

**ROCKY MOUNT TOWN COUNCIL
FISCALY YEAR 2010-2011
BUDGET WORK SESSION NO. 2
APRIL 26, 2010**

The April 26, 2010 Fiscal Year 2010-2011 Budget Work Session No. 2 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, Community Partnership for Revitalization Executive Director Katie McElroy, 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.

The Mayor requested that the agenda be amended to include the following two items under *Closed Meeting*:

- Section 2.2-3711(A).1 - Discussion, consideration or interviews of prospective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body (Town Manager's Office).
- 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 (negotiations with a business).
- Motion was made by Council Member Lester to approve the amended agenda, seconded by Council Member Seale and carried unanimously.

FISCAL YEAR 2010-2011 BUDGET WORK SESSION NO. 2

During Fiscal Year 2010-2011 Budget Work Session No. 1, Council had several questions and concerns relating to some matters. The Finance Director, at this time, addressed those matters:

- The Electoral Board May elections may cost approximately \$3,100, which is in-line with what the Town has been paying.
- Went over Fiscal Year 2010-2011 Maintenance Building repairs and what they covered.
- Under "General Fund – Non-Departmental", there is \$1.5 million for the Emergency Services Building, which is due May 2011. The rate is 4.5%. There could be a savings of \$75,000 a year if paid off. There is also an off-setting line item for that for possible refinancing. Referenced bond schedule on page 111 under "Supporting Information". There was discussion if it would not be better for the Town to pay some of this off since the Town is not making much interest off of it. The Town Manager and Finance Director stated that they would keep an eye on this because ultimately in six to seven months, Council will need to decide what they would like to do with it.

Utility Fund

- Summarized the utility line items. Town Manager mentioned that one item worth noting was the transfer of meals tax in full amount for debt due into payoff of the Wastewater Treatment Plant, and that the changes staff is proposing is that when you look up charges for water service and Wastewater Treatment Plant charges, the proposed revenue includes approximately \$3.00 rate increase. Staff should have a proposed rate increase structure package ready for Council's May meeting regarding this. Also mentioned that the gap difference is not receiving enough funding for both systems, and there will still be a gap after applying meals tax revenue.
- There was discussion between Council, Town Manager, Finance Director, Water Department Superintendent and Wastewater Treatment Plant Superintendent regarding the Water Department and Wastewater Department with discussion basically focusing on:
 - How many shift hours is required as dictated by the State and how many days a week necessary to work each day.
 - Accountability for water loss that is still being shown and where that could be coming from.
 - How many water meters have been replaced and the remaining number and how much money is budgeted for this with Town Manager indicating this would be an on-going endeavor because as soon as all of the water meters are replaced, the cycle would begin again for their replacement.
 - Having Virginia Rural Water Authority (VRWA) to do a study for water leaks, with staff relaying to Council that VRWA does water leak detection, not water loss.
 - Water Plant Superintendent may need to start breaking out operational hours and man hours.

- Utility bills sent to customers during winter months were low due to meter readers not being able to read due to heavy snow coverage over meters, with the current bills now being sent out to reflect actual usage.

Water Distribution System

- Under capital outlays for the Water distribution system, explained there is \$20,000 for replacement of water meters and \$20,000 for "other". Council Member Lester stated that he had a problem with how this budget sheet was laid out, mentioning actual versus budget and estimated, with there being too much of a difference. The Finance Director explained to Council how these figures were reflected. Vice Mayor Dillon also mentioned that it was somewhat difficult for him also to compare figures as he had to flip back and forth through several pages to find the information he needed in comparing figures on this page. The Finance Director explained that the figures she comes up with come straight of the time sheets that are submitted by the Public Works Director and explained how this works in transferring the figures into the budget worksheets. She further pointed out to Council that she would give them a copy of her worksheet.

Meter Reading

- Finance Director stated this was actual labor hours.

Water Treatment Plant

- No specific capital requests this year, although there is plenty to do. The Water Department Superintendent held back any requests going into the new fiscal year.

Wastewater Collection

- Couple of capital items, explaining each one.

Wastewater Treatment Plant

- Went over the three CIP items: replacing sensors for oxidation; replacing sensors for I&E; and replacing blower.
- Need an additional \$1,000 for travel and training, and if approved, will come from contingency fund.
- Wastewater Treatment Plant Superintendent explained how many operators were needed to run the plant and what certification was needed. He further explained that as of right now, the plant operates on eight-hour per days/five days per week schedule, but if the plant receives just one violation, it is mandatory that they go to a seven days a week/eight hours per day and eight hours on holidays, which will require their testing to be increased at least five times. He further pointed out that due to staff keeping their training up-to-date and certifications current, the chances of violations reduce significantly.

Utility Billing

- Finance Director confirmed to Vice Mayor Dillon that line item 2002 (retirement/life insurance) included fringe benefits.
- Discussed the Finance Department doing a time study to allocate their time between General Fund and Utility Fund.

Utility Fund – Non-Departmental

- No questions from Council.

Five-Year Capital Improvement Plan

- Finance Director advised Council that the only column they were voting on was the second column titled “FY 11 Proposed” and summarized what it all entailed.
- Finance Director confirmed to Council Member Seale that staff would check with Rural Development to see if they had any funds to help with the purchase of police department vehicles.
- Town Manager stated in the Fiscal Year 12 proposed for Water Department, the needed projects were stacking up and one of the challenges the Town faces is that it is having to push these capital items further and further back, with the same being down for sewer. Mentioned that when the bond is paid off for the sewer plant, the Town will be in a better position to help with some of the significant infrastructure projects. Council Member Lester questioned if there were any plans for the revitalization for North Main Street that could offset this through grant money. The Town Manager stated that the Town has more Community Development Block Grant (CDBG) funds obligated for and will have to close out the Needmore project, and when he and the Assistant Town Manager looked at other options, they believed the right solution was to keep these CIP projects as projects unto themselves, as Department of Housing & Community Development as CDBG projects come with a lot of attachments.
- Finance Director summarized the FY 11 sewer projects.

Expense By Line Item

- Finance Director stated that the rest of the budget was for informational purposes only.

Supporting Information/Schedules

- Finance Director pointed out that pages 107, 108, and 109 dealt with the agencies requests and that FY 11 proposed was severely cut back to \$25,000, which is about 1/2 of a penny on real estate tax. Council Member Lester questioned if the Town had records of the agencies requests for a 501(C)3, with the Finance Director stating that the seven turned in had either a 501(C)3 or an audit, and out of those seven, seven were 501(C)3. She further pointed out that in the questionnaire each agency had to fill out for the Town, it was not asked if they had 501(C)3 status from the State. Council Member Lester stated that he would like to ask it to be a Town policy that anyone that asks for fees to be waived from the Town, that they would have to have a 501(C)3. He further asked that the Finance Director provide for Council a brief synopsis whenever anyone asks for a waiver of fees.
- Finance Director confirmed to Council Member Seale that the Town pays Franklin County Retail Merchants Association \$500 a month to manage the Farmers’ Market, and \$1,500 comes out of the Assistant Town Manager’s budget for the annual Christmas Parade.

ADJOURNMENT

The Mayor stated that since there were no further questions, Council will decide during the regular Council meeting scheduled for May 10, 2010 on whether or not for staff to advertise for a budget public hearing that is proposed to be held on June 7, 2010. He further stated that any changes or deletions can be discussed by Council during the May 10, 2010 regular Council meeting.

The Finance Direction did question Council on whether or not they wanted to waive the business licenses this year for those businesses making under \$100,000. The Mayor indicated that Council could discuss this during the May 10, 2010 regular Council meeting.

There being no further discussion the Mayor entertained a motion to adjourn to go into *Closed Meeting* to discuss the following:

- Section 2.2-3711(A).1 - Discussion, consideration or interviews of prospective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body (Town Manager's Office).
- 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 (negotiations with a business).

At 5:40 p.m., motion was made by Council Member Seale to go into *Closed Meeting* under the items proposed, seconded by Council Member Strickler and carried unanimously.

At 7:10 p.m., motion was made by Council Member Greer 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 Lester 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.

Steven C. Angle, Mayor

- Motion was made by Council Member Lester 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 Seale. The Mayor swore to adopt the motion on the floor by Council Member Lester 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.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts/Town Clerk

/phk