

**ROCKY MOUNT TOWN COUNCIL
FISCAL YEAR 2019
BUDGET WORK SESSION NO. 2
APRIL 12, 2018**

The April 12, 2018 Fiscal Year (FY) 2019 Budget Work Session No. 2 meeting of the Rocky Mount Town Council (here after referred to as "Council") was held in the Council Chambers of the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia at 5:00 p.m. with Mayor Steven C. Angle presiding. The following members of Council were present:

- Mayor Steven C. Angle
- Vice Mayor Gregory B. Walker
- Bobby M. Cundiff
- Mark H. Newbill
- Robert L. Moyer
- Jon W. Snead
- Billie W. Stockton

The following staff members were also present:

- Dallas Bailey, Interim Water Plant Superintendent
- Tim Burton, Wastewater Treatment Plant Superintendent
- Ken Criner, Police Chief
- Rebecca Dillon, Executive Administrative Assistant
- C. James Ervin, Town Manager
- Amy Gordon, Assistant Finance Director
- Matthew Hankins, Assistant Town Manager
- Mark Lovern, Lt. of Patrol
- Brian Schofield, Public Works Superintendent
- Linda Woody, Finance Director
- Allan Arrington, Lt. of Investigations

The meeting was called to order by Mayor Steven C. Angle.

APPROVAL OF AGENDA

Motion: To approve an amended agenda to include a closed session under the sited code 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 for Town Council and, a closed session under the sited code section 2.2-3711(A)(3) Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body for a perspective business.

Motion By: Council Member Newbill

Second: Vice Mayor Walker

Motion Discussion: None

Ayes: Cundiff, Newbill, Moyer, Snead, Stockton, Walker

Nays: None

Action: Approved the agenda by a unanimous vote

UTILITY FUND

Ms. Woody began discussion of the Utility Fund by explaining Rent of Property, under Miscellaneous Revenue, on page 68, the Rent of Property had an increase of approximately \$60,559 for the Proposed FY19 Budget. Ms. Woody stated that the Transfer from the Utility Other Funds, on line 3039, was discussed as having decreased by (\$56,435). Council Member Cundiff stated that the use of the funds as a transfer was not what the fund was set up for. Council Member Cundiff stated the Utility Capital Fund was set up for renovation of the water and wastewater plant. Ms. Woody stated that the revenue source that the water and wastewater plants had, was for 2012 revenue but with 2018 prices for the chemicals. Ms. Woody stated that in order to offset the deficit in the operating fund, the Staff had to pull money from the Utility Capital Fund. A discussion of use of chemicals and their prices ensued. Ms. Woody stated at the end of the discussion, that there would likely be a surplus of about \$180,000 at the end of FY18's budget. Ms. Woody stated that in view of the possible surplus, there likely would not be a transfer this year from the Utility Capital Fund. Ms. Woody stated that Appropriated Fund Balance-depreciation which was listed on line 9999, had decreased by (\$79,042) based on trend.

WATER TREATMENT

On page 71, in the FY19 Purposed Budget, there was discussion between Council Member Cundiff, Mr. Ervin and Ms. Woody regarding the ICMA 1% employer contribution.

Meter Reading

On page 73, meter reading was fairly flat however; Ms. Woody stated that when the Town receives its meter reading software and it becomes operational, the fund totals could go down.

Water Treatment Plant

On page 75, contractual services encompass instrumentation, elevator, and HVAC maintenance, calibration, and any engineering services required. The Lab Testing Services on line 3341 includes fluoride, alum and other chemicals used to treat raw water for distribution. The lab testing services increased for FY19 by about \$14,000 for required testing that the Town did not have to perform in 2018, but the Town will have to test for in 2019. Ms. Woody stated that another increase was for the chemicals and materials on line 6014, for \$7,000 to keep on trend with what would likely be used for FY2019.

SEWAGE TREATMENT

Waste Water Collection System

Ms. Woody stated that the Wastewater Collection account was down because of the new equipment that Mr. Burton had at the Wastewater Treatment Plant.

Wastewater Treatment Plant

The Mayor asked regarding an Internship for FY19. Mr. Burton indicated that the Town would not be working with an intern at the Wastewater Treatment Plant for FY19 as Mr. Burton had not pursued trying to find an intern and no interns had contacted him either.

Ms. Woody stated that most of the increase seen at the wastewater treatment plant was for salaries as the funds for the wastewater treatment plant for Proposed FY19 Budget, were flat.

NON-DEPARTMENTAL UB

Utility Billing & Administration

Ms. Woody called attention to page 81, of the Proposed FY19 Budget book. On line 3000, of page 81, the contractual services were projected to increase \$12,372 to see the Town through the conversion of software, hiring a consultant and traveling expenses for the vendor. This is a one-time expense.

Utility Fund Non-Departmental

On page 83, the final two lines of numbers were depreciation of water for \$377,875 and depreciation of sewer for \$431,075.

UTILITY CAPITAL FUND

Utility Fund Capital Projects Fund Revenue

Ms. Woody stated on page 86 of the Proposed FY19 Budget book, there were four revenue sources. The sources are water, sewer, garbage and one for proceeds from the use of assets which was a bond issue. The bond issue was proposed for \$1,000,000 to cover the \$990,000 meter reader replacement program which was to replace all of the water meters including newly installed meters as they were failing. Council Member Newbill then asked what the life expectancy was for the meters and was told 15 years. Council Member Newbill asked how many connections would be replaced altogether and was told roughly 3,200. The Town is expecting to install Neptune brand water meters.

The Planning Commission recommended the following items be proposed under the Utility Fund Capital Fund Revenue:

1. Proposed \$1,000,000 bond issue
2. User fees such as garbage, water, and sewer to be structured to cover the related expenses
3. Natural gas line to help Town businesses and residences
4. Lighting on Floyd Avenue after the intersection is designed

Council Member Cundiff stated that he could not see paying 4% interest regarding the bond issue. Ms. Woody stated that the Town was asking to float a \$1,000,000 bond for 10 years at 4%. Council Member Cundiff and Council Member Snead stated that the 4% interest for the bond was high but also stated that no banks had been canvassed at this time.

Utility Fund Capital Projects Fund Expenditures

On page 87, Ms. Woody explained the Utility Billing share of the Finance Software which would be \$115,000. A complete replacement of meters would cost approximately \$990,000 with ground penetrating radar and GIS software at a projected figure of \$35,000.

Water Treatment Plant

On page 87, Ms. Woody stated that the two expenses at the Water Treatment Plant would be to replace the flocculators at \$161,000 and to replace a mower at \$8,500.

Wastewater Treatment & Collection

On page 88, FY19 there was \$108,000 proposed in the budget to replace a sewer line on Hillcrest Drive. There were also funds of \$60,000 proposed in the budget to rebuild the climbing screen on the main plant pump station at the Wastewater Treatment Plant.

On page 89, Ms. Woody stated there would be a transfer to Utility Operating Fund of \$55,970, and a new debt service of \$1,000,000 for 10 years at 4% interest. For the first year, the debt service would be \$121,494.

Ms. Woody stated there should be a balance of approximately \$500,000 still in the fund in this FY18, after the Diamond Avenue project was completed.

HARVESTER OPERATING FUND

Performance Venue Revenues

Ms. Woody stated that on page 92, there is a transfer from the General Fund of \$394,982 to the Harvester Fund which was an increase of \$40,300. The transfer was the only revenue for the Performance Venue Revenue fund.

Performance Venue Expenses

Ms. Woody stated that on page 93, there were several things to note regarding the Proposed Budget for FY19.

1. The second line on page 93, showed the cost in the FY19 Proposed Budget for what the full-time position would cost. The amount of \$22,295 includes the additional salary and the amount of fringe benefits. The Staff member was currently part-time at \$39,585. Ms. Woody stated that even if the Staff member continued to be part-time, then the \$39,585 would remain in the budget. If the Staff member goes to full-time, then the \$22,295 will be needed on top of the \$39,585 to complete the salary.

Council Member Moyer stated that he was not for promoting a part-time employee to full-time at the Harvester.

Mr. Hankins stated that the positions were not asked for lightly and that much consideration went into asking for full-time positions as they were needed.

Council Member Newbill asked if there was an approximate figure of how many tickets were sold last year. Mr. Hankins asked around 27,000 paid tickets and around 10,000 unpaid tickets.

Council Member Snead asked if the position was a proposed salary position. Mr. Hankins answered that it was going from hourly to salaried.

2. Vice-Mayor Walker asked why line number 3005, on page 93 of the Performance Venue Expenses for custodial services, had not shown up previously. Mr. Hankins stated that the service had previously been showing up in contractual services. Vice-Mayor Walker asked why janitorial supplies were up and about how often was the Harvester cleaned. Mr. Hankins answered that was because more people visited the Harvester so more supplies were used as more cleaning was done and the frequency of how often the Harvester needed cleaning had also increased. Cleaning was completed after every show. Mr. Ervin stated that several things had previously been coded to contractual services. Mr. Ervin further stated that the funds Council was seeing currently presented more of a true picture of how the Harvester was being run with more things being broken out of other line items to carry the numbers better and give a clearer picture of what was being spent.
3. A discussion began regarding the ticket prices and if it would be possible to increase the ticket prices or charge an additional \$2.00 as a way of covering the credit card expenses and online expenses of ticketing at the Harvester. Mr. Ervin stated that the \$1.7 million in meals tax covered the cost of the position from part-time to full-time but an increase in ticket prices would help cover a full-time position as well.
4. Vice Mayor Walker spoke to subsidizing \$394,000 to take some of the burden off of the citizens from the Harvester expenses.
5. Council Member Newbill asked how many volunteers were at the Harvester. Mr. Hankins replied the Harvester had about 75 to 80 volunteers and on any given night, the Harvester would use about 7 to 8 volunteers. The most used on a show night was 50-60 volunteers. The least used was 3 volunteers. Mr. Hankins stated that the number of volunteers needed, depended on the show. The hours worked were between 6:30 p.m. and 11:00 p.m. which was an average of about 4 – 4 ½ hours worked total. Mr. Hankins stated that in 2017, there were approximately 145 shows. In 2019, Mr. Hankins predicts approximately 180 – 200 shows at the Harvester.

CAPITAL IMPROVEMENT PLAN

Key projects proposed during fiscal years 2019 through 2023 include the following:

- Software and supporting hardware for Finance
- Police K-9 dog replacement
- Police vehicles and vehicle equipment
- Equipment and vehicles for the Public Works Department
- Improvements and additions to Town facilities and parks
- Property purchases for economic development opportunities
- Upgrades to existing utility lines
- Upgrades and rebuilds to water distribution and storage infrastructure
- Replacements and upgrades to equipment at the Water Treatment Plant
- Replacement of sewer collection infrastructure
- Replacements and upgrades to equipment at the Wastewater Treatment Plant

On page 98, Ms. Woody went over items that were in the budget under the 5 year capital improvement plan.

General Fund Projects:

1. Finance – new financial operating software and hardware \$460,000.
(General Fund \$345,000; Utility Fund \$115,000)

Public Safety:

1. Police – replace in car camera and video (\$5,500/car; 2/year)
2. Police – replace K-9 with single purpose K-9 \$10,000

Public Works:

1. Public Works – sidewalk maintenance (year 3) (\$40,000)
2. Public Works – asphalt rejuvenation – J & J Fashions parking lot \$11,900
which is a Town owned lot and Union Bank parking lot \$4,300.
3. Parks – replace tables, trash cans, grills \$10,000

Utility Fund Projects:

1. Meter Replacement \$990,000
2. Ground Penetrating Radar \$26,000
3. GIS \$9,000
4. Water Treatment Plant – replace flocculators \$161,000
5. Water Treatment Plant – replace mower \$8,500
6. Replace Hillcrest Drive sewer line \$108,000
7. Replace climbing screen at Waste Water Treatment Plant Main Pump Station

Vice Mayor Walker asked in regard of the Impound Lot if the automatic gate would work on gravel. Chief Criner replied that it would however; Mr. Ervin then stated that he had two items that Council might want to consider funding. One of the items was paving the Impound Lot and the other item would be the Floyd Avenue Lights. The previous Impound Lot was sold and the proceeds had already been deposited in the bank, therefore Chief Criner could apply those funds to paving the new Impound Lot. Mr. Ervin stated that if the new Impound Lot received paving in FY18 then, perhaps it would be best to wait until next years' budget to fund the Floyd Avenue Lights. Chief Criner would also be able to receive 2 new leased vehicles from the FY19 budget as well as 2 new vehicles from USDA that would be in FY18 budget that Chief Criner and Ms. Woody have been working on.

As Ms. Woody brought the contents of the FY19 Proposed Budget book to a close, Council Member Stockton asked what the full time landscaper position would make. Ms. Woody replied that it was a grade 12, step 1 at a salary of \$31,400. With fringe benefits, the total would be \$56,700. Mr. Ervin noted that the Town did advertise previously for a part-time position, but did not find anyone. The position would be for the bud gardens, growth and beautifications and for the Municipal Building.

CLOSED MEETING AND ACTION

Enter Closed Meeting

Motion: To go into closed session under the Virginia Code Section cited below

Time: 6:40 p.m.

Virginia Code Section:

Section 2.2-3711(A)(3) - Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

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.

Motion By: Council Member Stockton

Second: Council Member Snead

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: To go into a closed meeting

Certificate of Closed Meeting Discussion:

Council certified unanimously that nothing was discussed in the closed meeting other than what was stated in the motion to enter the closed meeting. No action was taken during the closed meeting.

Whereas, the Rocky Mount Town Council has convened a closed meeting on Monday, March 14, 2016 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 (1950), as amended, 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

ADJOURNMENT

Motion: To adjourn meeting

Time: 7:45 p.m.

Motion By: Council Member Newbill

Second: Council Member Cundiff

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Adjourned by a unanimous vote

Steven C. Angle, Mayor

ATTEST:

Rebecca H. Dillon, Town Clerk