

The Second March meeting of the Danville City Council was held on March 17, 2026, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building, 427 Patton Street, Danville, Virginia. The following Council Members were present: Vice Mayor James B. Buckner, L.G. "Larry" Campbell Jr., Mayor Alonzo L. Jones, Bryant Hood, Daniel W. Marshall, Barry P. Mayo, Gary P. Miller, Sherman M. Saunders, and J. Lee Vogler, Jr. (9).

Staff Members present were: City Manager Ken Larking, Deputy City Manager Earl B. Reynolds, Jr., Assistant City Manager/CFO Michael Adkins, Assistant City Manager Briana Evans, City Attorney W. Clarke Whitfield, Jr., and City Clerk Susan M. DeMasi.

Mayor Jones presided.

INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member Gary P. Miller gave the Invocation followed by the Pledge of Allegiance.

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Presentation of the City Manager's Proposed Fiscal Year 2027 Budget

City Manager Ken Larking explained the budget for the City matters because people in their day to day life rely on the services the City provides; making sure they provide core city services in a way that was efficient and effective was important to the people of the community. As an added advantage, they were able, because of the resources they have available to them, to invest in additional things that help meet the City Council focus areas of reducing violent crime, improving education and growing the community. They want to provide for quality, life-long education by improving their K-12 education system and workforce development programs, and build, maintain and attract great quality of life amenities. The reason they do this was because people, more and more, make a choice on where they were going to live based on what was in the community. The City's investment and encouragement of others to invest in quality of life amenities makes the City an attractive place for people to call home, and helps them to retain their young people. This budget also attempts to deliver services efficiently and effectively and the City puts a priority on attracting new businesses and entrepreneurs that support existing businesses; that helps the City to improve economic opportunities and mobility for the community. It also increases the tax base which helps maintain adequate funding for city services.

Mr. Larking explained that the recommended budget was a balanced budget at \$395.2M dollars and there was no increase to the real estate tax rate. Ongoing City operations were funded with recurring revenue sources, including the guaranteed portion of gaming revenue. Danville's real estate tax rate remains among the lowest of Virginia's Independent Cities and overall the tax burden remains below the vast majority of Virginia communities. Because Danville has a low tax rate, a low cost of real estate and low value of real estate, they were able to provide high quality services at a very low tax burden for the community. The budget for the General Fund was \$189,475,040; it was a \$326,570 decrease. Major revenue increases/(decreases) include an increase of \$2.7M in gaming tax revenue. Mr. Larking explained the sales tax revenue was not coming in as expected, and they project that will be lower next year. The development agreement with Caesars included \$5M in guaranteed gaming revenue, and the City has decided that in order to support ongoing operations, it was okay to use that \$5M of guaranteed money to support those operations. It reduces the tax burden for the citizens, because \$5M would have to be figured out some other way, either by cutting services or raising taxes or fees. They were able to fund the \$1.4M cost for pay for performance at an average of 3%, and also included for the first time was

\$442,000 for a Fire Department Career Progression Plan; this will offer opportunities for firefighters to progress within the department as they get more skills. The cost of retirement was going up about \$408,200.

Mr. Larking noted the Utility Fund highlights include a budget of \$202,279,740, which was an \$11,162,770 increase from the current year. The budget for the Utility Funds can increase by quite a bit from year to year, mostly related to the cost of purchasing natural gas and electricity. Danville's electric rates were average when compared to others in the state, and lower than those around the City. Gas, water, and sewer rates were well below average, and Danville residents benefit from reliable services, with quick local response; the budget includes funds to improve reliability of infrastructure. Included were recommendations from the 2024 biennial rate study; these were modest adjustments to rates necessary to ensure reliable service. Mr. Larking explained that the biennial rate study was approved by the Utility Commission; it ensures that the cost of services were appropriately assigned to correct customer classes. The goal was to make sure the customers were appropriately paying for what they were receiving and that the City had enough to run and maintain the system reliably; this year there was an increase recommended. The average rate increase for the typical residential customer would be about \$10-11 per month, with actual impacts varying by usage. Mr. Larking reviewed the City's energy efficiency programs and actions over the last few years, which include Neighbors Helping Neighbors, Bill Assistance and Energy Assistance Programs. The City proposed appropriating \$700,000 of casino gaming revenue for the Energy Efficiency Program and Neighbors Helping Neighbors.

