

**ROCKY MOUNT TOWN COUNCIL
SPECIAL COUNCIL MEETING
JUNE 2, 2008**

The June 2, 2008 special Council 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 7:00 p.m. with Mayor Steven C. Angle presiding. The following members of Council were present:

Vice Mayor Roger M. Seale and Council Members Stephen F. Agee, Jerry W. Greer, Sr., John H. Lester, and Sadie W. Tuning

Let the record show that Council Member Posey W. Dillon was absent due to being out-of-town on business.

The meeting was called to order by Mayor Angle.

The Town Clerk read for the record the following being 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, Town Attorney John T. Boitnott, Planning & Zoning Administrator Paul Stockwell, Chief of Police Erik Mollin, 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 Council Member Lester to approve the agenda as presented, seconded by Council Member Tuning and carried unanimously.

PUBLIC HEARING ON PROPOSED FISCAL YEAR 2008-2009 (FY 09) OPERATING & CAPITAL BUDGETS

After being duly advertised, a public hearing was held to receive comments on the proposed Fiscal Year 2008-2009 (FY 09 Operating & Capital Budgets).

At the request of the Mayor, the Town Manager presented to Council a PowerPoint presentation entitled "The Road Ahead – RY 2009 Budget". The following is the overview presented by the Town Manager regarding the proposed Fiscal Year 2008-2009 (FY 09 Operating & Capital Budgets):

- Guiding Vision
 - A clean, safe, beautiful and economically vibrant Town of Rocky Mount
 - As the Town moves forward, the budget is the single most important tool that can be used to move the community towards the Town's vision of the future.

- FY 2009 Reaching The Vision
 - Provide expected services while reducing costs (5.5% reduction in overall spending).
 - The Town's economy is heavily depended on the housing market, and with the downturn in the economy, a conservative budget is called for. In an effort to tighten the Town's belt, the proposed budget includes a 5% reduction in spending from the prior year.
 - Prepare for future emergencies and major capital needs by building Town reserve funds.
 - All have a vision of the "Rocky Mount" of the future. This vision of the future might be different things to different people. For some, it is the creation of a music venue, for others it is funds to provide an economic incentive to industry, for others it is new sidewalks or investment in community development or recreation. Regardless of the specifics of the individual vision, the budget includes \$300,000 of savings towards future expenditures to help make many of these dreams a reality
 - Sustain capital investment and fulfill development commitments in tight budget year.
 - Capital funds are included for industrial development, parks and recreation, basic maintenance, urgently needed equipment and repairs, and for the start of the Town's uptown revitalization.
 - Maintain commitment to employee health, while sharing some of the burden of rising hospitalization insurance costs.
 - Medical insurance for the Town employees continues to be a significant expense. Last year the Town's portion was \$418K; this year, it is proposed to be \$433K. The Town's insurance provider raised the Town's rate by 8%. The proposed budget splits that increase equality (4% each) between the Town and the employees for employees that select coverage greater than employee only.
 - Provide staff with cost of living adjustment and a wellness program to curb future healthcare cost increases.
 - The Town's most valuable asset is the Town's employees, with the proposed budget providing a modest 3% cost of living increase. Also proposed is a basic wellness program that will encourage staff to get healthy; thereby, reducing future insurance claims and increasing their quality of life.

- Expenditures by Category
 - o Gave an overview of the expenditures:
 - Wastewater Collection & Treatment
 - \$1,680,170 (19%)
 - Administrative & Community
 - \$1,334,100 (15%)
 - Public Safety
 - \$1,640,689 (18%)
 - Public Works
 - \$1,931,301 (21%)
 - Insurance, Contingency, & Miscellaneous
 - \$314,451 (3%)
 - Debt Service
 - \$1,78,154 (14%)
 - Water Treatment & Distribution
 - \$878,955 (10%)
 - o The largest categories are Public Works and Public Safety.
 - o Regarding debt service, the largest portion (82%), is for the Town's water and sewer treatment operation, covering the cost of a new sewer treatment facility that will be paid in six years and the extension of water and sewer facilities to Franklin Heights that will be paid in 20 years. Taken as a whole, the utility fund represents 40% of our expenditures; 18% is for the new Public Works facility.
- Revenue From All Sources
 - o Gave an overview of revenue from all sources:
 - Bond Proceeds
 - \$1,365,500 (15%)
 - Use of Fund Balance and Transfers
 - \$186,616 (2%)
 - Taxes
 - \$3,654,576 (41%)
 - Interest Earned & Charges for Services
 - \$475,446 (5%)
 - State Aid
 - \$1,294,762 (14%)
 - Water Use Charges
 - \$1,275,123 (14%)
 - Wastewater Use Charges
 - \$805,797 (9%)
 - o The "Taxes" category is misleading in that the Town only expects to receive \$588K from real estate taxes in FY 2009. The rest comes from sales tax, meals and lodging taxes, utility taxes, business licenses, personal property, and machinery and tools taxes. The bulk of this category is "economy dependent" in that the Town operates on the

- success or growth of the economy, not on a high real estate tax rate.
- State Aid is comprised of Virginia Department of Transportation (VDOT) funds for road maintenance and \$124K given to the Town to fund police operations.
- One item of concern is the Water and Wastewater revenue is 23% of the Town's revenue, but accounts for 40% of the Town's expenditures once debt service for utility fund projects is included. In the long run, the revenue and expenditures of the utility fund need to be brought together.
- Building Our Reserves – Expected Cash Reserves FY 02 – FY 00
 - Went over the building of the Town's reserves:
 - In addition to a low debt service ratio, another measure of health are the Town's reserves.
 - It is estimated at the end of the current month, the Town will have just more than 10.6M in cash reserves, and that the Town will have nearly 11M in reserves at the conclusion of the proposed FY 2009 Budget.
 - Pulling funds out of the local economy purely for the purpose of saving them is not the point. Reserves of 8M are more than sufficient as a hedge against disaster or emergencies. The real objective of the reserves are to accumulate funds for future investment in the local economy of the Town. It is expected that in FY 2010 or FY 2011, the Town may have up to 3M to invest in projects designed to bring about the Town's shared vision of Rocky Mount's future. This may include a music venue, street improvements, recreation projects, and many other items currently contemplated.
 - Regardless of the intent, Rocky Mount remains one of the most financially secure communities in the Commonwealth, with low debt and strong reserves you are likely to find.
 - A point worth making is that it is estimated at the end of this month, the Town's total debt will be 10.6M. At the same time, the Town's cash flow reserves will be in excess of 10.6M. There are few towns, cities or counties in the Commonwealth that have a net positive cash position. The Town's cash flow, alone, exceeds the Town's debts. The Town could pay everything off and still have money in the bank.
- Major Initiatives in FY 2009
 - Cox Property / Industrial Park Phase II Road:
 - The Town is building a road to serve its newest expansion of the Industrial Park, with the road being jointly funded by the Town of Rocky Mount, Franklin County, the Tobacco Commission, and the Virginia Department of Transportation.
 - Uptown Construction, Facades & Utilities:

- The Town will be moving forward on its Uptown project.
 - Music Venue:
 - The Town will continue to plan for a permanent music venue for Rocky Mount and staff has asked the State for a grant to develop a business case to create and operate such a venue.
 - New fire engine (FY 09 funds, '09 delivery):
 - FEMA grant to help with purchase of new fire engine.
 - Continue work to undo blight:
 - The Town is aggressively pursuing State Code that allows the Town to remedy blighted buildings. The Town is taking action against four abandoned structures now.
 - Water recovery and new water sources:
 - As the Town's community grows, the Town is looking at ways to capture more of the water it produces and to find alternative sources of water.
 - Pigg River Heritage Trail and Celeste Park:
 - The Town is investing in recreation in the Town and partnering with the County, where appropriate, to promote and enhance recreational facilities.
 - Increased efforts at community policing and combating drugs and violence in our community:
 - Part of being a safe community involves using the Town's law enforcement resources as wisely as possible. Town Council has recently initiated a rethinking of how we battle crime, drugs, and violence in Rocky Mount. The result will be a clearer focus on creating a safe community and on working to keep our streets, schools, and neighborhoods safe as they can be.
 - Curb, gutter and sidewalk improvements:
 - Finally, funds are contemplated to use as leverage against the VDOT grants to begin a systematic curb, gutter, and sidewalk program in the Town where needed.
- Closing Remarks by Town Manager
- Town Council:
 - Appreciates Town Council's guidance in preparation of the budget.
 - Town Employees:
 - Appreciates the Town employees for their dedication and hard work. The Town is staffed with 59 hardworking and dedicated employees, and many more equally hard working volunteers who perform the real work of the Town. They police the Town's streets, come running where there is a fire, pick up trash, keep the water flowing, tackle the dirtier jobs than can be imagined, balance the Town's books, and help the community be the best it can be. The budget would be meaningless without them.
 - Department Heads:
 - Appreciates the efforts made by the Town's department heads in

- reaching not only a balanced budget for FY 09, but in the help they were in reducing spending from last year's levels.
- Linda Woody and Matthew Hankins:
 - Finally, the budget would not exist if it were not for the Finance Director, Linda Woody, who has tirelessly put in long hours and made certain that the numbers matched to the end. Appreciate also the Assistant Town Manager/Community Development Director's, Matthew Hankins, help and assistance during the process that has been invaluable.

Council Member Lester thanked the Town Manager for his and his associates' efforts to bring the extra \$657,000 grant money to do things in the Town.

The Mayor stated that budgeting is a difficult process to go through each year, with some things being good and some not so good, depending on everyone's different view points, with Council being charged with doing the best for the Town.

The Mayor opened the floor to anyone wishing to come before Council to speak

- Johnny Smith of 15 Holly Knoll, Rocky Mount, Virginia came forward with several concerns:
 - Appreciates staff.
 - It is a nice Town and the citizens need to be proud of it.
 - Believes Council should have more control of the budget
 - Cost of everything is going up, such as gas, and now he understands garbage fees are going up \$1.00 more a month.
 - Questioned why bids for sidewalks going from the Veterans' Memorial Park to Lynch Landing should not be advertised until after the new budget year, as he thought the money was coming out of next year's budget.
 - Tired hearing about the "trail".
 - Thinks the Town has lost control of the budget, despite what money the Town has saved versus what the Town owes.
 - Don't know how the Town can reduce the budget by 5.5% over last year's budget and still give the Town employees a 3% raise. Questioned what figures are being used.
 - Questioned why the Town now has six more employees since last year.
 - Questioned the payback on the Lynch property.
 - Questioned how the boardwalk from the Veterans' Memorial to Lynch Landing could go from three feet to ten feet. Also questioned how the Town could build this when there are people that don't have curb and guttering.
 - Thinks a 3% raise for all employees is wrong. Believes that for those employees who don't make as much should get a 6% raise, and those making about \$60,000 should not get anything at all.
 - People want Council to take back the control of Rocky Mount.

- Mrs. Mary Brammer of 50 Avalon Drive, Rocky Mount, Virginia came forward with several concerns:
 - Coming before Council for the reason that she hasn't been in-town for the last couple of years when the budget hearings were held.
 - Thanked Town staff on what they did on the budget and appreciate their hard work.
 - Agrees with Mr. Johnny Smith about everything is going up and the country is in an economic down turn. Families are having a hard time to meet basic needs. The County's real estate assessment now has County taxes going up, along with the Town's real estate taxes going up. Even though the Town's budget is down, more money coming in on real estate due to the County's reassessment.
 - As the Town deliberates on the budget, asked that they look to see if they can nickel, dime and penny it a little more to tighten it up for the citizens.
 - Questioned why the Town has to go outside for studies; should be enough educated staff to handle this. Mentioned that on the other hand, when it comes to the study for water loss, by all means have an outside study done on this.
 - Believes the Town should not give any funding for agencies' request. Citizens are already paying the County to do this. Believes the County is too reliant on the Town to boost things for them in this respect.
 - Regarding the pay raises, agrees in a way with Mr. Smith in that the lower paid employees should get better pay raises. Questioned if the Town Manager was getting a 10% raise.

There being no further discussion, the Mayor reconvened the meeting back into regular session.

The Mayor thanked everyone for their comments and advised the Town Manager to contact Mr. Smith and Mrs. Brammer regarding their concerns, with the Town Manager so noting.

Let the record show that no motion was needed at this time.

The Mayor recessed the meeting to hold the second of three public hearings.

PUBLIC HEARING TO CONSIDER PROPOSED CHANGE IN GARBAGE COLLECTION FEE INCREASE AS DEFINED IN SECTION 50-63

After being duly advertised, a public hearing was held to receive comments on the proposed change in garbage collection fee increase as defined in Section 50-63 of the Code of Virginia. The proposed rate change will be from \$3 to \$4 residential service per month, and from \$6 to \$8 commercial service per month on the collection service.

At the request of the Mayor, the Town Manager gave a brief statement regarding the proposed \$1.00 a month increase for residential service garbage pickup, and a \$2.00

commercial service increase for garbage collection service. He stated that the price of everything was going up, especially gas, and as it is, refuse pickup will be at a deficit, with the tax base subsidizing this service at about \$40,000.

The Mayor opened the floor to anyone wishing to come before Council to speak.

- Mr. Johnny Smith of 15 Holly Knoll, Rocky Mount, Virginia came forward, stating the following:
 - Thought government was to serve the people, not people serving the government.
 - Stated that it didn't matter if the Town loses \$40,000 in that the Town doesn't have to make money on everything like water, sewer and garbage collection, and doesn't think the citizens should have to pay for those services.
- Bob Moyer of 470 Glenwood Drive, Rocky Mount, Virginia came forward, stating the following:
 - He has taken his garbage to the dumpster in the past, and occasional now has to put his garbage in his pickup to take all the way to the end of his driveway for the Town to pick it up.
 - Cannot leave his garbage out overnight because the animals get into it before it is picked up.
 - Usually the garbage is not picked up when it rains, and if not picked up, he has to take back to his house. Believes it should be picked up that day when it quits raining, regardless.
 - Believes he should have the option not to take the garbage service.

There being no further discussion, the Mayor reconvened the meeting back into regular session.

Let the record show that no motion was needed at this time.

The Mayor recessed the meeting to hold the final public hearing.

PUBLIC HEARING TO CONSIDER DISPOSITION OF PROPERTY

After being duly advertised, a public hearing was held to receive comments on the Town considering disposition of real property known as a portion of Parcel Number 375.01 and Tax Map Number 207, 15 feet in width adjoining and located to the west side of that common boundary line between property owned by the Town of Rocky Mount and Landon M. Arrington as described in the public notice ad dated May 23, 2008.

At the request of the Mayor, the Town Manager gave a brief overview of the proposed disposition of real property:

- The past year has seen a difficult issue where the Town has seen where two different businesses have wanted to use the same piece of property, with the Town attempting to come up with a plan for them to use, but ultimately, an agreement between the parties could not be made.
- What is being proposed by the Town is a shared solution whereby one of the property owners would be given a small 11' strip back of their property where they could permanently be able to reach their parking lot, with the Town also creating a new public easement that would allow the two adjoining parcels to have egress out to Diamond Avenue, which is basically the strip behind Arringtons and the two businesses owned by the Wrays.
- It is his belief that this compromise is supported by all parties, and if not, will hear from those parties at this public hearing.
- Restated that presented at this time is a deed for an 11' strip of land to enable the Arrington to have access to their parking lot and create a public easement that is improved by Town staff to enable the adjoining parcels currently owned by the Wrays to have access to Diamond Avenue.

The Mayor opened the floor to anyone wishing to come before Council to speak

- Nancy Perdue Shively of 969 Old Ferrum Road, Ferrum, Virginia came forward, stating the following:
 - Her family once owned the property that the Wrays now own.
 - Applaud the Arringtons and Wrays for investing their future in Rocky Mount and believes that all of the community and Council need to support them.
 - At the time the property was sold to the Wrays, the property had one exit and one entrance, with there never being a driveway behind the property.
 - Back in 2001 and 2002, the Council studied hard about the revitalization project that took place downtown, and gave their word to the Arrington family that the strip of land behind their business would belong to the Arringtons, and with that being said, believes the Town should not go back on their word, with everyone sticking to their word that was given at that time.
- Mr. David Furrow, attorney representing Mr. and Mrs. Jim Wray, came forward, stating the following:
 - Thanked the Town Manager for his work, and that the Wrays are in agreement with the proposal as presented by the Town Manager.
- Mr. Clyde Perdue, attorney representing Mr. Marc Arrington, came forward, stating the following:
 - The Wrays are not in agreement with the proposal as stated by the Town Manager.
 - Requested that Council adhere to the October 8, 2007 vote taken by Council to convey fee simple title to Mr. Arrington.
 - Went over the history of what has transpired in the past approximately 17 months since this matter was heard pertaining to the Wrays wanting to use the Arrington property as an exit.

- Handed out pictures out for Council to see, along with a plat, showing the property behind the Arringtons, stating that the property in questions is not public property, as the Arringtons upkeep and maintain the property.
- Referenced a letter that he had sent to the Town Manager dated May 29, 2008 regarding what public property is defined as; Attorney General opinion; and the Arringtons in good faith trying to reach an agreement with the Wrays, which they were not able to do.
- Requests that if the Town believes it is a public area and Council has a super majority, he believes under the State Code the Town can lease the property for up to 40 years without a super majority and can do so with a regular majority as set forth in the Code section, and if this is the fall back position to where the Arringtons have to be, that is where the Arringtons would want to be if they have to fall back on this. Grant would be exclusive and running for that period of time. The Arringtons need protection for their business that they gave up for the downtown revitalization project.

The Mayor questioned Mr. Perdue if he heard him right in that he had stated that this proposed compromise was rejected over the weekend, with Mr. Perdue stating that it was never agreed to and that they had delivered a letter on May 29.

- Council Member Greer thanked the Town Manager for trying to work this matter out between the Arringtons and the Wrays.
- Mr. James Wray of 80 Riverbend Drive, Rocky Mount, Virginia, came before Council, giving them an overview of the past events leading up to them wanting to exit behind the Arrington property. He further commented that he has perspective buyers for part of his property (old mill and building that the beauty salon is located in), and they informed him that they will need the exit confirmed before the perspective buyer can purchase the property.
- Vice Mayor Seale stated that there had been at least three proposals on the table, with one showing the removal of the bollards, with the Wrays not agreeing to that proposal. Mr. Wray stated that he had not seen this.
- Ann Cook of 265 Maple Avenue, Rocky Mount, Virginia, came before Council, going over the history of what the thoughts were during her time as a Council member when the Town gave the Wrays the property behind their current business, and at this time, she now regrets doing that as a Council member. She further stated that the Wrays have an entrance from Franklin Street and exit onto Maynor Street for their property, and that they do not need to use the property behind the Arrington property for an exit. She further questioned how the Town could go back on their word to the Arringtons when they gave them an easement in exchange for the Town taking the front of the Arrington property during the downtown revitalization project.

Council commented on what needed to be done:

- Mayor stated that he is disappointed that no compromise had been made between the Arringtons and Wrays.
- Council Member Agee stated he was disappointed as well that no compromise was made.
- Council Member Greer stated that he thinks the Town needs to do nothing at this time.
- Vice Mayor Seale stated that he had voted the way he did when this first came to Council's attention because he was assured a compromise would be made between both parties.

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

- Motion was made by Vice Mayor Seale to table this matter, with motion on the floor being seconded by Council Member Greer. Discussion ensued. Vice Mayor Seale stated that this would give time for any legal issue that may come forth. There being no further discussion, let the record show that the motion on the floor passed unanimously by those present.

ADJOURNMENT

At 8:23 p.m., motion was made by Council Member Lester to adjourn, seconded by Vice Mayor Seale and carried unanimously.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts/Town Clerk

/phk

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