



DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

May 17, 2022

7:00 P.M.

PRESIDING: Alonzo L. Jones, Mayor

CITY COUNCIL MEMBERS: James B. Buckner
L.G. "Larry" Campbell, Jr.
Bryant Hood
Barry P. Mayo

Dr. Gary P. Miller, Vice Mayor
Sherman M. Saunders
J. Lee Vogler, Jr.,
Madison J. Whittle

STAFF: Ken F. Larking, City Manager
Earl B. Reynolds, Jr., Deputy City Manager

W. Clarke Whitfield, Jr., City Attorney
Susan M. DeMasi, City Clerk

The City Council is the City of Danville's legislative body and is composed of nine Council members. Council members are elected to serve a four year term of office and elects one of its own to serve as Mayor and presiding officer for a two year term.

Time and Place of Meeting

The public is invited and encouraged to attend and participate in the City Council meetings. The City Council meets in the City Hall, Fourth Floor, Council Chambers at 7:00 p.m. on the first and third Tuesday of each month. All meetings of the Council are open to the public.

Communications from Visitors

Communication from Visitors is an opportunity for citizens to address Council on matters not on the agenda. Citizens who desire to speak on agenda items will be heard when the agenda item is considered. Each speaker shall clearly state his or her name and address. Each individual speaker shall have five uninterrupted minutes. A representative of a group may have up to ten uninterrupted minutes to make a presentation. The representative shall identify the group and a group may have no more than one spokesperson. Time will be kept using the electronic timer on the podium.

Guidelines for Public Hearings

For Public Hearings the applicant or his or her representative shall be the first speaker(s). There shall be a time limit of ten (10) minutes for the applicant's or his or her representative's presentation. The presiding

officer shall then solicit comments from the public, asking those in favor of the proposal to speak first, and then those opposed to the proposal. Each speaker must clearly state his or her name and address. There shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify the group at the beginning of his or her remarks. A group may have no more than one spokesperson. The presiding officer may limit or preclude comment which is repetitive, redundant, cumulative, or irrelevant to the subject of the public hearing. After public comments have been received, in a land use case, the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5) minute time limit for rebuttal.

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - J. Lee Vogler, Jr.

PLEDGE OF ALLEGIANCE TO THE FLAG

COMMUNICATIONS FROM VISITORS

Citizens who desire to speak on matters not listed on the agenda will be heard at this time. Citizens who desire to speak on agenda items will be heard when the agenda item is considered.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine, have previously been discussed by City Council and/or introduced for First Reading. There will be no separate discussion on these items and they will be enacted by one motion. If discussion is desired by a Council Member or a citizen, the item(s) will be removed from the consent process and considered separately.

- A. Public Hearing

- B. Consideration of Approval of Minutes from Regular Council Meeting held on April 19, 2022.
Council Letter Number CL - 2774.

- C. Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for School Bonds.
Council Letter Number CL - 2763.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of General Obligation Bonds and Appropriating Same for Anticipated Expenditures.

FINAL ADOPTION

OLD BUSINESS

- A. Consideration of Amending Danville City Code Regarding Real Estate Tax Exemption and Deferral for Certain Elderly and Disabled Persons.
Council Letter Number CL - 2755.

An Ordinance Amending and Reordaining Section 37-62, Entitled "General Restrictions, Conditions and Qualifications" and Section 37-66, Entitled "Amount of Exemption and/or Deferral" of Article IV, Entitled "Real Estate and Mobile Home Tax Exemption and Deferral for Certain Elderly and Disabled Persons," of Chapter 37, Entitled "Taxation," of the Code of the City of Danville, 1986, As Amended.
FINAL ADOPTION

- B. Consideration of Approving the Fiscal Year 2023 School Board Budget.
Council Letter Number CL - 2761.

A Resolution Approving the Budget of the School Board of the City of Danville for the Fiscal Year Ending June 30, 2023.
FINAL ADOPTION

NEW BUSINESS

- A. Review of the General Fund Financial Reports as of April 30, 2022.
Council Letter Number CL - 2734.

- B. Consideration of Maintaining the Current Real Estate Tax Rate.
Council Letter Number CL - 2754.

1. Public Hearing
2. An Ordinance Affirming the Real Estate Tax Rate of \$0.84 on Every One Hundred Dollars (\$100.00) of Assessed Value.
FIRST READING

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-2774

Consent Agenda B.

City Council Regular Meeting

Meeting Date: 05/17/2022

Subject: Consideration of Approval of Meeting Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 05/17/2022

SUMMARY

Consideration of Approval of Minutes from Regular Council Meeting held on April 19, 2022.

Council Letter Number CL - 2774.

Attachments

Meeting Minutes

April 19, 2022

The Second Regular April meeting of the Danville City Council was held on April 19, 2022, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: Bryant Hood, Mayor Alonzo L. Jones, Barry Mayo, Dr. Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (7). James B. Buckner and L.G. "Larry" Campbell Jr. were absent (2).

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

Mayor Jones presided.

INVOCATION AND PLEDGE OF ALLEGIANCE

The Invocation was given by Sherman M. Saunders, followed by the Pledge of Allegiance to the Flag.

CONSENT AGENDA

Council Member Vogler **moved** for adoption of the following Consent Agenda items:

Minutes from the Regular Council Meeting held on March 15, 2022. Draft copies of the minutes had been distributed prior to the meeting.

Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Public Safety Technology Modernization

An Ordinance entitled, Ordinance No. 2022-03.07, an Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Increasing Revenues from Various Taxes to Purchase Public Safety Modernization Software and Hardware an Appropriation in the Amount of \$1,500,000 and Appropriating the Same.

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

VOTE: 7-0-2
AYE: Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (7)
NAY: None
ABSENT: Buckner and Campbell (2)

REVIEW OF GENERAL FUND FINANCIALS AS OF MARCH 31, 2022

Chief Financial Officer Michael Adkins noted with 75% of the fiscal year complete, revenues were continuing on a positive path, as they have seen for the first three quarters of this year, at \$77.8M and 67% of budget, up \$3.7M from last year. Increases were mainly seen in two categories, General Property Taxes and the Local Consumer Taxes with about \$1M more in General Property Taxes. That was split pretty evenly, \$500,000 with Real Estate and \$500,000 with Personal Property; this was a result of higher assessed values in the last assessment about a year ago. Local consumer taxes were \$2.7M of the increase; the main four categories showing increased activity included business licenses, meals, sales, and lodging. Meals Tax was about \$1M over the prior year; this year, for the first nine months, the City collected \$7.3M, which was 86% of budget with the City at 75% of the year complete. Sales tax was about \$600,000 over last year,

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currently at \$81.M and 80% of budget. Lodging taxes were also above last year by \$425,000; currently the City has collected about \$1.5M and 98% of the budget. Mr. Adkins noted he looked at the lodging taxes collected through today, and the City received a few payments the first week of April that really related to March. If those had come in at the end of March, the City would have been \$31,500 over, ending the third quarter over budget. Most of the Business Licenses were paid in March, some companies opt to do it quarterly, but at the end of March, the City was \$535,000 over last year; they have collected about \$5.3M and that was 98% of budget. With the quarterly payers, Mr. Adkins noted he was sure the City will exceed budget by the end of June.

