

**ROCKY MOUNT TOWN COUNCIL
FISCAL YEAR 2013
BUDGET WORK SESSION NO. 2
MAY 7, 2012**

The May 7, 2012 Fiscal Year 2013 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 Gregory B. Walker, Council Members Bobby M. Cundiff, Jerry W. Greer, Sr., P. Ann Love, Robert L. Moyer, and Robert W. Strickler

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, and Deputy Clerk Stacey Sink.

APPROVAL OF AGENDA

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

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

Prior to the meeting, the Finance Director had placed a small packet of possible topics of discussion at each Council Member's seat (see attached).

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Capital Improvements Plan (CIP):

Council Member Greer stated that the Community Development replacement vehicle for the 2002 Cavalier should come out. It was budgeted at \$25,000. The Town Manager reiterated the concerns of the staff on its safety. Gregg Walker stated that he and Council Member Greer drove the car to the West Piedmont meeting two weeks ago and found it to handle well in traffic and had no concerns. The vehicle has 38,000 miles and from looking at the inspection receipts the average is about 1,400 miles per year. Council suggested that the car can be used for in-town travel and does not have to be used for out-of-town travel, if staff has concerns.

Contributions to Outside Agencies:

Council concurred that:

- Helping Hands should be reduced from \$3,250 to \$3,000 as they only requested \$3,000.
- Eliminate the \$250 contribution to Brain Injury Services of Southwest Virginia.
- Eliminate the \$250 contribution to Rocky Mount Center for the Arts.
- Take the reductions from above that total \$750 and give it to Stepping Stone Mission.

Special Events:

Council concurred that:

- After discussion of elimination, keep the \$1,000 request in for the Pigg River Ramble, if Parks and Recreation asks for it since taking over from Community Partnership for Revitalization (CPR). The Assistant Town Manager noted that Franklin County Parks and Recreation may be seeking \$1,500.
- Eliminate the \$1,000 for the "Uptown Challenger" requested by CPR.
- Eliminate the \$500 for the "Chug for the Jug" since Franklin County Parks and Recreation has taken it over from CPR.
- Noted that \$250 is contained here for the Rotary Club's Fourth of July Festival.
- Vice Mayor Walker suggested that We Care could use another \$500, but Council Member Greer stated opposition to this suggestion and further stated that they would do with the \$500 already budgeted in contributions.
- Vice Mayor Walker asked if Stepping Stone received federal funding. The Finance Director advised that their application did not indicate federal funds were received. Council Member Greer stated that most food banks in the area are supported by tax dollars somewhere.

Garbage:

Council Member Greer asked if the current commercial rate of \$8 could be changed. The Finance Director confirmed that the residential rate is \$4. The Finance Director stated that she would have to get the number of commercial customers to determine how much the garbage fee revenue would increase with only a commercial increase. The Mayor asked the Public Works Director what percent of use was for the garbage pick-up, with the Public Works Director stating that since they are paying for it (mandatory fee), more than 90% are using the service.

Cemetery:

Council Member Greer asked if the cemetery rates are now \$750 for back-hoe dug and \$1,000 for hand-dug cemeteries. The Finance Director and Public Works Director confirmed that this was correct, but further stated that the hand-dug could be at cost if more than \$1,000. The Public Works Director stated that the hand-dugs are about one per year.

Real Estate Tax Rate:

Council Member Moyer stated that he would not like to see a 14 cent rate. Vice Mayor Walker stated that he would not like to either and that the Town had just saved \$26,500 from the elimination of the \$25,000 vehicle replacement and \$1,500 elimination of special events ("Chug for the Jug" and "Uptown Challenger").

Council Member Cundiff asked about the contribution to the YMCA for real estate taxes paid. The Finance Director explained that the bank (holder of the real estate) would pay the \$20,256 in taxes and the Town would then turn around and give the money to the YMCA. The Town Manager noted that he had met with members of the YMCA Board on this about six weeks ago and that the Franklin County had already agreed to this arrangement as well. The Mayor said that he could be okay with it being a one-time deal and asked the Chief of Police (also Chairman of Franklin County Board of Supervisors) if Franklin County had only agreed to a one-time deal. Chief of Police Cundiff confirmed it was one-time. Vice Mayor Walker and Council Member Greer said that the YMCA would need to do some fund raising and planning for the future payments of the real estate taxes. The Town Manager stated that the new YMCA manager, Mr. Angle, had stated that they were getting ready to kick-off a capital campaign.

Council Member Strickler asked if the tax rate could be 13.2 cents or if it had to be a whole cent. The Finance Director stated it could be a fraction of a cent. The Town Manager stated it was easier to stick with a whole cent for attorney tax calculation, etc.

- Preferring a 12 cent tax rate were Council Members Moyer and Cundiff.
- Preferring a 13 cent (and not 13.2 cent) tax rate were Council Members Greer, Strickler, and Love and Vice Mayor Walker.
- Preferring a 14 cent tax rate was no one.

2.5% Cost of Living Increase for Employees:

The Mayor and Council Member Love noted that a salary increase is preferred over a stipend because it is used in the calculation of employees' retirement earnings. The Town Manager stated that the rate of inflation had increased 10% since employees had last seen a pay increase in July 2008. He further stated that a lot of localities were trying to give their employees a salary increase since they had done without for a number of years. The employees had contributed to the Town's annual contribution to the fund balance in cost savings and he emphasized to the department heads that this is the year for the employee

and not the year of vehicles and capital items.

Per the Mayor, the net cost to the Town over the stipend of \$600 as given last year is \$33,000. Council Member Love stated that employees would probably be paying a higher premium for their health insurance and it would include higher out-of-pocket expenses with the newer plans expected to be offered and that employees would see a take-home reduction even with a 2.5% salary increase.

Vice Mayor Walker asked how many departments had been under budget in the past five years. It was finally determined that all but two or three were consistently under budget in the past 5 years. Gregg Walker said this was because of the employees.

Council Member Greer suggested that the \$76,000 needed for the 2.5% COLA be divided evenly between the 59 employees. Vice Mayor Walker and the Mayor came up with a figure of \$1,266 each. Council Member Love asked how this would be handled through payroll. Linda Woody said that because the pay plan is based on percentage differences between steps, a flat amount would be considered a stipend and not a salary adjustment. Council Member Love reiterated that a stipend does not help with retirement calculations and said a salary increase should be done.

- Preferring the 2.5% salary increase were Mayor Angle and Council Members Cundiff, Love, Strickler and Vice Mayor Walker.
- Preferring no increase was Council Member Moyer because of the economy and the taxpayers are sacrificing also and cannot afford any tax increases.
- Preferring the stipend method of everyone receiving an equal amount was Council Member Greer.

Wellness Program:

Council Member Cundiff wanted to discuss the Wellness Program on page 70 line 2101. \$4,000 is budgeted here. He stated that he would like to see the elimination of the YMCA dues which the Town pays half and have only eight employees participating. Vice Mayor Walker calculated that \$22 per month times eight employees times 12 months is \$2,100 and that the participation rate of eight employees is 15%. Council Member Love stated that she would like to see the Health Fair continue. The Internal Administrator stated that employees must go three times per month and she tracks it from the YMCA logs turned in to her but usually a month behind. She further stated that she watches the participation and if it is below the three times for a second month, she calls the employee and usually they will pick up more visits. Summer is a slow time but picks back up in January. The Town Manager stated that a benchmark figure is 1% of what is spent on health insurance should be set aside for an employee wellness program. Vice Mayor Walker asked how much was budgeted for health insurance, with the Finance Director stating it was \$515,000. Vice Mayor Walker said that the \$4,000 was pretty close to the 1%.

The consensus of Council was to eliminate the Town picking up any share of the YMCA dues for employees.

School Resource Officer Funding:

Council Member Moyer asked if the Schools or County (and not the Town) were paying for the School Resource Officers. The Finance Director stated that \$29,632 is budgeted as coming from the schools and is confirming with Lee Cheatum (Finance Director for the Franklin County School Board), and that she did not hear today but should by the end of the week. The Town Manager explained that the \$29,632 represents what is being lost by the Town from the State grant. It was discussed by the Mayor, Vice Mayor Walker and Council Member Love that the \$29,632 represents the salary portion of the two officers for the school year and the Town covers salaries when they are not in school and all the benefits. Council Member Love said that they only have the Town School Resource Officers at the Middle School and no longer a County School Resource Officer. The Mayor stated that there are two School Resource Officers at the High School.

The Chief of Police stated that statistics were kept for the Middle School because the former principal did not want to lose a School Resource Officer and was concerned when the Town was not able to cover the school when the School Resource Officer was out with his knee. He further stated that 647 calls were recorded at the Middle School which the School Resource Officer handled. He explained that even without a dedicated School Resource Office to that school, it is in Town limits and a Town officer would have to respond to the four schools located in-town (Benjamin Franklin Middle School, Franklin County High School, Lee M. Waid Elementary School, and Rocky Mount Elementary). The Mayor stated that the number of calls at the High School were at least 647 or more and the officers respond to all calls – fights, sexual assaults, cigarettes, alcohol, knives, etc.

Council Member Moyer stated that he thinks that the County should be paying for the School Resource Officers and not the Town. The Town should not even pay for their benefits.

Music Venue:

Council Member Cundiff wanted to discuss the Music Venue – page 65 line 7001 land and buildings. He stated that there were three people on Council with no input on the music venue. The Mayor stated “no”; everyone had input even if they were not on the committee. Council Member Cundiff did not want to go forward without more answers to questions about the venue. The Mayor commented to Council Member Cundiff by stating that Council Member Cundiff, along with Council Member Moyer and the Assistant Town Manager had went to the auction and discussed that it would be a good buy for the Town to use for a music venue. The Mayor stated that no funds had been spent to date except the purchase of the building, and that no funds had been paid to Hill Studio, and further stated that if the project stopped now, the only payment would be for their time thus far. The Mayor explained that the budget for the renovation is at \$1.4 million with the Town costs after the tax credits and the grants being from \$200,000 to \$400,000. He further stated that there have been no core decisions yet and that only an architect has been hired to produce six designs, which Council will then reduce to three, and then seek input from

the public again. Council will then further determine the project and not just the Council committee members. Council Member Love asked how the \$275,000 in the budget was derived. The Town Manager explained that the \$275,000 is a "marker" to reserve funds in the budget to cover expenses for the renovations. Vice Mayor Walker stated that there are rumors out in the community that hundreds of thousands of dollars have been spent but that is not true, with zero dollars being paid to Hill Studio to date. If Council does not like the designs, then nothing else will proceed and payment would be for the architect's time. The Assistant Town Manager stated that Hill Studio will help with the Tobacco Commission grant application and that fund raising is intended. He further stated that one grant application has been submitted because there was a May 1st due date; most grants are not awarded until October or November; foundations generally have no deadlines and will award money throughout the year. The Town Manager stated that fund raising efforts will be started as part of the financing for the project.

ADJOURNMENT

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

○ At 5:29 p.m., motion was made by Council Member Cundiff to adjourn, seconded by Vice Mayor Walker and carried unanimously.

Steven C. Angle, Mayor

ATTEST:

Stacey B. Sink, CMC
Deputy Clerk

(In lieu of Town Clerk Patricia H. Keatts, who was absent, Deputy Clerk Stacey B. Sink clerked the meeting.)