



DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING REVISED

May 19, 2026

7:00 PM

PRESIDING: Alonzo L. Jones, Mayor

CITY COUNCIL MEMBERS: James B. Buckner, Vice Mayor
L.G. "Larry" Campbell, Jr.
Bryant Hood
Daniel W. Marshall, III
Barry P. Mayo
Dr. Gary P. Miller
Sherman M. Saunders
J. Lee Vogler, Jr.,

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, who have signed up to speak at www.danvilleva.gov/council or by contacting the Office of the City Clerk, 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, and shall have three uninterrupted minutes. A representative of a group may have up to five 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 - DANIEL W. MARSHALL

PLEDGE OF ALLEGIANCE TO THE FLAG

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.

PUBLIC HEARING

A. Consideration of Approval of Minutes from Regular Council Meeting held on April 21, 2026.

B. Consideration of Amending the Fiscal Year 2026 Budget Appropriation Ordinance for the Recreation Enrichment Program.

Council Letter Number CL - 2679.

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance to Provide for Funds in the Amount of \$69,625 for a Recreation Enrichment Program and the Local In-Kind Share of \$306,223 for a Total Appropriation of \$375,848 and Appropriation of Same.

Final Adoption

C. Consideration of Amending the Fiscal Year 2026 Budget Appropriation for a Grant from the Virginia Housing Workforce Housing Investment Program.

Council Letter Number CL - 2726.

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance to Provide for a Grant from Virginia Housing in the Amount of \$2,000,000 for the Purpose of Developing 1700 West Main Street and Appropriating the Same.

Final Adoption

OLD BUSINESS

A. Consideration of the Fiscal Year 2027 Danville Public Schools Budget.

Council Letter Number CL - 2697.

A Resolution of the Council of the City of Danville, Virginia Approving the Budget of the School Board of the City of Danville for the Fiscal Year Ending June 30, 2027.

Final Adoption

B. Consideration of Fee Changes Effective July 1, 2026.

Council Letter Number CL - 2698.

An Ordinance of the Council of the City of Danville, Virginia Amending, Establishing and Increasing Certain Fees of the City of Danville Effective July 1, 2026, Except Where Otherwise Stated.

Final Adoption

- C. Consideration of a Data Center Tax Rate Increase.
Council Letter Number CL - 2700.

An Ordinance of the Council of the City of Danville, Virginia Amending and Reordaining Section 37-37 of the Danville City Code to Increase the Data Center Tax Rate from \$0.25 (Twenty-Five Cents) on Every \$100 (One Hundred Dollars) of Assessed Value to \$1.20 (One Dollar and Twenty Cents) on Every \$100 (One Hundred Dollars) of Assessed Value Effective July 1, 2026.
Final Adoption

NEW BUSINESS

- A. Review of General Fund Financials as of April 30, 2026.
Council Letter Number CL - 2672.

Review of General Fund Financials as of April 30, 2026. Financial Statements are included

- B. Consideration of the Real Estate Tax Rate.
Council Letter Number CL - 2699.

1. Public Hearing

2. An Ordinance of the Council of the City of Danville, Virginia Affirming the Real Estate Tax Rate of Eighty-Three Cents (\$0.83) on Every One Hundred Dollars (\$100.00) of Assessed Value.
First Reading

- C. Consideration of Authorizing the City Manager to Execute an Electric Services Agreement with 100 Cane Creek, LLC.
Council Letter Number CL - 2734.

Resolution of the Council of the City of Danville, Virginia Authorizing the City Manager to Enter into an Electric Services Agreement with 100 Cane Creek, LLC.

- D. Consideration of Amending the Fiscal Year 2026 Budget Appropriation Ordinance for a GO Virginia Grant from the Commonwealth of Virginia Department of Housing and Community Development.
Council Letter Number CL - 2704.

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance to Provide for GO Virginia Grant Funding to Complete Data Network Installation Requirements for the Aviation Training Facility Project at the Danville Regional Airport in the Amount of \$92,000 and Appropriating the Same.
First Reading

- E. Consideration of Amending the Fiscal Year 2026 Budget Appropriation Ordinance for the Comprehensive Services Act.
Council Letter Number CL - 2709.

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance by Appropriating Comprehensive Services Act Funds and Providing Local Matching Funds for a Total Amount of \$8,469,539 and Appropriating Same.
First Reading

- F. Consideration of Amending the Fiscal Year 2026 Budget Appropriation Ordinance for a Grant from the Federal Aviation Administration.
Council Letter Number CL - 2737.

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance to Provide for Additional Federal Funding to Complete

Architectural and Civil Engineering Services to Construct a Hangar at the Danville Regional Airport in the Amount of \$62,871 and for the Local Share in the Amount of \$3,309 for a Total of \$66,180 and Appropriating the Same.

First Reading

COMMUNICATIONS FROM VISITORS

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COMMUNICATIONS

- A. City Manager*
- B. Deputy City Manager*
- C. Assistant City Manager Adkins*
- D. Assistant City Manager Evans*
- E. City Attorney*
- F. City Clerk*
- G. Roll Call*

ADJOURNMENT

**Council Letter
City of Danville, Virginia**



CL - 2743

CONSENT AGENDA A.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Approval of Meeting Minutes.

From: Susan DeMasi, City Clerk

COUNCIL ACTION

Consideration of Approval of Minutes from Regular Council Meeting held on April 21, 2026.

Attachments

1. Meeting Minutes
-

April 21, 2026

The Second April meeting of the Danville City Council was held on April 21, 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, Mayor Alonzo L. Jones, Daniel W. Marshall, Gary P. Miller, Sherman M. Saunders, and J. Lee Vogler, Jr. (7). L.G. "Larry" Campbell Jr., Bryant Hood, Barry P. Mayo were absent (3).

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

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Proclamation: Make Danville Shine Month

Presented to: Dana Kerns, City of Danville, Community Development.

Ms. Kerns thanked Mayor Jones, Council Members and citizens of Danville, noting their partnership with organizations and neighborhood partners were important and they appreciated their continued support. They look forward to making this May the fourteenth year of Make Danville Shine.

City Manager Ken Larking introduced the Interim Economic Development Director Mike Legg; he recently retired as City Manager of Kannapolis, North Carolina. He was heavily involved in Economic Development activities in Kannapolis and has seen a lot of great success there. Mr. Legg noted he was thrilled to be here, and Council should be proud of where things were heading in Danville. Mr. Legg stated he hoped he could help for the next few months.

MEETING MINUTES

Upon **Motion** by Vice Mayor Buckner and **second** by Council Member Saunders, Minutes from the Regular Council Meeting held on March 17, 2026, 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 MARCH 31, 2026

Assistant City Manager/Chief Financial Officer Michael Adkins gave the Financial Report through the end of March, nine months or 75% of the fiscal year complete. Total Revenues collected as of the end of March were just over \$120M, representing 65% of budget and exactly where the City was last year at this time. The spring bills for Property Taxes have been prepared for mailing the first week of May, and more information will be coming on that. The City was entering the spring billing collection season with just over 52% of property taxes collected; Mr. Adkins noted he does not have any concerns about meeting budget in those areas this year. Delinquent Real Estate collections were still going well, nearly at budget with 93% collected with three months

April 21, 2026

remaining in the fiscal year, and only \$82,000 left to collect to meet the \$1.1M budget. Regarding local taxes, as mentioned in the past, Sales Tax has been sluggish this year; they see that post-holiday and in the winter, retail slows down a bit during this period. At the end of March they were at 70% of budget, or \$9.8M collected; they were short about \$695,000 at this point, and were still forecasting that they will probably miss budget by close to \$1M at the end of the year. Most Business Licenses were due by the end of March; they do have several companies that qualify and apply to pay quarterly so more business license revenue would be collected through the end of the year. Currently, they were at 77% of budget, \$6.6M collected; typically that was higher. Mr. Adkins explained he looked at why it was down and found they do have one large corporate entity that last year paid in March, this year they will be paying in April, about \$1M, and believed that will close the gap once they get that payment in. Meals tax was currently at 73% of budget, almost at 75%, with \$10.2M collected. There was growth both in meals tax and lodging tax; meals tax was about \$585,000 over last year, but not quite at budget yet. The City feels that slow down during the winter months especially with the snow storms this year; spring should see a little rebound in retail activity. Lodging Taxes were also at 73% of budget, \$2.7M collected so far. Mr. Adkins believed it would rebound in the spring; it was also higher than last year, and not to mask the economic growth the City was seeing, a small increase of about \$40,000 over last year. Regarding Casino based taxes, if the direct payment the City received from Caesars was combined with the state tax, the City has earned \$30.6M so far of the \$37M budget; that was 83% collected so far. He does continue to expect this line item to go over budget by about \$4.7M at the end of the year. The City has received \$2.4M, or 110% of budget for interest and investment income, already exceeding budget for this year. Mr. Adkins noted he was expecting this to be about \$1M over budget. When they put this budget together this year, they were forecasting returns of around 3%, they have been able to capture about 4% this year, which was the reason it was going to be over budget. State and Federal revenues were coming on track with budget and he has no concerns there.

On the Expenditure side, Departmental Expenses were 69% of budget, well contained under budget. Non-Departmental Expenses were primarily debt service and group health insurance. Debt service has been completely paid this year, and it was at 100% of budget. Group Health Insurance had ticked up a little higher than budget earlier but was back down at 73%, a good sign for that line item. Mr. Adkins noted he has no concerns at this point other than those mentioned.

CONSIDERATION OF THE FINANCIAL POLICIES UPDATE

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

RESOLUTION NO. 2026-04.01

A RESOLUTION OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA APPROVING AND AMENDING THE CITY OF DANVILLE FINANCIAL POLICIES TO CHANGE ITEM 4.2 ENTITLED "GENERAL FUND BUDGET STABILIZATION RESERVE" TO "GENERAL FUND CAPITAL EXPENDITURE RESERVE", ESTABLISH GUIDELINES ON APPLYING SURPLUS REVENUES TO SAID RESERVE, AND CHANGING THE CAPITALIZATION THRESHOLD IN ITEM 10 ENTITLED "CAPITALIZATION" FROM \$5,000 TO \$10,000.

The Motion was **seconded** by Council Member Marshall.

Council Member Marshall asked for an explanation of this item and Mr. Adkins noted for the first change, the City has had a budget stabilization fund for almost ten years, in addition to the rainy day fund. Around 2008-2009, state revenues were curtailed which impacted local budgets; at that

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time the City created a Budget Stabilization Fund of about \$3M. If that ever happened again, the City had funds to make up revenues. The City has never used it, the Fund Balance has become robust, and they have increased their minimum fund balance policy so if that should happen again, they have enough in their rainy-day fund to make those shortfalls whole. Their advisors at Davenport, concerning the casino revenues, advised the City to consider having a capital reserve fund. The action of adopting this policy would move the \$3M the City currently had in its budget stabilization fund to a capital reserve fund. The policy also says that at the end of a fiscal year, if they have any excess casino revenues that have not been budgeted for any other purposes by City Council, those would immediately drop into the Capital Reserve Fund as well. That fund would build over the years, it can be used as little or as much as Council deems necessary. The idea was that this would be a pool of money used for capital expenditures that were needed in the future. It could be used to amass a large amount if a large capital project was needed.

The **Motion** was carried by the following vote:

VOTE: 6-0-3
AYE: Buckner, Jones, Marshall
Miller, Saunders and Vogler (6)
NAY: None (0)
ABSENT: Campbell, Hood, Mayo (3)

CONSIDERATION OF AUTHORIZING AND APPROVING THE CITY'S PARTICIPATION IN THE PROPOSED SETTLEMENT OF OPIOID-RELATED CLAIMS

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

RESOLUTION NO. 2026-04.02

A RESOLUTION OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AUTHORIZING AND APPROVING OF THE CITY'S PARTICIPATION IN THE PROPOSED SETTLEMENT OF OPIOID-RELATED CLAIMS AGAINST SIX REMNANT DEFENDANTS, AND DIRECTING THE CITY ATTORNEY AND/OR THE CITY'S OUTSIDE COUNSEL TO EXECUTE THE DOCUMENTS NECESSARY TO EFFECTUATE THE CITY'S PARTICIPATION IN THE SETTLEMENT.

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

VOTE: 6-0-3
AYE: Buckner, Jones, Marshall
Miller, Saunders and Vogler (6)
NAY: None (0)
ABSENT: Campbell, Hood, Mayo (3)

CONSIDERATION OF AUTHORIZING UTILIZATION OF THE VIRGINIA WATER SUPPLY REVOLVING FUND THROUGH THE VIRGINIA DEPARTMENT OF HEALTH FOR WATER MAIN REPLACEMENTS AND THE LEAD SERVICE LINE REPLACEMENT PROJECT

Mayor Jones opened the floor for a Public Hearing regarding Virginia Water Supply Revolving Fund. Notice of the Public Hearing was published in the *Danville Register & Bee* on April 4, 2026 and April 14, 2026. No one present desired to be heard and the Public Hearing was closed.

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

ORDINANCE NO. 2026-04.06

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AUTHORIZING THE ISSUANCE OF UTILITY SYSTEM REVENUE BONDS OF THE CITY OF DANVILLE, VIRGINIA IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$6,700,000.00 TO FINANCE VARIOUS EXPENDITURES FOR ITS WATER, SEWER, ELECTRIC, AND GAS UTILITY SYSTEMS.

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 BY ANTICIPATING THE PROCEEDS FROM THE ISSUANCE OF UTILITY REVENUE BONDS

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

ORDINANCE NO. 2026-04.07

AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR THE PROCEEDS FROM THE SALE OF UTILITY REVENUE BONDS AND APPROPRIATING SAME

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

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Barry Koplen, who spoke to Council about two concerns on North Union Street. The first was the dirt, rocks and debris left behind from snow removal, and would like to talk to someone about what still needs to be done to clean those up. Mr. Koplen noted another concern was there were too many benches on North Union Street. The City had originally allocated for two benches and there were now five. He had asked to have one removed but was told it could not be removed.

Mayor Jones recognized Marvin Warner who addressed Council regarding his concerns with the legalization of cannabis; they were advocating for the safety of this product, and that the income from the sale of cannabis should go back to marginalized neighborhoods and those negatively impacted. Rev Warner noted another issue was the vape shops selling illegal products that were dangerous, and selling those products to children.

COMMUNICATIONS

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

Council Member Marshall noted April was National Donate Life Month. When a person's organs were damaged or destroyed by disease, accident or pre-existing conditions, a transplant was often their only option. Lifesaving organs were in high demand, but often the supply was not

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available. Citizens can sign up to be an organ donor at the DMV on-line or DMV locations; Mr. Marshall encouraged citizens to sign up.

Council Member Miller noted May was Clean Up Fix Up Month in Danville and encouraged citizens to clean up and take advantage of city services to dispose of large items.

Council Member Saunders recognized TC Miller in the Chambers and John Townes and noted he and John joined the Army the same day and had basic training together. Mr. Saunders thanked the Public Safety officers for what they do every day.

Council Member Vogler noted his concerns with the utility situation and that Council will be discussing the budget and utilities in the work session following the business meeting. Mr. Vogler also noted he has heard concerns about parking downtown and stated he had concerns as well.

Vice Mayor Buckner noted Donate Life was very important to him and encouraged citizens to sign up to donate. Mr. Buckner stated there was a ribbon cutting the day before at the HOME park where the Gabriella Garden Club had planted flowers and shrubs. Thursday, April 23rd was the Historic Garden Week Tour in Danville and Chatham; tickets were available online, and Porchfest was Saturday from 1 p.m. to 6 p.m. on Chestnut Street.

Mayor Jones asked parents, after the incident this past weekend, to let Council know how they can assist them, and asked parents to talk to their children. If they need some help, the City of Danville, and Danville Public Schools have resources to help people. Mayor Jones asked citizens to reach out to neighbors and friends to see how they were doing.

MEETING ADJOURNED AT 7:38 P.M.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter
City of Danville, Virginia



CL - 2679

CONSENT AGENDA B.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Consideration of Amending the Fiscal Year 2026 Budget Appropriation Ordinance for the Recreation Enrichment Program (REP).

From: Charlene Presley, Division Director - Special Recreation

COUNCIL ACTION

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance to Provide for Funds in the Amount of \$69,625 for a Recreation Enrichment Program and the Local In-Kind Share of \$306,223 for a Total Appropriation of \$375,848 and Appropriation of Same.

Final Adoption

SUMMARY

The Danville-Pittsylvania Community Services Board will award funds in the amount of \$69,625 to the City's Department of Parks and Recreation for Fiscal Year 2026 for the Recreation Enrichment Program.

BACKGROUND

The Danville-Pittsylvania Community Services Board will award funds in the amount of \$69,625 to the City's Department of Parks and Recreation. This is a continuation of funding which the city receives each year. With these funds, the Special Recreation Division provides recreation, educational, and cultural services for individuals with intellectual impairments. The funds will be matched with in-kind funds of \$306,223 for a total appropriation of \$375,848. The in-kind funds are included in the City's Fiscal Year 2026 budget.

RECOMMENDATION

It is recommended that the City Council adopt an ordinance appropriating funds to the City's Department of Parks and Recreation.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2026-____.____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR FUNDS IN THE AMOUNT OF \$69,625 FOR A RECREATION ENRICHMENT PROGRAM AND THE LOCAL IN-KIND SHARE OF \$306,223 FOR A TOTAL APPROPRIATION OF \$375,848 AND APPROPRIATION OF SAME.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2026 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenues for funds from Danville-Pittsylvania Community Services to the Department of Parks and Recreation Enrichment Program, Special Recreation Division, in the amount of Sixty-nine Thousand Six Hundred Twenty-five Dollars (\$69,625) and in-kind services in the amount of Three Hundred Six Thousand Two Hundred Twenty-three Dollars (\$306,223) for the purpose of operating a Recreation Enrichment Program to provide services for the individuals with intellectual impairments, appropriating same within the Special Grants Fund, such appropriations be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Categorical Aid - State		
Danville-Pittsylvania Community Services	60299000-45620	\$ 69,625
Local Share		
In-Kind Services Recreation Enrichment Program	60300000-44890	<u>306,223</u>
	Total	<u>\$ 375,848</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Recreation Enrichment	60299999-50	\$ 69,625
Recreation Enrichment – In Kind		
Salaries & Wages	60300000-59500	\$ 212,921
FICA	60300000-59510	16,289
Retirement	60300000-59520	3,637
Insurance	60300000-59530	31,190
Automotive/Motor Pool Rental	60300000-59615	28,968
Utilities	60300000-59625	12,065
Telephone	60300000-59635	1,153
	Sub-total	<u>\$ 306,223</u>
	Total	<u>\$ 375,848</u>

AND BE IT FURTHER ORDAINED, that all other accounts and provisions of the Fiscal Year 2026 Budget Appropriation Ordinance not hereby amended shall continue in full force and effect unless and until hereafter further amended or repealed: and

BE IT FINALLY ORDAINED, that this appropriation shall be continuing appropriation and such appropriation shall carry forward from year to year until such funds are expended for the purpose for which they were appropriated.

Approved:

Mayor

Attest:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL - 2726

CONSENT AGENDA C.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Consideration of Amending the Fiscal Year 2026 Budget Appropriation for a Grant from the Virginia Housing Workforce Housing Investment Program.

From: Susan McCulloch, Division Director of Housing & Development

COUNCIL ACTION

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance to Provide for a Grant from Virginia Housing in the Amount of \$2,000,000 for the Purpose of Developing 1700 West Main Street and Appropriating the Same.

Final Adoption

SUMMARY

The City of Danville received a grant for Workforce Housing Investment Program (WHIP) funding of \$2,000,000.00 from Virginia Housing to assist 1700 Main LLC to construct 182 workforce units at 1700 West Main Street.

BACKGROUND

The 1700 W Main development is a \$32,864,115 project. This development marks the first large-scale, planned Workforce Housing apartment community in Danville. While many adaptive reuse projects have already been completed in the area, the West Main development will be a garden-style apartment community to include both a clubhouse and a pool. If successful, this project will establish a strong market presence that can attract further similar developments in the future. It is located in the Schoolfield Village area and is also in a Revitalization Area.

To support this project, at the developer's suggestion, the Industrial Development Authority (IDA) of the City of Danville is prepared to create a revolving loan fund. VA Housing will disburse the WHIP award funds to the City of Danville. The City will provide each tranche of funds received to the IDA, which will then loan the funds to 1700 W Main. 1700 W Main will repay the funds to the IDA. The repayment will establish a revolving workforce housing loan instrument, enabling the IDA to reinvest the funds in future workforce housing projects. A revolving loan fund creates a sustainable source of capital for housing projects.

RECOMMENDATION

It is recommended that City Council adopt the attached Budget Appropriation Ordinance appropriating \$2,000,000 from Virginia Housing for Fiscal Year 2025-26 to assist with the construction of 1700 West Main Street and disbursed to the IDA for the purpose of lending it to the developer in order to establish

a Workforce Housing Revolving Loan Fund.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2026 - ____.

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A GRANT FROM VIRGINIA HOUSING IN THE AMOUNT OF \$2,000,000 FOR THE PURPOSE OF DEVELOPING 1700 WEST MAIN STREET AND APPROPRIATING THE SAME.

WHEREAS, the City of Danville has received Two Million Dollars (\$2,000,000) from Virginia Housing’s Workforce Housing Investment Funds for the purpose of helping to construct 182 workforce apartments, a pool, and community center at the same address by 1700 Main LLC; and

WHEREAS, the Industrial Development Authority of the City of Danville will receive the tranches from the City to fund a loan to 1700 Main, LLC in the amount of Two Million Dollars (\$2,000,000); and

WHEREAS, 1700 Main, LLC will repay the loan to the IDA so that a Workforce Housing Loan Fund can be created.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2026 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenues from Virginia Housing in the amount of Two Million Dollars (\$2,000,000) for the purpose of developing 182 workforce apartments, and appropriating the same within the Special Revenue Fund, such appropriations to be as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Virginia Housing Workforce Housing Investment Program 1700 West Main Categorical Aid State – Community Development	62108000-45840	\$ 2,000,000

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Virginia Housing Workforce Housing Investment Program 1700 West Main	62108999-50	\$ 2,000,000

AND BE IT FURTHER ORDAINED that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2026 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:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

**Council Letter
City of Danville, Virginia**



CL - 2697

OLD BUSINESS A.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Fiscal Year 2027 Danville Public Schools Budget.

From: Henrietta Weaver, Budget Director

COUNCIL ACTION

A Resolution of the Council of the City of Danville, Virginia Approving the Budget of the School Board of the City of Danville for the Fiscal Year Ending June 30, 2027.

Final Adoption

SUMMARY

The Public Hearing for the Fiscal Year 2027 School Board Budget is scheduled for May 5, 2026. The City's Budget for Support of Schools includes \$35,394,430 for Support of Operations, and \$1,108,830 for Debt Service, for a grand total of \$36,503,260.

RECOMMENDATION

It is recommended the City Council approve the attached Resolution approving the Fiscal Year 2027 Danville Public Schools Budget.

Attachments

1. Resolution
-

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2026- ____ - ____

A RESOLUTION OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA APPROVING THE BUDGET OF THE SCHOOL BOARD OF THE CITY OF DANVILLE FOR THE FISCAL YEAR ENDING JUNE 30, 2027.

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 2027 which estimate reflected total proposed expenditures in the amount of One Hundred Eight Million Three Hundred Thirteen Thousand Nine Hundred Twenty and 00/100 dollars (\$108,313,920.00); and

WHEREAS, the City shall contribute Thirty-five Million Three Hundred Ninety-four Thousand Four Hundred Thirty and 00/100 dollars (\$35,394,430.00) for School Operations and One Million One Hundred Eight Thousand Eight Hundred Thirty and 00/100 dollars (\$1,108,830.00) for School Debt Service for a total appropriation of Thirty-six Million Five Hundred Three Thousand Two Hundred Sixty and 00/100 dollars (\$36,503,260.00); 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 2027 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

budget of the School Board of the City of Danville for the Fiscal Year ending June 30, 2027 be,
and the same is hereby, approved for educational purposes subject to the above recited
conditions.

Approved:

Mayor

Attest:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter City of Danville, Virginia



CL - 2698

OLD BUSINESS B.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Consideration of Fee Changes Effective July 1, 2026.

From: Henrietta Weaver, Budget Director

COUNCIL ACTION

An Ordinance of the Council of the City of Danville, Virginia Amending, Establishing and Increasing Certain Fees of the City of Danville Effective July 1, 2026, Except Where Otherwise Stated.

Final Adoption

SUMMARY

The Fiscal Year 2027 Budget contains recommendations for the following new fees or fee increases:

- The establishment of a special event application fee in Parks and Recreation is estimated to provide an additional \$2,500 in revenue.
- The elimination of the incident report fee, increase of the crash report fee, and the increase in parade permit fees in the Police Department is estimated to provide an additional \$2,270 in revenue.
- The establishment and increase of various fees and permits in Public Works is estimated to provide an additional \$7,280 in revenue.

BACKGROUND

Philosophy of Charging Fees

The City has a long-standing practice of charging the users of services for the cost of providing those services. If the fees exist in the General Fund, they typically only cover a portion of the cost. The purpose of establishing fees instead of using the general taxing authority of the City to cover costs is to ensure that those who benefit from the service are the ones paying for the cost. This is a best practice for municipalities.

Parks and Recreation – Special Event Application Fee

Beginning in January 2026, the City implemented a centralized Special Event Permit process managed by the Parks and Recreation Department to improve coordination and oversight of special events. To support this new structure, the establishment of a Special Event Application Fee is proposed for all special event applications, except for road closures, which are already subject to an existing permit fee, and assembly applications, which will remain free of charge. The proposed fee is intended to offset administrative costs associated with managing the permitting process and to encourage timely and complete applications. Refunds would be limited to situations where a requested facility is unavailable.

Police Department – Crash Report Fee

The Danville Police Department requests an increase in the Crash Report Fee to better reflect current administrative costs. This fee has remained unchanged since 2014 and no longer accounts for inflation, staff time, or technology expenses associated with producing crash reports. The proposed adjustment aligns with the Virginia Department of Motor Vehicles' established rate and is consistent with regional practices, ensuring the City remains reasonable and competitive while achieving improved cost recovery without placing an undue burden on residents.

Police Department – Incident Report Fee

The Police Department recommends eliminating the \$5.00 fee currently charged for in-person requests for public copies of incident reports. These public copies are limited to brief, single-page summaries and are already available online, reducing the need for a fee-supported in-person process. Most requests for detailed reports are handled through FOIA, and peer cities do not impose similar charges. Removing this fee supports transparency, reduces administrative burden, and aligns the City with regional best practices while having minimal fiscal impact.

Police Department – Parade Permit Fee

An increase in the parade permit fee is proposed to reflect the true cost of coordinating and supporting parade events. The current fee has been unchanged since 1988 and no longer corresponds with the level of City services required, including police staffing, traffic control, and public works coordination. The proposed fee aligns more closely with comparable jurisdictions and mirrors the City's existing street closure fee, promoting equity among event types. This update modernizes the fee structure, encourages thoughtful planning by organizers, and ensures that City resources are responsibly allocated.

Public Works – Excavation Permit Fees

The City's excavation permitting process applies to contractors and utility companies performing work within the public right-of-way and requires substantial administrative oversight and field inspections. Current permit fees no longer reflect the actual costs incurred by Engineering and Public Works staff for application review, utility coordination, inspections, and restoration verification. In addition, a new work zone fee is proposed for projects that do not involve excavation but require traffic control and daily compliance checks. With increased right-of-way activity citywide, these adjustments are necessary to ensure that the costs of managing construction impacts are borne by those performing the work rather than subsidized by the General Fund.

Public Works – Dumpster and Container Fees

The temporary placement of dumpsters and storage containers within the public right-of-way requires City review, approval, and inspection to protect public safety and infrastructure. Staff must ensure proper placement, maintain pedestrian and vehicular access, and verify compliance after installation. Establishing a fee allows the City to recover administrative and inspection costs associated with these activities while encouraging timely removal and responsible use of public streets. This approach balances accommodation of private construction needs with stewardship of public space.

Public Works – Commercial Curb Cut Fee

The proposed increase to the commercial curb cut permit fee is intended to better align the fee with the City's actual administrative and inspection costs. Commercial curb cuts require detailed review, coordination with contractors, and multiple inspections to ensure compliance with design, safety, drainage, and right-of-way standards. Residential curb cut fees would remain unchanged. This adjustment improves cost recovery while supporting consistent construction quality and long-term maintenance of City infrastructure.

Public Works – Land Disturbance and Stormwater Permit Fees (Commercial)

The City's Erosion and Stormwater Management program requires extensive staff involvement throughout the life of a commercial development, from plan review and permitting through inspections, enforcement, and long-term documentation. Currently, the City does not charge fees for erosion and sediment control or stormwater management plan reviews. The proposed fee changes would apply

only to commercial projects and are intended to offset a portion of the staff time dedicated to administering and enforcing regulatory requirements. The proposed fees are consistent with those charged by peer localities, supporting fairness and predictability for developers while strengthening the sustainability of the program.

RECOMMENDATION

It is recommended that City Council adopt the attached ordinance establishing and increasing fees.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2026-____. ____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AMENDING, ESTABLISHING AND INCREASING CERTAIN FEES OF THE CITY OF DANVILLE EFFECTIVE JULY 1, 2026, EXCEPT WHERE OTHERWISE STATED.

WHEREAS, the city of Danville charges fees for services rendered, permits and applications; and

WHEREAS, fees for services rendered, permits, and applications are designed to help recoup a portion of the costs of providing those services; and

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that certain fees, be, and the same are hereby, established and approved in accordance with the three schedules, which are attached hereto and made a part hereof, as if fully set forth within, as follows:

Schedule I. Parks and Recreation Department - Fees

Schedule II. Police Department – Fees and Permits

Schedule III. Public Works Department – Fees and Permits

AND BE IT FURTHER ORDAINED that this Ordinance shall be and become effective on and as of July 1, 2026, except where otherwise stated.

Approved:

Mayor

Attest:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

**CITY OF DANVILLE
PARKS AND RECREATION DEPARTMENT
FEES
EFFECTIVE JULY 1, 2026**

Pursuant to Danville City Code § 2-9 and Danville City Charter § 2-6.

FEE	CURRENT	PROPOSED
Special event application fee	\$ 0	\$ 25

**CITY OF DANVILLE
POLICE DEPARTMENT
FEES AND PERMITS
EFFECTIVE JULY 1, 2026**

Pursuant to Danville City Code § 2-9, § 27-1, and § 24-42 and Danville City Charter § 2-6.

FEE	CURRENT	PROPOSED
Incident reports	\$ 5	\$ 0
Crash reports	\$ 5	\$ 8
Parade permit	\$ 3	\$ 75

**CITY OF DANVILLE
PUBLIC WORKS DEPARTMENT
FEES AND PERMITS
EFFECTIVE JULY 1, 2026**

Pursuant to Danville City Code § 2-9, § 13-56, § 35-33, and § 35-34 and Danville City Charter § 2-6.

FEE	CURRENT	PROPOSED
Excavation Permit Fees:		
Initial permit including application review	\$ 21	\$ 100
Underground borings	\$ 21 per bore	\$ 10 per 20 linear feet of bore / \$10 minimum
Pavement/concrete (per square foot)	\$ 0.05	\$ 0.20 / \$10 minimum
Shoulder cut (per square foot of shoulder disturbance)	\$ 0	\$ 0.05 / \$10 minimum
Work zone	\$ 0	\$ 50 per 30 days / \$50 minimum
Residential work	\$ 0	\$10
Dumpster and Container Fees:		
Temporary placement of dumpster or storage container in the city right-of-way		
Business areas	\$ 0	\$ 50 for first 15 days then \$50 each 15 days after
Residential areas	\$ 0	\$ 0 for first 15 days then \$50 each 15 days after

**CITY OF DANVILLE
PUBLIC WORKS DEPARTMENT
FEES AND PERMITS, *continued*
EFFECTIVE JULY 1, 2026**

Pursuant to Danville City Code § 2-9, § 13-56, § 35-33, and § 35-34 and Danville City Charter § 2-6.

FEE	CURRENT	PROPOSED
Commercial Curb Fees:		
Per entrance	\$ 16	\$ 100
 Commercial Land Disturbance and Stormwater Permit Fees:		
Erosion and sediment control plan review (for land disturbance of 5,000 square feet or more)	\$ 0	\$ 50 base fee plus \$50 per acre (maximum \$500)
Stormwater management plan review (for land disturbances that require a VSMP permit)	\$ 0	\$ 50 base fee plus \$10 per 1,000 square feet of post-developed impervious area (maximum \$500)
Land disturbance permit (for land disturbances of 5,000 square or more)	\$ 78 for first acre plus \$52 for each additional acre	\$ 50 base fee plus \$50 per acre

**Council Letter
City of Danville, Virginia**



CL - 2700

OLD BUSINESS C.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Consideration of a Data Center Tax Rate Increase.

From: Henrietta Weaver, Budget Director

COUNCIL ACTION

An Ordinance of the Council of the City of Danville, Virginia Amending and Reordaining Section 37-37 of the Danville City Code to Increase the Data Center Tax Rate from \$0.25 (Twenty-Five Cents) on Every \$100 (One Hundred Dollars) of Assessed Value to \$1.20 (One Dollar and Twenty Cents) on Every \$100 (One Hundred Dollars) of Assessed Value Effective July 1, 2026.

Final Adoption

SUMMARY

The Fiscal Year 2027 budget includes a \$0.95 increase in the Data Center Tax rate from \$0.25 per \$100 of assessed value to \$1.20 per \$100 of assessed value, effective July 1, 2026.

BACKGROUND

The Code of the City of Danville, Virginia, 1986, as amended, was revised on October 4, 2018, to establish Section 37-37, entitled "Data Centers and Data Center Tax Rate." This section created a separate tax classification for computer equipment and peripherals used in qualifying data center facilities. Since adoption, the Data Center Tax rate has remained at \$0.25 per \$100 of assessed value. The attached ordinance amends Section 37-37 to update the rate to \$1.20 per \$100 of assessed value, as incorporated into the Fiscal Year 2027 Adopted Budget. The proposed amendment does not alter eligibility criteria or valuation methodology and is limited solely to the tax rate adjustment.

RECOMMENDATION

It is recommended that City Council approve the attached ordinance amending the City Code for the Data Center Tax rate.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2026____.

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AMENDING AND REORDAINING SECTION 37-37 OF THE DANVILLE CITY CODE TO INCREASE THE DATA CENTER TAX RATE FROM \$0.25 (TWENTY-FIVE CENTS) ON EVERY \$100 (ONE HUNDRED DOLLARS) OF ASSESSED VALUE TO \$1.20 (ONE DOLLAR AND TWENTY CENTS) ON EVERY \$100 (ONE HUNDRED DOLLARS) OF ASSESSED VALUE EFFECTIVE JULY 1, 2026.

NOW THEREFORE BE IT ORDAINED, by the Council of the City of Danville, Virginia, that Section 37-37, entitled "Data Centers and Data Center tax rate", of the Article II, entitled "Levy and Rate of Tax on Real Estate, Tangible Personal Property, Etc.", 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:

Sec. 37-37. – Data Centers and Data Center tax rate.

(b) A separate tax rate is levied on the computer equipment and peripherals used in a Data Center. A Data Center is a facility whose primary services are the storage, management, and processing of digital data as defined in subsection (a) above. The facility must also house equipment used for the transformation, transmission, distribution, or management of at least twenty (20) megawatts of electrical power capacity. The Data Center tax rate is ~~twenty five cents (\$0.25)~~ **one dollar and twenty cents (\$1.20)** per one hundred dollars (\$100.00) of assessed value (which is determined by applying a depreciation schedule to arrive at the fair market value); 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; and

BE IT FINALLY ORDAINED that this Ordinance shall be and become effective on and as of July 1, 2026.

Approved:

Mayor

Attest:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

**Council Letter
City of Danville, Virginia**



CL - 2672

NEW BUSINESS A.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Review of General Fund Financials as of April 30, 2026.

From: Michael Adkins, Assistant City Manager-Chief Financial Officer

COUNCIL ACTION

Review of General Fund Financials as of April 30, 2026. Financial Statements are included

Attachments

1. Financial Statements
-



CITY OF DANVILLE

Department of Finance

To: Ken F. Larking, City Manager
Michael L. Adkins, Assistant City Manager

From: Amy Chandler, Director of Finance

Date: May 11, 2026

Subject: Summary of Preliminary General Fund Financial Results for April 30, 2026

After completing the first ten months of the fiscal year, revenues are tracking well with budget and are ahead of the previous year. As of April 30, General Fund revenues totaled \$137,384,522, representing 74% of the FY2026 budget. Last year at this time, revenues totaled \$124,578,587, 75% of budget. The increase compared to the prior year is primarily attributable to growth in local taxes, along with an increase in Other Local Taxes driven by tourism-related revenue and an increase in Intergovernmental revenues due to an increase in the Gaming Tax Revenue. Notable increases in Other Local Taxes were seen in Meals Tax as well as the Caesars direct payments.

General Property Tax collections continue to perform well with 56% of the budgeted property tax realized at the end of April. More specifically, real estate tax collections through the end of April amounted to \$14,194,303, or 54% of budget. Delinquent real estate tax collections continued to perform well, totaling \$1,107,036 through April, representing 97% of the current-year budget.

Local taxes collected through April 30 amounted to \$44,800,366, or 77% of budget, exceeding FY 2025 collections for the same period by \$3.2 million. Sales tax collections through April continue to lag budget and amounted to \$10,758,826, or 77% of budget. Meals taxes collected for the first ten months of the fiscal year amounted to \$11,410,343 or 82% of budget, an increase of \$571,914 from last year. Business Licenses realized at the end of April were \$6,772,756, or 79% of budget. Lodging taxes received as of April 30 were \$2,983,858 or 81% of budget, an increase of \$44,500 over the prior year. All other revenue categories are tracking well with budget at this point.

Expenditures through April 30 totaled \$166,506,214, or 84% of the budget, representing an overall increase of \$18.6 million compared to April 30, 2025. Departmental spending for the first ten months of the fiscal year amounted to \$83 million, or 76% of budget, an increase of \$6.0 million over the prior year. This increase is primarily driven by an increase in salaries and benefits along with budgeted increases for motor vehicle purchases for public safety as well as budgeted increases for demolition expenses. The remaining overall increase is attributable to increases in non-departmental expenditures related to increased debt service as well as an increase in group

DANVILLE, VA

health insurance, and an increase in Transfers to Capital Projects and Other Funds due to timing differences of when the transfers occurred in FY 2025 versus FY 2026.

Fund expenditures exceeded revenues by \$29,121,692, an improvement of \$6.0 million from March 31, 2026, deficit of \$35,085,189. This pattern is typical for much of the fiscal year because revenue recognition does not align with the timing of expenditures. At this point, the General Fund is performing as expected relative to the current budget.

General Fund expenditures exceeded revenues by \$29,121,692, an improvement of \$6.0 million when compared to the deficit of \$35,085,189 as of March 31, 2026. Typically, the General Fund is in a deficit for most of the fiscal year due to the timing of revenue recognition not being matched to expenditures. The next influx of revenue is incurring now as real estate and personal property tax bills are being levied. At this point, the General Fund is performing as expected with several revenues exceeding budgeted expectations and departmental expenditures trailing 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, 2026

****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	\$ 48,213,680	\$ 27,084,767	56.18%		\$ 21,128,913	\$ 23,516,234
Other Local Taxes	58,297,800	44,800,368	76.85%		13,497,432	41,586,988
License Permits & Privilege Fees	606,510	443,547	73.13%		162,963	410,325
Fines & Forfeitures	526,660	327,108	62.11%		199,552	180,707
Revenue From Use Money & Property	2,942,951	3,277,071	111.35%		(334,121)	3,539,367
Charges For Services	3,498,770	2,989,340	85.44%		509,430	3,154,113
Miscellaneous Revenue	25,100	176,774	704.28%		(151,674)	184,080
Recovered Cost	11,235,078	8,918,579	79.38%		2,316,499	8,651,055
Intergovernmental	46,000,721	36,296,969	78.91%		9,703,751	30,365,718
Transfers From Utilities	15,684,000	13,070,000	83.33%		2,614,000	12,990,000
TOTAL REVENUES	\$ 187,031,270	\$ 137,384,522	73.46%		\$ 49,646,747	\$ 124,578,587
EXPENDITURES:						
General Government Administration	\$ 18,158,241	\$ 13,861,541	76.34%	\$ 369,161	\$ 3,927,539	\$ 12,481,051
Judicial Administration	10,155,844	7,835,163	77.15%	5,278	2,315,403	7,543,298
Public Safety	48,796,331	38,212,670	78.31%	399,296	10,184,365	34,796,922
Public Works	6,561,373	5,312,916	80.97%	160,798	1,087,660	4,484,981
Health, Education, Welfare & Soc. Svc.	11,815,722	8,309,414	70.33%	42,164	3,464,144	8,904,956
Parks, Recreation & Cultural	7,997,007	5,532,625	69.18%	41,350	2,423,032	5,263,375
Community Development	5,618,597	3,946,217	70.23%	142,650	1,529,730	3,584,508
Non-Departmental	16,710,415	16,848,199	100.82%	209	(137,992)	15,290,371
Education	34,383,070	32,457,049	94.40%	-	1,926,021	29,049,606
Transfer to Capital Projects	28,229,333	27,971,035	99.09%	-	258,298	24,434,751
Transfer to Other Funds	10,414,190	6,219,385	59.72%	-	4,194,805	2,029,480
TOTAL EXPENDITURES	\$ 198,840,123	\$ 166,506,214	83.74%	\$ 1,160,905	\$ 31,173,004	\$ 147,863,298
Revenue over(under) Expenditures		\$ (29,121,692)				\$ (23,284,711)
FUND BALANCE:						
Beginning Fund Balance 07/01/2025		\$ 69,331,450				\$ 63,543,749
Revenue over(under) Expenditures		(29,121,692)				(23,284,711)
Ending Fund Balance 4/30/26		\$ 40,209,758				\$ 40,259,038
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 5,237,306				\$ 9,494,439
Unassigned		34,972,453				30,764,598
TOTAL FUND BALANCE 4/30/26		\$ 40,209,758				\$ 40,259,038

**CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF APRIL 30, 2026**

Beginning Total Fund Balance, July 1, 2025	69,331,449.97
Add: General Fund Revenues	137,384,522.30
Deduct: General Fund Expenditures Ending	<u>(166,506,214.07)</u>
Total Fund Balance, April 30, 2026	<u><u>40,209,758.20</u></u>

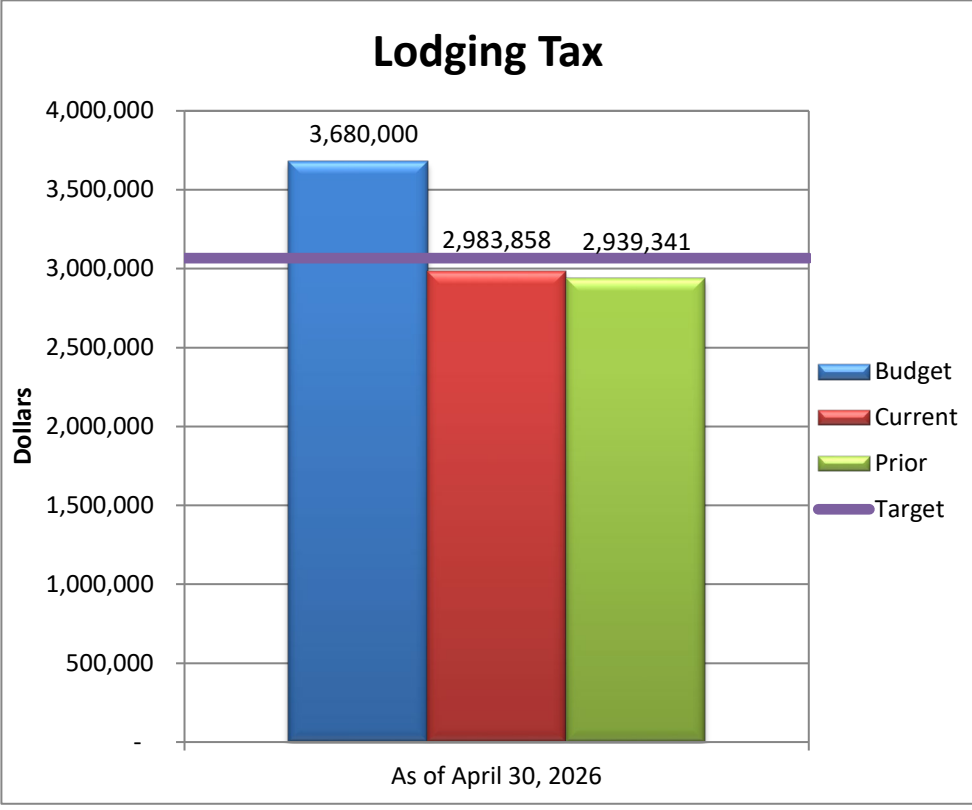
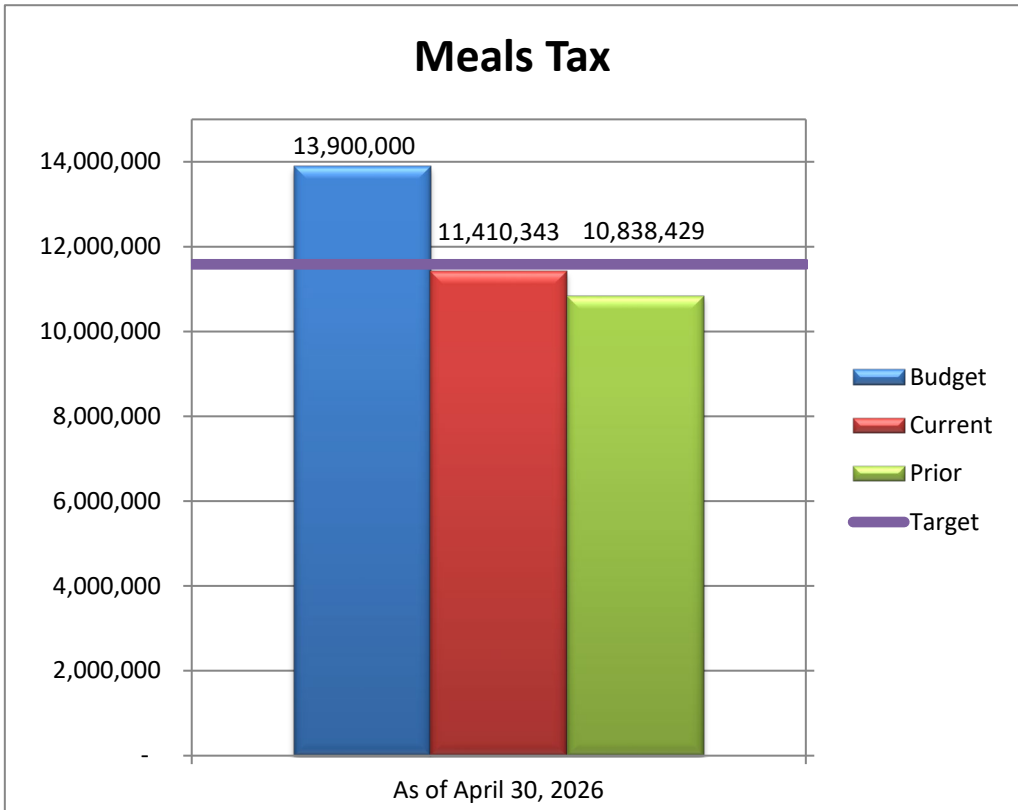
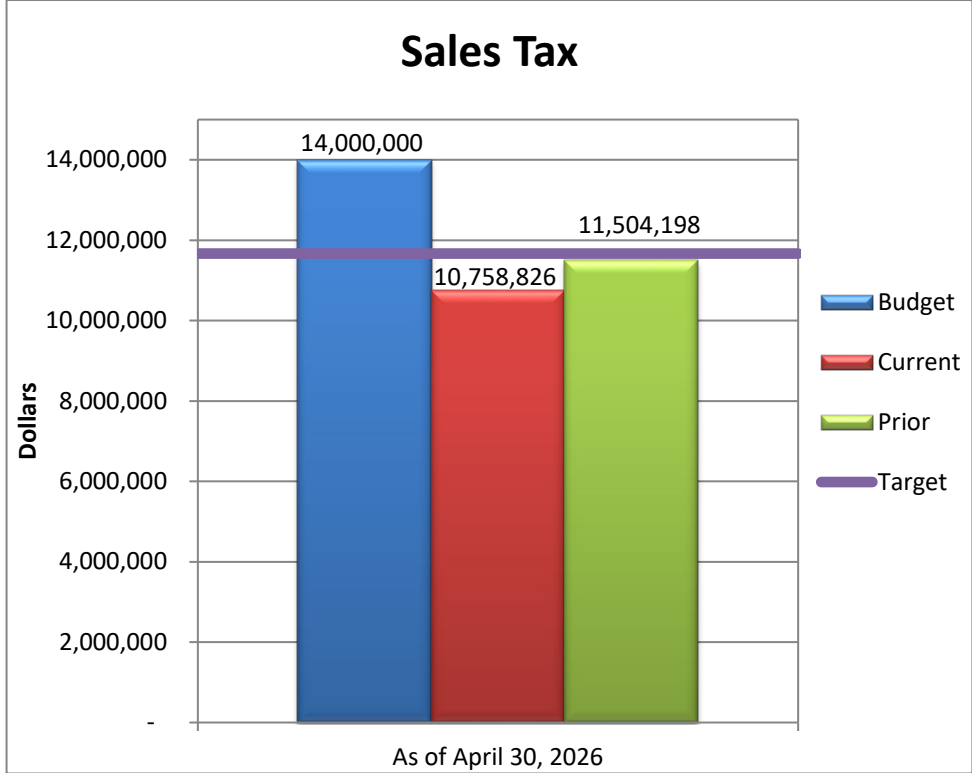
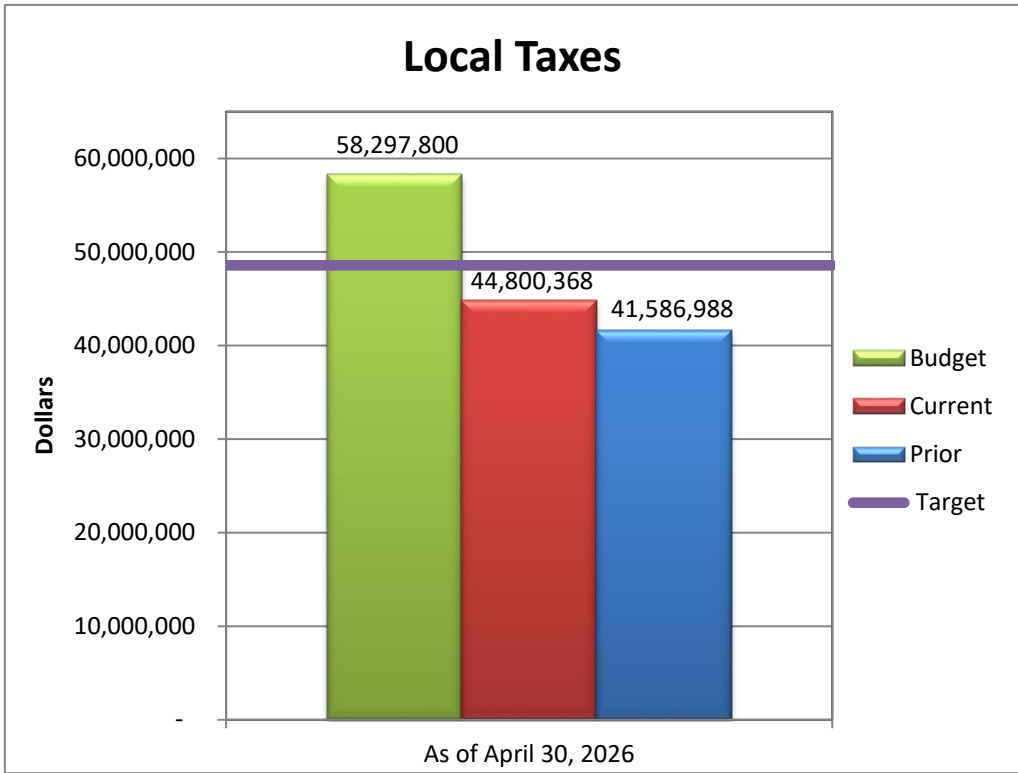
Composition of Fund Balance:

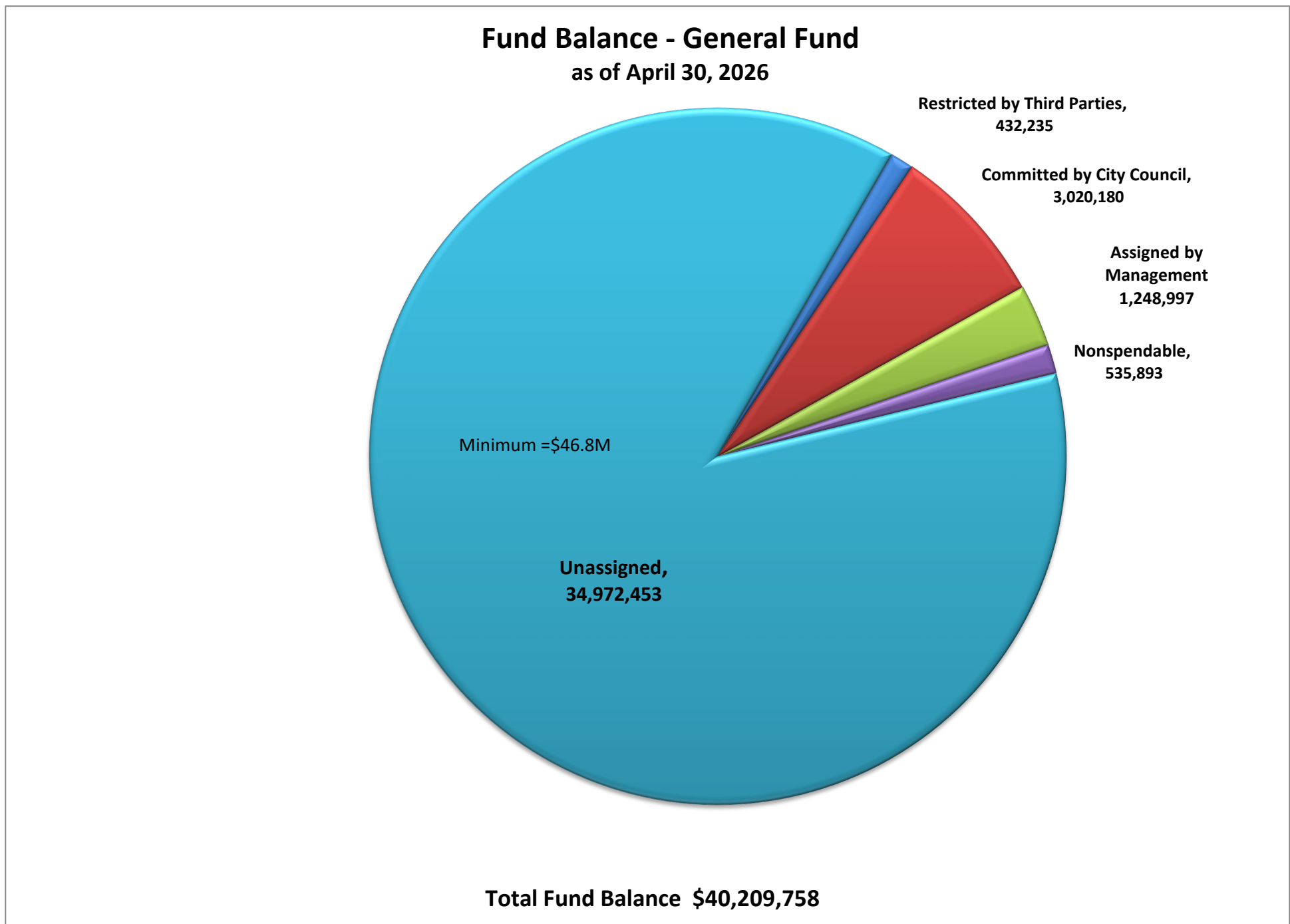
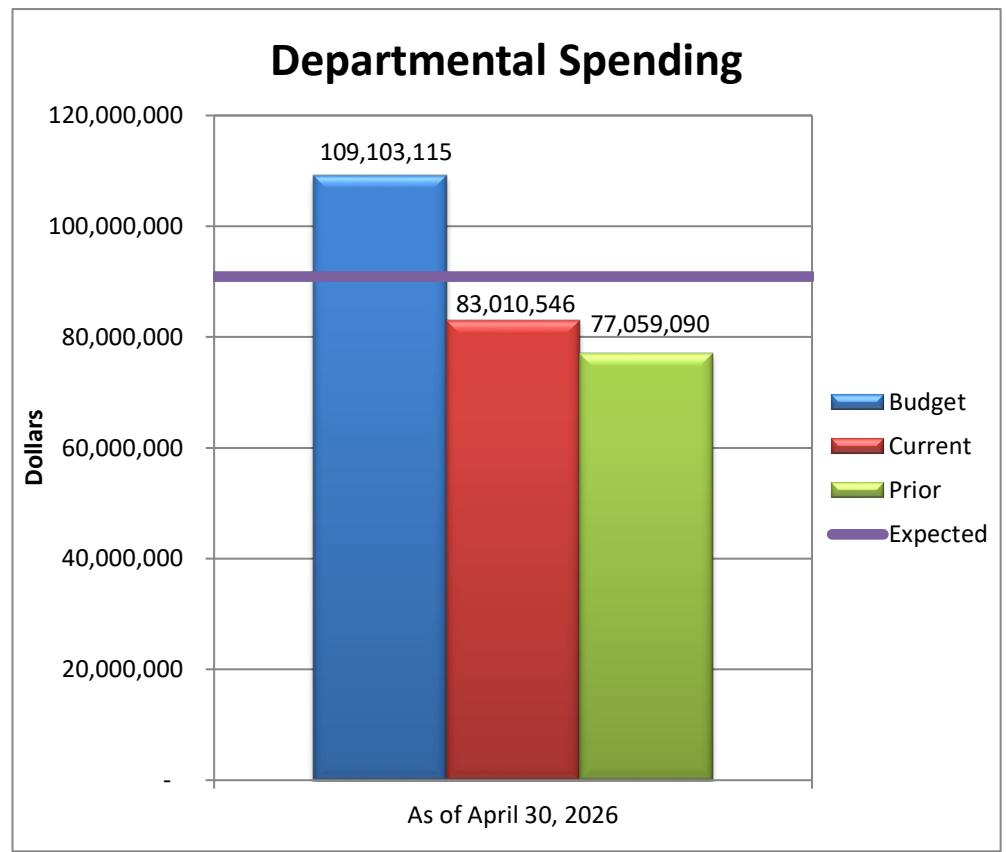
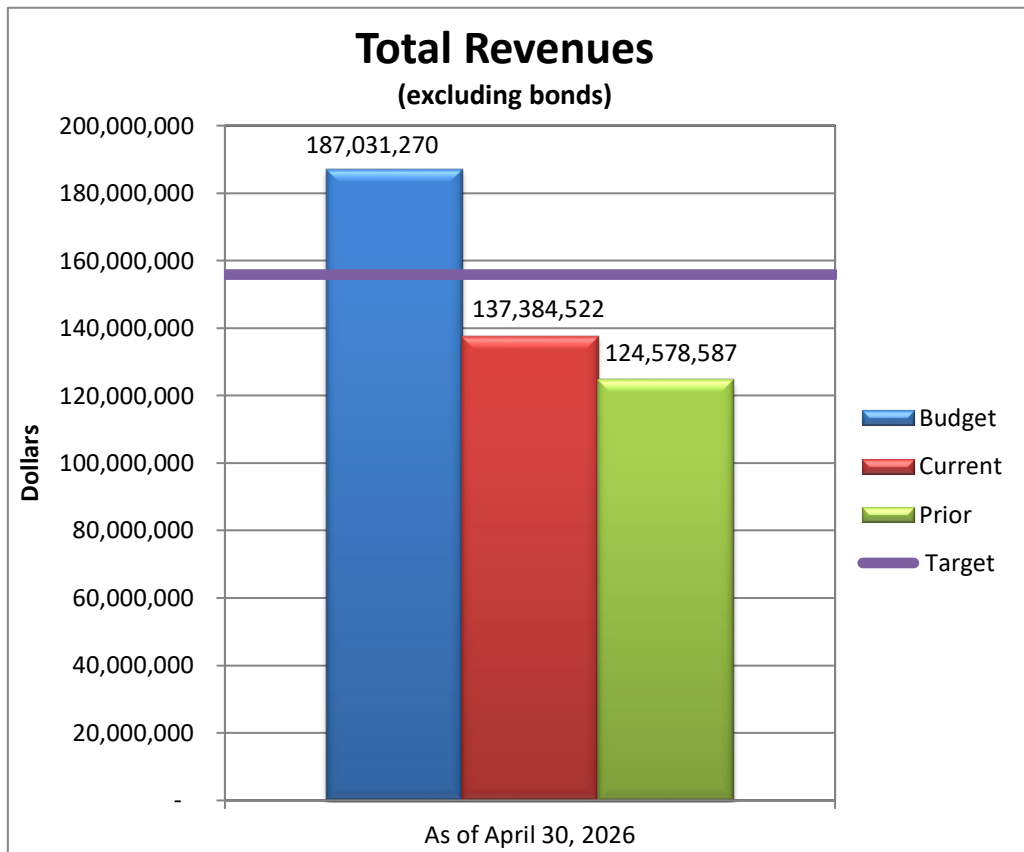
Restricted for Commonwealth Attorney	133,587.97
Restricted for Police Department	153,858.29
Restricted for Fire Department	144,788.35
Committed for Sheriff's Department	20,180.18
Committed to Schools	-
Committed to Budget Stabilization	3,000,000.00
Assigned to Sheriff's Department	17,182.13
Assigned to Community Development	70,909.84
Assigned for Encumbrances	1,160,905.40
Assigned Casino Revenue	-
Nonspendable (Inventory and Prepaids)	535,893.34
UNASSIGNED	<u>34,972,452.70</u>
Total Fund Balance, April 30, 2026	<u><u>40,209,758.20</u></u>
	-

Unassigned fund balance from above	34,972,452.70
Unassigned Minimum per policy (25% of General Fund Operating Revenues) based on FY 2026 budget	<u>46,757,817.39</u>
Current surplus (deficit) over (under) minimum	(11,785,364.69)

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending Apr 30, 2026

<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	\$ 14,000,000	\$ 10,758,826	76.85%	\$ 13,000,000	\$ 11,504,198	88.49%
Business Licenses	8,582,000	6,772,756	78.92%	7,642,000	8,094,477	105.92%
Meals Tax	13,900,000	11,410,343	82.09%	12,100,000	10,838,429	89.57%
Utility Taxes	930,000	795,102	85.49%	930,000	801,683	86.20%
Vehicle License Fees	1,000,000	395,550	39.56%	1,025,000	391,790	38.22%
Bank Stock Tax	1,100,000	375	0.03%	1,100,000	145,253	13.20%
Recordation Tax	370,000	405,057	109.47%	370,000	287,778	77.78%
Hotel Motel Tax	3,680,000	2,983,858	81.08%	3,525,000	2,939,341	83.39%
Daily Property Rental Tax	20,800	45,701	219.71%	20,800	47,796	229.79%
Motor Vehicle Tax	240,000	171,525	71.47%	240,000	166,539	69.39%
DMV Fees	275,000	204,126	74.23%	275,000	196,210	71.35%
Ceasars Min Fee	14,200,000	10,857,150	76.46%	8,900,000	6,173,492	69.37%
TOTAL	<u>\$ 58,297,800</u>	<u>\$ 44,800,368</u>	<u>76.85%</u>	<u>\$ 49,127,800</u>	<u>\$ 41,586,988</u>	<u>84.65%</u>





Council Letter

City of Danville, Virginia



CL - 2699

NEW BUSINESS B.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Real Estate Tax Rate

From: Henrietta Weaver, Budget Director

COUNCIL ACTION

1. Public Hearing
2. An Ordinance of the Council of the City of Danville, Virginia Affirming the Real Estate Tax Rate of Eighty-Three Cents (\$0.83) on Every One Hundred Dollars (\$100.00) of Assessed Value.
First Reading

SUMMARY

The Real Estate reassessment is currently underway. Current projections anticipate an increase of not more than 6.5% in assessed values of existing properties as compared to the current assessment. The anticipated increase related to new construction is not included in this projection.

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 \$0.83 per \$100 as an effective tax rate increase of no more than 6.5%. Current data indicates that maintaining the current rate of \$0.83 would represent a \$0.0467 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 6.5% be realized, property assessed at \$100,000 in the current year would be reassessed at \$106,500 and the tax bill would increase from \$830.00 to \$883.95 annually, an increase of \$53.95 annually or \$26.98 per installment. If the average increase stays at the current 4.67%, a property assessed at \$100,000 in the current year would be reassessed at \$104,470 and the tax bill would increase from \$830.00 to \$868.76 annually, an increase of \$38.76 annually or \$19.38 per installment. In previous years, the closer staff got to concluding the 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 \$1,702,941 increase in real estate revenue for the Fiscal Year 2027 Budget. The Proposed Budget includes an increase of \$1,578,020 representing an estimated 5.93% 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

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2026-____.____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AFFIRMING THE REAL ESTATE TAX RATE OF EIGHTY-THREE CENTS (\$0.83) ON EVERY ONE HUNDRED DOLLARS (\$100.00) OF ASSESSED VALUE.

WHEREAS, the City Code sets the real estate tax rate at Eighty-three Cents (\$0.83) 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 Eighty-three Cents (\$0.83) on every One Hundred Dollars (\$100.00) of assessed value contained in Sections 37-26 through 37-29 of the Danville City Code; and

BE IT FINALLY ORDAINED, that this Ordinance shall become effective as of July 1, 2026.

Approved:

Mayor

Attest:

City Clerk

Approved as to Form
and Legal Sufficiency:

City Attorney

**Council Letter
City of Danville, Virginia**



CL - 2734

NEW BUSINESS C.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Authorizing the City Manager to Execute an Electric Services Agreement with 100 Cane Creek, LLC.

From: Jason Grey, Director of Utilities

COUNCIL ACTION

Resolution of the Council of the City of Danville, Virginia Authorizing the City Manager to Enter into an Electric Services Agreement with 100 Cane Creek, LLC.

SUMMARY

Utilities staff has been working with the City/County Economic Development Departments and the property owner on re-purposing the former Morgan Olson facility for new industry that will require additional amounts of electrical capacity. The electric capacity that has been requested is 10 megawatts immediately, 40 megawatts in October 2027, and additional electric capacity once a transmission load study is completed and known. The site was once served with a dedicated City transmission line and substation. The substation was removed after Swedwood left as Morgan Olson did not require the additional electric infrastructure.

BACKGROUND

The former Morgan Olson facility was recently sold to 100 Cane Creek, LLC with the vision of locating a manufacturing industry that would require additional electric capacity. The building was constructed in 2008 by Swedwood/IKEA with a City-owned transmission line and substation. Once Swedwood/IKEA left and Morgan Olson moved in, the substation equipment was removed and re-purposed within the Danville Utilities footprint. The transmission line is still in place and would be part of the infrastructure aimed to serve the new tenant.

RECOMMENDATION

Staff recommends that City Council approve the City Manager entering into an Electric Services Agreement with 100 Cane Creek, LLC.

Attachments

1. Resolution
 2. Electric Service Agreement
 3. Collateral Acknowledgment Letter - Electric Services Agreement(22273969.5)
-

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2026-_____._____

RESOLUTION OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ELECTRIC SERVICES AGREEMENT WITH 100 CANE CREEK, LLC.

WHEREAS, the City of Danville, Virginia (the “City”), is a political subdivision organized and existing pursuant to the laws of the Commonwealth of Virginia and owns and operates a municipal electric utility system for the benefit of its citizens and customers; and

WHEREAS, 100 Cane Creek, LLC (the “Customer”) has purchased an industrial facility at the Cane Creek Industrial Park, a Danville–Pittsylvania Regional Industrial Facility Authority property, located at 100 Morgan Olson Way, Ringgold, Virginia 4586; and

WHEREAS, the Customer has requested that the City extend its electric infrastructure by constructing transmission, substation, and related facilities (the “City Extension”) facilitate electric service to the Customer Facility; and

WHEREAS, the City and the Customer have negotiated an Agreement for the Construction and Operation of the electric services (the “Agreement”), which sets forth the respective rights and obligations of the parties with respect to the engineering, permitting, construction, operation, and cost recovery associated with the infrastructure upgrades; and

WHEREAS, the Agreement provides for collateral to be paid by the Customer to the City, and clarifies that the City is not specific exits fees and notice requirements if the customer desires to exit the agreement; and

WHEREAS, the City Council has reviewed the proposed Agreement and finds that entering into the Agreement is in the best interests of the City and supports economic development while protecting the City's financial and operational interests.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that the City Manager, Kenneth F. Larking, be, and is hereby, authorized and directed to execute the Agreement and any other documents necessary to be executed or signed to complete this transaction.

Approved:

Mayor

Attest:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

ELECTRIC SERVICE AGREEMENT

BETWEEN

100 Cane Creek, LLC,

AND THE

City of Danville, Virginia

This Agreement for Electric Service (“Agreement”) is made by and between the City of Danville, Virginia, (the “City”), and 100 Cane Creek, LLC (the “Customer”) on this __ day of April, 2026 (“Execution Date”) (the City and the Customer, together, the “Parties” and individually, “Party”).

The sheets attached hereto are made a part hereof and are designated as follows:

- Exhibit A – Table of Circuits/Diagram of Electric Service Facilities
- Exhibit B – Load Ramp
- Exhibit C – Estimated Facilities Cost

In consideration of the mutual covenants and agreements contained herein, the Parties hereto contract and agree with each other as follows:

I. Service and Term

- A. The City shall furnish to the Customer, and the Customer shall purchase from the City, at mutually agreed upon Delivery Point(s), Electric Service required by the Customer’s Expansion located upon the premises (site) situated at 100 Morgan Olson Way, Danville, VA 24540 in the operation of a manufacturing facility (the “**Customer Facility**”).
- B. The term of this Agreement shall become effective on the Execution Date and shall remain in effect for an initial period ending 36 months after the Meter Date, as defined below, (the “**Initial Term**”) and shall continue in successive one (1)-year terms thereafter, renewing annually (“**Renewal Terms**”), until either Party gives the other 180 days written notice of termination. Termination by Customer during the Initial Term or in subsequent one-year Renewal Terms shall be subject to higher Exit Fees set forth in Paragraph V.D herein.
- C. The City’s facilities providing Electric Service to the Customer shall have a capacity to serve a 15-minute peak load not to exceed levels set forth in Exhibit B – Load Ramp (“**Load Ramp**”). If Electric Service is provided hereunder through new service facilities, the Parties hereto shall make every reasonable effort to commence to provide and to receive Electric Service not later than the anticipated Meter Date, as defined below. If the City is unable to provide Electric Service, or the Customer is unable to receive Electric Service on the Meter Date, the date can be changed by mutual consent, or by the City consistent with the terms in Paragraph III of this Agreement.

- D. The City represents and commits that it will deliver electric service capacity to Customer according to the schedule set forth in Exhibit B (Load Ramp):
- i. Phase 1 (10 MW): 10 MW available immediately upon meter installation, which shall be no later than June 1, 2026 (the “Meter Date”), utilizing the City's existing infrastructure. If the City concludes that at least 5 MW of additional capacity is available using the City’s existing infrastructure, the City shall notify the Customer of such availability and the Parties shall negotiate in good faith to amend Exhibit B to reflect the availability of such capacity.
 - ii. Phase 2 (up to 40 MW Total): The City represents that, prior to the Execution Date, it commissioned and received a third-party engineering consultant load study (the “City Load Study”), the results of which confirm that the City is capable of providing up to 40 MW of capacity to Customer in accordance with the schedule set forth Exhibit B. The City agrees that it shall secure and provide such capacity to the Customer. The City, at its sole cost and expense, shall complete all necessary substation upgrades, transformer installations (with N+1 redundancy), and distribution improvements for the provision of such Capacity. Following the expiration of the Construction Period (as defined below), the City agrees that the full 40 MW of capacity shall be made available to the Customer upon request. If, following a period of twelve (12) consecutive months after the expiration of the Construction Period, either Party reasonably anticipates that the Customer’s peak usage will not reach 40 MW or the City reasonably determines in good faith that the Customer’s actual measured peak demand has not reached 40 MW during such period, then the Parties shall negotiate in good faith to amend this Agreement to reflect the Customer’s expected actual usage.
 - iii. Phase 3 (Full Load Capacity TBD): The City agrees to exercise its best efforts in good faith to secure and provide capacity in accordance with the schedule set forth in Exhibit B, with the understanding that, as of the Execution Date, a transmission capacity study by the regional transmission operator (the “Transmission Study”) is pending and, therefore, the City is unable to promise when future capacity will become available. The City shall request such a Transmission Study by the regional transmission operator upon the Execution Date and shall thereafter diligently pursue the commencement and completion of such study in good faith, including, without limitation, promptly providing any and all information and documentation requested by such operator and coordinating with the operator on any necessary access to the real property in which the Facilities are located. If the Transmission Study concludes that providing capacity to Customer in accordance with Exhibit B is not practicable, the Parties shall negotiate in good faith to amend Exhibit B to reflect the availability of such capacity.
- E. Infrastructure Ownership: City shall own, fund, and maintain all substations, transformers, distribution lines, and related facilities.

- F. Remedies for Non-Delivery: If City fails to deliver capacity by the dates specified above, Customer shall only pay Monthly Minimum Demand Adjustment based on capacity actually available to Customer. If City's delay or failure exceeds six (6) months beyond the scheduled date(s) set forth in Exhibit B because of circumstances within the City's reasonable control, the Customer may terminate this Agreement without being responsible for fee or penalty except that Customer shall still be responsible for reimbursement of the City's Utility Termination Costs, as defined below. For circumstances beyond the City's reasonable control, the City and the Customer shall negotiate in good faith for an amendment to Exhibit B.

II. Service Characteristics

- A. The characteristics of Electric Service hereunder, the voltage at which it will be metered and, where applicable, other special provisions, are as follows:

B. Service Characteristics

- i. Electricity supplied will be in accordance with City's applicable rate schedule based on the Customer's usage characteristics, except that, in any event, the Customer shall be subject to the Monthly Minimum Demand Adjustment as detailed in Paragraph IV.C below.
 - ii. The City will own and provide service to the primary metering location(s) to be located on, and operated under, easements provided by the Customer.
 - iii. The Electric Services provided support the Customers' normal business operations, subject to the conditions set forth herein:
 - a. The Customer does not have the right to resell electricity provided to it by the City to third parties at retail rates.
 - b. Customer may, however, pass through its actual costs for its Electric Service it receives and provides to its tenant(s) provided pursuant to this Agreement in a manner approved by the City, which approval shall not be unreasonably withheld, conditioned, or delayed. Under no circumstances shall the amount collected from tenant(s) for a particular billing period exceed the amount the Customer was invoiced by the City in the corresponding billing period.
- C. Notwithstanding the foregoing or anything to the contrary contained herein, if the Customer obtains a tenant for the Customer Facility (the "Tenant") approved by the City (which approval shall not be unreasonably withheld, conditioned, or delayed) and after the Tenant has indicated in writing that it will assume all of the Customer's obligations under this Agreement then the City shall either:
- i. replace this Agreement with a new agreement for electric service between the City and the Tenant ("Tenant Agreement") upon terms that are mutually agreeable to the City and the Tenant, after which the City shall Terminate this

Agreement without any fee or penalty, which will excuse both the City and the Customer of any further obligations under this Agreement; or

- ii. consent to an assignment and assumption of this Agreement to Customer's Tenant in which the Tenant will assume all of the Customer's, duties, liabilities, and obligations hereunder. For the avoidance of doubt, Customer shall not be excused from its obligations under this Agreement unless and until the Tenant assumes such obligations.
- D. If this Agreement is either replaced or assigned pursuant to Paragraph II.C, above, the City shall calculate and invoice the Customer for any charges for Electric Service up to and including the date of such replacement or assignment ("Close Out Invoice"), and shall return any Bill Advance Payments, defined below, then held by the City net of the Close Out Invoice.
- E. Metering Characteristics. Electricity will be metered at the primary metering location(s). These locations will register monthly kilowatt-hour consumption, kilowatt demand, and kVAR reactive power for billing purposes.
- F. Service Voltage and Rate Schedules:
- i. When the City is ready to provide, and the Customer accepts Electric Service, the meter(s) shall be set. The service voltage shall be 12.47 kV as that term is defined in the City's Terms and Conditions and Rate Schedules.
 - ii. The parties anticipate that the meter shall be set on the Meter Date, as defined above and restated in Exhibit B.
 - iii. The Customer has elected to begin taking Electric Service under the selected rate schedule but may change rate schedules as permitted by the terms of the Customer's then effective rate schedule, the City's Electric Rate Schedules, or applicable law. If the City approves a new Rate Schedule for customers matching Customer's service characteristics under this Agreement, the Customer understands that it may be required to switch to the new schedule.
- G. Maximum Demand and Load Ramp
- i. At all times, the Customer shall limit its maximum total measured real power demand ("Maximum Demand") to the monthly amounts stated on the load ramp on Exhibit B ("Load Ramp") until notified in writing from the City that the Customer may deviate from the Load Ramp by increasing its load ("Load Notice"). If the Customer has received a Load Notice, at all times, it shall limit its maximum total measured real demand power to its Maximum Demand or any amount stated in the Load Notice, whichever is lower. Any Load Notices shall cease to be effective after the Customer has completed its Load Ramp. If the Customer desires to increase its total measured apparent power demand

beyond that provided in the Load Ramp or Maximum Demand, it shall send a written request to the City to amend the Agreement consistent therewith.

- ii. Notwithstanding the forgoing, the Customer acknowledges and agrees that there may be interruptions of Electric Service (“Interruptions”). If, due to Interruptions issues that impact the City’s normal service facilities, the City determines it cannot provide Electric Service consistent with monthly maximum amounts in the Load Ramp or Load Notice, or as contemplated by the Maximum Demand, as applicable, it will provide notice to the Customer of the Emergency (as the term is defined in 9 VAC 5-540-20) by the most expedient means available, including verbally.
- iii. If the Customer’s total measured real power demand exceeds the maximum allowable amounts in the Load Ramp, Load Notice, or the Maximum Demand, as applicable, it shall immediately reduce its demand to comply with those limits after receipt of written notice (including via e-mail) from the City (a “Demand Violation”). If the Customer has failed to reduce its demand to comply with such limits within 24 hours of receipt of a Demand Violation, the City, by written notice (including by e-mail), may require the implementation of an instantaneous load limiting schedule within thirty (30) days, subject to the City’s approval, or other remedial actions the City may deem necessary (“Remediation Notice”). Failure of the Customer to comply with a Remediation Notice may require the Customer to bear the costs for the City to modify its facilities providing Electric Service to the Customer so as to limit the Customer’s ability to exceed the applicable levels, in a manner at the City’s sole discretion. Failure of the Customer to comply with a Remediation Notice affords the City the right to remove the Customer from Electric Service at the Customer’s expense.
- iv. Customer acknowledges that the City may, at any time and without notice, interrupt or limit Customer’s Electric Service if it reasonably determines that Customer’s Demand Violation represents an imminent risk to public safety or the integrity of the City’s electric grid.
- v. The Customer acknowledges that any Demand Violation may put the City’s normal service facilities (e.g., substation equipment and transmission lines) at risk. If the City reasonably determines that a Demand Violation results in, or contributed to, damaging the City’s normal service facilities or facilities owned by the TO (defined below), the Customer shall be responsible for its pro rata costs related repairing such facilities, as determined by the City, and termination of this Agreement, the latter of which includes, but is not limited to, full payment of any charges for which the Customer otherwise is responsible under this Agreement.

III. Engineering, Permitting and Construction of Facilities

- A. Upon the execution of this Agreement, the City will take the actions necessary to engineer, design, develop, permit, and construct all facilities necessary to provide Electric Service to the Customer as contemplated herein (the “Facilities”), as set forth below and subject to the conditions set forth herein.
- B. The City will perform or continue to perform detailed engineering, permitting, procurement, and construction activities related to the Facilities, as well as any of the Customer’s identified specific electric facilities requirement, among other things (“Engineering, Permitting, and Construction”).
- C. The City anticipates the normal electric service will be available to the Customer no later than the dates set forth in Exhibit B. The City shall make commercially reasonable, diligent efforts in good faith to provide normal electric service by the Meter Date, however, Customer acknowledges that factors beyond the City’s control may delay the Meter Date and acknowledges that such external delays do not constitute a breach of this Agreement by the City, provided such external delays are beyond the City’s reasonable control.
- D. If the City is unable to meet the requirements of permanent electric service described in Exhibit B but is able to identify temporary solutions to provide such capacity, the City shall inform the Customer of such available temporary measures but may require the Customer to reimburse the City for its actual costs associated with providing such temporary measures.
- E. The City’s undertaking of Engineering, Permitting, and Construction are based on the load characteristics, schedule, and delivery expectations provided by Customer. **Any changes in load, schedule & delivery expectations will impact scheduling & overall project cost.**
- F. If, for any reason, the City is unable to provide service by the Meter Date, the Customer and the City shall work together in good faith to agree upon a new Meter Date and amend Exhibit B accordingly. If the Customer and the City are unable to agree on a new Meter Date, the City shall set a new Meter Date for the earliest date by which the City can provide electric service, which shall not be more than sixty (60) days later than the initial Meter Date specified in Exhibit B, and not earlier than the original Meter Date specified in Exhibit B.
- G. The City has made the following assumptions in performing the Engineering, Permitting and Construction activities contemplated hereunder:
 - i. The Transmission Owner (“TO”) has made assurances regarding compatibility and approved the City’s design; and
 - ii. The City will use its standard design for the substation equipment (circuit breakers, metering equipment, substation transformers); and

- iii. The utility corridor provided by the Customer will be able to accommodate the City's Distribution Equipment, both for bridging power and permanent power; and
 - iv. All permitting and right-of-way procurement will be completed under the project need.
 - v. In the event that these assumptions are not correct and as a result, increases the cost of City to perform the services hereunder, then the City shall be entitled, if necessary, to revise the costs to perform the Engineering, Permitting and Construction and/or the completion date; provided, however that any increase in costs (or any extension of completion date) will be preapproved by Customer and supported by reasonable information and documentation provided by City.
- H. Exhibit C describes the City's anticipated costs associated with Engineering, Permitting and Construction of the Customer Facility.