Mr. Larking noted the Casino Gaming Revenues would be allocated in alignment with the Investing in Danville framework. The guaranteed revenues applied to General Fund expenses was \$5M to help stabilize operations and reduce pressure on tax rates to support Council-identified priorities across multiple departments and funds: \$10.3M for Economic Opportunity, \$6.8M for Education, \$4.1M for Quality Housing, \$4.2M for Public Safety, \$2.8M for Quality of Life, \$2.4M for Infrastructure, \$1.1M for Community Health, and \$1M for Financial Stability. The goal of casino funding was as best as the City can, to supercharge all the effort that was put forward to help transform the community to the better. If the City can invest in the right things and help the community be more sustainable, they will build new tax base and be able to have the revenues through that new tax base to support the core city services people rely on every day. As an independent city in Virginia, Danville was tasked with helping fund local K-12 education. The recommended budget was \$35,394,430 which was what the schools requested; it was a \$2.9M increase. Among that was mostly personnel related costs, what was necessary to match the state's increases for personnel related to their Standards of Quality funded positions. There was also an increase for health insurance and \$500,000 for meaningful engagement activities which was an opportunity the school system to provide more direct wrap around services to the youth in the community. There was \$306,000 for pay increases for non-instructional positions that were resulting from a recent pay study.

Mr. Larking reviewed the "next steps" for the budget through adoption on June 16th and acknowledged the budget team and department heads. Council Members thanked the City Manager and his staff for putting this budget together.

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding Budget Appropriation Items. Notice of the Public Hearing was published in the *Danville Register & Bee* on March 10, 2026. No one present desired to be heard and the Public Hearing was closed.

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

Minutes from the Special Council Meeting held on February 10, 2026 and Regular Council Meeting held on February 17, 2026. Draft copies of the minutes had been distributed prior to the meeting.

Consideration of Amending the Fiscal Year 2026 Budget Appropriation Ordinance for Grant Funds from the US Department of Housing and Urban Development

An Ordinance entitled, Ordinance No. 2026-03.07, An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance for Projects to be or being undertaken to improve the Danville Community financed with Community Development Block Grant, Home Investment Partnership Funds from the U.S. Department of Housing and Urban Development, and Estimated Program Income for a Total Appropriation of \$1,199,074.29.

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

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Marshall,
Mayo, Miller, Saunders and Vogler (9)
NAY: None (0)

APPOINTMENTS

Vice Mayor Buckner **moved** for adoption of the following Appointment Resolutions:

Resolution 2026-03.03 - Appointing Kitteria Mayo to the Southern Area Agency on Aging.

Resolution 2026-03.04 - Appointing Matthew Bailey to the Architectural Review Board.

Resolution 2026-03.05 - Appointing Christopher Betts to the Architectural Review Board.

Resolution 2026-03.06 - Appointing Jamie Cahill to the Architectural Review Board.

Resolution 2026-03.07 - Appointing Lauren Smith to the Architectural Review Board.

Resolution 2026-03.08 - Appointing Jackson Weller to the Architectural Review Board.

Resolution 2026-03.09 - Appointing Adam Jones to the Architectural Review Board.

Resolution 2026-03.10 - Appointing Robert Stowe to the Architectural Review Board.

Resolution 2026-03.11 - Appointing Melanie Holley to the Public Arts Commission.

Resolution 2026-03.12 - Appointing Sam Kushner to the Public Arts Commission.

Resolution 2026-03.13 - Appointing Joshua Cassell to the Public Arts Commission.

Resolution 2026-03.14 - Appointing Kelly Hood to the Public Arts Commission.

Resolution 2026-03.15 - Appointing Gretchen Lamb to the Public Arts Commission.

Resolution 2026-03.16 - Appointing Stacey Strawn to the Public Arts Commission.

Resolution 2026-03.17 - Appointing James Buckner to the Public Arts Commission.

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

VOTE: 9-0
 AYE: Buckner, Campbell, Hood, Jones, Marshall
 Mayo, Miller, Saunders and Vogler (9)
 NAY: None (0)

OLD BUSINESS

Consideration of an Ordinance to Issue Revenue Bonds for Utility System Improvements

Vice Mayor Buckner **moved** for adoption of an Ordinance entitled, Ordinance No. 2026-03.06, an Ordinance of the Council of the City of Danville, Virginia Authorizing the Issuance of Bonds of the City of Danville, Virginia, in the Maximum Aggregate Principal Amount of \$10,000,000 to Finance Various Expenditures for its Utility System

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

VOTE: 9-0
 AYE: Buckner, Campbell, Hood, Jones, Marshall
 Mayo, Miller, Saunders and Vogler (9)
 NAY: None (0)

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIALS AS OF FEBRUARY 28, 2026

