

MINUTES OF A REGULAR MEETING OF VINTON TOWN COUNCIL HELD AT 7:00 P.M. ON TUESDAY, APRIL 7, 2009 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
William W. Nance
William E. Obenchain, Jr.

STAFF PRESENT: Chris Lawrence, Town Manager
Elizabeth Dillon, Town Attorney
Darleen Bailey, Town Clerk
Consuella Caudill, Assistant Town Manager
Beth Austin, Human Resources Manager
Mary Beth Layman, Special Programs Director
Michael Kennedy, Public Works Director
Laura Reiley, War Memorial Facilities Manager
Barry Thompson, Finance Director/Treasurer
Ben Cook, Police Lieutenant
Joey Hiner, Asst. Public Works Director

Agenda

- A. 7:00 P.M. – Roll Call and Establishment of a Quorum
- B. INVOCATION – Rev. Lynn Alley-Grant, Thrasher Memorial United Methodist Church
- C. PLEDGE OF ALLEGIANCE TO THE U. S. FLAG
- D. CONSENT AGENDA
 1. Approval of Minutes: March 17, 2009 Regular Meeting and March 24, 2009 Budget Work Session
 2. Adopt Resolution No. 1815 to Reconfirm Support for Rail Alternatives to Complement Planned Improvements to I-81
- E. AWARDS, RECOGNITIONS, PRESENTATIONS
 1. Presentation by Mike Altizer, Roanoke County Board of Supervisors, in Recognition of the Town of Vinton's 125 Anniversary
 2. Relay for Life – Laura Reiley
- F. PUBLIC HEARING
 1. Effective Tax Rate Increase as a Result of Increased Assessed Value of Real Estate
- G. CITIZENS' COMMENTS AND PETITIONS
- H. TOWN ATTORNEY
- I. TOWN MANAGER

1. Set Real Estate Tax Rate for Calendar Year 2009 – Ordinance No. 880
2. Set Personal Property Tax Levy for Calendar Year 2009 – Ordinance No. 881
3. Set Allocation Percentage for Personal Property Tax Relief (PPTRA) in the Town of Vinton for the 2009 Tax Year – Resolution No. 1816
4. Group Health Insurance Renewal – Resolution No. 1817
5. Request Approval for the FY 2009/2010 Operating Budget for the Roanoke Valley Resource Authority – Resolution No. 1818
6. Reclassification of Part-Time War Memorial Position Resolution No. 1819
7. Vinton Farmers Market Guidelines

- J. MAYOR
- K. COUNCIL
- L. ADJOURNMENT

WORK SESSION

1. Skate Park Committee Update - Ramps
2. Discussion - Proposed FY 2009/2010 Budget

<p>Mayor Grose called the regular meeting to order at 7:00 p.m. Following roll call, Reverend Lynn Alley- Grant, of Thrasher Memorial United Methodist Church gave the invocation and Mayor Grose led the Pledge of Allegiance to the U.S. Flag.</p>	<p>Roll call, invocation and Pledge of Allegiance to U.S. Flag.</p>
<p>The Consent Agenda was approved on a motion by Councilman Wes Nance and was seconded by Councilwoman Fidler and approved with all in favor.</p>	<p>Approved Consent Agenda</p>
<p>The Mayor welcomed Clay Goodman, Roanoke County Administrator and Mike Altizer, member of the Roanoke County Board of Supervisors. Mr. Altizer read and presented Council with a resolution that was adopted by the Roanoke County Board of Supervisors recognizing the Town on its 125th anniversary that was celebrated on March 17, 2009.</p>	<p>Accepted Resolution from Roanoke County recognizing the Town on its 125th anniversary</p>
<p>Laura Reilly gave a brief presentation on the Town's Relay for Life campaign. She noted that the event would take place on April 17th and 18th and invited everyone present to attend.</p>	
<p>The Mayor opened the public hearing at 7:14 p.m. to take comments and questions regarding an "Effective Tax Rate Increase as a Result of Increased Assessed Value of Real Estate". Barry Thompson reported that the Code of Virginia requires that notices be published and a public hearing held when the annual real estate assessment results in an increase of 1% or more of the total real estate tax levy. He further reported that the Town of Vinton's real estate tax levy has</p>	<p>Held public hearing on effective tax rate increase due to increased assessments</p>

increased by approximately 3.37% or \$4,526.00 for the calendar year 2009. Following Mr. Thompson's review of the assessed values and corresponding tax levies, Mayor Grose stressed that this was not a tax rate increase but was simply additional monies that would be collected by the Town due to increased assessments.

