



CITY OF HENDERSON

NORTH CAROLINA

FY 2015-2016

APPROVED

BUDGET

22 JUNE 2015

*Prepared by
The City Manager's Office
& Finance Department*

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**City of
Henderson, North Carolina**

Mayor and City Council



James D. O'Geary
Mayor

Sara M. Coffey

Garry D. Daeke

George M. Daye

Michael C. Inscoe

James C. Kearney, Sr.

Brenda Peace-Jenkins

D. Michael Rainey

Fearldine A. Simmons



Leadership Team

Ed Wyatt
Interim City Manager

Frank Frazier, Assistant City Manager

Marcus Barrow, Police Chief

Kathy Brafford, Finance Director

Cathy Brown, Human Resources Director

Christy Lipscomb, Kerr Lake Regional Water Plant Director

Esther J. McCrackin, City Clerk

Mike Ross, Public Services Director

Tom Spain, Henderson Water Reclamation Facility Director

Clark Thomas, Engineering Director

Kendrick Vann, Parks & Recreation Director

Danny Wilkerson, Fire Chief

Corey Williams, Development Services Director

D. Rix Edwards, City Attorney

Frozen, Special Projects Manager



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

18 May 2015

TO: The Honorable James D. “Pete” O’Geary and Members of the City Council

FR: Edward A. Wyatt, Interim City Manager

**RE: CAF: 15-62
Presentation and Consideration of the FY 2015-16 Recommended Budget**

Ladies and Gentlemen:

In accordance with the Henderson City Charter and the Statutes of the State of North Carolina, the FY 2015-16 Recommended Budget is herewith submitted to the City Council for its review, deliberation, amendments and adjustments as deemed appropriate, and adoption prior to 1 July. The City Administration looks forward to working with the Mayor and members of City Council on the budget during the next several weeks, and helping it achieve a spending plan which addresses the needs and aspirations of both the community and municipal organization.

OVERVIEW

State law requires localities adopt and operate within a balanced budget at all times. To that end, revenues have been projected in a conservative manner and expenditures have been developed from a very constrained perspective. Many justified and warranted initiatives and needs, both capital and operating, have not been recommended for funding due to very limited resources.

Department Directors were encouraged to request the needs required to maintain their level of service in addition to wants that would help them attain goals they have set or implement new programs. While it was understood that they may not be considered for recommendation, this allowed them the opportunity to demonstrate the challenges they are facing and opportunities they wish to explore. I was very impressed with the manner in which their budgets were developed and appreciate their understanding and cooperation while working to balance the budget. Unfortunately, natural growth revenues are not keeping up with the budgetary needs of the City, thus the ever widening gap between available resources and critical un-met needs.

I am honored to work with a progressive, forward thinking Council and organization. The Strategic Plan continues to help focus the priorities of the City in order to address critical issues and opportunities. The challenges facing the City are legion as are the opportunities for growth and prosperity.

The annual budget is arguably the single most important policy document that the City Council will deliberate and adopt in any given fiscal year. The second most



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

important policy document is the annual Strategic Plan. To that end, the Recommended Budget has considered the Strategic Plan as a major guide in developing the budget and identifying critical gaps in funding.

While all aspects of the budget help to support the Strategic Plan in one form or another, I would like to highlight several Strategic Initiatives by way of the Recommended Budget:

1. *KSO 4: Improve Housing Stock:* Minimal funding of \$20,000 is provided to continue demolition of dilapidated, abandoned structures. This will allow for demolition and disposal of about 3-4 minor structures.
2. *KSO 5: Reliable Infrastructure:* Minimal funding in the amount of \$627,200 for continued contributions to the water and sewer plants' capital reserve plans is provided, as appropriate, in the Water, Sewer and Regional Water funds.
3. *KSO 6: Retain Qualified Municipal Workforce:* \$183,200 is provided for a modification of Phase 2 of the 5-Year financing plan to proceed with the implementation of the Classification and Pay Study. The modification allows all eligible employees a 4% pay increase. The increase will not apply to Sworn Law Enforcement Officers because they have a separate pay and classification plan and are currently above market.

TOTAL BUDGET

The total City budget is comprised of four (4) primary operating funds and a number of smaller specialty funds. The primary funds include General, Water, Sewer and Regional Water System. The smaller supporting funds include Powell Bill and the Capital Reserve funds. Responsibilities are shared across funds, so, justifiable costs are allocated to provide support from one fund to another.

For the General Fund, I recommend an appropriation of \$325,000 in undesignated fund balance to help adhere to the City's mission, vision and purpose. Regional Water, Water and Sewer Fund budgets also include a recommendation for rate increases by 5%, 4% and 9% respectively, in order to address the forthcoming debt.

The total recommended budget, adjusted for inter-fund transfers, is \$37,942,400. The total budget is balanced once again for FY 2015-16 with serious *belt tightening efforts*, while an appropriation from the General Fund fund balance and utility rate increases are being recommended in the Water, Sewer and Regional Water System Funds, there are no recommended increases in the property tax or sanitation fee. With consideration to current spending trends, the impact on the General Fund fund balance is expected to be minimal and the estimated impact on residential customers regarding the utility rate increases are described in the following table:



**FY 2015-16 BUDGET
RECOMMENDED BUDGET MESSAGE**

Impacts on Residential Customers				
FY16 Recommended Budget				
	FY 15	FY16	Monthly Increase	Annual Increase
<i>Inside City</i>				
Property Tax: No Increase	\$ 0.62	\$ 0.62	NA	NA
Sanitation Fee: No Increase	\$ 29.00	\$ 29.00	NA	NA
Water Rate increase of 4% based on customer using 800 cubic feet of water per month.	\$ 17.50	\$ 18.20	\$ 0.70	\$ 8.40
Sewer Rate increase of 9% based on customer using 800 cubic feet of water per month	\$ 52.86	\$ 57.62	\$ 4.76	\$ 57.12
Total Impacts			\$ 5.46	\$ 65.52
<i>Outside City</i>				
Water Rate increase of 4% based on customer using 800 cubic feet of water per month.	\$ 43.76	\$ 45.51	\$ 1.75	\$ 21.00
Sewer Rate increase of 9% based on customer using 800 cubic feet of water per month	\$ 132.26	\$ 144.16	\$ 11.90	\$ 142.80
Total Impacts			\$ 13.65	\$ 163.80
Notes: 1) 800 cubic feet of water = 5,984 gallons of water. 1 cubic foot of water = 7.4805 gallons of water.				<i>4 May 15 psp</i>

GENERAL FUND

The General Fund is arguably the most difficult fund to balance because it is the workhorse fund of municipal operations. It is the least able to pay for services it must provide due to the manner in which general fund revenues are legislatively structured and authorized. It is heavily dependent on the archaic property tax, sanitation fee, State Inter-Governmental Revenues such as Sales Taxes, Utility Franchise Taxes and Powell Bill funds, as well as cost allocations from the enterprise funds.

The recommended General Fund budget is \$15,397,900. While this budget is \$201,900 more than the FY 2015 approved budget beginning 1 July 2014, it includes an exchange of \$70,700 in lease/purchase annual payments for \$339,000 in outright purchases for vehicles and equipment. This alternative was considered in an effort to balance the budget without further impacting the requested needs of the departments.



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

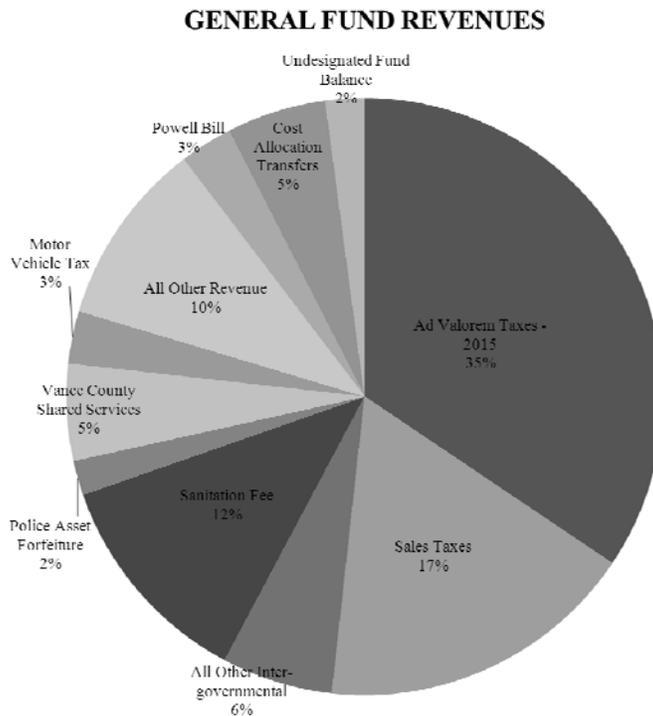
The revenue line item was also increased by this amount. The FY 2015-16 recommended budget is \$7,412 **less** than the FY 2015 amended budget, resulting in a .05% decrease.

The FY 2016 General Fund budget does not begin to meet either the current or future business needs of the municipal organization and the services it must provide. Even in the best of times, a municipal budget cannot possibly meet all of the needs and expectations of its citizens and/or departments. A budget crafted in the midst of continuing austerity surely cannot meet such needs and desires.

General Fund Revenues

The current year property tax, both real and personal, is the single largest revenue source for the fund and comprises 37.28% of the total projected revenues. The sales tax, an extremely volatile revenue source which is totally dependent on the strength of the economy comprises 17.34% of the fund’s budget and the Sanitation Fee, comprises 11.88%. Thus, 66.5% of the fund’s revenue sources come from only three major sources. Of these three sources, only two are controlled by City Council—property taxes and sanitation fee, and the other source, sales taxes, is under the control of the State.

The repeal of legislation regarding business privilege license fees result in a loss of over \$250,000 in revenue. The North Carolina General Assembly has promised to replace these types of revenue but has yet to approve any new legislation which would help the City at this time. There are several bills that have been introduced in the House or Senate which could help cities in the future.

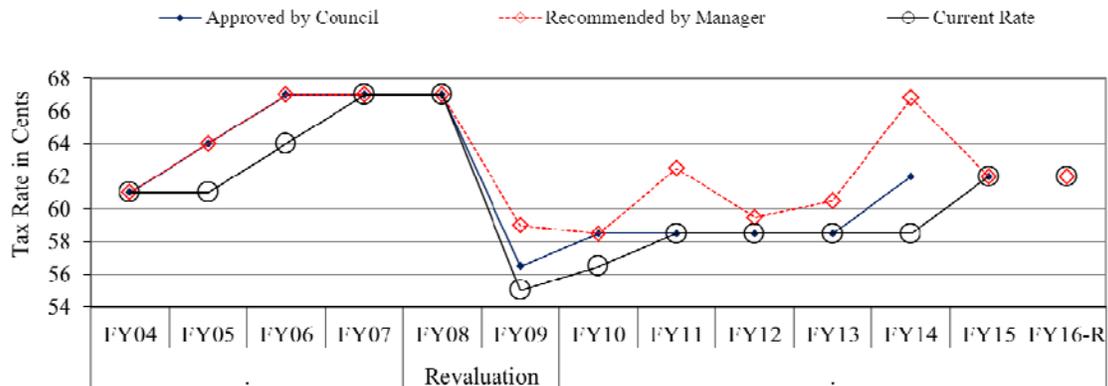




FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

The tax rate has varied over the past few years. The rate was reduced for FY 2009 from 67 cents to 56.5 cents as a result of reevaluation. The rate increased 2 cents in FY 2010 and 3.5 cents in FY 2014. There was no increase in FY 2015 and no increase is being recommended for FY 2016. Next year's reevaluation is anticipated to result in lower assessed property values; this is likely to invite additional challenges for this source of revenue.

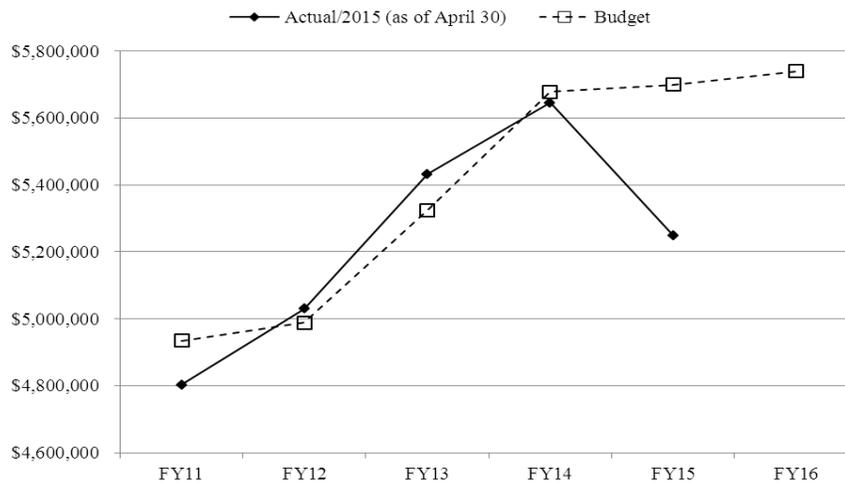
Property Tax Rate Trend Analysis Fiscal Years 2004-2016-R



*The FY15 property tax rate was 62 cents per \$100 valuation
There is no tax rate increase recommended for FY16.*

The 2015 property tax revenues are estimated to be \$5,300,000. While this is lower than the \$5,700,000 budgeted for FY 2015, the NC Department of Motor Vehicles (NCDMV) now administers the Tax and Tag program, which is expected to result in \$440,000 in revenue. The total represents a very mild increase above the current year's budget. Again, there is no recommended increase in the property tax rate for FY 2016.

Current Year Property Tax



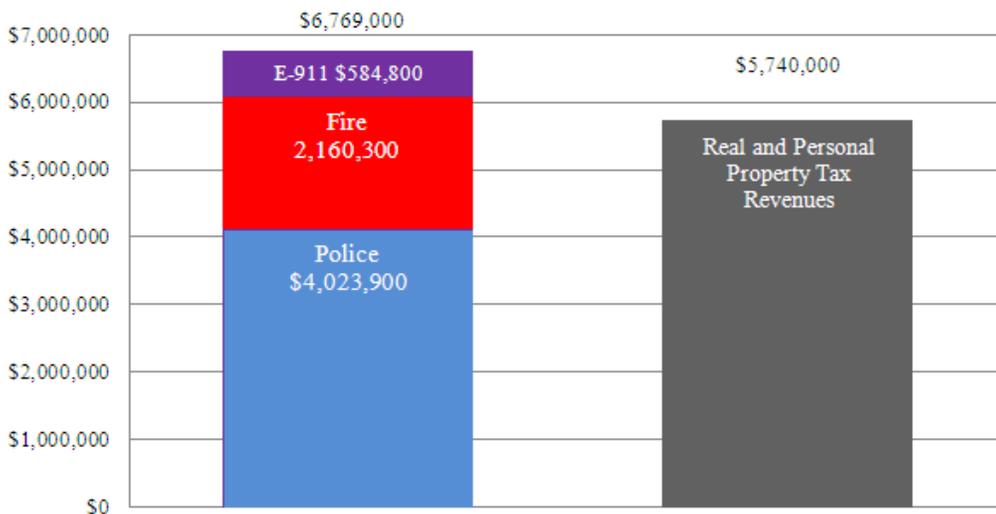
*Property Tax revenue comprises 37.28% of the General Fund's revenues.
FY 16 tax collections (\$5,300,000) are budgeted lower than prior years due to the new
Tax and Tag program for motor vehicles - \$440,000 is budgeted for the same.*



**FY 2015-16 BUDGET
RECOMMENDED BUDGET MESSAGE**

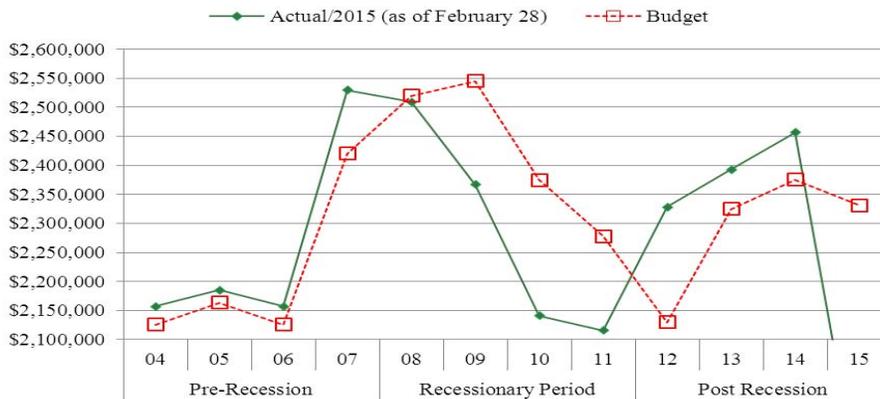
It is important to note that the current year property tax does not even come close to financing basic public safety services. The following graph reveals the revenue from the recommended property tax rate of \$0.62 cents (\$5,300,000), and the estimated motor vehicle tax revenue (\$440,000) will provide for 37.28% of the General Fund’s revenues, yet public safety expenses require 43.96% of the fund’s total expenditures. There is a common misunderstanding among property tax payers that the property tax pays for all city services, when indeed it does not even generate enough revenue to pay for police, fire and emergency (E-911) services.

