

Special Meeting - Council Retreat

The City Council of the City of Roanoke Rapids held a retreat on **December 4, 2020 at 9:00 a.m.** in the Kirkwood Adams Community Center, 1100 Hamilton Street, Roanoke Rapids, North Carolina.

Present: Emery G. Doughtie, Mayor
Suetta S. Scarbrough)
Ernest C. Bobbitt)
Sandra Bryant)
Wayne Smith)

Council Members

Joseph Scherer, MPA, MS, City Manager
Traci Storey, City Clerk

Absent: Carl Ferebee, Mayor Pro Tem

City Manager Scherer welcomed City Council and asked them to read over the ground rules for the retreat.

He reviewed the goals he wanted City Council to achieve during the retreat.

RETREAT GOALS

- Identify/Finalize 2021 HCIA Goals
- Affirm Decision and Confirm Process for City Council Work Session in lieu of Regular Meeting
- Provide Direction on Budget Adjustments/Options for the Rest of FY 2020/2021
- Provide Guidance for Budget Priorities for FY 2021/2022 (to begin budget prep)

HCIA GOALS FOR 2021

City Council reviewed and discussed the City's current HCIA Goals. They narrowed the list down to five (5) goals as follows:

Local Revenue Flexibility

Seek legislation to provide municipalities with authority for additional locally controlled revenue options and flexibility in the use of those options, including – but not limited to – city-only sales tax, city occupancy taxes, prepared meals taxes, and impact fees for transportation.

Powell Bill Funds

Seek legislation to ensure that the amount of Powell Bill funds appropriated by the state are sustained and distributions to municipalities are increased and grow over time.

Economic Development Support

Support legislation to revise the current methods of determining economic needs that are used

by the state to allocate so that additional areas of the state in need may benefit from increased economic development, jobs, and see more entrepreneurial innovation.

COVID-19 Financial Assistance

Provide revenue replacement aid directly to the City to offset revenue loss due to COVID-19 Pandemic.

Residential Housing Improvement

Seek legislation and financial aid for improvement of blighted residential housing by providing legislation to "fast-track" abandoned and foreclosed properties for public sale, and funding for demolition of abandoned/beyond reasonable repair buildings.

COUNCIL CAPACITY / WORK SESSION DISCUSSION

City Manager Scherer stated years ago before he came on board, City Council used to hold Work Sessions. He was told they had become basically a Council Session where voting took place and there was very little discussion rather than an informal work session where they would have in-depth discussions on issues and information they needed to better position themselves to do their job as Council.

He reviewed the handout entitled, "City Council Work and Policy Development Session Draft Comments and Information," dated December 4, 2020.

1. This is otherwise known as a "work session" for Council, the City Manager and Department Heads to better prepare City Council for your work as our elected body.
2. The relationship between you and me sets the tone for the entire local government.
 - a. It is my responsibility to prepare you for your role as our elected officials, especially by creating an environment of mutual understanding among all of you.
 - b. It is also my responsibility to develop a team of ethical professionals dedicated to facilitating our community's success.
 - c. Governance of Roanoke Rapids relies on the cooperative efforts of you elected officials, who set policy and priorities, and the staff who analyze problems and issues, make recommendations, and administer your policies.
3. This needs to take place by facilitating the building of your capacity as an entire body of elected officials, not individuals with different agendas and priorities.
4. To be effective, Council members must be willing to confront 3 obstacles:
 - a. Willingness to deal with the big issues.
 - b. Confront the difficult values and work you are responsible for in the absence of hierarchy, i.e., the Mayor is not the boss. All of you as a group are in charge, not just one person.
 - i. "How do I get my issues on the political agenda of other Council members and

- staff?"
- ii. "How can I influence other council members more effectively?"
 - c. Differences in perspective between you and my staff
 - i. "While we all use the same words, both groups speak a different language."
 - ii. GOAL: Develop a ***partnership*** between Council and Administration.
5. Work sessions can help provide staff with the important context of what Council's priorities are and more importantly the understanding the "why" behind the priorities.
 6. Purpose(s) of the Work Session:
 - a. Be a way to address major issues more effectively.
 - b. Provide opportunities to focus on long-term decisions rather than day-to-day staff management issues.
 - c. Make regular sessions more productive and shorter.
 - d. Help Council members relate better to one another because of the greater informality of the session.
 7. Informal work session gives Council a chance to study difficult issues, gather and analyze information and clarify problems.
 8. Option: Consider using the work session once a quarter to take an operational tour of department operations (PW, PD, FD, P&R).
 9. Option: Consider receiving a committee update briefing from Council members assigned to advisory committees.

