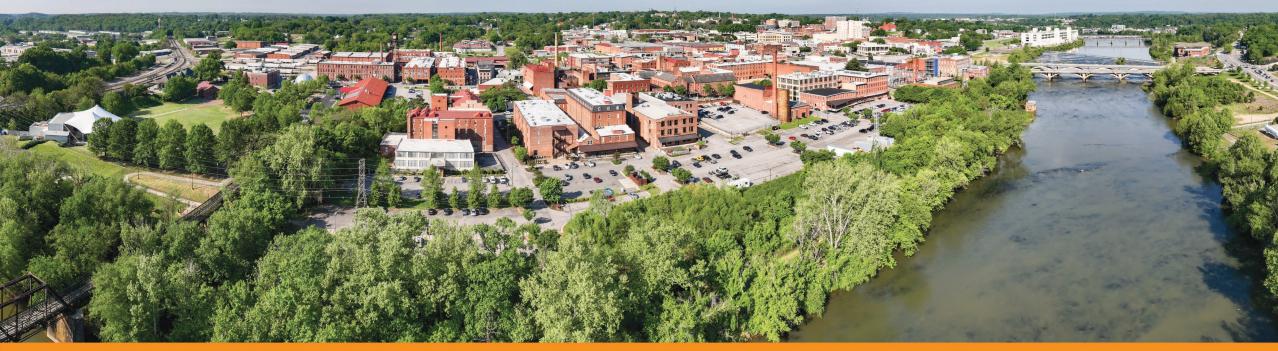


Fiscal Year 2025-2026 Proposed Budget



- All America City 2020 and 2024
- Great American Main Street 2023
- VML President's Award 2019
- 3 VML Innovation Awards 2019 (2) & 2017
- GFOA Distinguished Budget Presentation Award Since 2016
- GFOA Achievement for Excellence in Financial Reporting Since 1987
- Governor's Excellence Award ARPA Energy Efficiency Program – Bronze 2024
- Virginia Economic Developers Association
 Top Economic Development Award 2024





- PRSA Blue Ridge Awards Runner Up "Feels like Home" video 2024
- VEDA Community Economic Development Award – 2020 (SVRA) & 2018
- Southern Economic Development Council
 Community Economic Development Award
 2020 & 2018
- Virginia Main Street Merit Award for Best Downtown Public Improvement Project – 2016
- Site Selection Magazine –
 Multiple recognitions ranking Danville as
 high as 6th Micropolitan area in the
 Country

- Playful City USA 2007-2017
- 14 VRPS Awards between 2015-2024
- VA Main Street Best Downtown
 Public Improvement Project 2016
- Community Light Show Top 20 Event to Attend in Southeast – four years
- Five NC Showfest Awards
- 2024 Nature Everywhere Community Children's Nature Network and NLC
- 3 Telly Awards River City TV



- American Public Power Association (APPA)
 Platinum (2025 & 2021) and Gold (2018 & 2015) Award as a Reliable Public Power Provider
- APPA EF Scattergood System Achievement Award 2019 – reliability & redundancy
- AMP Infrastructure Awards 2018
- VEDA Community Economic Development Award – 2020 & 2018
- Southern Economic Development Council
 Community Economic Development Award
 2020
- National Gang Center Spirit Award 2019

- Tree City USA Certification Since 1992
- Outstanding Community Program Award –
 Reserve A Ride 2021
- Digital Cities Winner 2019-22; 2024
- GMIS Best Practices 2022
- Commonwealth of Virginia Innovative Technology Symposium Award – 2024
- 2 Thrive Challenge Awards -2017
- ISO 1 and CFAI International Accreditation for Fire Department



- Commission on Accreditation for Law Enforcement Agencies – Police Department
- Virginia Law Enforcement Professional Standards Commission Accredited Police
- International Association of Chief's of Police Investigative Unit Award – 2024
- Virginia Crime Analyst Network New Analyst Award - 2024
- Virginia Association of Chief's of Police Valor Award – 2024, 2023
- Innovation in Government Award 2022

- Radford University Center for Police Practice –
 Police and Research's Excellence in Policing
 Award 2020
- Virginia Gang Investigators Gang Investigators of the Year - 2019
- Virginia Association of Chief's of Police Award for Lifesaving
- Multiple Individual Awards for Various Members of City's Leadership Team
- Alerted to others too soon to announce for 2025



Recommended Budget Strategy

- Take care of basic needs through delivery of core City services paid with traditional revenue streams
 - Health and wellness
 - Strong neighborhoods
 - Public safety
 - Maintain and invest in infrastructure
 - Efficient and effective service delivery
- Provide for quality lifelong education
 - Improve K-12 education
 - Workforce development

- Build, maintain, and attract great quality of life amenities
 - Retains existing residents
 - Attracts new residents
 - Retain our young people
- Attract new businesses and entrepreneurs and support existing business
 - Improves economic opportunity
 - Increases tax revenue



Focus on Investing In Our Youth

- Build a community with jobs and amenities that encourage our young people to stay/return home
- Promote life-long learning
 - Education
 - Workforce development
- Enhance quality of life amenities
- Improve housing and neighborhoods
- Economic opportunities for all









Budget Highlights

- Balanced budget with no tax rate increase \$379,320,710
- Current year revenues paying for ongoing expenses
 - General Fund
 - Real estate tax rate is tied for 5th lowest in the state for cities
 - Real estate tax burden is 14th lowest among the 133 Virginia localities
 - Utility Funds
 - Implementation of Biennial Rate Study Recommended Adjustments
 - Continued investments in infrastructure and reliability
 - Other Funds
 - \$1 per month increase to Solid Waste Fee



General Fund Highlights

- Budget: \$184,010,470
 - \$19.4 million increase
- Major revenue increases:
 - \$10 million gaming tax revenue
 - \$3.7 million real estate taxes
 - \$1.8 million meals tax revenue
 - \$1 million sales tax revenue
 - \$940,000 business licenses

- Expenditure highlights:
 - Less than \$5 million in guaranteed gaming revenue used for recurring expenses
 - Increases in General Fund costs:
 - \$5 million increased personnel costs, outside purchased services, maintenance service contracts, and other operational costs experiencing inflationary increases
 - \$2.2 million pay for performance
 - \$513,000 retirement system



Utility Fund Highlights

- Budget: \$190,772,470 \$11,594,530 increase from the current year
 - Danville's electric rates are average when compared to others in the state
 - Gas, water, and sewer rates are well below average
 - Danville residents benefit from reliable services, with quick local response
- 40% of Electric revenue comes from outside City limits
- Includes funds to improve reliability of infrastructure



Biennial Rate Study

- Every two years, Danville Utilities conducts a rate study
 - Approved by Utility Commission
 - Ensures that the cost of service are appropriately assigned to correct customer classes
 - When adjustments are needed, they are typically modest
 - Makes sure that adequate funding is available to run and maintain the system
 - Considers fund balance policy minimums
 - Ensures adequate funding is available to make investments, which help with growth keeping rates stable
 - Modest Rate Adjustments for Electric, Gas, Water, and Wastewater
 - Total of ~\$10 per month for typical residential customers
 - Equivalent to \$6.2 million in revenue per year



Danville Utilities – Innovation from Inception

- Gas and Water Works
 - Started in 1874 by a private company
 - Purchased by Danville in 1876
 - Gas mostly used for lighting
- Natural Gas
 - In 1950, Danville became the first customer of the Transcontinental Gas Pipe Line Corporation (TRANSCO)
- Electric Plants
 - Started in 1886 as first municipal-owned and operated electric plant in the USA primarily for streetlights
 - Pinnacles Hydro Completed in 1938

- Water Plant Constructed in 1902
 - Several expansions and renovations in the decades since to meet additional demand and improve efficiencies
- Southside Wastewater Plant 1957
 - Primarily serves Goodyear plant
- Northside Wastewater Plant 1973
 - Serves residential, commercial, and industrial customers in and around Danville
- Danville Utilities has enabled economic development and opportunity for over 150 years!



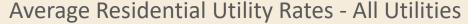
Why Cities Own Electric Utilities?

- Lower Costs
 - Municipal utilities are not-for-profit, meaning they don't need to generate profits for shareholders
 - Currently, our rates are 25% lower that AEP
- Local Decision Making
 - City Council can set policies and make investments based on local priorities
- Improved Service Quality
 - Municipal utilities provide better customer service and quicker response due to local focus
- Promotes Efficient Growth, Prosperity, and Opportunity
 - Availability of reliable utilities is the foundation of any successful economic development effort





Utility Rate Comparisons





- Danville adjusts utility rates every two years
- Danville customer bills include Water, Sewer, Gas, and Electric in one bill
- Even considering proposed rate,
 Danville customers pay \$25.28 less
 per month than the next lowest city
- Danville customers would pay \$56.91 per month less than the average of the comparison cities

Powering Savings and Progress

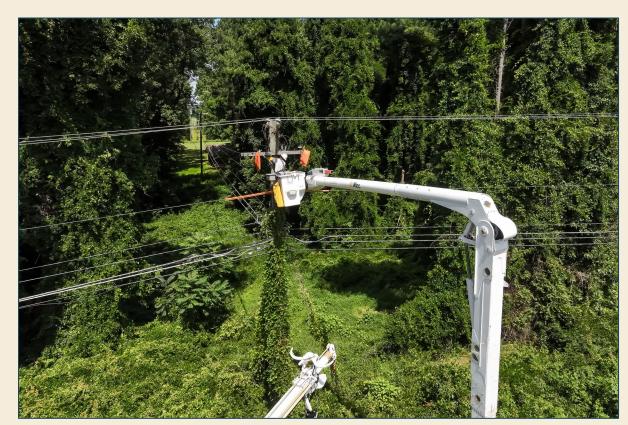
- Economic Opportunity
 - River District Revitalization = more housing, restaurants, stores, etc.
 - More businesses = more jobs
 - Housing Density and Affordability
 - Reliable Service
 - Low Cost
- Reduced Tax Burden
 - \$15.6 million transfer =
 - 52 Cents on the Real Estate Tax Rate
 - General Fund cost for Economic Development, Parks and Recreation, and Public Works combined

