

January 21, 2025

The Second January meeting of the Danville City Council was held on January 21, 2025, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: Vice Mayor James B. Buckner, L.G. "Larry" Campbell, Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Dr. Gary P. Miller, J. Lee Vogler, Jr., and Madison J.R. Whittle (8). Sherman M. Saunders was absent (1).

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

Council Member J. Lee Vogler, Jr. gave the Invocation followed by the Pledge of Allegiance.

MEETING MINUTES

Upon Motion by Vice Mayor Buckner and second by Council Member Mayo, the Minutes from the Regular Council Meeting held on December 17, 2024, were approved as presented. Draft copies of the minutes had been distributed prior to the meeting.

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIALS AS OF DECEMBER 31, 2024

Chief Financial Officer Michael Adkins gave a presentation of the General Fund Financials as of December 31, 2024, which was 50% of the Fiscal Year 2025 complete. General Fund Revenues at this time were \$70.9M, which was 43% of the current year budget; last year at this time, the City was at 44%. The current year's budget does include additional revenues so it was seeing an increase over last year of about \$4.7M. With the first half of the year's billing cycle completed, Real Estate tax collections came in at 51% of budget; they had anticipated at least 50%. Personal Property Tax was at 48.5%; the City never quite hits 50% because the State portion of Personal Property was not received equally throughout the year. The City received about 44% of the State funded amount for the first half of the year, but it was right where it should be, so there were no concerns. In Real Estate Taxes, they were seeing a \$1M increase over last year, and some of that was coming from new construction. There was over \$22M of new construction added to the tax roll this year; that provided about \$200,000 of that increase, and the rest came from the increased assessed values. There was about a \$700,000 increase in Personal Property taxes, most of that, about 80% of that increase, came from the Equipment and Tangible Business Property at the temporary casino. Another line-item was Interest and Investment Earnings for this year; the City received about \$1.8M by the end of December and that was nearly identical to last year at this time. However, staff did budget interest rate reductions for this year knowing that the Federal Reserve was planning to cut rates routinely for several months. They did ease up on that, so the return rates were a little higher than anticipated and currently that line item was at 64% of budget. If that continues, the City can expect their Interest and Investment Earnings to outperform budget this year.

Local consumer taxes were up this year by \$1.4M over the prior year and those items were exceeding budget, it was an increase of about \$770,000 over last year. Meals Tax received was \$6.3M at this time, that was 52% of budget, an increase of about \$300,000 over last year and Lodging Taxes were \$1.8M received, representing 51% of budget, an increase of \$71,000 over

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last year. The City collected about \$1M for Business Licenses so far this year, an increase of \$140,000. Business Licenses typically were not paid until March, but some companies pay quarterly and if the City issues a new Business License, that payment was due immediately. The City has seen a small uptick, an increase of about 36 Business Licenses for the first six months, up from 278 last December to 314 this December.

On the Expenditure Side, as a whole, the City was just under 50% of budget which was very good. Departmental Spending was at 46% of budget; the Non-Departmental Spending, which was primarily Debt Service and Group Health Insurance, was also under 50% at 48% of budget. The last category was Transfers; this was transfers to the Schools for their operating needs and also transfers to other funds such as Capital Projects, that was at 56% of budget. That line item ebbs and flows and was always a little bit ahead of 50% in December. In total, the City was right where they should be, consumer taxes at the midpoint of the year looked positive and Mr. Adkins noted he did not have any concerns.

PRESENTATION OF THE FISCAL YEAR 2024 AUDIT REPORT

Mr. Adkins noted they have Matthew Heatwole with Brown, Edwards, the firm that does the independent audit of the City's financials every year. He was there to share the audit results. Mr. Heatwole thanked Council for the opportunity to work with the City of Danville, and thanked Mr. Adkins and the finance team here at the City and the Schools.

Mr. Heatwole noted the Annual Comprehensive Financial Report goes above and beyond just the basic financial statements of the City and Schools. It includes both a Letter of Transmittal and also a lengthy statistical section giving some details of the City throughout the fiscal year. The City also files with the Government Finance Officers Association and receives the annual Excellence of Financial Achievement Award each year. He was happy to report the City received that award for 2023 and applied again this past December for the 2024 report. In the Financial Report itself was the Audit Opinion, and noted to Council that they were issuing an Unmodified, Clean Audit Opinion on the City's Financial Statements. That means, based on their audit, they believe the amounts presented in the Financial Statements, as well as the Disclosures to the Financial Statements, were in accordance with generally accepted accounting principles. There were also two other reports in the Financial Report, one was the Yellow Book Audit Opinion; they issued a single audit opinion specifically over the Federal Expenditures the City incurs and pays during the fiscal year. That too, was a clean, unmodified audit opinion. Two other letters they always present were Comments on Internal Controls, which was given to management as a tool to suggest any best practices, and they were also required to give the Annual Letter to those Charged with Governance. It included a discussion on how the auditors got to a clean, unmodified audit opinion, and some discussions on significant estimates. Attached to that was a Representation Letter from Management at the end of the audit; it was one of the final pieces of audit evidence that was included. Mr. Heatwole thanked Mr. Adkins and Council.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Mr. R. Jay Lee, 310 Clarkson Drive, who addressed Council regarding the house he grew up in on 128 Flint Street stating it was at risk of being demolished. Mr. Lee noted he has tried to maintain the property even though he has had health issues. If allowed, he would like someone to buy the property and bring it up to code. He did not want the house destroyed and asked that the City take it off the demolition list even if it was for a short time.

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COMMUNICATIONS

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

Council Member Hood noted his congratulations for a great job done by the Wendell Scott Foundation, as a partner this past week, with Geico and Shoes that Fit initiative, giving away 536 pairs of tennis shoes to every student at Schoolfield Elementary School. The work they did with that was phenomenal. Mr. Hood recognized his daughter Maya for making the Dean's List at Longwood University.

Council Member Mayo thanked Mr. Lee for coming in and sharing his concerns with Council, and for all the citizens that were there tonight. Mr. Mayo noted they celebrated MLK Day; his fraternity, Omega Psi Phi Fraternity, has a scholarship breakfast every year. It was a great success, Dr. Miller and Mr. Reynolds attended, and they had a great celebration. Kariss Luck-Brimmer was their speaker and she spoke about the Movement, and Mr. Saunder's participation.

Council Member Vogler invited citizens to Bonner Middle School tomorrow, there will be a basketball game, Bonner against Westwood. They will also be doing a special ceremony honoring the life of J'Kavien Fallen, the young man who lost his life recently, and will be retiring the jersey numbers he wore. The girls' game will be at 5:30 p.m. and the boys' game at 7:00 p.m. Youth basketball was underway, and youth baseball season will be starting soon as well; he was looking forward to coaching youth baseball this year.

Council Member Whittle recognized Mr. Ferrell's church doing the warming center; it was full and he needed help if anyone could help to reach out to him.

Vice Mayor Buckner noted he would like to follow up with what Mr. Whittle said, it was going to be very cold this week and encouraged citizens to check on their neighbors, and the elderly. Mr. Buckner noted several years ago the City of Danville adopted an anti-tethering law, it could be a Class 4 Misdemeanor if someone tethers their pet outside in extreme temperatures.

Mayor Jones recognized Pastor John Campbell, and thanked him for his prayers for Council, and thanked Mr. Lee for coming before Council. Mayor Jones noted last week was Principal Appreciation Week and encouraged citizens to reach out to the principals in the school system to say thank you for the hard work they do. Council saluted and appreciated them.

The meeting was adjourned at 7:24 p.m.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK