

**MINUTES OF A BUDGET WORK SESSION HELD BY VINTON TOWN COUNCIL
ON MONDAY, APRIL 27, 2009 IN THE COUNCIL CHAMBERS OF THE VINTON
MUNICIPAL BUILDING LOCATED AT 311 SOUTH POLLARD STREET, VINTON,
VIRGINIA 24179**

MEMBERS PRESENT: Bradley E. Grose, Mayor
Robert R. Altice
Carolyn D. Fidler
William W. Nance
William E. Obenchain, Jr.

OTHERS PRESENT: Chris Lawrence, Town Manager
Consuella Caudill, Assistant Town Manager
Barry Thompson, Finance Director/Treasurer
Darleen Bailey, Town Clerk

FY 2009-2010 Budget

Town Manager, Chris Lawrence welcomed Council members to the budget work session with a brief overview of the 2009 – 2010 proposed budget. He reported a total budget of \$10,781,995 with a *General Fund* amount of \$7,628,597, a *Utility Fund* amount of \$3,059,114 and *Capital Improvement Fund* (CIP) amount of \$94,284.

Mr. Lawrence reported that the proposed *General Fund* budget represents a 2.9% decrease when compared to the previous fiscal year budget. He pointed out that Council amended the 2009 Budget this past March cutting it by \$356,773.

Mr. Lawrence reported that several proposals are currently being considered in an effort to bring in much needed *General Fund* revenue. One proposal being considered is an increase in the meals tax from 5% to 6%. He also advised of a proposed cigarette tax of .30 cents per pack which is estimated to bring in around \$115,000 in additional new revenue. Mr. Lawrence stated that the Planning and Zoning department is evaluating various fees and the Adopt-A-Truck program at Public Works is also being reevaluated for cost. In addition he noted that the Town is considering instituting a wildlife management fee to help fund the animal control function and enable continued response to citizen's request for retrieval and trapping of various pests such as skunks.

Mr. Lawrence reported that approximately \$250,000 was cut from the *Utility Fund*. He proposed an increase in water and sewer rates and utilization of \$118,441 from the fund balance to make up for the difference and balance the budget.

Mr. Lawrence directed Council's attention to the fact that the *Capital Improvement Fund* amount is significantly lower this year. He noted that staff went through a prioritizing process to determine which items were needed long term versus the immediate needs for the upcoming

year. He stated he hoped for an improvement in the economy as many items had been cut, but would need to be re-addressed in future years. He pointed out that three projects remain in the CIP Capital Fund; \$30,000 for the building assessment, \$49,784 for police lease vehicles and \$14,500 for the electrical system upgrade at the fire station.

Mr. Lawrence explained that due to budget constraints the Fire and EMS Chief and the Utility Inspector position had been frozen. He reported that staff would not be receiving a pay increase this year, however, employees receiving a satisfactory evaluation would receive a \$200 dollar bonus in the spring. Mr. Lawrence also reported that the employee summer picnic had been cancelled but the Christmas luncheon event would not be cut. He advised the \$25 Christmas gift card would still be given to employees but not to volunteer, board or commissions members as had been the practice in previous years. Mr. Lawrence expressed his deep appreciation to staff for all the hard work that went into creating a balanced budget, especially the time and effort and thought directed at cutting various budgetary items.

Public Works

Mike Kennedy made a brief presentation to Council on the goals, major accomplishments and items pertaining to the Public Works department budget. He reported that Public Works would continue to provide the most essential services to Town citizens under a significantly reduced budget. Mr. Kennedy remarked that the Public Works department was looking at a very difficult and challenging year due to budget cuts.

He reported that new equipment would not be funded from the CIP this year due to the decline in revenue and budgetary cuts. He also reported that a hiring freeze had been implemented with the part-time wastewater maintenance position being deferred along with the much needed utility inspector position in order to save money.

