line with the policies of this Council. At no time have they ever discussed or has it been suggested that the DNDC would not operate in a way that was consistent with the City policy and the best interest of the community. Mr. Shanks stated he believes that is true of everyone

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here today that represents that entity, his concern was, like so many things Council does, years from now, nobody knows why or what; he would feel a lot more comfortable if that thought was included in the MOU. Mayor Jones asked Ms. Coles, Executive Director of the DNDC, if it would be possible to put that in the MOU and Ms. Coles clarified, to not compete with a private entity; Mr. Shanks stated not to make that a model or a rule, make that the attempt, somehow refer to that in their policy. Ms. Coles noted they would have to ask their legal counsel. The intention of a non-profit development organization like the DNDC is not to compete with private developers but as a non-profit with the public interest at heart, to catalyze development and do their part to see that redevelopment happens. Mr. Shanks stated that is exactly what he would like to see referenced in the body of the MOU. If the City is getting ready to make a contribution, he would like to be able to have some mutual understanding that was written somewhere that ten years from now will give people guidance on what was being thought about.

Vice Mayor Vogler thanked Mr. Reynolds for all the work he has done helping make this happen. Looking at the number of places that have done this throughout the country, there are examples of it working really well, where it hasn't worked as well, and was glad the City has taken the time to make sure it was doing everything it could to make sure they do it right. The goal of the land bank is to ultimately get the property into the hands of people in the private sector who get the properties usable, back on the tax rolls, be beneficial to the City and to revitalize the City's neighborhoods.

Council Member Saunders questioned the section of the handout on recognizing neighborhood plans and asked for an example of a neighborhood plan that the highest bidder may not qualify for. Ms. Coles noted one example would be in the Monument-Berryman community; there is a redevelopment plan waiting to be implemented. When a citizen applies to the land bank they have to submit a narrative about the project scope, what their plans are, a development budget, etc. The real estate committee of the DNDC and the Board will review that and compare it to what is planned for that particular location in the established redevelopment plan. If it does not coincide, and the person has offered \$20,000 to purchase a particular lot, but someone else bid \$5,000 to actually complete a project that is in keeping with that plan, they would accept the lowest bidder because what they are proposing is in keeping with that redevelopment plan.

Mr. Larking noted Council had talked about doing something similar with surplus school properties they still own. Several years ago they had conversations with neighborhoods asking them what they would like to see happen in those schools, because they didn't want to sell them to just anybody. At the Glenwood School, there was talk about converting that into mixed use housing with various income levels. There was a neighborhood meeting at the community center, citizens were invited to attend and the City was told they did not want that kind of development in that school building. The City told the developer they would not be selling the property to them unless they come back with a development that was market rate that the neighborhood could accept. Mr. Reynolds noted the Monument Berryman Redevelopment and Conservation Plan, and the City's Comprehensive Plan are recognized plans that were approved by Council. In both of those plans, there are certain land uses that are recommended in certain areas of the City.

Mr. Shanks questioned, if someone in Berryman Avenue wants to buy a house and renovate it to a residential building, what would prevent the highest bidder from doing that, and Mr. Reynolds stated nothing; Mr. Shanks stated that is where he is talking about putting that intent in the MOU. The handout says properties are not sold without proof that financing was in place, but if for some reason, somebody says it doesn't agree with the plan, then they are going to sell it for less to another party. Mr. Reynolds explained the intent was to simply make sure that the intended land use of the property is consistent with the plans, programs and objectives of the City and that the

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individual or individuals desiring to do the project have the means and the best interest of the community at heart.

Mr. Whittle questioned how many properties from the City are going into the land bank the City has in trust and Ms. Coles noted there are about two hundred and fifty in the trust and a pipeline. Mr. Reynolds explained not all those properties will immediately be transferred into the land bank. Mr. Whittle questioned who would pay the taxes and Mr. Reynolds noted when the property is redeveloped by a private entity they have to pay taxes. Dr. Miller questioned what percent are the 200 properties in the trust, of the overall derelict properties in the City and Mr. Larking noted the last study stated there were several thousand derelict properties. Dr. Miller requested a yearly report from the DNDC on what they have accomplished; Mr. Reynolds noted it is part of the MOU.

Mr. Vogler questioned if the City's land bank will use online auctions to sell the properties and Ms. Coles stated that was something they will explore, different ways of marketing the properties and selling them. Their website will be improved to allow people to click on properties and know what is available in the inventory. Mayor Jones questioned how long the terms were for the Board members and did Council appoint them. Ms. Coles explained they have a nominating and governance committee that considers nominations or suggestions to the Board; the full board votes on the nominations. Terms are two years for most board members and they are offered one additional two year term; the Secretary serves three years. The Board meets once a month, the third Friday of each month at noon.

Mr. Larking noted the City had CZB do a housing study for the City of Danville, one of the major recommendations of that study was to establish a Danville Neighborhood Development Corporation; the City went through the process of doing that. Mr. Larking stated one of his major concerns in the City was the housing issue, and credited Council for allocating resources for blight eradication. The City needs to do everything it can to stabilize the housing market in the City so people can maintain the value they have in their homes. Mr. Shanks asked if any of his questions would be included in the MOU and Mr. Reynolds noted they would try to pin those in and understands what he is saying.

Council agreed to put this on an upcoming business agenda.

### **CONSIDERATION OF APPROVAL OF THE EMERGENCY OPERATIONS PLAN FOR THE CITY OF DANVILLE, VIRGINIA**

Fire Chief David Eagle noted the EOP is required by the Virginia Department of Emergency Management to be updated every four years. Staff had originally planned to come to Council in December, however with all the storms, they pushed for an extension. After speaking with VDEM, they suggested it be brought to Council now. This was approved by Council in 2014 and is basically a routine update to the plan.

Council agreed to put this on an upcoming agenda.

### **PROGRAM UPDATE**

Mr. Larking noted Council Member Whittle had asked about the potential of hiring a lobbyist to look after Danville's best interest with regard to casino legislation. Mr. Larking stated he has had a conversation with one, has a call with another tomorrow and he is seeking references, talking with people who know who is out there available to represent the City, if Council decides it is interested in hiring a lobbyist to look after Danville's interests regarding casinos. Whitt Clement has served

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as a lobbyist for the City of Danville on all issues, unfortunately he cannot work with the City on this because of an existing conflict with another client. Mr. Clement suggested as the City moves forward they want to make sure they know what the State is looking at and if they are planning to do a study. The City should make sure whoever they pick, best meets the City's requirements and is able to make the best impact for the City going forward. Dr. Miller noted he thought it was an excellent idea to put the City's interest forward and Mr. Vogler noted his agreement.

Council Members agreed to hiring a lobbyist for the casino issue.

### **ECONOMIC DEVELOPMENT UPDATE**

Assistant Director of Economic Development Corrie Bobe noted the RDA, in partnership with the Longwood Small Business Development Center and their office, launched the Dream Launch program. They had 78 people sign up to participate; this is a six week boot camp and each week they will cover a different topic on how to start a business. At the end of the program, if they are interested, they can pitch their concept for potential grant funding to locate in the River District with specific focus on North Union Street. They have about 60 participants in each class.

### **COMMUNICATION**

Dr. Miller noted coming out of the hospital onto Main Street, there are people parking on the bridge blocking the view. Mr. Larking noted they wanted to be concerned about people leaving driveways to make sure they don't get hit. He has spoken with Public Works, they want to make sure there are good sight distances; they will go back and make sure.

Mr. Whittle noted he thought there should be a Council Member on the DNDC and Mr. Larking stated it was a separate legal entity and their by-laws would have to determine that. Mr. Shanks questioned the expectations of the funding for DNDC and Mr. Larking stated the goal is for them to find a self-sustaining revenue source. At some point, they will be involved in real estate that allows them to be self-sustaining. The Youngstown example was one that is self-sustaining and that would be the goal to get them to that point; it may take some time to get there, but that is what they are charged with doing.

Mayor Jones reminded Council there is a ribbon cutting tomorrow for Blush and Bashful.

### **CLOSED MEETING**

At 8:16 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; and consultation with legal counsel employed or retained by a public

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body regarding specified legal matters requiring the provision of legal advice by such counsel as permitted by Subsection (A)(8) of Section 2.2-3711 of the Code of Virginia, 1950 as amended.

The Motion was **seconded** by Council Member Campbell 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 8:49 p.m., Council reconvened in open session and Vice Mayor Vogler **moved** for adoption of the following Resolution:

**CERTIFICATE OF CLOSED MEETING**

WHEREAS, the Council convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and WHEREAS, Section 2.1-344.1 of the Code of Virginia, 1950, as amended, requires a Certification by the Council that such Closed Meeting was conducted in conformity with Virginia Law;

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

The Motion was **seconded** by Council Member 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 8:50 P.M.

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MAYOR

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CITY CLERK

**Council Letter  
City of Danville, Virginia**



**CL-2053**

**Work Session Item #: A.**

**Work Session Meeting**

**Meeting Date:** 03/19/2019

**Subject:** General Fund Financial Report as of February 28, 2019

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

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**COUNCIL ACTION**

Work Session Meeting: 03/19/2019

**SUMMARY**

A brief overview of General Fund financial results through February 28, 2019 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: March 7, 2019**

**Subject: Summary of Preliminary General Fund Financial Results for February 28, 2019**

After completing the first eight months of the fiscal year, General Fund revenues compare favorably to the previous year showing an increase of 4.61% or \$2,793,233. As of February 28, General Fund revenues were \$63,345,468 which represents 60% of the FY 2019 budget. Last year, through February 28, we had collected \$60,552,235 or 59% of budget. The increase in revenue is primarily within property tax collection and meals and lodging tax.

All revenue categories are very comparable or ahead of the prior year. Current year real estate tax collections were \$8.8 million at February 28. This is nearly identical to last year's collections showing a decrease of \$39,000. We continue to see steady performance in the collection of delinquent real estate taxes compared to both budget and prior year. Through February 28, we realized \$933,177 which is 117% of the current year budget and \$303,000 ahead of the prior year. Personal property taxes are trailing behind budget with \$6.7 million received through February 28. This represents 49% of the FY 2019 budget and reflects an increase of \$900,000 over last year at this time. The City only receives 48% of the Personal Property Tax Relief Act funds from the Commonwealth during the fiscal year, with the other 52% realized in June. This keeps our personal property collection below 50% until the spring billing.

Local taxes collected through February 28 were \$16.6 million, or 62% of budget and compares favorably to the prior year showing an increase of \$1 million. Sales tax collections through February amounted to nearly \$6.2 million, or 70% of budget, an increase of \$191,000 over last year. Meals taxes collected for the first eight months of the fiscal year amounted to \$5.6 million, or 67.5% of budget, an increase of \$552,000 over last year, and indicative of the rate increase from 6% to 6.5%. Business Licenses realized at the end of February were \$2.8 million, showing an increase of \$160,000 from the previous year. Lodging taxes received as of February 28, were \$736,000, or 76.6% of budget, an increase of \$114,000 over the prior year. With the exception of vehicle license fees, all other revenue categories are performing well at this point in the fiscal year and any notable variances between the current and prior years relates to timing.