There were no comments and Mayor Grose closed the public hearing at 7:16 p.m.

Mr. Lawrence requested that Vinton Town Council adopt proposed Ordinance No. 880, setting the Real Estate Tax rate at \$.03 per \$100 of the assessed value for the calendar year 2009. Mr. Altice moved to adopt proposed Ordinance No. 880. The motion was seconded by Councilman Nance and passed unanimously on a roll call vote.

Adopted Ordinance No. 880 setting real estate tax rate

Mr. Lawrence reported on proposed Ordinance No. 881 setting the Personal Property Tax rate at \$1.00 per \$100 of assessed value for all personal property for the year 2009 except for household furnishings and a tax of \$.50 per \$100 of assessed valuation of one motor vehicle owned and regularly used by a disabled veteran, subject to certain qualifications. He added that there were no changes for the calendar year 2009.

Adopted Ordinance No. 881 setting Personal Property Tax rate

Mr. Nance moved to adopt proposed Ordinance No. 881 setting the Personal Property Tax rate for 2009. The motion was seconded by Mr. Obenchain and passed unanimously on a roll call vote.

Mr. Lawrence reported on a request to set the allocation percentage for personal property tax relief in the Town for the 2009 tax year. He noted that Council passed an ordinance in December, 2005, implementing amendments adopted in 2004 for the Personal Property Tax Relief Act of 1998. He further noted that as a part of that ordinance, the Town is required to enact a resolution that would set that percentage of allocation. The Town Manager advised that based on the pro rata share of \$950,000,000 set by the State, Vinton would receive \$203,095.72 for the tax year 2009. He went on to say that using the state model for allocation of funds, the Town's computed tax relief is 59.14% for 2009

Adopted Resolution No. 1816 setting the allocation percentage for Personal Property tax relief

Mr. Lawrence asked that Council adopt proposed Resolution No. 1816 setting the allocation percentage for Personal Property Tax relief and also indicating that the Town chose, by ordinance, the specific tax relief method of computing the tax relief. He noted that the Town would allocate the relief at a single percentage across the board to the first \$20,000 of personal property vehicle value and would continue to exempt vehicles valued at \$1,000 and below, from

taxation. He advised that the Town is authorized to “balance bill” at 100%, any taxes from 2005 and prior that are still delinquent.

Ms. Fidler moved to adopt proposed Resolution No. 1816 setting the allocation percentage for Personal Property Tax relief. The motion was seconded by Mr. Altice and passed on a unanimous roll call vote.

Beth Austin, Human Resources Manager, requested that Vinton Town Council authorize the Town Manager to sign a contract with Local Choice Health Benefits Program to provide health insurance for the Town’s employees. She noted that Local Choice had advised her that there would be no increase in the Town employees’ health insurance premium for this year. She pointed out that last year, the increase was 0% and the year before, it was less than 1%.

Adopted Resolution No. 1817 renew employees’ health insurance for the next fiscal year.

Mr. Obenchain moved to adopt proposed Resolution No. 1817 renewing group health insurance for Town employees through the Local Choice Health Benefits Program for the next fiscal year. The motion was seconded by Mr. Nance and passed unanimously on a roll call vote.

