ROCKY MOUNT TOWN COUNCIL
FISCAL YEAR 2023
BUDGET WORK SESSION NO. 2
APRIL 14, 2022
5:00 p.m.

The following members of Council were present:	Mayor Steven C. Angle
	Vice Mayor Jon W. Snead Council Member Billie W. Stockton Council Member A. Ralph Casey Council Member Mark H. Newbill Council Member J. Tyler Lee Council Member Robert L. Moyer
The following staff members were also present:	
	Robert Wood, Town Manager Rebecca H. Dillon, Town Clerk/Executive Admin. Assistant Mark Moore, Assistant Town Manager Daniel Pinard, Cultural Economic Development Director Brian Schofield, Public Works Superintendent Tim Burton, Wastewater Treatment Plant Superintendent Dennis (Moe) Potter, Wastewater Treatment Plant Amy D. Gordon, Assistant Finance Director Vincent Copenhaver, Finance Specialist, CPA Justin Woodrow, Fire Chief

The FY2023 Budget Work Session No.2 of the Rocky Mount Town Council (hereafter referred to as "Council") was held in the Council Chambers of the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia, with Mayor Steven C. Angle presiding.

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1. **Roll Call**

The Town Clerk called the names of the members, and all members were present.

2. **<u>Approval of Agenda</u>**

Prior to the meeting, Council received the agenda for review and consideration of approval.

<u>Motion</u>: To approve the agenda as presented
<u>Motion By</u>: Council Member Lee
<u>Seconded</u>: Vice Mayor Snead
<u>Motion Discussion</u>: None
<u>Ayes:</u> (6): Vice Mayor Snead, Council Member Casey, Council Member Lee, Council Member Moyer, Council Member Newbill, and Council Member Stockton
<u>Approved (6 to 0)</u>

3. <u>Fiscal Year 2023 Budget Work Session No.2</u>

Town Manager Wood thanked everyone that had spent time on the preparation of the budget. The FY2023 budget process was especially challenging given the circumstances this year.

Town Manager Wood provided follow-up on the following items from FY2023 Budget Work Session No.1:

- TSA PreCheck Checkpoint – At first look, the information found was that the airlines use a private company to conduct the procedures of the PreCheck Checkpoint. Town Manager Wood shared that a location was found in Roanoke, VA however, Town Manager Wood will continue to search for more information regarding the service.
- The Ferrum Express – A hand out was given to members of Council with information regarding the bus, ridership (which was down considerably), destination stops, etc.

The following were some things that Assistant Finance Director Gordon followed-up on from FY2023 Budget Work Session No. 1:

- The Maximum Number of Fire Department Members – the answer was forty.
- State Highway Maintenance Money – The question was if there would be an increase for FY2023. Assistant Finance Director Gordon shared that the Town had not received notification yet to be able to answer that question and likely the town may not receive notification until late summer. An increase was expected due to adding a few streets.
- The Increase in Fuel Cost – The Town expects an increase for FY2023 but does not know how much yet. In FY2021 the town expended approximately $67,000 in fuel cost. Due to the increase in fuel costs, the Town expected the current year to be approximately $92,500 which would be an increase of approximately 38%.

GENERAL FUND NON-DEPARTMENTAL

A handout was given to Council regarding Special Events Contributions/Requests that were discussed in FY2023 Budget Work Session No.1, but that Council wished to give more time and consideration to. The handout was on page 61. A second handout on page 73, was provided regarding requests sent in to the Town from outside agencies.

Town Manager Wood shared that the Crooked Road had a new executive director and would be doing some new things. Staff encouraged Council to continue to support the organization especially since the organization adds value to the Town. Council Member Lee supported the organization and shared that he would like to see the executive director meet members of Council and support staff from the Town. Town Manager Wood agreed to arrange a future visit.

Council Member Moyer and Council Member Casey discussed the Boys & Girls Club of SW Virginia which is an after-school free program at Lee M. Waid and Rocky Mount Elementary for parents that cannot afford childcare.

Council Member Lee shared that using tax payer dollars to fund the programs that the Town receives requests for should be held to a minimum as the Town wants to help where possible, but the Town is not a charitable organization.

Mayor Angle requested Town Manager Wood to provide the Franklin County list of contributions/requests included in their proposed budget. Mayor Angle would like to review what Franklin County plans to give as compared to what the Town has been requested to give.

Vice Mayor Snead asked did the requested funds help the Town in any way or draw potential businesses to the Town? Vice Mayor Snead presented a list of contributions totaling $14,250. After reviewing the potential list, Council decided to go forward with the list that Vice Mayor Snead had shared.

