MINUTES OF A SPECIAL WORK SESSION OF VINTON TOWN COUNCIL HELD AT 6:00 P.M. ON TUESDAY, MAY 8, 2012, IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING LOCATED AT 311 SOUTH POLLARD STREET, VINTON, VIRGINIA.

MEMBERS PRESENT:	Bradley E. Grose, Mayor Carolyn D. Fidler, Vice Mayor Robert R. Altice Matthew S. Hare William W. Nance
MEMBER-ELECT PRESENT:	Doug Adams
STAFF PRESENT:	Christopher S. Lawrence, Town Manager Susan N. Johnson, Town Clerk Barry Thompson, Finance Director/Treasurer

The Mayor called the work session to order at 6:13 p.m.

The Town Manager began with a Power Point presentation on the projected revenues for Fiscal Year 2012-2013. He stated that our revenues are divided into two funds—the General Fund and the Utility Fund. The General Fund projection is $7,397,223 and the Utility Fund projection is $3,100,515, for a total of $10,497,738 for next fiscal year. He then highlighted some of the larger General Fund Revenue sources such as general property taxes and other local taxes.

Mr. Nance asked about the reduction in the bank stock taxes and Mr. Thompson responded that it is an accurate figure based on information from the banks. Mr. Thompson said the amount is based on the total assets of the banks in Virginia and this is our proportionate amount based on our local branches.

The Town Manager next commented on charges for services which includes the War Memorial income. Mr. Hare commented that since Ms. Hodges indicated her goal for the upcoming fiscal year is an increase of 20%, he would like to see her budget increased at least 10% from $125,000 to $137,500 and to decrease another item. Mr. Nance asked about the state sales tax projection and does it account for any accruals. Mr. Thompson indicated it does not. Mr. Hare suggested we take the $12,500.00 from the state sales tax to increase the War Memorial budget and Council agreed.

The fee for transport line item covers all calls for basic life support and advanced life support. Mr. Hare asked how we handle our charges and billing for transport and the Town Manager responded that we follow Roanoke County's program wherein if someone is unable to pay or does not have insurance, we take a soft approach. Doug Adams responded that a third-party does all the billing for the County.

Other revenue items were reviewed in general. Questions were asked about the ATF reimbursement amount of $15,000 and it was explained that this covers the ATF reimbursement for overtime and expenses of our agent. Mr. Thompson also explained that this amount includes Manna ministry traffic control support and any police support contracted at Virginia Tech.

Mr. Thompson indicated that $1,000 needs to be added to the recovered EMS contractual line item. This is to cover the cost of a student from National Business College and they will reimburse the Town.

The Utility Fund revenues are projected to be $3,101,515 with no proposed increases. Mr. Hare asked where do system development fees come from and the response was from the development of new homes. The Town Manager commented that we will have a debt with the Western Virginia Water Authority with the sewer plant which will have to be incorporated into the FY2013-2014 budget and rates will need to be increased at that time. Mr. Hare commented that we need to start looking at the rate study again soon and begin to educate the public. The Town Manager commented that he is having the study reviewed by Davenport and Company at this time.

The Mayor commented on how the Town has worked hard to reduce the budget during the tight economy and would like to see how much it has been reduced over the past few years. Mr. Nance said he thought the budget over the three years was reduced by $700,000.00 on the general side, which is 10%. The Town Manager said that cut was in his first year as Town Manager. The Mayor further commented that Town staff has done well in maintaining core services over the past years with reduced funding.

Next, the Town Manager reviewed the Virginia Retirement System options and the proposal that was presented to Council at their last meeting. VRS is shifting the 5% employee contribution from the employer to the employee and is requiring employers to give a corresponding 5% raise. Local governments are allowed to implement this over a five-year period. Also, the employees will now have to cover the taxes which amount to about 0.75%. The Town Manager recommends that we give all employees a 2.25% raise and a 5.75% raise to Plan 1 employees to offset the cost of their VRS contribution.