Public Safety Expenditures v. Current Year Property Tax Revenues



The second largest revenue producer for the City’s General Fund is the local option sales tax. This critical revenue source is extremely volatile and has not yet recovered to its pre-recession levels. It appears that sales tax collections will be more than the FY 2015 budget due to under budgeting for the Transitional Hold Harmless Tax that sunset in August 2012.

Annual Sales Tax Receipts



Sales Taxes are the second largest revenue source in the General Fund, comprising 17.21% of all Fund revenues. This revenue source is unavailable immediately and the data is delayed by 1 1/2 months.



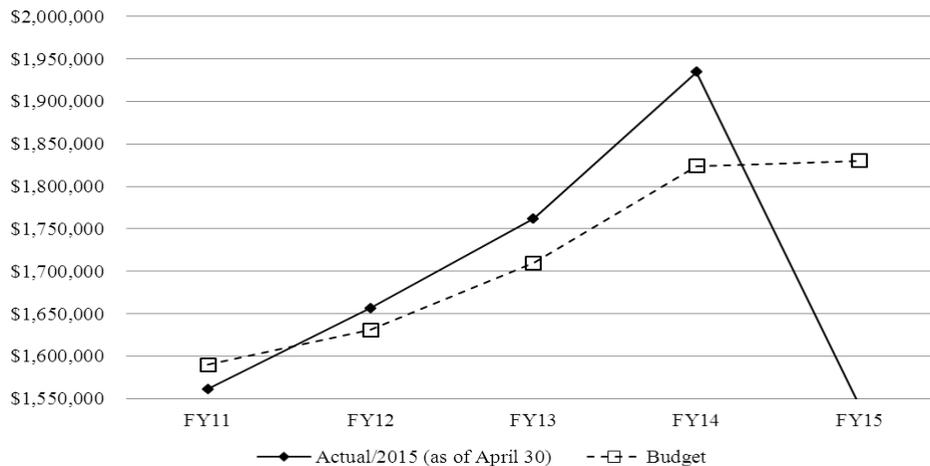
FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

Henderson and Vance County also find themselves competing for disposable income spending with the newer and more varied commercial retail centers in the Raleigh-Durham-Chapel Hill areas. The FY 2016 Budget reflects an increase with a revenue estimate of \$2,650,000, up from \$2,331,000 in FY 2015 due to underestimating the hold-harmless sales tax in FY 2015.

The third largest revenue producer for the City’s General Fund is the sanitation fee. Each one dollar (\$1.00) of the sanitation fee yields approximately \$63,100 in revenues. The current rate is \$29.00 per month. No increase is recommended in FY 2016. It is important to note that Henderson’s housing stock is not growing, therefore we could start to see a decline in this revenue. The staff is also keeping a close watch on the expenditure side, relative to the contracts associated with solid waste collections.

Sanitation Fee

Data reflects revenue collected through the month of April.



The Sanitation Fee is used to support household collection of solid waste, via the Waste Industries contract, curbside collection of yard debris, bulk debris, recycling and Fall leaf collection. It also supports the cost for any capital equipment needed to support the Sanitation services.

It is important to note that there are approximately 445 commercial and/or non-residential accounts (excluding apartments) that do not pay a sanitation fee to the city. This issue is raised due to the fact that other cost centers, such as code compliance, revenue bond repayment, etc., make up a component of this fee.

Additionally, it has been a conscious decision of Council for many years to increase the sanitation fee in order to provide operating revenues in lieu of a property tax increase. Consequently, a significant part of the monthly fee is used to support general services. The property tax equivalent of the sanitation fee revenues of \$1,830,000 is \$0.20 cents. Consequently, if the City did not levy sanitation fee, property taxes would have to be \$0.82 cents instead of \$0.62 cents.

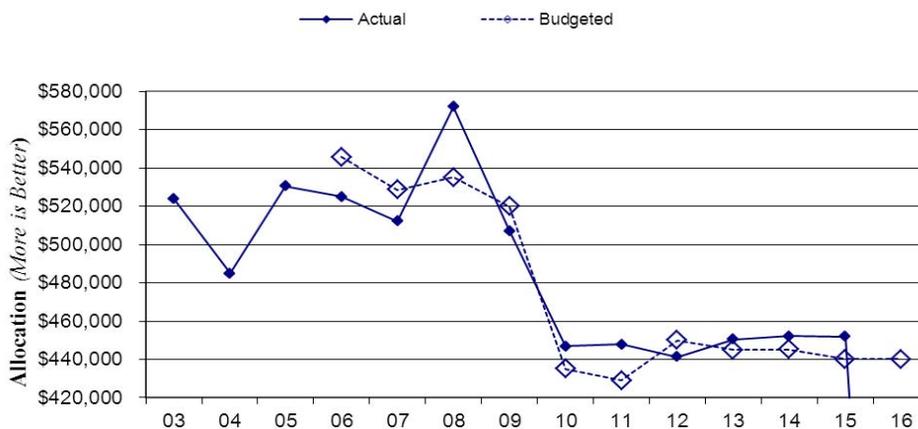


FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

Powell Bill funds, the State’s distribution of the gasoline sales tax to localities, are based on a locality’s lane miles and per capita population. The State gas tax revenues are dependent on increasing state-wide gasoline sales. Fuel efficiency in motor vehicles and the Recession have impacted gas sales and thus the amount of Powell Bill revenues which can be distributed to localities. When constrained State gas tax revenues are combined with Henderson’s continued population decline and static road mileage growth, one begins to understand why this important revenue source is not growing in the City’s Budget. In other words, the City’s allocation of the Powell Bill distributions is decreasing while cities and towns with growing populations and lane miles are increasing.

In addition to the aforementioned, The General Assembly has passed a compromised Senate Bill (SB20) with an April 1, 2015 effective date. Based on an Office of State Budget and Management revenue estimate of the bill, State Aid will be roughly the same next fiscal year (an increase of 0.15%), and a decrease of 2.56% in the following fiscal year. Henderson’s share of Powell Bill Revenues has not recovered to pre-recession levels.

Powell Bill Allocation



Powell Bill funding remains well below pre-recession levels. Henderson's population is decreasing and no local road mileage is being added to the street system. In addition, budget projections from new legislation estimates a decrease in allocations in FY

Undesignated Fund Balance

The City’s undesignated fund balance is critical for two fundamental reasons. First, it serves as a rainy day fund to provide one-time appropriations to assist with grant matches and one-time capital needs. Secondly, and perhaps most importantly, it serves to provide enough cash in the bank for cash flow purposes during the fiscal year.

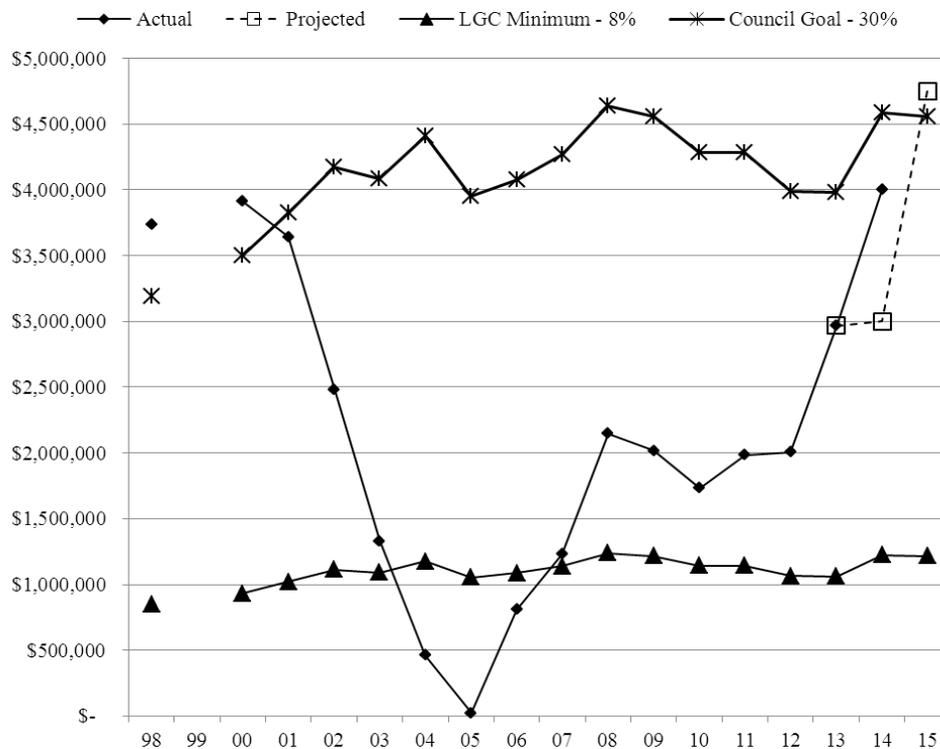
The NC Local Government Commission (LGC) requires that localities maintain at least an 8% fund balance. In 2005, Henderson’s undesignated fund balance decreased from \$4.5M, or 41.3% in FY 2000 to \$22,268, or 0.0016% in FY 2006. City Council, in



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RECOMMENDED BUDGET MESSAGE**

2006, adopted a fund balance growth policy in response to a LGC letter citing the City for falling underneath the acceptable threshold. At the end of FY 2008, the fund balance had recovered to 13.8%, or \$2.1M. **According to the FY 2014 Audit, the unassigned (undesigned) fund balance had grown to \$4,001,351, or 29.88% of budget.** The goal is to achieve 30% of budget in unassigned funds. An appropriation of \$325,000 is recommended from the General Fund fund balance for FY 2016, which may or may not decrease the percent of budget, depending on the funds remaining at the end of the current fiscal year. Based on current spending, it is projected that fund balance will continue to grow this fiscal year.

General Fund Unassigned Fund Balance



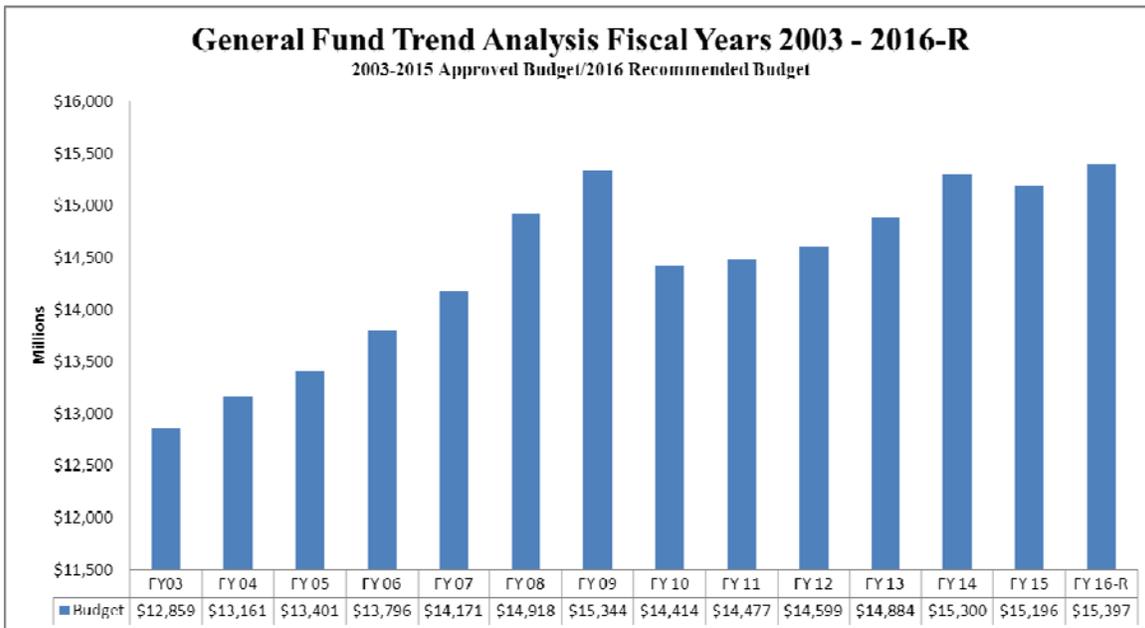
The fund balance has attained approximately 29.88% of budget, well above the State's minimum requirement of 8%, and almost at the 30% goal.

General Fund Expenditures

The General Fund expenditures, on the other hand, are seriously limited from many years of constrained allocations resulting in insufficient funding for capital outlay and equipment, adequate staffing levels and compensation, and program expansion in needed areas including recreation services, information technology, risk management, planning, more aggressive code enforcement and addressing dilapidated or deteriorated properties or structures.



**FY 2015-16 BUDGET
RECOMMENDED BUDGET MESSAGE**



There are no new initiatives for the General Fund during FY 2016. Below is a table showing the percent increase or decrease from the current FY 2015 budget (amended by Council) and the FY 2016 Manager’s Recommended budget for each department.

GENERAL FUND DEPARTMENTS				
Department	2015 Council Amended Budget	2016 Department Requested Budget	2016 Manager Recommended Budget	% Increase or Decrease
				Amended-Recommended
Governing Body	\$ 174,700	\$ 186,300	\$ 176,100	0.80%
Administration - City Attorney	\$ 69,000	\$ 77,800	\$ 62,300	-9.71%
Administrative	\$ 323,640	\$ 327,100	\$ 310,500	-4.06%
Human Resources	\$ 200,640	\$ 201,500	\$ 198,800	-0.92%
Finance	\$ 440,700	\$ 484,200	\$ 478,000	8.46%
Information Services	\$ 43,000	\$ 90,400	\$ 52,900	23.02%
Development Services*	\$ 308,200	\$ 467,800	\$ 282,400	-8.37%
Henderson-Vance DDC	\$ 10,000	\$ 90,500	\$ 10,000	0.00%
Public Buildings and Grounds	\$ 72,400	\$ 184,900	\$ 73,900	2.07%
Bennett Perry House	\$ 25,750	\$ 600	\$ 600	-97.67%
Police	\$ 4,109,386	\$ 4,296,900	\$ 4,023,900	-2.08%
Police - Asset Forfeiture	\$ 325,000	\$ 163,000	\$ 288,500	-11.23%
Fire**	\$ 2,221,056	\$ 4,158,000	\$ 2,160,300	-2.74%
Public Services Administration	\$ 139,000	\$ 195,600	\$ 144,300	3.81%
Garage**	\$ 943,000	\$ 945,900	\$ 873,500	-7.37%
Cemetery	\$ 76,000	\$ 86,500	\$ 86,500	13.82%
Street	\$ 1,178,700	\$ 1,274,900	\$ 1,127,400	-4.35%
Sanitation**	\$ 916,100	\$ 1,034,100	\$ 1,160,800	26.71%



**FY 2015-16 BUDGET
RECOMMENDED BUDGET MESSAGE**

GENERAL FUND DEPARTMENTS (CONT.)				
Department	2015 Council Amended Budget	2016 Department Requested Budget	2016 Manager Recommended Budget	% Increase or Decrease
				Amended-Recommended
Recreation**	\$ 895,600	\$ 943,620	\$ 907,200	1.30%
Youth Services	\$ 163,040	\$ 158,900	\$ 161,600	-0.88%
Aycock Aquatics Center	\$ 346,140	\$ 476,300	\$ 350,400	1.23%
Vance County Shared Programs	\$ 976,000	\$ 1,045,800	\$ 1,027,200	5.25%
Non-Departmental	\$ 607,745	\$ 667,300	\$ 631,600	3.93%
Contribution to Local Agencies	\$ 30,800	\$ 35,100	\$ 30,800	0.00%
Debt Service	\$ 809,715	\$ 778,400	\$ 778,400	-3.87%
Total - General Fund	\$ 15,405,312	\$ 18,371,420	\$ 15,397,900	-0.05%

* Development Services was combined during the current fiscal year, further explanation is in the **FORMAT** section (pg. 22).
 ** 2016 Manager Recommended Budget column is inflated due to the vehicle/equipment lease purchase with delayed payment. Additional information is in the **GENERAL FUND** section (page 4), and the **MAJOR CAPITAL OUTLAY** section (pg. 18)

While the General Fund operating budgets are very tight, there are several areas of impact which should be mentioned as follows:

- *Street resurfacing* budget is only \$20,000.
- *Storm drainage* improvements budget remains at \$35,000.
- *Public buildings' maintenance* particularly needs capital improvements and none are funded as a part of this budget. This includes a new roof for the old Police Station, Fire Department on Young Street, and painting of the mansard roof and interior walls of City Hall.
- *Demolition funding for abandoned structures* and codes compliance is funded at \$20,000, well below any figure that could meaningfully reduce the backlog of 10 structures already condemned for demolition and with an estimated cost of \$80,000. Additionally, 15 more units will be brought before Council by Winter, adding another \$70,000 funding gap. Costs per unit or group vary based on a number of factors. Beyond these 25 structures, 260 lie in wait for the condemnation process to begin. It is estimated the cost to remove all 289 abandoned structures would be about \$1,250,500.

