

November 26, 2018

The City Council of the City of Rocky Mount met this day in regular session at 4:00 p.m. in the George W. Dudley City Council Chamber of the Frederick E. Turnage Municipal Building with Mayor David W. Combs presiding.

Councilmembers present: André D. Knight, Reuben C. Blackwell, IV, Richard Joyner, E. Lois Watkins, Tom Rogers, W. B. Bullock and Christine Carroll Miller.

Staff Present: Rochelle D. Small-Toney, City Manager; Pamela O. Casey, City Clerk; Chris Beschler and Natasha Hampton-Clayton, Assistant City Managers; Tameka Kenan-Norman, Chief Communications and Marketing Officer; Archie Jones, Director of Human Relations; Dr. Landis Faulcon, Community and Business Development Director; Todd Gardner, Transit System Manager; Elayne Henderson, Director of Human Resources; Amy Staton, Director of Finance; Mark Adcox, Video Production Specialist; Nicki Gurganus, Accounting Manager; Willie Williams, Interim Police Chief; Lori Cairo, Chief Internal Auditor; Brad Kerr, Director of Engineering; Amy Marion, Assistant Director of Human Resources; Kim Batts, Deputy City Clerk; and Richard J. Rose, City Attorney.

Security Officer: Police Sergeant William Mayfield.

The Mayor opened the meeting and called on Councilmember Richard Joyner to offer prayer.

WELCOME

Mayor Combs welcomed citizens and directed them to copies of the agenda near the entrance of the City Council Chamber.

APPROVAL OF MINUTES

The minutes of a regular scheduled meeting of the City Council held November 12, 2018 were approved as submitted to the City Council prior to the meeting.

PRESENTATION/MOUNT ZION FIRST BAPTIST CHURCH

The Mayor welcomed members of Mount Zion First Baptist Church and congratulated them on the church's 147th anniversary. The Mayor presented Pastor, Dr. Joseph Rogers, Sr.; Lady Dr. S. Rogers; Deaconess, Gloria Alston; Deacon, Fred Belfield; Deaconess, Earnestine Belfield; Deaconess, Dr. Evelyn S. Wilson; Assistant Sunday School Superintendent, Mr. Albert Taylor; Deaconess, Ann Edge; Deacon, Dr. Ray Hart; Sunday School Superintendent, Dr. Frances Hart; Missionary Circle Leader, Mrs. Jean Brown; Trustee, Mr. John Farmer; Member, Ms. Anne Williams; and Associate Member, Mrs. Jeanette Cobb; with a certificate commemorating the occasion and he and the City Manager joined the church members for a photograph.

Pastor Rogers asked the members to stand and stated the recognition is received with honor and excitement and stated the church will

continue to be a beacon of light to the Happy Hill Community and Rocky Mount as the church moves forward in Christian ministry.

Councilmember Knight thanked the church for its contributions, congratulated them on the church's legacy and stated there is a strong history for political leadership among its members. He requested assistant from the community to locate photographs of early church members and the first African American community leaders and aldermen, Reverend Peter Darden and Reverend Spicer. He added that Alderman George W. Dudley was also a member of Mount Zion.

PRESENTATION/100th BIRTHDAY

Mayor David W. Combs welcomed Lendora Williams and family members. He announced that Ms. Williams will celebrate her 100th birthday on December 3, 2018. He presented Ms. Williams with a certificate commemorating her 100th birthday and invited family members to join Ms. Williams, himself, the City Manager and Councilmember Knight for a photograph.

PETITIONS FROM THE PUBLIC

The Mayor opened the meeting for petitions from the public and recognized the following individuals:

Louis Nettles of Sherman Oaks, NC stated he recently put together a class reunion for nine (9) schools in the area which was held at the Event Center. He noted there are urgent issues he would like to discuss and requested that a meeting be scheduled.

Stacy Graham reiterated her concern related to the correlation between animal abuse and violent crime and relayed a story of a lady who had been victimized ten (10) years earlier. She said in that instance while charges were brought for the assault on the female no charges were brought relative to the animal abuse. She stated her desire to see animal abuse recognized and punished and said small changes can make a big difference.

Theresa Stokes requested a pedestrian signal be installed at the intersection of East Raleigh Boulevard and N. Fairview Road.

Lige Daughtridge:

- Reiterated concerns voiced at the November 12, 2018 meeting relative to:
 - the increased cost of the Event Center; when the clinic will open and the status of the mammography machines (and if the clinic has not yet opened questioned if there a negative impact on the new market tax credits); and
 - funding for wastewater, water and sewer infrastructure (\$30M unmet needs); and a housing bond
- He voiced concern relative to the award of a housing grant to Joy CDC in the sum of \$150,000 and noted the property address is incorrect in the COW minutes from November 12, 2018.

Councilmember Blackwell stated the medical clinic opened when the Event Center opened.

Randy Adcox commended the City on public forums recently held relative to the confederate monument and questioned the City's plans relative to the monument.

James Tomlinson voiced concern relative to an illegal swimming pool placed on property at 113 Vineyard Court (vacant lot in residential neighborhood). He stated the swimming pool has now been removed and the

hole filled in, but rainwater drains onto neighboring property. He noted there are other nuisance issues on the property including a dilapidated fence.

