

**ROCKY MOUNT TOWN COUNCIL  
FISCAL YEAR 2014  
BUDGET WORK SESSION NO. 1  
APRIL 11, 2013**

The April 11, 2013 Fiscal Year 2014 Budget Work Session No. 1 meeting of the Rocky Mount Town Council was held in the Council Chambers of the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia at 4:00 p.m. with Mayor Steven C. Angle presiding. The following members of Council were present:

Vice Mayor Gregory B. Walker, Council Members Bobby M. Cundiff, Jerry W. Greer, Sr., P. Ann Love, Robert L. Moyer, and Billie W. Stockton

The meeting was called to order by Mayor Angle.

For the record, the following were present: All members of Town Council as noted, Town Manager C. James Ervin, Assistant Town Manager/Community Development Director Matthew C. Hankins, Finance Director Linda Woody, Chief of Police David Cundiff, Public Works Director Cecil Mason, Wastewater Treatment Plant Superintendent Timothy Burton, Water Plant Superintendent Bob Deitrich, Fire Chief Charlie Robertson, Accounting Technician Amy Gordon, Deputy Clerk Stacey B.Sink, and Town Clerk Patricia H. Keatts.

**APPROVAL OF AGENDA**

Prior to the meeting, Council had received the agenda for review and consideration of approval.

- Motion was made by Vice Mayor Walker to approve the agenda as presented, seconded by Council Member Cundiff and carried unanimously.

**FISCAL YEAR 2014 BUDGET WORK SESSION NO. 1**

Prior to the meeting, Council had received a copy of the draft Fiscal Year 2014 Budget and Capital Improvement Plan for review.

The proposed budget was presented to Council by the Town Manager and Finance Director for the following categories:

- General Fund
- Public Safety
- Public Works
- Buildings & Grounds

- Community Development
- Non-Department (GF)
- Utility Fund
- Water Treatment
- Sewage Treatment
- Non-Departmental (UB)
- Capital Improvement Plan
- Performance Venue Operation
- Performance Venue Capital
- Utility Capital Project Fund
- Supporting Information
- Graphs

Under each category, the Finance Director and Town Manager highlighted each category:

- General Fund
  - o All departments are summarized.
- General Government
  - o Mayor & Council
    - All items relatively flat except for office supplies.
    - Explained what the community outreach programs were, which is explained in last paragraph on page 8.
    - Advertising is more in-line with what was spent last year; the advertisement fees have gone up; explained what those advertisements were for (all meetings Council has that need advertising, such as public hearings, etc.), with these ads being legally required.
  - o Town Manager
    - Nothing out of the ordinary; trimming down on data processing; medical and dental higher due to Town Manager now using the family plan.
  - o Town Attorney
    - Council Member Cundiff questioned if the Town Attorney could be under the Town's health insurance if he paid for it himself. It was confirmed to Council that staff would look into this matter and bring back before Council during budget work session #2.
  - o Finance Department
    - Nothing out of the ordinary; budget kept tight this year.
  - o Board of Elections
    - Budgeting for Town election next year; Town has to cover 100% of the cost, which usually costs \$3,500.
- Public Safety
  - o Police Department
    - Workers compensation has gone up some, as well as motor fuel used; department not doing anything out of the ordinary; staff

explained why overtime is higher; staff confirmed State is still paying for some overtime through the Department of Motor Vehicle (DMV) mini-grants, with them being appropriated when received and Council seeing what they are at that time; the USDA cars are in this budget at a cost of \$42,149 (Town's share); staff confirmed that all cars are equipped now with laptop and cameras.

- Volunteer Fire Department
  - Basically mirrors budget on what they are spending; slight bump in motor vehicle expenses (repairs to the trucks); others are based on trends; Fire Chief is taking a different approach as he is beginning to trend down and budgeting accordingly to what he thinks he now needs, and if it gets to a point where he is running out of supplies, will come back before Council at that time.
- Public Works
  - Public Works Administration
    - Wage and fringe benefit costs falls in-line with trends; rolling out cell phones to include two more Public Works employees, giving a total now of four, giving them a \$35 monthly stipend.
  - Street Lighting
    - Wages are what is paid Town staff to work on the streetlights.
    - Appalachian Power Company (APCo) had slight increase in charges for streetlights; staff explained the process that is followed when a report is turned in on streetlight outages; Council requested that the Town Manager and Town Clerk contact the APCo to let them know that the Town is not satisfied in the turnaround time it takes to fix outages.
  - Parking & Traffic Control
    - The capital improvement project is still in there regarding way-finding signage, with the Town being able to use VDOT funds for this project; the contractual figures are going up with trends.
  - Street Maintenance
    - Only significant addition is the asphalt roller; contractual is bumped up for paving, with two paving projects this year, with staff explaining how this works, and also VDOT funds will be used to help off-set this.
  - Sidewalks, Curb & Gutters
    - Capital outlay shows Town and State share; Public Works will do the sidewalks but not the curb and guttering; staff confirmed curb and guttering will be done late summer; and if VDOT gives approval, sidewalks will be done late fall (VDOT is requiring more information).

- Street Cleaning
  - No changes.
- Refuse Collection
  - Increase due to fuel and workers compensation; staff confirmed that it will be a few more years before a trash truck is needed.
- Snow Removal
  - No real change, trending based on use; there was money left over in this year's budget and VDOT gave some reimbursement also.
- Building & Grounds
  - Municipal Building Maintenance
    - Reduction in contractual due to not doing security lock changes for the doors this coming year (should be finished with these changes); pretty much everything else will stay in; discussed what the cleaning company supplied that does the cleaning for the building, which is basically the cleaning supplies, other than paper products, which the Town supplies; Finance Director will find out how much a month is spent on paper supplies to the building.
  - Emergency Services Building Maintenance
    - Keeping up with trend; cleaning supplies more than doubled than last year.
    - Discussed if there was still water leakage at the building, with it being confirmed by Chief of Police and Fire Chief there is some problems with flashing, and also with the soffits; Council advised to get a quote from Lionberger Construction on fixing these problems.
  - Public Works Shop Maintenance
    - Reflects trending.
  - Cemetery Maintenance
    - No changes.
  - Parks & Playgrounds
    - Only substantial change is the capital project item for a proposed basketball court to be located on North Main Street; discussed instead to partner with the YMCA and having the pricing structure geared towards that if the participants grow past the number, they can come back before Council to discuss that; Town Manager to talk further with the YMCA regarding this matter; consensus of Council for the \$450,000 to be pulled but keep as a place order at this time until staff hears from the YMCA.
- Community Development
  - Planning & Zoning
    - Basically a 1% increase across the board; more cuts than increases; since Planner was brought on board, office supplies up slightly; printing down significantly; staff confirmed that the iPads are working out fine for the Planning Commission members.

- Economic & Community Development
  - Carbon copy from last year; Franklin County Parks & Recreation taking over a lot of the activities that Community Partnership for Revitalization (CPR) did; staff to give to Council by next budget work session how much of the funding now will be going to Franklin County Parks & Recreation for the events they hold in-town; contractual charges changed since the recession, and now looking at doing the requests Council has asked for; also currently paying engineering services, such as analysis for the Veterans' Memorial Park erosion and sediment control; regarding the BUD Commission, the Town pays for the mowing twice a month at their entrance signs they installed.
- Citizen's Square
  - Basically a 6% reduction.
- Community & Hospitality Center (Depot)
  - Basically a 9% increase, principally in use of small items; repairs and maintenance increased; staff replacing HVAC system gone bad at the Depot by taking the HVAC unit off the former Lynch building and using it instead; will salvage the old one.
- Passport Services Expenses
  - Continues to be a money maker; thinks their revenue is about \$11,000.
- Performance Venue
  - Council Member Cundiff stated that it bothers him that since there was \$20,000 left over at the end of the fiscal year, need to take it out if it is not being spent; staff indicated it has been cut in half, with Council Member Cundiff indicating that with the performance venue now in place, the focus will be not be on economic development but more so on the Performance Center.
- Economic Development Authority
  - This is a new item; has basic expenses, mostly legal and photocopying; Finance Director has come up with a budget for this new item; Deputy Clerk will be attending meetings and will receive a stipend in-line with what is received from being paid for attending similar meetings.
- Non-Departmental (General Fund)
  - General Fund Non-Departmental
    - Went over proposed contributions; this is the same as last year; at staff level, turned down requests that were not in Franklin County that did not assist County and Town citizens; Council Member Moyer questioned why Town was giving \$2,000 to Franklin County Library, with him asking that it be removed from the contribution list; Council Member Cundiff questioned why Helping Hands was

receiving \$3,000 with there being discussion how a lot of Town citizens are helped by them, and with that assistance, they are able to pay their Town utility bills; also discussed how STEP, Inc. has assisted the Town in the past.

- Mentioned that on page 70, this is where the reclassification for Town employees in the bottom grade is at, with Town Manager asking the Finance Director to put funds aside in the budget to bring them a slight increase in their pay grade, keeping in mind that the Finance & Human Services Committee will have to review this matter, then bring before Council; last year offset YMCA taxes, and this year, Council had indicated that they would not be doing that again this year as it was a one-time deal; debt service is non-negotiable; final payment on Wastewater Treatment Plant will be paid on January 1, 2014; moving \$75,000 from General Fund to Utility Capital Project fund to pay for street sweeper; \$800,00 moving from General Fund to music venue fund; briefly went over operation budget for music venue, which should be offset by \$87,000; sitting on \$50,000 contingency; have \$163,159 as a place holder for reserve for reimbursement to fund balance; explained the \$20,000 for contingency fund; \$50,000 is just a number used; explained not doing employee wellness program this year, with basically cutting \$2,200 as the Town's new health insurance will cover the wellness program.
- Utility Fund
  - Overview – Utility Fund
    - Page 74 outlines the expenses.
- Water Treatment
  - Water System Operations
    - Water Plant Superintendent confirmed that he is waiting on the parts to finish the electrical system, and when finished (which is hopefully real soon), will reduce costs; page 76 explains the work the Public Works Department does to maintain the water distribution, slight reduction as it is coded elsewhere for some of his staff; capital outlays – trending to spend \$36,000 and may do in this year's FYI; working with Water Plant Superintendent so next year's budget will have a water tank purchase in it, but as or right now, not sure what is needed.
  - Meter Reading
    - The Public Works Director confirmed that the meter reading truck has been ordered; otherwise, fairly flat budget.

- Water Treatment Plant
  - Utilities was real high this year, but budgeted \$10,000 less than last year; rest of items have small tweaks here and there – based on trend; on whole, a 0.38% increase without capital expense; Water Plant Superintendent explained SCATA system and how it works, also, being shared with Wastewater Treatment Plant, further explaining how this will work; staff explained to Council Member Cundiff the percentage increase in the wage adjustment being due to one of the Water Plant employees was out due to military assignment but now back to work.
- Sewage Treatment
  - Sewer Systems Operations
    - 21% increase in a fairly small budget; SCATA is in this also.
  - Wastewater Treatment Plant
    - Soon to be Town-owned; Wastewater Treatment Plant Superintendent got a big surprise on the increase of repairs and maintenance, so trying to make sure he has enough funds to cover future costs; Wastewater Treatment Plant Superintendent confirmed to Mayor that the plant is running at about 40% capacity now; small increase in lab, supplies, etc. due to testing that they have to go through, and should be in-line with those expenses; keeping the part-time help the same as last year; have to maintain lab to state standards; hopefully, the plant has moved to where it will help save the Town money, but right now, they were off budget expenses due to changing in the testing requirements for ecoli, and the way it is being set up now, will save about \$5,000 in supplies alone, but a headache to switch over to the new method and hope to have it on-line by July 1<sup>st</sup>.
- Non-Departmental (Utility Billing)
  - Utility Billing
    - Tracking utility billing; envelopes now being used versus the postcard style due to all the information now being provided to the utility customers.
  - Utility Fund Non-Departmental
    - Debt service principal going down due to significantly paying off the plant; debt service interest going down significantly also; \$50,000 in contingency – unbudgeted, but Council can allocate during the year as they see fit; contingency is reserved for reimbursement for fund balance; basically, \$445, 054 set aside for future expenses; regarding depreciation, have to show as it is due to being an auditing requirement.

- Capital Improvement Plan
  - o Capital Projects Fund
    - Page 92 shows what departments have asked for and also shows what is actually being proposed to be funded.
  
- Performance Venue Operation
  - o Performance Venue Revenues
    - Have a very short operation season; figures are good faith numbers; hopefully, this is the only year the Town will have to bring over funds and that it should fund itself in the future.
  
- Performance Venue Capital
  - o Performance Venue Capital Projects Revenues
    - Numbers previously given on revenue sheet and expenditure sheet.
  
- Utility Capital Projects Fund
  - o Utility Fund Capital Projects Fund Revenue
    - New fund this year; basically, \$276,600; went over what was being pulled out (\$100,000 for garbage truck in CIP) and adding \$75,000 from General Fund to purchase street sweeper for Public Works Department; explained other proposed expenditures (replacement of SCATA system, valve controllers, motor vehicles, street sweeper); holding off replacing water tanks at this time.

The Finance Director confirmed to Council that it was her thoughts that Council wanted this to be the Town's last year to sell decals, and that this would follow the same thing Franklin County was doing; also, the Town Attorney will be preparing an ordinance for Council approval regarding this matter.

The Mayor stated that the Town Manager and Finance Director will be supplying the details as requested by Council during this meeting and have them ready for Council for the second budget work session that is scheduled on Monday, April 15<sup>th</sup>, starting at 4:00 p.m. He further stated that the proposed budget is just a plan to consider a budget for the Town.

Council Member Cundiff reminded everyone that there will be a Public Utilities Committee meeting (Council Member Cundiff is Chair for this committee) on Wednesday, April 17<sup>th</sup>, starting at 4:00 p.m., further stating that he would appreciate any input from Council members regarding the proposed contract agreement for Western Virginia Water Authority.

The Mayor thanked the Town Manager and Finance Director for their input in preparing the proposed budget.

**ADJOURNMENT**

There being no further discussion, the Mayor entertained a motion to adjourn.

- At 5:50 p.m., motion was made by Council Member Greer to adjourn, seconded by Council Member Love and carried unanimously.

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Steven C. Angle, Mayor

ATTEST:

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Patricia H. Keatts/Town Clerk

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