

ROCKY MOUNT TOWN COUNCIL
AGENDA
FISCAL YEAR 2012 BUDGET WORK SESSION NO. 4
ROCKY MOUNT MUNICIPAL BUILDING
345 DONALD AVENUE
ROCKY MOUNT, VA.
AT 4:00 P.M.
MAY 16, 2011

- I. Roll Call
- II. Approval of Agenda
- III. Fiscal Year 2012 Budget Work Session

- Further review and consideration of the following items:

- i. Utility Fund Reductions.

Council directed staff to adjust the budget to provide a balanced Utility fund without the proposed adjustment in utility rates. The attached report reviews the changes proposed. Capital and Operational items were removed to offset the reduction in revenue.

Additionally, your Finance Director has calculated the estimated cash available at the end of the current fiscal year to pay Utility Fund expenses and the date that the fund will run out of funds to pay expenses. A chart of the utility fund cash flow is attached.

Based on current year estimates, the Utility Fund averages \$203,408 in expenses a month and is currently bringing in \$182,408 in income a month. Starting the year with an estimated \$69,486, the fund will run out of cash in October. Council will need to appropriate funds in October from the General Fund (tax dollars) to the Utility Fund in order to pay salaries and expenses.

Your Water and Waste Water Plant managers have outlined essential capital items needed at their facilities. In the event that these items cannot be funded via revenues from rates, staff recommends using debt to accomplish these repairs and proposes that the utility fund's capital needs as well as our long term rate structure be addressed in an October work session.

ii. Cost of Living Allowance for Staff

The proposed budget includes a 2% cost of living adjustment. The cost to the General Fund is \$53,023 and the cost to the Utility Fund is \$15,371, for a total of \$68,394. A proposed alternative is a \$600 one-time stipend (or split into two times of \$300 each), with a cost to the General Fund of \$31,003 and a cost of \$7,751 to the Utility Fund for a total of \$38,754.

iii. Anthem premium increase of 8.3% and Delta Dental premium increase of 3.7%.

The Town has been given a renewal quote by Anthem and Delta. Based on our current contribution schedule, employees with single only coverage will see no change in out of pocket costs, employees with employee and child coverage will see an increase of \$8.66 a month, employees with employee and spouse coverage will see an increase of \$11.90 a month, and employees electing the family plan will see an increase of \$22.76 a month. The Town's share of the increase will cost \$29,069. We had budgeted for a 5% increase and have therefore needed to allocate an additional \$5,662 from General Fund contingency. A summary of this information is attached from your Finance Director. In the event that a COLA is not part of the budget, these changes will result in negative take-home-pay for employees with these plans.

iv. Municipal Building Cleaning.

Council asked if there were alternatives to the \$19,920 paid annually to clean our Municipal Building, Police Department, Farmers' Market, Visitor's Center (depot), and parks' rest rooms. Mr. Hankins has reviewed this and has attached a report for your review. Based on his review, the current method is likely the least expensive approach.

v. Paperless Council Packets.

The Town spends an estimated \$4,000 annually preparing the Council packet. It is possible to deliver the packet electronically via either a CDROM or over the Internet. A new line item is proposed for \$10,000 to purchase equipment to migrate to electronic council packets. This would be for Account 01.1101.7007 (Audio & Video Equipment). Funding can be moved from vehicle eliminated from the Town Manager's budget.

IV. Adjournment