Expenditures for the first eight months were \$71.1 million or 62% of budget. This is an increase of \$270,000 compared to February 28, 2018, primarily resulting from a \$725,000 timing difference of budgeted transfers to Schools, Capital Projects, and Economic Development offset by a net decrease of \$455,000 in departmental and non-departmental expenditures. Departmental expenditures at the end of February were contained under budget at 62% or \$41,442,574. With the completion of repayments for Tobacco Commission grants this fiscal year, non-departmental expenditures decreased \$528,000 as compared to the previous year.

Total General Fund expenditures exceeded revenues by \$7,733,044. This is typical for most of the fiscal year in the General Fund because the timing of the revenue recognition is not matched to expenditures. Unassigned fund balance at February 28, 2019, is about \$595,000 less than last February. This is partly due to the timing of transfers, but still indicates that fund balance may not change much from the prior year, despite budgeting for a decrease. At this point, the General Fund results are tracking well with the FY 2019 budget.

## CITY OF DANVILLE, VIRGINIA

## GENERAL FUND REPORT

67% OF YEAR LAPSED AS OF FEBRUARY 28, 2019

**\*\*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	\$ 16,686,066	52.36%		\$ 15,181,634	\$ 15,448,348
Other Local Taxes	26,601,000	16,583,052	62.34%		10,017,948	15,549,120
License Permits & Privilege Fees	252,950	140,560	55.57%		112,390	148,084
Fines & Forfeitures	393,550	234,386	59.56%		159,164	204,337
Revenue From Use Money & Property	1,309,009	1,037,638	79.27%		271,371	789,110
Charges For Services	3,742,950	2,378,941	63.56%		1,364,009	2,405,419
Miscellaneous Revenue	125,100	70,621	56.45%		54,479	64,999
Recovered Cost	5,968,394	3,765,654	63.09%		2,202,741	3,318,326
Non-Categorical Aid	5,976,720	4,138,934	69.25%		1,837,786	4,160,740
Shared Expenses (Categ. Aid State)	5,124,990	3,175,736	61.97%		1,949,254	3,160,598
Categorical Aid (State)	9,359,130	5,216,917	55.74%		4,142,213	5,287,683
Emergency Services (Federal)	5,833	1,631	27.96%		4,202	2,805
Categorical Aid (Federal)	27,020	-	0.00%		27,020	-
Transfers From Utilities	14,848,000	9,915,333	66.78%		4,932,667	10,012,667
Transfers From Other	-	-			-	-
<b>TOTAL REVENUES</b>	<b>\$ 105,602,346</b>	<b>\$ 63,345,468</b>	<b>59.98%</b>		<b>\$ 42,256,878</b>	<b>\$ 60,552,235</b>
<b>EXPENDITURES:</b>						
General Government Administration	\$ 8,787,253	\$ 5,824,309	66.28%	\$ 64,964	\$ 2,897,980	\$ 5,908,972
Judicial Administration	7,036,737	4,544,512	64.58%	25,138	2,467,087	4,535,787
Public Safety	29,936,333	19,416,314	64.86%	348,946	10,171,073	18,893,653
Public Works	4,399,192	2,598,406	59.07%	153,312	1,647,474	2,805,230
Health, Education, Welfare & Soc. Svc.	9,249,470	4,636,592	50.13%	7,091	4,605,787	4,841,498
Parks, Recreation & Cultural	5,189,642	2,872,116	55.34%	37,606	2,279,920	2,994,412
Community Development	2,170,463	1,550,325	71.43%	109,325	510,813	1,389,221
Non-Departmental	12,876,003	6,936,608	53.87%	5,241	5,934,154	7,464,740
Transfer to Schools - Operating	26,680,085	18,283,308	68.53%	2,255,825	6,140,952	13,825,639
Transfer to Capital Projects	4,387,460	3,010,057	68.61%	-	1,377,403	5,466,450
Transfer to Other Funds	4,099,240	1,405,965	34.30%	-	2,693,275	2,681,872
<b>TOTAL EXPENDITURES</b>	<b>\$ 114,811,877</b>	<b>\$ 71,078,512</b>	<b>61.91%</b>	<b>\$ 3,007,448</b>	<b>\$ 40,725,917</b>	<b>\$ 70,807,473</b>
Revenue over(under) Expenditures		\$ (7,733,044)				\$ (10,255,238)
<b>FUND BALANCE:</b>						
Beginning Fund Balance 07/01/2018		\$ 39,518,570				\$ 42,975,385
Revenue over(under) Expenditures		(7,733,044)				(10,255,238)
Ending Fund Balance 02/28/2019		<b>\$ 31,785,526</b>				<b>\$ 32,720,147</b>
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 9,580,851				\$ 9,920,612
Unassigned		22,204,676				22,799,535
<b>TOTAL FUND BALANCE 02/28/2019</b>		<b>\$ 31,785,526</b>				<b>\$ 32,720,147</b>

**City of Danville, Virginia**  
**Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED**  
**For the period ending February 28, 2019 (year to date)**