Mr. Lawrence reported that a 10% increase on water and sewer rates had been proposed to balance the budget shortfall. Mr. Kennedy noted that the 10% increase will only balance this year's budget. He pointed out that over the next twenty five years approximately thirty five million dollars will be needed to fund major capital projects such as the replacement of the Lindenwood water system. Mr. Kennedy also pointed out that unless future rates are increased 50 to 60% the Town will be forced to borrow money to fund upgrades and maintenance on the aging water and sewer infrastructure. Mr. Kennedy suggested researching the numbers and implementing the rate increase over a five year period.

Mr. Lawrence recommended considering the option of billing water and sewer rates monthly versus every two months. Mr. Thompson noted that water cutoffs had increased along with more citizens requesting payment arrangements. He explained that Town citizens failing to pay on time were required to pay a \$40.00 re-connect fee. Mr. Thompson commented that in his opinion the monthly billing versus the bi-monthly billing would be a good idea. He noted that before moving to monthly billing the current utility billing system must be updated. Mr. Kennedy recommended completing the rate study before implementing a new billing system.

Mr. Obenchain stressed that it was important to notify citizens prior to any rate increases especially in these hard economic times. He suggested that the rate study be done so Council could consider all the facts at one time. Mr. Obenchain expressed his appreciation to Mr. Kennedy for all his hard work.

Vinton War Memorial

Laura Reilly made a brief presentation to Council on the goals, major accomplishments and budget items pertaining to the Vinton War Memorial. She reported that she has set a goal to increase revenues by 25% by pursuing new and existing clientele. She noted that the addition of the full-time staff position will free up time enabling her to attend meetings and network in order to solicit additional business.

Ms. Reilly reported an increase in visits to the War Memorial website from 11 to 19 visits per day. She noted an increase in repeat business from clientele and pointed out that currently a large portion of the business is for non-profit organizations. Mr. Altice asked if the non-profit rental fee amount should be reviewed. Ms. Reilly explained that the grand ball room rate for non-profit organizations is \$150 per hour for Monday thru Thursday which reflects a 50% discount from the for-profit organization rate of \$300 an hour. She noted that non-profit organizations were now being charged for amenities such as linens. Ms Reilly expressed concern that if the rental fee was adjusted too much she might lose non-profit business. She noted that with a full year's worth of operating data she can now evaluate and re-define policies such as the non-profit fees.

Ms. Reilly reviewed the War Memorial budget and noted that she anticipates decreased overhead cost with continued review and streamlining in the future. Ms. Reilly concluded her presentation with the comment that although there had been sacrifices this year she felt a sense of comfort and was grateful to have the new full-time staff position. Mayor Grose commented that the War Memorial was a facility the Town could be very proud of even though this year's revenues may not have been what we had hoped for. He noted that he receives very positive comments about the facility. Mr. Nance thanked Ms. Reilly and noted his appreciation for her dedication and all her hard work.

Craig Sheets briefly addressed Council with information that the State of Virginia had declared a state of emergency due to the H1N1 virus outbreak also known as the swine flu. He passed out handouts containing information on the swine flu virus and noted that this virus could not be pre-treated with antibiotics. Council then took a brief break to have lunch.

Police Department

Police Chief Herb Cooley made a brief presentation to Council on the goals, major accomplishments and budget items as pertaining to the Vinton Police Department. He announced the implementation of a complaint form, a request for service form and a citizen survey form that is now available on line. He noted that the budget for the police department had been cut last year and his department was entering this budget year with those cuts still in place. He explained that the biggest cuts had been in uniforms and training and noted his

department could handle this cut short term as long as they maintain staff. He noted the Police Department is currently fully staffed due to fewer staff turnovers within the department.

Chief Cooley noted an increase in gas and antifreeze as a result of under budgeting last year. Mr. Nance inquired as to the health of the police officer involved in the car accident in Salem. He also inquired if the police car would need to be replaced? Chief Cooley responded that the police officer was doing well and replacement of the vehicle was not reflected in the budget. He noted the car was insured although it was an older car with high mileage. He noted that all of the police equipment had been salvaged from the car.

