

**ROCKY MOUNT TOWN COUNCIL  
FISCAL YEAR 2018  
BUDGET WORK SESSION NO. 2  
APRIL 17, 2017**

The April 17, 2017 Fiscal Year (FY) 2018 Budget Work Session No. 2 meeting of the Rocky Mount Town Council (here after referred to as "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
- Mark H. Newbill
- 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
- Matthew Hankins, Assistant Town Manager
- Amy Gordon, Assistant Finance Director
- Brian Schofield, Public Works Superintendent
- Linda Woody, Finance Director
- Ken Criner, Police Chief
- Mark Lovern, Lt. of Patrol
- Allan Arrington, Lt of Investigations

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

**APPROVAL OF AGENDA**

**Motion:** To approve the agenda

**Motion By:** Council Member Stockton

**Second:** Council Member Snead

**Motion Discussion:** None

**Ayes:** Cundiff, Newbill, Moyer, Snead, Stockton, Walker

**Nays:** None

**Action:** Approved the agenda by a unanimous vote

Found on the diaz for each Council Member, was a handout with follow up information for Council regarding the Town Manager's Office part-time receptionist position to full-time, the

stipends for the Fire Department, and a spreadsheet of engineering expenses from July 2013 through April 1, 2017. Also attached were comparative prices of grave charges, ridership on the Ferrum Bus and information from the General Fund Non-Departmental account.

Mr. Ervin spoke regarding the questions and discussion that followed about the Fire Department and the stipends that those members receive per call. Mr. Ervin stated that Staff had inquired for some information and would possibly use that information to start dialog between the County and the Town about the request from Council to ask for some more money from the County for the Fire Department.

## **UTILITY FUND**

Council Member Cundiff spoke in regards of the Utility Capital Fund that he would like to be sure everyone understood that the Utility Capital Fund was not available to balance the budget or pay wages. The Utility Capital Fund was there to meet the needs of water and waste water operations.

- Total transfers from Other Funds were \$136,259. To balance the Utility Capital for expenses; Council Member Cundiff stated that the expenses should be cut. Council Member Cundiff stated that the Town had a 35 year old water plant and a 23 year old sewage treatment plant that have been running 24 hours a day, 7 days a week and will need to be serviced at some point. Ms. Woody said most buildings are depreciated for 40 years, but she would check to verify that. Mr. Ervin stated that the Town had not solved how to balance the day to day operation of the plants from an expense perspective. Vice Mayor Walker asked if there were no Utility Capital Funds, where would the balance come from. Ms. Woody replied the General Fund.
- Page 68 of the Proposed FY2018 Budget Book showed the depreciation at \$887,992 which was revenue and expense that does not occur but was to be accounted for as a stand alone business.

## **WATER TREATMENT**

On page 71 in the FY18 Purposed Budget Capital Outlays proposed at \$25,000 was money on hand for emergency repairs verses planned repairs.

### Meter Reading

On Page 73, the Town has gone back to a two man meter reading team. In FY17 the Town had 2, 2 man teams for a total of 4 men. For FY18 proposed, the Town just has 2 men each month that reads meters.

## **SEWAGE TREATMENT**

### Waste Water Collection System

Wages were discussed in the FY17 Budget for \$36,456 and the FY18 Purposed Budget on page 73 for \$67,813 for Public Works Superintendent and the Public Works Engineer. This is in the event that an engineer would be hired.

### Wastewater Treatment Plant

On page 79, Wages will see an increase as FY17 Budget which was \$217,576. Purposed for FY18 Budget was \$228,498 for full-time employees.

### Utility Billing & Administration

For Full-Time Wages on Page 81 in the Proposed FY18 Budget of \$83,300. Also, Postage and Delivery Services increased from FY17 at \$15,360 to FY17 Estimated at \$20,833 to FY18 Proposed \$29,700 was an increase with postage for water bills.

### Utility Fund Non-Departmental

On page 83, the Non Departmental Fund, which includes Debt Service, would be for the annexation water lines. Also, in the same category would be a Reserve for Council Supplemental Pay Adjustments FY17 Budget \$7,213 and FY18 Proposed at \$7,266 which would be for bonuses, should Council decide to give them. The depreciation for water and sewer lines is given here as well.

## **UTILITY CAPITAL FUND**

### Utility Fund Capital Projects Fund Revenue

On page 86 are the revenues that were funded by the increases from the past 2 years. There was a utility capital fee for water of \$281,721 and for sewer of \$229,383 and for garbage of \$40,944 which has a \$1.00 increase in the garbage for services. To spend on the new garbage truck is \$88,000 in savings that the \$1.00 increase from garbage over the years has accumulated for the Town. The appropriated figure for the new garbage truck is around \$150,000. This expense is currently a 3 plus year payback. If the Town increased the garbage fee by \$1.00, it would lessen the time to approximately an 18 month payback.

Mr. Ervin explained that the \$522,155 of Appropriated Fund Balance – was available revenue for Council to decide to use or not use and to pick what project (s) to use it on. Council Member Cundiff stated that the garbage truck is listed as being part of the bond and asked why? Ms. Woody explained that the new garbage truck was listed in the bond if Council so choose to have funds from the bond pay for it, however the garbage truck was only listed as a project under the bond per counsel on the bond issue to make it flexible so the Town did not have to go through another bond process. The projects listed on the bond were Bernard Road Drainage, Scuffling Hill Drainage, Scuffling Hill Sewer, Gilley's Park, Police & Fire Department, Veteran's Park Stabilization and outfitting a new Refuge Truck should Council decide to pay for it from the bond issue.

### Utility Fund Capital Projects Fund Expenditures

On page 87, Water Distribution for Meter Replacement to touch read technologies was proposed for FY18 at \$20,000 and replacement of 2 meter reading hand held units FY18 proposed were \$19,500.

1. Proposed for FY18 is \$540,000 to replace an 8" line on Diamond Avenue. Council Member Cundiff asked what the main problem was with the line. Mr. Deitrich spoke and stated that the residences were receiving their water service fine however approximately half way down Diamond Avenue, the fire hydrants start losing pressure as the hydrants are opened. The customers at that time also begin to lose pressure. The pipes are very old and are becoming choked off with corrosion making the water flow restrictive. Council Member Newbill asked about how many fire hydrants are there on down Diamond Avenue? Mr. Schofield replied five and to rework them would be included in the project. The Mayor asked how long would the project take for Anderson, West End and Diamond Avenue. The residents would not be without water during this time of construction since the Town plans to use two live lines to convert usage over. In the evenings, all customers would have water. The starting point would be Davenport

Energy to the ending point of the Railroad Tracks. It would be approximately 2,600 feet and would not affect the subdivision beyond the railroad tracks on Diamond Avenue. There is no pipe under the tracks on Diamond Avenue.

2. The Scuffling Hill Tank Aerator for FY18 would be \$70,000. Mr. Deitrich spoke that the aeration system would provide for better numbers in the summer time since the Town is presently close to exceeding the federal average to having bad water. The Town had good numbers in the summer and bad numbers in the winter. All of the tanks would not get aerators; only the two tanks on Scuffling Hill and Grassy Hill.
3. Reference is made on page 87 to rebuilding the upper pump on Grassy Hill. Council Member Cundiff asked if it was in the budget previously. Mr. Deitrich replied yes but it did not get done at that time.
4. Reference is also made on page 87 to Eclips #88 which are sample hydrants. The FY18 proposed budget has \$12,000 for these hydrants. The hydrants are a small green locked box where the water treatment plant puts its bacteria samples. Currently there are 7 in town. The department would like to have 6 more of the boxes as well as replacing the old with 6 new ones since some of them are old, rusty and in new of replacement.

#### Water Treatment Plant

Below are new items that need to be done in the FY18 Proposed Budget.

- \$9,452 Streaming Current Monitor
- \$10,700 Parking Lot Repairs (pavement rejuvenation)
- \$19,500 Replace Flocculator motor/mixer comb (3)
- \$10,000 Upgrade plant controls and programming of the plant systems
- \$10,205 Replace pressure reducing valve and plumbing inside the plant.

#### Utility Fund Capital Projects Fund Expenditures

On page 88, a Rapid Assessment Toll/SL-RAT is proposed for FY18 Proposed Budget for \$27,000 which is a new technology that uses sound between one manhole to another manhole and the toll sends sound waves that register a score of 0-10 on how well it hears the sound. The toll allows the Waste Water Treatment Plant to put their efforts where they are needed most. One manhole to another manhole can be done in about 15 minutes; thousands of feet can be covered in a single day with this technology. A camera is much slower.

