

MINUTES OF A WORK SESSION AND REGULAR MEETING OF VINTON TOWN COUNCIL
HELD AT 5:30 P.M. ON TUESDAY, FEBRUARY 15, 2011, IN THE COUNCIL CHAMBERS OF
THE VINTON MUNICIPAL BUILDING LOCATED AT 311 SOUTH POLLARD STREET,
VINTON, VIRGINIA.

MEMBERS PRESENT: Bradley E. Grose, Mayor
Robert R. Altice
Carolyn D. Fidler
Matthew S. Hare
William W. Nance

STAFF PRESENT: Chris Lawrence, Town Manager
Elizabeth Dillon, Town Attorney
Darleen Bailey, Town Clerk
Michael Kennedy, Public Works Director
Stephanie Dearing, Human Resources Manager
Herb Cooley, Police Chief
Mary Beth Layman, Special Programs Director
Lauren Hodges, Facilities Manager
Barry Thompson, Finance Director/Treasurer
Anita McMillan, Special Programs Director
Chris Linkous, Fire & EMS Captain
Ben Cook, Police Captain

Agenda

- A. 5:30 P.M. – Work Session
 - 1. Mid-Year Financial Report
- B. 7:00 P.M. –Roll Call and Establishment of a Quorum
- C. INVOCATION
- D. PLEDGE OF ALLEGIANCE TO THE U. S. FLAG
- E. CONSENT AGENDA
 - 1. Request to Approve Minutes for January 18, 2011 Regular Meeting
 - 2. Approve Vinton Volunteer Fire Department's Slate of Officers for 2011
- F. AWARDS, RECOGNITIONS, PRESENTATIONS
 - 1. Recognize Police Officers of the Month for January – Anna V. Wooten, Police Sergeant and Stephen G. Foutz, Police Officer
- G. CITIZENS' COMMENTS AND PETITIONS -This section is reserved for comments and questions for issues not listed on the agenda
- H. TOWN ATTORNEY
- I. TOWN MANAGER
 - 1. Request to Allocate Funding for Capital Projects
 - a. Replacement of Fire Department Roof
 - b. Former 911 Center Renovation
 - c. Police Department Technology Expenditures
- J. MAYOR

- K. COUNCIL
 - 1. Finance Committee Report
 - L. ADJOURNMENT
- WORK SESSION
- 1. Discussion – Budget Priorities

Work Session

Following opening remarks by the Mayor at 5:30, Mr. Lawrence gave a brief overview of the meeting and noted that the purpose of the work session was to provide Council with a mid-year report on the status of the Town's 2011 Budget.

Barry Thompson, Finance Director/Treasurer, reported that the percentage of General Fund revenues collected for FY 2010/2011 as of December 31, 2010 was at 43% or \$3,103,765 and expenditures at that point were at 46% or \$3,366,177. He advised that Utility Fund revenues collected as of December 31, 2010 were at 43% or \$1,359,795 and Utility Fund expenditures were at 45% or \$1,410,755.

Mr. Thompson reviewed the percentage collected mid-year for each revenue account in the General Fund and provided Council with an expectation of when most revenues in each account are expected to be collected. Mr. Hare asked for a report on revenues for the Senior Center and the War Memorial. Mr. Thompson replied that the swimming pool had brought in \$20,901 in revenue by midyear. He went on to say that \$110,000 in revenue was budgeted for the War Memorial for the year and \$61,612 had been collected as of December 31st. Mr. Lawrence noted that Lauren Hodges would be presenting a more comprehensive financial report on the War Memorial at a future Council meeting.

Mayor Grose asked about 599 funds from the state and if they were stable this year. Mr. Lawrence replied that it appears that 599 funds will not decrease this year and that a few state legislators are trying to bring the fund amounts back up to what they have been in the past. State sales tax was also briefly discussed.

