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**Minutes of the Roanoke Rapids City Council**

A special meeting (Budget Work Session) of the City Council of the City of Roanoke Rapids was held on Thursday, April 21, 2016 at 3:00 p.m. in the first floor conference room of the J. Reuben Daniel City Hall & Police Station.

**Present:** Emery G. Doughtie, Mayor

Carl Ferebee, Mayor Pro Tem

 Ernest C. Bobbitt)

**Council Members**

 Suetta S. Scarbrough)

 Wayne Smith)

Joseph Scherer, MPA, MS, City Manager

 Lisa B. Vincent, MMC, NCCMC, City Clerk

 Leigh Etheridge, Finance Director

 Kathy Kearney, Human Resources Manager

 Larry Chalker, Public Works Director

**Absent:** Carol H. Cowen, Council Member

**Administrative/General Government (Human Resources)**

City Manager Scherer pointed out one change under General Government, the line item for Advertising has been increased from $21,700.00 to $28,600.00. He stated the *Daily Herald* has just informed us of an advertising rate increase.

City Manager Scherer stated he also wants to confirm that Council wants to include in the upcoming budget the $43,300.00 for the Holiday/Merit Bonus and the $275,520.00 for the 2% COLA.

It was the consensus of Council to fund these items in the upcoming budget.

Mayor Doughtie asked about the group health insurance rates.

City Manager Scherer stated we will hopefully be getting the numbers next week but they are saying that the increase may be between 2 and 4% which is good.

Councilman Smith asked if we still have an insurance committee.

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City Manager Scherer stated yes.

Councilman Smith asked if we listen to them.

City Manager Scherer stated yes. He stated Public Works Director Chalker is a member of the committee.

Councilman Bobbitt asked if our claims have been down.

Human Resources Manager Kearney stated looking at it from her end, it appears that our claims are down. She stated we have not had a lot of requests for reimbursements of the deductible.

City Manager Scherer pointed out that general liability and workers compensation should both go down this year.

Mayor Doughtie asked if the City paid all of the expenses for the Christmas Parade this past year.

Finance Director Etheridge stated yes but we also received contributions in the amount that we spent.

Mayor Doughtie stated it was a wash.

Finance Director Etheridge stated that is correct.

Councilman Bobbitt suggested talking to the Chamber and Tourism about taking over the Christmas Parade.

Councilman Smith asked if we pay insurance for the retirees.

Human Resources Manager Kearney stated for those that retire with 30 years of service to the City, we pay their insurance until they turn 65.

**Public Works Department**

City Manager Scherer stated for the Public Works Department, he would like for us to focus on the major expense items.

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City Manager Scherer referred to the following list and stated he needs to get a consensus from the Council members on what they would like for him to incorporate into the budget:

**City of Roanoke Rapids**

**Public Works Department**

**Operational Maintenance and Capital Outlay Requests**

**April 20, 2016**

 **Capital Capital**

**Department Item(s) Cost Items Priority**

Government Buildings Replace Flooring – City Hall $ 12,000

Government Buildings Paint Exterior – City Hall $ 15,000

Government Buildings New Roof – City Hall $ 90,000 X 2

Public Works Computer Hardware/Software $ 12,000

Public Works Fleet Maintenance/Cemetery Software $ 60,000 X 1

Street Department Storm Drainage $ 50,000

Street Department Resurfacing/Patching $ 60,000

Street Department Alley Improvements – Rock $ 10,000

Street Department Alley Improvements – Apron $ 30,000

Street Department Annual Crack Pouring Program $ 28,000

Street Department ROW Maintenance $ 35,000

Street Department Annual Resurfacing Program $ 400,000

Street Department Rubber Tire Loader $ 70,000 X 1

Street Department 7th & Park Traffic Signal Upgrade $ 42,000 X 2

Street Department Asphalt Recycle Trailer $ 33,000 X 2

Street Department Vacuum Trailer $ 50,000 X 2

Street Department Backhoe with Attachments $ 90,000 X 3

Street Department Track Loader (Used) $ 60,000 X 3

Solid Waste Roll Out Trash Carts $ 32,000

Solid Waste Rear Dumpers/Trash Truck $ 7,500

Solid Waste 1 Rear Loader Trash Truck $ 190,000 X 1

Refuse Trailer for Knuckleboom Truck $ 28,000

Refuse New Leaf Machine $ 29,000

Refuse Knuckleboom $ 160,000 X 2

Cemetery Commercial Lawn Mower $ 9,500

Property Maintenance 2 Commercial Mowers $ 18,000

Property Maintenance Mosquito Fogger $ 11,000

 **TOTAL REQUESTS $1,632,000**

Public Works Director Chalker stated he feels the asphalt trailer should be elevated to a number 1 priority so that we can make our own pothole repairs.