City Manager Scherer proposed rather than having two regular sessions a month, they would have one regular and one informal session (Work Session). The informal Work Session would not have public comment. Per state statute, they are only required to hold one public comment period per month. It would not be a Zoom meeting or on television. The public can attend but not comment. It would be similar to what they were doing today: City Council sitting around the table with staff, they would provide City Council with the information and have an open discussion.

He asked for their comments on the proposal.

Councilwoman Scarbrough stated in her recollection City Council did not vote during the Work Sessions.

Mayor Doughtie added the sessions were held at City Hall and he was in favor of it. He believed City Council would have more open discussion and not rush to make a decision; they would have more time to think about it or ask questions.

City Manager Scherer stated if for some reason they did need another regular meeting, they could do the Work Session at 4:00 p.m. that day and then start the Regular Council meeting at 5:15 p.m. He pointed out some options listed on the handout.

10. Option: Consider using the work session once a quarter to take an operational tour of department operations (PW, PD, FD, P&R).
11. Option: Consider receiving a committee update briefing from Council members assigned to advisory committees.

City Council agreed the options were good ideas and were in favor of them.

Councilman Smith stated their meetings were not well attended and they did not have public input because the meetings were too early. He said years ago City Council meetings were later, 6:30 or 7:00 p.m. He also felt department heads did not need to attend every Council meeting.

City Manager Scherer stated they would not have to if they hold the Work Sessions. The only staff required to attend the Regular meetings are the City Clerk, Police Chief and anyone presenting legislation.

Mayor Doughtie asked how to handle the situation where once City Council receives the agenda packet, but has a question about one of the departmental reports. Councilman Smith suggested they let the City Manager know and he would ask the department head to attend the meeting to answer the question.

City Manager Scherer called their attention to the City Council Work & Discussion Session Action Agenda Item form. Department Heads will have the form completed for any issues they may have so City Council will have the information for discussion.

It was the consensus of City Council to hold a Work Session in lieu of a Regular Meeting the first Tuesday of the month starting January 2021. The Work Sessions will be held in the First Floor Conference Room at City Hall and Regular Meetings will remain at the Lloyd Andrews building. Both the Work Sessions and Regular Meetings will be held at 5:30 p.m.

City Manager Scherer clarified that all department heads will be at the Work Sessions, but not at the Regular meetings unless required to attend. He added that although he created the Action Agenda Item form for department heads, if City Council has an issue they would like to discuss, they can complete a form and submit to him.

City Clerk Storey will draft legislation for City Council's consideration and adoption at the December 15, 2020 Regular Meeting to update the City Ordinance.

FISCAL YEAR 2020-2021 BUDGET REVIEW

Revenue Shortfalls

City Manager Scherer stated they had some revenue issues coming up. One of those is revenue shortfalls. The City lost \$22,000 in Powell Bill money in what they had forecasted. With interest rates so low, they are estimating the City will lose approximately \$8,000 in interest revenue this year. They had forecasted the City to get \$190,000 in federal or state aid for the virus. Although it is in a bill, who knows if the City will get it. They had also projected to take \$60,000 from the fund balance to balance the budget this year.

He said some things that would help would be state aid for the Theatre payment. Other revenue sources are holding steady for now: Ad Valorem Tax, Sales & Use Tax, Utility Franchise Tax, Solid Waste. From what they had projected, there are some issues. He understands that the State is still holding a bunch of CARES money from the federal government. He has not heard anything about how or when they are going to do anything with it. He suggested when Council members go to Raleigh they could question that.

Councilman Smith said he understands that the City pays the County approximately \$320,000 a year for E-911. The City has a shortfall right now of about \$280,000. He suggested the City not make any more payments for E-911 until the City can get out from some of this financial bind. He said the City pays the \$320,000 a year plus they get all the tax money from cell phones and house phones. So the City of Roanoke Rapids is paying the County almost a half million dollars a year for E-911.

Councilwoman Scarbrough asked how was E-911 spending that money. Councilman Smith stated they were buying brand new office equipment for a building rather than buying from surplus. City Manager Scherer said they have to have a back-up system/location (old doctor's office on Jackson Street) so they are buying brand new office furniture. Councilwoman Scarbrough asked who oversee E-911. City Manager Scherer replied there was an E-911 Board that doesn't have a lot of authority. Otherwise, Phil Ricks and ultimately Tony Brown for Halifax County.

Councilman Smith said that E-911 was asking for additional money for calls in the City of Roanoke Rapids. City Manager Scherer informed City Council that supposedly the bill is based on the amount of calls the City makes. For example, if there is a wreck that is a call. Now if the auto wreck requires the police and fire to go to it, that

will be two calls for calling the police department and fire department.

