



Minutes of the Roanoke Rapids City Council

A Special Meeting (Budget Work Session) of the City Council of the City of Roanoke Rapids was held on **Thursday, June 4, 2026** at **10:00 a.m.** at Lloyd Andrews City Meeting Hall

Present: Emery G. Doughtie, Mayor
Sandra Bryant, Mayor Pro Tem

W. Keith Bell) **Council Members**
Andy Jackson)
Rex Stainback)
Curt Strickland)

Kelly Traynham, City Manager
Traci Storey, City Clerk
Carmen Johnson, Finance Director
Christina Caudle, Human Resources Director
Lawrence Wiggins, Police Chief
Larry Chalker, Public Works Director
Kelly Daughtry, Parks & Recreation Director
Richard Cook, Fire Chief
Kristyn Anderson, Planning & Development Director
Ashley Thomas, Main Street Director

Mayor Doughtie called the meeting to order and provided an invocation.

City Manager Traynham stated the purpose of the meeting today was to discuss the FY27 general fund operating budget. She referred to the notebooks provided to City Council which included a revision of what was originally presented on May 19, 2026. (On file in Clerk's Office) It reduces the deficit and they have made some adjustments. They will discuss in more detail as they move forward through the notebook.

City Manager stated the revised total budget stands at \$20,254,342. Some reductions have been made but there is still a gap. This proposal does not include anticipated revenue from a tax increase. Some level of fund balance will need to be utilized to close the gap, but they may not have to use it.

Finance Director Johnson highlighted projected revenues.

- **Ad Valorem Tax** - \$8,882,423 (1-cent goes to the Roanoke Valley Rescue Squad)
- **Sales Tax** - NCLM projects Halifax County will decrease by 3%. She noted there is legislation to eliminate the 2% Food Tax. She projected budgeted revenues conservatively and based 3-year trends.
- **Beer & Wine** – Decreased based on what City has received.
- **Solid Waste Fees** – Increased fee to \$305/year (\$10).
- **Interest** – Projects it will hold to 4th Quarter.
- **Grants** – Doesn't budget for grants unless they know they will receive.
- **Misc. Revenues**
- **Building Permits** – Estimated based on what projects they may know are coming. They had a really good year or two with some big projects.

Finance Director Johnson stated she tries to project revenues conservatively so as not to put the City in jeopardy.

Mayor Doughtie referenced the latest NCLM Southern City magazine. Article states there is a bill that would put a cap on what municipalities can charge for ad valorem tax to balance their budget. It also discussed what other municipalities are struggling with just like Roanoke Rapids.

City Manager Traynham said the City is having to bear the costs of federal and state mandates. For example, there is a federal government requirement for cities and towns to have ADA compliant websites which will cost a lot of money.

Finance Director Johnson mentioned the possibility of losing the 2% Food Tax. 10-15% of Halifax County's sales tax is based on grocery sales. She would like them to consider asking the County if they would agree to allow the City to have a sales tax as suggested at the last meeting.

City Manager Traynham added that sales tax will not replace ad valorem tax to the same degree.

Mayor Doughtie asked if the City was mandated to fully pay employees health insurance. Human Resources Director replied the City is mandated to offer health insurance. Any city or town with 10 or more full-time employees are required to offer a group plan. They do not have to pay 100% of the costs, although many local municipalities are still doing that today. She stated that is something they can explore in the future.

City Manager Traynham called attention to the proposed Fee Schedule.

Finance Director Johnson said she conducted some research on the Business Registration Fee. The City is allowed to charge up to \$50. Currently, the City charges \$20 per year.

City Manager Traynham said in 2015 the General Assembly eliminated the ability for local governments to charge Privilege License tax. The City used to receive \$500,000 annually from these fees. The state allowed them to have a business registration fee, not a tax. It had to be responsible and related to the effort of the staff to complete the transaction. They gave ranges of \$10-\$20. The City could possibly increase that a little more. Right now, the revenue the City receives for those fees are less than \$5,000 annually.

Finance Director Johnson said the City is allowed to charge up to \$30 for Motor Vehicle Tax. The City Manager is suggesting \$15. It is currently \$11.

Mayor Doughtie asked if the City was charging the Roanoke Rapids Sanitary District for street cuts.

City Manager Traynham said no, they have found some exceptions that were built into deeds that specifically state the RRSD is exempt in many cases. Public Works Director Chalker added they discovered some previous agreements from earlier administration with the RRSD waiving those fees in the City's right-of-ways. City Manager Traynham said that doesn't mean they can't negotiate something with the RRSD.