Mr. Lawrence stated that the emergency services budget was minimal. He explained that it covers dues, subscriptions and some training. He noted that Mr. Sheet's department is funded by two budgets and the Communications portion remained the same other than a slight increase on the maintenance contract for the computers. Mr. Lawrence noted that the Communications Department had been fully funded for this budget year. He stated that the ultimate decision on merging the department with the Roanoke County emergency services would be Counsel's. Mayor Grose commented that he was very proud of our police department and appreciated the job they do on a daily basis.

Finance

Town Treasurer Barry Thompson made a brief presentation to Council on the goals, major accomplishments and budget items as pertaining to the Finance Department. Mr. Thompson noted that the Treasurer's office had converted the real estate and personal property information over to a new software program in partnership with Roanoke County. He explained that his staff had devoted many hours of time and effort in training.

He reported that the Commissioner of Revenue for Roanoke County would not be sending a representative to staff the Vinton office for this tax season. He commented this would create additional work and add to the stress of tax season for his staff. Ms. Fidler asked how the absence of a Roanoke County representative would impact the time staff spent processing tax transactions. Mr. Thompson responded that it depended on the amount of changes and noted that currently it takes approximately 20 minutes to add one additional vehicle. Mr. Lawrence explained that he had talked with Nancy Horne and Clay Goodman and felt they understood the Town position on this issue. He also noted that Roanoke County's budget had also been reduced which had an impact on staffing. Mr. Thompson noted that this was probably the most challenging tax season he had encountered in some time due to the current economic conditions and the operation of two cashier systems.

He noted that an identity theft policy had been developed and would go into effect May 1st. He reported that the hand held meter that water technicians currently utilize, did not flag high and low readings out in the field but he noted that the meter now in use, looks at a yearly average and will beep at the reader to notify of problems so the customer can be notified immediately.

Mr. Thompson pointed out the budget presentation format had been modified to include graphs. He reported that the manual process of contacting the Virginia Employment Commission had now been automated to include an on-line data connection. He explained that this connection can be utilized to help the finance department increase collection activity for individuals that owe overdue fees or taxes.

Mr. Thompson also noted the process of generating a business sticker had been modified. He explained that to save cost a certificate is now generated in-house. He reported that a tax stamp system had been developed and was available for use upon Council's approval of the cigarette tax.

Mr. Thompson reported plans to reduce the *Contractual Services* account by \$7500.00. He noted the *Maint. Service Contract* budget amount had been reduced by \$7000.00. Mr. Thompson also reported that the Travel & Training account had been reduced. He pointed out that the Finance department generates lots of paper and the *Miscellaneous Expense* account reflected an increase due to the added cost of shredding documents. Mayor Grose and Mr. Obenchain both complemented Mr. Thompson on receipt of the GFOA award and the excellent customer service provided to Town citizens by the Finance department staff.

Planning & Zoning

Anita McMillan made a brief presentation to Council on the accomplishments and budget items pertaining to the Planning and Zoning department. She reported that a letter of intent had been prepared for the DHCD Planning Grant. She also noted that an inventory and survey of downtown business's and five neighborhoods had been completed.

Ms. McMillan reported a decrease in *Contractual Services* due to budgetary cuts in mapping services and enforcement of grass cutting. She also noted a decrease in *Office Supplies* and *Staff Training-Travel, Lodging and Associated Expenses* budget accounts. Ms. McMillan pointed out the slight increase in *Appointed Members Training-Travel and Lodging* account and explained this was due to increased training for newly appointed committee and board members. Mayor Grose thanked Ms. McMillan for all her hard work.

Human Resources

Beth Austin made a brief presentation to Council on the accomplishments and budget items pertaining to the Human Resources department. Ms. Austin reported that she had implemented the new employee handbook. She noted that Workers Compensation costs had been reduced by 30%. Also noted was a goal of developing OSHA training Town wide following the successful implementation of an OSHA program at the Public Works department. Ms. Austin also announced a goal to develop an employee wellness program with a focus on health awareness.

Ms. Austin announced preliminary plans for the implementation of a new tuition reimbursement policy of \$600 to \$1200 a year. She explained that employees taking a course

related to their job and obtaining passing grades are currently reimbursed \$250. Mr. Lawrence recommended to Council that \$10,000 be placed in the budget to fund this policy.