Assistant City Manager/Chief Financial Officer Michael Adkins gave the General Fund Financial Report as of February 28, 2026, which marks 67% of the fiscal year complete. Total Revenues were just over \$170M, 58% of budget and typically where the City was in February. Property taxes received were 53% of the budget; there usually wasn't much movement there with current taxes until May-June when the City does spring billing. Delinquent Real Estate Tax Collections were still coming in very well, collecting just over \$1M by the end of February at 89% of budget. If that continues, the City will surpass budget on delinquent collections this year. As mentioned previously, sales tax has been sluggish this year; at the end of February, the City had collected \$8.8M which was just over 63% of budget, in dollars they were short about \$476,000. The winter storms in January did have a little bit of a negative impact on meals and lodging taxes, but not too bad. Meals tax received at the end of February totaled \$9.1M or 66%, just barely a percent under budget, and lodging was 66% at \$2.4M. There were about \$116,000 of late payments received in the first couple days of March which related to February; after that, the shortfall was very minimal. Concerning the casino gaming taxes, at the end of February, the City had earned \$26.5M, about \$3.6M ahead of budgeted expectations and Mr. Adkins noted as a conservative estimate, by the end of the year, if this trend continued, that line item will be over budget by about \$4.8M. That was also considering the additional \$2M that has been added to that budget for this year. The budget for the current year for Investment and Interest Income was \$2.1M and the City

met that amount at the end of February with four months remaining in the year. Mr. Adkins noted he was conservatively estimating an overage of interest and investment earnings of \$500,000 by the end of June. State and Federal revenues were on track and he had no concerns there.

Regarding Expenditures, Departmental Spending at the end of February was 61% of budget, well under the 67% mark at this point in the year. For Non-Departmental Expenses, the main two were debt service and group health insurance. Debt service was a known expense and the last debt service payment for this fiscal year was made on March 1st, on track with budget and no concerns. Last month they had closed that gap on Group health insurance and were back on track with budget. This month it had crept up a little bit at 2% over the budget, but that was not too much to worry about. With this fiscal year so far, he has no real concerns; sales tax obviously will be the most likely largest negative budget variance, but there were other items mentioned both on the expenditure and revenue side that will easily offset that deficit this year.

CONSIDERATION OF A RESOLUTION TO ISSUE REVENUE BONDS FOR UTILITY INFRASTRUCTURE PROJECTS

Vice Mayor Buckner **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2026-03.18

A RESOLUTION OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA PROVIDING FOR THE ISSUANCE AND SALE BY THE CITY OF DANVILLE, VIRGINIA, OF A TAXABLE UTILITY SYSTEM REVENUE BOND, SERIES 2026, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000, HERETOFORE AUTHORIZED, AND PROVIDING FOR THE FORM, DETAILS, AND PAYMENT OF SUCH BOND.

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

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Marshall
Mayo, Miller, Saunders and Vogler (9)
NAY: None (0)

CONSIDERATION OF A RESOLUTION APPROVING THE CITY MANAGER TO ENTER INTO A PURCHASE POWER AGREEMENT WITH AMERICAN MUNICIPAL POWER FOR TEN-MEGAWATTS OF NATURAL GAS GENERATION

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

RESOLUTION NO. 2026-03.19

A RESOLUTION APPROVING THE CITY MANAGER TO ENTER INTO A PURCHASE POWER AGREEMENT WITH AMERICAN MUNICIPAL POWER FOR TEN-MEGAWATTS OF NATURAL GAS GENERATION

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

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Marshall
Mayo, Miller, Saunders and Vogler (9)

NAY: None (0)

CONSIDERATION OF A RESOLUTION APPROVING THE CITY MANAGER TO ENTER INTO A PURCHASE POWER AGREEMENT WITH AMERICAN MUNICIPAL POWER FOR FIVE-MEGAWATTS OF SOLAR GENERATION

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

RESOLUTION NO. 2026-03.20

A RESOLUTION APPROVING THE CITY MANAGER TO ENTER INTO A PURCHASE POWER AGREEMENT WITH AMERICAN MUNICIPAL POWER FOR FIVE-MEGAWATTS OF SOLAR ENERGY GENERATION

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

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Marshall
Mayo, Miller, Saunders and Vogler (9)
NAY: None (0)

CONSIDERATION OF AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE FOR A GRANT AND LOAN FROM THE VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION FOR THE NATURAL GAS PIPELINE EXTENSION TO THE SOUTHERN VIRGINIA MEGASITE AT BERRY HILL

Upon **Motion** by Vice Mayor Buckner and **second** by Council Member Campbell, an Ordinance entitled:

ORDINANCE NO. 2026-03.08

AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION \$459,000 GRANT AND \$2,000,000 LOAN TO ASSIST WITH THE CITY'S NATURAL GAS PIPELINE EXTENSION TO THE SOUTHERN VIRGINIA MEGA SITE AT BERRY HILL.