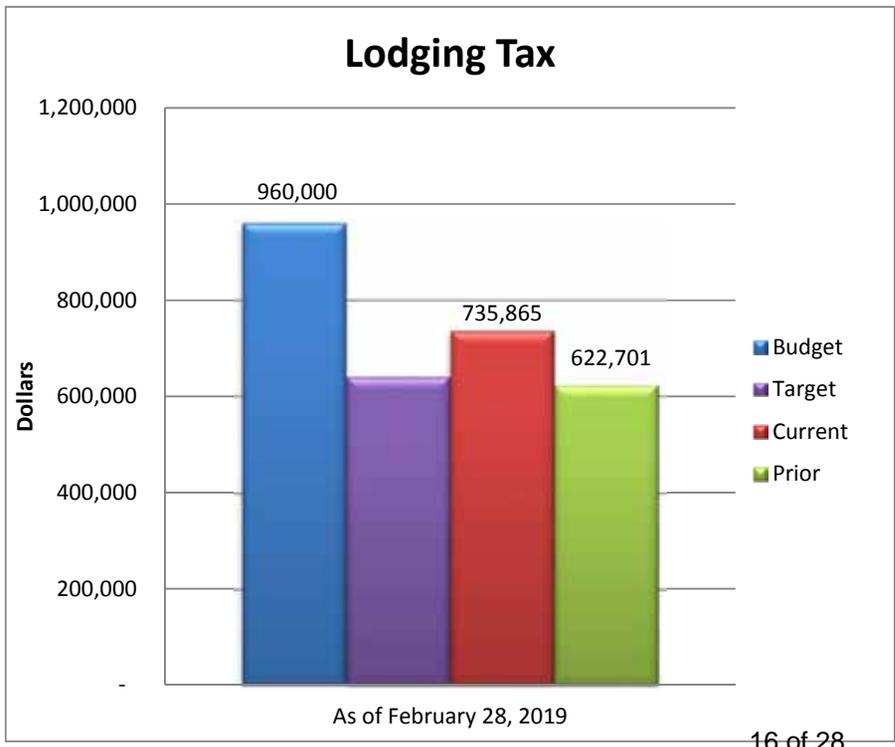
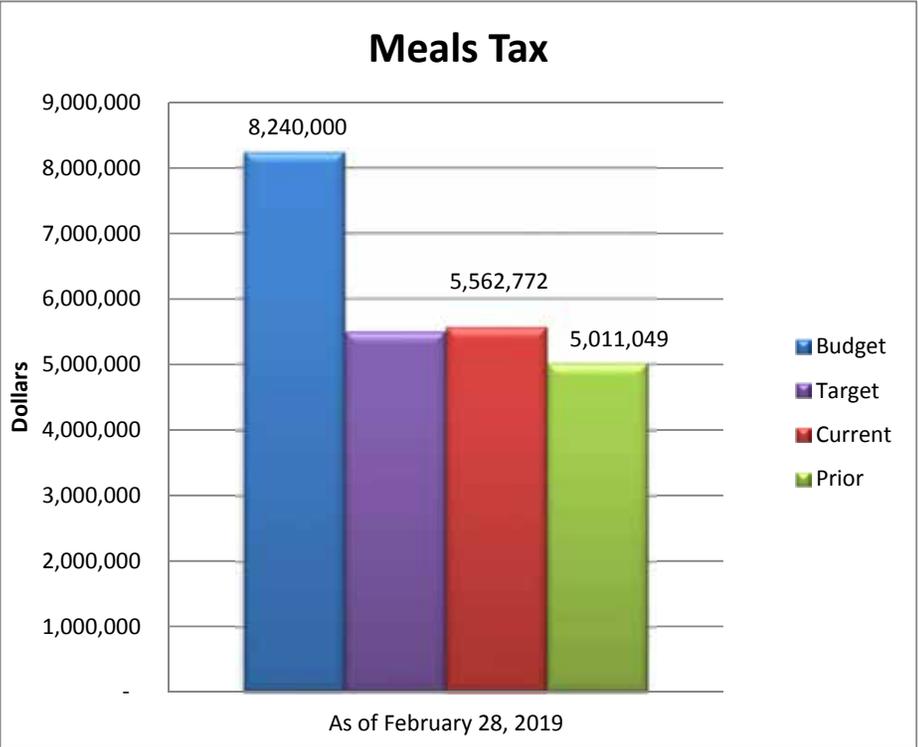
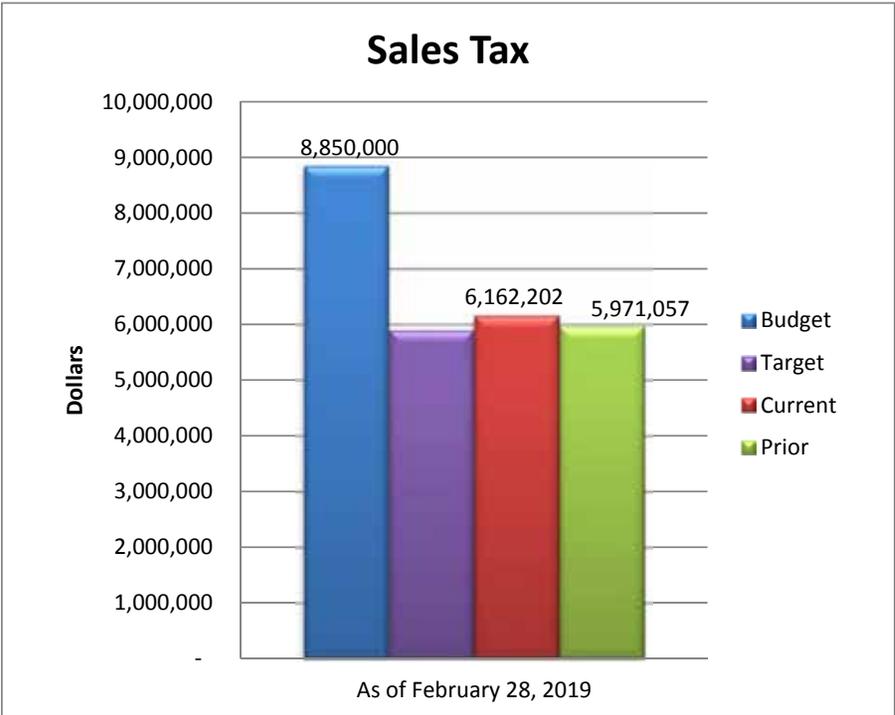
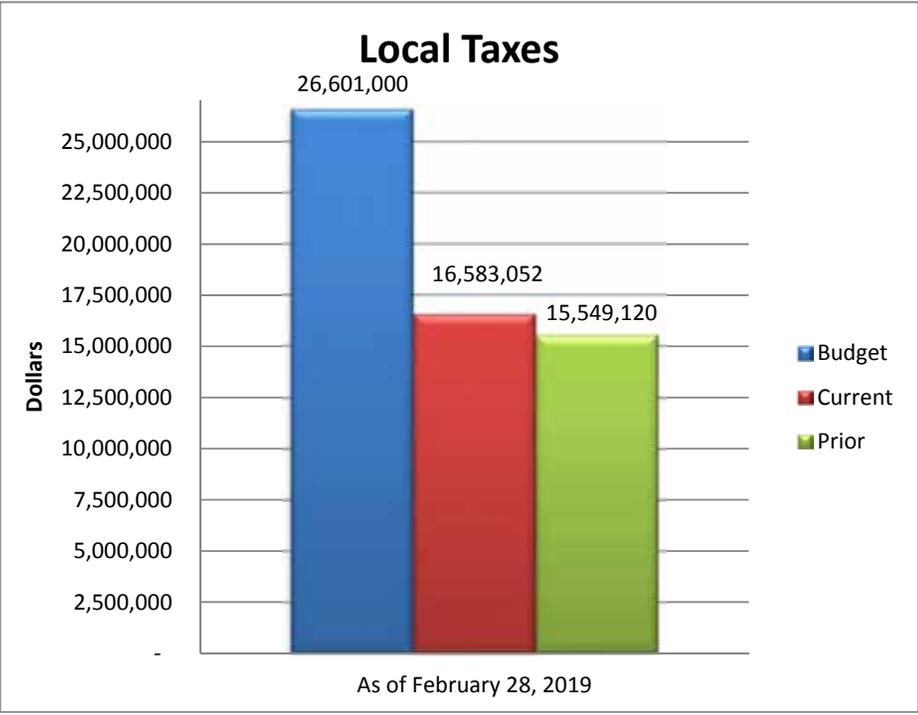
<u>Description</u>	<u>Current Budget</u>	<u>Revenue Realized</u>	<u>Percentage Realized</u>	<u>Prior Year Budget</u>	<u>Prior Year Realized</u>	<u>Percentage Prior Year</u>
Sales Tax	\$ 8,850,000	\$ 6,162,202	69.63%	\$ 8,750,000	\$ 5,971,057	68.24%
Business Licenses	5,200,000	2,832,199	54.47%	5,100,000	2,672,597	52.40%
Meals Tax	8,240,000	5,562,772	67.51%	7,500,000	5,011,049	66.81%
Utility Taxes	963,000	627,828	65.20%	978,000	645,696	66.02%
Vehicle License Fees	1,000,000	286,981	28.70%	1,000,000	273,885	27.39%
Bank Stock Tax	800,000	-	0.00%	790,000	-	0.00%
Recordation Tax	200,000	105,385	52.69%	180,000	117,130	65.07%
Hotel Motel Tax	960,000	735,865	76.65%	990,000	622,701	62.90%
Daily Property Rental Tax	18,000	11,122	61.79%	17,000	14,919	87.76%
Motor Vehicle Tax	150,000	122,617	81.74%	135,000	100,724	74.61%
DMV Fees	220,000	136,081	61.86%	215,000	119,362	55.52%
<b>TOTAL</b>	<b><u>\$ 26,601,000</u></b>	<b><u>\$ 16,583,052</u></b>	<b><u>62.34%</u></b>	<b><u>\$ 25,655,000</u></b>	<b><u>\$ 15,549,120</u></b>	<b><u>60.61%</u></b>