City Manager Scherer pointed out that at a recent retreat, Council members identified road maintenance and repairs as a priority.

Councilman Bobbitt asked the difference between hiring an outside contractor and the City repairing the potholes.

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Public Works Director Chalker stated the cost. He stated he can see us saving about $30,000.00 in a year. He stated there will be a learning curve as we have not done any pothole repairs in years. He pointed out that Jeff Elks, our Street Superintendent, was a very good hire for us. He explained that Jeff came to us from the Town of Weldon where they repaired their own potholes.

Councilman Bobbitt asked Public Works Director Chalker if the first three priorities—Rear Loader Trash Truck; Rubber Tire Loader (Used) and Cemetery & Fleet Maintenance Software—on his list *(referring to the list presented to Council at the April 5 budget meeting)* are still priorities.

Public Works Director Chalker stated yes. He stated all of the items on the list presented today will eventually be very important but we realize that we only have so much money.

City Manager Scherer pointed out that some of the items can be downsized.

Public Works Director Chalker stated one exception is the annual resurfacing program. He stated the Legislature is pushing us to spend a majority, if not all, of the funds on street repair/resurfacing.

City Manager Scherer explained that in the past, we were able to use Powell Bill funds for operational expenses but now they can only be used for actual maintenance and repair.

Councilman Bobbitt asked how many miles could be resurfaced with the funds requested.

Public Works Director Chalker stated between 15 and 20 City blocks.

Mayor Pro Tem Ferebee asked what percentage that would be of the current need.

Public Works Director Chalker stated about 15%.

Councilman Bobbitt asked about a time frame for replacing the traffic signal at 7th and Park.

Public Works Director Chalker stated it is already out of compliance. He stated the main reason it is listed is because it is the only signal we own that is not in compliance. He stated it physically works but the problem would be if an accident occurred at the intersection and it was due to a malfunction. Public Works Director Chalker stated we

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already know that a four-way stop would not suffice at this intersection.

Councilman Bobbitt stated we have agreements with DOT regarding other things such as mowing and street sweeping. He asked if we could work a deal for DOT to go ahead and replace the signal and we pay them back over time.

Public Works Director Chalker stated he does not know if that is an option but he can ask.

Councilman Smith asked Public Works Director Chalker if he would rather have the asphalt trailer or the traffic signal.

Public Works Director Chalker stated that is a tough question to answer. He stated he really needs both. He stated one (asphalt trailer) will offset dollars immediately but we would be rolling the dice with the traffic signal.

Councilwoman Scarbrough asked if we are spraying for mosquitoes.

Public Works Director Chalker stated we have two trucks for spraying mosquitoes and they are 10 plus years old. He stated one is getting in such a shape that they are not sure that it can be certified by the State.

Councilwoman Scarbrough stated someone asked her what the City plans to do about the David King property on Jackson Street. She stated they are concerned about the open roof and water standing in the building, especially with the disease (Zika virus) that has been in the news.

Public Works Director Chalker stated they could spray if it was safe to go in the building but the Fire and Code Departments have condemned the building. He stated they have the mosquito larvacide pellets that are used on the Canal Trail and they may be able to find a way to get them into the building. He stated they can go and investigate but they cannot go inside of the building.

Councilman Bobbitt stated it would be a lot quicker if we could have an aerial application of the chemicals.

Public Works Director Chalker stated there is a large concern about planes with chemicals. He stated we also have two very small foggers that work just as good as the ones on the truck. He stated they use these on the Canal Trail.

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Mayor Pro Tem Ferebee asked what percentage of the $1.6 million requested by the Public Works Department could we actually fund.

City Manager Scherer stated it would depend on what is funded for other departments.

