



# Minutes of the Roanoke Rapids City Council

A Work Session of the City Council of the City of Roanoke Rapids was held on **Tuesday, January 5 at 5:30 p.m.** in the First Floor Conference Room in the J. Reuben Daniel City Hall & Police Station

**Present:** Emery G. Doughtie, Mayor  
Carl Ferebee, Mayor Pro Tem  
Ernest C. Bobbitt)  
Sandra W. Bryant)\*  
Suetta S. Scarbrough)  
Wayne Smith)

## **Council Members**

Joseph Scherer, MPA, MS, City Manager  
Geoffrey Davis, City Attorney  
Traci Storey, City Clerk  
Leigh Etheridge, Finance Director  
Bobby Martin, Police Chief  
Jason Patrick, Fire Chief

*\*Denotes joining via telephone.*

Mayor Doughtie opened the meeting and offered an invocation.

## **Police / Fire Vehicle Lease**

Mayor Doughtie called on Lawrence White of White Motors.

Mr. White stated on the first set of numbers they gave to the City, it included the upfit for the police vehicles. That was one of the main differences in what Enterprise submitted as a number and what they submitted as a number. In his mind it made more sense for the City's budget to spread the cost of that upfit over the 48-month term versus paying a lease payment and then coming out of pocket \$7,300 for the Chargers and \$10,000 for the Durangos. Again, that makes more sense for that number be put in the price of the vehicle. It is not costing the City any more money to have it and it is less coming out of the budget immediately on day one. That is why they presented it that way. Secondly, he has found out there is a Silverado pickup truck that Enterprise was also quoting. He got a quote from General Motors for the exact same truck and the numbers came out to be the exact same price that Enterprise had quoted in the lease.

He has prepared and given each one of them a revision of pricing of vehicles. See handout with 1/5/2021 version without any upfit for police vehicles at the bottom of the page. These numbers do not include an upfit. So that means the City has to come out of pocket on the four Chargers or Durangos the \$7,300 per vehicle plus what they are paying for the vehicle. Although he realizes they are not going with the Chargers now, he gave the numbers anyway. The Chargers will cost an estimated \$665.13 per month. The Dodge Durango will cost an estimate of \$734.24 per month. The Chevrolet Silverado with the exact same equipment and truck Enterprise quoted will cost \$821.10 per month.

Mr. White asked if anyone was in attendance from Enterprise because he wants to know if he has read the contract correct. Chrissy Huff with Enterprise acknowledged she was in attendance. He stated if he says something wrong to please let him know.

He said the difference in White Motors' lease is the City is going to pay up front the full 12-month payments. For example, on January 1 the City would pay the annual payment and drive it for the year. Then on January 1 the next year the City would make the annual payment and drive it for the year. The last year, they would basically drive that vehicle for free. At the end of that term, the City can buy that vehicle from them for \$1. It is the City's vehicle. They would not be turning it back in. They can trade it, they can take it and sell it or they can keep it in their fleet. That goes for the pickup truck too.

Mr. White said he had some questions to make sure he was on the same page. The numbers Enterprise quoted do not include the upfit. According to the master lease agreement, the City can only put 15,000 miles per year in that payment that is quoted. He asked Ms. Huff if that was correct. She replied it was not. Basically, they depreciate it as if they are going 15,000 miles per year. She explained when they lease a vehicle from them they call it a lease but they own the vehicle. For example, if they would go 25,000 miles per year instead of 15,000, it just means at the end of term that vehicle that may be have been worth \$10,000 (just a number), may only be worth \$8,000 because they drove more miles. The City is not penalized for miles driven.

Mr. White asked for Ms. Huff to explain how the calculation goes with what book value is and wholesale according to the contract. If the City were to put 25,000 miles a year on a vehicle, at the end of the four-year lease and the lease is for 15,000 miles a year, was she saying the City would not owe any more money. Ms. Huff said no. At the end of the term, they would only owe Enterprise the \$5,534 regardless of the mileage they drove on that vehicle. Even if they drove 50,000 miles per year. Mr. White confirmed that at the end of the lease the City would owe \$5,534 plus the \$495 termination. He

stated that was \$6,000 more the City would owe per vehicle at the end of the lease plus pay \$7,300 up front for upfit.

Ms. Huff said the reason why Enterprise did not cap in the upfit, and they can cap in the upfit, was because they want to put the City in a good equity position sooner than later. When they cap in the \$7,300 it just means it is going to take longer for the City to be in an equity position. They work with dealerships all the time and would love to work with White's on the City's vehicles. There is a way to partner with both. Enterprise could purchase the vehicles from them and Enterprise lease them to the City. There is a major difference, Enterprise is not a dealership so what they can do is order through the dealer. Enterprise will meet with the City three to four times a year. They will provide a total cost of ownership and look and see when is the right time to cycle a vehicle. If the City purchases vehicles and at the end of term keep running it, they will be in the same situation they are in now. All their vehicles are old. The reason the City would partner with Enterprise is because they would help the City determine when is the best time to get out of a vehicle. Not only are they going to tell them that, they are going to sell the vehicle for them too. That is such a huge difference. She stated she did not see any reason they could not work together on it.

Mr. White said the Enterprise lease states any alterations made on the vehicle stay with the vehicle. Ms. Huff said not for police vehicles. Police vehicles would be able to take all the equipment out. They cannot sell a police vehicle with any upfit. The City could take that upfit and move it to the next vehicle. Right now, the City is running vehicles for about ten years or a long time. If they cycle a vehicle every four years then they can move that upfit from one vehicle to the next.

Mr. White asked if the City would have the cost of taking it back off and repairing it back to the normal state according to the contract. Ms. Huff replied they would not have to repair it; they would sell it as is. He said that needs to be put in the contract no matter which way the City goes because it does not say that in the contract. Ms. Huff stated they have addendums that they could add to it. It is not typical. The contract the City has is typically what government accounts sign. She personally manages about 20 government accounts so she is not familiar with that one contract. She does know they have addendums. They can alter these vehicles any way they would need to. The only thing is how it will affect the resale value.

Mr. White stated to make sure they were aware of that because according to this contract any alterations that are made, the City has to put that vehicle back unless they get that addendum. Ms. Huff said it may be another portion in there; she is not

too familiar with the contract. She does not usually deal with that part of it. She does know they have addendums.

Councilman Smith said he had a question before they go any further. He asked Attorney Davis if he had reviewed the contract. Attorney Davis replied yes. Councilman Smith asked if it said 15,000 miles and if the City would have the expense at the end of the contract on this. Attorney David replied he believed so but he would have to look at it again. Councilman Smith said he did not know why City Council was not told all this at the beginning when they started on this. Councilman Smith stated he never saw a contract and did not think anybody ever told them what was in the contract. The only thing they were told is what the payments were going to be. They are getting a whole different outlook on things right now from what originally came before City Council.

Mayor Pro Tem Ferebee stated he was glad both parties were here to iron it out. He clarified that Ms. Huff said Enterprise could purchase the vehicles from Whites and then lease it to the City. It seems like there's a middle man somewhere that would increase the costs.

Ms. Huff said they do this all the time. About 40% of the vehicles they purchase they get from dealer stock. Often times there is not enough time to factory order vehicles. It depends on how quickly they would need it and what type of deal they can work out. It looks like the Whites are matching their price so it's a win-win; it's a win for the dealership because they are going to get more orders. It's the big picture.

Mr. White said the big picture is at the end of the 4-year lease they are presenting, the City owns the vehicle. They do not owe \$5,400 plus a \$495 termination fee. They can do what they want to do with that vehicle. He could take and sell that vehicle for them as a police car and it will bring a premium because there are a lot of small towns in North Carolina and Virginia that can't afford to do a deal.

Ms. Huff stated with all due respect, they were going to be in the same situation they are in now. That's what Enterprise does different. They evaluate their fleet and they are not married to a certain manufacturer. They look at all manufactures, which vehicle makes the most sense. For example, she met with Onslow County and they did 28 pickup trucks for them. They got them twenty months ago. They've just ordered another 28 to replace those and now they are saving \$50,000 a year because of their early cycling. That's the value they add.

Mayor Pro Tem Ferebee asked Ms. Huff if their lease was for 4 years. She replied no, it depends, but that is what they quoted. They may come to the City at year two and

make a recommendation to get a new vehicle because the market is good right now for that type of vehicle. They can alter the lease; they can term it early or extend it and keep it longer.

Mr. White said their lease was for 4 years and the City owns it. If the City wants to cycle it out and do it again, they can. The City owns all the equity in that vehicle. They would not have the \$5,400 that is due or a \$495 termination, it is \$1 and the City owns it.

Ms. Huff added they could write it down to \$1 too, but they do not recommend that. They recommend keeping the money in the budget versus a higher monthly payment. They did write it down to reduced book value but they don't have to.

Mayor Pro Tem Ferebee asked Ms. Huff for clarification about her comment on a higher monthly payment because the payments look similar. Ms. Huff replied she has not seen any of White's information so he is at an advantage right now. The more they finance the more the monthly payment. She said they could depreciate it down to \$1.

Mayor Pro Tem Ferebee asked Chief Martin what was the average life on a police vehicle even though he knows the City is keeping them longer than that. Chief Martin replied ideally it would be eight years. Beyond five years is when they begin to see the maintenance cost rise. As the vehicles get older it continues. If they could work it between four and five years that would be great.

Mayor Doughtie said they would have three years covered under warranty so if you did four years, they only have one year to worry about maintenance. Chief Martin said that is where the fleet management would give them a savings. Right now they are almost gone through their entire maintenance budget and they have half the year to go. That goes back to the ten and eleven year old vehicles they have.

Ms. Huff stated that is the data they use. They have a maintenance program for their vehicles if they want them to go on it. Every year when she meets with the City, they review their existing vehicles and identify the vehicles that are costing them the most money to operate and replace those first. They are looking at fleet management as a whole. They help them acquire the vehicle, maintain the vehicle, fuel the vehicle and sell the vehicle. Enterprise sells about 1 million vehicles a year; they know the market.

Mr. White confirmed with Ms. Huff that in the contract they would be selling the vehicle as is. He asked if the City had an issue with the vehicle from day one, who were they going to call. Ms. Huff said the first thing they were going to do is take it to the dealership because it is covered under warranty. Mr. White stated that Enterprise

would be out of the picture according to the contract. Ms. Huff said they would not, they get involved. She said its not the dealership against Enterprise so she did not understand why they could not find a common ground and work together.

Mr. White said it was simple. This contract is open ended and the fact that the City has to spend \$7,300 up front for the upfit, \$6,000 at the end of the lease, they do not own the vehicle and they have to take the equipment off of it. Ms. Huff said some of that was not correct. She said they could cap in the upfit. They are saying \$7,300 out of pocket but it doesn't have to be. Mr. White said but today, that was the numbers the City was given by Enterprise. Ms. Huff stated that is what they recommend and she stands by that. If the City has the \$7,300 in the budget, she recommends paying for the upfit out of pocket versus capping into the lease.

Mayor Pro Tem Ferebee asked why was that again. She replied because the City was going to find themselves in an equity position faster. For example, at the end of year two the City needs to shed a few vehicles, let's sell this one, they would be in an equity position. If they sell it, the City is going to get money back and not owe.