Spending in the General Fund has seriously lagged inflation since FY 2009, thus eliminating flexibility within departmental operations and funding for needed capital expenses and employee compensation. Despite these reductions in spending and/or holding the line on other expenses, the City faces increases in the items it procures in order to provide services. For example, increased costs for materials and supplies, increased costs for asphalt and concrete, chemicals, electricity, fluctuations in the prices of motor fuels and natural gas, etc., all serve to impact the bottom line.



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

City-County Contracts

The chart below shows the contractual agreements with the County for the following services and indicates the method of billing for these services: Tax Collections, Board of Elections, Emergency Operations (E-911), Perry Memorial Library, Recreation and Aycock Aquatics Center.

Tax Office: As you will note, the County tax office budget is slightly down from the current year by <1%. It should be pointed out that the County budget for this office perhaps should have gone down more in light of the fact that this office no longer has responsibility for collection of motor vehicle taxes. This is now handled by the NCDMV through yearly registrations with their new Tax and Tag Together program.

Board of Elections: The County is requesting a 93.87% increase from the City to cover a Presidential primary and potential runoff elections and/or second primaries that may take place in FY 2015-16. We are only recommending an appropriation of \$59,000 based upon the highest amount the City has paid for this service since at least FY 2010.

The City is charged 17% of the operations of the Board of Elections. Additionally the City pays 100% of the direct cost for conducting Municipal elections. It is my belief that many municipalities pay only the direct costs associated with Municipal elections.

E-911: As expected, the budget request for E-911 has increased this year. The added cost is \$19,633. It should be noted that this department has added personnel over a period of time while the City has reduced its personnel, including police officers. This year, E-911 added a position during the year.

Please note in accordance with a contract with Vance County, the City provides, free of charge, space in the Operations Center and parking for 911 as their second location.

Perry Memorial Library: The appropriation for this year is the same as last year, \$187,500. Although the request is 2.95% higher, the County is recommending the same amount that was allocated for the current year, so we are doing the same. In accordance with the City's agreement with Vance County, the City pays 25% of the city/county contribution.

The City pays the Perry Memorial Library directly; however, as based on an agreement with Vance County. They receive 4 quarterly allocations throughout the year.



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RECOMMENDED BUDGET MESSAGE**

SHARED SERVICES AND PROGRAMS						
City-County Contracts for Shared Services	Method of Billing	Current City Budget FY 2014-15	County Requested FY 2015-16	\$ Increase/ Decrease Request - Current	% Increase/ Decrease Request - Current	City Budgeted FY 2015-16
Tax Office	25% - billed monthly by the county for actual expenses	\$176,000	\$174,985	-\$1,015	-0.58%	\$175,000
Elections	17% - billed monthly by the county for actual expenses	\$46,800	\$90,730	\$43,930	93.87%	\$59,000
E-911	50% - billed monthly by the county for actual expenses	\$565,100	\$584,733	\$19,633	3.47%	\$584,800
Library	25% - budgeted amount paid to the Library by the city quarterly	\$187,400	\$192,935	\$5,535	2.95%	\$187,400
City-County Contracts for Shared Services	Method of Billing	City Requested FY 2014-15	City Requested FY 2015-16	\$ Increase/ Decrease Request-Current	% Increase/ Decrease Request-Current	City Budgeted FY 2015-16
Recreation	45% - billed monthly to the county for actual expenses	\$375,100	\$377,400	\$2,300	0.61%	\$907,200
Aycock	45% - billed monthly to the county for actual expenses	\$127,000	\$126,200	-\$800	-0.63%	\$350,400
Aycock Debt Service	50% - billed annually to the county for actual expenses	\$153,700	\$139,300	-\$14,400	-9.37%	\$278,695
Youth Services	100% - billed monthly to the county for actual expenses	\$164,000	\$161,600	-\$2,400	-1.46%	\$161,600

As you will note in your budget review, most of the City departments have remained at the same level of funding for next fiscal year, which, of course, is subject to Council’s approval. Overall, the Recreation budgets have decreased, requiring less of the County for their agreed-upon share as stated in the contracts. The few departments with mentionable increases are due to the fully funded Assistant Finance Director position, the critical need for updated servers to handle our information technology infrastructure, private contracts with built-in increases and the need to purchase capital equipment and delay the payment for one fiscal year.

The City is bound by contract to pay the County for its share of “contracted” services. Significant increases in funding for Elections and E-911 services have impacted the overall increase in this year’s budget. In the event that their budget estimates come to fruition, it is recommended that City staff first attempt to identify available funds for transfer; if none are available, request that Council appropriate additional fund balance to assume responsibility for the agreed upon share.

It appears that, in light of the comments above, the contracts with the County should be comprehensively reviewed in order to achieve an equitable funding arrangement.



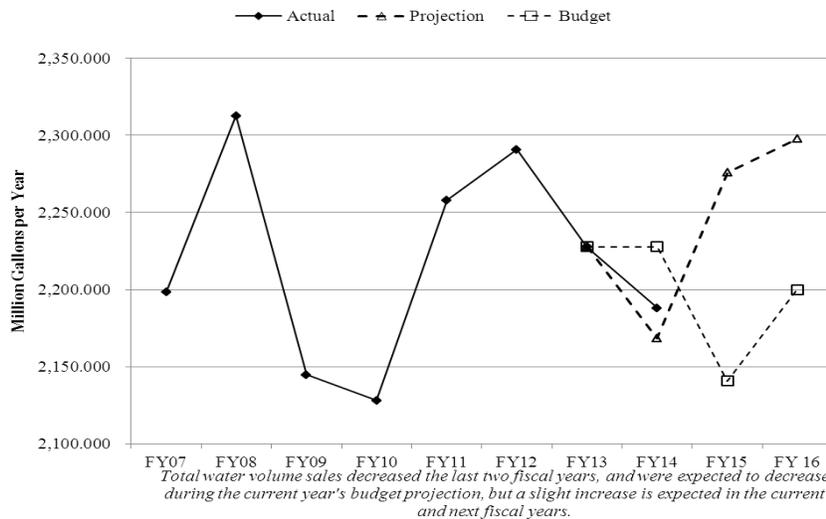
FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

REGIONAL WATER SYSTEM FUND

The Regional Water System Fund provides resources for the operations at the Kerr Lake Regional Water Treatment Facility. Constructed in the early 1970s, this facility provides water to Henderson, Warren County and Oxford. Henderson is the majority owner and managing partner, 60%, with Warren County and Oxford each having a 20% interest. The current capacity of the facility is 10 MGD; however, plans are underway to expand the facility to 20 MGD. Funding for consulting engineers was provided in FY 2009 to assist the City in pursuing the expansion of its Inter-basin Transfer (IBT) of water from 10 MGD to 14.2 MGD and is under consideration for approval. The City is considering a design-build concept for completing the 20 MGD plant expansion for which the authorization to start has been extended to December 2016. The regional partners sell water at retail to their own customers and other governmental entities. Henderson currently sells water to the Kittrell Water Association, Franklin County, Vance County, as well as residential, business and industrial customers.

There are currently two months remaining in this fiscal year, but it appears that Regional Water sales are rebounding. Based on current projections, it appears there will be an increase of approximately 1% over FY 2014-15 sales.

KLRWS: Total Water Volume Sold by Year



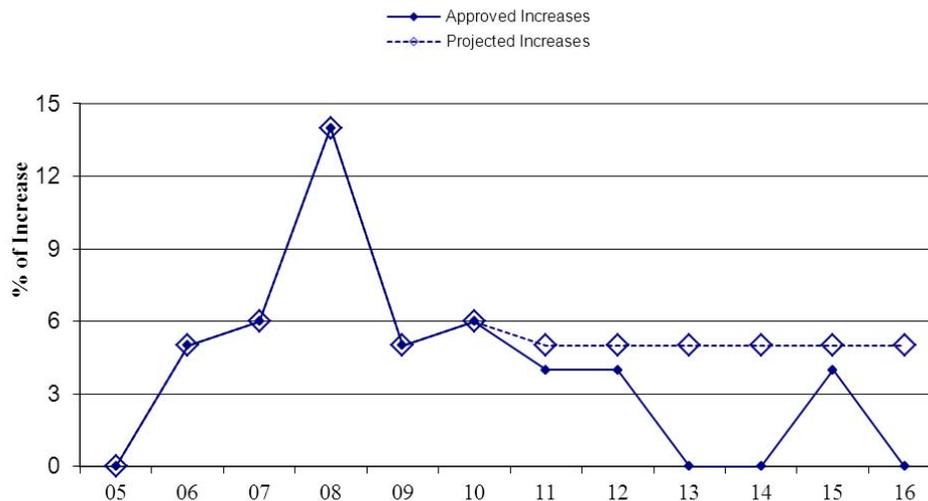
In order to meet its operational needs, provide adequate funding for capital reserves established for the planned expansion of the facility, and fund the needed replacement of the SCADA system, the Regional Water System Fund must increase its water rates by 5%, effective 1 July 2015. Each percent yields about \$39,000 in revenues. This will result in an additional \$195,000 in revenues that will continue to provide for needed capital reserves.



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

Water rate increases can be expected annually until sufficient funds are provided for the water plant’s expansion project. A trend analysis of rate increases is provided in the following chart:

Regional Water Consumption Rate Increases



A 5% increase is recommended for FY16 and is needed to offset significantly reduced water sales to the three Regional Partners.

The Regional Water System Fund is estimated to be \$4,499,500 as compared to \$4,280,000 approved for FY 2015. 99.79% of its revenues are generated from the sale of water to Henderson, Oxford and Warren County. 17.1% of its expenditures are dedicated for debt service and 13.6% for capital reserve. Personnel expenses make up 15% of the total budget.

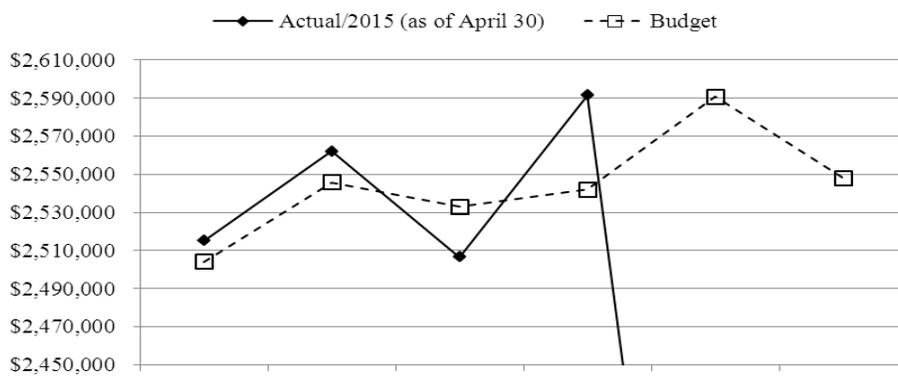
WATER FUND

The Water Fund provides for the distribution of potable water to the City’s 8,800 customers and its three governmental customers of Kittrell Water Association, Franklin County and Vance County. All three Vance County Phases are now on-line so there will be a full year of water sales to Vance County for FY 2016. 82.96% of Water Fund revenues are derived from the sale of water to retail customers and wholesale governmental customers. The Water Fund is estimated to be \$6,851,700. Using projections for the remaining two months, it appears that water sales will show a slight increase of 1% over FY 2015 sales. This is primarily due to Franklin and Vance County sales.



**FY 2015-16 BUDGET
RECOMMENDED BUDGET MESSAGE**

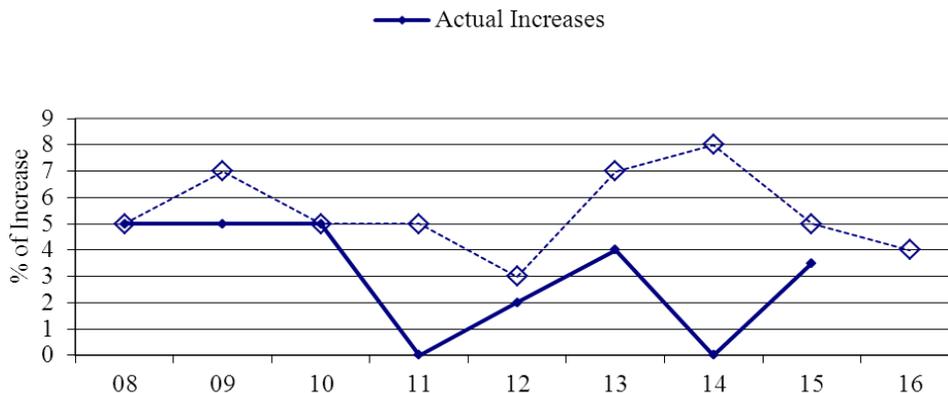
Water Fund Revenues: Annual Water Sales



Water sales increased last fiscal year, and are projected to increase by about 1% for the current fiscal year. Some of the increase in revenues is based on the 5% recommended rate increase.

In order to absorb the 5% water rate increase from the Kerr Lake Regional Water System, and a limited amount of capital, it is recommended that the water rate be increased by 4%, effective with the first billing cycle in July. Each percent increase yields about \$27,000 from the City’s general rate customers. The impact on a residential customer can be reviewed in the chart on page 3. A time trend analysis of water rate increases is provided in the following graph:

Water User Rate Increases



It is recommended rates increase by 4% to cover the 5% Regional Water purchase for resale rate increase and other capital purchases.

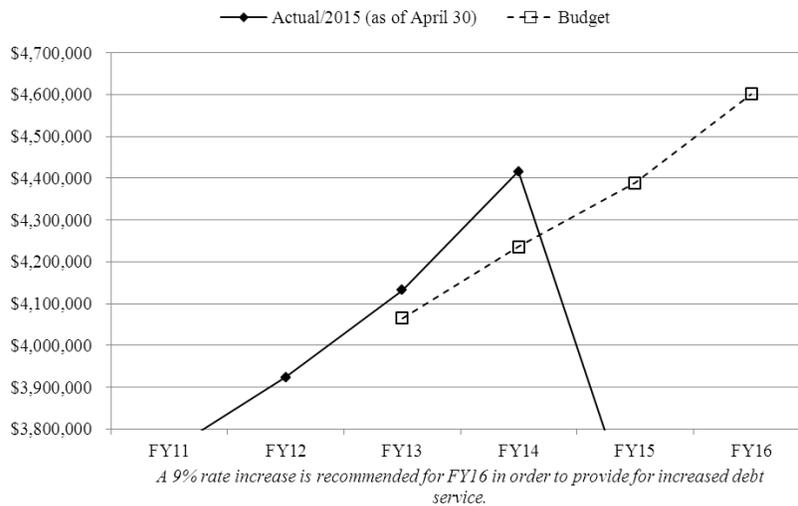
SEWER FUND

Revenues

The Sewer Fund provides for sewer collection and treatment for the City’s 7,088 customers. The Sewer Fund is expected to be \$5,032,300 in FY 2016. 91.44% of the fund’s revenues are derived from the sewer user fee.

