

**ROCKY MOUNT TOWN COUNCIL  
FISCALY YEAR 2010-2011  
BUDGET WORK SESSION NO. 1  
APRIL 19, 2010**

The April 19, 2010 Fiscal Year 2010-2011 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 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.

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 Erik Mollin, Public Works Director Cecil Mason, Wastewater Treatment Plant Superintendent Timothy Burton, Water Plant Superintendent Bob Deitrich, Accounting Technician Amy Gordon, 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 Greer and carried unanimously.

**REVIEW TABLED REQUEST OF ARLENE JONES TO HOLD ANNUAL BARGAINS, BOOGIE & BARBECUE EVENT**

The Town Manager reflected back to the April 12, 2010 Rocky Mount Town Council meeting where Mrs. Arlene Jones had submitted a request to Council to hold the annual Bargains, Boogie & Barbecue event. Since Mrs. Jones was not present during that meeting, Council tabled the request so Mrs. Jones could be present at this meeting to answer questions and concerns that they had.

Mrs. Jones came before Council to address those concerns and questions, verifying the following:

- They do have insurance for the event.
- They do not have at this time a 501(C)3 as they are not a non-profit organization, but they are requesting Council's consideration of waiving the fees for the use of the Farmers' Market. Did mention that although they are not non-profit, Dr. Sam Campbell, Executive Director of Helping Hands, would be conducting a pancake breakfast at the Market the morning of their event, with Dr. Campbell asking to waive the Market fees, and her organization would like to use Helping Hands waiver of fees to use the Market, with Dr. Campbell agreeing to this. She further stated that the barbecue event they will be holding that day should not be considered a separate event from the pancake breakfast as they are trying to get people to the Market to buy from the people cooking and participating in the barbecue cook-off, and her committee wants to have more people participating in doing barbecue.
- Closing the streets will be after hours for the night time events. Confirmed she has talked with businesses affected in that area, which are StellaOne and Cox's. She has talked with Mr. Mike Thurman with Franklin County and they have no problem with them using the bottom parking area at the old Developmental Center. The hours the streets will be closed would be maybe between 6-6:30 p.m. to 10:00 p.m. They will not need to go all the way up to High Street, but will be in front of Franklin Glass. Will be closing the little street between Still Essence and StellaOne on Friday night, if needed, until Saturday night as this will be an all day event on Saturday.
- Should have enough money to cover the event as they had enough left over from last year to help cover future events. About broke event last year, but want the events to be self-sufficient.

The Chief of Police confirmed to Council that the Police Department had no problems with the proposed location and time of the event, and that the setup was about the same as last year. Also stated that if she is closing the streets after 6:00 p.m., the surrounding businesses should not be affected.

Council Member Walker stated that the one complaint last year was the parking behind J&J Fashions that is designated parking for them. The Mayor requested that the Chief of Police put some cones up to prevent people from parking there that were not patrons of J&J Fashions.

There was discussion regarding Mrs. Jones' request for waiver of fees for the use of the Farmers' Market, as they were not a non-profit agency, with Council historically not waiving fees for use of the Market unless they are a non-profit agency.

The Mayor suggested that the two requests of Mrs. Jones needed to be separated out, with the consideration of approval waiver of fees for the Farmers Market be pending Council receiving a letter from Dr. Campbell regarding this matter. Mrs. Jones stated that she had verbal permission from Dr. Campbell to present this request before Council. It was the consensus of Council that this matter be tabled until the next Council meeting of April 19,

2010, with any decision from Council be pending until they have heard from Dr. Campbell directly.

The Mayor entertained a motion regarding Mrs. Jones' request to have the streets closed as presented for her event.

- Motion was made by Council Member Lester to close the streets as requested between the hours of 6:00 p.m. and 10:00 p.m., with motion on the floor being seconded by Council Member Greer. There being no discussion, let the record show that the motion on the floor passed unanimously.

On an unrelated matter not pertaining to the budget, the Town Manager briefed Council on the following:

- One of the Public Works Department staff had been hit by a vehicle while crossing the street while he was mowing. He was taken to Carilion Roanoke Memorial Hospital. As of right now, the doctors are stating he has a skull fracture and that his leg has been hurt and that he is able to talk. Right after the work session, the Town Manager stated he will be going to visit him at the hospital.

- Prior to the meeting, the Finance Director had given Council a sheet pertaining to re-financing VRA 2001 bond – Annex Water, with a closing date of June 15, 2010. The Finance Director went over each item on the sheet. The Town Manager informed Council that the market is ripe to refinance bonds in order for the Town to save around \$14,000 per year, which would be a great thing to do, but if it is around \$7,000, it would only be a marginal savings. It was the consensus of Council for the Town to wait until April 30 to see if this would be a good option or not. He further informed Council that he and the Finance Director would not recommend refinancing unless the savings were at least \$12,000 to \$14,000 annually.

### **FISCAL YEAR 2010-2011 BUDGET WORK SESSION NO. 1**

Prior to the meeting, Council had received a copy of the draft Fiscal Year 2010-2011 Budget and Capital Improvement Plan for review.

The Town Manager brought the following the Council's attention prior to the Finance Director presenting the budget:

- Under "General Fund", page 2, Section 1200 (Other Local Taxes), Line Item 0702 – cigarette tax, the Town Manager questioned if Council wanted this to stay in the budget at this point.

- Under "General Fund", page 2, Section 1250 (Business & Occupational Licenses), Line Item 0310 – BPOL reduction, the Town Manager questioned if Council wanted to move the BPOL reduction for all small businesses with gross receipts less than \$100,000 into this current fiscal year, which they could, with this helping those businesses affected to the proposed cigarette tax. The Finance Director confirmed to Council that by doing this proposal in this fiscal current year, it would cost the Town about \$30,000 in BPOL revenue.

It was the consensus of Council to hold these items in the budget until the end of discussions to see what Council would like to do.

- Under "Utility Fund Revenues", page 67, Section 8000 (Transfers from Other Funds) Water and sewer new rate structure (need to keep these items of revenue in mind as well).

- Proposing employees to contribute 5% more than what they are currently contributing to health care (approximately \$20 for employee; \$40 for employee/spouse; \$60 for employee and family). If Council does not want to do this, can take out the employees' holiday pay, or look at other line items that has Council consensus.

The Mayor stated that from his perspective, the Town employees did not get a raise increase last year or this year, and now it is being proposed that they pick up 5% on cost for their health insurance, which is a pay decrease. He further stated that he does not think it is a good idea to balance the budget on the back of employees, as the employees make Rocky Mount what it is. He would suggest that Council look at other ideas. He further stated that if you take away the employees' bonuses, it is the same as taking money out of the employees' pockets.

Council Member Lester stated that the employees are what make the Town look good, and to please leave them alone.

Council Member Strickler asked if there are other ways to look at balancing the budget without putting it on the employees.

The Town Manager relayed to Council that he and the Finance Director would be looking more at it during the work sessions.

The Finance Director informed Council that last year the employees were given a \$125 bonus, with Council Member Walker stating he would rather see something along those lines being done instead of a 5% increase in the employees' health insurance.

Council Member Lester stated that the employees get hit just the same as every citizen also, and the Town many need to consider to start charging utility rates of what should be charged as there is no equal balance with the current rates, then charge down when necessary.

Council Member Walker questioned if the food tax was first initiated to pay for the Wastewater Treatment Plant, with the Mayor confirming that it was. The Finance Director informed Council that the meals tax is paying for the debt service only, with the Mayor and Council Member Seale stating that this was not the intent in the beginning. Council Member Walker stated that he does not think that the Town should put a tax on citizens when that money is already in the meals tax to pay for it and he believes a more fair tax is the meals tax. The Finance Director confirmed that the Town has three more years to pay off the debt service on the Wastewater Treatment Plant.

The Finance Director directed Council's attention to the proposed budget:

#### General Fund Revenues

- General Property Taxes
  - Small decrease in number of vehicles.
- Other Local Taxes
- Business & Occupational Licenses
  - Small decrease.
- Permits, Licenses & Fees
  - 40% decrease from last year and projected about 12% next year.
- Fines & Forfeitures
  - Dedicated funds; not to be used to pay bills.
- Proceeds from the Use of Assets
- Charges for Service
- Miscellaneous Revenues
  - Sometimes get grants for Police Department and Town does supplemental resolutions for this. This is not budgeted for until funds are actually received.
- Non-Categorical Aid
- Categorical Aid
  - Line Item 0108 (Local Law Enforcement Grant): Do not know what will be received for this.
  - Line Item 0109 (DMV Mini-Grants): not appropriated until Town gets the award notice, but still applying for. Nothing to prevent future funding, but not a good idea until actual award is given, which is basically a washout. Town has about four to six supplemental resolutions thus far this year. When a grant is received by the Town, Council has a role in approving them. These grants are not guaranteed.
- Section 4100 (Use of Fund Balance)
  - Line Item 9999 (Appropriated Fund Balance): Balloon payment for the Emergency Services Building.

#### General Fund Expenditures

- A summary of the General Fund expenditures.

#### Mayor & Council

- Proposed 5.36% less with no capital items.

Town Manager

- Proposed 1.60% less with no capital items.

Town Attorney

- Did increase retainer 5% (\$750 annual cost) as it has been approximately four years since an increase.
- Proposed overall -0.13% decrease with no capital items.

Finance Department

- Proposed 2.40% decrease with no capital items.

Board of Elections

- State proposed amendment is stating that if elections are not moved to November, localities will have to pay full cost. Don't think full cost will be much different than what the Town is paying now.

Police Department

- Total variance decrease of 4.17%
- One capital item is for one marked police vehicle at a cost of \$25,000.
- Without capital, proposed decrease is 5.71%.
- Did not fund one Investigator position.
- Confirmed Police Chief position is still in budget. Council Member Lester stated that he would like to see it remain as it is now without the position being filled at this time.

Volunteer Fire Department

- Total variance of 7.50%.
- Capital item of \$20,000 to paint and repair Floyd Avenue fire department. Fire Chief explained reason for painting and repairing of building.
- Fire Chief stated that so far this year, department has not done pump maintenance on trucks and hope to prolong for several months and move forward to another budget year. The Public Works Director confirmed to Council Member Lester that most vehicle maintenance is done by the Public Works Department personnel. Fire Chief stated that for most vehicle maintenance, Public Works Department can do the work, but on occasion, you have to take back to the manufacturer.
- Without capital item, decrease of 9.14%

Public Works Administration

- Increase of 5.81% to do with communications with telephone.

Street Lighting

- Increase of 12.05% because of electricity rising costs for streetlights.

Parking & Traffic Control

- Increase of 38.09% due to utilities and contractual services for working on traffic lights.
- Been carrying over about \$100,000 each year for street fund and able to take care of more traffic light issues.

### Street Maintenance

- Decrease of 2.34% with capital item for a pickup truck, which replaces the one that was in an accident and totaled. Insurance did pay around \$8,000 on this.
- Decrease of 4.54% without capital item.

### Sidewalks, Curb & Gutter

- Increase of 177.91%, with capital item to aggressively get sidewalks smoothed out (with most cost for labor) to prevent accidents.

### Street Cleaning

- Decrease of 4.53%, with no capital items.

### Refuse Collection

- Decrease of 0.95%, with no capital items and pretty much even with last year's budget.
- Cecil confirmed garbage truck is in pretty good shape.

### Snow Removal

- Increase of 64.68%.
- Included in state maintenance account.

### Municipal Building Maintenance

- Increase 3.86% for utility

### Emergency Services Building Maintenance

- Decrease of 19.24%.
- Not anticipating any roof repair work in Fiscal Year 2011.
- Damages due to leaks have not been repaired due to waiting to make sure there are no more leaks, with none being seen. Town Manager indicated that once he receives okay from the Fire Chief and Chief of Police, he will put out to bid to have the repairs fixed.

### Public Works Maintenance

- Increase of 15.33% due to increase in utilities, electricity and heating fuel.

### Cemetery Maintenance

- Decrease of 16.78%.

### Parks & Playgrounds

- With proposed projects, increase of 60.30%.
- Without proposed projects, increase of 7.84%.
- Mentioned that funds have been provided to further develop Celeste Park; to begin the Park Interconnector Trail between Veterans' Park and Lynch Landing; and to begin the Pigg River dam safety project.

### Planning & Zoning

- Decrease of 35.47%.
- Planner position is not funded for Fiscal Year 2011.

### Economic & Community Development

- Decrease of 15.87%.
- Assistant Town Manager explained how it differs for economic development depending on which area of the Town that is being looked at, with each area needing to be specifically tailored to meet their needs.
- Council Member Lester stated that he would like to get all the Town's organizations to give input to develop some type of economic development program for the Town itself, with the Town Manager explaining that this is what a Town Planner would be doing, with that position being vacant for another fiscal year. He further stated that what Council Member Lester is requesting is on the Town's radar to do.

### Citizens' Square (Farmers' Market)

- Decrease of 9.68%.
- Discussed how much revenue Market is taking in (\$1,900 this fiscal year; proposed \$1,700 for next year).
- Assistant Town Manager explained that the Market has more competition with road-side businesses being set up, giving example of those along State Route 122. Also commented that his department has done advertising for the Market, but only so much can be done with a \$2,000 advertising budget. He further commented that he may be able to move money over to advertising because his staff is looking at ways on how to cut some utility costs.

### Community & Hospitality Center

- Decrease of 4.3%.
- Utilities and cleaning are biggest cost items.
- Contractual services are the security systems, cleaning, HVAC contract, pest control, some money set aside to clean the carpet, and a port-of-john for the annual Christmas parade. Confirmed that Town pays for dedicated phone line.
- Revenue for this particular year was \$2,700, and it is estimated \$2,500 for next year. Revenues are down due to fee schedule being changed (number of people renting is probably up, but hours is down).
- Confirmed that the Chamber of Commerce pays for the employees working at Depot.
- Confirmed that the special event promotion is for the Christmas parade.
- Confirmed to Council Member Lester that the chairs and tables have to be replaced from time to time due to normal wear and tear on them.

### Main Street Program

- Decrease of 4.47%.
- Confirmed Franklin County helps pay on this program.
- Confirmed that no one would be getting a raise.

### General Fund Non-Departmental

- Confirmed that the contributions are cut way back (\$25,000 but subject to change).
- Pretty much a cut across the board in reduction, other than to those agencies doing the bulk of the work.

- Council Member Lester stated that if the Town gives any agency a contribution, they should have to have a 501(c)3 and a financial statement. The Finance Director explained that when contributions requests come into the Town, she asks for a financial statement if the request is over \$5,000, but the smaller agencies don't do an audit, but they usually provide a budget. She further stated that the Town sends out a three page document asking the agencies for information, with the larger agencies having to provide an audit form. Council Member Lester stated that he wants to make sure the Town doesn't get stuck or embarrassed.

At this point and time, the Mayor stated that Council would hold a second budget work session on April 26, 2010, starting at 4:00 p.m.

### **ADJOURNMENT**

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

At 5:56 p.m., motion was made by Council Member Strickler to adjourn, seconded by Council Member Walker 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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