

TOWN OF ROCKY MOUNT  
345 DONALD AVE.  
ROCKY MOUNT, VIRGINIA 24151

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TOWN COUNCIL  
STEVEN C. ANGLE, MAYOR  
GREGORY B. WALKER, VICE MAYOR

BOBBY M. CUNDIFF      BOBBY L. MOYER  
P. ANN LOVE              JON W. SNEAD  
BILLIE W. STOCKTON

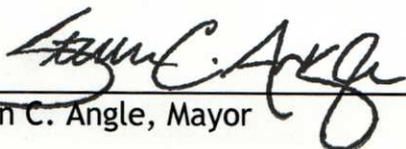
C. JAMES ERVIN, *Town Manager*  
STACEY B. SINK, *CMC, Town Clerk*

## NOTICE OF SPECIAL CALLED MEETING

March 27, 2015

In accordance with the Town Code, as amended, I hereby request the presence of all members of the Rocky Mount Town Council at a special called meeting of the Town Council to be held on **Monday, March 30, 2015 at 5:00 p.m.** in the Council Chambers of the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia for the purpose of:

- Holding a pre-budget worksession regarding the FY2016 budget preparation.

  
\_\_\_\_\_  
Steven C. Angle, Mayor



**ROCKY MOUNT TOWN COUNCIL  
AGENDA  
SPECIAL COUNCIL MEETING  
TO BE HELD IN COUNCIL CHAMBERS  
ROCKY MOUNT MUNICIPAL BUILDING  
345 DONALD AVENUE  
ROCKY MOUNT, VIRGINIA  
MARCH 30, 2015  
AT 5:00 P.M.**

When speaking before Town Council, please come to the podium and give your name and address for the record. Please address the Council and not the audience. If you provide Council with any documentation, please also give a copy to the town clerk prior to speaking.

◆  
**All cellular phones must be turned off during the Council Meeting.**  
◆

The Town of Rocky Mount is pleased to offer assistive listening devices for meeting attendees with special hearing needs. Please ask any staff member or the town clerk for assistance.

- I. Roll Call
- II. Worksession
  - A. Council input regarding FY2016 Budget preparation
- III. Adjournment

Copies of the agenda packet are available for review at the Town Clerk's Office located at the Rocky Mount Municipal Building, 345 Donald Avenue, Rocky Mount, Virginia, Monday through Friday, during normal working hours (8 a.m. to 5 p.m.), or by going to Town of Rocky Mount website: [www.rockymountva.org](http://www.rockymountva.org).

◆  
**Notice of intent to comply with Americans With Disabilities Act:** Special assistance is available for disabled persons addressing Town Council. Efforts will be made to provide adaptations or accommodations based on individual needs of qualified individuals with disability, provided that reasonable advance notification has been received by the Town Clerk's Office. For assistance, please contact the Town Clerk's Office, Town of Rocky Mount, 345 Donald Avenue, Rocky Mount, VA 24151, or by calling (540) 483-7660.  
◆

Thank you for taking the time to participate in your Town Council meeting. The Mayor and members of Council invite and encourage you to attend whenever possible because good government depends on the interest and involvement of citizens.

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C. JAMES ERVIN  
Town Manager

## MEMORANDUM

**DATE:** March 25, 2015  
**TO:** Rocky Mount Town Council  
**FROM:** C. James Ervin, Town Manager *CJE*  
**RE:** Pre-Budget Worksession: FY2016 Budget Preparation

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### **Radio System:**

#### **A. Radios**

The radios for the Police Department will cost \$114,950, and the radios for the Fire Department will cost \$114,448.89, though the chief reports this number may change. I have negotiated with Franklin County to have it cover an amount of radios for the Fire Department equal to what it would pay for all other County departments. Our Fire Department has 36 radios in service, and the allotment for a County department is 21 units. The Town's share, then, for the additional 16 radios is reduced to \$65,447.00. The total needed for the capital investment in new equipment is, then, approximately \$180,000.00.

The County has offered, tentatively, to allow the Town to purchase these radios under its already negotiated borrowing/bond that is for ten years at 1.73%. This would be an annual payment on the radios of \$20,000.

**Question:** Should the Town participate in the County's existing debt issue or include the radios in a proposed debt issue of its own?

#### **B. Capital Cost of the System**

The County is spending \$7.3 million on the new radio system and has asked the Town to consider contributing towards the cost of the system. Our police and fire radios (the reduced number for the Fire Department radios) represent 6.75% of the system, and the County has asked for a capital contribution of approximately \$0.5 million. I

have advised that there are double taxation issues for the Town citizens paying for the radio system, as they have already contributed their share to the initial \$7.3 million purchase. Additionally, there is little precedent for a town within a county sharing the capital cost for a radio system. However, there is significant precedent for a town paying a subscriber fee for access to an existing system, and I propose that the Town and County enter into an agreement (similar to what Vinton and Roanoke County have), whereby the County provides annual radio access to the Town for a fixed fee. Vinton currently pays \$400 per year per radio and I have used that as a starting point in our conversation. I have also offered to present to Council a higher initial figure that scales down to the lower figure in five years to assist with the out-of-pocket expense of the new system.

**Question:** What is the consensus of Council on the capital support the Town should provide for the new radio system? What is the consensus of Council on an agreement with the County for annual access to the radio system?

### **Staff:**

#### **A. Salary**

The budget will feature normal salary changes as included in most every budget. This includes a standard one-step increase for existing staff (2.5%) and a 1% COLA. Additionally, there are some staffing changes contemplated.

**Question:** Are there any recommended adjustments to our normal salary changes?

#### **B. New Position and Position Changes**

The Police Department is eliminating the captain's position and adding in its place a community development officer (part-time). We are also adding one support staff to the Municipal Building to staff the reception desk and provide better customer service. This coincides with the end of the volunteer program. During our transition from Mrs. Keatts to Mrs. Sink, the desk was staffed with a full-time employee, and the impact on our customer service was significant.

**Question:** Is there any input on our staffing level or how our staff is aligned to best meet the needs of the public?

### **Borrowing:**

We have several large capital items that will be presented in the budget. The choices are *to do these items with debt*, or *to not do them*, as we want to develop our fund balance back after paying off some recent long-term debt and building the Harvester. Our recent audit showed an ending General Fund balance of approximately \$5.6 million, with \$1.7 million due from the Tobacco Commission and DHCD, for an

estimated General Fund balance of \$7.3 million. We estimate our Utility Capital Fund will start FY2016 with a balance of \$0.5 million. This is just shy of our target fund balance of \$8 million, so we are in a period of working to rebuild the balance. This, combined with all-time low interest rates and the Town's record-low debt-per-capita rating, makes debt service attractive for these projects. They are:

Veterans' Memorial Park: \$900,000  
Scuffling Hill Sewer: \$65,000  
Town Match for Scuffling Hill Curb/Sidewalk/Drainage: \$470,000  
Municipal Building HVAC Replacement: \$60,000  
Radios: \$180,000\*  
\*If the Town procures independently

We have applied for a \$500,000 grant to assist with the Veterans' Memorial Park project, but we will not know if we are awarded the funds until after the budget is adopted. Regardless of the funds appropriated, the Town will wait for an award or a denial prior to going to the financial market for funding. The Town's match for the Scuffling Hill project is to qualify for a VDOT grant in the same amount, as the project is approximately \$1 million in total. Council has previously stated that it is not interested in doing sewer in conjunction with the Scuffling Hill project, but your public works director seeks your review of this decision, as he still recommends it be installed while the road is demolished for the related project. As we are still working with staff on the development of the capital list at this point, this list may change. Also, if Council is not interested in joining in the County-issued debt for the purchase of radios, they will be moved to this category. If Council wishes to pursue all of these projects in the upcoming fiscal year, the budget will include a proposed debt issuance of \$1.5 million over 20 years with an estimated annual debt service of \$96,000. A ten-year term would be \$164,000, annually. Staff recommends we budget for a twenty-year term but opt for a ten-year term if we receive the Veterans' Park grant.

**Question:** Are there any projects expected by Council that are not included? Are there any projects that Council wishes not to see in a proposed budget? Is Council interested in a bond issue or a direct-borrow from one of our banking partners? Staff recommends direct negotiation with our bank as a starting point (similar to the County's approach with its radio system financing).

### **Council Compensation:**

Attached is a list of comparative compensation rates for council members for similarly sized localities. The mayor has asked that Council consider an update to the elected officials' compensation prior to the May election. Our Charter requires that any change lay over an election cycle prior to becoming effective, and if Council wishes to make a change that could be effective at the closure of the current fiscal year, this would be the only opportunity to do so as the next election will be prior to the adoption of a budget for fiscal year 2017. This would trigger another two-year window where compensation could not be changed.

C. James Ervin, Memorandum  
Pre-Budget Worksession: FY2016 Budget Preparation  
March 25, 2015  
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**Question:** Should Council Member compensation be adjusted so that it could become effective on 7/1/2016? This would not impact the current budget.

Attachments (1)

CJE/sbs