Following a report on General Fund revenues, Mr. Thompson discussed General Fund expenditure accounts as of December 31st. He concluded that, at the present time, the General Fund is in good shape. The Town Manager added that the budget was "incredibly tight" at this point.

At 6:55 p.m., Council continued the work session until after adjournment of the regular meeting.

Mayor Grose called the regular meeting to order at 7:00 p.m. Following roll call, Mr. Billy Booth gave the invocation and Mr. Altice led the Pledge of Allegiance to the U.S. Flag.

Roll call, invocation and Pledge of Allegiance to U.S. Flag.

Mayor Grose introduced and congratulated the Vinton Volunteer Fire Department's newly elected Fire Chief, Richard Oakes. He thanked former Fire Chief, Bennie Powell for his 15 years of service as Fire Chief and for his 40 years as a volunteer member of the Fire Department.

Approved Consent Agenda and approved Vinton Volunteer Fire Department's newly elected officers

The Consent Agenda was approved on motion by Mr. Nance and seconded by Mr. Hare. The motion passed with all in favor.

Mr. Nance read a letter from Police Chief, Herb Cooley, naming Sergeant Ana V. Wooten and Police Officer Stephen G. Foutz as Police Officers of the Month for the month of January, 2011.

Mr. Lawrence reported on a request to allocate funding for Police Department and Fire Department Capital Projects from E911 funds. He noted that the Police Department capital projects were discussed at the January 18th Council meeting and at that time, staff was asked to look into the costs for repairing or replacing the Fire Department's roof that has been leaking for a considerable amount of time.

The Town Manager reported that a building contractor had estimated the cost to replace the Fire House's roof at approximately \$40,000. He advised that the Town will have to bid out the Fire House roof repair as well as repairs to the bathroom that was damaged as a result of the roof leak. It is anticipated that costs for both repairs would be \$50,000 or less.

Mr. Lawrence reported that a portion of E911 funds would be used to renovate the old Dispatch Office to include a new Records Office and an EOC/Conference/Training Room; renovation of the old Records Office into an Interview Room; the Town's portion of data sharing expenses; and for an outstanding Verizon bill. Mr. Lawrence noted that \$35,000 would be left in the 911 account after all the projects have been completed.

Following further discussion, Mr. Altice moved to adopt proposed Resolution No. 1901 approving a request to allocate funding for the Fire Department's roof replacement; for the Police Department's renovations to the former Communications Office and for the Police Department's technology expenses. The motion was seconded by Ms. Fidler and passed unanimously on a roll call vote.

Mr. Lawrence discussed plans for a number of public meetings regarding the Town's \$700,000 DCBG Downtown Revitalization Grant that includes a Downtown Management Team meeting that is scheduled for Thursday, February 24th.

The Mayor commended Town staff for the work they are doing during these difficult and challenging times. He noted that employee raises would be a priority when the Town can afford it.

Mayor Grose reported on a couple of Regional Stormwater meetings that he had attended recently.

Ms. Fidler reported that a new restaurant had just opened in the Town and that another one would be opening up in East County sometime in May.

Mr. Altice stated that he felt it was "outstanding" that staff has been able to provide the same standard of services to Town citizens they always

Adopted Resolution No. 1901 allocating funds for the Fire Department's roof and for renovation of the former Communications Office

have even though the Town's budget had been cut by over \$1,000,000. Mr. Nance echoed Mr. Altice's statement.

Mr. Nance noted that the Finance Committee had reviewed December's financial statements. Mr. Hare moved that Town Council accept the statements. The motion was seconded by Mr. Nance and approved with all in favor.

Mary Beth Layman reported that the Senior Expo, sponsored by the Vinton Chamber, will be held on March 29th from 10:00 to 4:00, at the War Memorial.

Mayor Grose adjourned the regular meeting at 7:39 p.m.