General Fund Non-Departmental Requests
Franklin Co. Workforce Consortium $5,000
Bernard Healthcare Center (Free Clinic) $3,500
Helping Hands $3,000
Stepping Stone Mission $750
Franklin County Family Resource Center $500
Franklin County Perinatal Education Center $500
Franklin County Historical Society $500
We Care of Franklin County $500
TOTAL: $14,250

The undesignated funding was removed for FY2023.

While many of the agencies that request funding from the Town, also request funding from Franklin County and likely rely on that funding, the decision of who to give to and how much was discussed among members of Council in depth before making a decision.

Vice Mayor Snead shared with Council a potential list of contributions/requests for special events that the Vice Mayor had compiled. After hearing the potential list, Council decided to go forward with adopting the list that Vice Mayor Snead had shared.

<u>Special Events Contributions/Requests</u>
The Crooked Road $5,000
Ferrum Express Bus Service $5,000 - Proposed as support to Ferrum College in general for outreach
Rotary Club Christmas Parade $2,500
Rotary Club July 4th $1,500
Note: $4,000 was proposed for the Rotary Club to support the Christmas Parade and July 4th Festival

Come Home to a Franklin County Christmas
Court Days
Scarecrow Trail
= A total of $5,500 contributed to CPR to be allocated between the three events listed above.

Pigg River Ramble $1,000
Cruise In $8,200
Muse Ballfield Music Festival $1,000
GRAND TOTAL: $29,700

During discussion of contributions/requests to special events, Town Manager Wood shared that previously there were two instances where events had taken place and the Town paid the invoices for the porta-potties during those events. Town Manager Wood then also shared that the funding for the porta-potties had since been moved into the FY2023 recommended column of the spreadsheet so that in the future that funding could be better followed.

The BUD Commission no longer exists.
The Moonshine Tour, the Ghost Tour, and the Outlaw Cruisers Car Club will not receive funding in the FY2023 Proposed Budget.

It was the consensus of Council not to cap the contributions at this time but to simply keep the contributions at $29,700.

Council sought to change the funding of the Ferrum College Express Bus Service to contribute in a different but beneficial way to the college. Town Manager Wood suggested setting aside a certain amount of funds to contribute to Ferrum College as general outreach support in some way, but not to continue to support the Ferrum College Express Bus. Town Manager Wood stated Council's view for an outreach fund for Ferrum College would be relayed by himself to the college.

Utility Fund

The Utility Fund was found on page 75 in the FY2023 Proposed Budget. The utility fund is 65% water and 35% wastewater in regard to revenue. During Work Session No.1, a proposed rate increase of 8% was discussed and it was the consensus of Council to entertain a 4% increase for water and wastewater instead.

Beginning on page 78 of the FY2023 Proposed Budget, is Water System Operations, Meter Reading, the Water Treatment Plant, and Wastewater System Operations. Town Manager Wood noted that supplies such as chemicals and fuel will see a substantial increase in FY2023.

Capital Improvements

There were approximately $3.2 million of capital improvement projects with the Town proposing to pay for $2.45 million of those improvements with ARPA funds. The Town will not receive any additional ARPA funds after FY2023. The capital improvement projects began on page 94 of the FY2023 Proposed Budget. The breakdown of that was $1.8 million of general fund capital projects and $1.4 million in the utility fund capital. The list of capital improvements that were needed by the Town over and above ARPA funding totaled approximately $700,000 which Council discussed how to pay for. It was discussed that the funds could be taken out of fund balance, the funds could be borrowed, or a combination of the two.

Mayor Angle asked what the percentage might be for the Town if the town did a borrowing. Finance Specialist Copenhaver shared after checking with a local finance institution, the rate the Town would likely be given would be approximately 4-5% for a 5-year borrowing. Mayor Angle shared with Council what Council Member Newbill pointed out at the first work session regarding the life of what you were borrowing for and if that would be greater than the borrowing cycle considering deprecating the item(s) out over a period of time.

The Virginia Municipal League and the Virginia Association of Counties have a joint finance group that provides loans. The Town has used this agency previously. Town Manager Wood spoke with the Virginia Municipal League and the Virginia Association of Counties in regard to a possible borrowing for the Town to learn what the practices and procedures are. A borrowing would take approximately 30 days and would be done by a Request For Proposals.

Mayor Angle shared with Council that borrowing would be best to avoid having to take any funds out of the fund balance.

Council Member Newbill echoed the Mayor's comment sighting the Town should hold onto fund balance for other possible opportunities that might come up in the future.

