



# Minutes of the Roanoke Rapids City Council

A Work Session of the City Council of the City of Roanoke Rapids was held on **Tuesday, June 7, 2022 at 4:00 p.m.** in the Council Chambers at the Lloyd Andrews City Meeting Hall.

**Present:** Emery G. Doughtie, Mayor  
Carl Ferebee, Mayor Pro Tem  
Sandra W. Bryant)  
Wayne Smith)  
Rex Stainback)

## **Council Members**

Kelly Traynham, City Manager  
Geoffrey Davis, City Attorney  
Traci Storey, City Clerk  
Carmen Johnson, Finance Director  
Bobby Martin, Police Chief  
John Simeon, Parks & Recreation Director  
Davis Wise, Planning & Development Director  
Christina Caudle, Human Resources Director  
Jason Patrick, Fire Chief  
Larry Chalker, Public Works Director

**Absent:** Suetta S. Scarbrough, Council Member

Mayor Doughtie called the meeting to order and opened with an invocation.

## **Fiscal Year 2022-2023 Budget Discussion**

City Manager Traynham stated this is a take upon from the last City Council meeting where she presented the initial budget message on May 18, 2022. She said they have received their budget notebooks as well as a revised version of the budget message that includes more of a narrative description of the fiscal year 2022-2023 operating budget.

She referred to the additional information in their budget notebooks concerning the requested capital expenses. She noted these items were not included in the operational expenditures. These items are for discussion in this meeting and anything approved would be under a separate, capital budget. The intent of this meeting is to discuss any questions they had about the operating budget and discuss the capital expenses. She asked if they had any questions or concerns about that operating budget.

City Manager Traynham reported the FY 2022-2023 budget is recommended at \$16,887,591 which is balanced by utilizing \$403,000 of fund balance. She highlighted the revised Budget Message dated June 3, 2022.

- The proposed annual budget totals \$16,887,591 a 0.046% increase above FY 2021-2022 amended budget as of June 1, 2022.
- The proposed FY 2023 Budget maintains the current NET Ad Valorem tax rate at 65.1¢ per \$100 of valuation. City taxpayers will pay an Ad Valorem tax rate at 66.1¢ per \$100 of valuation of which 1¢ per \$100 of valuation will be received by the City and then transferred to Roanoke Valley Rescue Squad per voter referendum.
- One penny on the tax rate is estimated to generate a net amount of \$85,000 in the upcoming year based on a 98.25% collection rate by Halifax County after deductions and discounts.
- Residential refuse fees are recommended to increase from \$240 per container, per year to \$265 per container, per year.
- Overall expenditures for salaries and benefits for all employees and retirees are estimated at **\$11,051,000** (or **65%** of the overall budget)
  - *163 fulltime equivalent (FTE) positions with combined salaries and benefits estimated at \$10,495,000 (or 62% of the overall general fund budget).*
  - *Regular Part Time positions are estimated at approximately \$137,000*
  - *Seasonal Part Time positions are estimated at approximately \$48,000*
  - *Retirees/Separation Allowances are estimated at approximately \$371,000*
- Staffing levels are proposed to remain at current levels of funding.
- Employee Health Insurance premiums are budgeted to increase to absorb additional costs for the dependent tier coverage at a cost to the city of approximately \$96,000.
- A mandatory employer contribution increases of an additional 7.5% to the Local Government Employees' Retirement System (LGERs) is included. This will cost the City an extra \$170,000 (approximately) compared to FY 2021-2022.
- The proposed FY 2023 Budget is balanced with a transfer of \$403,683 from the undesignated fund balance.
- There are no appropriations requested for other organizations.
- There are incremental increases proposed within the Fee Schedule for FY 2023.
- Operating expenditures for public safety (police and fire) are expected to encumber the majority (85%) of the ad valorem tax levy (\$7,221,507). This rate would increase to 91% if the city is expected to pay the E-911 System Cost of \$406,863 estimated for FY 2023.
- The FY 2023 budget includes debt service payments on existing obligations. No other major projects have been added to our debt at this time.