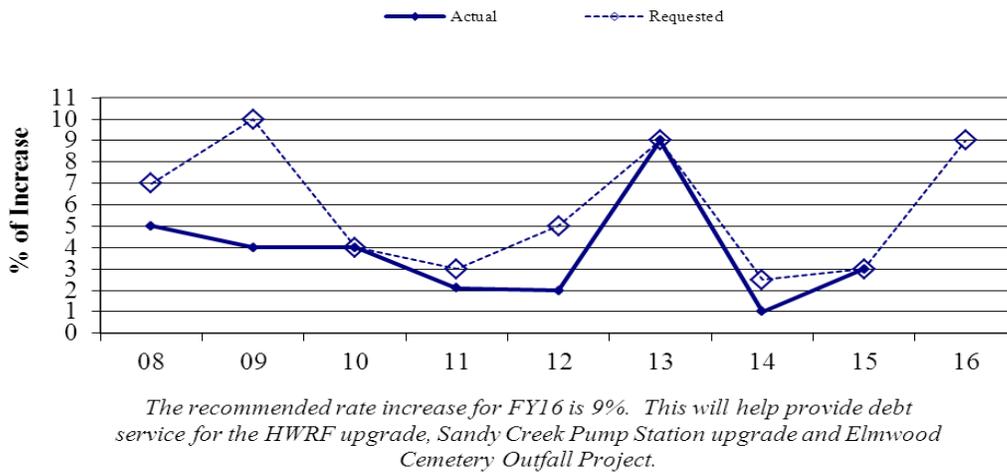


Sewer Fund Revenues: Annual Sewer Sales



It is recommended that the sewer rate increase by 9% in order to provide for increased debt service for the HWRF upgrade, Sandy Creek Pump Station upgrade and the Elmwood Cemetery Outfall project. Each percent generates \$37,000. A chart displaying the City’s debt service is located on pg. 20.

Sewer User Rate Increases



Expenditures

The Sewer Fund is divided into three budgetary sections as follows: 1 – Henderson Water Reclamation Facility (sewer plant); 2 – Sanitary Sewer Collection System (maintenance and construction); and 3 – Inflow & Infiltration (I & I).



**FY 2015-16 BUDGET
RECOMMENDED BUDGET MESSAGE**

MAJOR CAPITAL OUTLAY

Major capital outlay includes expenditures budgeted to purchase or add to fixed assets costing \$5,000 or more. The City strives to reduce recurring capital expenditures whenever possible by scheduling routine maintenance on existing capital. In this budget, nonrecurring capital expenditures are included in order to avoid negatively impacting service delivery within departments. The chart below shows recommended capital items by department.

MAJOR CAPITAL OUTLAY		
FUND/Department	Item	Cost
GENERAL		
Information Services	Server and Server Switches	\$ 15,000
Police	Dodge Chargers (2)	\$ 49,100
Police - Asset Forfeiture	Dodge Chargers (2)/Chevy Impala	\$ 72,000
Fire	Dodge Caravan	\$ 36,700
Administration - Public Services	1/3 Parking Lot Resurface/Restripe	\$ 3,000
Garage	Service Truck (L/P Delay Payment)	\$ 42,000
Street	LED Lights for Stop Lights	\$ 8,300
Street	Portion of Work Order System	\$ 3,500
Sanitation	Leaf Machine (L/P Delay Payment)	\$ 23,100
Sanitation	Garbage Truck (L/P Delay Payment)	\$ 216,000
Recreation	John Deere F-777 Mower	\$ 12,000
Recreation	Ford F-250 (L/P Delay Payment)	\$ 21,500
WATER		
Administration - Engineering	Survey Grade GPS	\$ 10,000
Water Distribution	Portion of Work Order System	\$ 13,500
Water Distribution	Portion of Jet Vac Truck - Lease/Purchase Payment	\$ 30,000
Water Distribution	1/3 Parking Lot Resurface/Restripe	\$ 2,250
SEWER		
Water Reclamation	One Ton Truck	\$ 38,000
Sewer Collection	Portion of Work Order System	\$ 13,500
Sewer Collection	Portion of Jet Vac Truck - Lease/Purchase Payment	\$ 55,500
Sewer Collection	1/3 Parking Lot Resurface/Restripe	\$ 2,250
Sewer Collection I & I	Service Truck L/P Payment	\$ 6,900
REGIONAL WATER SYSTEM		
Regional Water System	Scada System Replacement	\$ 508,000

Due to the challenges we faced while developing the recommended budget, alternative lease/purchase options were explored in order to balance the budget. With regard to the General Fund items, “L/P Delay Payment” allows the City to acquire a loan from the bank, purchase the vehicles or equipment in FY 2015-16 and make the first payment in FY 2016-17. Whereas the “L/P Payment” items in the Water, Sewer and



**FY 2015-16 BUDGET
RECOMMENDED BUDGET MESSAGE**

Regional Water System Funds, if approved, will require a payment to be made in FY 2015-16. An amendment will be brought before Council, as it has in years past, to budget for the revenue and expense when the purchase is ready to be made.

Unfortunately, this budget practice has become common for the City, but it allows employees the opportunity to maintain levels of service and avoids the possibility of taking reactive measures due to inevitable interruptions caused by vehicle and equipment failure.

DEBT SERVICE

All debt is allocated to and expended from the operating budgets. Debt includes Revenue Bonds, State Revolving Loans, Certificates of Participation (COPS), Inter-governmental Agreements and lease purchases for vehicles and equipment. There are no plans to issue bonds or COPS during FY 2016. Total debt has decreased from \$30,126,051 in FY 2008 to \$26,069,918 at the end of FY 2014.

State law limits the legal debt margin to 8% of net assessed value of real estate within the corporate limits. The City is well below this margin. The City’s legal debt margin has increased from \$51,031,966 in FY 2004 to \$78,369,468 in FY 2014.

Debt payments will increase next fiscal year with the sewer plant project as well as the Sandy Creek Pump Station and Elmwood Cemetery Outfall projects. There are no plans to add to the general fund debt in the foreseeable future. Additionally, the debt on Aycock Aquatics Center will be paid off in FY 2016. A good deal of information on this subject matter is provided in the Debt Service Fund sections of each of the operating funds. As the overall debt limit has decreased, so too has the per capita debt. It has reduced from \$2,530 in FY 2004 to \$1,699 in FY 2014.

Debt Service Summary			
Fund Debt Recorded In	Balance of Debt (6-30-2015)	Description of Debt Purpose	Date Final Payment Scheduled to be Made
General	32,750.00	DS on City Hall Building (former library)	7/1/2015
General	264,266.00	Aycock Recreation Center	6/1/2016
General	1,335,000.00	Police Station	6/1/2019
General	452,838.32	Revenue Bonds (GF Operations Center Share)	6/30/2020
Total General Fund Debt	2,084,854.32		



**FY 2015-16 BUDGET
RECOMMENDED BUDGET MESSAGE**

Debt Service Summary (Cont.)			
Fund Debt Recorded In	Balance of Debt (6-30-2015)	Description of Debt Purpose	Date Final Payment Scheduled to be Made
Regional Water	509,000.00	KLRWP Priority I Improvements	4/1/2016
Regional Water	705,902.00	KLRWP Raw Water Improvements	2/1/2019
Regional Water	1,129,000.00	KLRWP High Speed Pump Project	5/1/2035
Total Regional Water Fund Debt	2,343,902.00		
Sewer	62,226.50	NVHS Sewer	5/1/2016
Sewer	230,570.60	Ruin Creek Outfall	5/1/2017
Sewer	339,628.74	Revenue Bonds (SF Operations Center Share)	6/30/2020
Sewer	1,532,436.60	Revenue Bonds (remainder of SF projects)	6/30/2020
Sewer	848,437.00	Sandy Creek Pump Station	5/1/2035
Sewer	469,391.00	Sanitary Sewer Loan	5/1/2033
Sewer	16,115,000.00	HWRP Improvements (Preliminary)	5/6/2035
Sewer	1,800,000.00	Elmwood Cemetery Outfall Project (Preliminary)	1/1/2035
Total Sewer Fund Debt	21,397,690.44		
Water	84,196.80	Overhead Storage	5/1/2017
Water	339,628.74	Revenue Bonds (WF Operations Center Share)	6/30/2020
Water	2,056,467.60	Revenue Bonds (Franklin County Water Line)	6/30/2020
Water	149,652.90	Warren County Water Line	6/1/2042
Water	279,231.60	Radio Read Water Meter Project	5/1/2034
Water	1,898,571.00	2" Water Main Replacement Project	5/1/2035
Total Water Fund Debt	4,807,748.64		
Total Debt All Funds	30,634,195.40		

* This chart does not reflect lease/purchase payments.



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

EMPLOYEES

The single most important asset that the City has is its workforce. In the City Council's recently adopted Strategic Plan, Key Strategic Objective 6 acknowledges the value of the employees and the need to address several critical workforce related issues including competitive pay, cost of living adjustment and retention of qualified employees.

Compensation

The *2014 Classification and Pay Study*, received by Council during its 12 May 2014 meeting, determined, on average, the City's workforce was paid about 22.67% less than peer cities and towns. When the study was finalized, the total cost to implement it as intended would have exceeded \$1.4M; consequently, \$117,000 was approved in the FY 2015 budget to complete Phase 1 of a five-year implementation plan.

Unfortunately, only \$183,200 across the four operating funds is being recommended for FY 2015-16 in order to address a modified alternative to Phase 2 of the plan, providing a 4% pay increase for most employees. This recommendation also requires a 4% increase to the minimum and maximum pay ranges for each salary grade. In addition to the inability to fund Phase 2 in its entirety, only nine months of the pay increase has been budgeted, requiring a three-month delay. This was used as a cost-saving strategy in an effort to balance the budget.

2015-16 Pay & Class Study - Phase 2 (Modified)	
FUND	4% Increase
GENERAL	\$ 107,300
WATER	\$ 27,800
SEWER	\$ 30,800
REGIONAL WATER SYSTEM	\$ 17,300
TOTAL	\$ 183,200

Neither funding, nor a proficient performance evaluation system, is available to implement the pay study as recommended. The cost to fully implement Phase 2, as opposed to the modified version outlined above, is almost \$375,000 because performance evaluation training (estimated \$20,000) is needed in addition to the anticipated pay adjustments (estimated 354,105). Again, the recommendation is a modified alternative that, if maintained, neglects the possibility of implementing the plan as intended. We are trying to develop cost-effective performance evaluation training alternatives.

Health insurance premiums will not exceed 18%. The City's past budget strategies have prepared for such an increase, however increases like this in the future will surely lead to additional challenges. Negotiations with Blue Cross/Blue Shield are on-going.



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

Staff Capacity and Staff Capability Issues

Historically speaking, the City has slipped significantly in pay competitiveness over the previous decade. The prolonged budgetary crisis that has existed since 2001 and now, the current recession, have caused resources to be diverted to other operational needs in order to avoid increasing the tax rate. The budgets have, in part, been balanced by not funding up to 19 positions and not keeping the pay/classification system up-to-date. The pay and classification study was completed in 2014, was partially funded in the FY 2015 budget, and has been modified for the FY 2016 budget.

The end result of this practice has been to reduce *staff capacity* to perform work. The long-term outcomes of this include staff burnout, reduced effectiveness in the performance of work and *things falling between the cracks*. Many FLSA exempt employees are working in excess of 60 to 70 hours per week. They are paid for 40 hours per week. Many FLSA non-exempt employees are working significant hours of overtime in order to keep up with work demands. This results in a high compensatory time ratio to hours worked. Neither is sustainable over a long period of time.

Authorized/Unfunded Positions

It is often said local government must also tighten its belt when financial times are difficult. No one would disagree with this sentiment; however, one must realize the City of Henderson has been tightening its belt since the late 1990s as this protracted and exasperating period of austerity continues. The total workforce has been reduced by approximately 44 positions since FY 2001. The City currently has 9 frozen positions, 4 of which Development Services and Recreation Department Directors requested to fund for FY 2015-16; none were recommended due to the financial crisis of the City. An additional Park Maintenance/Building Custodian was requested for Aycock Aquatics Center, Main Street Manager for Henderson-Vance Downtown Development Commission, and 4 positions were requested by the Fire Department in order to equip them with a 3rd Engine Company; again, these positions were not recommended.

FORMAT

During the current fiscal year, the Departments of Code Compliance and Planning and Community Development merged to become Development Services. The budgets for the two departments will also merge in order to more effectively manage expenses throughout the year.

SUMMARY

The City is once again faced with its annual dilemma of many basic needs that in some cases cannot be met due to the lack of revenue for general operations; i.e. blight removal. The City's proposed general fund budget for FY 2015-16 is \$15,397,900. The



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

General Fund current budget (FY 2014-15) is \$15,405,312. The proposed General Fund budget for FY 2015-16 is actually \$7,412 less than the current fiscal year budget resulting in a .05% decrease.

It is hoped that with several pieces of legislation dealing with sales tax and E-911 that, if they come to pass, it would substantially provide much needed revenue and/or less financial responsibility for the City.

It should be pointed out that the General Fund will have some market relief in debt service when the city makes their portion of the last payment of the debt on the Aycock Recreation Complex (\$278,695) and City Hall (\$32,750) in 2015-16. This will be followed by the final debt payment in FY 2018-19 in the amount of \$304,036 for the debt service on the Police Station.

In order to balance the General Fund budget, which again, is slightly less than the current budget, a number of cuts were made that are less than ideal but were done as there were no resources available to fund them.

Just a little over half of the remainder of the budget deals with three utility budgets that will all be balanced as a result of appropriate rate increases which are needed to cover the cost of operations. Please note that the Sewer Fund is somewhat more difficult to balance than the other two funds in light of the fact that the City will have to pay \$800,000 of debt service over the next 20 years. Please bear in mind that the loan from the State of North Carolina is interest free and only the principal is due.

FUTURE

Infrastructure is essential especially for the growth of a community including attracting industries and bringing about annexation. This is complemented with the newly renovated waste water treatment plant. Also, the future expansion of the water plant will assist with the future growth needs of the City of Henderson and surrounding area in Vance County. At this point, the present capacity of our utility services is adequate to address the present need.

Even though adequate water and sewer service is considered basic, it is essential to having a pro-active industrial and business development program.

In recent years, City Council has appointed members to the Economic Development Commission. This involvement and leadership should be most helpful towards meeting the growth needs of the community. In this regard, it is very important to especially support City representation on the Economic Development Commission (EDC) with the objective of bringing about new and expanding industries, especially within the city limits.



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

Additionally, a viable water resource system is a major ingredient to meeting the requirements for possible future annexation. Even though annexation legislation has been modified which has reduced the ability of cities to annex, City Council members and community leaders should consider developing a strategy and implementation program to annex areas adjacent to the city that are logical (density) to be annexed into the city.

The updated Capital Improvement Plan for City utilities from FY 2014-15 through FY 2024-25, which was submitted to the City Council on January 26, 2015 and approved February 9, 2015, is an excellent document for future utilities planning. It addresses growth needs and needed upgrading of the utilities system; City Water, Regional Water and Water Reclamation. This plan was developed by McGill Associates and City staff.

On another important note, in some areas of the City, it has been documented that much of the housing stock has become dilapidated and deteriorated. There are also many unoccupied structures in these areas that fall in the above categories. Additionally, there are a few burned out structures in neighborhoods that haven't been removed!

Besides the great need for affordable and decent housing, the condition of structures in the City, especially on the approaches to the City, make it somewhat difficult for area economic development and community leaders to attract new industries and business as well as hindering expansion of present industries.

As you know, there are inadequate funds available to address this growing community problem. Besides the removal of inadequate structures, there are little or no funds immediately available to launch an aggressive rehabilitation program. At this point in time, we can only define this as a terrible and accelerating grave community problem!

In recent years, a number of the key positions that were frozen have been filled, such as the Public Services Director and Assistant Finance Director. Filling these frozen positions has been essential to optimizing the effectiveness of this organization.