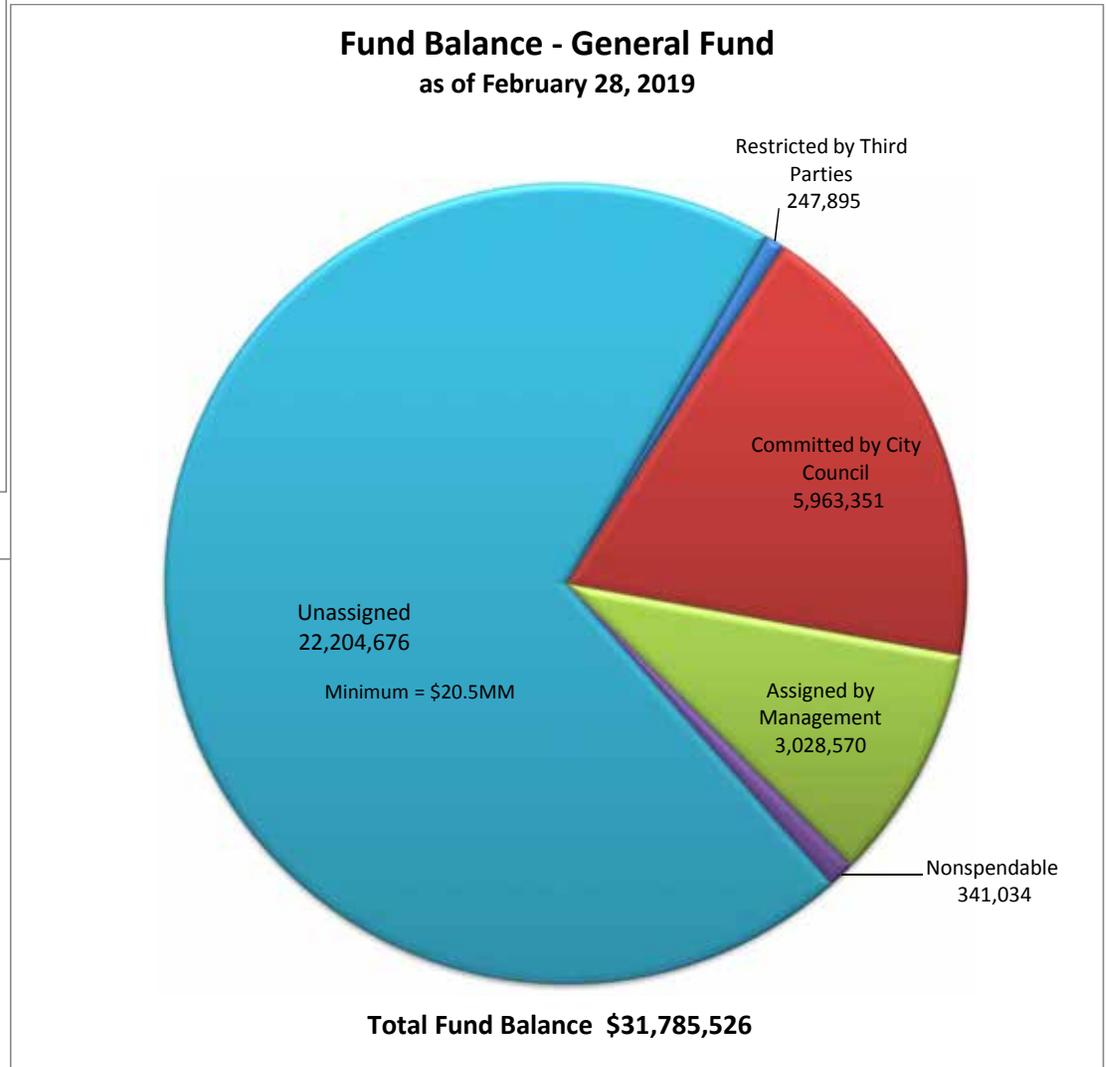
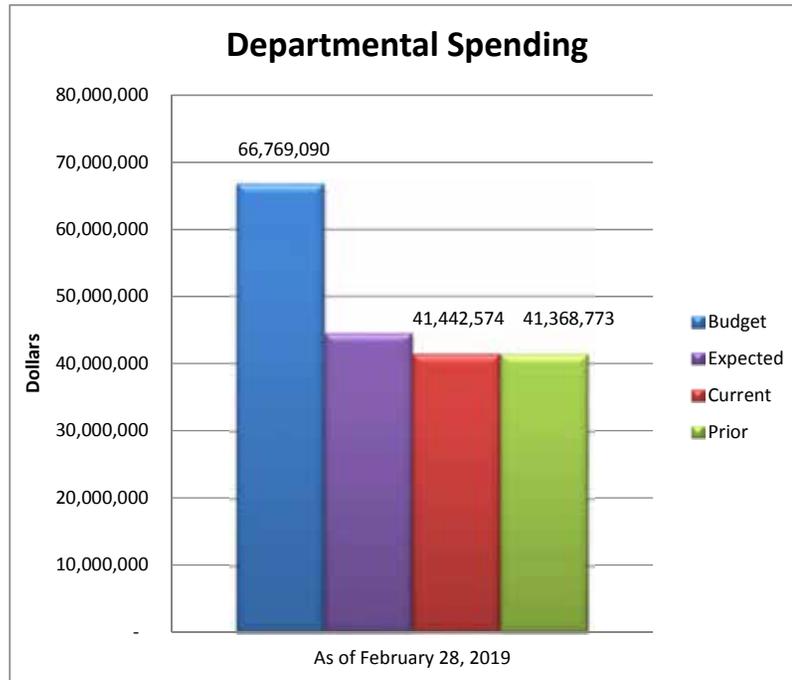
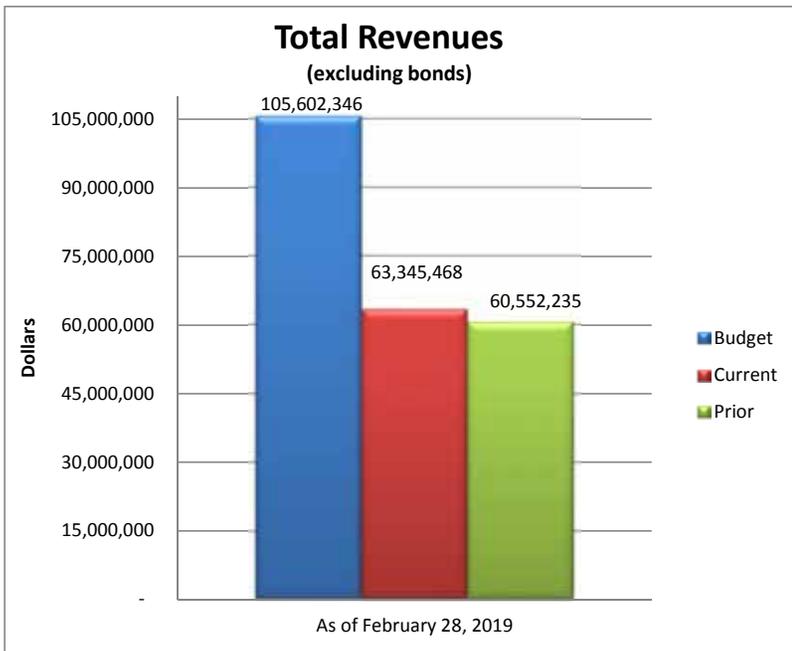
**CITY OF DANVILLE, VIRGINIA  
GENERAL FUND  
COMPOSITION OF FUND BALANCE  
PRELIMINARY - AS OF FEBRUARY 28, 2019**