The other option with VRS is allowing local governments to fund their contributions at 70% of the actuarial rate and it is proposed that we take advantage of this option. We are locked into this rate for two years and then it will be recalculated. However, we will have to make up the difference in future contributions. The Town Manager recommended that we set aside any savings from this option and Mr. Hare suggested we put it in the CIP fund.

Mr. Thompson commented that we have used fund balance over the past few years and he would suggest that we try to increase our fund balance. He also suggested that we try to start setting aside some funding for some major CIP projects and that financing for larger items would also be an option as well as leasing. The Mayor commented that we did spend a sizeable amount of money several years back on equipment for Public Works. It still concerns him that we need to have an established revenue source for our CIP because right now it is considered windfall funding.

Vice Mayor Fidler made comments about adding back the two cent cut in real estate taxes that occurred several years ago. This would give extra revenue of approximately $93,000.00 that could be designated for the purpose of funding the CIP. Mr. Thompson indicated that we have already set the real estate tax rate for this year and it would have to be considered in the FY2013-2014 budget.

The Town Manager indicated that one of his goals for the next year is to set priorities and come up with a financially constrained five-year CIP plan.

The Town Manager indicated that he needed a consensus from Council on how to proceed with the VRS options so the budget can be finalized for Council to adopt on June 5th and some direction concerning the proposed raises for the employees. Council members indicated they all agreed to proceed with the suggested VRS options and the proposed raises for employees.

The Town Manager asked if there were other specific items for the budget. Mr. Hare asked that the Council pay cut be restored, but that they not participate in the raise and Council members agreed.

Mr. Hare commented that he enjoyed the Public Works staff attending a recent meeting and having a chance to receive information from their department. He would like to see if we could schedule informal meetings with other departments to get this same type of feedback. The Town Manager commented that we could work on such a schedule and bring back to Council. Mr. Nance indicated it was a good idea, but it should not be about personnel issues, but about problems or policies and procedures that may need to be addressed.

The Mayor also wanted to have funding set aside to continue our Council in the Neighborhood meetings. The Town Clerk indicated that we can set the schedule for these meetings at our organizational meeting in July. She suggested possibly having quarterly meetings and considering other locations.

Mr. Nance commented on the increase in the Finance Department for a part-time position and he thinks it is justified to continue to provide the level of services to the citizens. Mr. Thompson indicated that when his department was re-organized he failed to take into account the traffic at the drive-through window. At the present time during peak periods, one of the other employees has to pull from their assigned duties to work the window. This part-time position will help alleviate that problem.

The Town Manager asked Mr. Nance about his suggested increases that were mentioned at a prior meeting. Mr. Nance responded that he suggested $1,000.00 each to the volunteer Fire and EMS departments and an additional $500.00 to the Museum and all of Council agreed.

The Mayor commented on the VML Conference and he would like to see the Council travel budget increased to $5,000.00 to allow Council members to attend and others agreed. The date for this year's conference is September 23-25 in Williamsburg. The Town Manager also reminded the Council members who are attending the May 25th VML Town Section meeting in Farmville.

Mr. Nance asked about the flood insurance mitigation issue and not seeing a specific line item for it. The Town Manager indicated that it is part of Planning's budget and some funding has been put in their printed material line item. Mr. Nance commented that this program appears to benefit a small group of citizens and could take away from the focus of code enforcement and other duties of the Planning Department.

Vice Mayor Fidler asked about the progress on the new chiller for the Fire/EMS Building. The Town Manager responded that he will be getting the A&E design report on May 9th and he will get the bid out shortly. We have purchased ten portable air conditioners at a cost of approximately $2,500 total. The Public Works HVAC will also be bid out with the one for the Fire/EMS building.

Mr. Hare made a motion to adjourn the work session, seconded by Mr. Nance, and carried by the following vote, with all members voting: Vote 5-0; Yeas (5) - Altice, Hare, Nance, Fidler, Grose; Nays (0) - None. The work session was adjourned at 8:13 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Susan N. Johnson, Town Clerk