In the near future, several other key positions are needed for a City organization of our size. The Information Services Department is sorely in need of at least an IT Technician position plus having a Programmer position on staff would be most desirable.

The City currently has a contract with NCOL.NET, Inc. When issues arise, staff members contact the agency via telephone or e-mail to explain the problem, and then wait for a response or solution to remedy the issue. Representatives are often required to come to the site to fix the issue, which sometimes leaves staff without properly functioning equipment or even an internet connection for hours during the workday.

It would also be desirable to create a City position of Risk Manager or Safety Coordinator to supervise the City's many insurance programs, review accidents, (both



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

vehicle and non-vehicle), related administration, and most of all establish the leadership for a viable and effective risk management program.

There is a distinct possibility that, if such a position was funded and did their job well, the position would more than pay for its self. As a point of interest, last fiscal year, the City's net premiums were almost three hundred thousand dollars (\$300,000) for workman's compensation insurance. The City will now be charged a \$500 deductible for each claim filed, due to the City's experience rating.

It is my sincere hope that the City will review its participation in the NC Retirement Systems 401(k) supplementary program that was discontinued over ten years ago for all employees except Police Officers.

The program was originally initiated by the State for Police Officers which required municipalities to pay said Officers 5% of their salary to their 401(k) account. At some point after the Police Officers were extended this benefit, the City also provided some degree of contribution for all employees; however, over ten years ago, due to the City's financial problems, this participation was terminated.

In order to treat all City employees in an equitable manner, many cities provide a varying degree of participation of 401(k) for all employees.

It is recommended that the City consider reinstating this program for all employees from an equitable and competitive employee standpoint. I would like to respectfully ask Council to consider making an initial contribution of 1% of ones salary in order to re-initiate this very important benefit for all the remaining City employees.

Certainly, we recognize the somewhat dire financial situation of the City government and the Henderson community; nevertheless, the City must have skilled and competent personnel to carry out essential public services such as public services employees, police officers, fire fighters and water and waste water plant operators. It is important to recruit and retain employees with competitive wages and benefits.

The City is fortunate to have a very good work force, who are experts in their fields and many of them possess credentials in a wide array of disciplines. In spite of their loyalty, they may have to seek employment with other municipalities and other employers due to their financial needs for themselves and their families!

RECOGNITION

The preparation of a city budget is a task requiring great teamwork. Many employees spent countless hours, including after hours and weekends, to develop and bring this recommended budget together. I would like to thank all of the Department Directors and their staff for their hard work in preparing a very conservative and prudent budget.



FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

I would like to especially recognize and thank the Budget Committee, which consisted of Kathy Brafford, Finance Director; Michelle Daniels, Assistant Finance Director; Frank Frazier, Assistant City Manager; Cathy Brown, Human Resources Director; and Patricia Pearson, Executive Assistant, for the many, many hours of time worked in helping to prepare the budget and the many hours the Department Directors and their staff spent with the team in preparing and working with us in the development of balancing the budget. I would also like to thank Esther McCrackin, City Clerk, for her assistance in the preparation of the final document.

In addition to the budget team, I would like to truly thank Ray Griffin for providing to the City the legacy of his budget document. We have used a great deal of his work in the preparation of the FY 2015-16 recommended budget document.

Finally, I would like to extend my appreciation to you and the Mayor for your approval of the Strategic Plan.

The staff and I look forward to working with you, Mayor O'Geary and City Council over the next week in review of the recommended budget for FY 2015-16.

Respectfully Submitted,

Edward A. Wyatt
Interim City Manager



**FY 15-16 BUDGET
BUDGET WORK SESSION UPDATE**

15 June 2015
Public Hearing

TO: The Honorable James D. "Pete" O'Geary and Members of the City Council
FR: Ed Wyatt, Interim City Manager
RE: CAF: 15-62-A
**Conduct Budget Public Hearing and Consideration of Citizen Input;
Consideration of FY 2015-16 Recommended Annual Fee Schedule**

Ladies and Gentlemen:

Recommendation:

- Conduct Budget Public Hearing and Consider Comments from the Public
- Discussion of FY 2015-16 Recommended Annual Fee Schedule

Executive Summary:

Consensus Achieved

The FY15-16 Recommended Budget was presented to City Council during a Special Called Meeting on Monday, May 18, 2015. Subsequent to the Budget's presentation, City Council met in a budget work session on May 21, 2015. A consensus of Council was achieved at the May 21 budget work session. A summary of the changes made to the Recommended Budget are provided below:

- Regional Water Fund
 - The recommended 5% rate increase was maintained at 5%.
 - There were no changes made to this fund.
- Water Fund
 - The recommended 4% rate increase was maintained at 4%.
 - There were no changes made to this fund.
- Sewer Fund
 - The recommended 9% rate increase was maintained at 9%.
 - There were no changes made to this fund.
- General Fund
 - There were no recommended increases in the property tax and sanitation fee rates, and Council's consensus on the Budget did not change this recommendation. The changes made to the Fund are as follows:



**FY 15-16 BUDGET
BUDGET WORK SESSION UPDATE**

- Provide a \$52,000 increase for demolition.
 - Increase fund balance revenue by \$10,000 for demolition.
 - Shift \$10,000 in street resurfacing funds to demolition.
 - Increase Powell Bill revenue by \$10,000 (based on current year allocation and anticipated increase as a result of new legislation).
 - Reduce the health insurance budgets for each department based on the final rates. These rates were provided subsequent to the Recommended Budget being presented. The majority of these savings (\$22,000) contributed to the \$52,000 needed for demolition. The remaining balance of this savings (\$1,500) was added to the Governing Body’s budget for a \$1,700 discrepancy in the FICA/Medicare matrix calculation.
 - Adjust the revenue budget for County reimbursements for the Youth Services, Aycokk Aquatics Center and Recreation programs. A correction to the revenue calculation resulted in an increase in County reimbursements in the amount of \$9,100. \$200 was added to the Governing Body’s budget to correct the remaining discrepancy in the FICA/Medicare matrix calculation and Sales Tax revenue was decreased by \$8,900 to bring that projection to a more conservative estimate.
- All Other Funds
 - There were no changes made to the following funds’ recommended budgets:
 - 70: Capital Reserve Utilities Fund; 72: Capital Reserve General Fund; and 73: Capital Reserve Economic Development Fund.

Recommended Fee Changes

The chart below represents fee changes requested by Department Directors and recommended by the Interim City Manager. If changes that have no financial impact were requested or recommended, they are bulleted below the chart.

Fee	Current	Recommended
Governing Body		
Public Records Request - Copies	NEW	varies
Municipal Election Filing Fee	\$5.00	1% of the annual salary of the office being sought
Planning		
Review by Technical Review Committee	\$200.00	\$0
Special Use Permit	\$350.00	\$450.00
Variances	\$350.00	\$450.00
Exempt Plat	\$60.00	\$100.00
Solar Farm Inspection	NEW	\$1,000
Police		
Peddler Permit Fee (30-days or less)	\$1.00	\$10.00
Peddler Permit Fee (31-days or more)	\$5.00	\$25.00
Display Badge	\$.10	\$2.00



**FY 15-16 BUDGET
BUDGET WORK SESSION UPDATE**

Regional Water		
Potable Water (Used Rate) – per million gallons	\$2,008.00	\$2,108.00
Potable Water (Fixed Rate) – per million gallons	\$1,284.00	\$1,348.00
Sanitation		
Additional 96 gallon roll-out container	\$4.22	\$5.00
Sewer Collection		
10,000 cubic ft or less (inside city)	\$13.74 minimum plus \$4.89 per 100 cu. ft., plus For the next utilization tier	\$14.98 minimum plus \$5.33 per 100 cu. ft., plus For the next utilization tier
Over 10,000 cubic ft (inside city)	\$3.50 per 100 cu. ft.	\$3.82 per 100 cu. ft.
10,000 cubic ft or less (outside city)	\$34.34 minimum plus \$12.24 per 100 cu. ft., plus For the next utilization tier	\$37.43 minimum plus \$13.34 per 100 cu. ft., plus For the next utilization tier
Over 10,000 cubic ft (outside city)	\$8.80 per cu. ft.	\$9.59 per cu. ft.
Capacity Usage Fee	\$0.80/gallon	\$0.87/gallon
Water Distribution – Water Rates		
First 500 cubic ft. (minimum fee – inside city)	\$10.42, plus	\$10.84, plus
Next 3,500 cubic ft. (inside city)	\$2.36 per 100 cubic ft., plus	\$2.45 per 100 cubic ft., plus
Over 4,000 cubic ft. (inside city)	\$1.78 per 100 cubic ft.	\$1.85 per 100 cubic ft.
First 500 cubic ft. (minimum fee – outside city)	\$26.06, plus	\$27.10, plus
Next 3,500 cubic ft. (outside city)	\$5.90 per 100 cubic ft., plus	\$6.14 per 100 cubic ft., plus
Over 4,000 cubic ft. (outside city)	\$4.45 per 100 cubic ft.	\$4.63 per 100 cubic ft.
Water Distribution - Irrigation		
First 500 cubic ft. (minimum fee – inside city)	\$10.42, plus	\$10.84, plus
Over 500 cubic ft. (inside city)	\$2.36 per 100 cubic ft.	\$2.45 per 100 cubic ft.
First 500 cubic ft. (minimum fee – outside city)	\$26.06, plus	\$27.10, plus
Over 500 cubic ft. (outside city)	\$5.90 per 100 cubic ft.	\$6.14 per 100 cubic ft.
Water Distribution – Large Quantity Water Rates		
First 100,000 cubic ft. (inside city)	\$1.34 per 100 cubic ft., plus	\$1.39 per 100 cubic ft., plus
Over 100,000 cubic ft. (inside city)	\$1.07 per 100 cubic ft.	\$1.11 per 100 cubic ft.
First 100,000 cubic ft. (outside city)	\$3.30 per 100 cubic ft., plus	\$3.43 per 100 cubic ft., plus
Over 100,000 cubic ft. (outside city)	\$2.66 per 100 cubic ft.	\$2.77 per 100 cubic ft.
Water Distribution – Bulk Water		
Inside Rate	\$8.24 service connection (includes first 500 gallons)	\$8.57 service connection (includes first 500 gallons)
Outside Rate	\$14.27 service connection (includes first 500 gallons)	\$14.84 service connection (includes first 500 gallons)
Capacity Usage Fee	\$0.52/gallon (gallons are determined by type of establishment)	\$0.54/gallon (gallons are determined by type of establishment)
Water Distribution – Fire Hydrants		
Fire Hydrant Meter Deposit 3'	New	\$1,500.00
Fire Hydrant Meter Deposit 5/8'	New	\$300.00
Minimum Rental Charge, per	New	
Day	New	\$20.00
Week	New	\$100.00
Month	New	\$300.00
6 Months	New	\$1,300.00
Year	New	\$2,000.00
Fire Hydrant – Category A		
Inside Rate		
Per 10,000 sq. feet - Minimum (A1)	\$2.93	\$3.05
300,000 - 1,000,000 sq. feet (A1+A2)	\$1.61	\$1.67
1,000,000 sq. feet and above (A1 + A2 + A3)	\$.70	\$.73
Outside Rate		
Per 10,000 sq. feet - Minimum (B1)	\$5.98	\$6.22
300,000 – 1,000,000 sq. feet (B1 +B2)	\$3.24	\$3.37



**FY 15-16 BUDGET
BUDGET WORK SESSION UPDATE**

1,000,000 sq. feet and above (B1 + B2 + B3)	\$2.27	\$2.36
Fire Hydrant – Category B		
Inside Rate		
Per 10,000 sq. feet - Minimum (A1)	\$5.36	\$5.57
300,000 – 1,000,000 sq. feet (A1 + A2)	\$2.23	\$2.32
1,000,000 sq. feet and above (A1 + A2 + A3)	\$1.16	\$1.21
Outside Rate		
Per 10,000 sq. feet - Minimum (B1)	\$10.95	\$11.39
300,000 – 1,000,000 sq. feet (B1 +B2)	\$4.45	\$4.62
1,000,000 sq. feet and above (B1 + B2 + B3)	\$2.23	\$2.32
Fire Hydrant – Category C		
Inside Rate		
Per 10,000 sq. feet - Minimum (A1)	\$8.29	\$8.62
300,000 – 1,000,000 sq. feet (A1 + A2)	\$3.84	\$3.99
1,000,000 sq. feet and above (A1 + A2 + A3)	\$1.81	\$1.88
Outside Rate		
Per 10,000 sq. feet - Minimum (B1)	\$16.93	\$17.61
300,000 – 1,000,000 sq. feet (B1 +B2)	\$7.71	\$8.02
1,000,000 sq. feet and above (B1 + B2 + B3)	\$4.49	\$4.67
Fire Hydrant – Subdivision outside of City limits	\$1.76	\$1.83
Recreation		
Youth Athletics Registration Fee (County Resident) - Football, Volleyball, Soccer & Basketball	\$25.00	\$30.00
Youth Athletics Registration Fee (Non- Resident) - Football, Volleyball, Soccer & Basketball	\$45.00	\$60.00
Henderson Rec Players Tickets	\$7.00	\$10 .00
District Tournament Daily Pass for Students	\$2.00	\$3.00
District Tournament Daily Pass for Adults	\$4.00	\$5.00
State Tournament Daily Pass for Students	\$2.00	\$5.00
State Tournament Daily Pass for Adults	\$5.00	\$7.00
State Tournament Pass for Entire Tournament	\$15.00	\$20.00
Swim Teams & Clubs – County (per lane, per hour)	New	\$8.00
Swim Teams & Clubs – Non-County (per lane, per hour)	\$9.00	\$12.00
Swim Lessons		
Parent Tot Ages 6 months – 3 years	New	\$30.00
Preschool Ages 3-5 – 6 30 minute sessions	New	\$30.00
Ages 6-12 – 6 60 minutes sessions	New	\$48.00
Adults/Beginners 15+ - 6 30 minute sessions	New	\$30.00
Water Aerobics (per class – 5 per week)		
Non-Member	New	\$2.00
Member	New	\$1.00
Aycock Recreation Complex - Non-Profit Private Team – County	\$22.00	\$30.00
Aycock Lobby – County	New	\$25.00
Aycock Lobby – Non-County	New	\$30.00
Summer Day Camp – per week (8-11 year olds)	\$30.00	\$50.00
Aquatics Club - Winter/Spring	New	\$160.00
Aquatics Club - Summer	New	\$225.00

- Other notable changes include:
 - Removing all fees associated with Business Privilege License
 - Remove the \$15.00 fee “Supply ice water in coolers w/cups per dugout per game (Non-County)”
 - Change the fee structure for “Swim Lessons” and “Water Aerobics”



FY 15-16 BUDGET BUDGET WORK SESSION UPDATE

- Remove the “refundable fee” from fire hydrant rentals (previously adopted on May 11, 2015)
 - Replaced with a deposit and minimum rental charge
- Adding a Customer Service section and moving associated fees that used to be listed in the Finance Section
 - Changing the term from “reconnection” to “service” for the fee associated with servicing water and sewer customers

Discussion that warrants additional changes should be made before adoption of the budget ordinance or postponed for further discussion. The latter indicates that associated fees will remain the same until Council approves otherwise.

Budget Ordinance and Fee Schedule

The Budget Ordinance and its appended Fee Schedule will be prepared to reflect the consensus achieved by City Council on May 21. There will be no additional changes made unless the Public Hearing warrants further discussion and requested changes by the Council.

Sequence of Actions

Subsequent to conducting the Public Hearing and considering comments made by the public, if no further budget meetings are necessary, the final budget ordinance will be considered Monday, June 22, 2015

- i. NC General Statutes require the adoption of a balanced budget not later than June 30. The FY15-16 Budget becomes effective on July 1, 2015.