CONSENT AGENDA

A. TEMPORARY STREET CLOSING (recommended for approval):

1) Request from Assistant City Engineer/Transportation, Steve Yetman, for permission to close the following streets for the annual Christmas parade on Sunday, December 2, 2018, from 1:00 p.m. until 4:30 p.m. (ordinance adoption requirement of NCDOT standards):

- Thomas Street (US 64 Business West) from NE Main Street to Church Street and Church Street (US 301 Business) from W. Thomas Street to Bassett Street

Ordinance No. O-2018-94 entitled ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKY MOUNT DECLARING A TEMPORARY ROAD CLOSURE FOR THE ANNUAL CHRISTMAS PARADE

B. AD VALOREM TAX RELEASES (recommended for approval):

SCHEDULE A - acknowledge receipt of report of the following taxes under \$100 approved for release and/or refund by the City Manager:

<u>YEAR</u>	<u>BILL NO.</u>	<u>NAME/ADDRESS</u>	<u>TAX</u>	<u>COMMENT</u>
<u>NASH COUNTY</u>				
2018	2106	STRICKLAND, TIMOTHY L 224 REGENCY DRIVE NASHVILLE, NC 27856	37.95	CITY DUPLICATE BILL
		TOTAL RELEASE:	37.95	

SCHEDULE B - approve release and/or refund of the following taxes over \$100:

<u>YEAR</u>	<u>BILL NO.</u>	<u>NAME/ADDRESS</u>	<u>TAX</u>	<u>COMMENT</u>
<u>EDGEcombe COUNTY</u>				
2018	1000081	MFS FLEET, INC. C/O JODY PETTICREW 4744 MCLEAN PARKWAY TEMPLE, TX 76504	15,601.40	CITY VALUATION CORRECTION
		TOTAL RELEASE:	15,601.40	
2018	242	PENSKE TRUCK LEASING CO LP P O BOX 1321 READING, PA 19603	734.81	CITY VALUATION REDUCTION DUE TO APPEAL
		TOTAL RELEASE:	734.81	
2018	21630	TELEPATHIC REAL ESTATE, LLC 1131 ATLANTIC AVE ROCKY MOUNT, NC 27801	5,091.09 509.11	CITY DUPLICATE BILL PEN
		TOTAL RELEASE:	5,600.20	
<u>NASH COUNTY</u>				
2018	23892	HANCE, JAMES A & FENGRONG 80 BELMONT LAKE DR ROCKY MOUNT, NC 27804	308.25	CITY ELDERLY/DISABLED EXEMPTION
		TOTAL RELEASE:	308.25	

2018	1000152	HOSPIRA INC C/O DUCHARME, MCMILLEN & ASSOC PO BOX 80615 PROPERTY TAX COMPLIANCE INDIANAPOLIS, IN 46280 TOTAL RELEASE:	7,141.31	PEN	LATE LIST REMOVAL
			7,141.31		
2018	1000153	HOSPIRA INC C/O DUCHARME, MCMILLEN & ASSOC PO BOX 80615 PROPERTY TAX COMPLIANCE INDIANAPOLIS, IN 46280 TOTAL RELEASE:	4,909.65	PEN	LATE LIST REMOVAL
			4,909.65		
2018	1000154	HOSPIRA INC C/O DUCHARME, MCMILLEN & ASSOC PO BOX 80615 PROPERTY TAX COMPLIANCE INDIANAPOLIS, IN 46280 TOTAL RELEASE:	5,136.06	PEN	LATE LIST REMOVAL
			5,136.06		
2018	1000155	HOSPIRA INC C/O DUCHARME, MCMILLEN & ASSOC PO BOX 80615 PROPERTY TAX COMPLIANCE INDIANAPOLIS, IN 46280 TOTAL RELEASE:	3,206.16	PEN	LATE LIST REMOVAL
			3,206.16		
2018	1000156	HOSPIRA INC C/O DUCHARME, MCMILLEN & ASSOC PO BOX 80615 PROPERTY TAX COMPLIANCE INDIANAPOLIS, IN 46280 TOTAL RELEASE:	3,637.62	PEN	LATE LIST REMOVAL
			3,637.62		
2018	14362	MORGAN, JEAN ODOM 112 JUNIPER CT ROCKY MOUNT, NC 27802 TOTAL RELEASE:	382.49	CITY	ELDERLY/DISABLED EXEMPTION
			382.49		
2018	17408	SOUTH EASTERN NC COMMUNITY DEV CORP 740 BEAL ST ROCKY MOUNT, NC 27804 TOTAL RELEASE:	895.16	CITY	EXEMPT PROPERTY
			895.16		

C. RESOLUTION REMEMBERING AND HONORING/RETIRED POLICE SERGEANT

The Mayor read a Resolution remembering and honoring recently deceased retired Rocky Mount Police Sergeant Delasio "PD" Bartley, Sr. who served the City from 1984 to 2010.

The City Council adopted the following **Resolution R-2018-55** entitled **RESOLUTION REMEMBERING AND HONORING RETIRED ROCKY MOUNT POLICE SERGEANT DELASIO "PD" BARTLEY, SR:**

**RESOLUTION REMEMBERING AND HONORING
RETIRED ROCKY MOUNT POLICE SERGEANT DELASIO “PD” BARTLEY, SR.**

WHEREAS, Delasio “PD” Bartley, Sr., served the City of Rocky Mount from August 1, 1984 until his retirement on August 1, 2010; and

WHEREAS, Delasio “PD” Bartley, Sr., rose through the ranks in the Rocky Mount Police Department retiring with the rank of Police Sergeant after serving the City of Rocky Mount for twenty-six (26) years; and

WHEREAS, Delasio “PD” Bartley, Sr. performed his duties of a Police Sergeant with dignity and courage and was committed to the citizens of the City of Rocky Mount and to the City organization; and

WHEREAS, Delasio “PD” Bartley, Sr. cared deeply for his fellowman and his community; and

WHEREAS, the City Council of the City of Rocky Mount is desirous of honoring the memory of former Police Sergeant Delasio “PD” Bartley.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rocky Mount, hereby honors the memory of retired Police Sergeant Delasio “PD” Bartley, Sr. and, individually and collectively, expresses heartfelt sympathy and sincere condolences to the entire Bartley Family.

Adopted this the 26th day of November, 2018.

Motion was made by Councilmember Blackwell, seconded by Councilmember Rogers and unanimously carried that Consent Agenda items be approved inclusive of adoption of the ordinance and resolution and approval of the tax releases contained therein.

