

**ROCKY MOUNT TOWN COUNCIL
FISCAL YEAR 2017
BUDGET WORK SESSION NO. 1
APRIL 12, 2016**

The April 12, 2016 Fiscal Year (FY) 2017 Budget Work Session No. 1 meeting of the Rocky Mount Town 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
- P. Ann Love
- Robert L. Moyer
- Jon W. Snead
- Billie W. Stockton

The following staff members were also present:

- Tim Burton, Wastewater Treatment Plant Superintendent
- Bob Deitrich, Water Treatment Plant Superintendent
- Rebecca Dillon, Executive Administrative Assistant
- C. James Ervin, Town Manager
- Josh Gibson, Town Planner
- Matthew Hankins, Assistant Town Manager
- Amy Gordon, Assistant Finance Director
- Cecil Mason, Public Works Director
- Linda Woody, Finance Director
- Jeff Rakes, Fire Chief
- Ken Criner, Police Chief

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

APPROVAL OF AGENDA

Motion: To approve the agenda as presented

Motion By: Council Member Stockton

Second: Council Member Snead

Motion Discussion: None

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

Nays: None

Action: Approved agenda by a unanimous vote

The first work session for the FY 2017 proposed budget began by Finance Director, Linda Woody and Town Manager, James Ervin going through the Proposed Budget and Capital Improvement Plan (CIP) with Town Council and all others present.

Some items highlighted or discussed were as follows.

Reassessments for FY 2017 will result in a \$12,000 increase in real estate tax revenue. This is an average of a 2.2% increase over the previous reassessment.

General Fund

Transient Occupancy Tax: An increase from 5% to 10% will bring in an additional \$125,000. Assistant Town Manager, Mr. Hankins spoke regarding the Lodging Tax increase which came up as the Town was looking for additional ways to pay for the branding and developing tourism in Rocky Mount. Mr. Hankins spoke that if you collect a lodging tax, state law allows you to collect up to 5% which goes back to the General Fund and by state law, anything over that 5% must be used to fund tourism development and activities. Council Member Moyer spoke saying that not everyone was as conscientious of the dollar as he was, and had concern of running people away from staying with us in Rocky Mount because of the possible higher lodging tax. Mr. Hankins had spoken with hotel managers and asked the question if guests were likely to choose somewhere else to stay rather than pay the higher tax and was told no. Mr. Cundiff asked the question of how many of the people that Mr. Hankins talked to actually had money invested in the hotel. Mr. Hankins replied that they were all management staff with the exception of one owner. Mr. Cundiff replied that if the hotel management received their payday, it didn't matter what it cost. Mr. Hankins stated that even with the additional tax, Rocky Mount would still be one of the cheapest room rates available compared to Martinsville, Roanoke and other surrounding localities.

Town Manager Department: The receptionist position is part time currently at 29 hours a week but would like to go to a full time position at 40 hours a week with full benefits.

Police Department: The proposed budget increase is to take care of \$7,900 of ammunition, \$5,000 for surveillance equipment, and \$74,000 for two Ford Explorer police vehicles.

Volunteer Fire Department: Fire Chief Rakes spoke stating that he would like for Council to consider an increase for both the officer stipend and per call stipend.

Public Works Department: \$50,000 is included in the traffic control account for Wayfinding Signs which help visitors to the community find their way around town.

Public Works Director, Cecil Mason and Council briefly discussed how much life is gotten out of a mower now and if it would be better to buy more expensive mowers to last longer. \$10,000 is included in the budget for replacement of mowers.

\$65,000 is needed for the sidewalk project from Floyd to Dent Street but not budgeted. Mr. Mason encouraged the town to put curb and gutter in first before the sidewalk. The Planning Commission, in its meeting, wanted this project funded for this year and not pushed back to FY 2018.

Municipal Building: The HVAC last year and Building Security this year are each a \$60,000 project.

Lights for life: Money is earmarked for the First Responders Memorial.

Ferrum Express Bus Service: \$4,000 budgeted for FY 2017. The Mayor asked for some numbers to see what kind of usage it had. The invoices submitted by Ferrum College do not indicate ridership.

Branding: Vice Mayor Walker asked if Mr. Hankins would speak on Branding so Council could understand a little better what that is. Branding is to try and attract visitors to stay overnight or longer in Rocky Mount as a tourist attraction to promote Rocky Mount and help the Town to grow. This is directly tied to the lodging tax. Right now Richmond's lodging tax is 11%, Roanoke's lodging tax is 9% and Virginia Beach's lodging tax is 11%. Mr. Hankins was asked by Council if he would put together some numbers for areas close by to compare to.

The Community Hospitality Center increase of salaries from \$8.50 an hour for part time help were increased up to \$9.25 an hour.

Non-Departmental: The Franklin County Rescue Squad, Warren Street Society, Piedmont Community Services, and STEP, Inc. submitted no paperwork asking for contributions for FY 2017. Also in this category is the Employee Wellness Program that has an increase from \$1,519 to \$5,100. This is because the insurance company will carry the wellness program one year and we carry it one year. FY 2017 Carillion will come in because it will be an off year. Reserved for Council supplemental pay and adjustments for FY 2017 is \$27,505 for employee bonuses at Christmas if Council chooses to give them.

Utility Fund

Refuse this year has a \$1.00 increase to residential accounts and a \$2.00 increase to commercial accounts. Council Member Cundiff commented that the Utility Capital fund was not set up to pay the short comings of the Utility Operating Fund. Mr. Cundiff further commented that the fund was to make modifications to the water and sewer plant so the Town would not have to replace the plants as such. The fund was set up to do maintenance and to upgrade without having to make for example a loan to do so.

Mr. Ervin spoke on the Utility Capital fund and was asked by Mr. Cundiff if the new garbage truck could come out of that fund to which Mr. Ervin answered yes that was something that likely would have a check written for it either this year or next.

Performance Venue Revenues: The one part-time position that is 29 hours a week is proposed to increase to 40 hours per week. Council Member Snead asked why there were no figures for Council to look at the Harvester. Ms. Woody explained that those figures are not going through the Town, but rather directly through the Harvester, and therefore would not be included in our budget.

Transfer from Other Funds within the Performance Venue Revenues is the three salaried positions of full time which is 40 hours a week and one part time which is 29 hours a week of \$331,146. The two current full time positions are working hours which could potentially lead to a violation of FLSA regulations. Therefore, staff recommends making the part time position full time.

Capital Improvement Plan

\$114,950 of this is the radio system on that Franklin County and the Rocky Mount Town Police share. This system is set to upgrade and go live in October of 2016.

Council Member Stockton asked the Chief of Police, Mr. Criner, what was the reason for getting Explorer SUV's verses patrol cars. Mr. Criner replied they last longer with our terrain, residual value is greater, and mainly because they are always in service with the all-wheel drive.

Police Department: \$10,000 Try to make a better use of the space they currently have as one large room, subdivide into several offices at the Emergency Services Building.

Mary Elizabeth Park was discussed specifically, the aging playground equipment. Council Member Love asked the question if it was what we all played on as kids and for insurance reasons could the Town get into liability issues. Mr. Hankins had been through the park with a VML Insurance Agent and shared with Ms. Love that some of the equipment was in need of being replaced and had been taken down out of the park while others had been left.

The Mayor asked where the money is that came from the County for use to Veterans Park. Franklin County allotted \$100,000 last year for the park but since it is utilized throughout the County and not just the Town, the Mayor would like more funds to be requested.

Capital Improvement Plan: Waste Water Treatment Plant repair and seal pavement was not funded for the FY 2017 but it is joined together with the Water Treatment Plant and the Municipal Building for next year.

In conclusion, a few things touched on during the work session that staff would like Council to look at during Budget Work Session #2 are as follows.

- A proposed 2.5% merit increase and a 1% COLA for Town personnel
- A proposed rate increase in the transient occupancy tax from 5% to 10%
- \$81,000 is proposed to be used from the Utility Capital Fund to underwrite the Utility Operations Fund.
- The Fire Department asked for an increase in their stipends
- The North Main revitalization program
- Two staff members being increased from 29 hours a week to 40 hours a week
- Changes to the capital improvement plan

ADJOURNMENT

Motion: To adjourn meeting

Motion By: Council Member Moyer

Second: Council Member Love

Motion Discussion: None

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

Nays: None

Action: Meeting adjourned

Steven C. Angle, Mayor

ATTEST:

Rebecca H. Dillon, Acting Town Clerk