Mr. Adkins stated under the State Telecommunications Tax, the City budgeted about \$2.6M, and if he had to forecast that, he believed the City will come in at \$2.3M, about a \$300,000 shortfall. He was not concerned, as the City's overages in consumer driven taxes, real estate and personal property, will more than make up for that deficit. Mr. Adkins explained if he had to speculate, a large part of that would be residences that had both a land line and cellular phones, and were dropping the land lines. Also, perhaps, streaming services were replacing cable arrangements and thinks those two things were playing into the decrease of tax there. Other than that, all the state and federal revenues were right on target.

On the Expenditure side, the City has spent \$88M, 71% of budget and behind the 75% mark. Departmental Spending was at 67% of budget; the major two categories that make up Non-Departmental Expenditures were Group Health Insurance and that was just under 75%, tracking well with budget, and the City's debt service at 100%, where it should be. Most of the debt service payments were paid in September and March each fiscal year; in March they made their last debt service payment and were paid 100% of budget at this point. With regard to Transfer to Schools, throughout the first half of the year there was some delay in getting State funding in to reimburse the schools, and they spent more of the local funding; that has leveled out now. The Contribution to Schools has hit 73% of budget so their State funding has caught up, they were on track now and that 73% was more in line with what they would expect at this point in the year. Mr. Adkins noted he had no other concerns and it looks like the fiscal year will end pretty well.

Mayor Jones asked Mr. Adkins to discuss the used vehicle tax and Mr. Adkins explained one of the negative impacts of the pandemic was the disruption of the semi-conductor chips that were used in automobile manufacturing. There has been a very stark decrease in supply of new cars which translated into a decreased supply of used cars as well because people were having to hold on to their cars maybe longer than usual. This has driven up the value of all cars, new and used. The Personal Property tax rate was the same as it had been, but the underlying value of the cars has gone up which will result in a higher tax bill; they increased quite a bit, some from 25% to 45%, but on average about 30-35% increase in value. Each year, the state gives the City a set amount of money, about \$3.5M, and they spread that across every tax payer that has a personal use vehicle; that dollar amount does not change. With the increased tax liability personal vehicle owners would see this year, the City needed to do something to offset the drastic increase in that personal property tax, and has added on about 30% additional relief.

Council Member Whittle questioned the \$33M disbursement to the schools, there was another \$9M, close to \$10M disbursement and Mr. Adkins explained their total budget this year was \$33.6M and that was the City's normal contribution to their operations, plus debt service, plus any carryover they had last year. At the end of March, the City had actually provided about \$24.5M of that so far to the schools.

Mr. Vogler thanked Mr. Adkins for discussing the property tax relief as Council Members have received questions about it. That tax relief was built into everyone's bill every year, but because

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of the increased value in assessment of used cars, the value of cars has gone up, the assessments have gone up. The tax rate, even though it was flat, people would be paying more if not for the City increasing the amount of relief, and thanked Mr. Adkins, the City Manager and staff who worked on that.

Mr. Vogler asked Mr. Adkins to discuss the Real Estate Tax Relief and Exemptions for Senior Citizens and the permanently disabled, and Mr. Adkins noted at the next council meetings, there will be a first reading and a final adoption, for a change in the city code. The first step to enhance the relief for elderly and disabled real estate was to raise the income limit from \$20,000 to \$30,000. Depending on the income, citizens either had the ability to abate the tax, which means they would not owe any, or defer it, which means it would go into holding and would eventually have to be paid once the property changed hands. The code change staff was proposing was to increase the income limit to \$30,000, do away with the deferral option and just make it either 100% abated or 50% abated depending on the income level. That may not be the last change they make; it was hard to know the effects of that change, they don't know how many people would apply or how many were qualified for the advanced abatement. After a fiscal year, they will be in a position to assess that and see if there were any additional enhancements they can make to the that policy. Mayor Jones asked staff to consider the veterans in that policy, Mr. Adkins noted he would and stated there was an existing abatement program for veterans; he believes they have to be totally disabled through active service. If there was anyone out there that feels they qualify for that, they need to apply.

RELEASING EXISTING TAX LIENS ON PARCEL 21914 AND PARCEL 22219

Council Member Vogler **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2022-04.05

A RESOLUTION APPROVING AND AUTHORIZING THE RELEASE OF CITY-HELD LIENS AGAINST REAL PROPERTY IDENTIFIED AS PARCEL #21914 (120 & 122 KEMPER ROAD) and #22219 (124 & 126 KEMPER ROAD) TO FACILITATE THEIR TRANSFER TO THE DANVILLE NEIGHBORHOOD DEVELOPMENT CORPORATION.

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

VOTE: 7-0-2
AYE: Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (7)
NAY: None
ABSENT: Buckner and Campbell (2)

COMMUNICATIONS

There were no communications from the City Manager, Deputy City Manager, City Attorney or City Clerk.

ROLL CALL

Council Member Mayo noted that Pittsylvania County Communication Action was holding a Mutt Strut; it would be held May 21, 2022 at Chatham High School track with prizes for dogs. This was a fundraiser for PCCA and Mr. Mayo would be the emcee.

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Vice Mayor Miller noted he spoke with Rev. Bridgeforth, he was retired from Shiloh Baptist, but was still preaching, and did a Sunday Easter Service this weekend. His son, Reverend Ezekiel Bridgeforth was at the Almagro dedication Friday; it was a great event, held at the events centers, called the Venue.

Council Member Vogler noted the Danville Wine Festival will be April 30th at the Community Market, it was a great fundraiser for local organizations. There will be a Michael Jackson tribute show May 1st at the North Main Theatre, and on May 2nd, the Schoolfield District will have events and meetings. Mr. Larking explained there were events planned related to Schoolfield all week and starting on the 2nd. Mr. Vogler noted if citizens look up the Schoolfield District in Danville they will be able to find the information, and there will be a lot of great things happening there.

Council Member Whittle noted he was in Almagro looking at one of the properties that had been a former hospital, and asked Deputy City Manager Earl Reynolds to read the Historic Marker that was erected recognizing Peters Park. Mr. Reynolds read, *James Peters Sr. (ca. 1883-1970) opened Peters Park, also called the Almagro Baseball Stadium, at this site in 1948. The park was home to the Danville All-Stars, an African American baseball team that Peters sponsored. The stadium was state of the art when it opened, being one of the first in the country to boast lights to permit nighttime usage. Peters Park became an important part of the African American community, hosting Sunday afternoon baseball games as well as community events. In 1952 the park closed because of the racial integration of baseball and the ability to watch the sport on television.* Mr. Whittle noted it showed the enormous amount of history that came out of the area. Mr. Whittle asked if the City Manager had a chance to check on Mountain View Avenue, to help slow down the traffic; there have been six or seven accidents in the area.