IV. Billing and Fees

- A. Customer shall be billed pursuant to the applicable rate schedule under which the Customer is taking service, subject to the City's Terms and Conditions and the terms herein. Customer's bills shall be based on actual usage characteristics or its Monthly Minimum Demand Adjustment as described in Paragraph IV.C, below, whichever is higher. Notwithstanding the foregoing or anything to the contrary contained herein, during the period commencing on the Execution Date and ending on the earlier to occur of: (i) the date that the Customer or Tenant commences non-construction operations in the Customer Facility and (ii) the date that is twenty-four (24) months after the Execution Date (the "**Construction Period**"), the Customer shall only be responsible for paying to the City rates and charges set forth on the City's applicable rate schedule under which the Customer is taking service during construction, subject to the City's Terms and Conditions, without the Monthly Minimum Demand Adjustment as described in Paragraph IV.C below and without the Bill Advance payments as described in Paragraph IV.B below, except as otherwise set forth in Paragraph IV.B.ii below). The Customer agrees to notify the City in writing at least ninety (90) days before the Customer or Tenant expects to utilize permanent electric service to the Customer Facility for purposes other than construction (the "**Customer's Utilization Notice**"), which shall terminate the Construction Period.
- B. Customer understands that through execution of this Agreement, the City is obligated to incur significant generation, capacity, and transmission charges from third parties. Accordingly, after the expiration of the Construction Period, Customer agrees to pre-pay each bill based upon the Calculated Estimated Bill for each billing period throughout the Initial Term and any Renewal Term(s). The City will invoice the Customer two billing periods ahead to allow for timing of payments

and billing corrections (“**Bill Advance**” payment). Bill Advance payments shall be calculated based on the expected usage characteristics.

- i. Upon receipt of the Customer’s Utilization Notice, the City shall calculate and invoice the Customer for a Bill Advance payments for the two months of service following the Construction Period (the “**Initial Advance**”);
 - ii. Customer shall pay the Initial Advance at least thirty (30) days before expiration of the Construction Period;
 - iii. At the end of every billing period after the Construction Period, the City will use the Bill Advance to pay generation, capacity, and transmission costs to third parties, debit any charges and fees for Customer’s service pursuant to rates, terms, and conditions set by the City of Danville for Electric Service, and then invoice the Customer to “true-up” the Bill Advance to cover costs the next two estimated billing periods. The intent of the Bill Advance is to ensure that the City has two months’ worth of estimated bill payments in cash available at all times to ensure there is sufficient capital for the City to pay certain costs related to Customer’s service to third parties.
 - iv. Bill Advances held by the City shall not be intermingled with general City Funds but the City may collect interest from banks holding such funds and shall not be obligated to credit such interest to the Customer.
- C. Effective after the expiration of the Construction Period, Customer’s monthly Demand Charges, as described in the Customer’s electric rate schedule, shall be subject to a “Monthly Minimum Demand Adjustment,” meaning that:
- i. the kW demand used to determine the monthly Demand Charge(s) under the applicable rate schedule shall not be less than fifty percent (50%) the Maximum Demand, or, during the Load Ramp, 50% of the maximum demand for the applicable month specified in Exhibit B; and
 - ii. Energy Charges and Power Cost Adjustment charges under the applicable rate schedule shall be based on Customer’s demand but shall not be less than the amount is charged to the City from third parties (*i.e.*, any third-party power/generation service providers) associated with the Customer’s actual or expected usage. For the avoidance of doubt: if the Customer’s expected energy usage under this Agreement requires the City to incur a monthly minimum demand payment obligation to a third-party (*i.e.* a TO or a power/generation service provider), then the Customer shall be liable to the City for any incremental costs incurred by the City for Customer’s failure to meet such minimum demand obligation(s).

V. Cancellation or Termination of the Agreement

A. Cancellation or Termination of the Agreement before commencement of permanent electric service

- i. Before commencement of permanent electric service, this Agreement shall be deemed “canceled” upon the earliest to occur of:
 - a. the date the Customer provides written notification of cancellation of this Agreement to the City, or
 - b. the date that the Customer publicly announces cancellation of this Agreement (in either a written or oral announcement).
- ii. In the event this Agreement is deemed canceled as provided in clause (i) above, except to the extent otherwise expressly provided herein, the Customer shall, within 120 days of the date of such cancellation, pay to the City a “**Cancellation Payment**” consisting of:
 - a. the direct costs the City actually incurred for Engineering, Permitting and Construction, *plus*
 - b. a reasonable estimate of the out-of-pocket costs that will be actually incurred by the City from third parties (such as the TO and third-party power/capacity/generation service providers) associated with Customer’s interconnection/termination (“**Utility Termination Costs**”), *plus*
 - c. the removal costs actually incurred by the City to remove the Facilities, less the net salvage value of salvageable equipment for the Facility, as determined by the City. If the City is able to use such salvageable equipment for other projects, the salvage value of such reused equipment shall be for the purchase price. If the City is unable to use the equipment, and is unable to find a buyer for salvageable equipment at a fair market value, the Customer shall have the option to purchase such salvageable equipment at a fair market price, *plus*
 - d. any other outstanding amounts owed to the City pursuant to this Agreement or the applicable City of Danville Electric Rate Schedules & Riders.

B. Termination of the Agreement after commencement of permanent electric service

- i. Except to the extent otherwise expressly provided herein, if the Customer seeks to terminate this Agreement after commencing permanent electric service to the Customer Facility, the Customer shall be subject to an “**Exit Fee**” as described in this Paragraph V.B.ii of this Agreement, which shall be subject to true up in the matter described in Paragraph V.C, below.

- ii. The Exit Fee shall consist of:
 - a. Utility Termination Costs, as defined above, and subject to true-up in the manner described in Paragraph V.E below, *plus*
 - b. the balance of any unpaid invoices for electric service; *plus*
 - c. any charges for electric service provided between the date of the most recent invoice to Customer and the date of termination; *plus*
 - d. any other outstanding amounts owed to the City pursuant to this Agreement or the applicable City of Danville Electric Rate Schedules & Riders.

C. Cancellation Payment and Exit Fee True Up

- i. Upon receiving notice of cancellation or termination of this Agreement, the City shall take reasonable steps to minimize its Utility Termination Costs, described above.
- ii. Except to the extent otherwise expressly provided herein, in the event of cancellation or termination of this Agreement, the City shall first apply any funds held in the Bill Advance or in any cash collateral to satisfy the Cancellation Payment or Exit Fee. If that amount is insufficient, Customer shall be liable to pay the remainder of the Cancellation Payment or Exit Fee (less any Bill Advance or cash collateral applied).
- iii. The City shall, within 180 days of customer cancellation or termination, account for any Cancellation Payment or Exit Fee, which is subject to “true up” based on the City’s actual Utility Termination Costs, as then known or as can best be estimated at the time:
 - a. If, after true up, the Cancellation Payment or Exit Fee exceeds the Bill Advance, the Customer shall be liable to pay the remainder of the Cancellation Payment or Exit Fee (less the Bill Advance or any cash collateral) and the Customer shall make such payment within ninety (90) days of invoice.
 - b. If, after true up, the Bill Advance exceeds the adjusted Cancellation Payment or Exit Fee, then the City shall return the Bill Advance (less the true-up Cancellation Payment or Exit Fee) within 210 days of the City’s receipt of Customer’s notice of cancellation or termination.
- iv. The City shall, as soon as reasonably possible but no later than one (1) year of Customer cancellation or termination, provide sufficient documentation to the Customer to demonstrate that the City’s expected incremental expenses from third-parties were actually incurred.

VI. Collateral

- A. To ensure that Customer will be able to pay a Cancellation Fees or Exit Fees required by this Agreement, Customer shall be required to post \$2,500,000 in collateral (the “Collateral”) no later than ninety days after execution of this agreement. Such Collateral may be posted as an irrevocable letter of credit, surety bond, or cash.
- B. Collateral requirements may be waived by the City, but such waiver must be in writing.
- C. If the Customer posts collateral in cash, such cash collateral shall be considered a portion of the “Bill Advance” for the purpose of calculating any true up payments required under Paragraph V.C of this Agreement.

VII. Miscellaneous

- A. Easements/Right of Way-In the event the City is unable to secure and/or maintain adequate rights, easements, franchises and other necessary authorizations, the City shall not be obligated to render service hereunder.
- B. Electric Rate Schedule-The provision of Electric Service hereunder shall be subject to all applicable City of Danville Electric Rate Schedules & Riders. The provisions of this Agreement, all rate schedules, and the Terms and Conditions of service are subject to modification at any time in the manner prescribed by law. The City of Danville Electric Rate Schedule & Riders referenced herein may be located on the City’s internet web site at:

<https://home.danvilleutilities.com/DocumentCenter/View/146/Danville-Utilities-Electric-Rate-Schedules-and-Riders-PDF?bidId=>
- C. Assignment of Agreement-Except with respect to an assignment to the Customer’s Tenant as set forth in Paragraph II.C of this Agreement, the Customer shall not assign this Agreement without the express written consent of the City, which consent shall not be unreasonably withheld, conditioned, or delayed. Upon prior written notice to the Customer, the City shall have the right to assign this Agreement to any entity, including an affiliated entity, that acquires or otherwise succeeds to the City’s business.
- D. Prior Agreement(s)-This Agreement and the City of Danville Electric Rate Schedules & Riders embody the entire agreement between the parties hereto and supersede all prior agreements and understandings, if any, relating to the subject matter hereof and thereof. Any claim(s) which either party hereto may have or assert in any manner arising out of the provision of Electric Service prior to the date of this Agreement at the premises specified in paragraph First of this Agreement shall be decided without respect to this Agreement.

- E. Authorizations-This Agreement shall be binding upon the City only when accepted by its duly authorized agent and shall not be modified by any promise, agreement or representation of any agent or employee of the City unless incorporated in writing in this Agreement before such acceptance.
- F. Warranty-The Customer warrants that it is a legal business entity duly organized and existing under the laws of the Commonwealth of Virginia, and the individual executing this Agreement on behalf of the Customer has been duly authorized to execute this Agreement on the Customer's behalf.
- G. Severability-In the event any provision, or any part or portion of any provision, of this Agreement shall be declared by a court of competent jurisdiction to be unlawful, invalid, void or otherwise unenforceable, the remainder of this Agreement shall be severable and remain enforceable. Only the provision (or part or provision thereof) so declared shall be considered unlawful, invalid, or otherwise unenforceable. This Agreement may be executed in counterparts.
- H. Governing Law-This Agreement shall be governed by and constructed in accordance with the laws of the Commonwealth of Virginia, without regard to conflict of laws provisions.
- I. Venue and Jurisdiction. For all litigation, disputes and controversies which may arise out of or in connection with this Agreement, the undersigned irrevocably and unconditionally consent and agree to the venue and exclusive jurisdiction of the State of Virginia Courts located in the City of Danville, Virginia, or the United States Federal Court located in the Lynchburg, Virginia.
- J. Duly Authorized. By their execution of this Agreement, the Parties certify that this Agreement has been duly authorized and executed.

[Remainder of page intentionally left blank. Signatures appear on following page.]

IN WITNESS HEREOF, the Parties hereby cause this Agreement to be signed as of the first month, day, and year written above.

CUSTOMER:

100 CANE CREEK, LLC

By: _____

Name:

Title: Authorized Signatory

CITY:

CITY OF DANVILLE, VIRGINIA

By: _____

Name: Ken Larking

Title: City Manager

Exhibit A – Table of Circuits/Diagram of Electric Service Facilities

Exhibit B

Load Ramp

Phase Date	Megawatts
By June 1, 2026	10 MW
By October 1, 2027	Up to 40 MW
TBD pursuant to Transmission Study	TBD pursuant to Transmission Study

Exhibit C – Estimated Facilities Cost

COLLATERAL ACKNOWLEDGMENT LETTER

May ___, 2026

Re: Acknowledgment of Interest in Collateral in connection with that certain Electric Service Agreement

Ladies and Gentlemen:

This letter (this “Acknowledgment”) is entered into by and among **100 Cane Creek, LLC** (“Customer”), **Protective Life Insurance Company** (“Lender”), and the **City of Danville, Virginia** (the “City”) in connection with that certain Electric Service Agreement, dated May ___, 2026 (the “ESA”), between Customer and the City, which provides for, among other things, the delivery of certain electric service capacity by the City to Customer at the real property located at 100 Morgan Olson Way, Danville, VA 24540 (“Premises”).

Pursuant to Paragraph VI of the ESA, Customer is required to provide collateral in the amount of \$2,500,000 (the “Collateral”) to the City.

The parties hereto desire to enter into this Letter Agreement to acknowledge Lender’s rights and interest with respect to the Collateral as set forth herein.