COMMITTEE OF THE WHOLE MINUTES

The City Council received the minutes from a Special Called Committee of the Whole Meeting held Monday, November 5, 2018 and a Regular Re-Scheduled Committee of the Whole Meeting held Monday, November 12, 2018 as follows:

MINUTES OF A MEETING OF A SPECIAL CALLED COMMITTEE OF THE WHOLE HELD MONDAY, NOVEMBER 5, 2018, AT 12:00 P.M. AT THE TAR RIVER WATER TREATMENT PLANT (4489 LEASTON ROAD, ROCKY MOUNT, NC)

MEMBERS PRESENT:

E. Lois Watkins, Mayor Pro Tem
Tom Rogers
W. B. Bullock
Chris Miller
David W. Combs

STAFF PRESENT:

Rochelle D. Small-Toney
Pamela O. Casey
Chris Beschler
Tameka Kenan-Norman
Amy Staton
Jonathan Boone

MEMBERS ABSENT:

André D. Knight
 Reuben C. Blackwell, IV
 Richard Joyner

Brenton Bent
 Ben James
 Jim Connolly
 Ray Proctor
 Amanda James

OPENING OF MEETING/GREETINGS AND OVERVIEW

City Manager Rochelle D. Small-Toney welcomed the Mayor, City Council and staff members to the water treatment plant. She thanked Public Works and Water Resources Department staff for hosting this Special Called Meeting of the City Council and noted this meeting is a continuation of a meeting held in December 2017 to continue discussion of infrastructure needs.

She stated she thought it would be helped to take a tour of the dam and advised today's schedule includes lunch, a tour of the dam and a power point presentation.

Ms. Small-Toney called on Public Works and Water Resources Director Jonathan Boone to give a welcome. Mr. Boone noted the City has two water treatment plants - one on Sunset Avenue and the other at 4489 Leaston Road, Rocky Mount, North Carolina. He said that following lunch, staff will lead a tour of the dam to be followed by a power point presentation and cost of services discussion.

Lunch was served.

TAR RIVER WATER SUPPLY RESERVOIR AND DAM - Jonathan Boone

The Mayor, City Council and participating staff members toured the Tar River Water Supply Reservoir and Dam and the Water Plant. The following facts relative to the reservoir and dam were provided to tour participants:

- A water bond was issued August 18, 1964
- The reservoir/dam was completed in 1971 by Crowder Construction Company
- The structural height of the reservoir/dam is 35 feet
- Spillway section overall length is 450 feet with two hinged crest gates also known as bascule gates
- Gates in the full up position are 125 feet above sea level and in down position are 120 feet
- Original hydraulic cylinders and controls were replaced in 2000
- The six (6) bascule cylinders were rebuilt in 2017
- Minimum release during voluntary conservation (June through October) is 45.3 million gallons per day; the remainder of the year release is 51.7 million gallons per day
- The Reservoir consists of 1,067 acres and impounds 2.7 billion gallons of water
- In 2018 the condition of the dam was rated "satisfactory", which is the highest possible rating

ACCESSORIES:

- Two (2) traveling screens by Rex Corp. were installed in 1998
- Two (2) raw water pumps were installed in 2000, each 200 HP, 12 million gallons per day and the motors were refurbished in 2013 and 2017
- Three (3) intake gate valves 48" x 48" are to be replaced

Public Works and Water Resources Director Jonathan Boone introduced Chief Water Plant Operator Ray Proctor. A tour of the dam and water treatment plant was led by Water Treatment Superintendent Jim Connolly.

RECESS

The Committee of the Whole was recessed for a short break at 2:19 p.m.

COMMITTEE OF THE WHOLE RECONVENED

The Committee of the Whole reconvened in regular session at 2:32 p.m.

FINANCIAL PLAN AND COST OF SERVICE ANALYSIS UPDATE - Jonathan Boone

Public Works and Water Resources Director Jonathan Boone told the City Council the City needs a financial plan and cost of service analysis (COSA) that reflects local knowledge and brings best industry practices to address:

- Fair and equitable rates and charges in keeping with local and state statutes;
- Current and future affordability challenges;
- Consideration of operational challenges;
- Integrated financial planning for economic development; and
- Building blocks to pursue alternative sources of capital and revenue for needed capital reinvestment.

He explained today's meeting objectives are to:

- Provide an update on a Cost of Service Analysis;
- Review funded and unfunded (unmet) needs relative to capital projects for water, sewer and stormwater utilities; and
- Confirm the following key assumptions:
 - Capital projects (existing assets);
 - Operation and maintenance expenses for current and future facilities; and
 - Capital funding strategy (cash and short-term financing)

Mr. Boone explained that the City has water and sewer infrastructure investment of over \$600M. He noted the replacement value of the Tar River Water Treatment Plant is \$40M.

Mr. Boone told the City Council that the Jacobs study (CH2M HILL/Jacobs Engineering Group) previously approved was intended to provide a more in-depth evaluation of the cost to provide and manage these services and how these costs are allocated across the various customer classes. He outlined the six-step method to the Cost of Service Analysis to include:

- 1) Determining user charge revenue requirements;
- 2) Analysis of customer characteristics;
- 3) Allocation costs to functions/unit processes;
- 4) Allocation costs to customer services characteristics (CSC);
- 5) Allocation costs by customer services characteristics (CSC) to customer class; and
- 6) Selection of rate design.

He added that a first step is to look at fair and equitable rates and charges. Mr. Boone explained that regulations are constantly changing, and it is important to be aware of future economic development and keep the two water treatment plants and other equipment in good operational order. He noted the City usually operates one water treatment plant or the other, and rarely are both operated at the same time.

Mr. Boone stated the purpose of today's meeting is to:

- Provide Council with an understanding of the basis for CIP requirements;
- Explain valuable information to be gained by a Cost of Service Analysis to assist in evaluating the City's current rate structure; and
- Explain the Cost of Service Analysis will be updated over time as additional work on the Water & Sewer Asset Management Plan is completed and projects related to the Stormwater Basin Master Plans are prioritized. It was noted future discussions will be required relative to revenue requirements for all three utilities.

Consistent terminology was outlined and explained, and a review of near-term capital needs was discussed including:

- **Approved (Funded) Major Capital Improvements FY19-23 CIP:**
 - Water Fund:
 - Replace High Duty Pumps (SAP) \$1.2M
 - 2" Water Main Replacement Program \$1.5M
 - Meter Replacements \$1.25M
 - Water Tank Maintenance \$1.18M
 - Wesleyan Boulevard Widening Relocations \$1.68M
 - Sewer Fund:
 - Construction Equipment \$1.3M
 - Sewer Rehab \$1.45M
 - Meter Replacements \$1.25M
 - Screw Pump Replacements \$1.23M
 - 54" Outfall Rehab \$3.25M
 - Aeration Basin Rehabilitation (WWTP) \$1.15M
 - Stormwater Fund:
 - Construction equipment \$1.37M
 - Parkers Canal Phase 2 \$1.25M
- **Unmet Capital Needs (capital items not funded in the CIP including projects anticipated in the FY20-24 funding cycle):**
 - Water Fund:
 - AMR/AMI \$2.3M
 - SAP Filter Rehab \$1.8M
 - Relocate Ammonia Feed Point \$250K
 - Replace Raw Water Pumps @ TRR WTP \$750K
 - TOTAL* \$5.1M
 - Sewer Fund:
 - Beech Branch Outfall \$10.5M
 - AMR/AMI \$2.3M
 - Tertiary Filter Rehab \$2.6M
 - Inflow & Infiltration Related Improvements \$3.5M
 - TOTAL* \$18.9M
 - Stormwater Fund:
 - Downtown Culvert (100 SE Main to Atlantic Avenue) \$5.6M

The Public Works and Water Resources Director explained the Asset Management Plan (AMP) as an integrated system of processes to minimize life cycle costs of infrastructure, at an acceptable level of risk, while continuously delivering established levels of services and recommended Council consider scheduling an AMP in the future. He added that the AMP efforts would primarily focus on:

- Improvements to operation and maintenance (O&M) related activities;
- Improvements to more advanced and predictive asset management practices (looking at methods to monitor and predict health);
- Improvements to communication and change management processes (human assets, i.e., future operators, chief operators and superintendents); and

- Development of Renewal and Replacement costs for the wastewater and water system for a 20-year planning horizon based on existing assets (no expansion or enhancement)

Mr. Boone informed the Council that Asset Management Plan (AMP) results to date include completed inventory of nearly 1,600 assets across three treatment plants and preliminary assessment of water distribution and sewer collection system and key findings to date include:

- Key findings:
 - Approximately 74% of assets inventoried at the Wastewater Treatment Plant, 50% of assets at Tar River Reservoir Water Treatment Plant and 73% of assets at the Sunset Avenue Water Treatment Plant are over 20 years old;
 - Over 47% of Lift Stations and Booster Pump Stations are over 20 years old; and
 - Over 37% of sewer mains and 38% of water mains are over 50 years old

The Council was provided with scenario comparisons for five-year capital needs as follows:

BASELINE	UNMET NEEDS
Wastewater = \$14M	Wastewater - \$32.9M
Water = \$12.3M	Water = \$17.4M
Stormwater = \$6.4M	Stormwater = \$12M
TOTAL = \$32.7M	TOTAL = \$62.3M

Financial Planning Projections were discussed. Mr. Boone told the Council the primary driver is the capital requirements. He provided the City Council with a chart outlining the FY2019 budget and advised that anticipated utility sales total just over \$34.4M for all three utilities.

Obligations and administrative service charges were outlined as:

- Obligations; and
- Administrative Service Charge - HR, IT, Finance (including Customer Service), etc., as percentage of operation and maintenance costs as follows:
 - Water = 35%
 - Sewer = 40%
 - Stormwater = 18%

The next steps needed (10-year plan) were identified as: 1) Evaluation of approaches to address unmet capital needs; 2) Development of additional scenarios and long-term financials; 3) Starting Cost of Service Allocations; and 4) Benchmarking comparison of user fees and rate, miscellaneous fees, etc.

Mr. Boone responded to questions from Councilmembers.

City Manager Rochelle D. Small-Toney thanked the City Council for their time and attention and stated some challenges remain relative to water, wastewater and stormwater and this meeting was an effort to keep Council apprised. She thanked City staff for their efforts and stated the City has competent, capable staff in the Water Resources Department and that fact has been demonstrated over and over.

There being no future business, the Special Called Committee of the Whole meeting adjourned at 3:21 p.m.

**MINUTES OF A MEETING OF A REGULAR RESCHEDULED COMMITTEE OF THE WHOLE
HELD MONDAY, NOVEMBER 12, 2018, AT 4:00 P.M. IN THE COMMITTEE ROOM OF
THE FREDERICK E. TURNAGE MUNICIPAL BUILDING**

MEMBERS PRESENT:

E. Lois Watkins, Mayor Pro Tem
André D. Knight
Reuben C. Blackwell, IV
Richard Joyner
Tom Rogers
W. B. Bullock
Chris Miller
David W. Combs, Mayor

OTHERS PRESENT:

Kari Dunlap,
Martin Starnes & Associates
Steve Rowe, Poyner & Spruill

STAFF PRESENT:

Rochelle D. Small-Toney
Pamela O. Casey
Natasha Hampton-Clayton
Tameka Kenan-Norman
Ken Hunter
Elayne Henderson
Amy Staton
Landis Faulcon
Nicki Gurganus
JoSeth Bocook
Kim Batts
Chase Norwood
Lindsey Davis
Andrew Jakubiak
Lori Cairo
Richard J. Rose

OPENING OF MEETING

Mayor Pro Tem E. Lois Watkins called the meeting to order at 4:05 p.m. and welcomed all present. She explained the guidelines for Committee of the Whole Meetings and called on City Manager Rochelle D. Small-Toney to introduce the agenda items.

City Manager Rochelle D. Small-Toney thanked the Council for changing their schedule to allow the meeting to begin at 4 p.m. and introduced Chief Internal Auditor Lori Cairo and City Manager's Office, Administrative Assistant, Erin Hicks.

1. ANNUAL FINANCIAL AUDIT REPORT - Kari Dunlap (Martin Starnes)

Mrs. Small-Toney called on Finance Director Amy Staton to introduce guest, Kari Dunlap, with Martin Starnes & Associates to provide a high-level brief of the annual financial audit.

Ms. Dunlap thanked the Council for allowing Martin Starnes to prepare the annual audit and accounting staff for their cooperation and assistance during the audit preparation and gave a PowerPoint presentation of the audit highlights.

She stated the firm has examined the City's financial statements and in accordance with generally accepted auditing standards and the standards applicable to financial audits in *Government Auditing Standards* issued by the Comptroller General of the United States has rendered an unmodified (clean) opinion on all of the City's funds.

Ms. Dunlap outlined the following highlights of the audit:

- Most notable change was implementation of GASB 75
- General Fund: revenues down/expenditures up (mostly due to the Event Center financing)
- Small decrease (2%) in unassigned fund balance
- Ad Valorem taxes - increased \$567,188
- Local Option Sale Tax - up slightly
- Intergovernmental Revenues - increase of almost \$601,000
- Sales and Services - decreased slightly

Ms. Dunlap outlined revenues, expenditures and available fund balance for each of the enterprise funds and responded to questions from the Councilmembers.

COMMITTEE RECOMMENDATION: Report only. No official action.

2. FUND BALANCE UPDATE - Amy Staton, Finance Director

City Manager Small-Toney called on Finance Director Amy Staton to provide the City Council with a Fund Balance Update.

Ms. Staton provided information relative to results of the fund balance numbers for the general fund and all utility funds for the fiscal year ending 6/30/2018 as follows:

- GENERAL FUND
 - Actual = \$13M (19%)
 - Target = \$10.7M (16%) (well above City policy of 10% and Local Government Commission requirement of 8%)
 - Minimum = \$6.7M (10%)

Ms. Staton presented a graphical picture of the General Fund Balance amounts and General Fund Balance percentages. She noted the General Fund balance has been on the upper climb since getting out of the recession some years ago and is doing well.

She provided the following reports and a chart reflecting FY2018 revenues and expenditures and responded to questions posed by Councilmembers:

- ELECTRIC:
 - Actual = \$10.4M (13%)
 - Target = \$10M (12%)
 - Minimum = \$8M (10%)
 - Rate Stabilization = \$12M (15%)
 - Working Capital = \$2.8M (3%)

**Would like to see \$24M; not worried about 13% because have some reserves*

- GAS:
 - Actual = \$10.1M (46%)
 - Target = \$6M (24%)
 - Minimum = \$2.4M (10%)
 - Rate Stabilization = \$650K (3%)
 - Working Capital = \$1.3M (5%)

**Healthy fund; expect to bring a recommendation to make a transfer to rate stabilization fund*

- WATER:
 - Actual = \$8.3M (59%)
 - Target = \$4M (24%)
 - Minimum = \$1.4M (10%)
 - Working Capital = \$790K (5%)

**Healthy fund; does not have a rate stabilization fund; may recommend moving some funds into rate stabilization fund*

- SEWER:
 - Actual = \$8.3M (54%)
 - Target = \$4M (24%)
 - Minimum = \$1.5M (10%)
 - Working Capital = \$170K (1%)

**No rate stabilization fund; recommend starting rate stabilization fund*

- STORMWATER:
 - Actual = \$2.6M (54%)
 - Target = \$500K (10%)
 - Minimum = \$500K (10%)
 - Working Capital = \$250K (5%)

**Need to discuss possible rate stabilization fund and working capital*

The Finance Director stated this is a busy picture of all utility funds and most stayed on target and were stable.

Discussion was held relative to funding for larger projects and Ms. Staton advised that some projects can be financed to pay over time, but some projects need immediate working capital.

Councilmember Blackwell suggested major capital expenditures need to be considered and a plan be created for a different type of financing for projects that cannot be financed, such as bonds, to look at major infrastructure improvements to continue the move for economic and business development and thereby City development. He said there are multiple projects such as water, sewer, streets, community development and housing. He asked the Manager if there is a nexus of time and a number to secure the City's position in the major utility areas which also reflect the City's obligation to providing safe and affordable infrastructure. The Manager stated while such funding is important staff does not have a recommendation for financing at the current time, but she senses a need to do so particularly for housing, economic development, parks and recreation and infrastructure. Councilmember Miller suggested the public would likely support bonds for street repairs. The Manager noted there are a number of large projects, but it has a lot to do with the City's debt capacity and how much is placed on the tax rate to support such projects.

Discussion continued relative to consideration of the soundness of the City's financial systems and inventoried needs; considerations for funding needs; support of economic growth and gentrification concerns. Ms. Miller stated the Sports Complex will be paid off in FY 2020.

The City Manager recommended the next step be to look at a five-year outlook for debt and capacity and how that matches City Council priorities.

Councilmember Blackwell noted as the City reaches debt retirement benchmarks the capacity to do more may be created without changing the budgetary commitment.

Councilmember Joyner questioned how residents will be kept informed and was informed a public campaign could be done relative to bonds and Council would need to make a decision prior to that time as to what projects a potential bond would support. The Manager noted some communities go through a very thorough process of communicating with the communities to obtain buy-in and the community will generally provide support when they understand and have input in the decision. Councilmember Blackwell stated the City has not used bond financing in more than twenty years. He stated there is a window of opportunity and posed a question to the Manager and Council about whether now is the time to begin discussion relative to needs beyond today and if there is a sound financial base where does the City grow from here. Councilmember Miller stated consideration needs to be given to attracting and retaining residents.

Councilmember Rogers voiced support for the public being informed of the needs of the City and wondered if looking at the housing needs and bringing citizens into such a study might be beneficial since the

housing study is a decade old. He noted moving forward deliberately in order to be inclusive would be beneficial for creating a good plan and obtain the best result.

Councilmember Blackwell stated the community has said it wants a Workforce Housing Commission, and Council has committed to creating such a Commission and the question is when it will be done. He emphasized a need to move forward and address gentrification now.

Mayor Pro Tem Watkins stated housing, private sector development of small business, more vocational skilled jobs and training are known needs.

Council acknowledged existing infrastructure and housing issues. Councilmember Blackwell stated addressing the needs will require the same courage and investment strategy as the Event Center and needs to be analyzed, though not over analyzed, with a time frame.

Councilmember Knight stated that many blighted areas exist where houses have been demolished. He said former management was directed to bring information to Council relative to a housing bond, but Council has not received information. The Mayor questioned clarification with regard to a housing bond (what type of bond, what it will be for and what is the City's role). Councilmember Knight noted one of the reasons for a housing bond would be due to the reluctance of builders to build decent and affordable housing in certain areas of the City.

Mayor Pro Tem Watkins stated her recollection is Council decided to move forward with the Event Center prior to the housing bond and recommended if such a bond moves forward that it include continued economic development so that opportunities for jobs and small business development will be included.

The Manager suggested staff be given an opportunity to look into the history and study the matter of a housing bond and come back to the City Council in the first quarter of the new year with alternatives relating to participation, benefits, what other communities have done. She reminded the Council that she is working to schedule a retreat around housing for early December.

Councilmember Blackwell noted that with implementation of bonds comes certain restrictions. He added to be successful the City should have third party involvement to show how housing incents private development. He noted the City also needs infrastructure redevelopment, especially in older inner-city neighborhoods. Councilmember Rogers suggested the matter needs to be looked at in a very holistic manner to address needs of the City, while being sure not to diminish anything existing and an analysis will need to be comprehensive, and not just for housing, but for other pressing needs as well.

COMMITTEE RECOMMENDATION: Report only. No official action.

3. TRANSFER OF WATER RELATED ASSETS TO NASH COUNTY - Jonathan Boone

A motion to table this matter without discussion made by Councilmember Knight and seconded by Councilmember Blackwell failed by a vote of 3-4 (Councilmembers Watkins, Rogers, Bullock and Miller opposed).

Conversation was held relative to clarity for requests and recommendations relating to other entities in the region and the need for information to be shared with the Council prior to such matters coming before the full Council on an agenda for consideration. Discussion continued relative to the setting of COW agendas.

Public Works and Water Resources Director Jonathan Boone gave a brief overview of the agenda item stating the City previously received an inquiry from Nash county Public Facilities and Utilities Director

late last year regarding Nash County's plan to expand the county's water system to serve the area in and around Dortches. He stated with the county's plans to develop the water system to serve the Dortches area and the inability of the City to serve any additional customers along the 8,600 feet of 12" water main and 5,000 feet of 6" water main located within the town limits; the City's financial liability and operation and maintenance concerns associated with owning and maintaining water mains outside of the area and the value of maintaining a positive working relationship with Nash County, it is recommended that the City convey certain water related assets to the County. The City Council was provided with a water line purchase agreement developed jointly by attorneys for the City and County. He added the agreement will come before the Nash County Board of Commissioners at their November 19, 2018 meeting for consideration.

Discussion continued.

COMMITTEE RECOMMENDATION: Motion was made by Councilmember Rogers, seconded by Councilmember Joyner, and unanimously carried that consideration of the matter be deferred and that Council be provided with additional information outside of a formal Council meeting (small group discussion).

4. SUMMARY OF PUBLIC INPUT - COMMERCIAL VEHICLE ORDINANCE - JoSeth Bocook

JoSeth Bocook, Interim Director of Development Services, provided the City Council with a summary of public comments regarding the Commercial Vehicle Ordinance (to prohibit parking of commercial vehicles in residential zones) recently received in the three public meetings held on October 30, 31 and November 1 (with residents, truck drivers and area ministers).

He noted about 23 people spoke at the meetings and some of the same people attended the three meetings. He said about 30 to 35 different people attended the meetings.

The Council was provided with a memorandum outlining the issues/comments brought forth at the meetings outlined below:

• **ISSUES:**

- 1) Commercial vehicles erode property values;
- 2) Pays taxes but can't park on property;
- 3) Safety of family driving to remote parking locations;
- 4) Commercial business shouldn't operate in residential neighborhoods;
- 5) Safety of pedestrian in neighborhoods;
- 6) Security of truck and cargo if not at residence;
- 7) Financial responsibility of cargo;
- 8) Personal safety if parking off-site;
- 9) Financial hardship to pay for damage to roads by trucks and inability to sell real estate;
- 10) Inconvenience to family having to drive to remote location;
- 11) No alternative parking options available;
- 12) Ordinance brings hardships to truckers; and
- 13) Trucks block residential roadways

• **COMMENTS:**

- 1) Ordinance should consider property size;
- 2) Feels solution is for City to find remote parking areas;
- 3) Ordinance is inconvenient to very few residents;
- 4) Trucks don't reduce property value, other social issues do, such as crime, dilapidated housing;
- 5) City should give grants to truckers for Uber and Lyft;
- 6) Does truck maintenance; requires truck on residence;
- 7) Feels this is a racial issue; need to treat all people equally;
- 8) Implement ordinance as other municipalities do;

- 9) Neighbors don't complain about truck at residence;
- 10) Ordinance should have gone through due process before passing it;
- 11) Personal cars block streets as much as trucks;
- 12) Shouldn't implement ordinance without parking options;
- 13) Truckers can shut down Rocky Mount by not delivering goods;
- 14) Understand both sides of issue; and
- 15) Would talk to Rocky Mount truckers to find solution