Mayor Jones noted a thank you to all the many partners who support the City. College graduations begin in a couple weeks, his son will be graduating from ODU, and he thinks about the people that have helped their children including all the different educators. Barry Mayo, Tommy Bennett and he recently spoke at Project Imagine; Mr. Bennett stated he wanted to give them something from the NAACP for their hard work, and was sponsoring a trip to A&T in Greensboro at no cost to the children. Mayor Jones thanked everyone who partnered with and supported the City, and thanked city staff for looking at ways to help the citizens.

The meeting adjourned at: 7:28 p.m.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter

City of Danville, Virginia



CL-2763

Consent Agenda C.

City Council Regular Meeting

Meeting Date: 05/17/2022

Subject: Fiscal Year 2022 Budget Appropriation Ordinance for School Bonds

From: Henrietta Weaver, Accountant

COUNCIL ACTION

First Reading: 05/03/2022

Final Adoption: 05/17/2022

SUMMARY

The City Council has authorized the issuance of General Obligation Bonds to fund various capital projects for Danville Public Schools.

BACKGROUND

The Virginia General Assembly approved HB 1634, which was signed into law by the Governor on March 19, 2019, and which took effect on July 1, 2019, as Chapter 648 of the 2019 Acts of the General Assembly of the Commonwealth of Virginia. HB 1634 is codified at Virginia Code §58.1-605.1. It provides the City of Danville with the statutory authority to levy a general retail sales tax at a rate not to exceed one percent (1%) to provide revenue solely for capital projects for the construction or renovation of schools in the City of Danville if approved by a majority of the voters in a referendum, held in accordance with Virginia Code §24.2-684 and initiated by a resolution of the Council of the City of Danville. This resolution was passed by City Council on June 1, 2021, and the citizens of Danville voted to approve this in November 2021.

RECOMMENDATION

It is recommended that the City Council adopt the attached ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance for bonds issued for Danville Public Schools capital projects.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2022-_____ - _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE BY ANTICIPATING THE PROCEEDS FROM THE ISSUANCE OF GENERAL OBLIGATION BONDS AND APPROPRIATING SAME FOR ANTICIPATED EXPENDITURES.

WHEREAS, the City Council has authorized the issuance of general obligation bonds for the purpose of funding Danville Public Schools capital needs in an amount not to exceed \$141 million, with the recently passed 1% local sales tax option as the funding source for the related debt service; and

WHEREAS, the Council of the City of Danville, Virginia approved on December 21, 2021, a Resolution of official intent to reimburse expenditures with proceeds of a borrowing.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia that the Fiscal Year 2022 Budget Appropriation Ordinance be, and it is hereby, amended by anticipating the funds from the sale of bonds and appropriating same, as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Special Revenue Fund:		
Proceeds from Sale of Bonds	61754000-43122	\$127,000,000
Premium on Bonds	61754000-44090	\$ 11,697,200
Total		<u>\$138,697,200</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Special Revenue Fund:		
Contribution to Other Entities	61754999-55005	\$137,437,430
Bond Issue Expense	61754999-58335	\$ 1,259,770
Total		<u>\$138,697,200</u>

AND BE IT FURTHER ORDAINED, that this appropriation shall be a flexible budget allowing for the posting of the proceeds to the appropriate accounts to accommodate the actual bond issuance costs; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 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:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2755

Old Business A.

City Council Regular Meeting

Meeting Date: 05/17/2022

Subject: City Code Change - Elderly and Disabled Real Estate Tax Exemption

From: Michael Adkins, Director of Finance

COUNCIL ACTION

First Reading: 05/03/2022

Final Adoption: 05/17/2022

SUMMARY

This ordinance will change Danville City Code Sections 37-62 and 37-66 with regard to the City's Elderly and Disabled Real Estate Tax Exemption Program. The maximum allowed income will be increased from \$20,000 to \$30,000, allowing increased participation in the exemption program. In addition, the option for qualified applicants to defer real estate tax will be replaced with an exemption of tax.

BACKGROUND

Danville City Code Sections 37-62 and 37-66 provide for the exemption or deferral of real estate taxes for qualifying elderly or disabled citizens. Currently, those who are at least 65 years old and have household income of \$20,000 or less qualify for this program. An exemption of 100% of real estate taxes is granted to those with income of \$10,000 or less; 50% exemption to those with income between \$10,001 and \$15,000; and 100% deferral to those with income between \$15,001 and \$20,000. The income limits for this program have not been adjusted since its inception several decades ago. In addition, the deferral program often results in an unanticipated tax burden for surviving family members that often goes unpaid. For these reasons, staff is suggesting to increase the income limit from \$20,000 to \$30,000 and replacing the deferral option with an exemption.

The suggested code change will provide qualifying applicants 100% exemption for income between \$0 and \$15,000 and 50% exemption for those with income between \$15,001 and \$30,000. Because the exact household income of citizens and the number of households that will qualify under new income limits is unknown, it is difficult to estimate the budgetary impact of changes to this program. Staff is recommending this as an initial change. Once the financial impact of this change is realized, consideration can be given to additional changes.

RECOMMENDATION

Staff recommends adoption of the attached ordinance to incorporate the suggested changes to the City's tax exemption program for the elderly and/or the permanently and totally disabled.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2022-____.____

AN ORDINANCE AMENDING AND REORDAINING SECTION 37-62, ENTITLED "GENERAL RESTRICTIONS, CONDITIONS AND QUALIFICATIONS" AND SECTION 37-66, ENTITLED "AMOUNT OF EXEMPTION AND/OR DEFERRAL" OF ARTICLE IV, ENTITLED "REAL ESTATE AND MOBILE HOME TAX EXEMPTION AND DEFERRAL FOR CERTAIN ELDERLY AND DISABLED PERSONS," OF CHAPTER 37, ENTITLED "TAXATION," OF THE CODE OF THE CITY OF DANVILLE, 1986, AS AMENDED.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that Article IV, entitled "Real Estate and Mobile Home Tax Exemption and Deferral for Certain Elderly and Disabled Persons," of Chapter 37, entitled "Taxation," of the Code of the City of Danville, Virginia 1986 as amended, be, and the same is hereby, amended and reordained to read as follows:

Chapter 37. TAXATION

Article IV. Real Estate and Mobile Home Tax Exemption and Deferral for Certain Elderly and Disabled Persons

Sec. Sec. 37-62. General restrictions, conditions and qualifications.

- (a) The exemption and deferral provided by this article shall be subject to the following restrictions, conditions and qualifications:
- (1) That the title to the property for which such exemption and/or deferral is claimed must, on the thirtieth day of June immediately preceding the tax year for which the exemption and/or deferral is claimed, be owned or partially owned by the person or persons claiming the exemption and/or deferral.
 - (2) That the property for which the exemption and/or deferral is claimed must be occupied as the sole dwelling of the person or persons claiming the exemption and/or deferral.
 - (3) That the person or persons, claiming the exemption and/or deferral must, on the thirtieth day of June immediately preceding the tax year for which the exemption and/or deferral is claimed, be sixty-five (65) years of age or older, or be permanently and totally disabled.