Mayor Doughtie said it was like financing your house for 100% versus 75%. She replied yes. That \$7,300 added, adds no value to the vehicle. It's like you are upside down. Mr. Bill White stated it does when they sell it. Ms. Huff disagreed and said it doesn't. Because there are certain things by law they can not sell with a police vehicle; there are certain things they have to take off.

Mr. White said they can sell them at auction a little differently than they can. The lights and sirens cannot be hooked up and as long as those fuses are pulled. They buy them from auction and sell them like that all the time to small towns.

Ms. Huff said Enterprise does not sell their cars at auction. Most of the time they can sell their cars because there are fees associated when you buy and sell at auction. They can sell 92% of their vehicles, 8% are sold at auctions in North Carolina.

Mr. White said they need to look at the difference between the two and let the City make the call on whether or not the City wants to go with the current quote they have where they have to pay the \$7,300 for upfit, they have a termination fee, a \$5,500 fee due at the end of the lease and they have a cost for pulling the equipment off of it. Or they can go through Ally and he can include it or exclude it. He has given them options on both ways. The end of the lease which is approximately \$50 more than Enterprise. The City can do whatever they want to do. If they want to sell it, they will sell or if they want to keep it in the fleet for two more years; there are a lot of options that way. He said to Ms. Huff, they could talk if the City wants to go that way. In his opinion,

the Ally option is a better option than Enterprise. He said the manufacturer such as for the Silverado truck has a bid assistance program from Detroit for the City of Roanoke Rapids; he set that up about ten years ago where they have a fleet number for the City. That is why the price is the exact same price; they would sell it to him for the same price for the City as they would for Enterprise.

Mayor Pro Tem Ferebee asked what would be the advantage of going with Enterprise if the price is the same. Ms. Huff stated if the price is the same, what value does Enterprise add. The value is not only will they get vehicles from them, she was not an order taker. She will meet with the City and talk about their fleet in more detail and identify vehicles that need to be replaced. Not only will she make recommendations on replacing vehicles, she will provide data on why it makes sense to cycle these five or seven or whatever the case may be. She is going to look at their fleet as a whole and provide ideas and price saving opportunities. She reported since working with Bertie County, they have saved 85% on maintenance. That is because they manage that maintenance process for them. They know exactly what they are spending on maintenance and they know what vehicles they need to get out of and when. They sell over a million vehicles a year so they know when it is the best time to sell a vehicle. The City would be buying the vehicle through Enterprise although they may be purchasing it from a dealer. They will help them with maintenance, fuel and if they need telematics, they can help with that. All this information is on a website where whoever has access with the City can view it. They can know what they are spending per vehicle. If she asked how much were they spending on say vehicle 54, they may be able to find out that information but how long would it take them to find it. And how long would it take to break it down to a cents per mile. Even if they do not partner with Enterprise and purchase vehicles from Whites, the City was going to be in the same situation 5 years from now. It is going to take time to find out what they were spending on their vehicles. If they partner with Enterprise the technology is there.

Ms. Huff said they were talking about costs associated with moving upfit from one vehicle to the next. Again, the upfit is \$7,300. If they move the upfit, they were talking about \$500-\$800. That's a \$6,500-\$6,700 savings just by moving the upfit from one vehicle to the next. The City has not been able to do that because they are running the vehicles too long. When is too long? Five years. The data they gather for the City will tell them the right time to cycle these vehicles. Without the data, it is like throwing a dart at the wall. They just don't know. That is why people partner with Enterprise. She has given several references from different cities and counties they work with. They have a lot of successes with government entities.

Councilman Smith asked how Enterprise would save them on maintenance when at the end of each four years, the City has to buy additional vehicles from them plus

trade in what they have and they are running maintenance free for three years. Ms. Huff replied when she talks about maintenance, she is not talking about just police vehicles, she was talking about all the vehicles. Vehicles not leased through Enterprise can still be on their program. Councilman Smith said he understood that but they were still going to have to pay for the maintenance on the vehicles on the program so that is not saving on any maintenance fee at all. The maintenance fee they are saving is the three vehicles under warranty.

Ms. Huff said when they replace a vehicle, they are going to have less maintenance issues. Where the City will save on maintenance is where for government entities like Bertie have replaced so many of their vehicles that were costing them a lot of money to maintain. Enterprise's maintenance program manages the costs of each repair and makes sure they are paying a fair price and not up sold on things they don't need.

Councilman Smith said he did not understand the savings with rotating cars out and purchasing new cars since they were still going to have the monthly payments. Ms. Huff said there is a sweet spot on when to sell a vehicle and it was not going to be in year six or seven. For example, say there is a \$5,000 amount that is due on a vehicle. They are going to tell the City what they think they can sell the vehicle for. If they sell it for \$12,000, Enterprise is going to take the \$5,000 they owe and the other \$7,000 is the City's. If the City rolls that \$7,000 into a new vehicle, then the payment is already \$200 less a month. They will give them the option and put it on a spreadsheet.

Ms. Huff also felt it was important to note on what they were talking about with the mileage. They have to depreciate the vehicle based on the usage because they want to make sure they are in an equity position. They can put whatever mileage they think they will go but the important piece is that they want to make sure they are depreciating it properly. But if they set it up on four years to \$1, it doesn't matter. If they are going to set it up to a reduced book value which means there is a dollar amount owed at the end of term, they want to make sure they are set up properly based on the mileage they think they are going to go. The City is not penalized for over mileage.

Councilman Smith asked if they lease a Durango for \$30,000 and in two years they can sell the vehicle for \$18,000, who makes up the difference. Ms. Huff replied if the City cycles early and say they owe \$14,000 at the end of year two and they can sell for \$18,000 then Enterprise takes the \$14,000 and gives the City the \$4,000. She noted the City would have to be in more of an equity position for her to come to the City at the end of year two. She stated pickup trucks are a different thing. For a SUV or Sedan, if they cycle early it will be at least year three.



Mr. White asked if this lease payment was figured off of 15,000 miles with depreciation. Ms. Huff replied yes. He said the mileage would come to 1,250 miles per month, 40 miles per day. The Durango is based off of 20,000 miles, roughly 1,400 miles per month with that current payment. Ms. Huff said if they drive it 10,000 more miles, the payment would still be the same. Mr. White said that was correct but the depreciated value at the end of the schedule would change. Ms. Huff said that means the City may not be in an equity position if they double the mileage.

Mayor Doughtie stated the mileage was just going to affect what they are going to receive when they sell it.

Mr. White said the difference here was that the reduced book value at the end of the 48 months would be greater. Meaning the City would have less equity in it.

Ms. Huff explained that if they have a vehicle at the end of four years and she tells them they owe \$4,800 on this vehicle and its only worth \$3,000. Then she will ask if they are having any maintenance issues that she's not aware of. If not, she will recommend keeping it another year so they will be in an equity position in 12 more months. They have multiple options.

Mayor Pro Tem Ferebee asked if they would have to come up with a \$4,000-\$5,000 payment. She replied they did not, they just extend the payment another 12 months. The City would not have to come up with a balloon payment.

Mayor Pro Tem Ferebee said in comparison, with White Motors at the end of four years the City would owe what. Mr. White said \$1. Mayor Pro Tem Ferebee asked if there were any dollar values for selling. Mr. White said whatever the book value is on it so if the City says they want to sell it and get a new one. He said Enterprise looks at the availability of the market to see what a particular vehicle is worth. If they see a trend on a vehicle, Enterprise tries to pull the City out of the vehicle and sell them another one. The goal is to hedge against at the end of 48 months with 60,000 miles not having that vehicle in an equity position and always keeping the City with a fresh car and a payment.

Ms. Huff said they have a quote they wrote that way for \$5 but they can write it to \$1 so at the end of four years, it's the City's vehicle. Most government entities like to have that reduced book value at the end to keep their payments lower. The City would be paying for what they use because the vehicle at the end of term has value in it.

They will make recommendations to the City; the City does not need to come to Enterprise. That is the difference. It is not costing the City more to go with Enterprise; it is just how they structure the lease. The City has flexibility. She asked Mr. White

what happens if the City needed to get out of it in year two. Mr. White said they would come to him and say they need to get out of it and he is going to do the same thing Enterprise does. It's all the same market value.

Councilman Smith asked how many miles do they put on the police vehicles per year on average. Chief Martin said they can average 65-85 miles per night so 1,450-1,550 per month. Councilman Smith stated so that would be 20,000-22,000 miles per year. Chief Martin replied it really depends because now the City does not have a full-time magistrate here like they have in the past so this could cause them to put that number of miles driving excessive trips to Halifax and back.

Ms. Huff said they did look at the City's mileage and it appears that they drove about 15,000 miles per year which is why they came up with that amount. They wanted to make sure they would be depreciating the vehicle accurately. She asked if it wasn't any cost difference in going with the dealer versus Enterprise but they would get the free consultation, why wouldn't the City go with Enterprise. They can help them with all vehicles not just one or two manufacturers.

Mayor Pro Tem Ferebee stated he would like to see a formal side-by-side with a four-year option on what they talked about tonight.

Ms. Huff said she believed Enterprise and White Motors could work together and save the City money.

Councilman Smith said one of his biggest concerns was under warranty since White Motors is the dealer here. If it was him, he would probably work on his customer's vehicles before he worked on the City's vehicles. He was not saying they would do that, but that was his thinking.

Mr. White stated he would like the City to have a copy of that addendum in reference to the alterations and the mileage because that is not what the contract states. Ms. Huff said she would not say that because she does not know the contract front to back. It could already be in there. Mr. White stated it was not. She told Attorney Davis to please reach out to request any information he needed. She added they were not on the hook for anything. Even with a signed contract and say the City gets four vehicles and decides they never want to do business with Enterprise again, they are not on the hook for anything except the four vehicles and they could get out of those at any time. It is up to Enterprise to show them value which keeps the City wanting to do business with Enterprise.

Finance Director Etheridge said City Council could find a copy of the master equity lease agreement in their December 15, 2020 agenda packet; it was included in their packet. Mayor Pro Tem Ferebee asked the Clerk if she could send that to him.

Councilwoman Scarbrough asked Chief Martin if he had all the information they have been discussing tonight. He replied he had the new one; he just got that tonight. That is the page Mr. White passed out to everyone tonight.

Mayor Doughtie asked if they had decided which vehicles they wanted to go with. Chief Martin replied yes, the Dodge Durangos and one pick up truck.

Attorney Davis stated there were several addendums and he believed they were in the Council packet that was mentioned, but he will review it again and make sure.

Councilman Smith thanked them for coming and wished they would have been invited to start with so they could have had this discussion. He apologized to White Motors.

Councilman Smith asked Finance Director Etheridge that it did not make any difference in what vehicle they come up with, the City was going to have to pull about \$60,000. She replied over time, depending who they go with. He asked if they had most of it. She agreed and said they had approximately \$20,000 and by the time they receive the final payment they will have about \$27,000. Councilman Smith said they needed to come up with \$33,000. Finance Director Etheridge replied that would be the case if they took possession of the vehicles all at one time. They only pay for them as they are ready through Enterprise, not Whites.

Councilman Smith asked if they knew where they were going to get the money from. Finance Director Etheridge said their intent was start working with Enterprise on utilizing the first vehicles when they would be ready, which is several months out into the fourth quarter of this fiscal year. Then take a look at the budget and utilize the savings on maintenance for the remainder of the vehicles that were approved at the last Council meeting. It would phase into the last quarter and into next fiscal year so it would not be detrimental to this current year's budget.

Mayor Pro Tem Ferebee said initially Enterprise presented that the City would have to come up with the \$7,000 times five and at the end of the lease they would have to come up with the \$5,000 times five. Now, Ms. Huff says she can do the same thing with \$1 at the end of the lease and were they talking about now writing in the whole thing into the contract or upfitting it. Finance Director Etheridge said it depends on whichever way Council wants to go; that will be how they have to look at it. Mayor Pro Tem Ferebee said he would like to see dollar value on both of those.

Mayor Doughtie referred to Ms. Huff's comment that it was not costing the City any more no matter how White's has it designed or how Enterprise has it designed. At the end of the day, it was not going to be a lot of difference. She said that Enterprise would provide guidance and counseling. As a business person, if it does not cost the City any more money to buy a new vehicle with a company that has millions of dollars invested in our community, provides a lot of jobs and pays a lot of taxes. He tends to lean that way. Ms. Huff did not say Whites could not provide them with the guidance Enterprise could so maybe they do a partnership. The good thing about the lease whether the City goes with Enterprise or Whites, they are not obligated. If they are equal, he thinks they should look at supporting local businesses.

City Manager Scherer stated in the original presentation by White Motors, there was no flexibility with the lease. The City would lease the vehicles for four years. Tonight, Mr. White indicated that if the City wanted to get out of the lease after 2-3 years or sell it, they could do that. Initially, it was not presented to them that way. That is why they were looking at Enterprise more favorably because they gave the option to get out of the lease if that was the best option and put that equity into a new vehicle. Tonight, they have heard new things.

Mayor Doughtie said they could call Whites to find out for sure. Enterprise has the knowledge for instance about the pickup trucks. These days they could buy a pickup truck and sell it for more than you paid for it. Councilman Smith said that was because what the City was paying for it is not what the average person was paying for it.

Chief Martin said that is why when they first brought up this proposal, they were looking at doing the Tahoes. The Durango and the Tahoe are comparable together. The Tahoe is not an excessively large vehicle and is not overbearing for the City. Major metropolitan areas have the Tahoe. The Tahoes are like the pickup trucks. Although the City may spend a little more money on the vehicle over the long run, when they trade it in they could end up getting payments for two other vehicles out of that one that you sell. He appreciated Bill and Lawrence White being there tonight because there was some common ground between both Whites and Enterprise. The biggest concern as the department head for the Police Department is to come to some decision because the fleet is not getting any better. The biggest thing they are doing this for is to make sure at the end of the day, they are serving the citizens of Roanoke Rapids the proper way and want to pass the savings on to them. That is their goal. Please let him know if there was any information he could provide or gather for them. He has been working with City Manager Scherer; they have been to meet with the Whites and met with Enterprise. He had not seen the paper presented tonight until tonight and it would have been beneficial to have it before the meeting.

Councilman Smith interrupted and stated this is where he failed and thinks some of the other council members may have failed too. They did not, including Chief Martin and the City Manager, invite Lawrence and Bill White to come to a City Council meeting. They invited the other people to come. They went and talked with the Whites at their office; they did not invite them to come discuss this before Council. They had to take Chief Martin and the City Manager's word. They found out a different story tonight from what they were told originally. Chief Martin replied they did too.

Councilman Smith said he would take the blame for it because he should have said Council would not do anything until White's has the opportunity to come before Council. Chief Martin agreed with him about not being invited to a Council meeting. He said they went to meet with the Whites as requested and got the proposal and presented the information as Mayor Pro Tem Ferebee requested at the City Council meeting. Maybe since he was a rookie at this, he felt if City Council wanted the Whites to be there, they would have said let's invite the Whites too before they entered into a contract. He thinks they all need to work together.

City Manager Scherer said when they met with the Whites they gave them a copy of the Ally company contract. They reviewed it and compared it to what Enterprise was offering. There was nothing hidden; that is what they offered them. The original impression they got was there was very little flexibility, it is a four-year lease, this is the cost – take or leave it. What they were hearing tonight was different than before. He was sorry that they all did not have this information. They have presented all the information they had received and presented it in the best interest of the City and Council.

Mayor Pro Tem Ferebee stated he was glad they got to this point. He felt they would go back and get the best information that they had. He was glad the White's have been able to come up with what appears to be similar processes and proposals.

Chief Martin agreed and said what he saw tonight was the local dealer is comparable to Enterprise. If White's can give the City the vehicles at State contract price which lists at \$30,000 like they say they can, he agrees with that. He was pleasantly surprised. They were all about the hometown and talked about it in the last City Council meeting on helping the local businesses. And this is a way they can do it.

Fire Chief Patrick said he talked with Bill White about a vehicle last year and they could give the City a quote from State contract. The Fire Department does not have the upfit on some of their vehicles like the police vehicles do. So as they turn them over and turn them back in to get another one, he has it in more than one email, as long as the truck market is like it is, some places are driving the trucks for free for

12-18 months. By the time they buy the State contract and put 10,000-12,000 miles on it and sell it and get them in a new one, they've made the money paid in for the lease when they sold it so it goes back into the account so is kind of a wash.

Councilman Smith wishes he would have had this information because he made the motion to go with Enterprise.

City Manager Scherer said that was based on the best information they had at the time. They will come back to Council with a new cost comparison and recommendation. Councilman Smith said they could advise the City Manager not to sign the contract. City Manager Scherer replied he had not signed it.

Mayor Pro Tem Ferebee said he would like the side-by-side comparison and recommendation as soon as they can.

Mayor Doughtie commented about Ms. Huff's remarks on the savings the City would see on maintenance costs. He said that although they may be saving on maintenance, they still had a monthly payment. But they were still spending money either way so were they really saving in the overall budget for that amount or just savings on the maintenance. On the other hand, there is an intangible benefit to having a newer, reliable vehicle. He knows they want a police and fire department they can all be proud of. He thinks they are cautiously looking at making things better and believes they are getting close.

All agreed to hold off on signing a contract and the City Manager and Police Chief will come back with more information as soon as possible.

Councilwoman Bryant asked if White's said anything about the truck. City Manager Scherer said they did. On the paper presented tonight, the 2021 Chevrolet Silverado would be an estimate of \$9,853 annually (\$821.10 per month). He stated unless they've changed their terms, the City would pay the annual cost upfront which is what Mr. White referenced. He did not know if they could go by a monthly cost but it is basically \$9,900 per year.

### **Possible City Ordinances for Virus Reduction Enforcement**

Attorney Davis said he wanted to brief City Council on an issue related to businesses and COVID enforcement which is a matter looming on the horizon. He stated he sent an email out to City Council right before Christmas. He was not suggesting City Council take action on this. He was going to reference some legal concerns he has about the ability of the City Council to do this which is kind of an open question.

He said basically, what has prompted this is in the Governor's latest Order 181 issued the beginning of December. There is a part in there where he encourages local governments to adopt local ordinances that establishes civil penalties for violations of regulations regarding COVID-19 such as mask wearing, sanitation etc. He stated this gets into a question Councilman Smith asked him back in December

Attorney Davis said as of right now if there is a business out there not following the Governor's Executive Order relating to mask compliance or too many people, the only recourse the City has to encourage compliance is to threaten a criminal charge. There is no civil opportunity to fine them. The criminal charge is a Class II Misdemeanor and the charge itself is violating an Executive Order the Governor has issued. This penalty is not something they can just go and pay off like a seatbelt ticket. It would require an appearance in court. Once the individual showed up at that court appearance it would be up to the DA's office to prosecute that case. If they did so, the case would be tried in front of a judge in District Court. If the judge found someone guilty of that, they would have several options. The most extreme would be 60 days in jail or a fine not to exceed \$500 and any other court costs. Other options would be probation and things such as that. The judge could say they violated the Order but not issue a fine and costs and waive all that.

He said another issue with criminal charges, you have to charge an actual person. For instance, if John's Supermarket is not enforcing the COVID restrictions and the Police Department decides to cite them criminally, they could not charge John's Supermarket, they would have to charge the person in charge (owner or manager). A civil penalty is a little different.

Attorney Davis reported as of yesterday at the Halifax County Commissioner's meeting, they took up a draft ordinance which was included in City Council's agenda packet. He understands from the county attorney, they had four of the six Commissioners present and they passed the proposed ordinance by a 3-1 vote. The County is different from the City in that when they want to amend its ordinances, it has two ways to do that. They can pass it unanimously in one vote or they have to have two votes. They can pass by majority in one session, but then have to vote in a second session. The draft ordinance has not passed yet, but presumably that is going to come back before the Commissioners in their meeting on January 19<sup>th</sup>. The second vote would put it into place. He stated their proposed ordinance does not regulate businesses or any activities within the municipalities of Halifax County. Their ordinance enforces the provisions in the ordinance in the unincorporated parts of Halifax County.

Attorney Davis said they wanted to bring this before City Council for discussion on whether they feel it is appropriate at this point to set up some kind of civil ordinance regime that works in concert or be an alternative to the criminal penalty that is currently available to the Police Department.

He stated he had significant reservations about the legality of this. He is not the only one that does. He referred to a document in their packets of an opinion from Trey Allen with the UNC SOG that agrees with what his concerns were. Municipalities have certain powers to enact ordinances regarding certain things. The general statutes also limit that power and there are other common law principals, the principal of preemption, that would limit the ability of a city council to enforce certain laws such as this. Obviously, the Governor disagrees because he put it in his executive order. In response to that, the Deputy General Counsel at the NC Attorney General's Office issued an opinion letter which was also in their agenda packets. It states preemption is not an issue, the General Statutes are not an issue, a city council can actually do this. He sides with the Governor on this. It is an open question and probably not something that would not be decided until someone challenges them in court and it went up to the NC Supreme Court and they made a decision one way or another.

Attorney Davis said if City Council did institute a city ordinance that prescribed a civil penalty, he presumed it would be closely aligned to the County's ordinance. There is a provision in the County ordinance where the City could pass something that states they would adopt the language of the County ordinance. If the City did do this, they could then actually cite a business. They would not have the opportunity to appear before a judicial official to contest the fine. Like grass cutting liens, it would ultimately be up to the City to take the violator to civil court to enforce that lien. The City could do that to the business itself and not the owner or manager. Again, he is not suggesting the City do this because he has concerns about the legality of this. Although the Governor in his executive order has initiated this, he is not the person who will be going to court defending it if the City does this and someone challenges it. Its going to be him or the City in court defending it.

He stated he did not believe there had been anyone that has been brought to court on a criminal violation. He believes there have been sporadic complaints. He does not see where the criminal penalties have not been effective where a civil penalty otherwise would. He thinks a lot of municipalities and counties are dealing with this right now. Hew does not have a sense of what other municipalities are doing at this point and they probably have not had a chance to do that.

Councilman Smith said he read that it would not only be for businesses but it could be for citizens as well. Attorney Davis replied yes, but it would be unlikely in practice.



It was in the draft the County Commissioners considered yesterday. Councilman Smith said it was just an advisory letter from the General Counsel and asked if the General Assembly would have to act on this. Attorney Davis replied yes and that gets into the preemption argument. The argument that cities do not have the authority to do this, what he calls the preemption argument, their ability to do this is preempted by the General Assembly. Somebody that would make that argument would say the General Assembly is really the one to be making these laws and the fact they have not made a law prescribing a civil penalty for this means cities cannot do it. Ultimately a court would have to decide it and the only way that will happen is if a city passes that law, it gets challenged and works its way up to the NC Supreme Court.

Councilwoman Bryant stated she understands that 10% of the city's population has tested positive for COVID-19 since March 2020 so the city has an issue.

Mayor Doughtie agreed with Councilwoman Bryant. He said they have not had to issue a lot of citations. When there have been concerns raised, the departments that needed to attend to these issues have done so in a timely and professional manner. It seems that has been working so far. Everyone needs to use good common sense. It is much more difficult to make a living when someone shuts your business down and you cannot operate versus saying there is a problem and much easier when they try to work along with it. He thinks the City has to do what they can to try and deal with the issue, while on the other hand to try and keep the business community prosperous and keep citizens healthy.

Mayor Pro Tem Ferebee stated he has mixed emotions. He knows people are doing what they can to prevent COVID, but he does think if the Governor has indicated an Order and the County has adopted an ordinance, the City needs to say they concur with that order to some degree. If the Police Department wanted to do something, they couldn't because they have nothing on the books to say they could. If a business was blatantly disobeying the rules, they really could not go in and enforce anything.

Attorney Davis said the Police Department could enforce the criminal statutes there. If the City took no action at all on this, they would still have criminal enforcement they've had since the beginning of all this. They could charge them with a Class II Misdemeanor and summon them to court. If someone was been really flagrant about it, the City could charge them for every violation, even arrest them and make them post a bond. There are some resources out there. The City has been lucky to have had enough compliance so far that they have not had to resort to more extreme remedies.

Mayor Pro Tem Ferebee confirmed that there were already options out there the City could implement if necessary. Attorney Davis replied yes, options where there is no legal question on the City's authority to do it.

Chief Martin gave an example of a scenario where a worker is at the entrance of a business giving out masks if patrons did not have one. If the patron states they have a medical condition, the worker can tell them that they cannot enter the store unless they wear a mask. If the patron proceeds to enter the store and the worker asks them to stop but they don't, the patron can be charged with trespassing. If it gets more flagrant, they have resist, delay and obstruct. He asked if ideally, did they want that to happen, no. They want to educate the businesses. He has talked with a majority of the business owners about this and had long conversations with the associates at Walmart. He also had a small business in town open and the owner was new the area. The owner was oblivious to anything he was supposed to be doing; no signs, no masks. One of the Sergeants educated the owner, took signs to him and told him what he could require his customers to do when they come in the business. He was told to contact the Police Department if he ran into any issues. They are not getting a large amount of calls in regards to customers flagrantly not wearing a mask. The biggest complaint they get is people saying they have a medical condition.

Attorney Davis said Chief Martin is exactly right. A business owner has the right to control what happens in his business. If someone shows up and disregards the rules and goes in anyway, that is trespassing. Thus far, it has not gotten to that place.

City Manager Scherer asked Chief Martin if there have been any "hot spots" or problem areas such as parties in the city. Chief Martin replied no, for example New Years Eve he listened to the radio and there were no excessive parties or complaints of large amounts of people gathering. He believes the citizens in Roanoke Rapids are heading the warnings. There are no major hot spots.

Mayor Pro Tem Ferebee said his previous comment was more related on whether or not the Police Department had an avenue for enforcing the restrictions and it sounds like they do.

Attorney Davis questioned where do they go from here depends on what the feeling is of the City Council. He believes they have several options. They could see what Halifax County does on January 19<sup>th</sup>. They could say they did not feel it was appropriate at this time and can address it further down the road. They could say they think this needs to be considered and ask for a draft to be prepared to be put up for a vote at a City Council meeting. As he stated earlier, they wanted to bring this to Council for an

open discussion and see where the City Council directed him and the City Manager to go with this.

### **One-cent Sales & Use Tax Increase Referendum**

Councilman Smith informed City Council that since the bill they had before the General Assembly for the one-cent sales tax did not go to the Governor's desk, the bill died. They will have to start the process all over again. He asked if City Council was willing to draw the resolution back up and vote on it so they can get it to Halifax County. He said the County needs to vote on a resolution too in order to send it to Raleigh.

He would like City Council to take action on the resolution and get it to the County Commissioners before their meeting on January 19<sup>th</sup>. The General Assembly starts back up on February 1<sup>st</sup>.

Councilman Smith asked if there was a consensus of the City Council to pursue the sales tax increase like he and the Mayor have been doing the last year or so. If so, for the City Council to hold a special meeting to have this one item on the agenda in order to get it to the County Commissioners.

It was consensus of City Council to move forward.

Councilman Smith asked the City Clerk or City Manager to set up a Special Meeting in order to get it to the County Commissioners before January 19<sup>th</sup>. City Manager Scherer said he would set up the meeting.

### **Review and Discussion of NCLM Advocacy Goals**

Mayor Pro Tem Ferebee stated each year the NCLM solicits cities and towns to send back to them goals and what they would like to see happen. In doing so, the NCLM narrows it down to a set number. He presented the list of seventeen goals and said they wanted the cities and towns to narrow it down to ten. On January 14<sup>th</sup> there will be a vote on the different recommendations from the different towns. He served on that board so he wanted to make sure the City Council had a consensus on what they wanted to see. He said City Manager Scherer has looked at these already, but wanted City Council to go over the goals and choose which ones they felt were most important to them.

City Manager Scherer asked if he could suggest a few he believed were not applicable or ones the City Council did not need to consider. He suggested the following goals could be eliminated from the City's list. (City Council was in agreement)

1. Grant local governments the authority to build broadband infrastructure in order to partner with private providers, and provide additional funding to help close the digital divide.
8. Provide funding to keep aging water and sewer systems financially solvent today and viable for the future.
12. Allow a short grace period for online posting of local emergency declarations while allowing them to take effect immediately.
16. Increase in state funding to support public transportation development and operations.
17. Improve processes and payments for moving utility lines located in the right-of-way during transportation projects.

Other goals eliminated by City Council:

6. Increase state and federal funding for affordable housing.
9. Ensure state funding for any new, state-mandated benefits for municipal employees.

After discussion, City Council agreed for Mayor Pro Tem Ferebee to be the voting delegate for the City and to submit the following goals from the City at the January 14<sup>th</sup> NCLM meeting:

2. Secure federal and state aid directly to municipalities to offset all lost revenues due to the Covid-19 pandemic. ○ Municipalities saw large drops in sales and occupancy taxes and utility revenues last spring; the current surge in the virus is likely to produce more economic disruption and further erosion in revenues. ○ Earlier federal assistance to state and local governments was neither direct nor flexible, preventing revenue holes from being filled. ○ NC municipalities received only a fraction of the federal CARES Act state and local dollars allocated to North Carolina in March.
3. Expand incentives and funding for local economic development. ○ Funding is simply inadequate in many cities and towns to encourage job growth. ○ A lack of state funding is seen in grants or incentives for major job creation projects as well as programs to boost small business growth. ○ Among the needs are restoring cuts or additional funding for film tax credits, major industrial site development, downtown development and renewable energy tax credits.
4. Refine economic tier designation system to more accurately reflect conditions at subcounty level. ○ The existing criteria does not seem to reflect the status of many communities. ○ The current tier designations fail to take into account the disparate levels of wealth within individual counties. ○ The county-focused system means that

municipalities can lose out on state grants and other types of funding when they fail to adequately reflect community's wealth.

5. Revitalize vacant and abandoned properties with enhanced legal tools and funding. ○ Many towns and cities do not have the funding to address abandoned properties. ○ These properties affect surrounding home and business property values, economic development opportunities and crime rates. ○ With funding and additional legal tools, such as those allowing for properties to be more easily condemned and to address multiple heirs, these properties could serve to addressing local housing needs.
7. Create a permanent and adequate funding stream for local infrastructure needs. ○ Infrastructure – including roads, water, sewer, stormwater, parks and beaches – are critical to economic development and job creation. ○ Many cities in the state are growing, creating a constant need for investment to keep pace with population growth; many cities and towns also have aging infrastructure that must be replaced. ○ Creating a more permanent funding stream for local infrastructure, such as a dedicated tax source, would allow for better planning to meet needs.
10. Improve state-wide funding and support for LEO training focused on use of force, mental health and de-escalation skills. ○ Highly-publicized incidents of police use of force in 2020 have underscored the need for enhanced and expanded law enforcement training. ○ Improved training is needed to build trust and legitimacy in the community while serving the public in a professional and equitable manner. ○ Numerous studies show that additional and effective training focused on conflict de-escalation can significantly reduce police use of force.
11. Permit all cities to establish a police department citizen review board. ○ Current state law requires cities to seek local legislation approved by the General Assembly to establish a police citizen review board. ○ A statewide law providing cities and towns the option of establishing such boards would allow more flexibility to meet local needs. ○ Establishing these review boards, when sought by and supported by local residents, can create another avenue to build trust with the community.
13. Increase public safety grant funding and expand allowable uses. ○ Improving policing will require additional public safety grant funding and more flexibility in its uses. ○ More effective and equitable policing can be achieved by additional funding of community policing programs, as well as putting more dollars toward alternative programs that seek to address mental health calls and other issues through nonuniformed personnel. ○ Additional funding is also needed to meet public safety communication needs.
14. Extend notification timeline for any changes to sales tax revenue disbursement. ○ Under current law, counties are able to shift the method of local sales tax disbursement in April, providing notice to municipalities just two months ahead of the new fiscal year.

These shifts, from per-capita to ad valorem distribution methods, or vice versa, can mean significant losses of sales tax revenue for municipalities, with little time to consider the budget implications. ○ County governments enjoy this power even though a majority of sales tax revenues are generated within municipal borders.

15. Reduce pressure on property tax payers by expanding locally-controlled options for revenue generation. ○ Property taxes remain the primary revenue stream over which municipal governments exercise control. ○ Cities have little or no authority to raise significant revenue in other ways. ○ A lack of diverse, local tax options can affect economic growth, as well as cause large swings in revenue based on economic changes.

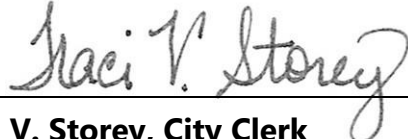
Mayor Pro Tem Ferebee stated now that the meeting will be virtual, maybe City Council members will be able to participate in it.

### **Miscellaneous**

City Manager Scherer stated the next Work Session will be held in the Lloyd Andrews building at 5:30 p.m.

He also reported there is the potential for snow on Friday night. Public Works is working on plans and preparing to respond.

There being no further business, the meeting was adjourned at 7:40 p.m.

  
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**Traci V. Storey, City Clerk**

**Approved by Council Action on: 1/19/2021**