Mayor Pro Tem Ferebee stated the number 1 and number 2 priorities for Public Works equals about $840,000.00. He asked Public Works Director Chalker if those were funded, would it satisfy his need.

Public Works Director Chalker stated he will take whatever Council gives to him. He pointed out that there are some things on the list that are not capital items that will add up on the operational side.

Mayor Pro Tem Ferebee asked the total of the Public Works Department budget.

City Manager Scherer stated around $4 million.

There was discussion about how much to take out of Fund Balance to fund items and about the possibility of taking out loans.

Councilwoman Scarbrough asked about the Fund Balance percentage.

Finance Director Etheridge stated it is right at 25%.

Councilman Smith asked what taking another $500,000.00 out would do to our percentage.

Finance Director Etheridge stated it would bring it down to about 23%.

Councilman Smith stated he believes he has mentioned before that he does not see anything wrong with us taking a $1million from Fund Balance to fund some of these capital outlay items.

Finance Director Etheridge reminded Council that we used $500,000.00 from Fund Balance to balance this current year’s budget.

Councilman Smith stated we should at least consider using $500,000.00. He stated we keep promising department heads every year that it will get better.

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Mayor Pro Tem Ferebee stated he would be in favor of looking at some type of loan to fund some of these items.

City Manager Scherer stated he asked Finance Director Etheridge to start talking with banks about interest rates. He stated we did receive a quote from one bank to borrow $500,000.00 at an interest rate of 3.5% for six years. He stated the annual payment would be $92,000.00 a year.

Mayor Doughtie stated we would probably save money by going ahead and purchasing the items. He stated he believes we could get better interest rates.

City Manager Scherer pointed out that we have only talked with one bank at this time.

Councilman Bobbitt asked how much of the $500,000.00 taken from Fund Balance have we used.

Finance Director Etheridge stated we have not had to utilize it at this point.

Councilman Smith stated he is in favor of funding the number 1 and number 2 priorities of the Public Works Department.

Mayor Doughtie stated he feels that crack pouring is a big deal.

Public Works Director Chalker stated they may be able to get one more year out of the commercial lawn mowers. He did point out that the vacuum on the leaf truck is used every day and this is a very visible service that they perform. He indicated that we have zero roll out trash carts and since we charge a solid waste collection fee, we need to have carts for our citizens. He stated he and Finance Director Etheridge are trying to find money in this year’s budget to purchase a truck load of carts and we will still need to budget about $30,000.00 in next year’s budget for more carts. He stated that some of our carts are 20 years old.

Councilman Smith stated he feels we should fund the mowers, carts and the number 1 and number 2 priorities.

Mayor Pro Tem Ferebee pointed out that a lot of the items on the list are operational.

Councilwoman Scarbrough stated she would like to see the alley improvements funded.

Mayor Dougthie stated a lot of people call about the condition of the alleys.

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Mayor Pro Tem Ferebee stated some of the number 2 priorities may not be needed at this time. He mentioned specifically the City Hall roof.

City Manager Scherer stated the roof is not collapsing in on us.

Public Works Director Chalker mentioned the request for three additional men that was brought up at the last budget meeting. He stated they really need some help.

Councilman Bobbitt stated he talked earlier with Finance Director Etheridge about funding a 4 or 5% raise for the Public Works Department but realizes that it could create an extreme morale issue.

Mayor Pro Tem Ferebee asked the cost of the three new employees.

Public Works Director Chalker stated $98,000.00 which includes fringe benefits. He also stated that he does not want to be put in the position of his department exclusively receiving an increase. He stated he remembers how they felt when the Police Department was given a 10% increase and no one else received anything. He stated he considers all City employees to be a team. Public Works Director Chalker stated he appreciates the fact that this need was recognized but he could not in good conscience ask for an increase for just his department.

Human Resources Manager Kearney stated we have conducted salary surveys for each department and everyone is behind.

City Manager Scherer stated he feels we should hold off on these discussions until we sell the Theatre.

Councilman Smith stated the Council has already agreed on a 2% across the board raise for the upcoming budget.

Before adjourning, it was the consensus of Council to hold the next two budget work sessions on Tuesday, April 26 beginning at 1:00 p.m.

There being no further discussion, the meeting adjourned.



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 **Lisa B. Vincent, MMC, NCCMC City Clerk**

 5/3/2016

**Approved by Council Action on:**