

April 2, 2019

A Regular Work Session of the Danville City Council convened on April 2, 2019 at 7:38 p.m. in the Conference Room located on the Fourth Floor of the Municipal Building. Council Members present were: 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 (6). James B. Buckner, L.G. "Larry" Campbell Jr., and Adam J. Tomer were absent (3).

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 Whittle, Minutes from the Regular Work Session held on March 5, 2019, were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

## **REVIEW OF PROPOSED REVISION TO DANVILLE TRANSIT'S BUS ADVERTISING POLICY**

Council Member Saunders noted he read the package and questioned, would private for profit be able to use the advertising and Director of Transportation Marc Adelman noted they would. Currently, the private, for profit customers are renting space from a company that coordinates the City's bus advertising. Staff is looking at using four buses in the fleet to promote transit operations. Mr. Saunders questioned the rate or fee and Mr. Adelman explained they would just be paying for the production and installation of the ad. For the private sector, there would be a charge.

## **DISCUSSION OF THE FY 2020 PROPOSED BUDGET**

City Manager Ken Larking handed out a document, *Danville Public Schools Questions*, which were questions brought up in the last budget work session. (A copy of all handouts have been retained in Laser fiche in the City Clerk's folder, *Presentations to Council*.) Mr. Larking explained the first few pages have information from Danville Public Schools, including a chart showing Support of Schools as a Percentage of Revenue. The last page was related to questions on the Cigarette Tax, showing peer cities' cigarette tax revenue. Mr. Vogler noted the chart only focused on the revenue to the locality off the cigarette tax, not the impact of sales to the businesses. Mr. Larking noted staff didn't have the ability to get that data; it was an individual experience for each store.

Ms. Thomasson distributed an updated *Fixed and Mandated Costs* sheet, and noted she included for each office, the number of employees that office had in the General Fund, and a summary of how many employees total, are in the General Fund. On the last page, of the departments listed there are 601 employees, and 102 mandated social services positions giving the General Fund a total of 703 employees. Ms. Thomasson noted there are 294 Public Safety employees, Juvenile Detention funded by state grants and partners are 49 positions, Finance has 14 employees in customer accounts that are funded by Utilities. Employees that are required by City Charter include Real Estate Assessment Office, City Manager, City Attorney and City Clerk. When those positions are removed, that leaves 239 employees. Mr. Larking stated of the 239 that are remaining, those are positions such as Parks and Recreation, Planning, Zoning, Building Inspections, Finance, Administration, and Collections; they are not non-essential positions, that was the number that is left after the mandated and public safety positions.

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Mr. Saunders noted several years ago, the City cut positions and Ms. Thomasson stated it was forty-two positions. Mr. Saunders questioned if that number has gone back up and Ms. Thomasson noted it had, but none of the positions that were eliminated were added back except for one in the Commonwealth Attorney's office. The positions that have been added include six or seven for police and the State required the City to put the Clerk of the Circuit Court on their payroll; that was about fifteen employees. There have been some grant funded positions that have been added, the State has added more positions to the Sheriff's Office and mandated positions in Social Services.

Ms. Thomasson noted another question was asked, when did the City last increase the contribution to the Life Saving Crew and stated that was in 2008; the City went from \$40,000 to \$80,000.

Mr. Larking explained the only budget they planned to discuss tonight was Economic Development; a portion of the budget can be discussed in open session and a portion has to be discussed in closed session as it has to do with unannounced economic development projects.

#### Economic Development Budget

Ms. Thomasson noted behind each department budget are the capital projects. Council had no questions on the budget for Economic Development. Mr. Larking noted the sheet that was handed out on the Economic Development incentives show a number of budgeted items for announced projects that the City has planned to undertake in the next budget.

Mr. Shanks asked for an explanation of Internal Services and why does it increase so much. Ms. Thomasson noted Internal Services are the charges that are interdepartmental and also includes vehicles and the service that IT provides; it is a cross charge from IT for their support of the PCs. If a department gets new equipment or software, that fee goes up.

#### **ECONOMIC DEVELOPMENT UPDATE**

Director of Economic Development Telly Tucker gave an update on the PRA project, specifically about a request that needs to go on an upcoming business agenda. PRA, in December just before Christmas, announced five hundred jobs in Airside Industrial Park. The plan was to purchase the property from the IDA for \$6M. As part of the agreement with PRA, the City has to produce a clear title to that property. During the last refinancing of Telvista, the City took an additional lien out on the building for a loan that Telvista had related to purchasing equipment and doing some of the buildout within the building. In order for them to close on that property, which is scheduled for April 22, 2019, that lien has to be lifted by the City which will need action from Council. Mr. Tucker reminded Council the outstanding lien amount was \$916,901; when Telvista vacated the building, they paid \$384,000 in exchange for early termination of the lease. They have also relinquished all the equipment that was in the building; that equipment has been distributed to various City departments for their use. It was divided between IT, Public Works, Finance, the Fire Department, and Economic Development. Mr. Vogler questioned if there was an estimated value of the equipment and Mr. Tucker stated it was difficult to put a value on it as it was used. First choice was given to City departments that could use some of the furniture or equipment, the remainder of it Public Works has stored and put some on Govdeals to be auctioned off. Mr. Tucker stated he would try to come up with a value.

Mr. Saunders questioned when PRA would start taking applications and how do people apply. Mr. Tucker explained he has not received any update from the company when they plan to start taking applications. Initially, they had estimated the end of April, there was some building up-fit they need

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to do and furniture has been ordered for the building. He estimated they have two to three months of construction and would guess they would start interviewing in May. There will be a link on their website, and Economic Development will circulate that through their office and the Chamber of Commerce. Dr. Miller noted he liked the idea of other departments in the City using the equipment and questioned if the new company wanted any of it. Mr. Tucker stated there were a few pieces they wanted to keep, but they have about \$3M of new equipment they are going to buy.

### **CLOSED MEETING**

At 8:17 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 Shanks and carried by the following vote:

VOTE: 6-0-3  
AYE: Jones, Miller, Saunders,  
Shanks, Vogler and Whittle (6)  
NAY: None  
ABSENT: Buckner, Campbell, Tomer

Upon unanimous vote at 10:52 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:

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VOTE: 6-0-3  
AYE: Jones, Miller, Saunders,  
Shanks, Vogler and Whittle (6)  
NAY: None  
ABSENT: Buckner, Campbell, Tomer

Mr. Tucker noted staff needed a consensus on an item that needs to put on the agenda for the meeting on the 16<sup>th</sup> for City Council to forgive a loan to the IDA for the PRA Group. Mr. Whitfield explained the City loaned the IDA \$1.6M to build the Telvista building. The remainder of the loan needs to be forgiven so the lien can be released; PRA will buy the building and locate in Danville. Council Members noted their agreement to putting this item on an upcoming agenda.

MEETING ADJOURNED AT 10:55 P.M.

APPROVED:

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MAYOR

ATTEST:

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CITY CLERK