**FY 15-16 BUDGET
BUDGET WORK SESSION UPDATE**

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22 June 2014

TO: The Honorable James D. “Pete” O’Geary and Members of the City Council

FR: Ed Wyatt, Interim City Manager

**RE: CAF: 15-62-B
Consideration of Approval of Ordinance 15-28, Adoption of the FY15-16
Budget, and FY 2015-16 Annual Fee Schedule**

Council Goals and Objectives Addressed

1. *KSO 4: Improve Housing Stock:* \$72,000 is provided to continue demolition of dilapidated, abandoned structures
2. *KSO 5: Reliable Infrastructure:* \$627,200 is provided for continued contributions to the water and sewer plants’ capital reserve plans, as appropriate, in the Water, Sewer and Regional Water funds.
3. *KSO 6: Retain Qualified Municipal Workforce:* \$183,200 is provided for a modification of Phase 2 of the 5-Year financing plan to proceed with the implementation of the Classification and Pay Study. The modification allows all eligible employees a 4% pay increase.

Ladies and Gentlemen:

Recommendation:

- Approval of Ordinance 15-28, Adoption of the FY15-16 Budget, and FY 2015-16 Annual Fee Schedule

Executive Summary:

Consensus Achieved

The FY15-16 Recommended Budget and Consensus¹ was presented to the public via a Budget Public Hearing held on 15 June 15 2015. A complete accounting of the public comments and discussion from the Council may be found in the Council Minutes from this meeting. After receiving public comment and discussion about same by Council

¹ A consensus for the FY15-16 Budget was developed by City Council during its first Budget Work Session held on May 21, 2015.



FY 15-16 BUDGET ADOPTED BUDGET UPDATE

Members, it was the consensus to move forward with finalizing the budget based on the developments from the Public Budget Hearing.

The major area of concern during the Public Budget Hearing was the lack of funding for downtown development. This concern reflects the significant majority of comments made by those attending the hearing.

The City Council revisited a discussion held last year after the Main Street Manager position was unfunded. Council agreed on an approach which seeks to address these concerns. Specifically, the following was discussed:

- Increasing the budget/contribution for the Henderson-Vance Downtown Development Commission to fund the Façade and Signage Grant Program they have developed.
 - Council would like to review this program, discuss the possibility of businesses contributing more than the 25% currently required to apply for the grant, and involve the Land Planning Committee.

All Council Members expressed support for Downtown and the City's role in it, and all expressed aspirations for improving the partnership between the public and private sectors and to try and find some level of funding for an opportunity to re-establish its presence in the Main Street Program through the Department of Commerce.

Subsequent to the discussion about the Downtown Development Commission, Council achieved a unanimous consensus to increase fund balance by \$10,000 (current year savings from reorganizing the Development Services Department allows for this contribution) and proceed with adoption of the budget.

There were no comments from the public in opposition of the budget as presented and discussed during the hearing.

A complete summary of the changes made to the Recommended Budget are below:

Fund	Recommended Budget	Adopted Budget
General Fund	\$15,397,900	\$15,428,100
Powell Bill Fund	\$440,000	\$450,000
Regional Water Fund	\$4,499,500	\$4,499,500
Water Fund	\$6,851,700	\$6,851,700
Sewer Fund	\$5,032,300	\$5,032,300
Capital Reserve Funds	\$8,421,500	\$8,421,500
Total Budget	\$40,642,900	\$40,683,100
Inter-fund Transfers and Cost Allocations	(\$2,700,500)	(\$2,700,500)
Total Adjusted Budget	\$37,942,400	\$37,982,600



FY 15-16 BUDGET ADOPTED BUDGET UPDATE

- Regional Water Fund
 - The recommended 5% rate increase was maintained at 5%.
 - There were no changes made to this fund.

- Water Fund
 - The recommended 4% rate increase was maintained at 4%.
 - There were no changes made to this fund.

- Sewer Fund
 - The recommended 9% rate increase was maintained at 9%.
 - There were no changes made to this fund.

- General Fund
 - There were no recommended increases in the property tax and sanitation fee rates, and Council's consensus on the Budget did not change this recommendation. The changes made to the Fund are as follows:
 - Provide a \$52,000 increase for demolition.
 - Provide a \$10,000 increase for the Henderson-Vance Downtown Development Commission's Façade and Signage Grant Program.
 - Increase fund balance appropriations by \$20,000
 - Shift \$10,000 in street resurfacing funds to demolition.
 - Increase Powell Bill revenue by \$10,000 (based on current year allocation and anticipated increase as a result of new legislation).
 - Reduce the health insurance budgets for each department based on the final rates. These rates were provided subsequent to the Recommended Budget being presented. The majority of these savings (\$22,000) contributed to the \$52,000 needed for demolition. The remaining balance of this savings (\$1,500) was added to the Governing Body's budget for a \$1,700 discrepancy in the FICA/Medicare matrix calculation.
 - Adjust the revenue budget for County reimbursements for the Youth Services, Aycock Aquatics Center and Recreation programs. A correction to the revenue calculation resulted in an increase in County reimbursements in the amount of \$9,100. \$200 was added to the Governing Body's budget to correct the remaining discrepancy in the FICA/Medicare matrix calculation and Sales Tax revenue was decreased by \$8,900 to bring that projection to a more conservative estimate.



FY 15-16 BUDGET ADOPTED BUDGET UPDATE

- All Other Funds
 - There were no changes made to the following funds' recommended budgets:
 - 70: Capital Reserve Utilities Fund; 72: Capital Reserve General Fund; and 73: Capital Reserve Economic Development Fund.

Annual Fee Schedule

There was no discussion surrounding the Recommended Annual Fee Schedule.

References:

1. CAF 15-62 Recommended Budget Message
2. CAF 15-62-A Budget Work Session Update
3. CAF 15-62-B Adopted Budget Update
4. Council Minutes 28 & 29 January 2015 (*Strategic Planning Sessions*)
5. Council Minutes 18 May 2015 (*Presentation of FY15-16 Recommended Budget*)
6. Council Minutes 21 May 2015 (*Budget Work Session #1*)
7. Council Minutes 15 June 2015 (*Public Budget Hearing*)
8. Council Minutes 22 June 2015 (*Adoption of Budget*)
9. Ordinance 15-28 (*FY15-16 Approved Budget and Fee Schedule*)

Attachments:

1. Ordinance 15-28



ORDINANCE 15-28

**APPROVAL OF
THE FY 15-16 ANNUAL OPERATING BUDGET,
ESTABLISHING THE 2015 AD VALOREM PROPERTY TAX RATE AND
APPROVING THE ANNUAL FEE SCHEDULE**

WHEREAS, pursuant to North Carolina General Statutes 159-13, the State of North Carolina requires its local governments to operate on a 1 July – 30 June fiscal year basis; *and*

WHEREAS, said State law further requires local governments adopt a balanced budget not later than 1 July; *and*

WHEREAS, the Interim City Manager presented the FY 15-16 Recommended Budget to the City Council on Monday, 18 May 2015 and subsequent to the Budget Presentation, City Council met for one budget work session to discuss the budget and to make changes as it deemed appropriate and necessary for the public health, safety and welfare; *and*

WHEREAS, the City Council heard comments from the public during its duly advertised Budget Hearing on Monday, 15 June 2015; *and*

WHEREAS, the City Council, after receiving public comments throughout the budget review process and Budget Hearing, and deliberating the various budgetary issues, has achieved consensus on the FY 15-16 Budget.

NOW, THEREFORE BE IT ORDAINED by the Henderson City Council that it does hereby approve:

- The FY 15-16 Budget; *and*
- Establishes the 2015 Ad Valorem property tax rate; *and*
- Increases the Regional Water rate; *and*
- Increases the Water rate to its regular and governmental customers; *and*
- Increases the Sewer rate; *and*
- Approves the Annual Fee Schedule;

as set forth in the following sections:



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

PART 1: ADOPTION OF FY 15-16 BUDGET

Section 1: Governmental Funds

General Fund

Revenues

GENERAL FUND REVENUES	COUNCIL APPROVED
AD VALOREM TAXES	
Current Year	\$ 5,300,000
Prior Years	\$ 168,000
Penalties and Interest	\$ 56,800
TOTAL	\$ 5,524,800
OTHER TAXES AND LICENSES	
Motor Vehicle Tax	\$ 440,000
Vehicle Rental Tax	\$ 15,000
TOTAL	\$ 455,000
UNRESTRICTED INTERGOVERNMENTAL	
Vance County ABC - 5%	\$ 1,500
Franchise Tax	\$ 860,000
Local Option Sales Tax	\$ 2,661,100
ABC Net Revenues	\$ 1,000
Beer and Wine Tax	\$ 60,000
TOTAL	\$ 3,583,600
RESTRICTED INTERGOVERNMENTAL	
State Street Aid Grant	\$ 450,000
DOT Mowing/Snow Contract	\$ 4,000
Solid Waste Disposal Tax	\$ 9,000
TOTAL	\$ 463,000
PERMITS AND FEES	
Motor Vehicle Licenses	\$ 100,000
Fire Inspection Fees	\$ 15,000
TOTAL	\$ 115,000



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Revenues (cont.)

SALES AND SERVICES

Recreation	\$ 45,000
Refuse Collections	\$ 1,833,000
Leaf Bags	\$ 1,000
Debt Setoff - Refuse Collections	\$ 1,000
Garage Sales	\$ 673,400
Bad Debt Recovery	\$ 1,000
Cemetery Revenues	\$ 10,000
Aquatics Center	\$ 70,000
Rental - Fox Pond Park	\$ 1,000
Demolition and Lot Cleaning	\$ 1,500
County Contracts	\$ 813,600
Zoning and Reclassification	\$ 18,600
TOTAL	\$ 3,469,100

INVESTMENT EARNINGS

Investment Income	\$ 4,000
TOTAL	\$ 4,000

MISCELLANEOUS

Parking Violations	\$ 500
Court Fees and Charges	\$ 5,000
Miscellaneous	\$ 500
Lease Proceeds	\$ 339,300
Vance Co. Housing Authority	\$ 1,500
TOTAL	\$ 346,800

COST ALLOCATIONS

Water	\$ 361,300
Sewer	\$ 252,800
Regional Water	\$ 219,200
TOTAL	\$ 833,300

APPROPRIATIONS

Asset Forfeiture	\$ 288,500
Fund Balance	\$ 345,000
TOTAL	\$ 633,500

REVENUES TOTAL \$ 15,428,100



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Expenditures

GENERAL FUND EXPENDITURES	COUNCIL APPROVED
GENERAL GOVERNMENT	
Governing Body	\$ 177,200
City Attorney	\$ 62,300
Administration	\$ 310,100
Human Resources	\$ 198,400
Finance	\$ 477,100
Information Services	\$ 52,900
TOTAL	\$ 1,278,000
PLANNING AND COMMUNITY DEVELOPMENT	
Development Services	\$ 333,800
Henderson-Vance Downtown Dev. Com.	\$ 20,000
TOTAL	\$ 353,800
PUBLIC SAFETY	
Police	\$ 4,014,500
Police - Asset Forfeiture	\$ 288,500
Fire	\$ 2,154,700
TOTAL	\$ 6,457,700
PUBLIC SERVICES	
Public Buildings and Grounds	\$ 73,900
Bennett Perry House	\$ 600
Administration	\$ 144,000
Garage	\$ 873,100
Cemetery	\$ 86,500
Street	\$ 1,115,400
Sanitation	\$ 1,160,000
TOTAL	\$ 3,453,500
PARKS AND RECREATION	
Recreation	\$ 905,800
Youth Services	\$ 161,200
Aycock Aquatics Center	\$ 350,100
TOTAL	\$ 1,417,100
OTHER	
Vance County Shared Programs	\$ 1,027,200
Non-Departmental	\$ 631,600
Contribution - Local Agencies	\$ 30,800
Debt Service	\$ 778,400
TOTAL	\$ 2,468,000
EXPENDITURES TOTAL	\$ 15,428,100



Powell Bill Fund

Revenues and Expenditures

POWELL BILL FUND REVENUES	<u>COUNCIL APPROVED</u>
ALLOCATION	
State Aid	\$ 450,000
TOTAL	<u>\$ 450,000</u>
REVENUES TOTAL	\$ 450,000
POWELL BILL FUND EXPENDITURES	<u>COUNCIL APPROVED</u>
TRANSFERS TO OTHER FUNDS	
General Fund	\$ 450,000
TOTAL	<u>\$ 450,000</u>
EXPENDITURES TOTAL	\$ 450,000

Section 2: Enterprise Funds

Water Fund

Revenues

WATER FUND REVENUES	<u>COUNCIL APPROVED</u>
OPERATING REVENUES	
Returned Check Fee	\$ 2,500
Water Sales	\$ 5,684,500
Water Reservation Fees	\$ 52,800
Account Set-Up Fees	\$ 12,000
Water Taps	\$ 30,000
Late Fees	\$ 71,000
Sprinklers and Hydrants	\$ 104,000
Service Fees	\$ 20,000
Hydrant/Meter Loan Deposit	\$ 1,000
Miscellaneous	\$ 5,000
Bad Debt Recovery	\$ 5,000
Debt Setoff	<u>\$ 5,000</u>
TOTAL	\$ 5,992,800



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Revenues (cont.)

NON-OPERATING REVENUES	
Sale of Materials	\$ 2,000
Investment Income	\$ 3,000
Sprint PCS Agreement	\$ 25,000
T-Mobile Agreement	\$ 28,000
Insurance Proceeds	\$ 900
TOTAL	\$ 58,900
TRANSFERS FROM OTHER FUNDS	
General Fund	\$ 97,100
Sewer Fund	\$ 401,500
Regional Water Fund	\$ 16,000
TOTAL	\$ 514,600
COST ALLOCATIONS	
Sewer Fund	\$ 205,400
Regional Water Fund	\$ 80,000
TOTAL	\$ 285,400
REVENUES TOTAL	\$ 6,851,700

Expenditures

WATER FUND EXPENDITURES	<u>COUNCIL APPROVED</u>
DEPARTMENTAL	
Public Services Administration	\$ 94,100
Engineering	\$ 293,900
Customer Service	\$ 525,000
Water Distribution	\$ 4,170,000
TOTAL	\$ 5,083,000
OTHER	
Non-Departmental	\$ 556,900
Debt Service	\$ 1,211,800
TOTAL	\$ 1,768,700
EXPENDITURES TOTAL	\$ 6,851,700



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Sewer Fund

Revenues and Expenditures

SEWER FUND REVENUES	COUNCIL APPROVED
OPERATING REVENUES	
Surcharges	\$ 17,000
Sewer Sales	\$ 4,601,300
Fog Compliance Inspection Fees	\$ 8,100
Account Set-Up Fees	\$ 25,000
Sewer Taps	\$ 2,500
Late Fees	\$ 170,000
Code Violations	\$ 6,000
Service Fees	\$ 51,000
Miscellaneous	\$ 2,000
Vance County Debt Service	\$ 132,400
Bad Debt Recovery	\$ 8,000
Debt Setoff	\$ 7,000
TOTAL	\$ 5,030,300
NON-OPERATING REVENUES	
Sale of Materials	\$ 1,000
Investment Income	\$ 1,000
TOTAL	\$ 2,000
REVENUES TOTAL	\$ 5,032,300
SEWER FUND EXPENDITURES	
DEPARTMENTAL	
Water Reclamation Facility	\$ 2,070,000
Sewer Collection	\$ 486,600
Sewer I & I	\$ 206,700
TOTAL	\$ 2,763,300
OTHER	
Non-Departmental	\$ 1,054,000
Debt Service	\$ 1,215,000
TOTAL	\$ 2,269,000
EXPENDITURES TOTAL	\$ 5,032,300



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Regional Water Fund

Revenues and Expenditures

REGIONAL WATER FUND REVENUES	<u>COUNCIL APPROVED</u>
OPERATING REVENUES	
Water Sales	\$ 4,490,000
Miscellaneous	\$ 7,000
TOTAL	<u>\$ 4,497,000</u>
NON-OPERATING REVENUES	
Investment Income	\$ 2,500
TOTAL	<u>\$ 2,500</u>
REVENUES TOTAL	\$ 4,499,500
REGIONAL WATER FUND EXPENDITURES	<u>COUNCIL APPROVED</u>
DEPARTMENTAL	
Regional Water	\$ 2,712,500
TOTAL	<u>\$ 2,712,500</u>
OTHER	
Non-Departmental	\$ 1,017,700
Debt Service	\$ 769,300
TOTAL	<u>\$ 1,787,000</u>
EXPENDITURES TOTAL	\$ 4,499,500