- (4) That the total income during the calendar year immediately preceding the tax year for which the exemption and/or deferral is claimed, from all sources of the owners of the dwelling living therein and of the owners' relative living in the dwelling for which tax relief as set forth under this article is claimed does not exceed ~~twenty~~ **thirty** thousand dollars (~~\$230,000.00~~); provided that the first four thousand dollars (\$4,000.00) of income of such relative, other than a spouse, who is living in the dwelling shall not be included in such total income. An owner who is permanently and totally disabled shall deduct an additional seven thousand five hundred dollars (\$7,500.00) from their total income for a total of ~~twenty~~ **thirty**-seven thousand five hundred dollars (~~\$237,500.00~~).
- (5) That the combined financial worth, including equitable interests of all owners of the dwelling for which the exemption is claimed, and of the spouse of each such owner, does not exceed fifty thousand dollars (\$50,000.00) as of the thirty-first day of December next preceding the tax year for which the exemption and/or deferral is claimed excluding:
- a. The value of the dwelling and the land, not exceeding one (1) acre, upon which it is situated.
 - b. The value of furnishings, including furniture, household appliances and other items typically used in a home.
- (6) That a dwelling jointly owned by a husband and wife may qualify if either spouse is over sixty-five (65) years of age or is permanently and totally disabled.
- (b) The fact that persons who are otherwise qualified for the exemption and/or deferral provided for in this article are residing in hospitals, nursing homes, convalescent homes or other facilities for physical or mental care for extended periods of time shall not be construed to mean that the property for which the tax exemption and/or deferral is claimed does not continue to be the sole dwelling of such persons during such extended periods of other residence, so long as such property is not used by or leased to others for consideration.

Sec. 37-66. Amount of exemption and/or deferral.

- (a) The tax exemption and/or deferral determined by the total income of those applicants who meet the combined financial worth standard of fifty thousand dollars (\$50,000.00) or less shall be determined as shown on the following schedule:

	Combined Financial Worth
Total Income	50,000 or less
0— 150,000	100% exemption
150,001—3045,000	50% exemption or 100% deferral plus 5% interest
15,001—20,000	Only 100% deferral plus 5% interest

The maximum annual exemption and/or deferral on any one (1) property shall be seven hundred dollars (\$700.00).

- (b) Such exemption and/or deferral shall be determined and credited only to the tax liability of the person or persons claiming and otherwise qualified for the exemption and/or deferral and for only the property and tax year for which the exemption and/or deferral is claimed and any deferral shall continue to constitute a lien on the dwelling.

AND BE IT FURTHER ORDAINED, that all other provisions and Sections of said Article, Chapter and Code be, and the same are hereby, continued in full force and effect unless and until the same are hereafter amended or repealed.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2761

Old Business B.

City Council Regular Meeting

Meeting Date: 05/17/2022

Subject: Consideration of the Fiscal Year 2023 Danville Public School Budget

From: Henrietta Weaver, Accountant

COUNCIL ACTION

First Reading: 05/03/2022

Final Adoption: 05/17/2022

SUMMARY

The Public Hearing for the Fiscal Year 2023 School Board Budget was scheduled for May 3, 2022. The City's Budget for Support of Schools includes \$22,812,500 for Support of Operations, and \$1,705,390 for Debt Service, for a grand total of \$24,517,890. In addition, the Capital and Special Projects Plan includes \$2,000,000 for various school facilities.

RECOMMENDATION

It is recommended the City Council approve the attached Resolution approving the Fiscal Year 2023 Danville Public Schools Budget.

Attachments

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2022- ____ - ____

A RESOLUTION APPROVING THE BUDGET OF THE SCHOOL BOARD OF THE CITY OF DANVILLE FOR THE FISCAL YEAR ENDING JUNE 30, 2023.

WHEREAS, the School Board of the City of Danville presented to the Council its estimate of the amount of money needed for the support of the public schools of the City during Fiscal Year 2023 which estimate reflected total proposed expenditures in the amount of \$81,829,353; and

WHEREAS, the City shall contribute \$22,812,500 for School Operations and \$1,705,390 for School Debt Service for a total appropriation of \$24,517,890; and

WHEREAS, the City Council does not intend by this resolution to guarantee to the School Board of the City of Danville any contribution for support of schools in future fiscal years above that amount required by Virginia law for support of schools; and

WHEREAS, a brief synopsis of the proposed Budget of the School Board for Fiscal Year 2023 was duly published, and, after public notice duly given, a public hearing with respect thereto has been conducted by the Council, after due public notice thereof, and upon consideration of which it is now necessary and desirable to approve the same as prescribed by law.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia that, pursuant to Section 22.1-93 of the Code of Virginia, 1950, as amended, the attached budget of the School Board of the City of Danville for the Fiscal Year ending June 30, 2023 be, and the same is hereby, approved for educational purposes subject the above recited conditions.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2734

New Business A.

City Council Regular Meeting

Meeting Date: 05/17/2022

Subject: General Fund Monthly Financial Report

From: Michael Adkins, Director of Finance

COUNCIL ACTION

Business Meeting: 05/17/2022

SUMMARY

A brief summary of the General Fund financial results through April 30, 2022, will be given. Financial statements are included.

Attachments

Financial Statements



To: Ken F. Larking, City Manager

From: Michael L. Adkins, Chief Financial Officer

Date: May 6, 2022

Subject: Summary of Preliminary General Fund Financial Results for April 30, 2022

After completing ten months of the fiscal year, revenues are performing well and are exceeding the previous year. At April 30, General Fund revenues were 84,906,514. This represents 72.4% of our FY 2022 budget and an increase of \$4 million over the prior year. Last year, at this time, we had collected \$80,871,067 or 72.3% of budget.

General Property Tax collections continue to perform well with 54.5% of the budgeted real estate tax realized at the end of April. We continue to see steady performance in the collection of delinquent real estate taxes this year with \$810,268 realized through April 30, accounting for 76.4% of the current year budget. Personal property tax collections are at expected levels with collections of 51% and \$5.8 million received through April 30. This represents an increase of \$594,864 from last year at this time. The City receives less than 50% of the Personal Property Tax Relief Act funds from the Commonwealth during the first half of the fiscal year, with the remainder realized in June annually. This practice keeps our personal property tax collection below 50% until the spring billing. Tax bills were received by customers this week and next month's report will begin to show this influx of revenue.