WORK SESSION

1. Budget Priorities

Mr. Thompson reported that total Utility Fund revenues were at 43% of projections as of December 31st and Utility Fund expenditures were at 45%. He noted that the gap in the two funds was increasing partly because business and residential customers are using less water. Mr. Lawrence advised that staff will bring recommendations back to Council on how to bring Utility Fund revenues and expenses back into balance for the immediate future. He added that the rate study now in process would provide recommendations for the long term future.

Mr. Nance recommended an immediate rate increase in water/sewer rates in order to cover some of the current revenue shortages in the Utility Fund. Mr. Kennedy agreed with Mr. Nance's recommendation. It was noted that a minimum water and sewer rate increase of 10% per year for five years would be needed to keep up with the Town's growing capital needs.

Mr. Lawrence advised that staff would bring recommendations back to Council on how to increase revenues and reduce expenses at the March 1st meeting.

Mr. Lawrence pointed out three budget issues:

1. Water and sewer fund cannot continue to cover only 85% of its costs, it has to be fixed.
2. There has been a significant loss of revenues over the last two years, much of which are State-funded revenues which will not be replaced in the near future. Services changes are going to have to be made to make the budget more financially stable if the Town is going to thrive and survive.
3. The Town provides services by very well trained, adequately funded staff which has to be maintained if the Town is to continue to be competitive. If employees are not taken care of, the Town will lose them which could result in a loss of quality services to the Town's citizens.

In response to the three budget issues pointed out by the Town Manager, Mayor Grose agreed that the Utility Fund has to be "fixed". He also agreed that staff has to be a priority as they have been very loyal to the Town and had made sacrifices over the past few years. He went on to say it would be unwise for the Town to lose good employees and felt that they need to be compensated in some way. The Mayor asked for feedback from staff regarding how the elimination of certain positions would affect services. He expressed hope that the Town can take part in more public/private partnerships to help reduce costs of services.

Mr. Nance stated that his first priority for employees would be retention and that pay increases and training had to be a distant second and third priority for him. He also commented that he did not like the idea of a delay in paving the Town's streets.

Mr. Nance felt that Council needs to have a frank and open discussion at a Council meeting regarding 24 hour paid Fire & EMS staff. He went on to say that it makes sense and has become expected by the citizens. He questioned what the ramifications would be on services and with the budget.

Ms. Fidler agreed with Mr. Nance's comments.

Mr. Altice advised that he wanted to see the results of work being done by the Town Manager and the Town Treasurer on the Utility Fund before he makes any decisions. Ms. Fidler stated that she felt Council needs to receive that information before any discussion on the Utility Fund takes place.

Mr. Hare stated that he did not want to spend another year ignoring the infrastructures of the Town and that he felt his responsibility was to the Town and not to the staff although he did not want to see anyone lose their jobs. He wanted to take a look at "what we do and how we do it" to see if there is a better way to accomplish what needs to be done. He commented that the Town has sunk a considerable amount of money in technology infrastructure to make jobs more efficient and faster but had not seen any reduction in staff. He noted that this is contrary to the way it works in business. He felt the Town needs to focus on critical tasks and not the less important ones which will require strategic planning by staff.

Mr. Hare stated that he would like to see what it would cost the Town to give employee raises at the 2% level and at the 3% level. He further stated that although he was an opponent of tax increases, he had no problem with an increase that pays for an increased service. He advised that he had no objections to providing 24 hour Fire and EMS coverage only if it is giving increased service to the Town's citizens that they want and need.

Mr. Nance pointed out that a \$.05 increase in the cigarette tax would bring in approximately \$80,000 which would pay for 24 hour Fire and EMS coverage. He further pointed out that when Council is considering the addition of increased services, they need to have specific information so they can determine how to pay for it or what cuts need to be made.

Mr. Hare recommended selling property the Town owns that is not needed or used by the Town. Mr. Lawrence thought that it would be wise to inventory all property owned by the Town, do an analysis and then present a recommendation to Council.

Mr. Lawrence asked that Council advise staff of any high priorities they have.

Mayor Grose adjourned the work session at 9:30 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Darleen R. Bailey, Town Clerk