Dan Miles from the Roanoke Valley Resource Authority (RVRA) presented a request for Town Council to approve RVRA’s budget for FY 2009/2010. He reported that the total proposed budget was \$10.4 million and includes \$2.7 million in debt service. He further reported that the agency remains on schedule to retire the outstanding debt in fiscal year 2011/2012. Also, Mr. Miles advised that approximately \$2,000,000 of the surplus revenue fund would be used to balance the budget. He noted that the proposed budget was approximately \$35,000 higher than the current budget. He also noted that there were two primary items that drove the budget increase, one of which is a required \$100,000 contribution to the closure fund and secondly, the RVRA would be assuming the operations of the Household Hazardous Waste Program (HHW) in the upcoming fiscal year. It was explained that this program has been funded by the three participating members in the past and costs about \$100,000. The RVRA would be assuming 100% of that cost. He went on to say that there would be an additional \$200,000 in their budget to cover the cost of the HHW program. Mr. Miles reported that in the upcoming fiscal year, the RVRA would increase the frequency of HHW events from three per year to monthly events that would take place on the third Saturday of each month beginning in July.

Approved Resolution No. 1818 approving RVRA’s FY 2009/2010 budget

Mr. Miles pointed out that there would be no increase in general

tipping fees in the proposed budget. These fees have not been increased for seven consecutive years.

Following a brief discussion on the HHW program and how it would work, Mr. Nance moved to adopt proposed Resolution No. 1818 approving the 2009/2010 RVRA budget. The motion was seconded by Ms. Fidler and passed unanimously on a roll call vote.

The Mayor complimented Mr. Miles for what the RVRA does to protect the environment and for his excellent management of the facility.

Mr. Lawrence reported on a request to reclassify a part-time War Memorial position. He advised that the Facilities Manager, Laura Reilly, has two part-time positions that have the same job descriptions. He went on to say that one position had changed into more of an event management, operational tasks, running the office and customer service type of position. He advised that even though the Town has done a very good job marketing the facility, the revenues have not met the expected projection of \$200,000 for the first year. The Town Manager noted that the business is there even though the revenues are not. One of the strategies to get the revenues up is to get the Facilities Director out of the office to market the War Memorial on a personal level to attract week-day business meetings, training events, etc., that would help increase the facility's revenues. He stated that current staffing does not allow for that if the high level of service is to be maintained.

Adopted Resolution No. 1819 reclassifying War Memorial part-time position

He advised that the new position would be at a Grade 12 and would impact the current budget by \$11,000. He went on to say that there is money in the budget to cover this expense and added that the budget implications for next year would be wrapped in the overall budget.

Mr. Nance stated that he appreciated the fact that Ms. Reilly had found places to save this year but questioned whether it was fair to ask other departments to reduce their budgets while the War Memorial budget would not decrease. Mr. Lawrence replied that if the War Memorial is going to be successful, he felt the part-time position needed to be full time.

It was reported by Ms. Reilly that the full time position would cost the Town approximately \$45,000 including benefits.

Ms. Austin added that the need for the new position was also about Ms. Reilly's work/life balance as she often has to work 10 to 12 hours

a day. Ms. Reilly spoke up to say that the War Memorial operates seven days a week and often, from 7:00 a.m. to 12:00 midnight.

Ms. Fidler asked if there had been any increase in the number of weekday events and Ms. Reilly replied that week-day commercial events are beginning to increase. She noted that a television commercial on the War Memorial just began running and has resulted in a steady increase in phone calls and in weekday events. She also noted that she was doing everything she could to get repeat business.

Mr. Lawrence pointed out that the War Memorial was not like any of the other Town services, that it needed to be run like a business. Mr. Nance questioned whether there would be enough business in the upcoming year to recoup the cost of the new full time position but felt it was a reasonable step to take.

Ms. Fidler moved to adopt proposed Resolution No. 1819 approving the reclassification of the part-time War Memorial position to full-time. The motion was seconded by Mr. Nance and passed unanimously on a roll call vote.

Mary Beth Layman reported on a request to amend the Vinton Farmers Market Guidelines. She advised that the new guidelines reflected new fees and did not include any free spaces. She also advised that the new guidelines also allows for the sale of several new items. It was noted that there would be two new events added in addition to the three events that were introduced in the Town's calendar in January. She reported that she had looked closely at Roanoke's Farmers Market guidelines as well as guidelines for facilities in Blacksburg, Salem, Williamsburg and Richmond before making the proposed changes.

