

June 24, 2024

The City Council of the City of Rocky Mount met this day in a regular session scheduled for 4:00 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; Kim Batts, City Clerk; Elton Daniels, Assistant City Manager; Nyki Hill, Assistant City Manager; Ken Hunter, Assistant to the City Manager for Budget Evaluation and Development; Keyana Walston, Budget Manager; Robert Hassell, Police Chief; Michael Baughn, Central Services Director; Grant Roberson, Communications Manager; Mark Adcox, Video Production Specialist; Monica Brantley, Deputy City Clerk and Richard J. Rose, City Attorney.

Security Officers: Sergeant Chris Williams, and Senior Police Officers Shawn Battle and Tony Taylor.

The Mayor called the meeting to order at 4:02 p.m. and requested all in attendance to stand for a moment of silent prayer.

#### **APPROVAL OF MINUTES**

Motion was made by Councilmember Joyner, seconded by Councilmember Harris, and unanimously carried that the minutes of the Regular Scheduled City Council meeting held February 12, 2024 be approved as submitted to the City Council prior to the meeting.

Mayor Roberson stated he would like to congratulate Elton Daniels on finishing his term as the president North Carolina City and County Managers Association and thanked him for representing the City of Rocky Mount.

Mayor Roberson also announced that the City's attorney, Jep Rose, would be retiring and thanked him for his many years of service.

#### **APPROVAL OF ADDITIONS/DELETIONS TO AGENDA**

- Remove Item 8D5 from Consent Agenda for separate vote
- Add Administrative Policy related to Manager - City Council - financial reporting as item 8.2
- Add the following language for Affordable Housing under item 13 - *approval with provision that the money shall be earmarked for purpose described, but money will not be disbursed until the final initiative plan has been submitted to City Council and approved by City Council*
- Remove item 15 from the agenda
- Postpone item 17 until July 8, 2024 City Council meeting

Motion was made by Councilmember Joyner, seconded by Councilmember Harris and unanimously passed by a roll call vote that the agenda be amended as requested.

**COMMUNITY UPDATE BY CITY MANAGER**

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

- Recognized Elton Daniels, Assistant City Manager, for his service and representation of the City of Rocky Mount on the statewide stage and also recognized Councilmember T.J. Walker for the full-length feature in the Southern City magazine
- Stated students in K-7 will be performing Willy Wonka Kids in the Youth Summer Theatre Experience and the performances will be Thursday and Friday, June 27-28 at 7:30 p.m. at the Imperial Centre
- Stated the Independence Day Celebration will be held on July 3 from 6:00 p.m. to 9:00 p.m. at the Sports Complex
- Stated the City of Rocky Mount offices will be closed on July 4, but garbage, recycling, and yard waste will be collected as normal
- Stated Sunset Park will be open from 1:00 p.m. to 7:00 p.m. and Denton Street Pool will also be operating from 1:00 p.m. to 3:00 p.m. then 3:30 p.m. to 5:00 p.m.

**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:

***Theresa Alston Stokes***

- Stated she would like to say kudos to a successful Juneteenth celebration that was held downtown
- Stated that is a very big sign that they need more investment downtown and support for the local business owners and the Edgecombe County side which is overlooked and there needs to be more resources going into the Edgecombe County side
- Stated she looked at the City's website and saw the information concerning the Juneteenth celebration lineup, but she was curious as to why there were no pictures to show the magnitude of people who came to support this event
- Asked if anyone has ties to Rocky Mount to take time to invest in the community as they do not want the people who have lived here for years to be pushed out, everyone can work together and make things happen
- Congratulated City Attorney Jep Rose on his retirement and service to the City, wished him much success

***Regina Townsend***

- Stated the City of Rocky Mount needs an African-American Heritage Museum of Education because there is so much that the children do not know about what they have accomplished in Rocky Mount
- Stated it could include photos of the first African-American police officer Mr. Tillman
- Stated she knows there is a little place in the Imperial Centre but they need their place
- Asked that it be put on the Edgecombe County side
- Stated she has her granddaughter at OIC for childcare and there are a lot of mental health/group home people in the area and she is concerned about the safety of the children
- Stated she has spoken to Mr. Dunn about it and she would like for the children to be safe not just for the cameras to catch it

Councilmember Blackwell stated that the childcare is at the City's Booker T. Washington Community Center which is behind OIC and he would just like to clarify that is not OIC.

***Curmilus Dancy***

- Congratulated City Attorney Jep Rose on his retirement

**CONSENT AGENDA**

Motion was made by Councilmember Joyner, seconded by Councilmember T.J. Walker, and unanimously carried that the Consent Agenda [Items 8(A) through 8(H), be approved as follows and more specifically:

**A. TEMPORARY STREET CLOSING:**

Request from the Happy Hill Neighborhood Community Club to close the streets surrounding Bea Holman Parks (1000 Block of Star Street, 400 to 500 Block of N. Vyne Street & 500 to 600 Block of N. Harris Street) from 2:00 pm to 6:00 pm on Sunday, July 7, 2024, for their annual Happy Hill Day event was approved.

**B. PYROTECHNIC PERMIT REQUESTS/INDEPENDENCE DAY**

Requests for pyrotechnic permits for the following Independence Day Celebrations were approved:

- City of Rocky Mount Sports Complex on July 3, 2024
- Rise Church at 3520 Bishop Road on July 3, 2024
- Englewood Baptist Church at 1350 S. Winstead Avenue on July 4, 2024

**C. BANKING SERVICES CONTRACT AMENDMENT**

The City Council was advised that the City entered into a banking services contract with PNC bank on July 30, 2014, amended on July 1, 2019, that held fees for services firm for five years each. Council was further advised that PNC has proposed to amend the pricing agreement that would hold fees firm for three years beginning July 1, 2024 to June 30, 2027. It was noted that the City's Financial Advisors, Davenport & Company LLC, has reviewed the amended pricing agreement and are in agreement that it is in line with banking fees across the State of North Carolina.

The amendment to PNC Treasury Management Agreement was approved and the Director of Finance was authorized to execute the banking services contract amendment on behalf of the City. The amendment will be filed with the original agreement (**C-2014-7**) in the City Clerk's office.

**D. FY 2023-2024 PROJECT ORDINANCES:**

The following ordinances for FY 2023-2024 were approved:

1. **Ordinance No O-2024-20** entitled **ORDINANCE APPROPRIATING FUNDS FROM THE OCCUPANCY TAX FUND TO THE GENERAL FUND AS APPROPRIATED IN FY 2023-2024 ANNUAL OPERATING BUDGET (\$425,000)**
2. **Ordinance No O-2024-21** entitled **ORDINANCE APPROPRIATING FUNDS (\$66,667) TO THE ECONOMIC DEVELOPMENT FUND AS PART OF THE ONE NORTH CAROLINA GRANT AGREEMENT PROJECT FUSION 2 (MATCHING FUNDS ARE MADE POSSIBLE BY TRANSFER FROM THE GENERAL FUND)**
3. Transit
  - **Ordinance No O-2024-22** entitled **PROJECT ORDINANCE URBAN CAPITAL CARES ACT PROJECT** - Urban Capital CARES Act Project (UCCRS) - \$46,896
  - **Ordinance No O-2024-23** entitled **PROJECT ORDINANCE URBAN OPERATING CARES ACT PROJECT** - Urban Operating CARES Act Project (UOCS) - \$274,830

- **Ordinance No O-2024-24** entitled **PROJECT ORDINANCE FY 23 URBAN CAPITAL PROJECT** - FY 23 Urban Capital Project (UCA23) - \$1,854
  - **Ordinance No O-2024-25** entitled **PROJECT ORDINANCE FY 23 URBAN OPERATING PROJECT** - FY 23 Urban Operating Project (UOP23) - \$6,508
  - **Ordinance No O-2024-26** entitled **PROJECT ORDINANCE FY 24 TRANSIT SYSTEM PLANNING PROJECT** - FY 24 Transit System Planning Project (TPL24) - \$6,128
4. Community Development Grant Programs
- **Ordinance No O-2024-27** entitled **PROJECT ORDINANCE HOME INVESTMENT PARTNERSHIP GRANT** - Home Investment Partnership Grant (HME) - \$172,246
  - **Ordinance No O-2024-28** entitled **PROJECT ORDINANCE CDBG ENTITLEMENT GRANT** - CDBG Entitlement Grant (CDB) - \$11,293
- ~~5. **Project Ordinance American Rescue Plan Act (ARPA)**~~  
Removed from Consent Agenda for separate consideration
6. **Ordinance No O-2024-29** entitled **THELONIOUS MONK PARK PLAYGROUND PROJECT** - Thelonious Monk Park Playground Project (MNKPK) - \$46,196
7. **Ordinance No O-2024-30** entitled **ROCKY MOUNT EVENT CENTER CAPITAL PROJECT CLOSEOUT** - Remaining unspent funds (\$662,066) will be appropriated back to the General Fund and available as fund balance

**E. PROPERTY AND CASUALTY INSURANCE RENEWAL**

The City Council was advised that the City collaborates with its broker and carriers each year to maintain appropriate property and liability insurance coverage. It was explained that the quote for FY 2025 insurance premiums, required audits and third-party administration is estimated to be \$2,203,042. The Council was advised that areas experiencing substantial increases are as follows:

- Property coverage has increased 17% over the previous year
- Law Enforcement Liability coverage has increased 25%
- Employee Related Practices has increased 16%

It was noted that these increases are both exposure and risk driven. Additionally, Workers Compensation has increased by 11% and Employee Benefits Liability coverage has increased by 10%. These increases are purely exposure related increases and correspond to an increase in city payrolls.

It was also noted that the estimated premium for coverage related to the Event Center is \$86,000, which will need to be renewed in October of 2024.

By consent, the proposal from Surry Insurance Agency was approved @ a cost not to exceed \$2,203,042.

**F. RESOLUTION/SUNSET PARK RENOVATION**

The City Council was provided a resolution supporting a grant application for the Sunset Avenue Renovation Project. It was noted that the resolution acknowledges City Council support for the project, certifies availability of matching funds and authorizes

staff to apply for the grant in the amount of \$100,000 through the Recreational Trails Program (RTP).

By consent, **Resolution No. R-2024-20** entitled **RESOLUTION APPROVING THE APPLICATION AND AVAILABILITY OF LOCAL MATCH FOR RESTORATION OF SUNSET PARK GREENWAY, NATURAL SURFACE TRAIL, KAYAK ACCESS AND TRAILHEAD** was adopted and the Mayor and City Clerk were authorized to execute required documentation and certifications for the final grant application.

**G. FY 2023-2024 ANNUAL OPERATING BUDGET ORDINANCE AMENDMENT**

The City Council was advised that the annual operating budget for the current fiscal year (2023-2024) required additional amendments to appropriations to recognize receipt of grants during the year, as well as appropriation of revenue to cover unanticipated expenditures.

The amendment reflects appropriations in the funds as follows:

General Fund (\$748,468)

- Receipt of \$5,000 grant from Electricities for marketing efforts in Office of Downtown Development;
- Receipt of \$497,243 from North Carolina Emergency Management for reimbursement of expenses incurred by Department of Public Works in their response to the July 19, 2023 tornado;
- Receipt of \$75,000 from North Carolina Department of Cultural Resources for annual support of exhibits at the Rocky Mount Children's and Science Museum; and
- Appropriation of \$346,225 of greater-than-expected collection of current year ad valorem tax revenues to cover additional tornado response and recovery expenses, and fund additional matching funds required for Federal entitlement grants involving Tar River Transit and the Department of Housing & Community Development

Electric Fund (\$1,327,368)

- Receipt of \$5,000 grant from Electricities for marketing efforts in Department of Energy Resources;
- Receipt of \$531,968 from North Carolina Emergency Management for reimbursement of expenses incurred by Department of Energy Resources for system restoration in their response to the July 19, 2023, tornado;
- Appropriation of \$177,300 from reserves designated for working capital to cover unreimbursed system restoration expenses because of the July 19, 2023 tornado; and
- Appropriation of \$613,100 from reserves designated for rate stabilization to cover monthly "true up" payments to Duke Energy as wholesale electric provider to the City, starting in April 2024.

Gas Fund (\$3,000,000)

- Appropriation of \$3,000,000 of greater-than-expected gas utility sales to cover anticipated wholesale gas utility purchases through the end of the current fiscal year (\$1,500,000) and increase funding for gas rate stabilization (\$1,500,000)

Stormwater Fund (\$800,000)

- Appropriation of \$800,000 received from 2 state grants (\$400,000 each) for planning and design of drainage improvements for Edgemont and Parker's Canal

Self-Insurance (Internal Service) Fund (\$3,900,000)

- Appropriation of \$3,900,000 from multiple sources of revenue over budget to cover claims anticipated through the end of the current fiscal year, consistent with amendments submitted to Council in prior years

By consent **Ordinance No. O-2024-31** entitled **ORDINANCE AMENDING THE BUDGET ORDINANCE FOR THE FISCAL YEAR 2023-2024** was adopted.

**H. REVISED INSTALLMENT FINANCE PROPOSAL FOR FIRE STATION #2 PROJECT**

The City Council was provided with an updated installment financing proposal from Banc of America Public Capital Corp (BAPCC) reflecting a 0.2225% higher interest rate from the proposal the City Council approved on February 12, 2024. The interest rate increased from 4.3203% to 4.5428%, which would increase total interest costs from \$5,142,669 to \$5,433,415 (\$290,746) upon full maturity after 20 years.

PROJECT	ESTIMATD COST	TERMS (MONTHS)	RATE
Fire Station 2	\$11,400,000	240	4.5428%

**Resolution No. R-2024-21** entitled **RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT TO FINANCE THE CONSTRUCTION AND EQUIPPING OF A FIRE STATION TO REPLACE THE CITY'S EXISTING FIRE STATION #2** was adopted.

This resolution accepts the updated proposal from Banc of America Public Capital Corp (BAPCC), authorizes the City Manager and the Director of Finance and any other officer of Lessee who shall have power to execute contracts on behalf of Lessee, and each of them, to execute the Agreement required in connection with the financing; and authorizes the City Clerk of Lessee, and any other officer of Lessee who shall have power to do so, to affix the official seal of Lessee to said Agreement and to attest the same.

**GRANT PROJECT ORDINANCE AMENDMENT/AMERICAN RESCUE PLAN ACT**

The City Council was advised that this amendment transfers the remaining unallocated funds (\$360,238) for appropriation to cover the \$200,000 additional contribution to United Community Ministries for the current fiscal year and \$160,238 of the contribution proposed for FY24-25.

Councilmember Joyner recused himself from the vote due to his service on the United Community Ministries Board and a Recusal Statement is on file in the City Clerk's office.

Motion was made by Councilmember Daughtridge, seconded by Councilmember Harris and unanimously carried **that Ordinance No O-2024-32** entitled **GRANT PROJECT ORDINANCE AMENDMENT AMERICAN RESCUE PLAN ACT** be adopted.

**ADMINISTRATIVE POLICY/FINANCIAL REPORTING (added in open meeting)**

City Council was provided with Administrative Policy No. II. 52 entitled: Manager - City Council. Motion was made by Councilmember

Joyner, seconded by Councilmember Knight and unanimously carried that the policy be approved and added the City of Rocky Mount Administrative Policy.

**FY 2024-2025 BUDGET ORDINANCE/FEEES & CHARGES**

Consideration was given to recommendations made during review of the Fiscal Year 2024-2025 Budget for the 2024-2025 Budget Ordinance and amendments to the following fees and charges:

1. Department of Public Works

- Policy No. X.2.4 Entitled "Engineering Fees" - *Multiple changes and adjustments to fees to reflect costs of providing services for development*
- Policy No. X.2.9 Entitled "Water and Sewer Connection Fees" - *Multiple changes and adjustments to reflect cost of providing utility connections*
- Policy No. X.8.4 Entitled "Environmental Services Fees and Charges" - *Consolidation of prior multiple policies into a single fee schedule, along with adjustments to one-time fees to reflect actual costs and a 4% increase to tonnage rates for disposal through the City Transfer Station to reflect the annual increase in disposal costs*

2. Department of Development Services

- Policy X.5.1 Entitled "Development Services Zoning and Plan Review Fees" - *Multiple changes and adjustments to fees to reflect costs of providing services for development*
- Policy X.5.3 Entitled "Building Permits" - *Multiple changes and adjustments to fees to reflect costs of providing service for development*
- Policy X.5.4 Entitled "Electrical Permits" - *Multiple changes and adjustments to fees to reflect costs of providing services for development*
- Policy X.5.6 Entitled "Insulation Permits" - *Multiple changes and adjustments to fees to reflect costs of providing services for development*
- Policy X.5.7 Entitled "Mechanical Permits" - *Multiple changes and adjustments to fees to reflect costs of providing services for development*
- Policy X.5.8 Entitled "Plumbing Permits" - *Multiple changes and adjustments to fees to reflect costs of providing services for development*
- Policy X.5.9 Entitled "Development Services Sign Fees" - *Multiple changes and adjustments to fees to reflect costs of providing services for development*

3. Department of Water Resources

- Policy X.9.1 Entitled "Water and Sewer Miscellaneous Fees" - *Multiple changes and adjustments to fees to reflect costs of providing services for development*
- Policy X.9.2 Entitled "Water and Sewer Retail Rates" - *Increase water rates by 7.5% and sewer rates by 8.5% in accordance with the recommendations of the fall 2022 cost of service analysis. This will increase costs for the average City household of \$1.35/month for water and \$2.00/month for sewer (based on 3,000 gallons of monthly usage)*
- Policy X.9.3 Entitled "Water and Sewer Wholesale Rates" - *Increase water rates by 7.5% and sewer rates by 8.5% in accordance with the recommendations of the fall 2022 cost of service analysis*

Motion was made by Councilmember T.J. Walker, seconded by Councilmember Jabaris Walker and carried by a vote of 6-1

(Councilmember Harris opposed) that **Ordinance No. O-2024-33** entitled **CITY OF ROCKY MOUNT 2024-25 BUDGET ORDINANCE; Resolution No. R-2024-22** entitled **RESOLUTION AMENDING CERTAIN ADMINISTRATIVE POLICIES FOR FEES AND CHARGES; and Ordinance No. O-2024-34 ORDINANCE ADOPTING AMENDMENT TO WATER AND SEWER RETAIL RATES** be adopted.

The above ordinances and resolution adopt the FY 2024-2025 budget; sets the City's tax rate at \$0.58 per \$100 valuation and enacts the recommendations of the City Council during review of the budget for amendments to certain fees and charges and Water and Sewer Retail and Wholesale Rates.

### Council Comments

#### Councilmember Knight -

- Stated this is a time where they take into consideration what they have heard from the citizens in reference to the budget
- Stated this is the hardest budget that he has ever had to vote on because it has been very hard to get information from the City Manager
- Stated when information is withheld, it is hard to properly evaluate a budget that is going to affect all of the citizens of Rocky Mount and the employees
- Stated he is very disturbed and he is not the only Councilmember who has requested information and still has not received it
- Stated that the City's budget is not sustainable as is and he feels there would likely have to be substantiating tax increases in the coming years just to stay afloat
- Stated going down this path is going to be very hard as the proposed budget for FY 2025 is over \$45 million above the adopted budget for FY 2024 and yet a revenue neutral tax rate was recommended, which was not sound fiscal management
- Recommended that the current tax rate be lowered from 68.5 to 60.5 which is only 4 cents above revenue neutral and in moving forward look at other ways to reduce the budget and overall spending
- Stated he is concerned about being able to cover the long-term costs with the most significant increases in expenditures being tied to the increases made to the Police Department last spring as well as fire and the additional adjustments that were made to existing positions and new leadership hires
- Stated this is the first time out of 4 City Managers that this has been a difficult task for all of them to be able to dissect and reason and evaluate the budget
- Stated this is close to a \$300 million dollar budget that they are about to pass and there are positions that they did not know about
- State he has asked about these positions and about the pay increases and still has not gotten any answers
- Stated he is sitting here trying to figure out if he should vote for a budget that he knows does not feel right, but if he doesn't vote for it, it will affect the citizens in this community that need the money in order to operate

#### Councilmember Blackwell -

- Stated he appreciates the fact that they have made progress in the last couple of meetings, however he is disappointed that they should have made that progress several months ago
- Stated he is not confident about the veracity of where they are and he is concerned about other signs that are not transparent
- Stated he looks around the room for department heads and he only sees a few and he does not remember a time where Council did not have spirit and engagement with the leaders of departments to

support the manager and also work with the Council under the leadership and direction of the manager

- Stated he does not have an issue with who gets hired and what they do as long as they are all working together
- Stated sometimes in working together they may not agree but they have always found a way to work together as this is a political body
- Stated what he thinks is more important than everybody agreeing on everything is that they all have an opportunity to weigh in on what their perspectives are and then they find a way to compromise and through creativity, move forward together
- Stated that is the only thing that makes him desire to vote for this budget because otherwise, there are several areas he is not clear about

Councilmember Harris -

- Stated two weeks ago at the Committee of the Whole meeting, five Councilmembers voted yes and two voted no in regard to increasing the \$0.56 cents rate to \$0.58
- Stated the revenue neutral rate that has been discussed on TV, etc. is a misnomer and that is why he is going to be voting no on the budget because he wants it to be kept to \$0.56
- Stated Council is putting the following in this administrative policy to help bring more information to the Council quickly:
  - Before the 15<sup>th</sup> of each month following the close of the previous month, Council is to be delivered actual versus budgeted financial statements monthly, budgeted amendments if any allocating and appropriating such funds, and funds transfer ledger monthly
- Stated he will be asking for the number of open positions the City has at each Committee of the Whole meeting
- Stated on March 31 there were 131 positions, but yet next year's budget has all 131 fully funded; said that Council needs to concentrate and see how these positions are being filled and how dollars are being spent
- Stated comp has gone up considerably over the last couple years and it is going to be a \$90 million dollar amount for next year
- Stated if the spending is not controlled and comp is increased by significant amount every year, the City is going to have a non-sustainable budget
- Stated he is glad they are having these monthly statements as he is going to analyze them in detail
- Stated he asked for over 6 to 7 months for them to have a quarterly financial review of the 2024 financial report and they finally got one for March 31 in the month of May
- Stated they are going to stay on top of the finances
- Stated Council getting the financial information promptly and so when they have the meetings, Council can be prepared to ask questions

Councilmember T.J. Walker -

- Thanked the other Councilmembers for their comments and also the working committee that they had that worked in small groups throughout this budget process
- Stated with so many different comments, he looks forward to next year's reapproving of these small groups and he hopes that he can be recommended to be a part of it

Councilmember Knight -

- Stated he would like for them to be able to balance the budget with revenue neutral, but he thinks it is very hard to do so
- Stated he feels if Council does not get control of the spending and manage the manager, the City will have issues

- Stated next year, they might get by but in two years they're going to be in trouble
- Stated he is not trying to alarm anyone; he is just being honest and he would like his comments today documented in the record

**POSITION CLASSIFICATION AND PAY PLAN**

Consideration was given to the amendments to position classification and pay plan to adopt staffing plan changes as follows:

- Department of Human Resources
  - Senior Human Resources Technician (1 FTE, Range 110)
- Housing & Community Development
  - Policy Analyst (1 FTE, Range 113)

Councilmember Knight stated he thinks there is a typo on the memo. He said that in the comp and pay study the Department of Human Resources asked for 2 new positions. He added that he asked repeatedly how many positions would be created and was told 2. He stated that as of today there are probably over 5 or 6 and now another position is being added. He voiced that he also asked about the mental health consulting contract for \$170,000. He shared that he still has not received the background information and how it was vetted. He stated that the department did not provide the full compensation and pay study document to the Council, only pieces and slides. He expressed that he feels this position should not be filled. He stated that he is confused because there is a Policy Analyst in Housing and Community Development, which is one FTE. He shared that there is a current employee in a new position called an Community Engagement Manager. He stated that there is a position for a Community Engagement Officer at \$66,000, but the person who has been labeled as the Community Engagement Manager is at \$126,626.64. He stated that person has been moved out of the Director's role. He asked if hiring another Director for Housing and Community Development is included in this budget and if so, what the pay would be. He said that would be 2 additional salaries on top of the one that is being paid in a position that was not approved by the Council. He asked if the City Manager or staff could provide clarity on the position since it is not one already in existence. Councilmember Knight stated he has sent information to the office and has not received any clarity as to what they are doing. He stated there are 8 of them including the Mayor and they agree and disagree. He feels that not one of them on the dais should allow and accept a City Manager who is not responsive to any one of them. He stated that when information is asked, it should be provided. He stated that he has 3 issues that he will bring forth at the end of the meeting that he has been trying to get resolved for concerned constituents. He explained that it is not fair but if he

could not get an answer, then he would bring it forward at every Council meeting, so it is on the record.

City Manager Rogers responded that what was before Council tonight is the position classification pay plan that was approved by Council at the budget last year. He explained that the only changes that are being made are to add the 2 FTEs, which are the Senior Human Resources Technician for the Department of Human Resources and one Policy Analyst for the Department of Housing and Community Development. He continued explaining that during the budget when these were brought up, he and Mr. Hunter explained that these were the only 2 new positions that were included in this year's budget and the item before Council tonight is to add these to the existing classification plan.

Councilmember Knight asked if they should add a third one and if the Community Engagement Manager is a new position.

City Manager Rogers responded that the only 2 positions that are before the Council are the Senior Human Resources Technician and the Policy Analyst. He stated to answer Councilmember Knight's question, there are no positions that were created outside of the classification plan that Council approved. He said that anytime a position is added it will come before Council in a staffing resolution similar to the one that is on the agenda tonight. He explained that last year Council approved a new classification and compensation plan and what is before Council tonight is simply to add two additional positions to the plan that was previously approved during last year's budget.

Councilmember Knight asked City Manager Rogers if he could please tell him, yes or no, if the Community Engagement Manager is a new position or if it is already in the comp and pay plan. City Manager Rogers responded again, there are no new positions outside of the pay plan.

Councilmember T.J. Walker explained that as the Manager just stated, the position that Councilmember Knight is asking about is already in the comp and pay study that Council approved last year. Councilmember Blackwell asked if the comp and pay study that was adopted is in the City Clerk's record.

The City Clerk responded that there is a copy of the comp and pay plan that was adopted in the City Clerk's office.

Councilmember Blackwell stated so the easy way to trust and verify is to look at the record that the City Clerk has and look for all those positions that are in question. He stated that he had made a comment earlier about a number of positions that were added to payroll/staffing and he does not recall voting on them prior to them being announced or after being discovered. He said that they were announced when Council brought it to attention. He continued

stating that he is assuming those positions are in the pay study as well and they can verify that as well.

Mayor Roberson stated if anyone has a question about anything to get it to the City Clerk and she can do the research and then they'll have the answers.

Councilmember Blackwell stated he is going to trust what has been stated and ask the City Clerk to do the research and produce the verification so they will all have mutual trust in their words and intents.

Motion was made by Councilmember T.J. Walker, seconded by Councilmember Jabaris Walker and carried by a vote of 5-2 (Councilmembers Knight and Blackwell opposed) that **Resolution No. R-2024-23** entitled **RESOLUTION APPROVING AMENDMENTS TO POSITION CLASSIFICATION AND PAY PLAN** be adopted.

**FY 2024-2025 BUDGET ORDINANCE/OIC**

Consideration was given to the FY 2024-2025 Budget Ordinance Amendment appropriating \$200,000 in the General Fund for reimbursement to OIC Rocky Mount for expenses incurred related to the following programs:

- Construction Trades Program - \$100,000
- Youth Connect Summer Employment Program - \$100,000

Councilmember Knight and Councilmember Blackwell recused themselves from the vote due to their service on OIC's board and Recusal Statements are on file in the City Clerk's Office.

Motion was made by Councilmember Joyner, seconded by Councilmember T.J. Walker and unanimously carried that **Ordinance No O-2024-35** entitled **ORDINANCE AMENDING THE BUDGET ORDINANCE FOR THE FISCAL YEAR 2024-2025** be adopted.

**FY 2024-2025 BUDGET ORDINANCE/UNITED COMMUNITY MINISTRIES**

Consideration was given to the FY 2024-2025 Budget Ordinance Amendment appropriating \$300,000 in the General Fund for United Community Ministries for the purpose of supporting operations of programs to address homelessness.

Councilmember Joyner recused himself from the vote due to his service on the United Community Ministries Board and a Recusal Statement is on file in the City Clerk's Office.

Councilmember T.J. Walker states they help a lot of nonprofits and will continue to support UCM and many others, but in doing that he asked the manager and staff moving forward if they could work closely with some of the agencies to try to have them more self-sustainable in the future.

Councilmember Daughtridge stated that he agrees with Councilmember T.J. Walker's statement as he has said it many times himself, especially about United Community Ministries who serves the City's unhoused population and it happens to be located here but it

serves both Edgecombe and Nash counties. He stated he feels it should not fall on the City of Rocky Mount solely to support UCM in the work that they do, so he pleads to the two counties to help with this and any other nonprofits. He stated just because it is in the City of Rocky Mount does not mean that it is not a county function, since a big part of the county's purpose is social issues, and he would say homelessness is a social issue.

Councilmember Blackwell stated that he concurs with Councilmember Daughtridge related to sustainability concerns as they really cannot afford to allow any critical service organization that is providing support for the City's most fragile and vulnerable population. He explained that Councilmember Harris made an appeal earlier about the tax bills everyone will receive, and he knows the eight people that are sitting at the dais will be blamed for Edgecombe County tax rate and Nash County tax rate. He explained that most of the citizens have never picked up the phone and called their County Commissioners for anything, they look to their Council to fix it. He stated that homelessness is an effort that everyone should be involved with. He explained that the City held a session on homelessness and created an effort to try and ask people to work together and it was good. He recommended that both counties come back to the table and if they do not want to do anything about it, then give the City the money so they can.

Mayor Roberson stated he has some information, and they can verify it, but he was informed that Edgecombe County contributes \$30,000 to UCM and Nash County does not contribute.

Motion was made by Councilmember Daughtridge, seconded by Councilmember Blackwell and unanimously carried that **Ordinance No O-2024-36** entitled **ORDINANCE AMENDING THE BUDGET ORDINANCE FOR THE FISCAL YEAR 2024-2025** be adopted.

Councilmember Joyner stated he invites anyone to come sit in the board meetings to see how hard the board works to ensure they accommodate all of the citizens who find themselves in difficult situations.

#### **FY 2025 PROJECT ORDINANCES**

Consideration was given to the following project ordinances to be included in the City Manager's proposed FY 2025 Annual Fiscal Plan:

- **Ordinance No. O-2024-37** entitled **GRANT PROJECT ORDINANCE ROCKY MOUNT AFFORDABLE HOUSING (RMAH) INITIATIVE (7,000,000)** - *approval with provision that the money shall be earmarked for purposes described, but money will not be disbursed until the final initiative plan has been submitted to City Council and approved by City Council*

- **Ordinance No. O-2024-38** entitled **CAPITAL PROJECT ORDINANCE FY 2025 SEWER OUTFALL (OUT25) IMPROVEMENTS (\$4,000,000)**
- **Ordinance No. O-2024-39** entitled **CAPITAL PROJECT ORDINANCE DOWNTOWN DRAINAGE (DTCUL) IMPROVEMENTS (\$10,805,000)**
- **Ordinance No. O-2024-40** entitled **CAPITAL PROJECT ORDINANCE PARKER'S CANAL DRAINAGE (Park2) IMPROVEMENTS (\$3,000,760)**

Motion was made by Councilmember Daughtridge, seconded by Councilmember Harris and unanimously carried that the FY 2025 Project Ordinances above be adopted.

**CHAPTER 14 ENTITLED "MISCELLANEOUS OFFENSES"/CODE AMENDMENT**

The City Council was provided with an amendment to Chapter 14 of the City Code entitled "Miscellaneous Offenses", Section 14-13 regulation of panhandling as to provide for criminal enforcement of certain City Ordinances. The amendment to Chapter 14 was introduced at June 10, 2024 City Council meeting and the ordinance is now returning for final city Council approval.

Motion was made by Councilmember Daughtridge, seconded by Councilmember Blackwell and passes by a 6-1 vote (Councilmember T.J. Walker opposed) that **Ordinance No. O-2024-41** entitled **ORDINANCE AMENDING CHAPTER 14 OF THE CODE OF THE CITY OF ROCKY MOUNT ENTITLED "MISCELLANEOUS OFFENSES", SECTION 14-13. REGULATION OF PANHANDLING** was approved.

**RESOLUTION/ADMINISTRATIVE POLICY II.49 (BUDGET REPORTING TO MAYOR AND COUNCIL)**

Item was removed from the agenda.

**RESOLUTION/UNWIND OF THE NEW MARKETS TAX CREDIT (NMTC) TRANSACTION AND TRANSFER OF THE ROCKY MOUNT DOWNTOWN COMMUNITY FACILITY (DCF)**

Consideration was given to the approval of a resolution for unwind of the New Markets Tax Credit (NMTC) transaction and the transfer of the Rocky Mount Event Center to the City.

The following background information was provided:

- In December 2016, the City issued its \$36,815,000 Special Obligation Bonds, Series 2016 (the "Bonds") to finance the acquisition, construction, and equipping of a multi-purpose event center now known as the Rocky Mount Event Center (the "Project").
- To provide additional financing for the Project, in May 2017 the City loaned a portion of the bonds in the amount of \$16,649,800 into a legal structure created to facilitate an investment of new markets tax credits equity in the Project (the "NMTC Transaction") by Wells Fargo Community Investment Holdings, LLC (the "NMTC Investor").
- On May 24, 2024, the seven-year tax credit period during which the legal structure of the NMTC Transaction was required to remain in place ended, and on May 30, 2024, the NMTC Investor took certain steps to "unwind" the legal structure of the NMTC Transaction.

- Presently, the City owns the ground upon which the Rocky Mount Event Center sits, but Rocky Mount DCF, LLC, a North Carolina limited liability company ("DCF LLC"), owns the Rocky Mount Event Center itself. The legal structure of the NMTC Transaction is no longer necessary, and the City and related parties can take steps to transfer full ownership of the Rocky Mount Event Center to the City.

The City Council was advised the remaining steps necessary to acquire the Rocky Mount Event Center are as follows:

1) DCF LLC Calls O/C 's 10% Membership Interest in DCF LLC

- Under the Amended and Restated Limited Liability Company Agreement of DCF LLC, DCF LLC will call the 10% membership interest of OIC in DCF LLC in exchange for (a) cancellation of a Promissory Note in the outstanding amount of \$429,634, which evidences OIC's obligation to repay to DCF LLC for a loan of working capital that DCF LLC made to OIC and (b) the transfer by DCF LLC to OIC of certain medical equipment owned by DCF LLC and leased to OIC
- Once DCF LLC calls OIC's membership interest in DCF LLC, RMPFC will be the sole member of DCF LLC.

2) Investment Funds Assign "A Promissory Notes" to RMPFC to Satisfy Leverage Loans

- As part of the "initial unwind" on May 30, 2024, each of the "sub-CDEs" assigned to the Investment Funds their respective interests in (a) three "A Promissory Notes" in the aggregate amount of \$16,649,800 (which correlates to the amount of the Upper-Tier Loan and the Leverage Loans), and (b) three "B Promissory Notes" in the aggregate principal amount of \$5,064,000 (which correlates to the amount of the new markets tax credit equity investment made by the NMTC Investor)
- The Investment Funds are indebted to RMPFC in the amount of \$16,649,800 under three "Leverage Loan Notes", which evidence the Investment Funds' obligation to repay RMPFC for the Leverage Loans. Rather than repay RMPFC in cash, the Investment Funds will transfer to RMPFC (i) their interests in the "A Promissory Notes" (in the amount of \$16,649,800) and (ii) the security documents (including the Leasehold Deed of Trust) that secure repayment of the A Promissory Notes. Those assignments will satisfy the obligations of the Investment Funds to repay the Leverage Loans
- The Investment Funds will cancel the "B Promissory Notes" (as those correlate to the new markets tax credit equity investment made by the NMTC Investor)

3) RMPFC Assigns "A Promissory Notes" to City to Satisfy Upper-Tier Loan

- RMPFC is indebted to RMPFC in the amount of \$16,649,800 under an "Upper-Tier Loan Note" which evidences RMPFC's obligation to repay the City for the Upper-Tier Loan. Rather than repay the City in cash, RMPFC

*will transfer to the City (i) its interest in the "A Promissory Notes" (in the amount of \$16,649,800) and (ii) the security documents (including the Leasehold Deed of Trust) that secure repayment of the A Promissory Notes. Because the outstanding principal amount of the A Promissory Notes (\$16,649,800) will be equal to the outstanding principal amount of the Upper-Tier Loan Note (\$16,649,800), the assignments will satisfy the obligations of RMPFC to repay the Upper-Tier Loan.*

4) DCF LLC Agrees to Terminate Ground Lease and Equipment Leases, Resulting in Transfer of Rocky Mount Event Center to City

- *After RMPFC assigns its interests in the "A Promissory Notes" to the City, DCF LLC will be indebted to the City in the amount of \$16,649,800. Rather than repay the City in cash, DCF LLC will agree to (a) terminate the ground lease (resulting in the transfer of the ownership of the Event Center to the City), and (b) terminate two equipment leases between DCF LLC and the City, under which the City has leased certain equipment used by the City's space at the Event Center*
- *When the ground lease terminates, the City Operating Lease will terminate as a matter of law. As successor to DCF LLC's interest in the Event Center, the City will assume the obligations of DCF LLC as landlord to OIC for the 4,500 square foot clinic space under the OIC Operating Lease.*

Councilmember Knight and Councilmember Blackwell recused themselves from the vote due to their service on OIC'S Board and Recusal Statement is on file in the City Clerk's office.

Motion was made by Councilmember Joyner, seconded by Councilmember Daughtridge and unanimously carried that **Resolution No. R-2024-24** entitled **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKY MOUNT, NORTH CAROLINA APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS RELATING TO THE UNWIND OF THE NEW MARKETS TAX CREDIT TRANSACTION AND THE TRANSFER OF THE ROCKY MOUNT DOWNTOWN COMMUNITY FACILITY TO THE CITY AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO.**

**AMENDMENT/OPERATING LEASE AGREEMENT BETWEEN THE CITY AND OIC**

Item was postponed to the July 8, 2024 City Council Meeting.

**CITY ATTORNEY COMMENTS**

City Attorney Jep Rose stated in June of 2021, he advised the Mayor and City Council that he planned to step down as City Attorney as of July 1, 2024. He explained that he is not retiring but rather relinquishing the position, and he will remain available to assist the City. However Colin McGrath will be assuming the role along with Allen Buansi, who are both Poyner Spruill attorneys. He stated they will fill the attorney position for an interim period that will begin July 1, 2024 and end December 31, 2024. He explained that

during this period, the City and the law firm will assess the relationship and determine whether the engagement is working well and whether it should be continued. He stated that it is anticipated that the City will consider other attorneys and law firms during the interim period. He stated that he has enjoyed working with the City and would like to stay on forever, but 48 years is enough.

Councilmember T.J. Walker congratulated Attorney Rose and thanked City Manager Rogers for the acknowledgment of article about him in the Southern Cities publication. He stated that he did want to explain his opposition for item 14 regulation of panhandling. He explained that panhandling for the majority of Ward 4 looks a lot different than it does in the rest of the City as many of the panhandlers in Ward 4 become like family and it makes the decision for him to support that regulation extremely hard. He stated that he does understand the reasoning and the authenticity behind this item and he is looking forward to being very efficient throughout the City, but he had to explain his opposition.

Councilmember Blackwell gave the time and location for the Budget meeting of the Edgecombe County Commissioners.

Councilmember Knight shared the concern of a citizen about a leaning tree on River drive that may fall and hurt someone.

Councilmember Blackwell congratulated Mr. Ronnie Joyner on his retirement from the City and thanked him for his dedication.

#### **CLOSED SESSION**

A closed session was requested relative to matters concerning economic development and workman's compensation claim/attorney client privilege.

Motion was made by Councilmember Joyner, seconded by Councilmember T.J. Walker and unanimously carried that the City Council enter into Closed Session at 5:10 p.m. The minutes of the Closed Session shall be filed as **ESM-645** at the end of **Minute Book 38** upon approval for release by the City Attorney.

#### **ADJOURNMENT**

There being no further business, by consensus, the meeting was adjourned at 5:56 p.m.




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Kim Batts  
City Clerk