Local consumer taxes have rebounded beyond pre-pandemic levels with \$26,065,904 or 85.8% of budget collected through April 30, ahead of the prior year-to-date collections of \$23,529,172. Sales tax collections through April amounted to \$8,910,704 or 88.1% of budget, an increase of \$669,439 from last year. Meals taxes collected for the first ten months of the fiscal year amounted to \$8,241,880 or 87% of budget, an increase of \$1,104,848 from last year. Business Licenses realized at the end of April exceeded the fiscal year budget and were \$5,522,547, an increase of \$379,905 from the prior year. Lodging taxes received as of April 30 were \$1,665,639 or 91.9% of budget, an increase of \$478,300 from the prior year. Bank stock tax revenues are not due annually until June 5.

With regard to other revenue categories, a decrease of \$345,790 is seen in Non-Categorical Aid, \$100,000 of which is a timing difference with funding for the Welcome Center. The remainder is a decrease in Telecommunications tax revenue. In addition,

there is a \$502,961 decrease in Categorical Aid (State) specifically in Social Services, resulting from lower expenditures. A decrease of \$235,617 is noted in Charges for Services for detention within the City Jail and Adult and Juvenile Detention. Nearly all other revenue categories are at or near the prior year and are tracking well with budget at this point.

Expenditures at April 30 were \$96,854,171 or 76.9% of budget. This is an increase of \$3.4 million when compared to April 30, 2021. The net increase is due to the budgeted increase in and timing of transfers to schools offset by a decrease in the transfers to other funds and a net increase in departmental expenditures. Danville Public Schools has been drawing down local funds much more rapidly this year than last with the resumption of in-person instruction but will not exceed budgeted amounts. The Schools also had a larger than usual carryforward of unspent local funding from the prior fiscal year resulting in the increased budgeted amount for the current year.

Departmental expenditures at the end of April show spending levels at 75% of budget and an increase of \$1.9 million from last year. Most significantly, in the prior fiscal year we allocated one month of public safety salaries to CARES Act funding which amounted to approximately \$1 million. Offsetting the increase in public safety is a decrease within community development related to debt service for the IDA. The IDA will be using proceeds from the sale of the Schoolfield property to cover debt service in FY 2022 and FY 2023.

Overall, General Fund expenditures exceeded revenues by \$11,947,657 at April 30. A deficit is typical for much of the fiscal year in the General Fund because the timing of the revenue recognition is not matched to expenditures. The next influx of revenue will occur in May and June when real estate and personal property tax bills are levied.

At this point, the General Fund is performing well with several revenues exceeding budgeted expectations and departmental expenditures trailing the budget. We will continue to monitor the financial performance in the General Fund and alert you of any significant developments.

CITY OF DANVILLE, VIRGINIA

GENERAL FUND REPORT

83% OF YEAR LAPSED AS OF APRIL 30, 2022

****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
REVENUES:						
Property Taxes	\$ 35,412,000	\$ 19,514,338	55.11%		\$ 15,897,662	\$ 18,433,333
Other Local Taxes	30,364,030	26,065,904	85.84%		4,298,126	23,529,172
License Permits & Privilege Fees	1,196,690	402,135	33.60%		794,555	202,532
Fines & Forfeitures	338,050	181,159	53.59%		156,891	191,633
Revenue From Use Money & Property	1,176,580	1,178,373	100.15%		(1,793)	905,594
Charges For Services	3,295,520	2,433,812	73.85%		861,708	2,669,429
Miscellaneous Revenue	306,170	183,624	59.97%		122,546	255,616
Recovered Cost	8,145,738	6,306,835	77.42%		1,838,903	6,398,705
Non-Categorical Aid	5,726,620	4,189,117	73.15%		1,537,503	4,534,907
Shared Expenses (Categ. Aid State)	5,260,160	4,416,199	83.96%		843,961	4,171,394
Categorical Aid (State)	9,587,440	6,243,858	65.13%		3,343,582	6,746,819
Emergency Services (Federal)	27,020	-	0.00%		27,020	27,013
Categorical Aid (Federal)	-	6,630			(6,630)	10,754
Transfers From Utilities/Cap Project	16,369,363	13,784,530	84.21%		2,584,833	12,794,167
TOTAL REVENUES	\$ 117,205,381	\$ 84,906,514	72.44%		\$ 32,298,868	\$ 80,871,067
EXPENDITURES:						
General Government Administration	\$ 12,158,979	\$ 9,835,985	80.89%	\$ 539,109	\$ 2,322,994	\$ 9,049,556
Judicial Administration	7,546,002	6,187,063	81.99%	20,226	1,358,939	5,945,459
Public Safety	32,989,344	25,540,379	77.42%	1,274,772	7,448,965	24,492,622
Public Works	4,658,674	3,487,021	74.85%	62,493	1,171,653	3,502,935
Health, Education, Welfare & Soc. Svc.	9,358,540	5,571,663	59.54%	70,591	3,786,877	5,687,889
Parks, Recreation & Cultural	5,484,032	3,784,550	69.01%	113,817	1,699,483	3,593,321
Community Development	2,110,985	1,374,677	65.12%	199,821	736,308	1,573,400
Non-Departmental	12,946,303	12,072,595	93.25%	208	873,708	11,128,175
Transfer to Schools - Operating	33,606,300	25,353,240	75.44%	8,253,061	-	21,253,720
Transfer to Capital Projects	3,513,230	2,216,493	63.09%	-	1,296,737	3,965,679
Transfer to Other Funds	1,614,940	1,430,505	88.58%	-	184,435	3,239,592
TOTAL EXPENDITURES	\$ 125,987,330	\$ 96,854,171	76.88%	\$ 10,534,098	\$ 20,880,098	\$ 93,432,350
Revenue over(under) Expenditures		\$ (11,947,657)				\$ (12,561,283)
FUND BALANCE:						
Beginning Fund Balance 07/01/2021		\$ 47,090,495				\$ 43,310,847
Revenue over(under) Expenditures		(11,947,657)				(12,561,283)
Ending Fund Balance 04/30/2022		\$ 35,142,838				\$ 30,749,565
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 15,839,330				\$ 9,906,664
Unassigned		19,303,508				20,842,901
TOTAL FUND BALANCE 04/30/2022		\$ 35,142,838				\$ 30,749,565