Approved new guidelines for Farmers Market

Ms. Layman pointed out a change made in the Virginia Code last year in regard to baked goods and low acid foods that allows them to be sold as long as they are labeled that they were prepared without State inspection. She recommended that the fees be increased from \$4.00 daily, \$8.50 weekly and \$30.00 monthly to \$5.00 daily, \$10.00 weekly, \$45.00 monthly, \$40.00 for three consecutive months and \$30.00 for six consecutive months. The fees would be paid at the Finance office and she would handle reservations. Ms. Layman went on to say that vendors would be limited to six spaces at a time under the new guidelines. She then reviewed new items that would be allowed and new events that would take place. Mr. Lawrence added that another goal for the market is to make sure that it is kept clean and well maintained.

Mr. Obenchain moved to adopt the new guidelines that were proposed by Ms. Layman. The motion was seconded by Mr. Nance and approved unanimously on a roll call vote.

Mayor Grose thanked Anita McMillan, her son, Jameel; Karla Turman and her daughter; and everyone else who took part on Clean Valley Day.

Nancy Horn, Roanoke County Commissioner of the Revenue, advised that she would not be sending a representative from her office to Vinton for the upcoming tax season. She apologized to the Town for this decision but stated there was nothing she could do to change it. Mr. Thompson advised there would be a notice in this year's tax bills that the Commissioner's Office would not have a representative in Vinton this year and that the County's Treasurer's Office would also not be sending any one to Vinton this year.

Mayor Grose commended everyone for their efforts to make Student Government Day a success. Mr. Obenchain expressed his appreciation for staff's efforts during this difficult time. Mr. Nance apologized for not being able to take part in the Student Government Day activities. Ms. Fidler asked everyone to take part in the Relay for Life walk.

Aaron Lyles who served as a council counterpart during Student Government Day, expressed his appreciation to everyone involved in putting on the event.

The regular meeting adjourned at 8:25 p.m.

WORK SESSION

1. Skate Park Committee Update – Ramps

Mr. Nance reported that the Skate Park Committee had recently had a meeting and discussed alternatives for the use of the Town's skate board park ramps and asked for Councils authorization for staff to look into these alternatives:

- a. Donate the ramps to Roanoke City.
- b. Lease/sale/donate ramps to a third party, possibly to a church or private individuals

The Mayor liked the recommendations and commented that it did not matter to him whether the ramps remained in the Town or not. He stated that his

preference would be to donate the ramps rather than to lease them to someone. Mr. Obenchain and Ms. Fidler agreed that the ramps should be donated.

The Town Manager advised that staff had asked the Town Attorney to review the recommendations and she had advised that the Town was free to donate or sell the ramps as long as they are not donated to a church as this is not allowed by state law. It was the consensus of Council that the Town sell or donate the ramps.

Mr. Lawrence reported that he got a call from VML expressing interest in holding one of their town section meetings at the Vinton War Memorial on May 22nd. He further reported that they would be talking with Mrs. Reilly the next day to make arrangements for the event.

2. Proposed FY 2009/2010 Budget

Mr. Lawrence updated Council on the proposed budget and outlined some of the items that had been removed or delayed in order to reduce the projected short-fall of \$600,000 to \$500,000.

Additional revenues were discussed, one of them being the creation of a cigarette tax of .30 that is projected to bring in approximately \$115,000 in revenue. He noted the tax rate for surrounding cities and towns. He reviewed some of the steps that have to be taken before the tax is put in place. Mr. Lawrence stated that he did not feel the tax would have a detrimental affect on any of the businesses in the Town that sell tobacco products. He noted that this tax would bring needed money into the Town without directly impacting the citizens. He also noted that this tax will reduce over time because there will be fewer smokers.

In response to a question from Ms. Fidler, Mr. Thompson reviewed some of the start-up costs to implement the cigarette tax. The amount of the tax was also discussed.

