

**ROCKY MOUNT TOWN COUNCIL  
FISCAL YEAR 2009-2010  
BUDGET WORK SESSION NO. 2  
APRIL 29, 2009**

The April 29, 2009 Fiscal Year 2009-2010 Budget Work Session No. 2 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 Posey W. Dillon and Council Members Jerry W. Greer, Sr., John H. Lester, Roger M. Seale, Robert W. Strickler and Gregory B. Walker

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, Public Works Director Cecil Mason, Wastewater Treatment Plant Superintendent Jessie Jones, Water Department Superintendent Bob Deitrich, Town Attorney John Boitnott, Accounting Technician I Amy Dooley, and Town Clerk Patricia H. Keatts. Let the record show that Chief of Police Erik Mollin was absent due to being out-of-town.

### **APPROVAL OF AGENDA**

Prior to the meeting, Council had received the agenda for review and consideration of approval. The Mayor requested that the agenda be amended to add a *Closed Meeting* item as stated:

- Closed Session - Section 2.2-3711(A).5 - Discussion concerning a prospective business or industry, or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.
- Motion was made by Council Member Walker to approve the agenda as amended, seconded by Council Member Strickler and carried unanimously.

### **REVIEW OF FISCAL YEAR 2009-2010 BUDGET WORK SESSION NO. 2**

Prior to the meeting, Council had received a copy of the Fiscal Year 2009-2010 budget and Capital Improvement Plan for review. The Town Manager briefed Council on what he and the Finance Director had brainstormed, stating the following:

- Utility Fund:
  - o The Finance Director stated that the projections would be a reduction in revenue at roughly 6%. Confirmed to the Mayor that the Town is still paying down the sewer plan and should be paid in 2014. Did keep \$17,200 in general fund and feels that revenue should cover shortage in general fund.
- Water Treatment:
  - o Water Sewer Operations account: Confirmed that treating water is remaining pretty static. The Town Manager stated that money was borrowed to do force main and that it had ballooned in previous years but now is back to what is considered normal. The Finance Director confirmed to Vice Mayor Dillon that the \$23,700 for Oaks at Rakes and \$19,200 for uptown are considered special projects and that what is shown is just the utility portion of those projects. Also confirmed to Vice Mayor Dillon that the wages of 14% shown on page 69 is used as history and this is what is guessed at to do the budget and is based on actual historic pattern for the past ten years.
  - o Meter Reading account: Confirmed that there is a decrease in the meter readers and that the touch-read system is making it more efficient.
  - o Water Treatment Plant account: Based on production staying level. Had a small increase, mostly chemical to treat it with.
- Sewer System Operations:
  - o Sewer System Operations account: More of a Public Works account as well; not dealing with the Wastewater Treatment Plant itself.
- Utility Billing:
  - o Utility Billing account: The Mayor and Finance Director discussed having utility customers being able to go on-line to pay their utility bills. The Finance Director informed Council that hopefully soon, the Town will be able to bid out to banks within the next 18 to 24 months, which would allow paying on-line and debit payments; further stating, that paying on-line cannot be done with the current system the Finance Department has.
  - o Utility Fund Non-Departmental account: The Finance Director confirmed to that there is a \$25,000 contingency built in for repairs, etc. Also confirmed that the \$65,000 in this past year's budget for the study was not put in for this fiscal year as it was not used as state funds were used instead. Council Member Lester requested that he would like to see the depreciation shown on one sheet, if anything, other than a footnote on that page. The Finance Director explained where this information could be found on the financial statements. There was discussion regarding how long the Town can depreciate something based on what it is, such as a building, vehicle, equipment, etc.
- Capital Projects Fund:
  - o Only thing funded were two small utility projects: Green Meadow Lane sewer repair/replace; and Power Creek Lane sewer line repair. The Town Manager confirmed that the old police cars are put on e-bay to sell when it is time to replace them. The Finance Director informed Council that the Planning Commission would be hold a public hearing on May 6, 2009 regarding the Capital Improvement Plan.

Several other items brought up by Council were:

1. Vice Mayor Dillon questioned giving Christmas bonuses for Town employees. Thought this was taken care during the last time he was on Council several years back. There was quite a bit discussion whether or not Christmas bonuses would be paid out. The Town Manager confirmed that the Christmas bonuses were not performance based, and equated to approximately \$12 pay in paycheck; and that it was left in the budget as to balance the act of the loss of any cost of living or merit increase for employees this fiscal year. Vice Mayor Dillon stated that it is really hard to consider giving the employees this Christmas bonus due to the loss of jobs locally, and there were no layoffs for Town employees. He suggested perhaps giving a gift card to employees instead may be prudent. The Finance Director confirmed that the total amount that would be paid out for Christmas bonuses would be \$30,700. Council Member Walker stated that the Christmas bonuses caught him off-guard last year. The Mayor suggested leaving the bonuses in and to review in November how well the economy is going, then make a decision at that time on whether or not to allow the Christmas bonuses to be paid out. Council Member Seale stated that whether people or laid off or not in the area does not help the Town employees regarding the Christmas bonus.
2. Vice Mayor Dillon stated that he wanted to discuss further the \$45,000 for the redevelopment of blighted structures, with Vice Mayor Dillon stating that due to economic times, it may not be a good idea at this time to start this project, especially since \$45,000 would not go that far. There was discussion regarding how the \$45,000 would be used as seed money to get the project started. It was mentioned by Vice Mayor Dillon that without any history that he is aware of the Town rehabilitating homes, then trying to resell them, the Town would be going into this blindly; further requesting that the Town track what would be coming available to do this year in able for the Town to know what can be done this year. The Town Manager stated that the Assistant Town Manager could organize a board and track what comes up this year and handle on a case-by-case basis, then bring before Council. He further stated that staff would like to kick this program off and get the information that Council wants. As there was discussion why the Town could not condemn the blighted homes and tear them down, the Town Manager stated that the Town cannot do this as it does not have a building code, and the County is hesitant to do so, with the proposed program allowing the Town to step in and fix. He also mentioned that some of the property owners do not want to do anything as it is not economical feasible for them to do it, with the County hesitant to condemn and have torn down, leaving a blighted structure that could ultimately hurt the surrounding homes and area. Vice Mayor Dillon stated that once information is laid out and is legal for the Town to do, the Town would actually be laying out tax payers' money to fix the blighted structures up, and if the Town is stuck with it, it will be at a loss of citizens' money. The Town Manager confirmed it would be risk, and if Council so desires, could move the \$45,000 into the contingency fund to have available on a case-by-case basis that meets the Council's criteria.

3. Council Member Walker asked about the Town's wellness program. The Finance Director stated that this item was moved from utility fund to the general fund with \$17,000 for FY 2010, with it including the health fair, flu shots, fitness memberships, etc. The Accounting Technician I confirmed that there were 22 employees participating currently in the fitness programs. Vice Mayor Dillon questioned if any employee would participate if some kind of contribution was required by the employee. The Town Manager confirmed to Council that at this time, it is too early to tell whether or not on how well the wellness program has affected those employees that participate, and that it would take a few years to see. Vice Mayor Dillon stated that he did not have a problem with early detections due to the health screening, but he did have a problem with the membership fees, and if an employee has a desire to belong to a fitness program, maybe a portion could be paid by the Town and the other portion by the employee; therefore, proposing the employee pay 50% and the Town pay the remaining 50%. It was the consensus of Council to have the Town pay 50% and the employee pay the remaining 50%. There was discussion on still requiring the employees to have to go six times a month, with the Town Manager informing Council that if the employee has to pay 50% of the fees, Council may not be able to require them to attend all of that time, and instead, suggested Council relax the rules on attendance, from requiring six visits per month to three. The Town Manager stated that if the Town could afford it, would propose adding the fire department personnel to be able to take advantage of the memberships at the YMCA (or other facilities the Town offers), with Vice Mayor Dillon (also Fire Marshal) stating that if his guys are interested, he does not think they would mind paying the 50%.
4. Vice Mayor Dillon referenced back to the volunteer fire department and the items that were deducted and the percentages taken out. The Finance Director stated that each department had reductions to their accounts and she and the Town Manager had tried to make the reductions consistent with history of line items. The Vice Mayor questioned the total percentage as being incorrect as to what he came up with. The Finance Director encouraged the Vice Mayor to meet with her and she would go over the formulas on how the percentages were done. After discussing what the Vice Mayor proposed putting back into the volunteer fire department account, the following is a breakdown of the final amounts that Vice Mayor Dillon agreed needed to be added back in: add \$1,000 to training (line 5500); add \$2,500 to vehicle repairs (line 5157); add \$8,500 to uniforms (line 5445); ;Add \$1,000 to miscellaneous (line 5800); add \$1,000 to furniture (line 7002); add \$1,000 to data processing (line 7003); for a total of \$15,000. The Finance Director stated that there was no money proposed in the contingency fund, but since the \$45,000 was taken from basically the blighted program that came from Community Development, there would be money in the contingency fund to cover the proposed amounts.
5. Vice Mayor Dillon brought up the health insurance coverage that some Council members have, and then there were some that did not choose to have it, with the

Town paying out what it does for the employees. He further stated that it should be equable for all Council members, and not just for some. It was the consensus of Council for the Town Manager to check with other localities on how they handle this matter and to bring back before Council during the regular Council meeting in May.

6. Council Member Seale mentioned there were a lot of cuts to the agencies requests, and talking about equality, the Chamber of Commerce was cut to \$3,000, but the total benefit to the Chamber is much more than that because it does not reflect that they get office space and utilities from the Town at no cost, and a separate phone line for the use of the Community & Hospitality Center, with the total value of \$17,000 in benefits when you add all this up. Council Member Lester also questioned the benefit being paid to Goodwill Industries, further stating that he would like to see that benefit divided between STEP, Inc. and Helping Hands. It was the consensus of staff that the Town Manager and Finance Director bring back before them during their regular Council meeting in May the information pertaining about Goodwill Industries and the customers they support since moving that part of their operation to Roanoke.

### **CLOSED MEETING**

At 6:05 p.m., motion was made by Council Member Seale to go into *Closed Meeting*, and seconded by Council Member Lester and carried unanimously to discuss the following

- Closed Session - Section 2.2-3711(A).5 - Discussion concerning a prospective business or industry, or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

At 6:30 p.m., motion was made by Council Member Walker to come out of *Closed Meeting* and to reconvene the meeting back into open session, with motion on the floor being seconded by Council Member Strickler and carried unanimously.

### **CERTIFICATE OF CLOSED MEETING**

Whereas, the Town of Rocky Mount Council has convened a *Closed Meeting* on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires certification by this council that such *Closed Meeting* was conducted in conformity with Virginia Law;

Now, Therefore, Be It Resolved that the Rocky Mount Town Council hereby certifies that, to the best of each members' knowledge: (1) only public business matters lawfully

exempted from open meeting requirements under this chapter and (2) only such public business matters as were identified in the motion by which the *Closed Meeting* was convened were heard, discussed, or considered in the meeting by the public body.

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Steven C. Angle, Mayor

- Motion was made by Council Member Greer certifying that: (1) only public business matters lawfully exempted from open meeting requirements under this chapter was discussed; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or consider in the meeting by the public body was discussed. Motion was seconded by Council Member Lester. The Mayor swore to adopt the motion on the floor by Council Member Greer that this was all that was discussed as defined in Section 2.2-3412 Code of Virginia. Voting yes were Vice Mayor Posey W. Dillon and Council Members Jerry W. Greer, Sr., John H. Lester, Roger M. Seale, Robert W. Strickler, and Gregory B. Walker.

The Mayor reported that no action was taken.

### **ADJOURNMENT**

At 6:32 p.m., motion was made by Council Member Lester to adjourn and reconvene the budget work session on Wednesday, April 29, 2009 at 4:00 p.m., seconded by Council Member Greer 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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