The FY 2023 Budget does not include the following expenses from prior-year budgets:

- E-911 Central Communications \$406,863 due to pending judicial opinion
- Carolina CHIPS incentive \$125,000 (final obligation paid FY 22)

Theatre 2017-B Series Bond payment approximately \$300,000 (note paid in full FY 22).

She stated the proposed budget compared to the current amended fiscal year budget is very much the same; less than a 1% increase.

She said as far as the City's revenues, they feel confident that their estimates are reasonably sound based upon collection rates and actual collections. As mentioned previously, for the FY 2022-2023 the City's debt obligation is \$1.4M which includes the 2017A Theatre Bond, some police vehicles, the Electric Cooperative Program and some other equipment expenditures as well as the refinancing of the Fire Station No. 2 loan. Compared to the current year's budget, it will be a reduction of \$24,000. They will pay off at least one of those notes for the FY 2023-2024 budget.

City Manager Traynham said the General Government and Administration budget totals \$3,760,671 (or 22.27% of general fund budget) and includes legislative, general government, administration, human relations, elections, finance, information systems, revenue collections, legal, miscellaneous contributions, debt service, and capital reserve departmental budgets.

She reported the proposed budget for the Police department is \$3,894,147 (or 23.06% of general fund budget). The proposed budget for the Fire department is \$2,253,758 (or 13.35% of general fund budget). The proposed budget for all facets of Public Works is \$4,626,151 (or 27.39% of general fund budget). The proposed budget for all departments under Parks and Recreation is \$1,795,822 (or 10.63% of general fund budget). The proposed budget for the Planning & Development department is \$557,043 (or 3.30% of general fund budget).

City Manager Traynham presented the following table:

<i>FY 2022-2023 Proposed Budget General Fund Allocations by Department Requested and City Manager Recommended Amounts</i>				
<i>Department   Division</i>	<i>Department Requested</i>	<i>City Manager Recommended</i>	<i>\$ Difference</i>	<i>% Difference</i>
<i>Legislative</i>	<b>53,684</b>	<b>53,686</b>	<b>2</b>	<b>0 %</b>
<i>General Government</i>	<b>2,196,468</b>	<b>1,033,605</b>	<b>- 1,162,863</b>	<b>- 53 %</b>
<i>Administrative</i>	<b>233,544</b>	<b>232,546</b>	<b>- 998</b>	<b>- 0 %</b>
<i>Human Resources</i>	<b>233,043</b>	<b>177,558</b>	<b>- 55,485</b>	<b>- 24 %</b>
<i>Main Street Development</i>	<b>61,121</b>	<b>62,624</b>	<b>1,503</b>	<b>2 %</b>
<i>Elections</i>	<b>3,000</b>	<b>3,000</b>	<b>0</b>	<b>0 %</b>
<i>Finance</i>	<b>356,515</b>	<b>337,765</b>	<b>- 18,750</b>	<b>- 5 %</b>
<i>Information Systems</i>	<b>48,400</b>	<b>40,500</b>	<b>- 7,900</b>	<b>- 16 %</b>
<i>Revenue Collections</i>	<b>299,143</b>	<b>298,643</b>	<b>- 500</b>	<b>- 0 %</b>
<i>Legal</i>	<b>25,000</b>	<b>30,000</b>	<b>5,000</b>	<b>20 %</b>
<i>Planning</i>	<b>625,942</b>	<b>557,043</b>	<b>- 68,899</b>	<b>- 11 %</b>
<i>Government Buildings</i>	<b>110,326</b>	<b>91,526</b>	<b>- 18,800</b>	<b>- 17 %</b>