The parties hereto hereby agree as follows:

1. Notice of Lender Interest

Customer and Lender hereby notify the City and the City acknowledges that the Collateral is being funded with loan proceeds from Lender (the “Loan”), which proceeds are secured by Lender’s security interest in, among other things, (a) the Premises, (b) all security deposits, utility deposits, refunds of fees or deposits paid to any governmental authority, including the Collateral, relating to the Premises and (c) the Customer’s rights under the ESA pursuant to that certain Deed of Trust and Security Agreement granted by Customer in favor of Lender, dated February 26, 2026 (the “Deed of Trust”) and recorded on February 27, 2026 as Instrument No. 260001016 in the Clerk’s Office of Pittsylvania County Circuit Court.

2. Recognition of Refund Rights

Subject in all respects to the terms of the ESA, including, without limitation, the City’s rights to apply the Collateral to any Cancellation Payment, Exit Fee, Utility Termination Costs (as such terms are defined in the ESA), or other amounts owed by Customer under the ESA, the City agrees that any remaining portion of the Collateral required to be returned to Customer in accordance with the terms of the

ESA shall, following written notice from Lender to the City and Customer, be delivered to Lender, provided that in the absence of such written notice, such refund shall be returned to the Customer.

3. No Impairment of City Rights

Nothing contained herein shall:

- limit or impair the City’s rights under the ESA, including its right to apply the Collateral as provided therein, or
- create any obligation on the part of the City to return any portion of the Collateral except as expressly required under the ESA.

4. Foreclosure / Successor Rights

Upon written notice from Lender that it or its designee (in either case “Successor”) has succeeded to Customer’s interest in the ESA through foreclosure, deed in lieu, or similar enforcement action in regard to the Premises, Successor may notify the City that it will assume the obligations of the Customer under the ESA and upon cure of any existing defaults under the ESA by the Successor the City agrees to recognize such party as Customer with respect to the ESA.

5. Reliance

The City shall be entitled to rely conclusively on any written notice provided under this Acknowledgment and shall have no obligation to investigate the validity or continuation of any interest referenced herein.

6. Binding Effect

This Acknowledgment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

7. Termination

Notwithstanding the foregoing or anything to the contrary contained herein, the parties hereto acknowledge and agree that, upon Customer paying off the Loan in its entirety, this Acknowledgment and Lender’s rights and interest in and to the Collateral shall simultaneously terminate and be void and of no further force and effect.

[Remainder of page intentionally left blank. Signatures appear on following page.]

IN WITNESS WHEREOF, the parties have executed this Acknowledgment as of the date first written above.

CUSTOMER: 100 Cane Creek, LLC By: _____ Name: _____ Title: _____	Notice Address: 100 Cane Creek, LLC _____ _____
LENDER: Protective Life Insurance Company By: _____ Name: _____ Title: _____	Notice Address: Protective Life Insurance Company 2801 US Highway 280 South Birmingham, AL 35223
CITY: CITY OF DANVILLE, VIRGINIA By: _____ Name: _____ Title: _____	Notice Address: CITY OF DANVILLE, VIRGINIA _____ _____

**Council Letter
City of Danville, Virginia**



CL - 2704

NEW BUSINESS D.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Budget Appropriation Ordinance for a GO Virginia Grant.

From: Marc Adelman, Director of Transportation Services

COUNCIL ACTION

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance to Provide for GO Virginia Grant Funding to Complete Data Network Installation Requirements for the Aviation Training Facility Project at the Danville Regional Airport in the Amount of \$92,000 and Appropriating the Same.

First Reading

SUMMARY

A GO Virginia grant award was approved by the Commonwealth of Virginia Department of Housing and Community Development to finance the full cost to install data network installation requirements for the aviation training facility building and hangar project that is currently under construction.

BACKGROUND

Data network installation charges related to the aviation training facility project are not considered eligible for federal funding by the Economic Development Administration, which is providing financial assistance to cover sixty percent of the total cost to construct the building. Therefore, a GO Virginia grant application was submitted and approved by the Commonwealth of Virginia Department of Housing and Community Development to cover the related expense based on quotes received from different vendors. An additional local match requirement for the GO Virginia grant is not required since a portion of the local funds that were appropriated to construct the aviation training facility building are considered eligible for the local match. Therefore, GO Virginia grant funding will finance 100% of the cost to complete data network installation requirements for the aviation training facility project.

RECOMMENDATION

It is recommended that Danville City Council approve the appropriation ordinance for state funding to finance the full cost of data network installation requirements for the aviation training facility project.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2026 - _____. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR GO VIRGINIA GRANT FUNDING TO COMPLETE DATA NETWORK INSTALLATION REQUIREMENTS FOR THE AVIATION TRAINING FACILITY PROJECT AT THE DANVILLE REGIONAL AIRPORT IN THE AMOUNT OF \$92,000 AND APPROPRIATING THE SAME.

WHEREAS, the Commonwealth of the Virginia Department of Housing Community Development has awarded a GO Virginia grant to the City of Danville to support construction requirements for the aviation training facility project; and

WHEREAS, the planned project supports future development objectives at the Danville Regional Airport; and

WHEREAS, the grantor requires a fifty percent (50%) local match totaling Forty-six Thousand Dollars (\$46,000) which may be satisfied by City funding that is applied to other phases of the overall Aviation Training Facility project, that are not funded by this specific grant but directly support the same objective. Accordingly, local funds have been appropriated for the completion of other phases of the Aviation Training Facility project that meets the local match requirement.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia that the Fiscal Year 2026 Budget Appropriation Ordinance be, and it is hereby amended by increasing revenues for grants from the Commonwealth of Virginia Department of Housing and Community Development in the amount of Ninety-two Thousand Dollars (\$92,000), such funds to be appropriated as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Data Network Installation	62107000-45712	\$ 92,000

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Data Network Installation	62107999-50	\$ 92,000

BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2026 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:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter City of Danville, Virginia



CL - 2709

NEW BUSINESS E.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Fiscal Year 2026 Comprehensive Services Act Appropriation.

From: Henrietta Weaver, Budget Director

COUNCIL ACTION

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance by Appropriating Comprehensive Services Act Funds and Providing Local Matching Funds for a Total Amount of \$8,469,539 and Appropriating Same.

First Reading

SUMMARY

The Comprehensive Services Act (CSA) was enacted in Fiscal Year 1994 by the Virginia General Assembly for the purpose of eliminating duplication of services for at-risk children and families. Whenever possible, CSA services must be child-specific and community-based. Services may be residential or non-residential, private or public, and must be responsive to the child's unique needs and cultural background. These services may currently exist within public agencies, such as mental health, social services, education, and court services, or may be available through private providers. Examples include, but are not limited to: substance abuse counseling, respite care, psychological evaluations, transportation services, home-based therapy, family counseling, parent training, therapeutic foster care, job coaching, after-school care, recreation, and housing assistance.

In January 2013, the City began operating its own Community Policy and Management Team (CPMT). This resulted from a request by Pittsylvania County to dissolve the joint Danville–Pittsylvania County Community Policy and Management Board (CPMB). A full-time coordinator position was established within Danville Social Services to administer the City-only program. There has been no increase in administrative cost to the City, as the administrative funds previously paid to Pittsylvania County are now being utilized to support the City-only program.

BACKGROUND

Daily, schools, social services, and court service units are faced with a range of societal challenges, including locating appropriate services for abused, neglected, delinquent, and special needs children with significant mental and physical health impairments. In addition, these organizations serve children with behavioral challenges that require specialized treatment placements, address truancy concerns, and support children whose disabilities are so severe they are unable to function safely within the community.

These disabilities and behavioral health needs include, but are not limited to: Autism Spectrum Disorder, Bipolar Disorder, Schizophrenia, Problematic Sexual Behavior, Post-Traumatic Stress Disorder, Suicidal Ideation, Conduct Disorder, Attachment Disorder, and Intellectual Disability. The overall focus of CSA continues to be serving at-risk children and families.

Significant progress has been made in bringing additional resources and services to the community. Service providers are responding to increased demand for specialized programs while continuing to manage the rising costs associated with these services. Community partners are increasingly encountering younger children with complex and severe needs that often cannot be treated locally. The agencies represented on the CPMT explore all available options to meet the needs of Danville's children and families by employing cost-effective strategies to reduce expenditures to the locality. These strategies include utilizing Medicaid-funded providers when appropriate, reviewing progress reports prior to authorizing additional service units when feasible, and evaluating eligibility for Title IV-E funding, which reimburses the locality for 100 percent of allowable costs.

RECOMMENDATION

It is recommended that the City Council adopt the attached ordinance to approve Fiscal Year 2026 state and local funding for the CSA program. The required local match is included in the Adopted Fiscal Year 2026 City of Danville Budget.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2026____.____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE BY APPROPRIATING COMPREHENSIVE SERVICES ACT FUNDS AND PROVIDING LOCAL MATCHING FUNDS FOR A TOTAL AMOUNT OF \$8,469,539 AND APPROPRIATING SAME.

BE IT ORDAINED by the Council of the City of Danville, Virginia that the Fiscal Year 2026 Budget Appropriation Ordinance be, and is hereby, amended by increasing revenues to anticipate the State and Local funds for the Comprehensive Services Act fund and appropriating such funds within the Special Grants Fund, such appropriation to be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Categorical Aid – State:		
Comprehensive Services Act -		
Pools Funds	60315000-45560	\$ 6,000,000
Administrative Funds	60315000-45570	19,539
Local Share		
Transfer in from General Fund	60315000-6101	<u>2,450,000</u>
	Total	<u>\$ 8,469,539</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Comprehensive Services Act:		
Outside Services	60315000-52349	\$ 8,200,000
CSA Medicaid	60315000-55570	123,739
Salaries, Fulltime	60315000-51100	104,000
Group Health Insurance	60315000-51600	20,000
FICA	60315000-51450	7,700
Retirement	60315000-51525	6,500
Office Supplies	60315000-55820	2,000
PS-Office Supplies	60315000-52655	1,300
Maintenance Service Contracts	60315000-52225	1,300
Travel & Training	60315000-54900	1,000
HSA Contribution	60315000-51632	900
Materials & Supplies	60315000-55930	600
Group Life Insurance	60315000-51630	200
Dues	60315000-56242	200
Postage	60315000-54050	100
	Total	<u>\$ 8,469,539</u>

AND BE IT FURTHER ORDAINED that a flexible budget is hereby authorized whereby appropriations may be increased to the extent that actual revenues from the CSA Pool Fund exceeds the original budget amount; and

BE IT FINALLY ORDAINED that all other accounts and provisions of the Fiscal Year 2026 Budget appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until thereafter further amended or repealed.

Approved:

Mayor

Attest:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter
City of Danville, Virginia



CL - 2737

NEW BUSINESS F.

City Council REGULAR MEETING

Meeting Date: May 19, 2026

Subject: Amending the Fiscal Year 2026 Budget Appropriation Ordinance for a Grant from the Federal Aviation Administration.

From: Marc Adelman, Director of Transportation Services

COUNCIL ACTION

An Ordinance of the Council of the City of Danville, Virginia Amending the Fiscal Year 2026 Budget Appropriation Ordinance to Provide for Additional Federal Funding to Complete Architectural and Civil Engineering Services to Construct a Hangar at the Danville Regional Airport in the Amount of \$62,871 and for the Local Share in the Amount of \$3,309 for a Total of \$66,180 and Appropriating the Same.

First Reading

SUMMARY

The Federal Aviation Administration has recommended that federal Infrastructure Investment and Jobs Act funds be used to complete architectural and civil engineering services to support the construction of a new corporate hangar and establish utility connections at the Danville Regional Airport.

BACKGROUND

Site prep construction work will be completed soon in the t-hangar building area at the Danville Regional Airport to support future corporate hangar development. Federal grant funding is available through the Infrastructure Investment and Jobs Act to complete architectural and civil engineering services to design an 80' x 80' hangar and establish utility connections. Federal funding was allocated to Danville through the Infrastructure Investment and Jobs Act over a five-year period and \$608,375 is presently available to use towards this project.

RECOMMENDATION

It is recommended that City Council appropriate federal and local funding to complete architectural and engineering services to support the construction of a hangar at the Danville Regional Airport.

Attachments

1. Ordinance
 2. Exhibit
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2026 - _____ . _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AMENDING THE FISCAL YEAR 2026 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR ADDITIONAL FEDERAL FUNDING TO COMPLETE ARCHITECTURAL AND CIVIL ENGINEERING SERVICES TO CONSTRUCT A HANGAR AT THE DANVILLE REGIONAL AIRPORT IN THE AMOUNT OF \$62,871 AND FOR THE LOCAL SHARE IN THE AMOUNT OF \$3,309 FOR A TOTAL OF \$66,180 AND APPROPRIATING THE SAME.

WHEREAS, Infrastructure Investment and Jobs Act funding, which is administered by the Federal Aviation Administration, will provide ninety-five percent (95%) federal funding to complete architectural and engineering services to construct a hangar; and

WHEREAS, site prep construction work is currently underway to support the construction of future hangar development at the Danville Regional Airport.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia that the Fiscal Year 2026 Budget Appropriation Ordinance be, and it is hereby, amended by increasing revenues from the Infrastructure Investment and Jobs Act funding in the amount of Sixty-two Thousand Eight Hundred Seventy-one Dollars (\$62,871) and the local share in the amount of Three Thousand Three Hundred Nine Dollars (\$3,309), such funds to be appropriated in the Capital Projects Fund as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Federal Aviation Administration Hangar Building – Taxiway H Categorical Aid Federal - Airport	62095000-48420	\$ 62,871
Local Share Transfer from General Fund	62095000-6101	3,309
	TOTAL	<u>\$ 66,180</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Hangar Building – Taxiway H	62095999-50	\$ 66,180

BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2026 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:

Clerk

Approved As To Form
And Legal Sufficiency:

City Attorney

ARCHITECTURAL AND ENGINEERING SERVICES TO CONSTRUCT A 6400 SQUARE FOOT HANGAR

- Improvements underway include paving of an aircraft parking ramp and a 39-space automobile parking lot
- Future Hangar space development - up to 39,000 square feet
- 6400 square foot hangar and utility connections; planned completion fall of 2027