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending April 30, 2022

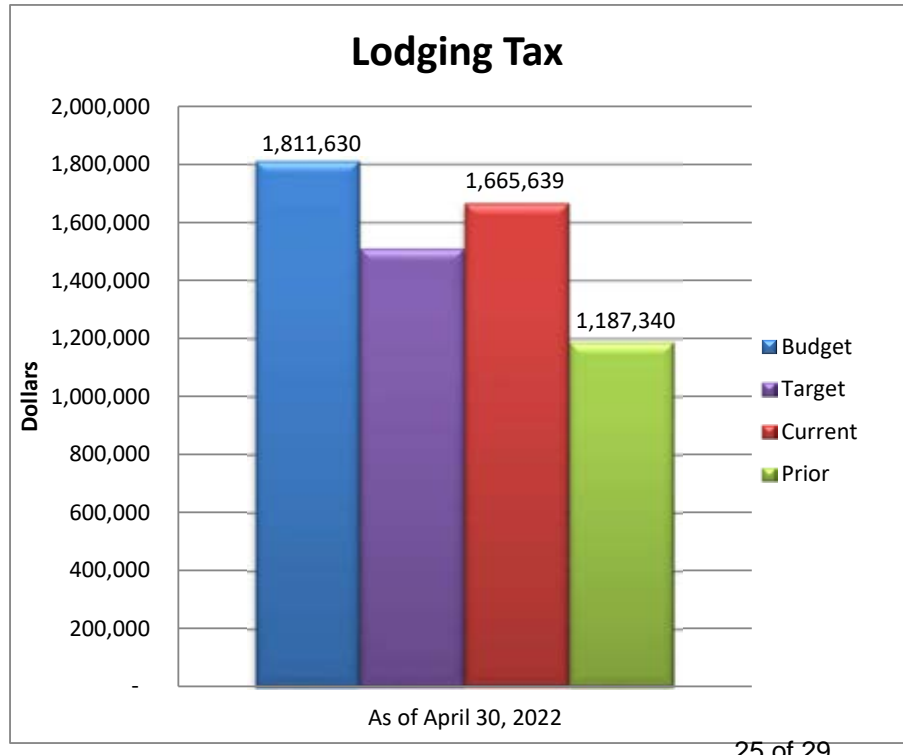
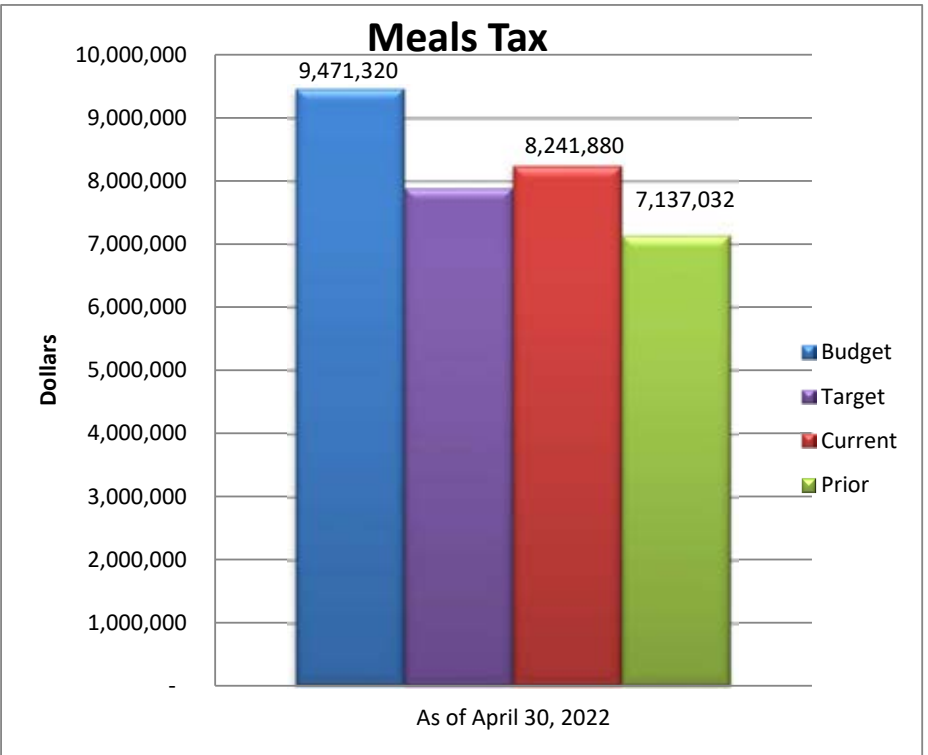
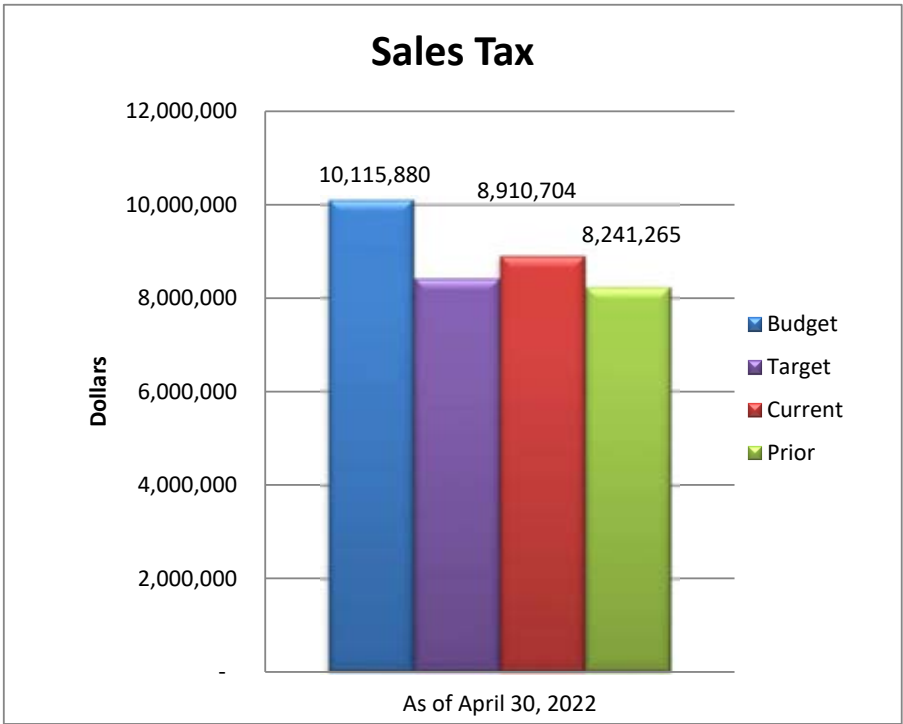
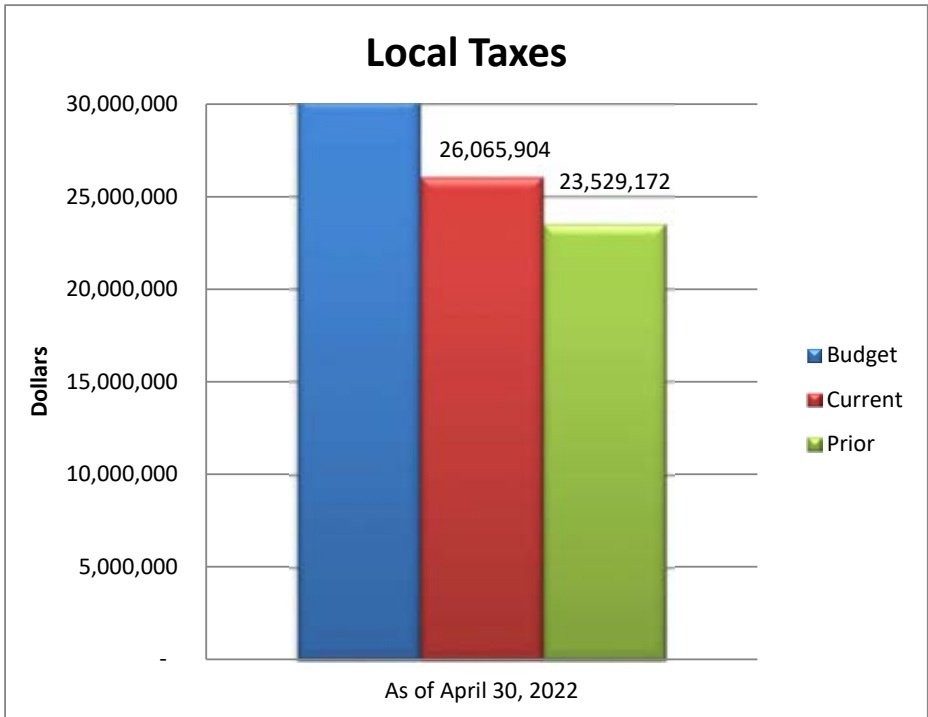
<u>Description</u>	<u>Current Budget</u>	<u>Revenue Realized</u>	<u>Percentage Realized</u>	<u>Prior Year Budget</u>	<u>Prior Year Realized</u>	<u>Percentage Prior Year</u>
Sales Tax	\$ 10,115,880	\$ 8,910,704	88.09%	\$ 9,150,000	\$ 8,241,265	90.07%
Business Licenses	5,450,000	5,522,547	101.33%	5,250,000	5,142,642	97.96%
Meals Tax	9,471,320	8,241,880	87.02%	8,645,000	7,137,032	82.56%
Utility Taxes	940,000	728,663	77.52%	967,000	784,345	81.11%
Vehicle License Fees	1,000,000	335,037	33.50%	990,000	347,980	35.15%
Bank Stock Tax	940,000	4,902	0.52%	900,000	3,658	0.41%
Recordation Tax	200,000	288,066	144.03%	180,000	334,985	186.10%
Hotel Motel Tax	1,811,630	1,665,639	91.94%	1,600,000	1,187,340	74.21%
Daily Property Rental Tax	13,200	15,925	120.65%	15,000	12,364	82.43%
Motor Vehicle Tax	162,000	171,596	105.92%	175,000	162,641	92.94%
DMV Fees	260,000	180,946	69.59%	245,000	174,919	71.40%
TOTAL	<u>\$ 30,364,030</u>	<u>\$ 26,065,904</u>	<u>85.84%</u>	<u>\$ 28,117,000</u>	<u>\$ 23,529,172</u>	<u>83.68%</u>