Police	3,793,536	3,894,147	100,611	3 %
Fire	2,274,058	2,253,758	- 20,300	- 1 %
Public Works	586,359	537,850	- 48,509	- 8 %
Central Garage	331,503	324,103	- 7,400	- 2 %
Street	2,116,606	1,389,275	- 727,331	- 34 %
Solid Waste	909,288	864,632	- 44,656	- 5%
Refuse	540,414	582,995	42,581	8 %
TJ Davis Recreation	451,729	358,341	- 93,388	- 21 %
Aquatic Center	227,296	208,746	- 18,550	- 8 %
Parks	688,959	589,204	- 99,755	- 14 %
Chaloner Recreation	87,650	81,100	- 6,550	- 7 %
Jo Story Senior Center	130,309	113,559	- 16,750	- 13 %
Transportation Grant	22,720	22,445	- 275	- 1 %
Andrews Meeting Hall	10,800	8,800	- 2,000	- 19 %
Miscellaneous Grants	30,000	30,000	0	0 %
Community Center	61,148	48,218	- 12,930	- 21 %
Library	340,597	276,894	- 63,703	- 19 %
Cemetery	193,703	177,703	- 16,000	- 8 %
Property Maintenance	683,067	658,067	- 25,000	- 4 %
Misc/Cont. RVRS 1-cent	120,000	85,000	- 35,000	- 29 %
Roanoke Canal Museum	115,027	58,515	- 56,512	- 49 %
Transfers (Required)	952,140	952,137	- 3	0 %
Debt Service	453,606	453,607	2	0 %
Capital Reserve	500	0	- 500	- 100 %
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 19,367,199</b>	<b>\$ 16,887,591</b>	<b>- 2,479,608</b>	<b>- 13 %</b>

City Manager Traynham stated she and newly hired Finance Director Johnson have discussed thoroughly looking at the revenues and expenditures on regular basis to monitor any changes. They will do their due diligence as required to ensure the City stays on budget throughout the year.

Mayor Doughtie asked if any Undesignated Fund Balance was used to balance the budget last year. City Manager Traynham replied when the budget was originally proposed, there was some anticipated. But due to COVID and really cutting back on expenses and projects, they closed the year to the better. She added there was an increase in property tax revenue because people had more disposable income because of stimulus payments. This contributed to the increased revenues. When City Council was made aware of the additional revenues compared to expenditures, they decided in August 2021 to increase the salaries of full-time employees \$3,000. Therefore, going into this year's budget there was an automatic increase and that makes a big difference for the upcoming proposed fiscal year budget.

Mayor Doughtie asked what they were proposing for salaries in the upcoming budget. City Manager Traynham replied there is no increase in the proposed budget. There is not much more she could cut from the operating budget unless City Council wanted to increase the fund balance contribution to increase salaries. Another option discussed was using ARPA offset money for bonuses. This option would not affect retirement rates and contributions.

Councilman Smith stated he was surprised that salaries and benefits accounted for 65% of the overall budget. That leaves little money for the workers to work with. City Manager Traynham said there were ways to improve the efficiencies within the organization that come with a pretty substantial initial cost.

Councilman Smith said they may have to look at a tax increase. They probably need to look at a 3% tax increase this year. They need to get some money in the budget for the workers to have funds to do the job they expect them to do. Especially if the City has to pay the \$406,000 for the E-911 System. City Council may need to have another meeting to discuss the consideration of raising taxes 3 cents. He asked Finance Director Johnson if she had the information on what it would cost the average homeowner if they raised taxes 3 cents. She distributed the information to City Council. City Manager Traynham reviewed the following table with City Council.

**Examples of Tax Increases**

Property Value	1/100	Tax Rate	Amount	Difference	
\$ 187,500.00	1,875.00	0.6610	1,239.38		
	1,875.00	0.6710	1,258.13	18.75	
	1,875.00	0.6810	1,276.88	37.50	
	1,875.00	0.6910	1,295.63	56.25	
	1,875.00	0.7000	1,312.50	73.13	
	1,875.00	0.7100	1,331.25	91.88	
	1,875.00	0.7200	1,350.00	110.63	
	1,875.00	0.7300	1,368.75	129.38	
	1,875.00	0.7400	1,387.50	148.13	
	1,875.00	0.7500	1,406.25	166.88	
Calculated Value of Property	1/100	Current 2022 Ad Valorem	Increase Tax Rate .01	Add'l Revenue	Total Tax Amount
\$1,092,512,405.00	\$10,925,124.05	7,221,507.00	0.0100	109,251.24	7,330,758.24
			0.0200	218,502.48	7,440,009.48
			0.0300	327,753.72	7,549,260.72
			0.0400	437,004.96	7,658,511.96
			0.0500	546,256.20	7,767,763.20
			0.0600	655,507.44	7,877,014.44
			0.0700	764,758.68	7,986,265.68
			0.0800	874,009.92	8,095,516.92
			0.0900	983,261.16	8,204,768.16

Mayor Pro Tem Ferebee said he believed they need to look at all including ARP money and all the expenses the taxpayers were actual paying right now. They need to figure how to balance that and he would want to look at all that before imposing a tax increase on the residents at this time.