Section 3: Capital Reserve Funds

Utilities

Revenues and Expenditures

UTILITIES RESERVE REVENUES	<u>COUNCIL APPROVED</u>
TRANSFERS FROM OTHER FUNDS	
Water Fund	\$ 7,100
Sewer Fund	\$ 8,000
TOTAL	<u>\$ 15,100</u>
APPROPRIATIONS	
Fund Balance	\$ 309,400
TOTAL	<u>\$ 309,400</u>
REVENUES TOTAL	\$ 324,500
UTILITIES RESERVE EXPENDITURES	<u>COUNCIL APPROVED</u>
RESERVE	
Water	\$ 163,200
Sewer	\$ 161,300
TOTAL	<u>\$ 324,500</u>
EXPENDITURES TOTAL	\$ 324,500

Economic Development

Revenues

ECONOMIC DEVELOPMENT RESERVE REVENUES	<u>COUNCIL APPROVED</u>
APPROPRIATION	
Fund Balance	\$ 15,800
TOTAL	<u>\$ 15,800</u>
REVENUES TOTAL	\$ 15,800



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Expenditures

ECONOMIC DEVELOPMENT RESERVE EXPENDITURES	<u>COUNCIL APPROVED</u>
RESERVE	
Economic Development	\$ 15,800
TOTAL	<u>\$ 15,800</u>
 EXPENDITURES TOTAL	 \$ 15,800

Regional

Revenues and Expenditures

REGIONAL WATER RESERVE REVENUES	<u>COUNCIL APPROVED</u>
TRANSFERS FROM OTHER FUNDS	
Regional Water Fund	\$ 612,100
TOTAL	<u>\$ 612,100</u>
APPROPRIATIONS	
Fund Balance	\$ 3,596,800
TOTAL	<u>\$ 3,596,800</u>
 REVENUES TOTAL	 \$ 4,208,900

REGIONAL WATER RESERVE EXPENDITURES	<u>COUNCIL APPROVED</u>
REGIONAL RESERVE	
Licenses, Permits and Fees	\$ 100
Reserve	\$ 212,100
TOTAL	<u>\$ 212,200</u>
CORPS OF ENGINEERS	
Licenses, Permits and Fees	\$ 100
Reserve	\$ 62,000
	<u>\$ 62,100</u>
20 MGD	
Licenses, Permits and Fees	\$ 1,200
Reserve	\$ 3,933,400
TOTAL	<u>\$ 3,934,600</u>
 EXPENDITURES TOTAL	 \$ 4,208,900



Rate Stabilization

Revenues and Expenditures

RATE STABILIZATION RESERVE REVENUES	<u>COUNCIL APPROVED</u>
APPROPRIATIONS	
Fund Balance	\$ 3,872,300
TOTAL	<u>\$ 3,872,300</u>
REVENUES TOTAL	\$ 3,872,300
RATE STABILIZATION RESERVE EXPENDITURES	<u>COUNCIL APPROVED</u>
HWRP UPGRADE PROJECT	
Rate Stabilization	\$ 773,800
TOTAL	<u>\$ 773,800</u>
20 MGD WATER PLANT EXPANSION	
Rate Stabilization	\$ 3,098,500
TOTAL	<u>\$ 3,098,500</u>
EXPENDITURES TOTAL	\$ 3,872,300

PART 2: ESTABLISHING THE 2015 PROPERTY TAX RATE

Section 4: Ad Valorem Property Tax Rate Established

There is hereby levied an Ad Valorem property tax rate of \$0.62 on each one hundred dollars (\$100) valuation of taxable property, both real and personal, as listed for taxes as of 1 January 2015 for the purpose of raising the revenue set forth in the 10: General Fund budget estimates in order to finance its authorized appropriations necessary for the proper running of the government and delivery of its services to citizens and customers. The 2015 Ad Valorem property tax revenue is based on an estimated overall valuation of \$905,000,000 at a collection rate of 95.88%.



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

PART 3: AUTHORIZING INCREASES IN FEES AND RATES

Section 5: Regional Water Rate Increased

The Regional Water Rate shall be increased by 5% on all customers for all bills rendered on or after 1 July 2015 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Regional Potable Water Rate	
Rate Tier	Per 1 Million Gallons
Fixed Rate	\$ 2,108.00
Used Rate	\$ 1,348.00

Section 6: Water Rate Increased

The City Water Rate shall be increased by 4% on all customers for all bills rendered on or after 1 July 2015 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Water Rates FY 15-16				
Customers averaging less than 100,000 cubic feet (cu. ft.) per month				
Location	Minimum Charge 0-499 cu. ft.	Plus	500-4,000 cu. ft. per 100 cu. ft.	More than 4,000 cu. ft. per 100 cu. ft.
Inside City	\$10.84	Plus	\$2.45	\$1.85
Outside City	\$27.10	Plus	\$6.14	\$4.63
Customers averaging more than 100,000 cubic feet (cu. ft.) per month				
Location	Minimum Charge	Plus	0-100,000 cu. ft. per 100 cu. ft.	More than 100,000 cu. ft. per 100 cu. ft.
Inside City	N/A	Plus	\$1.39	\$1.11
Outside City	N/A	Plus	\$3.43	\$2.77
Bulk Water Rate				
Location	Minimum Charge 0-500 gallons	Plus		More than 500 gallons per 1 gallon
Inside City	\$8.57	Plus		.007
Outside City	\$14.84	Plus		.010



Section 7: Rate Increases for Governmental Water and Sewer Sales Contracts

- **7-1: Kittrell Water Association:** Pursuant to the Water Sales Agreement, the rate shall be increased by 4%, effective 1 July 2015; *and*
- **7-2: Franklin County:** Pursuant to the Water Sales Agreement, the rate shall be increased by 5%, effective 1 July 2015; *and*
- **7-3: Vance County Phases 1A, 2A and 2B:** Pursuant to the Water Sales Agreement, the rate shall be increased by 4%, effective 1 July 2015.

Section 8: Sewer Rate Increased

The Sewer Rate shall be increased by 9% on all customers for all bills rendered on or after 1 July 2015 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Sewer Rates FY 15-16				
Location	Minimum Charge	Plus	0-10,000 cubic feet (cu. ft.) per 100 cu. ft.	Over 10,000 cu. ft. per 100 cu. ft.
Inside City	\$14.98	Plus	\$5.33	\$3.82
Outside City	\$37.43	Plus	\$13.34	\$9.59

PART 4: SPECIAL AUTHORIZATIONS

Section 9: Special Authorizations

The City Manager shall be authorized to re-allocate departmental appropriations among the various objects of expenditures within any budget department as he deems appropriate and necessary. Additionally, he shall be authorized to re-allocate departmental appropriations among other departments within the same fund via an intra-fund transfer as he deems appropriate and necessary. Notation of such appropriations shall be made to the City Council on the next financial report. All intra-fund transfers must also be approved in advance by the Finance Director.

Section 10: Restrictions

- The inter-fund transfer of funds shall be made only with the prior consent of City Council via a formal Budget Ordinance Amendment.
- Contingency funds shall only be appropriated with the prior consent of City Council via a formal Budget Ordinance Amendment.
- Funds may only be appropriated from the Capital Reserve funds 70: Utilities Capital Reserve Fund; 72: General Capital Reserve Fund; 73: Economic Development Capital Reserve Fund; 78: Regional Water Capital Reserve Fund;



FY 15-16 BUDGET ADOPTED BUDGET UPDATE

and 79: Rate Stabilization Capital Reserve Fund; with the prior consent of the City Council via a formal Budget Ordinance Amendment.

Section 11: Capital Project and Grant Project Funds

- The City Manager may recommend to the City Council the establishment of any new capital project and or grant project, or recommend amendments to existing capital project and/or grant project via a formal Budget Ordinance Amendment.
- Capital projects and grant projects are considered to be open for the life of the project, or grant, and shall be reported to City Council in the same manner in which regular financial reports are provided.
- Once a capital/grant project is authorized by City Council, the City Manager may treat said project as though it were any other operating fund provided if such actions are consistent with project/grant restrictions and guidelines.

Section 12: Utilization of Budget and Budget Ordinance

This Ordinance, 15-28, adopts the FY15-16 Budget and said Budget shall be the basis of the financial plan for the City of Henderson for the period beginning 1 July 2015 and ending 30 June 2016. The City Manager shall administer guidance and direction to the Department Directors and/or other duly authorized staff to implement their appropriate portion of the Budget. Copies of the Budget Ordinance and its appropriate detail shall be provided to all Department Directors. The Finance Director shall establish records consistent with the Budget and its authorizing Ordinance and in compliance with the North Carolina General Statutes and rules and regulations as may exist or be promulgated in the future by the North Carolina Local Government Commission.

PART 5: FEE SCHEDULE AFFIRMED, AMENDED AND ADOPTED

Section 13: Fee Schedule Affirmed, Amended and Adopted

The Annual Fee Schedule incorporates the rates and fees associated with the various charges for services and penalties for violations of City Codes. The Annual Fee Schedule is more fully articulated in *Attachment A* to this Ordinance and is hereby reaffirmed and adopted as part of this Ordinance.

PART 6: APPROVAL OF CAPITAL IMPROVEMENTS PLANS



Section 14: Utilities Multi-Year Capital Improvements Plan

The Utilities Multi-Year Capital Improvements Plan (CIP) for the period 2012 – 2021, initially approved on 13 June 2011 via Resolution 11-59 was reaffirmed and readopted as the City of Henderson’s multi-year capital improvements plan for its Regional Water, Water and Sewer systems on 9 February 2015 for the period of 2015 - 2025. Said CIP is on permanent file in the Office of the City Clerk and is incorporated herein as part of this Ordinance by reference.

Section 15: General Fund Multi-Year Capital Improvements Plan

The General Fund Multi-Year Capital Improvements Plan (CIP) for the period 2014-2018 is hereby reaffirmed and readopted as the City of Henderson’s multi-year general improvements plan. Said Plan is on permanent file in the Office of the City Clerk and is incorporated herein as part of this Ordinance by reference.

**PART 7: ADOPTION OF BUDGET AND RELATED AUTHORIZING
INSTRUMENTS**

Section 16: Effective Dates

All sections of this Ordinance shall become effective on 1 July 2015.

Section 17: Adoption

The foregoing Ordinance 15-28, upon motion of Council Member ___ and second by Council Member ___, and having been submitted to a roll call vote and received the following votes and was APPROVED on this the 22nd day of June 2015: YES: NO: ABSTAIN: ABSENT:

James D. O’Geary, Mayor

ATTEST:

Esther McCrackin, City Clerk

Reference: Minute Book XX, p. XXX



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

STATE OF NORTH CAROLINA - CITY OF HENDERSON

I, Esther McCrackin, the duly appointed, qualified City Clerk of the City of Henderson, do hereby certify the attached is a true and exact copy of Ordinance 15-28 adopted by the Henderson City Council in Regular Session on 22 June 2015. This Ordinance is recorded in *Ordinance Book X*, p XXX.

Witness my hand and corporate seal of the City, this XX^{XX} day of June 2015.

Esther McCrackin
City Clerk
City of Henderson, North Carolina

Reviewed by: _____ Date: _____
Katherine C. Brafford, Finance Director

Reviewed by: _____ Date: _____
Ed Wyatt, Interim City Manager



**Annual Fee Schedule
FY 15-16**

Code Compliance

Chapter 21 (Minimum Housing Code)

Sec. 21-20. - Certificate of minimum housing compliance.

Minimum Housing Inspection	1st Inspection Fee	Subsequent Re-inspection Fee
	FREE	\$50.00
*Minimum Housing Civil Penalty	Initial Violation Fee	After 3rd day of noncompliance
	\$500.00	\$10.00 per day until max of \$4,500

Chapter 21A (Abandoned Structure)

Sec. 21A-8. - Cost of removal or demolition to be lien on premises

Administrative Costs	Cost	Comments
Preliminary work in ascertaining owner of property	\$150.00 (or greater amount actually paid by the city)	Completed by a contracted attorney
Inspection of the property to ascertain condition	\$50.00	Completed by Code Compliance staff
Notice of complaint and/or of hearing issued by the city (cost per each notice)	\$40.00	Prepared by Code Compliance staff
Conduct hearing (cost per each hearing)	\$20.00	Held by Code Compliance staff
Findings of fact and/or order issued by the city (cost per each order)	\$40.00	Prepared by Code Compliance staff
Order issued by city council	\$100.00	Prepare notice and order for city council and appearance of Code Compliance staff at city council meeting
Implementation Costs	Cost	
Removal of nuisance (ordered demolition)	Actual charge paid to third parties for the respective action authorized (plus a five (5) percent administrative fee in addition to actual charge)	
Reimbursement Costs	Cost	
Certified letters (per each individual letter)	\$5.00 (or greater amount city actually paid)	
Newspaper notices (per notice)	\$175.00 (or greater amount city actually paid)	
Recording fees (per document)	\$45.00 (or greater amount city actually paid)	
Allowances for Delinquent Accounts	Cost	
Percentage increase in total , amount due	10% percent	

*Abandoned Civil Penalty	Initial Violation Fee	After 3rd day of noncompliance
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**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

	\$500.00	\$10.00 per day until max of \$4,500
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Chapter 21D (Non-Residential Code)

*Non-Residential Civil Penalty	Initial Violation Fee	After 3rd day of noncompliance
	\$500.00	\$10.00 day until max of \$4,500

Chapter 23 (Weeded Lot)

Sec. 23-8. - Costs of abatement; when due; lien.

The cost incurred by the city in removing or otherwise remedying a public nuisance shall be charged to the owner(s) of the lot or parcel of land. The costs incurred by the city shall be as set out below and are designed to include an administrative cost reflecting the typical time spent on processing these complaints through various stages in the proceedings, and an implementation cost reflecting the time spent in clearing the lot or otherwise removing the nuisance; a reimbursement for costs of notice and publication, and an allocation for delinquent accounts under this chapter.

These costs are set out by the stage of the proceeding which is reached or the service rendered and are as follows. The costs under each of the categories, to wit, administrative costs, implementation costs, etc., are to be added together.