Town Manager Wood followed up by stating that the numbers in the FY2023 Proposed Budget would then be reworked prior to the adoption of the budget to reflect that Council prefers to do a borrowing of funds rather than taking the moneys out of fund balance.

The consensus of Council was to participate in a borrowing for the approximately $700,000 that is needed towards capital improvement projects in the FY2023 Proposed Budget.

With Council not having any questions regarding the FY2023 Proposed Budget, and a third work session not being necessary, Mayor Angle asked for a motion to accept the FY2023 Proposed Budget including all of the changes that had been made. The Town would then advertise to hold a public hearing on Monday, May 2, 2022, to take public input on the FY2023 Proposed Budget after which time the budget would be required by law to sit without any action for a total of seven days. The FY2023 Proposed Budget could then be adopted at the next regular Town Council meeting which would be held on Monday, May 9, 2022 at 7:00 p.m.

<u>Motion</u>: To accept the FY2023 Proposed Budget with all the changes discussed with Council and to authorize Staff to advertise for a public hearing for the FY2023 Proposed Budget on May 2, 2022 at 7:00 p.m.
<u>Motion By:</u> Council Member Stockton
<u>Seconded By:</u> Council Member Lee
<u>Motion Discussion:</u> None
<u>Ayes:</u> (6): Vice Mayor Snead, Council Member Casey, Council Member Lee, Council Member Moyer, Council Member Newbill and Council Member Stockton
<u>Approved (6 to 0)</u>

After the work session had concluded but before Mayor Angle called for adjournment, Town Manager Wood shared a proposal from the Rocky Mount Volunteer Fire Department to take two fire trucks out of service and to purchase one new truck. The quoted price of the truck until July 1, 2022 when the price would increase 7% more, was $1,070,000 which was on page 96 in the FY2023 Proposed Budget. Due to the approximately 2-year lead time on getting a fire truck, the Town would order the truck but then would not receive the truck until approximately two years later. Paying for the truck also would not begin until the truck was delivered. Town Manager Wood explained to Council that due to the 2-year lead time on the fire truck, Town Manager Wood would like to brief Council at this time on a few particulars about the truck and once the FY2023 Proposed Budget has been adopted, then Town Manager Wood would bring more information back to Council regarding a possible purchase due to the issue that the truck price would continue to increase. If approved by Council, the purchase order could be issued as soon as was feasible to do so.

Fire Chief Woodrow, being in attendance for the work session, gave Council a brief synopsis of the new truck. Fire Chief Woodrow shared that the new fire truck capabilities would surpass what the older two fire trucks could do and more. Fire Chief Woodrow plans to spec the truck in order to get a more accurate number of how much the fire truck would cost since the truck would be a turnkey, custom build. Fire Chief Woodrow went over with Council the many savings of purchasing the truck as well as how costly the two older trucks had become to the fire department. The price of the new truck is expected to increase again July 1, 2022.

- The new fire truck would have a 20-year first due life, after which the truck would have a reserve life per Federal Emergency Management Association (FEMA) of an additional 10 years.
- The new fire truck would have a large enough compartment space to be able to run as a first run one-in-all truck during Monday thru Friday when the Fire Department would typically be thinner on man power to run the truck.
- The truck would be able to answer vehicle extrications and house fires.
- The truck could run a 2,000-gallon pump that would pump the Fire Department's large ladder truck to maximum capacity.
- The water on the proposed truck, plus one additional engine truck would qualify to still meet the ISO mandate to keep the ISO at a 4.9.
- Roanoke, Virginia would be the closest facility to service the truck should the truck need to be serviced.

Mayor Angle pointed out that during his service with the Town, the Town has in the past purchased fire trucks and then had to outfit the truck. The proposed truck would come outfitted with everything needed as it would be a custom build and would better enable the fire Department to keep the truck fully loaded, 100% of the time. Fire Chief Woodrow had been working with the company Pierce regarding the truck and was reviewing the Houston-Galveston Act (HGACBuy) for local governments and certain non-profit organizations, so the Town would not have to bid the truck out. Fire Chief Woodrow plans to acquire specs on the proposed truck and bring that information back to Council at the June 13, regular meeting. The Town would have two budget cycles to pay for the truck.

4. Adjournment

Motion: To adjourn
Time: 6:06 p.m.
Motion By: Council Member Stockton
Seconded By: Vice Mayor Snead
Motion Discussion: None
Ayes: (6): Vice Mayor Snead, Council Member Casey, Council Member Lee, Council Member Moyer, Council Member Newbill and Council Member
Approved (6 to 0)
Action: Meeting was adjourned

Steven C. Angle, Mayor

ATTEST:

Rebecca H. Dillon, Town Clerk