Councilman Smith stated he agreed with Mayor Pro Tem Ferebee, but the citizens elected them to make sure the City functions like it should. It would be \$56 difference for the average person to pay. He doesn't like taxes either because he lives on a fixed income like many people. They haven't done anything at all since he has been on City Council nor since the Mayor has been elected.

Mayor Pro Tem Ferebee stated again he would like to explore all avenues including the monies the City has not received before. Maybe they should do a workshop on the whole piece.

Councilman Smith said it wasn't anything they were going to vote on tonight, but he wanted to bring it up to Council to discuss it. He would like to have a work session to look at the budget and discuss it. They need to think about it.

Councilman Stainback said with the economy being like it is with the inflation rate. There is no overpaid City employee that he knows of. Inflation this year is going to be close to 10%. They need to seriously look at offsetting that 10% cost of living they were having to swallow with something. He did not know if that means a tax increase and he was all about looking at other sources of revenue too. He did not want to ask the City employees to balance the budget on their backs.

Mayor Pro Tem Ferebee said he did not think this was the year to raise taxes.

Councilman Smith said they had ten more years on the Theatre debt. \$1M a year would do a lot for this community and City staff.

Mayor Pro Tem Ferebee stated he would like to see the efficient operations the City Manager was talking about.

City Manager Traynham restated there were ways to improve efficiencies of operations, but it comes with a cost. They have talked about the software. It is a new technology that creates a new structure. It is not only for the employees but for the community. It creates an online presence 24 hours a day. The cost upfront is just over \$500,000. The operating costs annually are much more reasonable after that. The current software program they are using now is eventually going to run its course. They will have to do something eventually.

Mayor Doughtie said the suggestion of a 3-cent tax increase would be a big undertaking. The city has lost 3,000 people in the last 15-20 years and people ask why the City needs to go up on taxes if the population is decreasing. He said they have the same amount of streets and they have crime so it is not all based on population.

Mayor Pro Tem Ferebee said they needed to go back to the grant writing. He heard the City Manager say the City had capable people to write grants. She had even acquired \$2M over the years. He understands employees are busy, but they really needed to explore how they can isolate those employees or bring in a grant writer to acquire those grant funds. They needed to think outside of the box before considering a tax increase.

Councilman Smith said maybe they need to look at hiring someone to just write grants.

City Manager Traynham explained from her personal experience, one particular grant writer would not be able to accomplish all grants. Grants come in cycles where several applications are due at the same time. Grant writing is a niche or specialty. People who write recreation grants solely specialize in recreation grants. She would not recommend hiring a grant writer. They could hire someone on a part-time basis or a lump sum. They have capable people to write grants but they cannot do eight other things at the same time.

Councilman Smith said maybe they need to have a community meeting for residents to say how they would feel about a tax increase.

City Manager Traynham stated the topic of raising taxes is never popular. When people ask why they have old playground equipment or why the streets aren't repaved, quite frankly, the operational budget is down to salaries and maintenance of existing facilities. Like businesses if the costs go up, they raise the price of the inventory. They have a proposed operating budget that does not include a tax increase, but it does include the need for \$403,000 from fund balance. She referred back to the tax estimate spreadsheet. A one-cent increase would bring \$109,000 in additional revenue. She also said by increasing the solid waste fees it brings in \$100,000.

Public Works Director Chalker added they asked for an increase to the solid waste fee due to the rising costs of fuel. They do not have any control over these rising costs; they have no choice but to offset these expenses.

Planning & Development Director Wise reported he has written several grants since being with the City. His has submitted a grant for electrical car chargers. It is something that is happening to help with efficiencies; it's just not here yet. He shared information on electric vehicles including an electric trash truck. This is one of his pet issues. He also said he understands the City and County have worked together on economic development and he

is the “in-house” person for that. He informed City Council that he was already taking steps to do things with economic development.

Councilwoman Bryant stated they needed to start thinking outside the box. They cannot continue to do the same things and expect to have different results. She said she was excited to hear about some of the grants he was talking about. These things were coming and they did not need to wait. She thinks they should look at economic development and other ways to increase revenue for the City by some attractions or something that will bring people here. She believes they have things that they do not even look at such as the Canal Museum and Trail. She visits other places and the things they have done to the older areas is amazing. They need to promote things they have in order to bring people to the city. She added she was not surprised at the 65% when it was presented. She understands the City’s employees are their biggest asset. They will never have an employees who says they are overpaid, but they need to make sure they have a living wage. The employees also need to realize it costs the City to pay for their medical, dental and retirement in addition to their salary. Most people don’t think about that. If they can make their job more efficient and do other things to help generate monies for the City, they have her vote.

### **Capital Request Expenses**

City Manager Traynham stated there were no funding sources associated with the capital items listed on the spreadsheet presented to City Council. The American Rescue Plan offset funds are a revenue source for funding a lot of their needs. These funds are a once in a career grant opportunity. She asked City Council to consider all funding sources when they look at the requested items because there are some things that cannot be obtained with a bank loan. They will always need vehicles and equipment that can be financed traditionally. She recommends they not spend all the offset funds on equipment and needs, but to think about long-term and something that would help transform the community. She said they are not on a time-frame to spend these funds.

She stated the grand total on the spreadsheet is \$6,251,000. Most of these needs are things that expand out over a few years. For example, when they see nine (trucks), those are needed in the foreseeable future. They need to look at this as true capital planning, not just a year-to-year.

Councilman Smith stated he had looked at this list and the figures and wrote some things down. He made the suggestion to authorize the use of the ARP monies for the following:

General Government - \$535,000

Police (Cameras, VIPER radios, 5 cars) - \$600,000

Public Works (Knuckle Boom, Trash Truck, Backhoe & 1 vehicle) - \$600,000

Fire (already authorized Fire Truck) - \$650,000



Parks & Recreation (Security cameras, Board Mtg Equip, Kitchen/Bath Reno) - \$125,000

He continued saying to authorize \$400,000 to be paid in bonuses for employees either in a one-time or two-time bonus at the discretion of the City Manager. The balance of the money which should be around \$1M, they should put it into reserve for any needs that come up or some incentives for future businesses or buildings.

Mayor Pro Tem Ferebee asked the City Manager if they looked at their proposed budget, did they feel they have spent their money as efficiently and adequately as they can according to the pie chart; is this how they distribute the City's money. City Manager Traynham replied yes, based on operating expenses. He stated the needs total is \$6,251,000 and they are getting approximately \$4.5M in ARP funds so they know they are already short there. He would like to see them do a work session on just this information so they can come up with something like Councilman Smith suggested. If they spend their money (as demonstrated in the pie chart), he did not know why they would not spend the ARP money the same way. He calculated the amounts requested per department and compared to the pie chart percentages. He believes they should spend these monies the same as the operational budget monies. They need to start with what they know and go from there.

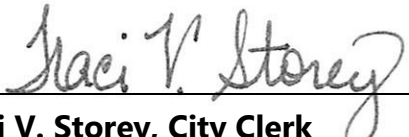
Councilman Smith stated the \$6.2M is the total that all the departments want. City Manager Traynham added this is looking at needs for the next three years. He continued to say he probably should not have wasted his time to look at the things on the list he thought were important that each department needed. He tried to break it down. Mayor Pro Tem Ferebee said that is why they needed a work session so they could all be on the same page.

Mayor Doughtie requested the City Manager to schedule a work session to discuss the matter.

City Manager Traynham stated they needed to continue the conversation and could schedule a Special Meeting/Work Session to discuss the ARPA offset funds further. She and City Clerk Storey will be in touch with some meeting dates.

### **Adjournment**

There being no further business, the meeting adjourned at 5:20 p.m.

  
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Traci V. Storey, City Clerk

**Approved by Council Action on: June 21, 2022**