

ROCKY MOUNT TOWN COUNCIL
SPECIAL COUNCIL MEETING
JUNE 7, 2007

A special council meeting of the Rocky Mount Town Council was held at the Municipal Building on June 7, 2007 at 5:30 p.m. with Mayor Steven C. Angle presiding. The following members of Council were present:

Vice Mayor Roger M. Seale and Council Members Stephen F. Agee, Posey W. Dillon, Jerry W. Greer, Sr., John H. Lester, and Sadie W. Tuning

The meeting was called to order by Mayor Angle.

Let the record show the following being present: All members of Town Council as noted, Interim Town Manager Jack Gross, Assistant Town Manager/Community Development Director C. James Ervin, Finance Director Linda Woody, and Town Clerk Patricia Keatts.

APPROVAL OF AGENDA

Motion was made by Council Member Agee to approve the agenda as presented, seconded by Council Member Lester and carried unanimously.

DISCUSSION REGARDING PROPOSED FY 2007-2008 BUDGET AND CAPITAL PROJECTS

The Mayor opened the discussion stating that the meeting was called in response to several items that were discussed during the public hearing on the proposed FY 2007-2008 Budget and Capital Projects. Specifically at this time, the additional funds requested by several agencies that had appeared before Council during the public hearing. The following is a synopsis of remarks made by Council:

A) Agencies Requesting Additional Funding

Mayor Angle mentioned that the additional funds requested from the public hearing totaled \$8,500 above the \$72,000 amount that had been designated by Council to give to the agencies for Fiscal Year 2007-2008. He further stated that in looking at the agencies requesting additional funding, three of them did not supply all the required information requested for the financial part of the information they were suppose to fill out on their request form that was submitted for review for funding. He further stated that Council needs to decide if they are going to honor any of these additional requests, and if so, how much more funding would be given to them. He

also stated that one thing Council needed to keep in mind is that the proposed budget as presented is balanced and nothing is coming out of the fund balance. If any more funding is given towards the agencies requesting additional funding, it will have to come out of the fund balance.

Discussion followed:

- Vice Mayor Seale
 - The request form that was sent to all the agencies for them to get back to the Town requesting funding was not that complex and the Town needs to stay consistent regarding that, also respecting the other agencies that complied with all the required information. He understands that the smaller agencies may have not been able to have the audit portion done.
 - If Council approves an agency for funding, the required information should be in-hand and the Town is setting a precedence when it waives from what is needed for one versus what is allowed to be turned in for another.

- Mayor Angle
 - Need to include in the cover letter that goes out to the agencies every year a notation that if the required information is not submitted, the agency will not be considered for funding.

The Mayor then asked Council what their pleasure was regarding the additional funding requests, starting with the Children's Advocacy Program of the Blue Ridge, with their original funding being \$500, with them now asking for an additional \$4,000 for their capital fund.

- Council Member Greer commented that it was his understanding that Council was going to hold to the \$72,000 that was set aside in the proposed budget for funding for the agencies, and questioned why the Council had to re-think the point and give the agencies more than what had been budgeted. He further stated that the way it is budgeted now, everyone gets something, and if Council now was going to change the amounts allocated, he would like to know ahead of time to give the agency funding process some more thought. He also stated that when the funding is being changed, this needed to come up during the budget work sessions, not after the public hearing. He further stated that the funding has been \$72,000 for the last three years, further confirming to the Mayor that he believed the funding should stay at \$72,000 as proposed.

- Council Member Agee commented that all the requests were viable and have merit, but this was the taxpayers' money and Council has to be frugal with it and not vary. The Mayor stated in response that if any changes are made, it needs to be done during the budget process.

- Council Member Dillon commented that unfortunately there is not enough money to provide all the goods, but when a comparison is done on agencies requesting

money from the County as well, the Town citizens are paying double as they pay taxes to the County also; therefore, the Town citizens are paying over and above what the County citizens are paying towards agencies' requests for funding.

- Mayor Angle questioned if it was the consensus that the Council leave the requests as proposed in the budget.
- Vice Mayor Seale commented that the Council has received during the year special requests from agencies for special projects that they have come up during the year, with the Town giving them some funding at that time. He further stated that this door was not shut to the Town doing this in the future.

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

- Motion was made by Vice Mayor Seale to leave the proposed contributions as they appear in the proposed budget at the present time, and that Council can look at special needs during the year. Let the record show that the motion on the floor was seconded by Council Member Greer. There being no discussion, let the record show that the motion on the floor passed unanimously.

B) Proposed Water & Sewer Rate Increase and the Proposed 1% Meals Tax Increase

The Mayor stated that Council had received during the public hearing citizen input regarding the proposed water and sewer rate increase, along with the 1% proposed increase in the meals tax.

Discussion followed:

- Council Member Agee stated that the proposed water and sewer increase that Council was proposing was moderate in rates and was well over due, and there was a need to put into effect this year the proposed rate increase so the utility system could be start to begin being self-supporting.
- Council Member Lester stated that as far as he could see it, in the years past Council had a hesitancy to increase the rates, trying to supplement it every year. In the proposed rate increase, Council is now headed in the right direction to start being self-supporting. He further commented that it is time to get it back in-line with what it should be.
- Council Member Greer mentioned that in doing this, the Town needed to start looking in-house, such as: staffing, and the use of four-wheel vehicles where a lot of gas is being used. He further stated that this is not just happening in the Town, but also in the County. He commented also that he believes the Town needs to look at how it can start cutting back on overhead.

- Council Member Dillon commented that the Town needs to make the operations of the Town more accountable and efficient.
- Mayor Angle stated that these matters can be looked at during the budget process, but for right now, Council needs to consider the matters before them.
- Vice Mayor Seale stated that in discussing the utility fund, this is a separate item from the general fund. He further stated that if the Town is over staffed somewhere, this can be discussed later. He also agrees with what Council Member Agee was talking about in that the utility fund needs to be self-supporting. Also stated that he agrees that the Town needs to take this small step to adjust the utility rate.

The Mayor asked Council if they had any comments regarding the proposed 1% meals tax increase.

- Council Member Lester commented that one of the things that will benefit from the proposed increase will be a music venue that will help in the people becoming more aware of The Crooked Road and 'Round The Mountain. He also commented that from the Town's and County's standpoint, this type of venue will be on-going and is something that the Town is investing money into that the Town will see returns on.
- Vice Mayor Seale commented that Council had listened very closely to the comments that were made from the public during the public hearing and noticed that it was done in a very nice friendly tone. He further commented that those that were present at this meeting know what Council is against. He briefly stated that the State allows localities to use the meals tax as a source of revenue, and even if there are those that may think it is unfair, it is still a tool for use by the State by localities. He brought out that this proposed 1% increase will allow the sinking fund to be established for the purchase of not only a garbage truck, but a fire truck, and also help with establishing a music venue for the Town.
- Council Member Dillon thanked the Finance Director for everything she did with the comparison of meals tax from surrounding localities, and in doing so, he was amazed that one locality was charging 8%. He stated that he did not know that localities could raise the tax higher than what he thought the State allowed, but obviously the localities can. He further stated the proposed increase will help establish the sinking fund.
- Council Member Agee mentioned that this Council has had to make decisions on matters that have, in some cases, been put off for ten to 15 years, and now this Council has to manufacture a budget to really propel the Town forward. He also stated that the decision may have not been a happy one, but it was a hard decision for Council to have to make. He further stated that once the meals tax is put into place, it will not only increase business for tourism, but the Town can

truly be called the eastern gate to The Crooked Road and can be bigger than ever imagined.

The Mayor stated that after hearing the comments from Council, the proposed budget will be presented in its present form during the June 11, 2007 regular Council meeting at 7:00 p.m. for consideration of approval.

ADJOURNMENT

There being no further discussion, motion was made by Council Member Lester at 5:58 p.m. to adjourn, seconded by Council Member Dillon and carried unanimously.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts, Town Clerk

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