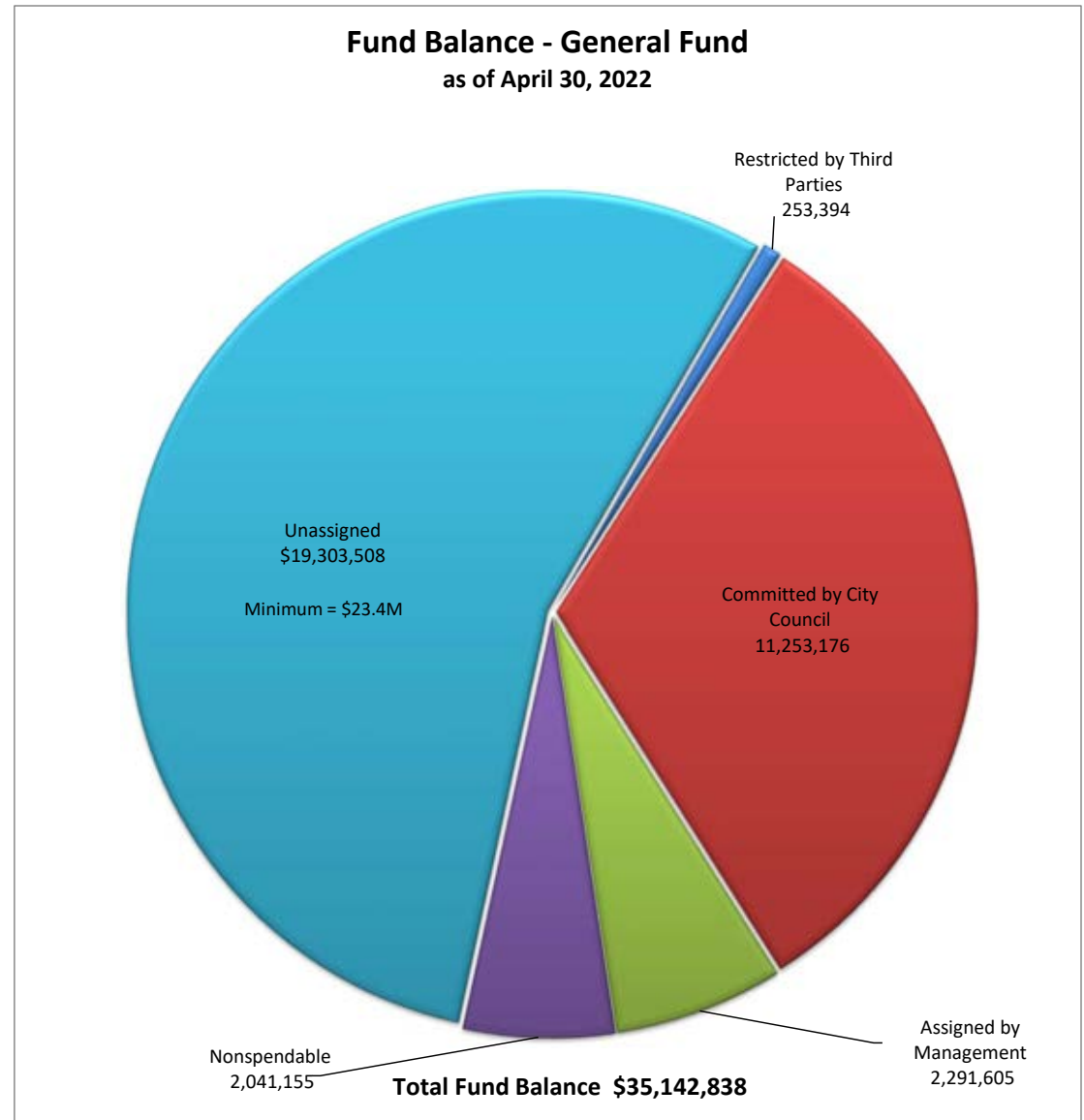
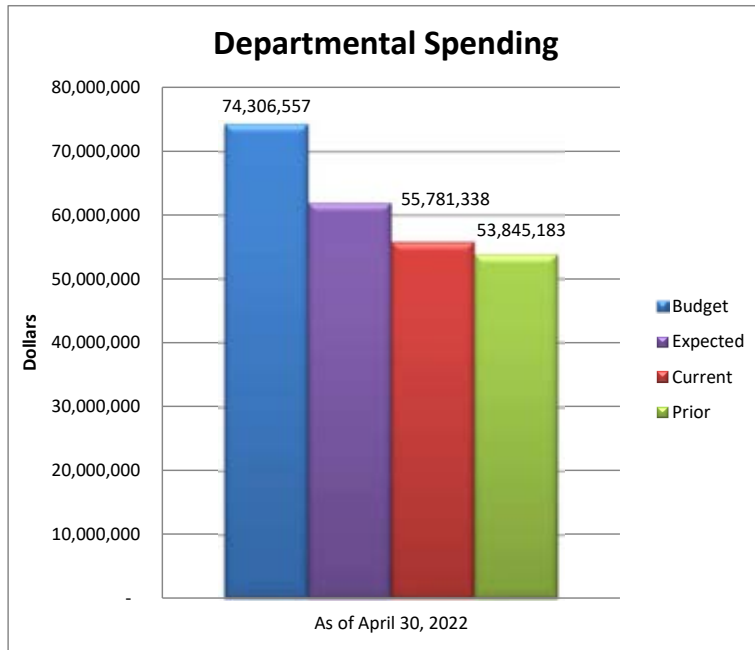
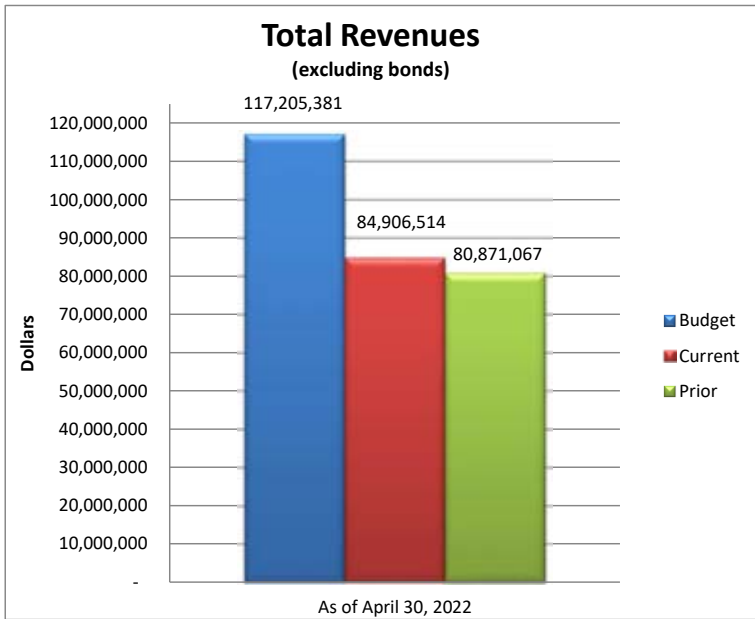
**CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF April 30, 2022**