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

CONSIDERATION OF AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE FOR STATE AVIATION CAPITAL FUNDING

Upon **Motion** by Council Member Saunders and **second** by Vice Mayor Buckner, an Ordinance entitled:

ORDINANCE NO. 2026-03.09

AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR STATE AVIATION CAPITAL GRANT FUNDING TO COMPLETE A SITE PREPARATION CONSTRUCTION PROJECT AT THE DANVILLE

REGIONAL AIRPORT IN THE AMOUNT OF \$993,760 AND FOR THE LOCAL SHARE IN THE AMOUNT OF \$110,418 FOR A TOTAL OF \$1,104,178 AND APPROPRIATING THE SAME

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Katherine Wall who suggested on new development contractors, it would be appropriate if the City would consider making the developer pay for the roads and keep them maintained. Also, on the language change from neighborhoods versus communities, would there be a big difference, what was the definition of the two. Traffic on Memorial, was it in the study to get fixed; people go across from Edgewood to Country Club Drive and City equipment trucks go straight across the street. Ms. Wall asked if the Schoolfield Corridor area would include the Edgewood area.

Mayor Jones recognized Frank Leist who noted he signed up to speak on Council Letters 3574 and 2591 concerning the purchase of power, stating that Danville owns its own utilities. Mr. Leist discussed the City's purchasing power, producing more of its own power and generating revenue for the City.

COMMUNICATIONS

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

Assistant City Manager Michael Adkins introduced the new Popular Financial Report which was to provide citizens with an accessible report on the City's finances in a more understandable format. The report was on the City's website under the Finance Department's section.

Council Member Miller discussed the reverse 911 calls that informed citizens of emergencies or weather events. The Utility Department has received a lot of compliments this year with the weather events, they have done an outstanding job. Dr. Miller noted Parks & Rec have moved down to the Dan River Falls Building, they have a great office.

Council Member Vogler noted the Council retreat was fantastic, there will be a lot of great actionable items that came out of the meeting. Mr. Vogler noted a citizen reached out to him, that over by the Salvation Army, Henry Street, there was a small park there and some concern where the children walk from the Salvation Army to the park. There were a lot of cars coming up the hill, to possibly installing a crosswalk, or some kind of safety measure.

Vice Mayor Buckner noted the first annual Bee City public meeting will be March 23, 5:30 to 7:30 p.m., at Ballou Park Rec Centre, in the nature center on the second floor. More information was available on danvilleva.gov/beecityusa. There was a new housing opportunity coming on line soon; in late April, the repurposed Cedarbrook School will have new apartments with amenities and parking.

Council Member Campbell noted he was glad to see the appointments to the new Public Arts Commission; that was important as it enhances the quality of life in the City, and commended the City Manager and Council for doing that. Rev Campbell noted the retreat was the best one he has attended, and a question was how to share prosperity to all areas of the community and how

Council tried to tackle that. Rev Campbell encouraged men to get their checkups and take care of their health.

Council Member Hood noted he wanted to commend everyone on a wonderful retreat with the total engagement of everyone, and thanked the City Manager and his team for putting together the proposed budget. Today was the West Piedmont Better Housing Coalition annual meeting which assists with affordable housing and combatting homelessness. Also in attendance was Council Member Mayo and panelist, Deputy City Manager Earl Reynolds. It was great to see organizations come together from the region for one common cause.

Council Member Marshall noted Sunday, March 15, 2026 was a special day for him and his family, the one-year anniversary for his lung transplant at Duke. Mr. Marshall noted there were so many people he wanted to thank including the doctors, nurses and staff at Duke, and all the people who texted him and supported him. Mr. Marshall thanked his wife and daughter for their support, and encouraged citizens to go to the DMV and sign up for Donate Life, for organ donation.

Council Member Mayo encouraged men and women to get their yearly checkup. Mr. Mayo noted the retreat was awesome; this was a great team working together making a difference to the City. Mr. Mayo noted he attended the West Piedmont Better Housing Coalition with Mr. Reynolds and Mr. Hood, learning about homelessness, housing and what the City has to do better.

Mayor Jones encouraged men to take care of their health. Mayor Jones thanked the City Manager for the budget presentation, the retreat was great, and recognized Danville School Superintendent Angela Hairston. Mayor Jones read an editorial published in the *Star-Tribune* entitled Will the Real Danville Please Stand Up.

MEETING ADJOURNED AT 8:22 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK