

March 13, 2023

The City Council of the City of Rocky Mount met this day in a regular session scheduled for 7:00 p.m. in the George W. Dudley City Council Chamber of the Frederick E. Turnage Municipal Building with Mayor C. Saunders "Sandy" Roberson, Jr. presiding.

Councilmembers present: André D. Knight, Reuben C. Blackwell, IV., Richard Joyner, T.J. Walker, Jr., Lige Daughtridge, Tom Harris and Jabaris Walker.

Staff present: Keith Rogers Jr., City Manager; Peter F. Varney, Interim Assistant City Manager; Kim Batts, City Clerk; Elton Daniels, Assistant City Manager; Brad Kerr, Public Works Director; Will Deaton, Director of the Department of Development Services; Joel Dunn, Parks and Recreation Director; Archie Jones, Director of Human Relations; Brenton Bent, Water Resources Director; Gregory Cotten, Chief Technology Officer; Latasha Hall, Director of Business and Collections Services; Tracey Drewery, Interim Fire Chief; Michael Roupp, Assistant Chief of Operations; Darvin Moore, Division Chief; Ken Hunter, Assistant to the City Manager for Budget and Evaluation; Robert Hassell, Police Chief; Abdul Baloch, Chief Internal Auditor; Kevin Harris, Downtown Development Manager; Mark Adcox, Video Production Specialist; Robin Cox, Communications Specialist; Cornelia McGee, Community and Business Development Director; Kena Cofield-Jones, Director of Human Resources; Kream Mosley, Deputy City Clerk; Monica Brantley, Deputy City Clerk and Richard J. Rose, City Attorney.

Security Officers: Corporal Clay Wilder, Sergeant Chris Williams, and Senior Police Officer Shawn Battle.

The Mayor called the meeting to order at 7:00 p.m. Mayor Roberson welcomed the new City Manager, Keith Rogers, Jr. Mayor Roberson recognized Interim Assistant City Manager, Peter Varney, and thanked him for his tenure of Interim City Manager. The Mayor requested all in attendance to stand for a moment of silent prayer.

#### **APPROVAL OF MINUTES**

Motion was made by Councilmember Harris, seconded by Councilmember Jabaris Walker, and unanimously carried that the minutes of a Special Called Committee of the Whole meeting held November 28, 2022, be approved as submitted to the City Council prior to the meeting. Those minutes are as follows:

#### **MINUTES OF A SPECIAL CALLED MEETING OF THE COMMITTEE OF THE WHOLE HELD MONDAY, NOVEMBER 28, 2022, AT 6:00 P.M. IN THE COMMITTEE ROOM OF THE FREDERICK E. TURNAGE MUNICIPAL BUILDING WITH MAYOR PRO TEM T.J. WALKER PRESIDING:**

##### **MEMBERS PRESENT:**

T.J. Walker, Mayor Pro Tem  
 André D. Knight  
 Richard Joyner  
 Lige Daughtridge  
 Tom Harris

##### **STAFF PRESENT:**

Peter F. Varney  
 Kim Batts  
 Richard J. Rose  
 Abdul Baloch  
 Kenneth Hunter

Jabaris Walker  
 Mayor C. Saunders "Sandy" Roberson, Jr.

Brenton Bent  
 Elton Daniels  
 Kirk Brown  
 Latasha Hall  
 Archie Jones  
 Chris Beschler  
 Bradley Walters  
 Kream Mosley

MEMBERS ABSENT:  
 Reuben Blackwell, IV

OTHERS PRESENT:  
 Tonya Thompson Martin-Starnes  
 & Associates

**OPENING OF MEETING**

Mayor Pro Tem T.J. Walker called the meeting to order at 6:11 p.m.

**FY 2022 AUDIT REVIEW - Martin-Starnes & Associates**

Interim City Manager Peter Varney stated in previous years the City Audit was received in the Regular Council Meeting and the request was made to move it to a work session. He then called on Interim Finance Director Abdul Baloch. Mr. Baloch stated that Martin-Starnes completed a financial audit and compliance report for the FY ending 2022 and no significant deficiencies was reported. He introduced Tonya Thompson to present the summarized version of the audit.

Ms. Thompson provided the following financial information for the General Fund:

- Revenues increased by 12.2 million
- Expenditures increased by 8.5 million

Ms. Thompson stated that the numbers were slightly inflated due to the implementation of GASB 87, an accounting standard dealing with leases. Over \$7 million dollars of the increase reported is due to applying that standard.

Ms. Thompson said that one of the most important measures of a local government's health is the amount of the available fund balance. It's the amount available at the end of one fiscal year that can be appropriated and carried over into the next.

General Fund	2022	2021	2020
Fund Balance Available	\$30,346,128	\$27,433,838	\$20,586,808
Net Expenditures	\$70,257,407	\$66,471,304	\$64,361,735
FBA as a % of Net Expenditures	43.2%	41.3%	31.9%

Ms. Thompson reported that the LGC standard says the minimum amount of the percentage for government of the size of Rocky Mount should be 25%. The median of other units of the same population is 46%. The City is above the minimum and close to its peers.

The top Revenues that make up the \$70,131,453 total are:

- Ad Valorem Taxes - slightly decreased this year
- Local Option sales tax - \$2 million/14% increase
- Intergovernmental revenues - consistent with last year
- Sales and Services - \$1.6 million/17% increase

The top Expenditures that make up the \$79,534,487 total are:

- Public Safety - \$3.8 million/13% increase
  - \$1.8 million/6% increase (minus standard implementation)
- General Government - \$6.2 million/67% increase

- o \$600,000/6% increase (minus standard implementation)
- Parks & Recreation - \$3.2 million/35% increase

Ms. Thompson also gave the following utility available fund balance presentation based on internal calculations that came from the finance department. She noted that there is a reserve for rate stabilization built into the electric and gas fund.

	2022	2021	Dollar Variance
Electric Fund	8,578,141	11,423,006	(2,844,865)
Gas Fund	6,422,621	9,436,764	(3,014,143)
Water Fund	6,935,188	8,271,627	(1,336,439)
Sewer Fund	2,577,805	5,121,664	(2,543,859)
Stormwater Fund	3,805,333	4,716,126	(910,793)

Ms. Thompson reported that the LGC was concerned about the Water & Sewer Fund net loss. There is not enough money coming in to cover operating cash flows out and debt service cash flows out. She said that the LGC wants the utility fund to be self-sustaining and not subsidized by general funds. She noted that management already planned a commercial rate review/adjustment and COSA. In addition to an 8.8% rate increase that went into effect 7/1/22. Ms. Thompson directed Councilmembers to sign the response and submit it to LGC within 60 days.

Ms. Thompson noted some positive performance indicators:

- Timely audit submission
- Stable property tax valuation and collection percentage
- The other enterprise fund ratios are positive

**Council Questions:**

Councilmember Harris asked if it's common that no opinion was noted regarding internal control in compliance.

Ms. Thompson replied that is the standard for governmental audits. Her office provides an opinion on compliance. Someone else would have to be hired to perform an internal control audit.

Councilmember Harris asked why the presentation was done in blended format.

Ms. Thompson responded that the accounting standards are specific regarding how component units must be presented. They can be discreet or blended. She said that in a blended presentation it's not completely separate, it's an extension of the City.

Councilmember Harris asked Ms. Thompson to explain the lease agreement entered on 7/1/2021 between the City and the Event Center.

Ms. Thompson explained that 7/1/2021 was the date that the standard went into effect. The City hired a service provider to analyze their leases.

Councilmember Harris noted that the collection rate is 3 ½ percent below the state average and asked if there is anything that can be done to improve it.

Ms. Thompson replied it depends on how aggressive the tax collector will be.

Councilmember Harris said that in a recent meeting it was reported that the City has 3 million dollars in uncollected fines and asked if that was included in the report.

Ms. Thompson said that transactions that have come in or gone out are included.

Councilmember Knight asked how many cities are below the state average.

Ms. Thompson stated that in her opinion most cities are in the same range.

Councilmember Knight shared that he feels Rocky Mount is doing a good job. He acknowledged that it would take time to see a return on the Event Center and said that it is a benefit to citizens.

Mayor Pro Tem Walker asked Ms. Thompson if the 60 days that is given to respond to LGC regarding the rate increase includes the day of the presentation.

Ms. Thompson said yes, the time starts today.

Councilmember Daughtridge inquired about the level of the audit that was performed.

Ms. Thompson stated that the audit makes sure that the financial statements are materially correct. Her definition of material is that which is significant enough that it could change the mind of the user of the financial statement. Materiality is not one number. The larger the funds the higher the materiality.

Councilmember Daughtridge asked if the fund balance would be higher when money isn't expended for items that were approved in a CIP.

Ms. Thompson stated money that wasn't spent would not affect the number.

Councilmember Daughtridge asked how Council would know that a CIP purchase was not made in a budget cycle.

Ms. Thompson suggested:

- Looking at the budget for the following FY
- Identifying the projects where money wasn't spent from the previous budget
- Modifying the budget to determine what can be appropriated to buy those things that were not purchased
- Updating the capital plan

Councilmember Daughtridge asked Ken Hunter if the Capital Improvement Funding is kept in the budget.

Ken Hunter, Assistant to the City Manager for Budget and Evaluation answered yes, it is kept in the budget. Mr. Hunter stated that financed projects have zero effect on the fund balance since no money was added and none was spent. He said that starting in January, The Council will receive a report, that will be updated quarterly to show the progress of Capital Outlay portion of the Budget. Adjustments will be made to the CIP if necessary, to make sure that the information is accurate.

Councilmember Daughtridge shared that no communication between departments caused billing issues that cost the City money. He asked Ms. Thompson if that was a management issue.

Ms. Thompson said that would be an operational issue. She suggested an internal audit to perform risk assessment for departments.

Mayor Pro Tem Walker stated that Interim City Manager Varney would have to leave the meeting early and asked if anyone had anything to address with him.

Councilmember Joyner asked Mr. Varney to clarify the Council's role; policy and procedure process versus day-to-day management.

Mr. Varney responded that the Manager's office explains why something is needed and follows up with reporting. The Council does the following:

- Budgeting and assist in finance
- Set the rates, fees and charges
- Hire a City Manager
  - o New City Manager can then hire a Finance Director

He said that the Finance Department has been without a director for a year and a half. The Finance Director will watch the revenues and ensure that the fees and charges are in line.

Councilmember Daughtridg asked if a councilperson is aware of something that hasn't been done, should they report it or not get involved.

Mr. Varney said that everyone is working together.

Councilmember Daughtridg questioned board members signing a conflict-of-interest policy, as noted in the report.

Councilmember Knight said that the Councilmembers receive the CIP every year. He stated that each is responsible for checking the CIP and direct any questions to City Manager and Assistant City Manager.

**COMMITTEE RECOMMENDATION. Information only; no formal action**

**PURCHASED GAS ADJUSTMENT- Chris Beschler**

Chris Beschler, Director of Energy Resources informed Council that he recommends the continuance of the 40-cent purchased gas adjustment through the end of June 2023.

Mr. Beschler stated the rate customers are charged assumes that gas will be purchased at \$4.31. He said that the purpose of the PGA is to examine current purchase price and if the cost is more than \$4.31 implement a gas adjustment to make up the difference.

Mr. Beschler presented the following PGA History:

January 2017 - July 2017	.20 adjustment
December 2017 - June 2018	.30 adjustment
December 2021 - August 2022	.20 adjustment
August 2022 - Current	.40 adjustment

He noted that the City of Wilson makes adjustments on a monthly basis and he doesn't consider that customer friendly. Mr. Beschler shared that he believes the City is being prudent regarding gas supply and gas purchases.

Mr. Beschler shared the strategy that was used to get the lowest Weighted Average Cost Of Gas during the winter months:

- Hedge purchases of 60 to 75% out to 2025
- Purchased Liquefied Natural Gas to offset demand peaks
- Increased pipeline capacity to meet winter demand

Mr. Beschler reported that commodity prices are increasing and he anticipates will remain elevated.

- Current Market Price: \$6.50/DT

- Predicted Average Range: \$5/DT to 7/DT thru 2027
- Predicted Peak Prices: \$12/DT to \$14/DT

He said that capacity prices have the potential to climb and remain volatile due to:

- Increased demand due to electricity generation
- Lack of new and expanded pipelines

Mr. Beschler presented the following plan of action:

Retain \$0.40/Therm PGA thru June 2023

- Offsets variance in projected commodity price (\$0.846/Term) compared to base rate commodity price (\$0.415/Therm)
- Achieves budgeted operating margin

A Cost-of-Service Study in progress and he anticipates presenting the findings and recommendations in early-Spring.

**COMMITTEE RECOMMENDATION. Information only; no formal action**

**ADJOURNMENT**

Without objection, the Mayor Pro Tem adjourned the meeting at 7:15 p.m.

*A printed copy of the PowerPoint presentations are on file in the office of the City Clerk.*

**OATH OF OFFICE/CITY MANAGER, KEITH ROGERS JR.**

Mayor Roberson recognized the Honorable Quentin T. Sumner, retired Superior Court Judge, to administer the oath of office to City Manager, Keith Rogers Jr.

**COMMUNITY UPDATE BY INTERIM CITY MANAGER**

City Manager Keith Rogers Jr. provided the following community update:

- The Experience Downtown Rocky Mountain Newsletter is available; the first edition was emailed to residents earlier today; for now, the plan is for the newsletter to be presented quarterly
- Our debut edition features a survey asking residents what they would like to see more of in downtown; information on First Fridays, which is a monthly celebration that kicks off on May 5; and details on a few new downtown businesses
- Stated he would like to highlight Women's History Month for the month of March and the City will proudly recognize the following women this month:
  - The five women who previously served on the Rocky Mount City Council:
    - the Honorable Linda Holmes
    - the Honorable Helen P Gay
    - the Honorable Chris Carol Miller
    - the Honorable Angela Bryant; and
    - the Honorable Lois Watkins
  - The four women who currently lead Rocky Mount City Departments:
    - City Clerk, Kimberly Batts
    - Business and Collection Services Director Latasha Hall
    - Human Resources Director, Kena Cofield Jones; and
    - Community Development Director, Cornelia McGee
- The Motown Review takes place on Friday at the Imperial Centre - this event is open for ages 21 and up and will feature Motown's greatest hits compilation with the audience choosing the winning acts; there will be a reception from 5:30 p.m. to 6:30p.m. and showtime will be at 7:00 p.m.

Councilmember Jabaris Walker added that on Saturday, the Rocky Mount Police Department and Fire Department will play a charity basketball game at Nash Central High School at 4 p.m.

Councilmember T.J. Walker clarified that his predecessor was the Honorable Lois Watkins.

#### **RETIREMENT CERTIFICATE**

The Mayor presented a certificate congratulating Verner Avery on his retirement from his longtime Downtown Business, The Clothes Doctor. The Mayor and City Council joined Mr. Avery for a photograph.

#### **BIRTHDAY RECOGNITION**

Mayor Roberson recognized Terence V. Foster for his 102<sup>nd</sup> birthday and stated even though he was unable to attend that a few of the council members wanted to say a few words about Mr. Foster.

Councilmember Knight stated that Deacon Foster was a pillar of the community and was a former principal at Baskerville Elementary School. He stated he wanted to celebrate Deacon Foster for all the hard work he has put into the community over the years educating the children.

Councilmember Blackwell stated he wanted to echo the sentiments of Councilmember Knight and that it was amazing to be able to celebrate Deacon Foster on his birthday. He stated that while he was unable to be present, his family is watching and appreciates everyone's support and prayers for Deacon Foster's continued health and well-being.

Councilmember Joyner thanked everyone for recognizing and celebrating Deacon Foster as he is a legend in the community.

#### **PETITIONS FROM THE PUBLIC**

The Mayor opened the meeting for petitions from the public and outlined guidelines for public petitions. He called on the following individuals for public comment and a brief summary of comments is outlined below:

##### ***Damon Hooper –***

- Stated he is here in reference to his children's chickens
- Stated he has provided Council with websites he used to organize the petitions which now have almost 2,100 signatures
- Stated the chickens are an emotional support for his girls and they have had them for over 3 years
- Stated he attempted to request a permit from the Animal Control Supervisor but was denied
- Stated that he is not trying to change any rules, he would just like to keep his chickens for his children's emotional support, to teach them responsibility and survival abilities for later in the future

***Aston Haughton –***

- Stated he is a citizen of Berkshire and they held an event on February 18<sup>th</sup> where they showcased projects that have been completed
- Thanked City Councilmembers Knight and Harris for attending and thanked everyone for the support given to the Berkshire Community
- Stated that he has prepared documents for Council to showcase completed projects and future plans
- Stated that they will not be able to carry these projects forward without continuous support
- Stated that their intentions are to get homes, make them affordable, and to help prepare the residents in community wealth building

***Morrie Minges –***

- Asked if the City has anything to do with trying to control the fire ant issues in the community
- Stated that she would like to thank the City for cleaning the median on 301 North
- Stated that the location for recycling near Food Lion on Benvenue Rd is so clean and she would like to know if they will be getting a new container in that area
- Stated that she would like to know if there will be another recyclable container in that area because they really need it

Councilmember Jabaris Walker stated that he had an update for Mrs. Minges on Ebony and Ivory. He stated he had spoken with the owner and there is a plan to have it torn down.

***Nehemiah Smith, Jr. –***

- Welcomed the City Manager and invited him to a church service
- Stated there is a pothole at the intersection of Barnes, Martin Luther King, and the 1600 block of Virginia Street as well as the 600 block of Park Avenue
- Stated that calls have been made to have it fixed but it has not been repaired yet
- Thanked the Police Chief for the job the Police Department is doing in the community and for placing officers at the corner of Virginia and Barnes Street to prevent drivers from failing to stop at the stop sign

***Bronson Williams –***

- Stated that he called Parks and Recreation in reference to a City of Rocky Mount vehicle parked outside of the city limits in Dortches, but he did not receive a call back
- Stated that when citizens have issues that are important to them, they should receive a return call
- Stated that he does hope that the city will support the family that wants to keep their chickens

**CONSENT AGENDA**

Mayor Roberson stated that the City Manager was going to provide a clarification on items D and E on the Consent Agenda and that the date for the Temporary Street Closing in item A should be June 24<sup>th</sup> instead of June 23<sup>rd</sup>.

City Manager Keith Rogers Jr. stated that items D and E related to the City's health insurance contract are one (1) year contracts with two (2) one (1) year renewals and that the contract document



has now been updated to provide that the arbitration hearings will be in North Carolina and not in Connecticut.

Motion was made by Councilmember Daughtridge, seconded by Councilmember Blackwell, and unanimously carried that the following items on the Consent Agenda [Items 10(A) through 10(F)], be approved as follows:

- 1) The temporary street closure be approved;
- 2) Approval of Applications for New/Renewal of Taxi Rights;
- 3) Adoption of Resolution for Depository Accounts;
- 4) Authorization for the Mayor and City Clerk to execute the health insurance contracts on behalf of the City; and
- 5) Authorization for the Mayor, City Clerk or City Manager to Execute Any Required Documentation for the Foundation for the Carolinas Longleaf Fund grant (Including Subsequent Grant Final Application/Agreements)

The following is a detailed accounting of the items included in the Consent Agenda:

**A. TEMPORARY STREET CLOSING (recommended for approval):**

- Request from the Emmanuel Health Education, Inc. for "We Are One Prostate Cancer Bike Walk Run Ride" on June 24<sup>th</sup> from 5 a.m. to 2 p.m.:
- 100 Block of South Washington Street from Hill Street to Tarboro Street

By consent, **R-2023-19** entitled **RESOLUTION TEMPORARILY CLOSING THE 100 BLOCK OF SOUTH WASHINGTON STREET FOR "WE ARE ONE PROSTATE CANCER BIKE WALK RUN RIDE"** was adopted.

**B. TAXICAB/LICENSE RENEWALS**

The City Council received recommendations from Chief of Police Robert Hassell for the following taxicab license renewals and new licenses as follows:

- Christopher R. Baker Rocky Mount Cab 11,12 (Renewals) One Additional
- Denise Alisha Hunter Rocky Mount Cab 24 (Renewal) Two Additional
- Tommie G. Hedgepeth Rocky Mount Cab New Applicant

By consent, the Taxicab Licenses and Renewals were approved and the City Clerk authorized to execute the applications certifying City Council approval.

**C. DEPOSITORY**

The City Council was requested to authorize a change of the City's primary authorized banking representative from the former Interim City Manager Peter F. Varney to City Manager Keith Rogers Jr. Council was advised that the authorized banking representative is the primary City contact granted authority on the PNC bank accounts and may delegate access and authority to others. The authorized representative may also make additions, deletions and

other changes as needed based on municipal operational needs and changes in personnel responsible for banking transactions.

By consent, **Resolution No. R-2023-20** entitled **MASTER RESOLUTION AND AUTHORIZATION FOR DEPOSITORY ACCOUNTS AND TREASURY MANAGEMENT SERVICES** be adopted.

**D. STOP LOSS CONTRACT FOR FISCAL YEAR 2023-2024**

Human Resources Director, Kena Cofield-Jones provided the City Council with a proposal from the Aetna Life Insurance Company (also serving as the City's health plan provider) for Stop Loss Insurance Coverage. It was reported that there is no budgetary impact in the current fiscal year and that the quoted premium rate for 2024 will not result in net additional costs. The City Council was also advised that the Stop Loss Contract was a one (1) year contract with the option for two (2) one (1) year renewals.

By consent, the Stop Loss Contract with Aetna Life Insurance was approved.

**E. FY 2023-2024 HEALTH BENEFITS CONTRACT/AETNA LIFE INSURANCE COMPANY**

Human Resources Director, Kena Cofield-Jones provided the City Council with a Master Service Agreement with Aetna Life Insurance for the City's self-funded medical plan. It was reported that there is no budgetary impact in the current fiscal year and that the quoted premium rate for 2024 will not result in net additional costs. The City Council was also advised that the Master Service Agreement was a one (1) year contract with the option for two (2) one (1) year renewals.

By consent, the Master Service Agreement with Aetna Life Insurance was approved.

**F. 2023 LONGLEAF GRANT APPLICATION/THELONIOUS MONK PARK**

City Council was advised that staff is preparing an application for the 2023 Longleaf Fund Grant from the Foundation of the Carolinas to replace the playground equipment at Thelonious Monk Park. The City Council were informed that the playground equipment was removed recently due to a failure in the equipment and needs replacement. It was noted that the grant requires a 50 percent match for every dollar and the request is for \$110,000. The City is proposing a match of \$130,000 (the City has seen success in recent history with grants when overmatching grant funds).

By consent, Authorization for staff to apply for the grant and Authorization for the Mayor, City Clerk or City Manager to Execute Any Required Documentation for the Foundation for the Carolinas Longleaf Fund grant (Including Subsequent Grant Final Application/Agreement) was approved.

**RESCHEDULING THE APRIL 10, 2023 CITY COUNCIL MEETINGS**

The City Council gave consideration to rescheduling the April 10, 2023 City Council meetings to April 3, 2023.

Motion was made by Councilmember Joyner, seconded by Councilmember Harris and unanimously carried that the City Council meetings scheduled for April 10, 2023, be rescheduled for April 3, 2023. The location and time would remain the same.

**ADJOURNMENT**

There being no further business, by consensus, the meeting was adjourned at 7:28 p.m.



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Kim Batts  
City Clerk