

August 8, 2019

A Regular Work Session of the Danville City Council convened on August 8, 2019 at 8:23 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, 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 Saunders and **second** by Council Member Campbell, Minutes from the Regular Work Session held on June 18, 2019 were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

CONSIDERATION OF CHANGES TO CHAPTER 32 OF THE DANVILLE CITY CODE FOR THE EMPLOYEE RETIREMENT SYSTEM

Director of Human Resources Sara Weller noted what was before Council were the proposed changes to the Employee Retirement System. The National Resource Network recommended the City make changes to the retirement system, requiring employee contributions. Staff's recommendation was that this be for new employees moving forward, effective September 1, 2019, with the lesser of either 50% of what the City was contributing for employees, or the contribution for VRS Hybrid Plan. Currently, the VRS Hybrid Plan is 5%, so no employee would contribute more than 5% for Fiscal Year 2020. Dr. Miller questioned what if an employee wanted to start contributing and Ms. Weller noted the City was not prepared to do that at this time. Staff had some conversations about that, but right now, they want to continue with keeping the plan as is. The City does have a 457 plan which was very similar to a 401K that employees can contribute to voluntarily. In response to Dr. Miller, Ms. Weller noted there are nine other systems in Virginia that have their own retirement system, and they all require employee contributions; Danville was the only one that didn't. Mr. Shanks noted he appreciated Ms. Weller putting this together. Mr. Saunders questioned with new employees being required to pay into the retirement plan, will that negatively impact recruitment and Mr. Larking stated he does not anticipate a negative impact, it was a common practice. Vice Mayor Vogler noted the City brought in the NRN to give suggestions that would help the City on a path of fiscal sustainability; this was one of those suggestions and Mr. Vogler stated it is a good one.

Council agreed to put this on an upcoming business agenda.

CONSIDERATION OF AUTHORIZING THE CITY MANAGER TO ENTER INTO A CAPACITY AGREEMENT FOR ENERGY STORAGE

Mr. Larking noted staff has requested this item be pulled from the Agenda.

CONSIDERATION OF AUTHORIZING THE CITY OF DANVILLE TO ENTER INTO A TURN-BACK AGREEMENT WITH TRANSCO.

Director of Utilities Jason Grey explained 100% of the City's natural gas was delivered over the Transcontinental Gas Pipeline, it comes from the Gulf through Virginia up to New York. There are

August 8, 2019

different points on the pipeline from Texas through Louisiana that the City receives gas from. Transco has offered the City a ten year discount if they telescope all of the City's capacity to one station on the Louisiana/Mississippi border and give them that capacity for a certain amount; it would provide a savings to the City for the next years and then the City would receive it back. The total savings, if they do the full amount they originally asked for, would provide about \$180,000 a year savings.

Council agreed to put this on an upcoming agenda.

ECONOMIC DEVELOPMENT UPDATE

City Manager Ken Larking explained Danville was part of the Staunton River RIFA and currently was at 23% participation; this was the joint industrial park that was located at Hurt. The Town of Altavista decided to withdraw their 23% and the County has asked if there was an interest on the part of the City to take some of that 23% from Altavista. There was an annual cost with SR RIFA which was related to the purchase of the property. Mr. Campbell questioned why Altavista backed out and Mr. Larking stated it was new to them and they were expecting a much quicker return on investment.

Mr. Saunders questioned the staff recommendation; Mr. Larking noted he spoke with Mr. Tucker and their recommendation is 30 to 35%, which is several thousand dollars more per year. The County's share is 50%, Altavista is 23%, Danville is 23% and Hurt is 4%. With Altavista leaving, the County was willing to go to 73%, or something less than that; they are offering Danville the opportunity to take a portion of that 23%. Mr. Tucker stated of that 23%, he and the City Manager would recommend taking no more than half of that, about 11.5%, or get the City up to 35%; he would not recommend going above 35%. Mr. Tucker explained there would be a \$35,000 contribution the City would make each year that goes toward buying the property. The property was privately owned, and there was a purchase option. Right now, the City was contributing about \$23,000. Mr. Tucker explained it would have to come to Council to amend the Cost and Revenue Sharing Agreement; staff wanted direction from Council.

Council agreed to go to 35%.

Mr. Tucker explained regarding the Sky Valley/Lighthouse acquisition, when Sky Valley came in five years ago, the IDA financed the purchase to up fit to the building for the floor drains. It was on a twenty year amortization schedule with a five year refinance provision in the loan. They are at five years, Lighthouse was taking over that lease and they need a couple more months in order to figure out what they are going to invest to up fit and expand that facility. Instead of it being refinanced now and then having to potentially refinance it again in a couple months when Lighthouse works out their up-fits, it would save the City money to just extend the current loan and when Lighthouse was ready to do the refinance, they will go to the Bank. In order to extend the current loan, the City has to extend the Moral Obligation. The Bank has agreed to extend the loan for another six months, and staff would ask Council for the extension of the Moral Obligation on the August 20th meeting.

There were no objections from Council to putting this on an upcoming business agenda.

Assistant Director of Economic Development Corrie Bobe noted staff sent out an RFP for a consultant for a parking study for downtown. They have narrowed it down to four and will be interviewing them next week.

August 8, 2019

Grizzly's Axe Throwing will have their official ribbon chopping on the 16th of this month and asked Council to join them.

COMMUNICATIONS

Dr. Miller requested an update on the lights on the bridges and Mr. Larking explained it has been looked at in the past and would be a budgetary item. Staff has been looking at having that as part of the park, to have the bridge behind it lit.

CLOSED MEETING

At 8:47 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 for economic development purposes; 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 Campbell 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 9:46 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 Buckner and carried by the following vote:

August 8, 2019

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

MEETING ADJOURNED AT 9:47 P.M.

APPROVED:

s/ Alonzo L. Jones
MAYOR

ATTEST:

s/ Susan M. DeMasi, CMC
CITY CLERK