

**Danville Town Council Work Study Minutes**  
**September 9, 2020**

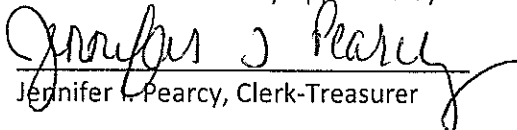
- I. **Call to Order:** Council President Tom Pado called the work study meeting of the Danville Town Council to order on September 9, 2020 at 6:00pm, in the Danville Town Hall.
  
- II. **Roll Call:** Town Council Vice President Nancy Leavitt acknowledged a quorum of the Council. Tom Pado, Nancy Leavitt, David Winters, Chris Gearld, and Greg Vanlaere were present. Town Manager Mark Morgan and Clerk-Treasurer Jenny Pearcy were present.
  
- III. **Topics of Discussion:**
  - 2021 Budget Workshop— Clerk Treasurer Pearcy presented the following information:
    - HANDOUT: Form 4B (formerly called the 16 line statement) – summary of the proposed budget and cash flow for the next 18 months by fund.
    - HANDOUT: Proposed current year budget reductions to increase the 2020 year-end cash balances to support the 2021 budget and desired cash reserves. We will pass an ordinance to formally reduce this year's expenditures so the DLGF will allow us to project higher year-end cash balances.
      - Starting with June 30 cash balances, we applied July – December financial activity by estimating revenues and applying remaining appropriations to arrive at the projected year-end cash balance for each fund.
      - The form then shows the property tax levy applied to certain funds alongside all other miscellaneous revenues.
      - It provides the 2021 total proposed expenditures.
      - Finally, it shows the estimated cash balance as of December 31, 2021.
      - The proposed budgets are all funded budgets. This means Danville has the cash to support the proposed expenditures for 2021.
      - Some funds are projected to have a surplus budget in 2021 whereby the cash balance or reserve will grow at year-end. For example, at this time, the General Fund is projected to have a surplus of \$255K.
      - Some funds show a deficit budget meaning the 2021 budget is using the current year cash reserves to fund 2021 operations. MVH and Park Non-Reverting are two funds with deficit budget.
  
  - The income tax distribution will be updated by the State on September 15; it is truly unknown which direction this revenue line item could move in and impacts the General Fund only.
  - HANDOUT: Salary and Benefits Summary is also a handout.
    - This shows the current salary and benefits (Salary, FICA/MICA, Civilian Perf, 77 Fund PERF, insurance, supplemental retirement, phone stipend, etc.) followed by the additional expenditures by fund for a potential 1, 2 or 3 % cost of living adjustment.
    - Danville's participation in the Aim Medical Trust has provided stable and high-quality healthcare for the Town employees since 2010. Every three years the Trust looks at the

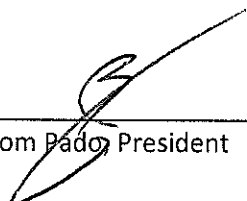
claims performance and provides a premium true-up or adjustment in order to remain competitive in the marketplace and keep fair rates in place for the members. Danville's three-year claims experience was positive and allowed for a 20.4% reduction in premium rates for 2021.

- Discuss General Fund non-departmental expenditures and cost saving measures:
  - Health Clinic estimated cost savings of around \$48,000.00
  - Cell Phone Stipend
    - Fire - \$3,600
    - Police - \$9,900
    - All other civilian - \$16,750
- Wastewater Superintendent Jerry Crisp approached the council concerning our delinquent utility customers and that the utilities are completely separate from tax-based accounts. He stated that we have always had delinquent accounts and how they actually can produce additional revenue due to late fees, etc. Those accounts are divided between water, wastewater and stormwater effecting a percentage of each utility and not all as whole. He also requested giving the utilities a raise amount separate from public safety due to the disparity between each entity pay scale dating back a few years.
- Stormwater Superintendent Barry Lofton spoke regarding the new subdivision developments anticipated for the Town of Danville. Two of the new developments east of town will not have Danville Sewer.
- What to expect for September 16 Work Session?
  - Same documents as tonight
  - Line item revenue and expenditure details by fund
  - Updated income tax revenue
  - Final direction to Town CT and Manager – input to Gateway and “advertised” by Sept. 25 at the latest. Goal is to have everything entered and signed off by Tuesday, Sept. 22.

IV. **Adjourn:** President Tom Pado adjourned the meeting around 6:40pm.

Minutes submitted by Approved by:

  
Jennifer L. Percy, Clerk-Treasurer

  
Tom Pado, President