Councilman Smith said the City is not able to bill the County for the City's personnel going to a First Responder call until the County gets their rescue squad on scene. City Manager Scherer said he has told Chief Patrick to screen the calls and if it is not a real emergency to not go.

Councilman Smith stated he has been against the Fire Department going to those calls all the time. Now that the Rescue Squad has gotten approved for the one-cent property tax, he believes those calls need to be turned back over to them and work to assist Roanoke Valley.

City Manager Scherer reported at the last E-911 meeting which was a zoom meeting, several municipalities in the county asked how and why were they charging them for this. The comment that was made, "that was the cost of doing business."

City Manager Scherer said about three years ago they had discussions on putting the City's own 911 Center back together. The State 911 Board said the City would not receive that tax money off the telephone bills; it would still go to Halifax County. Councilman Smith stated that was because a previous mayor signed off on all this.

Councilwoman Bryant asked what the increases were based on, the calls. Councilman Smith replied they said they changed the format because the other towns were so small they could not afford to pay the bill so they passed it down to Roanoke Rapids. City Manager Scherer said it appears they make their budget and divide by the population of the town and that is the percentage.

City Manager Scherer said he would take the suggestion under advisement. Councilman Smith said if he needed to bring it up at a City Council meeting as a motion he would do it. He thinks they are robbing Roanoke Rapids.

Councilwoman Bryant said maybe it's time to sit down and see if this could be renegotiated. Mayor Doughtie said he liked the idea. If the money is cut off then maybe they'll say how can this be worked out. Councilman Smith said they may have to end up paying it back, but the City is in financial trouble now and City Council has to stand up for Roanoke Rapids.

Departmental Needs

City Manager Scherer stated City Council wanted him to try to increase the hiring in the Police Department and fill the vacancies because public safety was important to them.

He reported the starting salary for a police officer is \$35,000/year. Chief Martin recommends increasing it to \$37,000/year and he would agree. He would also like to increase others hired in the past couple of years as a rookie to make it fair. If they go this route, he would need to find \$90,000.

City Manager Scherer said Public Works still has six frozen positions. He heard once the vaccine comes out, the prisoners would be some of the first to receive it. He is hoping by summer, the City will get prison labor back. He was also looking to hire some part-time people to help as needed.

Councilman Smith asked what the base salary for personnel working on the streets. City Manager Scherer replied property maintenance make about \$27,000 per year while the workers on the back of the refuse truck make \$7.50 an hour. Councilman Smith stated this is where they need to make some adjustments. They need to adjust their pay to at least \$10-\$12 per hour to give them some incentive.

City Council discussed offering employees making lower salaries the option to get their own insurance through the Affordable Care Act and using the savings to increase their salary. They also discussed hiring part-time to fill vacancies to save on benefits costs.

City Manager Scherer and City Council discussed and considered the following budget adjustments and potential options to fix the budget for the remainder of FY 2020-2021.

Budget Adjustment Principals

- We Are In It Together (to be part of the solution)
- Take Care of Their People
- Choices Available to Departments
 - Department strategies
 - Engage the employees for solutions
- Review Services
 - Identify core services (ie, police, fire, inspections)
 - Services that are important, but not essential
 - Discretionary services

Potential Options to Fix the Budget *(Not in Order)*

- Close Indoor Pool (biggest savings - \$100,000 until June 30th)
- Consider Layoffs/Retirements (Currently have 143 full-time)
- Hiring Freeze
- Furloughs (reduce operational hours)
- Reduce Spending
 - No blanket purchase orders
 - Emergency credit card use only
 - Benefits (Christmas bonus, Thanksgiving cards etc.)
 - Reduce overtime

- Close Facilities
 - Canal Museum (volunteers, open Thursday – Saturday)
 - Library (County take it over)
 - Sell Old Fire Station #2
 - Outdoor pool
- Reduce Services (Outsource or reduce hours at facilities)
- Other

City Council discussed the options and different scenarios. City Council will need to make some tough decisions.

<Break for Lunch>

FISCAL YEAR 2020-2021 BUDGET REVIEW DISCUSSION *(Continued)*

City Council wrapped up discussions.

City Manager Scherer stated he would meet with the department heads to start discussions and have them start looking at what they think they should do and their recommendations. He will put together a plan to bring back to City Council unless they tell him something different.

City Manager Scherer and City Council reviewed and discussed the following FY 2021-2022 Budget priorities.