The implementation of refuse collection fees was discussed. Mr. Lawrence noted that this fee was not looked on favorably by Council at their last budget work session on March 24th. He added that it costs the Town approximately \$13.00 per month per customer to provide this service.

Mr. Altice advised that in the past when a refuse pick-up fee was charged, the Town had problems with trash being thrown in places where it should not have been as some citizens refused to pay the fee. Mr. Lawrence responded that if the Town does charge a fee, the customer would not have a choice as to whether or not they would pay the fee, if you live in the Town, you would have to pay it. Mr. Altice stated that he had a big problem with charging this fee.

Mr. Lawrence stated that the proposed \$7.50 fee was not a magic number and that the fee should be reasonable and in an amount that citizens would be willing to pay. He advised that in the short term, the fee would provide revenue to bridge the gap and in the long term, it would provide a steady revenue source that would help fund capital needs. The Town Manager pointed out that without a refuse fee, there would be a \$400,000 budget gap.

In discussing the capital budget, Mr. Lawrence noted that the Town usually funds about \$250,000 for capital equipment each year, but will have to cut it back to at least \$134,000 this year. He advised Council that if new revenue sources are not developed, the Town's Capital Improvement Program is going to fall behind again.

The possible closing of the swimming pool was discussed. Mr. Lawrence noted that the pool is 61 years old and costs \$90,000 to operate each year. He went on to say that the pool needs major work in the next couple of years if it is to continue to operate. Mr. Altice asked if the drain had been repaired and Mr. Lawrence responded that staff had gotten an estimate on it but the work had not been done at this point. He reported that Roanoke City is considering the leasing of one of their pools to a private company to run for them but that option would probably not be open to the Town because of the small size of the Vinton pool.

The Town Manager explained that if the pool remains open for the summer of 2009 but closes for the summer of 2010, the Town would save \$45,000 minus the revenue that would be lost next summer which would leave a net savings of \$20,000. He went on to say that if the pool closes for the summer of 2009, there would be a savings of \$50,000 in FY 2008/2009 and a savings of \$90,000 in FY 2009/2010. In order to be able to open the pool next year, Mr. Lawrence advised that the pool's filter systems would probably need to be updated at a cost of \$70,000 to meet the Health Department's standards. He pointed out that if there are no other revenue sources generated, the Town will not be able to afford to operate the pool next year.

Mr. Lawrence discussed the paving program and the strong need to ensure that roads are maintained as they should be. He advised that the paving budget could be cut back but the Town would pay for it in four or five years when costs have gone up.

The Town Manager reported that capital funding in the upcoming budget had been pared down to \$132,000 from \$250,000. He pointed out current and future capital project needs and advised that there were projects that could be deferred for another year although it would mean the "piling up" of hundreds of thousands of dollars worth of replacement costs.

In further comments on the swimming pool, Mr. Lawrence advised that if it was operated only five days a week, there would be a savings of just under a \$1,000 and would reduce expenditures by approximately \$5,000.

Mr. Obenchain inquired as to the amount of personal property tax that would have to be increased to raise revenues by \$300,000. Mr. Thompson responded that the tax would have to be doubled.

Following further discussion on whether or not to close the pool, both Mr. Nance and Mayor Grose recommended that the pool remain open this year, five days a week and then close it next year. Mayor Grose stated that he would also be agreeable to leasing the pool.

The Mayor advised that he was uncomfortable with recommending the implementation of a refuse fee and questioned whether it would jeopardize the \$110,000 that is paid to the Town by Roanoke County for refuse collection. Mr. Lawrence replied that according to the Town Attorney, instituting a fee should not jeopardize the \$110,000 paid to the Town by the County. He went on to say that he had spoken to Mr. Goodman, Roanoke County Administrator, who had advised that he would have his attorney look into the issue also. Mr. Lawrence added that if the County ever does decide to charge a refuse fee, the Town would lose the \$110,000. Mayor Grose asked if any of the other localities in the Roanoke Valley charged a refuse fee and Mr. Lawrence replied that he was not aware of any with the exception of Roanoke City with a charge of \$100 per month for trash collection in their downtown area. He passed out a survey to Council that was done by the Public Works Department that listed local governments in this region and included information on whether they charge a refuse collection fee.