Ms. Austin directed Council's attention to the *Contractual Service* portion of the budget and explained that EAP services through Carilion had been cancelled and noted that this service was actually available through the Town's current health insurance plan. She also reported that membership with the Roanoke Valley Health Consortium would be terminated effective January of 2010. Mr. Obenchain questioned why this service was being terminated and Ms. Austin responded that this membership is a great networking tool, however, the same information can be obtained outside the network.

Ms. Austin reported that the *Advertising* portion of the budget had been reduced as she plans to utilize the web site more for recruitment purposes. She also reported that the *Special Training* account had decreased due to a low number of scheduled training sessions. Ms. Austin also noted that the *Special Events & Awards* account decrease reflected the elimination of the employee picnic and employee gifts. Mayor Grose thanked Ms. Austin for doing such a great job and noted that she was a great asset to the town.

Town Manager

Consuella Caudill made a brief presentation to Council on the accomplishments and budget items pertaining to the Town Managers office. She reported that CDBG grant planning had been initiated for the downtown business district revitalization. She also reported that Darleen Bailey had begun to implement a Laserfiche document imaging system to store documents and began the transition of converting to a paperless filing system. Ms. Caudill also noted the purchase of a highly efficient copier equipped with a fax and scan formatting option that can be used from the desk computers. She stated that a successful staff retreat had taken place for strategic planning. Ms. Caudill announced that this year's goals included redesign of the Town website, branding of the Town and continuing with the CDBG planning grant process for downtown revitalization.

Ms. Caudill reported a decrease in *Travel & Training* budget amount. She noted that a category titled *Lease/Rental of Equip* had been added to the budget to reflect the addition of a new copier in the Town Managers office. She pointed out the increase in the *Public Transportation* account and noted the majority of expense is incurred through the S.T.A.R. service which is offered under contract through RADAR for Valley Metro. Ms. Caudill explained that Town citizens with a qualified medical need documented by their physician, can call Valley Metro to access the S.T.A.R. service for transportation. She noted that the Town of Vinton and City of Salem are the two areas showing the largest increase in usage of this service. Ms. Caudill explained that the cost is based on the number of pickups in the Town of Vinton. Mr. Obenchain noted that if Roanoke County was already paying for S.T.A.R. service he was not sure why the Town should also pay for this service. After much discussion, Council members expressed concern on the increase and suggested that this issue be researched further to investigate how numbers were obtained to determine the Town's cost.

Special Programs

Mary Beth Layman made a brief presentation to Council on the accomplishments and budget items pertaining to Special Programs. Ms. Layman noted accomplishments such as production of the Town calendar and events celebrating the Town's 125th anniversary that have taken place and will continue to take place throughout this year. Ms. Layman stated she has developed relationships with local artists and plans to have three Art Market Days take place at the farmers market May through September 2009. She hopes to have more revenue from the Farmer's market as a result of the policy change requiring a fee for use of market spaces. She noted plans to develop additional events that will take place at the Farmers market. Ms. Layman also announced that preliminary work had begun on the Veterans Monument located at the War Memorial.

Mr. Lawrence explained that *Special Programs*, which includes the Farmers Market, *Swimming Pool and Parks* and *Senior Citizen Program*, have separate budgets; however, they had been lumped together for this presentation. He went on to note that swimming pool admission and pool party rates were to be raised in an effort to generate more revenue. Mr. Lawrence noted that from a budget standpoint the Town may not be able to open the pool next year, however, at some point Council would need to make a decision as to whether the pool would be closed permanently after this season. Mr. Nance commented that he would like to keep the pool open but did not see how the Town could continue to lose such substantial amounts of money each season. Mr. Lawrence also noted that conversation would have to take place on future plans for the property. Mayor Grose commented that a lot of money had been invested to develop a park-like development around the War Memorial and he advised a careful approach to any plans for future use of pool area.