FISCAL YEAR 2021-2022 BUDGET PRIORITIES

“Fiscally Responsible Through the Pandemic Recovery”

Two Main Issues

- Council Priorities
- Funding the Plan

Priority Categories *(When looking at the budget)*

- Safe Community
- Commerce & Jobs (new Dunkin Donuts having trouble finding employees, Job Fair held last week – only 25 people came to pick up packet)
- Infrastructure (streets, stormwater)
- Livable Community (recreation, arts & culture)
- Basic Services
- Putting Money into Fund Balance
- Information Technology Upgrades
- Environmental Sustainment (“Green”)

- Capital Funding (2 cents tax increase to help fund projects)
 - Fire Truck–Existing truck is a 1992 (Will not have to start paying until FY2022/2023) \$500-\$600k Tax Assessment
 - Street Repaving (did over \$300k last year)
 - Facility Improvements (Kirkwood Adams)

Funding the Plan

- Use only current revenue balances for next year
- Raise Ad Valorem Taxes (2 cents for 5 years – “sunset” tax assessment)
- Raise Fees
- State Aid (virus, Theatre aid)
- Developer Pays for Theatre
- Other Options
 - Sales Tax on ballot
 - No fire trucks going to EMS calls

City Council discussed that the City has not raised taxes in at least 12 years. Proposed 2-cent tax increase with a “sunset” to help fund new fire truck and police cars. City Council needs to propose to public that tax increase will fund equipment for public safety.

City Council discussed not allowing Fire Department to respond to EMS calls with fire trucks to cut costs plus wear and tear on fire trucks.

City Manager Scherer stated he did not need a decision today, he just wanted City Council to start thinking about priorities for the FY 2021-2022 budget. He believed the following would be among their top priorities:

- Safe Community
- Help with Capital Funding
- Basic Services

City Council discussed possible savings with health insurance options versus salary and cutting some non-regulated employee benefits such as 401k match for general employees. Some were not in favor of cutting benefits in order to keep good employees. Employees need to be reminded of how important benefits are as a part of their compensation.

City Manager Scherer stated he would prioritize police, fire and public works. Councilwoman Bryant asked for him to consider the citizens’ standard of living and provide recreation/activities. She stated she was not in favor of doing away with all those types of things. Mayor Doughtie stated secondary streets need repaving.

Summary

- 911: No payment for the rest of fiscal year
- Health Insurance Options
- “Sunset” Property Tax

- Public Works – Salary adjustment for low paid refuse employees
- Benefits Options (salary vs. benefits)
- Part-time vs. Full-time Jobs
- Closing Facilities
- Furlough Employees
- Personnel vs. Operational Expenses
 - Police retirees – work for City PT or FT

City Manager Scherer asked if there were any questions about the vehicle lease information he gave City Council at the last meeting.

He summarized the lease. The Durango lease is \$731/month. For five (5) vehicles it would be \$3,500/month or \$38,772 per year. If the City ordered the Durangos tomorrow, they would owe \$28,655 up front when the vehicles arrive (\$5,000 per vehicle for up fit and first month's lease). They do not know when they might come in so they may not have them for 2-3 months. They will be 2021 vehicles.

Councilwoman Bryant asked if the City could get better rates through the NCLM by buying in bulk. City Manager Scherer replied these prices are under the State contract price; the same as the NCLM and Sheriff's Department. This is just a better cash flow option so the City does not have to take out a loan to buy them upfront. The savings is on the fuel and maintenance of the old vehicles by getting them off the road. He asked City Council to review the fleet maintenance schedule proposal from Enterprise he gave them in the packet.

Councilman Smith confirmed the new vehicles would be under a 3 year warranty. City Manager Scherer replied that was correct.

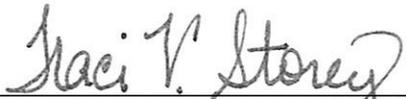
Councilman Smith stated the motion made before on the lease would need to be rescinded. City Manager Scherer said he plans to have it on the December 15th meeting agenda. To rescind the original motion and provide a new motion allowing them to move forward with Enterprise for one new pick-up truck for the Fire Department and five (5) Durangos for the Police Department.

Mayor Doughtie stated this would give them an opportunity to try it out and they can exit it without a big cost. City Manager Scherer added, or if it works they can look at using it with other departments.

Councilman Smith said the contract states they have to lease a vehicle other than a police vehicle so that is going to be the pick-up truck for the Fire Department. He asked what the payment would be on that. City Manager Scherer replied \$715 per month. Enterprise said the way pick-up trucks are going in the market, the City could

probably turn it over in 12-18 months and make money on it.

The retreat adjourned at 1:45 p.m.



Traci V. Storey, City Clerk

Approved by Council on: December 15, 2020