Mr. Obenchain asked if there had been any discussion on turning the Town's Public Safety Departments (Fire and Rescue) over to Roanoke County and Mr. Lawrence replied that there had not been. He went on to say that staff has talked with the County about turning over the Town's Communication Center to Roanoke County and had informed the Town's dispatchers of that conversation. He advised that staff would be evaluating the issue and would create a plan by July 1st. At that time, it would be given to Town Council and the Board of Supervisors to determine if the two governments would go forward with the plan. The Town Manager advised that if both the Town and the County agree, the plan could possibly be done by the first of the year. He listed costs the Town would incur if the plan is carried out.

Mr. Obenchain questioned why they were not considering the possibility of having Roanoke County take over Fire and Rescue as this would not affect service to citizens whereas some of the other recommendations that were made would affect services or would have a cost.

Mr. Lawrence pointed out that the General Fund balance was currently at \$2.3 million and was there for unforeseen emergencies. He also pointed out that he was not recommending that Council use surplus funds to help cover the shortfall, but it was an option for Council to consider. Mr. Obenchain replied that he would consider using a reasonable amount to help the Town through the current slump if some changes are made such as closing the swimming pool.

Mr. Lawrence stated that this is the window for the Town to explain to the public what the finances are and why certain services need to be cut and revenues have to be increased.

Mr. Thompson asked if Council would consider increasing the meals tax. Mr. Obenchain replied that he was not sure if he agreed with increasing it a full 1%. Mr. Nance stated that this increase was more appealing to him than a refuse fee would be. He went on to say that if it becomes necessary to implement a refuse fee next year, he felt the public should be prepared for it beginning this year. Mayor Grose stated that he felt a full 1% meals tax was a good idea. As far as using the fund balance to fund the budget, he would rather use it for capital investment but noted it was an emergency fund and the Town is now experiencing an emergency. The Mayor also recommended considering taking money from the paving account. The Finance Director/ Treasurer advised that he would rather the department heads reduce their budgets further and use the surplus funds only as a last resort. He reported that an increase of 1% in the Town's meals tax would bring in approximately \$150,000.

The Town Manager reported that the Utility Fund is projected to have a gap of \$400,000 and noted that there had been a reduction in water consumption. It was also reported that the system development fees were down due to the building slump. Following further discussion on the Utility Fund revenue/expense gap, Mr. Lawrence advised that money can be saved in the Utility Fund by cutting some of the projects that were planned.

Mr. Lawrence reviewed the ways that staff has already reduced the budget and possible ways to raise revenues. The Mayor pointed out that he did not see a way to go forward without using some of the surplus funds. Mr. Lawrence questioned whether Council would rather reduce the paving budget or take money from the surplus fund and Mr. Nance replied that it would be hard to quantify when they do not know which projects would be cut. Mr. Thompson recommended that staff prioritize the projects so Council can be updated on what the cuts would be. Mr. Lawrence recommended having a budget work session after the next Council meeting. An all-day budget work session with department heads was scheduled for April 27th.

The proposed cigarette tax was discussed further. Mr. Thompson advised that the cigarette tax would probably not be effective until October. He pointed out that all vendors affected by the proposed tax would be notified as soon as possible. Ms.

Fidler asked about the start-up costs for collecting this tax and was advised that staff had not had time to check to see what would be required. Mr. Altice asked if \$.30 per pack would be enough and Mr. Lawrence replied that it was in the range of what other similar localities are charging.

Mr. Lawrence reported that it was his understanding that Roanoke County was going to retain Roland E. Cook as a school at least one more year and will keep the Craig Center open with a high level of expectation that the County and the neighborhood would come up with activities in which people would be willing to participate.

The meeting adjourned at 11:15 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Darleen R. Bailey, Town Clerk