Beginning Total Fund Balance, July 1, 2018	\$ 39,518,569.81
Add: General Fund Revenues	63,345,468.27
Deduct: General Fund Expenditures	<u>(71,078,511.91)</u>
Ending Total Fund Balance, February 28, 2019	<u><u>\$ 31,785,526.17</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	1,961,250.80
Assigned to Sheriff's Department	16,223.13
Assigned to Community Development Dept.	4,898.93
Assigned for Encumbrances	3,007,448.03
Nonspendable (Inventory and Prepaids)	341,034.49
<b>UNASSIGNED</b>	<b><u>22,204,675.66</u></b>
Total Fund Balance, February 28, 2019	<u><u>\$ 31,785,526.17</u></u>

Unassigned fund balance from above	\$ 22,204,675.66
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	\$ 1,748,843.66





# Council Letter

## City of Danville, Virginia



**CL-2079**

**Work Session Item #: B.**

**Work Session Meeting**

**Meeting Date:** 03/19/2019

**Subject:** Virginia Department of Transportation - Fiscal Year 2019 Revenue Sharing Program Allocations

**From:** Brian Dunevant, Assistant Public Works Director & City Engineer

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**COUNCIL ACTION**

Work Session: 03/19/2019

**SUMMARY**

The Commonwealth Transportation Board approved allocations for the FY 2019 Revenue Sharing Program. The City of Danville received a total of \$1,183,652 for the following projects:

\$483,652 / UPC 113247 - Riverside Drive East Bound Lane Concrete Base Removal - Audubon Drive to Arnett Boulevard

\$350,000 / UPC 113328 - 600 Block Main Street Improvements

\$350,000 / UPC 113332 - South Union Street Improvements

These allocations need to be appropriated into the Capital Projects Fund account.

**BACKGROUND**

In October 2017, the City of Danville submitted Revenue Sharing Program applications to the Virginia Department of Transportation (VDOT) for three Fiscal Year 2019 projects. VDOT's Revenue Sharing Program provides localities with a funding source for transportation improvement projects. The program requires the locality to match the awarded allocations. The City's matching funds were previously appropriated in General Fund Capital Projects.

**RECOMMENDATION**

It is recommended that City Council adopt the three accompanying Ordinances appropriating Revenue Sharing Program funds from the Virginia Department of Transportation in the total amount of \$1,183,652.

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**Attachments**

[Ordinance](#)

[Ordinance](#)

[Ordinance](#)

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PRESENTED: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

ORDINANCE NO. 2019-\_\_\_\_.\_\_\_\_

AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE FOR A PROJECT TO BE UNDERTAKEN WITHIN THE CITY OF DANVILLE ON SOUTH UNION STREET AND TO BE FINANCED ANTICIPATING REVENUE SHARING PROGRAM FUNDS FROM THE VIRGINIA DEPARTMENT OF TRANSPORTATION IN THE AMOUNT OF \$350,000.00.

WHEREAS the City of Danville requested the Virginia Department of Transportation to allocate Revenue Sharing Program funds for a street improvement project in the City of Danville; and

WHEREAS the City of Danville has received notification from the Virginia Department of Transportation of a Revenue Sharing Program allocation in the amount of \$350,000.00; and

WHEREAS these funds will be appropriated for UPC 113332 – River District South Union Street Improvements; and

WHEREAS previously approved and appropriated capital funds will be used to meet the city’s obligations for the required local match.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2019 Budget Appropriation Ordinance be, and is hereby, amended by using anticipated Revenue Sharing Program fund revenues from the Virginia Department of Transportation in the amount of \$350,000.00, and such funds to be appropriated as follows:

**ANTICIPATED REVENUES**

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund UPC 113332 – River District S. Union St. Improvements	61398000-47465	<u>\$350,000.00</u>

**ANTICIPATED EXPENDITURES**

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund UPC 113332 - River District S. Union St. Improvements	61398999-50	<u>\$350,000.00</u>

AND BE IT FURTHER ORDAINED that a flexible budget is hereby authorized whereby appropriations may be increased to the extent that actual revenues exceed the original revenue budget amount; 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

PRESENTED: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

ORDINANCE NO. 2019-\_\_\_\_.\_\_\_\_

AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE FOR A PROJECT TO BE UNDERTAKEN WITHIN THE CITY OF DANVILLE ON MAIN STREET AND TO BE FINANCED ANTICIPATING REVENUE SHARING PROGRAM FUNDS FROM THE VIRGINIA DEPARTMENT OF TRANSPORTATION IN THE AMOUNT OF \$350,000.00.