Beginning Total Fund Balance, July 1, 2021	\$ 47,090,495.25
Add: General Fund Revenues	84,906,513.66
Deduct: General Fund Expenditures	<u>(96,854,170.70)</u>
Ending Total Fund Balance, April 30, 2022	<u><u>\$ 35,142,838.21</u></u>

<u>Composition of Fund Balance:</u>	
Restricted for Commonwealth Attorney	\$ 102,056.79
Restricted for Police Department	33,612.66
Restricted for Fire Department	117,724.87
Committed for Sheriff's Department	115.34
Committed to Schools	8,253,060.82
Committed to Budget Stabilization	3,000,000.00
Assigned to Community Development	10,568.12
Assigned for Encumbrances	2,281,036.73
Nonspendable (Inventory and Prepaids)	2,041,154.69
UNASSIGNED	<u>19,303,508.19</u>
Total Fund Balance, April 30, 2022	<u><u>\$ 35,142,838.21</u></u>

Unassigned fund balance from above	\$ 19,303,508.19
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2022 budget	<u>23,441,076.25</u>
Current surplus (deficit) over (under) minimum	\$ (4,137,568.06)





Council Letter

City of Danville, Virginia



CL-2754

New Business B.

City Council Regular Meeting

Meeting Date: 05/17/2022

Subject: Real Estate Tax Rate

From: Henrietta Weaver, Accountant

COUNCIL ACTION

First Reading: 05/17/2022

Final Adoption: 06/07/2022

SUMMARY

The Real Estate reassessment is currently underway. Current projections anticipate an overall increase of not more than 5% in assessed values as compared to the current assessment. The majority of the anticipated increase relates to the reassessment of existing property, while approximately 1% is attributed to new construction.

BACKGROUND

The Commonwealth of Virginia Code requires that reassessments resulting in an increase in assessment of 1% or greater be advertised as a tax increase. The advertisement for the real estate tax must be published 30 days in advance of the public hearing. At that time, the City advertised a real estate tax rate of \$0.84 per \$100 as an effective tax rate increase of no more than 5%. Current data anticipates that maintaining the current rate of \$0.84 would represent a 3.8 cent increase from a revenue neutral rate. However, the assessment is not complete and that amount may change.

Should the maximum average increase in values of 5% be realized, property assessed at \$100,000 in the current year would be reassessed at \$105,000 and the tax bill would increase from \$840.00 to \$882.00 annually, an increase of \$42.00 annually or \$21.00 per installment. If the average increase stays at the current 3.8%, a property assessed at \$100,000 in the current year would be reassessed at \$103,800 and the tax bill would increase from \$840.00 to \$871.92 annually, an increase of \$31.92 annually or \$15.96 per installment. In previous years, the closer staff got to concluding reassessment, the projected percentage increase in values declined.

The estimated increase is an overall average and individual properties may increase at a greater or lesser percentage. The increase in the general reassessment together with new construction is anticipated to generate a \$953,000 increase in real estate revenue for the FY 2023 Budget. The Proposed Budget includes an increase of \$500,000 representing an estimated 1.96% increase in assessed values, after accounting for uncollectible amounts.

RECOMMENDATION

It is recommended that Danville City Council adopt the attached Ordinance maintaining the current real estate tax rate.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2022-____.____

AN ORDINANCE AFFIRMING THE REAL ESTATE TAX RATE OF \$0.84 ON EVERY ONE HUNDRED DOLLARS (\$100.00) OF ASSESSED VALUE.

WHEREAS, the City Code sets the real estate tax rate at \$0.84 on every One Hundred Dollars (\$100.00) of assessed value; and

WHEREAS, the City has conducted its biennial general reassessment of real property resulting in an increase of one percent (1%) or more of the total real property tax levied in the City; and

WHEREAS, the City is required, under Virginia Law, to conduct a public hearing on said increase after notice of the public hearing has been given in a newspaper of general circulation in the City; and

WHEREAS, the City has complied with the requirements of Virginia Law, including the required notice, and has held a public hearing heard this day, on said increase.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that it hereby affirms the real estate tax rate of \$0.84 on every One Hundred Dollars (\$100.00) of assessed value contained in Sections 37-21 through 3-29 of the Danville City Code; and

BE IT FURTHER ORDAINED, that this Ordinance shall become effective as of July 1, 2022.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to Form and Legal Sufficiency:

City Attorney