

May 6, 2025

A Regular Work Session of the Danville City Council convened on May 6, 2025, at 8:50 p.m. in the City Council Conference Room located on the Fourth Floor of the Municipal Building. The following Council Members present were: Vice Mayor James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Dr. Gary P. Miller, Sherman M. Saunders J. Lee Vogler, Jr., and Madison J.R. Whittle (9).

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.

WORK SESSION ITEMS

DISCUSSION OF FISCAL YEAR 2026 BUDGET

Mayor Jones noted they must come up with a strategy to balance the budget, and stated a possibility was to use casino money this one time because he does not want to see any cuts. If the City manager and his team can find a way to use the casino money to make up the difference he would support that, this time.

Council Member Campbell noted the City's industries have increased quite a bit, did that have any impact and City Manager Ken Larking explained the fact that the City has more customers using more electricity actually helps to keep the rates overall lower, because there were more customers sharing the cost of maintenance of the distribution system. It was important for the public to know that for the electric and gas utilities in particular, the City mostly buys the commodity, either the electricity or gas from the market. Whatever the cost was on the market was what the City had to pay. The utility bill for electricity, whatever the cost was on the market, gets passed on to the customer; the City doesn't have much control over that. There was not only an energy cost but transmission costs that were part of the rate structure necessary to make sure electricity was delivered to people's homes and businesses when they want it. Where the City has control over the rates was by how they maintain their distribution system.

Mayor Jones noted he wanted to try to bring Council to a point where the City Manager can discuss with them a plan that Council may agree on. How can Council help the City Manager make up this \$6M, what were their ideas.

Council Member Miller noted his agreement with the Mayor and he has said for years that the City not use the casino money for this type of thing, but this was an unusually bad year, with prices going up. To ask the taxpayers to give anything more this year was not a good plan. This would be the year to use casino money one time. Council Member Vogler noted his agreement, and in previous years when they have had to make up differences, they always found capital improvements and projects in the budget that can be pushed out to the following year. Mr. Vogler suggested they look at certain projects that don't have to be done this year in combination with using some casino money.

Council Member Hood noted his agreement with the Mayor; this was a unique situation but to use casino money this one time. Vice Mayor Buckner noted his agreement; Council needs to do this with caution because Council does not need to do this every year. Rev Campbell noted that at the end of the fiscal year they hopefully have \$45-50M in reserves which will put the City ahead. Next year may be worse, Council has to look at the future and have a better plan on how they can

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deal with this. Council Member Mayo noted they were not in an unfamiliar situation; Council has been there before, and agreed with the Mayor.

Council Member Whittle suggested instead of Utilities giving \$15M a year, why don't they just give \$6M less and Mayor Jones noted that was something Council could discuss this upcoming year.

Mayor Jones noted Council has shared with the City Manager to look at a one time use of casino funds, asked the City Manager to look into that and come back to Council.

Mr. Vogler noted he hoped that they don't just decide to take \$6M from casino money, he believed it should be a combination of other things and not use as much of the casino money. He hoped one option was a combination of casino money and some capital items. Dr. Miller noted his agreement, they need to look at some things they don't need next year, maybe they could be put off a couple years, but not touch education.

COMMUNICATIONS

Vice Mayor Buckner stated that Council Members should be expecting evaluations in their emails this week and return them as ASAP. At the next work session, they will be doing reviews.

Mr. Hood noted he does have confidence in the City Manager and his team. Mr. Mayo noted his agreement with Mr. Hood and they will get through this and thanked the City Manager.

Mr. Saunders noted going forward, the Governor in Virginia cut the budget by millions of dollars and was concerned about the impact of that on Danville.

Mr. Vogler noted he had full faith in the City Manager and his staff, and the Council; he appreciated the work everyone was doing and was confident they will come together with something that was good for the citizens.

MEETING ADJOURNED AT 9:18 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK