

**ROCKY MOUNT TOWN COUNCIL
FISCAL YEAR 2015 BUDGET
WORK SESSION NO. 2
APRIL 28, 2014**

The April 28, 2014 Fiscal Year 2015 Budget Work Session No. 2 meeting of the Rocky Mount Town Council was held at the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia on April 28, 2014 at 4:30 p.m. with Mayor Steven C. Angle presiding.

On behalf of the Rocky Mount Town Council, the meeting was called to order by Mayor Angle, with the following members of Council being present:

Vice Mayor Gregory B. Walker and Council Members Jerry W. Greer, Sr., Bobby M. Cundiff, P. Ann Love, Robert L. Moyer and Billie W. Stockton

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 and Captain Kenneth Criner, Public Works Director Cecil Mason, Superintendent of Wastewater Treatment Plant Timothy Burton, Superintendent of Water Department Robert Deitrich, Fire Chief Charles Robertson, Town Clerk Patricia H. Keatts, and Finance Department Accounting Technician Amy D. Gordon.

APPROVAL OF AGENDA

Prior to the meeting, Council had received the agenda for review and consideration of approval. Let the record show there was no approval of the agenda.

FISCAL YEAR 2015 BUDGET WORK SESSION NO. 2

The Town Manager presented a PowerPoint presentation as an introduction to the proposed Fiscal Year 2015 Budget capital items:

- Development
 - o Dollar Tree
 - o Fralin Properties
 - o Tanglewood Hills
 - o Taco Bell
 - o Lillie's Leisure
 - o Bootlegger's Café
 - o Bed and Breakfast

– General Fund:

- Revenue: \$6,450,572
- Expenses: \$5,650,571
(\$5,600,571)
- Transfers: (minus) -\$257,139 (Utility Fund)
- Fund Balance Contribution: \$800,000

Town Manager commented:

- Utilities should not depend on taxpayers and hopefully, that amount should get down to zero.
- Fund balance is a little inflated. \$100,000 is real and \$700,000 is coming from investment from the Harvester.

– Utility Fund:

- Revenue: \$2,120,523
- Expenses: \$1,970,861
(\$1,948,361)
- Transfers: (plus) +\$257,139 General Fund
- Fund Balance Contribution: \$100,000

Town Manager commented:

- Real revenue is what is listed.
- Utility fund benefits from one-quarter million from General Fund.

– Utility Capital Fund:

- Revenue: \$552,653
- Expenses: \$150,000 (\$90,000)
- Transfers: \$0
- Fund Balance Contribution: \$402,653

Town Manager commented:

- No changes; will end up with \$402,653.

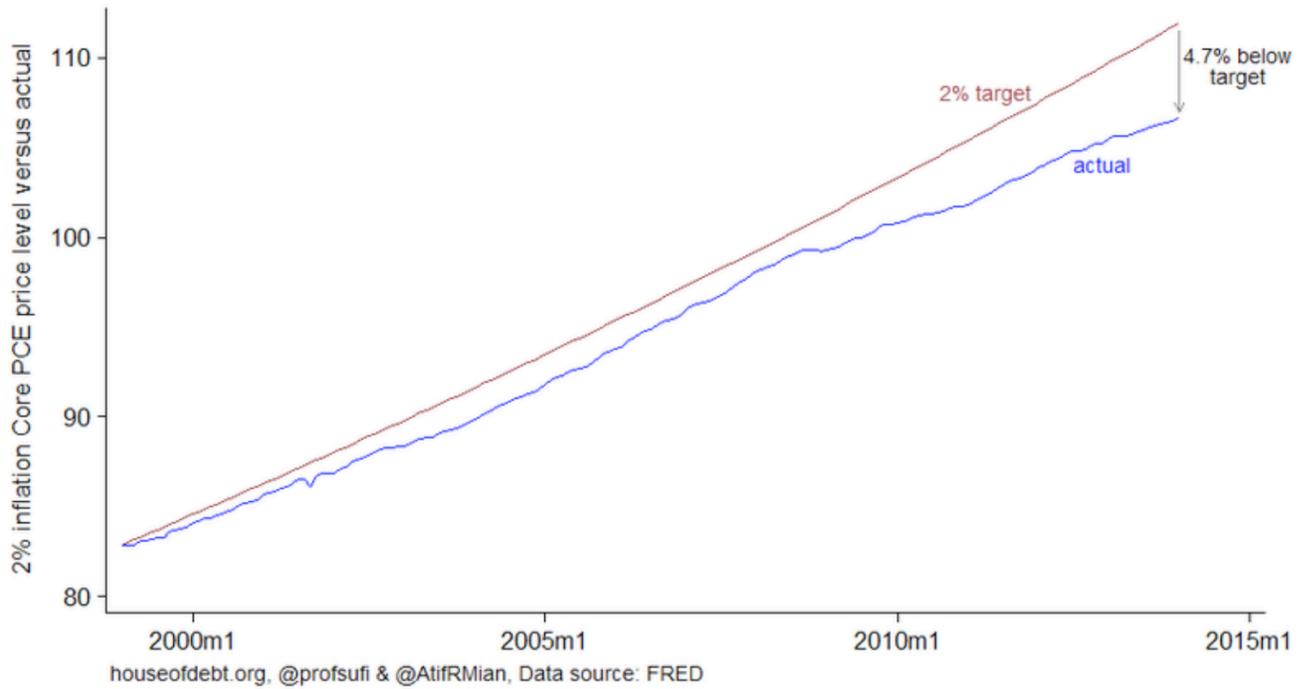
– Debt versus Savings:

- \$2 million at 2.5% results in payments of \$2,262,000 over ten years.
- Assuming CD rates of 1% for two years, 2% for three years, and 3% for the remaining five, the same \$2 million results in \$2,500,000.

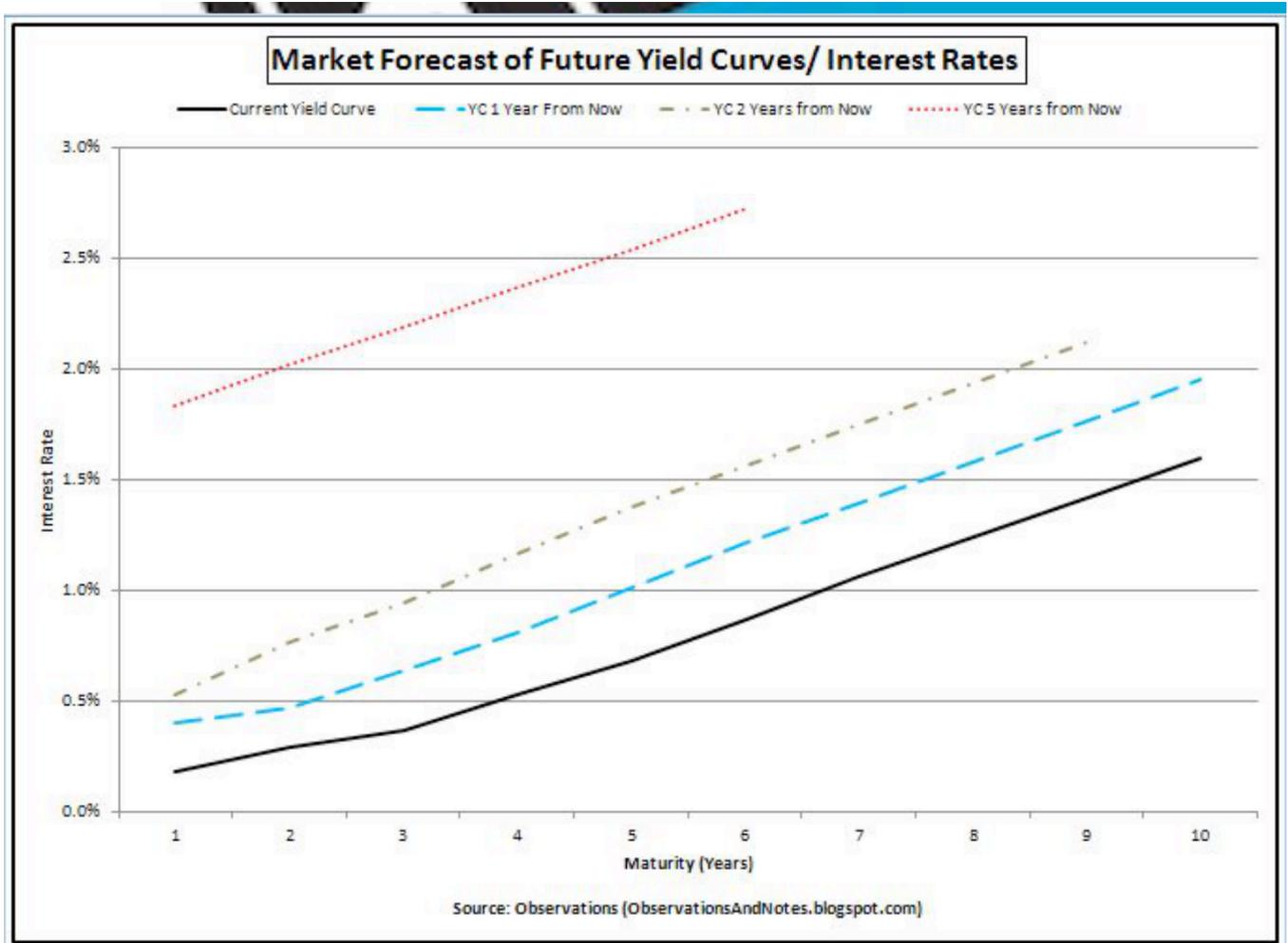
Town Manager commented:

- Went over net boost to taxpayers of \$2 million.

- Presented and explained the chart showing 2% inflation Core PCE price level versus actual:



- Presented and explained the chart “Market Forecast of Future Yield Curves/Interest Rates:



Town Manager continued with his PowerPoint presentation:

- Capital Proposed in Bond:
 - o Veterans’ Park: \$557,985
 - o Radios: \$233,500 (for Rocky Mount Police Department and Rocky Mount Volunteer Fire Department)
 - o Pendleton Tanks (removal): \$250,000
 - o Chlorine Bleach Conversion: \$130,000
 - o Loader: \$190,000
 - o Plus smaller projects deferred over past five years, and anticipated over next two, totaling \$2.4 million

The Finance Director referred Council to pages 100 through 103 of the proposed budget listed under “Capital Improvement Plan” that lists the capital projects for General Fund

projects that could be included in a bond. She listed each department separately, pointing out to Council which items were needed in the proposed FY 2015 budget, and which items had been deferred.

The Finance Director explained to Council that pages 104 through 107 are for future years being proposed for a bond for Fiscal Year 2016 through 2019, but at this time, Council needs to concentrate on pages 100 through 103.

The Mayor requested that the Finance Director and Town Manager list those items that are essential, with them pointing out the following from each department:

General Fund Projects (pages 100 through 101; totaling \$766,000)

- Public Safety
 - o Replacement of mobile data terminal in car (\$3,000/car; 3/year)
- Finance
 - o Equipment for credit cards (includes printer)
- Emergency Services Building
 - o Roof repairs for leak stoppage
- Fire Department
 - o Replacing 1995 Chevy Suburban (crew car) (maybe/essential)
 - o Replacing thermal imaging camera
 - o Replacing four each SCBA (breathing) units
 - o Repaving parking lot of Floyd Avenue fire station
- Public Works
 - o Replacing 1987 Chevy dump truck with snow plow (maybe/essential)
 - o Replacing street mower (maybe/essential)
- Building & Grounds
 - o Replacing Christmas decorations
 - o Replacing HVAC at Depot
 - o Sidewalk extension from Floyd Avenue to Dent Street
 - o Veterans' Park bank stabilization
 - o Public Safety radio system replacement (in "maybe" column)

Utility Fund Projects (pages 102 through 103; totaling \$588,000)

- Public Works
 - o Water leak detection study
 - o Replacing 2" line on Orchard Avenue
 - o Replacing 2" line on Oak Street
 - o Installing 2 each 10" gate valves and hydrants on Circle View
- Water
 - o Removing Pendleton water tank
 - o Replacing filters turbidity meter (2 each)
 - o 3 each automatic hydrant flushers
 - o Chlorine bleach conversion
 - o Rebuild finish water pump – lower pump station
 - o Blackwater Dam maintenance
 - o Rebuild backwash motor

- Sewer
 - o SCADA systems for pump stations
 - o Replacing compactor for head works building
 - o Grit clarifier at wastewater treatment plant (maybe/essential)
 - o Polymer blending system

There was a great deal of discussion between Council, the Town Manager and Finance Director regarding doing a bond to help with the essentials needed for each department, versus using the funds the Town already has available.

Consensus Action Taken:

Let the record show that it was the consensus of Council do not do a bond.

Motion Action Taken:

Motion was made by Council Member Greer to advertise the budget as discussed, with motion on the floor being seconded by Council Member Moyer. Discussion ensued regarding: (1) request received from Franklin County Public Schools regarding the Town making a donation to the upcoming Franklin County High School Junior/Senior Prom, with Council basically agreeing that the deadline for donation requests for the upcoming budget had passed, but that the Town would give them a couple of tickets for age appropriate performances at the Harvester Performance Center; (2) adding one-full time staff at the Wastewater Treatment Plant, with the Town Manager and Superintendent of the Wastewater Treatment Plant explaining why the position was added into the budget; (3) the proposed 3% raise for all Town employees, with the Town Manager explaining the differences between the 2.5% and one-half percent proposed raise; and (4) item 3000 on page 49 for contractual services under Planning Zoning, with the Finance Director, Town Manager and Assistant Town Manager explaining that this was for contractual services for an updating of the Town's comprehensive plan, which is supposed to be done every five-years as dictated by the State Code. There being no further discussion, let the record show the motion on the floor passed unanimously by those present.

ADJOURNMENT

At 6:02 p.m., motion was made by Council Member Cundiff to adjourn, seconded by Vice Mayor Walker and carried unanimously.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts, Town Clerk