#### Waste Water Treatment Plant

On page 88, FY18 Proposed Budget had budgeted for parking lot repairs of \$12,787 and to replace building heaters for \$20,000 at the Waste Water Treatment Plant.

#### Public Works Equipment

On page 88, FY18 Proposed Budget has budgeted for \$88,200 Machinery/Equipment for the garbage truck from the reserved fund and Machinery/Equipment garbage truck with no prior funding FY18 Proposed \$61,800. The \$61,800 is what would have to be borrowed.

Mr. Ervin stated that the option of the bond issue can be used to purchase the garbage truck or the Town can decide to use the \$88,200 instead; borrow the \$61,800 and pay it back. Council Member Cundiff stated that Council definitely wanted to use the \$88,200 and then look for a way to fund the \$61,800 plus whatever it might cost.

The Mayor stated that the Town having an excess of \$400,000 would like to revisit the one arm bandit. It was agreed that price is a big factor. The truck is a lot safer, would reduce the garbage crew from 3 men to 2 and modernize the look of the garbage truck. The one arm bandit truck also had a rear load capacity which would require fewer trips to the dump and if citizens can't manage a larger can; there is assistance for those services that is available upon request. The cans out now even leaning or tilting can be picked up with the arm. The Mayor stated that the main item to remember at this time is that the Town will purchase a new garbage truck in the future. The amount for such a truck with cans and the company to give us the database would be \$394,765. Ms. Woody gave Roanoke City's figures for the truck itself would be \$287,400. The trash cans themselves including both the 95 and the 65 gallon cans taken from a Richmond City contract would be \$93,762 and the company that would provide the Town the database of where the cans are located throughout the Town as well as to distribute the cans to the citizens once on the program, would be \$13,520. To put a flipper on the existing truck would cost \$25,000.

## **HARVESTER OPERATING FUND**

### Performance Venue Revenues

The Harvester has revenue from the General Fund that was to cover the operations of \$316,406. A breakdown of that figure is on page 93 of the Proposed Budget entitled "Performance Venue Expenses".

The Mayor would like to look at a marquee for the Farmer's Market; perhaps it could also be used for the Harvester as well. An electronic marquee would be quite a bit easier than a sign that would have to be changed manually. An LCD marquee would likely cost approximately \$20,000.

Mr. Ervin pointed out a "language issue". Listed is a transfer from General Fund Balance and this year that is not an actual transfer from the General Fund Balance. It is a real expense and the Town is not taking money out of the bank. Currently, the revenue is sufficient; the Town is paying as it goes.

Mr. Hankins had asked for a Lead Technician at the Harvester Performance Center as Mr. Jackson works 130-140 hours a week. The Mayor stated that the number of hours overtime worked was becoming a need to have another staff member there to help either full-time or part-time. A full time person would have a salary of approximately \$59,000 and a part-time person would depend on the pay and hours worked as to what it would cost.

Chief Criner at the Rocky Mount Police Department had asked for 4 vehicles (2 marked and 2 unmarked) in the FY18 Proposed Budget however, with necessary cuts, the Police Department his budget was cut to no vehicles. During budget discussions, the police department shared that Nelson Ford in Martinsville Virginia had offered them a deal of \$610.00 a month for a new F150 truck and Nelson would keep up 100% of the maintenance; the Town would only provide the gas. This agreement would hold in a year by year contract not to exceed 25,000 miles before a change out to another vehicle. Another option could be a rental car and every 2-3 months; change the vehicle out.

Council Member Newbill suggested for the police department to try it for 1 year and see what was thought of the arrangement. Also mentioned was perhaps some type of agreement with one of Rocky Mount's local car dealer ships but as this was discussed, it became apparent that

no one local had offered such a deal as Nelson Ford in Martinsville.

Council Member Stockton stated that Council should see that the departments have what is needed to do the job and asked if the Town could put \$6,000 towards vehicles now and look for the remaining \$500 needed to equip the police department.

Vice Mayor Walker asked to discuss the reclassifications in the Finance Department from grade 10-15 as requested. Vice Mayor Walker had concern for the grade and number of steps that the employees would be moving from and up to. Mr. Ervin stated that the move in step or grade would be to recognize the value of the employees and it would help in recruiting new people as well.

Mr. Ervin spoke about the part-time position in the lobby being made a full-time position from 29 hours a week to a 40 hour a week position. Mr. Ervin stated that this would be helpful for better customer service and asked Mrs. Dillon in regards to how helpful the position would be if made full time. Mrs. Dillon stated that the current person in the position now helps not only with answering the phone for the whole building but also helps with Community Development, the Finance Department and with the upcoming security upgrades in the future, Staff and the Town would likely find it helpful to have a person in that area to meet and greet the public. Mr. Hankins added that the part-time person currently on Staff is also doing Passports as well. Council Member Cundiff and Vice Mayor Walker both stated that they were satisfied with the position being part-time. It was the consensus of Council to keep the position as part-time.

Vice Mayor Walker inquired regarding the reclassification of the positions in the Finance Department. In the Finance Department one Account Clerk would go from a Grade 10 Step 3 to a Grade 13 Step 1. The second Account Clerk in the Finance Department would go from a Grade 10 Step 20 to a Grade 13 Step 16. In the Police Department one position would go from Grade 9 Step 7 to a Grade 12 Step 3 while the other position would go from a Grade 12 Step 10 to a Grade 14 Step 8. The total amount of funds for the four positions was \$6,475. Ms. Woody stated that the reclassification would be beneficial for the new people coming in; not so much for the people already employed by the Town in the Finance Department.

The Public Facilities Director position was brought up by Council Member Cundiff as he stated that he was not interested in discussing the position as the position was not needed. The Mayor stated that he disagreed. Council Member Cundiff stated that the State Government will mandate what we have to do. The Mayor stated that the State Government mandates what we do now and the position could be included in the budget but that didn't mean that the Town had to hire them. The Mayor also stated that once included in the budget, it would be up to management about a hiring decision. The Mayor stated to fund the position and leave it like Mr. Burton's intern position.

It was the consensus of Council for the trash truck to be bid out on as a rear load truck and have a firm figure on a one arm bandit collection truck as well. Mr. Ervin clarified that funding was available in the budget for either.

The Mayor asked Council if they would like to include anything in the budget for the marquee or the part-time position at the Harvester. Mr. Ervin stated that the part-time help at the Harvester would be helpful for set up, load in and load out and do behind the scenes work that is needed. Council Member Stockton stated that a part-time position was understandable. Mr. Hankins again went over what duties would be expected of the person in the position should Council choose to put the position in the budget to fund it. Part-time hours a week would be 29. Council

Member Newbill stated that he also would support a part-time position for the Harvester.

Council Member Snead questioned the Health Care increase of 25%. Mr. Ervin stated that the increase in the Town's Package had been looked at very hard and in detail with Patsy Akridge, the Town's representative from Anthem but, the reality was that the insurance cost was based on experience and the Town's experience being as it was, a larger increase would have been for the Town if we stayed in the state pool. The Town got out of the state pool, thus losing that discount of 10% that the Town had and currently, the Town pays for what it uses without the discount. The Mayor stated that public entities cannot contract out but a one year period at a time.

Council Member Cundiff questioned the 1% cola. Mr. Ervin stated that the cost of living 1% was built into the budget to prevent a negative take home pay for staff. Council Member Cundiff also questioned the \$147,000 increase and stated that the people have to decide what to do. Council Member Cundiff stated that water and sewer are the Town's only money makers and stated that Council has other obligations and the Town could not keep absorbing the figures. We can't continue to pay what the Town has been paying. Council Member Cundiff further stated that supplemental insurance would likely be looked at in the future. Mr. Ervin stated that another year the Town would likely have to look at possibly a stipend for insurance for the employees.

Council Member Newbill asked to confirm the pickup truck for the Police Department. It was the general consensus of Council to try to lease the pickup for the Police Department.

## **ADJOURNMENT**

**Motion:** To adjourn meeting

**Time:** 6:50 p.m.

**Motion By:** Council Member Newbill

**Second:** Vice-Mayor Walker

**Motion Discussion:** None

**Ayes:** Cundiff, Moyer, Newbill, Snead, Stockton, Walker

**Nays:** None

**Action:** Adjourned by a unanimous vote.

---

Steven C, Angle, Mayor

ATTEST:

---

Rebecca H. Dillon, Acting Town Clerk