- Project Specific Transfers
 - FY 2012 \$3 million for River District and Coleman Industrial Site property purchases
 - FY 2013 \$3 million for River District revitalization efforts
 - FY 2019 \$3 million for Special Projects
 Loan Fund Bee Hotel
 - FY 2022 \$500,000 for Riverfront Park
 - FY 2025 \$3 million for grading Coleman Industrial Site



Danville Utilities Energy Efficiency Programs

- ARPA Energy Efficiency Program
 - \$1 million in funding
 - 64 customers assisted
 - Resulted in an average reduction of 4,500 kWhs per year, saving \$615 per year, per customer
- HVAC Tune Up Rebates
- Customer Outreach
 - Identified 3,676 residential customers using over 3,000 kWhs per month
 - Letters to be sent to each customer encouraging them to reach out to us for energy assistance





Assistance for Needy Families

- Neighbors Helping Neighbors
 - Round Up Program
 - Community Foundation Grants
- Pandemic Delinquent Bill Assistance
 - CARES Act \$500,000
 - ARPA \$568,766
- Energy Assistance Programs
 - Heating Program \$1.5 million
 - Cooling Assistance \$600 per qualifying customers





Proposed Utility Bill Relief Programs

- Appropriate \$3.1 million of unanticipated Casino Gaming Revenue
 - Up to \$10 per month credit on City customer utility bills - \$2.4 million
 - Energy Efficiency Program -\$500,000
 - Contribution to Neighbors Helping Neighbors - \$200,000





Investing in Danville - Casino Revenue

- \$9.5 million for Economic Opportunity
- \$5.2 million for Public Safety
- \$4.7 million for Operations
- \$4.3 million for Education
- \$4.1 million for Financial Stability
- \$2.7 million for Quality Housing
- \$2.7 million for Community Health
- \$1 million for Infrastructure
- \$927,000 for Quality of Life





Investing in Danville - Casino Revenue

Public Education

- Bonuses and raises \$1,225,000
- Security \$620,000
- Early College/Dual Enrollment \$560,000
- Behavioral Specialists \$443,000
- Bus Aides/Monitors \$426,000
- Social Workers \$392,000
- F.A.C.E Specialists \$347,000
- Summer Internships \$237,000

Operations

- City Pay for performance \$1.6 million
- DPS Personnel Costs \$2.7 million
- DPS Operations \$448,000

Public Safety

- Youth Violence Prevention \$761,000
- Police Headquarters \$1.5 million
- Police Equipment \$340,000
- Fire PPE \$1.3 million
- Fire Station Improvement \$336,000
- Courthouse Space Needs \$250,000
- Jail Security Upgrades \$650,000

Quality of Life

- Parks Improvements \$545,000
- Parks Maintenance \$110,000
- Museum Upgrades \$100,000
- Tree Plantings \$100,000
- Arts Program \$71,000



Investing in Danville - Casino Revenue

Economic Opportunity

- Dan River Falls Debt \$2.25 million
- Dan River Falls Phase 2 \$2 million
- Schoolfield Smokestacks \$2 million
- Tourism \$1.3 million
- IDA/RIFA Support \$480,000
- Enterprise Zone Grants \$430,000
- Schoolfield Corridor Fund \$415,000
- Community Business Launch \$130,000
- Façade Grants Program \$125,000
- Economic Mobility \$110,000
- Small Business Support \$60,000
- International Recruitment \$50,000

Community Health

• Park Improvements - \$2.7 million

Quality Housing

- Housing Grants \$1.4 million
- Demolition/Blight \$850,000
- Rental Inspection \$100,000
- DNDC \$300,000

Infrastructure

Neighborhood Resurfacing - \$1 million

Financial Stability

- IDA Debt Reduction \$4 million
- Grant Administration \$92,000



Education

- Budget: \$32,483,672 a \$4,637,482
 increase to pay for:
 - \$2,215,698 to fund pay increases resulting from pay study
 - \$956,658 to pay for the required local match of the state's 3% salary increase for Standards of Quality (SOQ) funded positions.
 - \$491,257 to pay for a \$1,000 bonus for non-SOQ positions.
 - \$170,372 to pay for an increase for health insurance premiums for DPS employees.
 - \$255,590 for bus aides
 - \$252,907 for increase utility expenses for new buildings
 - \$195,000 for increased transportation expenses
 - \$100,000 for security enhancements







Next Steps

- City Council Introductory Budget April 30
- Public Hearing School Budget May 6
- Utility Rate Adjustment Vote May 6
- Final Adoption of School Budget May 20
- Public Hearing on Budget June 3
- Final Adoption of Budget June 17