WHEREAS the City of Danville requested the Virginia Department of Transportation to allocate Revenue Sharing Program funds for a street improvement project in the City of Danville; and

WHEREAS the City of Danville has received notification from the Virginia Department of Transportation of a Revenue Sharing Program allocation in the amount of \$350,000.00; and

WHEREAS these funds will be appropriated for UPC 113328 – River District 600 Block Main Street Improvements; and

WHEREAS previously approved and appropriated capital funds will be used to meet the City's obligations for the required local match.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2019 Budget Appropriation Ordinance be, and is hereby, amended by using anticipated Revenue Sharing Program fund revenues from the Virginia Department of Transportation in the amount of \$350,000.00, and such funds to be appropriated as follows:

**ANTICIPATED REVENUES**

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund UPC 113328 – River District 600 Block Main Street Improvements	61476000-47465	<u>\$350,000.00</u>

**ANTICIPATED EXPENDITURES**

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund UPC 113328 - River District 600 Block Main Street Improvements	61476999-50	\$350,000.00

AND BE IT FURTHER ORDAINED that a flexible budget is hereby authorized whereby appropriations may be increased to the extent that actual revenues exceed the original revenue budget amount; 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

PRESENTED: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

ORDINANCE NO. 2019-\_\_\_\_.\_\_\_\_

AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE FOR A PROJECT TO BE UNDERTAKEN WITHIN THE CITY OF DANVILLE ON RIVERSIDE DRIVE AND TO BE FINANCED ANTICIPATING REVENUE SHARING PROGRAM FUNDS FROM THE VIRGINIA DEPARTMENT OF TRANSPORTATION IN THE AMOUNT OF \$483,652.00.

WHEREAS the City of Danville requested the Virginia Department of Transportation to allocate Revenue Sharing Program funds for a street improvement project in the City of Danville; and

WHEREAS the City of Danville has received notification from the Virginia Department of Transportation of a Revenue Sharing Program allocation in the amount of \$483,652.00; and

WHEREAS these funds will be appropriated for UPC 113247 - Riverside Drive East Bound Lane Concrete Base Removal from Audubon Drive to Arnett Boulevard; and

WHEREAS previously approved and appropriated capital funds will be used to meet the City's obligations for the required local match.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2019 Budget Appropriation Ordinance be, and is hereby, amended by using anticipated Revenue Sharing Program fund revenues from the Virginia Department of Transportation in the amount of \$483,652.00, and such funds to be appropriated as follows:

**ANTICIPATED REVENUES**

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund UPC 113247 - Riverside Drive EBL Concrete Base Removal Audubon to Arnett	61475999-47465	<u>\$483,652.00</u>

**ANTICIPATED EXPENDITURES**

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund UPC 113247 - Riverside Drive EBL Concrete Base Removal Audubon to Arnett	47475999-50	<u>\$483,652.00</u>

AND BE IT FURTHER ORDAINED that a flexible budget is hereby authorized whereby appropriations may be increased to the extent that actual revenues exceed the original revenue budget amount; 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-2080**

**Work Session Item #: C.**

**Work Session Meeting**

**Meeting Date:** 03/19/2019

**Subject:** Virginia Department of Transportation - Locality Commitment to Provide Funding for Approved Projects - Signature Authority

**From:** Brian Dunevant, Assistant Public Works Director & City Engineer

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**COUNCIL ACTION**

Work Session Meeting: 03/19/2019

**SUMMARY**

The Virginia Department of Transportation (VDOT) is requesting a resolution affirming the City's commitment to fund the locality share of approved projects under agreement with the Virginia Department of Transportation. The resolution also provides signature authority for project agreements and addendums.

**BACKGROUND**

Each year, the City of Danville submits various transportation project applications to VDOT. Certain funding programs require the locality to match a certain percentage of the allocated VDOT funds. Some projects also require project agreements to be executed by the City Manager.

**RECOMMENDATION**

It is recommended that City Council adopt the accompanying resolution that affirms the City's commitment to funding the locality's share of approved projects and that authorizes the City Manager to sign agreements and addendums for any approved projects with the Virginia Department of Transportation.

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**Attachments**

[Resolution](#)

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PRESENTED: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

RESOLUTION NO. 2019-\_\_\_\_.\_\_\_\_

A RESOLUTION AFFIRMING CITY'S COMMITMENT TO FUND THE LOCALITY SHARE OF PROJECTS UNDER AGREEMENT WITH THE VIRGINIA DEPARTMENT OF TRANSPORTATION AND PROVIDE SIGNATURE AUTHORITY FOR PROJECT AGREEMENTS AND ADDENDUMS.

WHEREAS, the City of Danville is a recipient of Virginia Department of Transportation funds under various grant programs for transportation-related projects; and

WHEREAS, the Virginia Department of Transportation requires each locality, by resolution, to provide assurance of its commitment to funding its local share.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Danville, Virginia hereby commits to fund its local share of preliminary engineering, right-of-way, and construction (as applicable) of the project(s) under agreement with the Virginia Department of Transportation in accordance with the project financial document(s); and

BE IT FURTHER RESOLVED, that the City Manager, and/or his or her designees, is authorized to execute all agreements and/or addendums for any approved projects with the Virginia Department of Transportation.

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

Approved as to  
Form and Legal Sufficiency:

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City Attorney

# Council Letter

## City of Danville, Virginia



**CL-2087**

**Work Session Item #: D.**

**Work Session Meeting**

**Meeting Date:** 03/19/2019

**Subject:** Multi-Year Budgeting Update

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

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**COUNCIL ACTION**

Work Session Meeting: 03/19/2019

**SUMMARY**

The City Manager will provide an update on the Multi Year Financial Planning Committee's work to date with recommendations on how to close the City's five year funding gap.

**BACKGROUND**

Last year, City Council adopted multi year financial forecasting and budgeting as part of its financial policies. Later that year, the National Resource Network presented the City of Danville with a multi year financial plan and budgeting tool. Since then, the City Manager has held several meetings of the Multi Year Financial Planning Committee. The group met on March 7th to discuss the current status of the budget process and the five year outlook. They recommended that the City Manager provide City Council with an update on their activities and the challenges they see for the upcoming five years.

**RECOMMENDATION**

This item is for presentation and discussion purposes. No action is required, but general guidance is sought.

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**Attachments**

*No file(s) attached.*

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