Ms. Layman recommended an increase in the rental fee of the Senior Center of \$40 for Town residents and \$50 for non-residents in an attempt to bring in needed revenue. Mr. Nance inquired how advertising was done for events held at the Senior Center and encouraged Ms. Layman to post event information at the Craig Center. Ms. Layman noted that events were posted on the Town web site and circulars were sent out on a regular basis. Mayor Grose thanked Ms. Layman for all her efforts and complemented her for doing a great job with Special Programs.

Fire & EMS

Chris Linkous made a brief presentation to Council on the budget items as pertaining to the Vinton Fire and EMS. Mr. Linkous announced the installment of the diesel exhaust removal system in fire department building. He also announced that with the help of the Public Works Department, several new fire hydrants in Falling Creek had been installed and many old hydrants had been upgraded throughout the Town.

Mr. Linkous reported on the need to upgrade the water system and fire hydrants in the Lindenwood subdivision. He also noted that all the older fire department equipment needed to be evaluated for efficiency and possible replacement.

Mr. Obenchain inquired about the decrease showing in salaries and benefits section of the budget? Mr. Linkous explained this budget did not include funding for the hiring of a new Fire/EMS department chief. He noted that this position would not be included in the budget this year due to budgetary constraints. He explained that the decrease in the *Gas, Oil, Grease, Antifreeze* accounts was due to the Roanoke County's decision to refuel with diesel at the Roanoke County Career Center pump rather than allow refueling with bio-diesel at the Public Works for the fire truck shared by the County and the Town.

Economic Development

Consuella Caudill made a brief presentation to Council on Economic Development within the Town. She pointed out the completion of a successful façade grant application for Citizens Upholstery and The Barbeque Grill. She also reported on plans to continue to promote the downtown façade grant program and evaluate possible expansion along the business corridors.

Vinton Business Center

Consuella Caudill also made a brief presentation to Council on the Vinton Business center. She reported that staff had worked with the Roanoke Partnership to update the site evaluation database. Ms. Caudill also noted the goals for the upcoming fiscal year included updating and re-evaluating the protective covenants with Roanoke County and continuing to market the prepared sites. She also noted plans to install an entrance sign to be located at the entrance to the center.

Mr. Lawrence reported that there are plans to have the budget in print by May 19th. He complimented staff for the teamwork that had taken place to put this budget together especially with so many items being cut back and deferred. Mr. Nance thanked each manager for the work and tough decisions that were made in the forming of this budget. Mayor Grose expressed regret about the lack of raises for employees this year and thanked employees for their understanding.

RoanokeValley Swimming Inc.

Mr. Lawrence introduced Doug Fonder of Roanoke Valley Swimming Inc. (RVSI) to Council. Mr. Lawrence explained that Mr. Fonder had proposed that Vinton close the Town pool and enter into a partnership with Roanoke City and RVSI to operate Fallon Park pool for the 2009 summer season. Mr. Fonder explained that as part of this agreement, the Town would invest \$30,000 and receive up to \$10,000 of any profits received by RVSI. He also noted that Roanoke City was willing to invest \$33,000 to make the pool operational. Mr. Fonder encouraged the Town's cooperation.

Mayor Grose stated that as the funds would have to come from tax money and since this was a tight budget year, he was not inclined to participate. Mr. Nance also expressed his opinion that this would not be a good investment of Town monies. He also felt it would not be fair for the

City, with a population of 90,000 to contribute \$33,000 and the Town with a population of only 8,000 investing \$30,000. Mr. Fonder thanked Council for their time.

Chestnut Mt. Road Project

Mr. Lawrence reported that a road project would be taking place on Chestnut Mt. in Roanoke County and that it had been discovered that the Town had a water and sewer line that would need to be relocated. He noted that Mr. Altizer had inquired if the Town would consider paying for the water and sewer line relocation and indicated the cost would be around \$30,000.

Mr. Altice inquired how investing this money would be of benefit to Town citizens. Mr. Lawrence responded this road project was taking place in the County and suggested further discussion with the County. Mr. Obenchain asked about possible cost sharing on the project. Mr. Lawrence stated that with the current budget deficit he felt it would be wise to talk with the County to explore what other options are available and explore the possibility of cost sharing.

The budget work session adjourned at 5:00 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Darleen R. Bailey, Town Clerk