Mr. Bocoock provided the City Council with the language from the City Code *Section 507. Accessory Uses*. Adopted on July 9, 2017 outlining the requirements for and prohibition of parking of certain vehicles and trailers on residential properties and in residential neighborhoods. He provided additional changes to the Ordinance recommended in the public meetings as follows and recommended the Ordinance be amended to include these additions:

- Parcels having an area one acre, or more, may park upon the premises in the rear yard of the primary structure; or
- Completely screened from public view or in an enclosed building

Mr. Bocoock told the City Council that staff will present business incentives for property owners interested in developing sites for commercial vehicle parking at the January 2019 Committee of the Whole meeting. He added to be considered for the incentives, the development will need to meet the following criteria:

- Property must be located in a zoning district that allows off-street parking by right (commercial/industrial);
- The site must be secured with fencing and lighting; and
- The site must be accessible 24 hours a day; seven days a week

The City Council held discussion relative to:

- The value of large lots for parking;
- Elimination of trucking noise in residential neighborhoods;

Councilmember Rogers inquired relative to the nature of the business incentives and City Manager Small-Toney reported staff will provide a plan for offering incentives for truckers or others who want to make property available for parking at the January meeting. Ms. Small-Toney noted staff is requesting that Council consider whether they wish to amend the Ordinance adopted in July to include parking on larger lots. Mayor Combs stated he does not think one acre is large enough for parking of commercial vehicles and Councilmember Bullock noted not many residential homes have an acre lot or greater.

Councilmember Joyner thanked Mr. Bocoock for his due diligence. Mayor Combs stated two additional individuals have been identified who have expressed a desire to create parking for commercial vehicles, installing a fence and lights, and there are likely others looking at the problem as a business opportunity. Councilmember Blackwell suggested giving the business community an opportunity to react before imposing more restrictions.

COMMITTEE RECOMMENDATION: Motion was made by Councilmember Rogers, seconded by Councilmember Joyner, and unanimously carried to:

- ***immediately enforce the City's existing ordinance prohibiting parking of commercial vehicles on residential streets (issuing warnings only);***
- ***pursue necessary steps to work with two (2) identified property owners of commercial lots to seek viable options for parking for truckers and work with any other individual(s) to create additional parking options for truckers for council consideration (may tie into business incentives);***

- *provide technical assistance from local colleges and community colleges to independent truck drivers (act as a conduit; to help with business planning and business model);*
- *instruct staff to evaluate the viability of a large lot exclusion opportunity for parking of commercial vehicles with consideration for setback, screening, traffic and noise for consideration by council no later than at the January 14, 2019 city council meeting; and*
- *begin full enforcement of the Ordinance (adopted on January 14) on January 15, 2019 relative to parking of commercial vehicles.*

5. **HOUSING INITIATIVE GRANT APPROPRIATION - Landis Faulcon**

Director of Community and Business Development Dr. Landis D. Faulcon told the City Council that Joy CDC has requested a Housing Initiatives Grant appropriation of \$150,000 for the renovation of 14 rental properties located at 1717 Starling Way. She added that construction of the 14 two-bedroom, garden-style units is scheduled to begin later this month with an anticipated completion date of March 2019 and will cost approximately \$450,000. She advised that the following action has been requested by Joy CDC and recommended by the City Manager: approval of an appropriation of \$150,000 for Joy CDC pending satisfactory completion of a Housing Initiatives Grant Application.

Discussion was held.

COMMITTEE RECOMMENDATION: *Motion was made by Councilmember Knight, seconded by Councilmember Joyner, and unanimously carried that the request by Joy CDC for a \$150,000 Housing Initiatives Grant appropriation be approved and disbursement of funding made upon satisfactory completion of the required funding application.*

6. **PERSONNEL ORDINANCE - Steve Rowe**

The City Council was provided with an amendment to the Personnel Ordinance (Chapter 16) relative to the elimination of Peer Review Panel Appeals for employees who have been recommended for dismissal and to clarify use of Peer Review Panel Appeals for all employees subject to disciplinary action other than dismissal recommendations.

Mr. Rowe reported that the City's Charter provides full authority to the City Manager in all personnel matters up to and including terminations and the recommended amendment will: 1) correct existing conflicts between the Code and the Personnel Policy Manual and remove inconsistencies; and 2) amend the selection process making City Council appointees (City Manager, City Clerk and City Attorney) ineligible to serve on Peer Review Panels.

Discussion was held relative to the selection and training process for Peer Review Panels.

Human Resources Director Elayne Henderson advised that the Carras model for peer review has been in place for many years. Councilmember Knight requested the Council be provided with more information on the model used and that a greater conversation be held with the Manager and Human Resources Director to include the evaluation process.

COMMITTEE RECOMMENDATION: *By consensus, it was recommended that this matter be placed on the January Committee of the Whole Agenda for further consideration.*

7. **CLOSED SESSION:** The Mayor requested a Closed Session for a personnel matter.

COMMITTEE RECOMMENDATION: *Motion was made by Councilmember Joyner, seconded by Councilmember Rogers and unanimously carried that the City Council go into Closed Session at 6:20 p.m. for a personnel matter.*

The minutes of the Closed Session shall be placed on file as **ESM-508** at the end of **Minute Book 34** upon approval for release by the City Attorney.

REGULAR SESSION/RECESS. The Mayor Pro Tem convened the Committee in regular session at 7:00 p.m. and, by consensus, the Council agreed the Committee of the Whole Meeting would reconvene immediately following the regularly scheduled 7 p.m. City Council meeting.

COMMITTEE OF THE WHOLE RECONVENED/CLOSED SESSION

The Mayor Pro Tem reconvened the Committee of the Whole in regular session at 7:45 p.m. with the Mayor, Councilmembers and the City Manager in attendance.

Motion was made by Councilmember Rogers, seconded by Councilmember Blackwell and unanimously carried that the City Council adjourn to Closed Session. The minutes of the Closed Session shall be a continuance of the minutes identified as **ESM-508** to be placed on file at the end of **Minute Book 34** upon approval for release by the City Attorney.

REGULAR SESSION/ADJOURNMENT

The Mayor Pro Tem convened the Committee in regular session at 7:48 p.m.

Motion was made by Councilmember Rogers, seconded by Councilmember Joyner and unanimously carried that a Special Called Committee of the Whole Meeting be scheduled for Monday, November 19, 2018 at 3 p.m. for the purpose of a discussion relative to a personnel matter.

There being no further business, the Committee of the Whole adjourned at 7:49 p.m.

Motion was made by Councilmember Rogers, seconded by Councilmember Watkins and unanimously carried that the minutes and recommendations be approved.

SURPLUS PROPERTY DISPOSAL/ELECTRONIC AUCTION

The City Council received a list of personal property proposed to be declared surplus and sold at electronic auction. The list shall be placed on file in the office of the City Clerk as **BD-2018-33**.

Motion was made by Councilmember Joyner, seconded by Councilmember Rogers and unanimously carried that **Resolution No. R-2018-56** entitled **RESOLUTION AUTHORIZING THE SALE OF CERTAIN PERSONAL PROPERTY AT ELECTRONIC AUCTION** be adopted.

SURPLUS PROPERTY DISPOSAL/DONATION OF RESERVE FIRE TRUCK

By consensus, Item 10 on the agenda, Surplus Property Disposal/Donation of Reserve Fire Truck, was removed from the agenda to be placed on an upcoming agenda for consideration following completion of legal requirements.

FY 2019 STATE MAINTENANCE ASSISTANCE PROGRAM (SMAP) FUNDS/TAR RIVER TRANSIT

Assistant City Manager Chris Beschler advised the City Council that State Maintenance Assistant Program (SMAP) funds are transit funds administered by the North Carolina Department of Transportation (NCDOT) that provide operating assistance to urban, small-urban and urban regional fixed route commuter bus systems with low overhead and paperwork. The City Council was provided with a statement for consideration certifying that 2018 funds (\$234,676) were spent by June 30, 2018 and that the FY 2019 allocation of \$285,430 will be spent by June 30, 2019, the end of the fiscal year (NCDOT requirements for the allocation of funds).

Motion was made by Councilmember Miller, seconded by Councilmember Joyner and unanimously carried that the certification be approved and that the Mayor and City Clerk be authorized to execute the Certified Statement on behalf of the City.

TAX VALUATION SETTLEMENT/DPF PROPERTIES EDGECOMBE, LLC AND DFSF PROPERTIES, LLC

The City Council received ad valorem tax adjustments and refunds due to an appeal settlement by DPF Properties Edgecombe, LLC and DFSF Properties, LLC with the Property Tax Commission. The Council was advised that the budgetary impact of the adjustments and refunds is reduction of the 2018 tax levy by \$2,781.11 and a refund of \$2,814.35 for 2017 taxes paid (revaluated by Edgecombe County). The City Council was further advised that statutory interest is 5% and has been calculated for overpayment of 2017 taxes and the total adjusted value for each year is \$406,002 for a combined total of \$812,2004 in reduced valuation.

Motion was made by Councilmember Watkins, seconded by Councilmember Blackwell and unanimously carried that the tax adjustments and refunds be approved.

CITY COUNCIL MEETING/CANCELLATION

Consideration was given by the City Council of canceling the second regular Council meeting scheduled for December 24, 2018.

Motion was made by Councilmember Knight, seconded by Councilmember Joyner and unanimously carried that the regular City Council meeting scheduled for December 24, 2018 be canceled.

CLOSED SESSION (PERSONNEL MATTER ADDED TO AGENDA IN OPEN MEETING)

The City Manager requested a Closed Session to discuss matters concerning attorney-client privilege and personnel.

Motion was made by Councilmember Knight, seconded by Councilmember Joyner and unanimously carried that the City Council go into a Closed Session at 4:39 p.m. The minutes of the Closed Session shall be filed as **ESM-510** at the end of **Minute Book 34** upon approval for release by the City Attorney.

REGULAR SESSION/RECESS

The Mayor convened the City Council meeting in regular session at 6:53 p.m. and recessed the meeting to reconvene at 3:00 p.m. on Monday, December 3, 2018 in the Committee Room, Third Floor of the Frederick E. Turnage Municipal Building.

* * * * *

December 3, 2018

CITY COUNCIL MEETING RECONVENED

The City Council of the City of Rocky Mount reconvened in a regular session at 3:00 p.m. on Monday, December 3, 2018 in the Committee Room, Third Floor of the Frederick E. Turnage Municipal Building with Mayor David W. Combs presiding.

Councilmembers present: André D. Knight, Reuben C. Blackwell, IV, Richard Joyner, E. Lois Watkins, Tom Rogers, W. B. Bullock and Christine Carroll Miller.

Staff Present: Rochelle D. Small-Toney, City Manager.

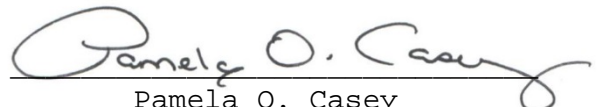
CLOSED SESSION

The Mayor requested a Closed Session to discuss a personnel matter.

Motion was made by Councilmember Rogers, seconded by Councilmember Blackwell and unanimously carried that the City Council go into Closed Session at 3:02 p.m. The minutes of the Closed Session shall be included in the minutes designated as **ESM-510** and filed at the end of **Minute Book 34** upon approval for release by the City Attorney.

REGULAR SESSION/ADJOURNMENT

The Mayor convened the City Council in regular session at 4:00 p.m. and, there being no further business, the City Council meeting adjourned.


Pamela O. Casey
City Clerk