Councilman Stainback asked how much does it cost for them to fix those holes. Public Works Director Chalker said the RRSD is responsible for repairing the damage. Most of the bumps people feel in the streets are from RRSD cuts. Whatever repairs the RRSD does is under warranty for a year. After that year, the street can settle. Sometimes they will come back out and redo it. He did not have figures on that cost, but it can be expensive.

City Manager Traynham stated the anticipated revenues total \$18,954,538. This is 4% less (\$881,516) than in the current fiscal year.

City Manager Traynham moved on to the proposed expenses for FY27. Total Expenses are \$20,254,342. There is still a gap, but they have reduced it significantly since the last meeting. The budget still consists mainly of personnel costs and paying bills. There are really no preventive maintenance or projects in

this proposed budget. They have the Theatre debt until 2032 unless they are able to pay it off sooner.

She reviewed the General Government expense budget. It consists of City Council, Attorney, Elections, Administration, Human Resources, Finance and Information Systems. The expenses include retiree benefits, general liability insurance, and contracted service expenses.

Councilman Strickland asked for an example of a contracted service expense. Finance Director Johnson replied it included the City's two software programs OpenGov and NeoGov.

Mayor Doughtie asked about the lease expense. Finance Director Johnson said that was the vehicles, copiers, etc. He said there was a big increase. She said they added some vehicles over the course of the year. They anticipate that cost going down in the future and should start trending down.

Public Works Director Chalker added what they are not seeing in those numbers is the decrease in vehicle maintenance expenses of older vehicles.

City Council and staff reviewed expenses by department.

Human Resources Director Caudle stated outside of personnel expenses, the two biggest line items in the Human Resources budget are the Health Reimbursement and Employment Drug Screenings. These two items account for all departments, not just for Human Resources.

- **Health Reimbursement Account (HRA):** She highlighted a budget of \$78,000 for the upcoming fiscal year, a 4% increase from the current year.
- **Employee Drug Screening:** This line item funds pre-employment screenings for all departments, as well as random screenings and fitness-for-duty evaluations.

Finance Director Johnson highlighted budget expenses in the Finance Department.

Professional Services – Audit and required GASB services which are mandated by the state.

Halifax County Collection Costs – 2% of all collections. City Council discussed collecting and distributing the Roanoke Rapids Graded School System's taxes. The City currently cuts them a check but does not charge them. They said they would

like to look into this in the future. City Manager Traynham stated there are several agreements with the school system that need to be reviewed within the next six months.

Information Systems includes their IT vendor Shoshin. Their contract has increased, but they have helped the City tremendously. They helped get the City an IT grant that will cover a substantial amount of expenses they would have to incur. Worked with NCLM to get the City items for free. This also includes subscription costs such as Microsoft products.

Public Works Director Chalker stated they also migrated a server to virtual which is much safer and reliable.

City Manager Traynham said all the expenses for IT are for compliance, safety and protecting data. It is a critical function.

Finance Director Johnson added it also includes Capital Outlay – Equipment for new computers. The City has many old computers running on outdated software. These old computers cannot be updated, and the latest software cannot run on them. The IT vendor wipes the old computers clean and helps with any possible recycling opportunities for them.

Personnel Expenses

Human Resources Director Caudle said the City's personnel expenses as a whole is a large amount of the City's budget. It is 67-68% of the total proposed FY27 budget. Over 1/3 of the expenses are federal and state mandated. Compared to what was budgeted in FY26, there is about a 2.5% increase. She stated they proposed the following in the revised FY27 budget:

- 3% COLA
- Moving police sworn positions up one grade (See salary schedule).
- Froze positions – 3 additional vacant positions (no full-time person is losing their job). All but one is in the public works department. For FY27, they would end up with 19 total frozen positions. This should reflect a \$1.47M savings. They have nothing left to freeze without eliminating a service or level of service. No public safety positions were frozen.
- Reduce part-time salaries by reducing hours, not pay. 13% reduction.
- On call/OT Pay – based on YTD FY26, they were able to realize a reduction.
- Longevity Pay - \$52,000 per year. They still have 4 people grandfathered (been with City over 30 years) to receive the percentage amount (25% of the

budget line). Other employees receive a one-time bonus in amount set forth in the Personnel Policy. The maximum is \$700 which is for employees who have been with the City for 20 or more years.

- Police Separation Pay – Part of Police Department’s budget. This is a state-mandated program. Must be 55 and have at least 5 years of law enforcement service. Pay for separation based on formula set forth by state and it is paid until they are 62 years old.
- FICA – slight increase.

She reviewed the City benefits for employees.

- Health Insurance Rates effective July 1, 2026.
- City pays 100% of employee costs – includes: medical, dental, vision and life insurance.
- Health insurance City portion increased 6% and 2.5% increase for dental. No increase in life insurance or eye insurance rates.
- Passed 100% of family tier plan to the employee.
- Life insurance – City pays for \$25,000 policy for department heads and \$50,000 for City Manager and elected officials.
- Compared to this year, there will be a 2.5% increase in total costs for the employer.

Human Resources Director Caudle stated the City is mandated to provide group health insurance. There is nothing that states they are required to pay the employees’ cost to be on the plan. The majority of municipalities do pay 100% today. In the future they could consider a tiered plan. She said Halifax County does this. She said they have explored this option in the past, but the cost-savings were not significant enough. The administrative part of that would be significantly higher than how they administer the current plan. If City Council wants to explore some of these options, they need to have a consensus at the turn of calendar year for FY28. Rates and enrollment are already set for FY27.

Public Works Director Chalker added these benefits are a great recruitment tool.

Human Resources Director Caudle said the City offers a very competitive plan to the employees.

Mayor Pro Tem Bryant asked how the health reimbursement plan worked.

Human Resources Director Caudle explained they advertise that if employees are enrolled in the City medical plan, they will offer a \$3,000 health reimbursement account. They have a \$3,500 individual deductible through the medical plan. The first \$500 belongs to the employee. Anything over that \$500 up to \$3,000, the City will reimburse them. It offsets costs for medical procedures or costs for prescriptions. For budgeting purposes, they do not budget \$3,000 per number of employees. They budget based on past budget spending. They have budgeted \$78,000 for FY27. She added that this program is offered within the household that is enrolled in the City's health plan, but the \$3,000 is for all of them together, not per member.

The Flexible Spending Account (FSA) is offered to employees through a vendor, Health Equity. The City does not contribute any money to this plan.

Mayor Doughtie confirmed that the health insurance benefit for retirees has been sunset. Human Resources Director Caudle said yes, anyone hired after January 1, 2026, is no longer eligible for that program.

Human Resources Director Caudle spoke about retirement benefits. There are two retirement plans: Involuntary plan - Local Government Employees Retirement System (LGERS) and Empower 401k plan for sworn law enforcement officers. Every spring the LGERS Board of Directors sets employer rates. 10-15 years ago, it was roughly the same as the employee rate of around 6%. It has steadily increased 1%-2% points every year for employers. For the upcoming year the employer rate for law enforcement is 17.1% of the employee's salary and non-law enforcement is set at 15.15%. This is not an optional program for the employer or to make the employee subsidize it. Employees are also required to participate, and their rate is 6% of their pay. This rate is the same for any municipality in NC.

She said the other involuntary plan is for sworn law enforcement officers. The City must provide a pre-tax 401k plan at a contribution rate of 5%. The employee is vested at 5 years. Other employees as well as law enforcement are eligible to participate in supplemental plans. Either a 401k pre-tax, 401k Roth, or NC 457b which is a deferred compensation plan (pre-taxed). Law enforcement is only offered the 5% match but can choose to contribute additionally. The City elects to match up to 3% for all other employees who wish to participate.

Mayor Doughtie asked how they cut the personnel budget.

Human Resources Director Caudle listed the following:

- Froze additional positions (Impacts salaries, FICA, retirement, group insurance)
- Reduced hours for part-time workers
- Reduced some OT expenses
- Reduced Pay for Performance
- Kept 3% COLA

Mayor Doughtie asked for the total proposed budget and the total proposed revenues.

City Manager Traynham replied the total proposed revenues are \$18,954,538 and the total proposed expenses are \$20,254,342. They are off by \$1,299,804. That does not include any additional revenues from a tax increase.

Finance Director Johnson stated she ran numbers for a 1 to 4 cent tax increase. A tax increase of 4-cent would reduce the gap by \$450,000. (This includes taking out the collection costs and rescue amounts).

City Manager Traynham restated the proposed budget before them did not reflect any numbers including a tax increase. They need to close that gap. They have been using approximately \$800,000 from fund balance to balance the budget. She maintains a recommendation for a tax increase with a 2-cent minimum and 4-cent being a maximum to cover the City's rising costs and demonstrate some progress in meeting a gap.

Mayor Doughtie asked about the fund balance.

Finance Director Johnson stated she keeps a running balance or spreadsheet on what is restricted, what is mandated and unrestricted funds. If the City does a 4-cent tax increase, they will need to designate about \$850,000 out of fund balance which runs about what they have been doing in past years. She stated that does not mean they are technically going to use that; it is what they do to balance the budget. If they end up with more revenues, then that fund balance rolls back into it at the end of the year.

Mayor Doughtie said with 3 more weeks left in this year, what did she think this year would look like. Finance Director Johnson replied she had not finished May, but as of April, they had not used any of the fund balance designated.

Mayor Doughtie asked how much was designated. City Manager Traynham replied \$748,783. Just because they budget it, doesn't mean they will have to tap into it.

She added the amount is less than the annual Theatre payment so they can see how that impact of making a \$952,000 payment annually. This proposed budget is still very heavy in personnel costs and very light in actual department operating expenses and costs. They are relying on a lot of skills and abilities, fundraising, and seeking other alternatives. It doesn't solve issues that persist in the community; it is a bare bones budget. She was comfortable moving forward with what has been proposed using fund balance and a combination of a tax increase to get the FY2027 budget passed by July 1, 2026. But immediately they will need to make some decisions, create a budget committee and have a working group to try to reduce their operating budget. What they have right now is not sustainable with absent additional growth in the ad valorem tax base. Ad valorem tax remains and will be the City's most dependable source of revenue for the foreseeable future.

Mayor Doughtie stated he would like them to revisit the idea of trying to get vacant city-owned properties into private ownership.

Finance Director Johnson said they needed to find new revenue sources. They should explore a city sales tax again or storm water fees. They discussed a tax in the Entertainment District like a prepared food tax. City Manager Traynham said any city tax has to be approved by the Halifax County Board of Commissioners, and they need them to vote to approve it. She thinks it is worth pursuing the conversation among elected officials. That's something that would be realized in a year to two and will likely require a voter referendum.

Councilman Strickland asked about the idea of a cell tower at TJ Davis Rec. City Manager Traynham replied it was still on the table. There could be some hurdles relating to permitting. They had a preliminary informal offer to install a cell tower behind TJ Davis Rec in the amount \$130,000 for the easement. It would be a one-time payment. They have not moved forward with any negotiations subject to guidance from City Council. If that was done, she would recommend those funds be put back in TJ Davis for the substantial maintenance needed.

Councilman Jackson said he sees they have proposed an increase in the Motor Vehicle tax from \$11 to \$15. He suggested increasing it higher.

City Council took a brief recess.

Mayor Doughtie called the meeting back to order.

Mayor Doughtie said some of the City Council members thought it would be a good idea to schedule another meeting in a week or so to try to finalize the budget. The

City Manager requested City Council give her a tax rate before they leave the meeting so she can prepare a final draft budget.

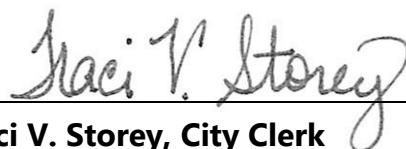
Mayor Doughtie asked Parks & Recreation Director Daughtry if she had any comments on her budget. She replied if her budget is cut anymore then she will have to close a facility. She took the past 10 years of funding from the City to Parks & Recreation as a whole and looked at where they were 10 years ago and where they are now. With inflation that should have gone up 2.6% each year and it has gone down about 20% overall. With being here 10 years ago and being here now and then with inflation, it is like a 41% decrease for them. Her only offerings would be to close a facility which then you would still have to maintain and not have the service for citizens. They are going to do the best they can with this budget. None of this includes any of the hundreds of thousands of dollars she asked for to do any of the deferred maintenance they've had over the past 10 years.

City Manager Traynham said a lot of what Parks & Recreation is doing is generated from fundraising from local businesses. The local businesses have been very generous and they are most grateful. When they see their signs on their facilities, please recognize them for that.

Parks & Recreation Director Daughtry gave an example of that and informed City Council about the repairs needed to the deck at the concession stand at Doyle Field. The project was spearheaded by different organizations that use the field. The City contribution is going to be about \$500, and they are going to get a brand-new deck that is approximately 8 ft. x 31 ft. with an additional phase two to make it ADA compliant with a wheelchair ramp which is not there now. There is no way they could do nearly the things they do without the community.

Motion was made by Councilman Bell, seconded by Mayor Pro Tem Bryant and unanimously carried to propose a 4-cent tax increase for the upcoming Fiscal Year 2027.

With no further business, motion was made by Councilman Stainback, seconded by Councilman Strickland and unanimously carried to adjourn. The meeting adjourned at 12:12 p.m.



Traci V. Storey, City Clerk

Approved by Council Action on: June 16, 2026