	Cost	Comment
Administrative Costs		
Notice and order issued by department director, but not appealed, nuisance removed by owner	\$0	
Notice and order issued by department director, no appeal taken, nuisance removed by city	\$100	intended to cover costs of determining ownership, investigating site, preparation of notice and order, scheduling work
Order issued by city council, nuisance removed by owner	\$80	intended to cover staff preparation and meeting time before council
Order issued by city council, nuisance removed by city	\$120	intended to cover staff preparation and meeting time before council and cost of scheduling work, preparing notice of lien
Implementation Costs		
Per hour, or any part thereof, in removing or abating any nuisance	\$40	
Reimbursement Costs		
Registered letters (per letter)	\$3	
Newspaper notices (per notice)	\$175	reflects both newspaper costs and administrative costs in preparing and publishing the notice
Allowance for Delinquent Accounts		
Percentage increase total amount due	25%	

*(Weeded Lot) Civil Penalty	FEE
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**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

	After 7 days of Non-Compliance, \$50.00 per day maximum of \$ 500.00
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**All Civil Penalty Fees go to School System*

Cemetery²

Grave Plot.....\$750.00

Customer Service - Water and Sewer

Late Fee (One Time Waiver within a rolling 12 month period with Good Standing History) \$12.00
 Service Fee.....\$13.00
 Security Deposits (see below)

Schedule for Water and Sewer Security Deposits			
Approved Ordinance 13-10 March 11, 2013			
Residential In-City	Current	R-Tier 1 Deposit	R-Tier 2 Deposit
Water, Sewer & Sanitation		\$150.00	2.5 times average monthly bill
Water & Sewer Only (for those living in apartment complexes providing commercial green boxes)		\$150.00	2.5 times average monthly bill
Water or Sewer & Sanitation		\$150.00	2.5 times average monthly bill
Residential Out-of-City			
Water & Sewer		\$200.00	2.5 times average monthly bill
Water Only		\$150.00	2.5 times average monthly bill
Sewer Only		\$200.00	2.5 times average monthly bill
<p>R-Tier 1 Deposit is the deposit required by any new residential customer establishing an account and not able to provide a satisfactory letter of good payment history from his/her most recent water/sewer utility provider. Additionally, any existing residential customer as of the effective date of this Ordinance (1 April 2013) whose service is subject to disconnection because of non-payment will be required to increase his/her security deposit to the R-Tier 1 Deposit rate in order to re-establish service.</p>			
<p>R-Tier 2 Deposit is the deposit required of any existing residential customer whose service has been subject to disconnection for non-payment twice within a rolling 18-month period. Such customers will have to increase their security deposit on-file to 2.5 times their average monthly bill in order to have service restored. Additionally, if any person seeking to establish service with the City is found to have an arrears balance from prior service with the City, he/she shall be required to establish a security deposit equal to 2.5 times an average residential monthly bill, even if he/she can provide a letter of good payment history from his/her most recent water/sewer utility provider.</p>			
Commercial/Non-Profit & Industrial In-City			
<i>Based on Total Consumption</i>		Current	CNI-Tier Deposit
Water, Sewer & Sanitation (for downtown businesses not able to use commercial green box services)			2.5 times average monthly bill, or \$150, whichever is larger
Water & Sewer Only			2.5 times average monthly bill, or \$150, whichever is larger
Commercial/Non-Profit & Industrial Out-of-City			
<i>Based on Total Consumption</i>			
Water & Sewer			2.5 times average monthly bill, or \$150, whichever is larger
Water Only			2.5 times average monthly bill, or \$150, whichever is larger
<p>CNI-Tier Deposit is the deposit required by any new commercial, non-profit or industrial customer applying for service with the City and cannot provide a satisfactory letter of good payment from his/her most recent water/sewer utility provider. Existing customers whose service is subject to disconnection due to non-payment will be required to increase his/her security deposits to 2.5 times their average monthly bill in order to re-establish service."</p>			

² City stopped opening/closing graves in 2011



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Engineering

Soil Erosion & Sedimentation Control Permit	
Plan Review Fee (.50 - .999 Acres).....	\$75.00
Plan Review Fee (1- 3 acres).....	\$100.00
Plan Review Fee (more than 3 Acres plus \$20.00 per Acre).....	\$125.00
Soil Erosion & Sedimentation Control Permit	
Permit Inspection Fee (.50 - .999 Acres).....	\$125.00
Permit Inspection Fee (1 – 3 Acres).....	\$225.00
Permit Inspection Fee (more than 3 Acres plus \$25.00 per Acre).....	\$325.00
Stormwater Permit Review Fee.....	\$400.00
Maps.....	\$1.00 to \$20.00
Petition to Close Street.....	\$900.00

Finance

Returned Check Fees.....	\$25.00
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Fire

Fire Reports.....	\$1.00
Fire Code Violation Citations	
Approved Fire Evacuation Plan Required and Posted.....	\$50.00
Street Address not Posted.....	\$50.00
Street Address not Visible.....	\$50.00
Key Boxes.....	\$50.00
Breach in Fire Wall/Fire Stops.....	\$50.00
Fire/Exit Door Inoperative.....	\$200.00
Fire Alarm Needs Testing.....	\$50.00
Sprinkler or Fire Alarm Inoperable.....	\$200.00
Sprinkler/Standpipe not Complying with Code.....	\$50.00
Sprinkler Heads Blocked/Covered (immediate).....	\$500.00
Standpipe System not Complying with Code.....	\$50.00
Portable Fire Extinguisher.....	\$50.00
Fire Alarm and Detection Systems.....	\$50.00
Overcrowding (immediate).....	\$500.00
Maximum Occupancy Load Certificate not Posted.....	\$50.00
Storage in or on Fire Escape (immediate).....	\$500.00
Blocked Stairwells or Stairways.....	\$500.00
Blocked Means or Egress.....	\$500.00
No Required Exit Directional Signs.....	\$50.00
Exit Illuminated and Markings.....	\$50.00
Locked Exit Door (immediate).....	\$500.00
Exit or Egress Door Needs Repair.....	\$50.00
Fire Exit or Aisle Blocked.....	\$500.00
Spray Booth Not Complying to Code.....	\$50.00
All Other Code Violations.....	\$50.00



FY 15-16 BUDGET
ADOPTED BUDGET UPDATE

Fire (Cont.)

State Mandated Fire Inspections

Initial Inspection

Up to 50,000 sf.....	\$55.00
50,001 to 500,000 sf.....	\$105.00
Greater than 500,000 sf.....	\$120.00

Re-Inspections

1 st Re-inspection.....	\$0.00
2 nd Re-inspection.....	\$55.00
3 rd Re-inspection.....	\$110.00
4 th Re-inspection.....	\$225.00

Governing Body

Public Records Request - Copies.....	varies
Municipal Election Filing Fee.....	1% of the annual salary of the office being sought.

Planning

Rezoning Application

Zoning Map Amendment to Residential District.....	\$350.00 plus \$50 per acre or part thereof
Zoning Map Amendment – Other.....	\$350.00 plus \$100.00 per acre or part thereof

Sign Permit

0-50 sq. ft.....	\$25.00
51 – 100 sq. ft.....	\$50.00
101 – 200 sq. ft.....	\$75.00
201 sq. ft. and larger.....	\$100.00

Subdivision Plat Approval

Major.....	\$250.00 plus \$10.00 per lot
Minor.....	\$150.00
Minor Residential.....	\$100.00
Exempt.....	\$50.00

Special Use Permit.....

\$450.000

Text Amendment

Change affecting only one subsection of Ordinance.....	\$100.00
Other.....	\$150.00

Variances.....

\$450.00

Zoning Permit

Residential.....	\$100.00
Commercial.....	\$100.00
Name Change/Change of Ownership.....	\$100.00
Home Occupation Permit.....	\$100.00
Certificate of Zoning Compliance.....	\$50.00

Zoning Ordinance.....

\$25.00



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Subdivision Regulations.....	\$25.00
Exempt Plat.....	\$100.00
Solar Farm Inspection.....	\$1,000.00

Police

Handicapped/Fire Lane Parking.....	\$75.00
Fire Hydrant, Loading Zone, Blocking Driveway, No Parking Zone, Parking on Wrong Side of Street, Parking on Sidewalk, Blocking Sidewalk/Crosswalk, Double Parking.....	\$20.00
Overtime Parking, Parking too Close to Corner, Other.....	\$8.00
Peddler Permit Fee (30-days or less).....	\$10.00
Peddler Permit Fee (31-days or more).....	\$25.00
Display Badge.....	\$ 2.00

Regional Water

Bacteria Analysis (Contractors).....	\$50.00
Bacteria Analysis (Partners).....	\$35.00
Potable Water (Used Rate).....	\$2,108.00
Potable Water (Fixed Rate).....	\$1,348.00

Sanitation

Sanitation Charge – Monthly	
1 Pickup per week per dwelling (includes one 96 gallon roll-out).....	\$29.00
Additional 96 gallon roll-out container.....	\$5.00
2 Pickups per week per business.....	\$56.73
3 Pickups per week per business.....	\$85.10
4 Pickups per week per business.....	\$113.46
5 Pickups per week per business.....	\$141.83
Roll-out Container Replacement Fee.....	\$75.00
Large Trash Collection Fee.....	\$75.00 per hr (min. \$75.00)
Appliance Collection Fee.....	\$15.00 per item
Commercial Recycle Monthly (ABC License only)	
Weekly pickup.....	\$30.00
Construction Materials.....	\$350.00 per hr (min. \$350.00)
Landfill Fee (Business Customers only).....	\$5.50
*Loose Leaf Pick Up after deadline date- Minimum.....	\$75.00

Sewer Collection

Sewer Rates ³	
10,000 cubic ft or less (inside city).....	\$14.98 minimum plus \$5.33 per 100 cu. ft., <i>plus</i>
<i>For the next utilization tier</i>	
Over 10,000 cubic ft (inside city).....	\$3.82 per 100 cu. ft.

³ CF = Cubic Feet of water consumed or sewer metered through a sewer measuring device.



FY 15-16 BUDGET
ADOPTED BUDGET UPDATE

Table with 2 columns: Description and Amount. Includes items like '10,000 cubic ft or less (outside city)', 'Sewer Taps', 'Sewer Collection (cont.)', and 'Capacity Usage Fee'.

Sewer Collection I&I

Table with 2 columns: Description and Amount. Includes 'Rentals' and 'TV Camera Truck'.

Street

Table with 2 columns: Description and Amount. Includes 'Street Cuts' (Asphalt, Concrete, Unpaved) and 'Sidewalk Cuts' (Concrete, Curb and Gutter).

Water Distribution

Water Rates

Table with 2 columns: Description and Amount. Lists water usage tiers for inside and outside city.

Irrigation (Residential and Non-Residential)

Table with 2 columns: Description and Amount. Lists irrigation rates for inside and outside city.



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Over 500 cubic ft. (outside city).....\$6.14 per 100 cubic ft.

Large Quantity Water Rates

First 100,000 cubic ft. (inside city).....\$1.39 per 100 cubic ft., *plus*
Over 100,000 cubic ft. (inside city).....\$1.11 per 100 cubic ft.

First 100,000 cubic ft. (outside city).....\$3.43 per 100 cubic ft., *plus*

Water Distribution (cont.)

Over 100,000 cubic ft. (outside city).....\$2.77 per 100 cubic ft.

Water Taps

¾” Water Tap.....\$1,235.00
1” Water Tap.....\$1,340.00
1” Water Tap w/ two ¾” Branch Meters.....\$1,590.00
Above 1” Taps.....Actual cost of labor, equipment & materials plus 10%

Bulk Water

Inside Rate.....\$8.57 service connection (includes first 500 gallons)
.007/gallons for any amount over 500
Outside Rate.....\$14.84 service connection (includes first 500 gallons)
.010/gallon for any amount over 500
Capacity Usage Fee.....\$0.54/gallon (gallons are determined by
type of establishment)

Set Meter Fee

¾” Taps already in place.....\$300.00
1” Taps already in place.....\$400.00
Fire Protection Sprinkler Fee.....based on sq. footage
Fire Hydrant Meter Deposit.....(see below)
3”.....\$1,500.00
5/8”.....\$300.00
Minimum Rental Charge
Per Day.....\$20.00
Per Week.....\$100.00
Per Month.....\$300.00
Per 6 Months.....\$1,300
Per Year.....\$2,000

Fire Hydrant – Category A

Inside Rate - charge for floor space w/only a private fire line & fire hydrants(s) –
no inside sprinkler
Per 10,000 sq. feet - Minimum (A1).....\$3.05
300,000 – 1,000,000 sq. feet (A1 + A2).....\$1.67
1,000,000 sq. feet and above (A1 + A2 + A3).....\$0.73
Outside Rate - charge for floor space w/only a private fire line & fire hydrants(s) -
no inside sprinkler
Per 10,000 sq. feet - Minimum (B1).....\$6.22



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

300,000 – 1,000,000 sq. feet (B1 +B2).....	\$3.37
1,000,000 sq. feet and above (B1 + B2 + B3).....	\$2.36
Fire Hydrant – Category B	
Inside Rate - charge for floor space protected w/ fire line, fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (A1).....	\$5.57
300,000 – 1,000,000 sq. feet (A1 + A2).....	\$2.32
1,000,000 sq. feet and above (A1 + A2 + A3).....	\$1.21
Water Distribution (cont.)	
Outside Rate - charge for floor space protected w/ fire line, fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (B1).....	\$11.39
300,000 – 1,000,000 sq. feet (B1 + B2).....	\$4.63
1,000,000 sq. feet and above (B1 + B2 + B3).....	\$2.32
Fire Hydrant – Category C	
Inside Rate - charge for floor space w/ fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (A1).....	\$8.62
300,000 – 1,000,000 sq. feet (A1 + A2).....	\$3.99
1,000,000 sq. feet and above (A1 + A2 + A3).....	\$1.88
Outside Rate - charge for floor space w/ fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (B1).....	\$17.61
300,000 – 1,000,000 sq. feet (B1 + B2).....	\$8.02
1,000,000 sq. feet and above (B1 + B2 + B3).....	\$4.67
Fire Hydrant – Subdivision outside of City limits (to be charged per lot when service is made).....	\$1.83
Water Distribution/Sewer Collection	
Utility Service Fee.....	\$13.00
Account Set-up Fee.....	\$20.00
Late Payment Penalty.....	\$12.00
Meter Tampering Fee.....	\$200.00
Rental Fees (Add Personnel/Supervision/Materials fees below to rental fee)	
Pickup Trucks (3/4 and 1 Ton).....	\$25.00 per hour
Backhoe.....	\$60.00 per hour
Dump Truck.....	\$40.00 per hour
Tamp. Concrete Saw.....	\$20.00 per hour
Air Compressor.....	\$20.00 per hour
Personnel.....	Employee wage plus 10%
Supervision Charge.....	\$100.00 per hour
Materials.....	Material Cost plus 10%
Water Reclamation	
Sewer Surcharges	
Biochemical Oxygen Demand.....	\$0.1941 lb.



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Chemical Oxygen Demand	\$0.0968 lb.
Total Suspended Solids	\$0.0989 lb.
Total Kjeldahl Nitrogen	\$1.4845 lb.
Total Phosphorus	\$2.8697 lb.
Sampling Fee	\$9.06 to \$62.63
Priority Pollutant Scan – Sampling Fees	\$1,661.04
Mercury Clean Sampling Fee	\$377.52
Compliance Inspection – Pretreatment	\$754.98
Toxicity: Mini Chronic/Full Range	\$490.73 - \$1,094.79
Permit Fee for Discharge (based on gallons per day)	\$305.95 - \$758.49
Water Reclamation (cont.)	
Permit Fee for Discharge of Groundwater Remediation Project	\$605.52
FOG Compliance Inspection and Monitoring	\$7.64 per mo.
FOG Permit Fee	\$153.00

Recreation

Registration Fees – Youth

Youth Athletics Registration Fee (County Resident)	
Football, Volleyball, Soccer & Basketball	\$30.00
Youth Athletics Registration Fee (Non-Resident)	
Football, Volleyball, Soccer & Basketball	\$60.00
Babe Ruth Baseball & Softball	\$30.00
All Star	\$20.00

Youth Sponsorship Fees

T-Ball League Baseball	\$550.00
Rookie League Baseball	\$750.00
Cal Ripken League Minor Baseball	\$350.00
Cal Ripken League Major Baseball	\$375.00
Babe Ruth League Baseball	\$400.00
Babe Ruth League 8-Under Softball	\$750.00
Babe Ruth League 10-Under Softball	\$350.00
Babe Ruth League 12-Under Softball	\$350.00
Babe Ruth League 16-Under Softball	\$350.00
Youth Basketball, Soccer & Volleyball	\$250.00

Recreation Insurance	\$10.00
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Registration Fees - Adult

Team Registration Fee (Non-County Resident – add \$10.00 per person to fees below)

Industrial League Basketball, Softball	\$420.00
Open League Basketball	\$420.00
Women’s Open Softball	\$300.00
Men’s Open Softball	\$420.00



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Rentals (See *Rentals – For- Profit* or *Rentals – Non-Profit* also)

Batting Cage per hour (County).....	\$10.00
Batting Cage per hour (Non-County).....	\$15.00
Aycock Ballfield per field per hour (County).....	\$10.00
Aycock Ballfield per field – lighted per hour (County).....	\$20.00
All other Ballfields per field per hour (County).....	\$10.00
All other Ballfields per field – lighted per hour (County).....	\$15.00
Aycock Ballfield per field per hour (Non-County).....	\$20.00
Aycock Ballfield per field – lighted per hour (Non-County).....	\$40.00
All other Ballfields per field per hour (Non-County).....	\$20.00

Recreation (cont.)

All other Ballfields per field – lighted per hour (Non-County).....	\$30.00
Ballfield Weekend (Friday, Saturday & Sunday) (County).....	\$200.00
Ballfield Weekend (Friday, Saturday & Sunday) (Non-County).....	\$350.00

Rentals – Non-Profit

Aycock Ballfield per field per hour (County).....	\$10.00
Aycock Ballfield per field – lighted per hour (County).....	\$20.00
Aycock Ballfield one day / all four fields (County).....	\$200.00
All other Ballfields per field per hour (County).....	\$10.00
All other Ballfields per field – lighted per hour (County).....	\$15.00
Ballfield Weekend (Friday, Saturday & Sunday) (County).....	\$500.00
Lights per field per hour (County).....	\$20.00
Old Aycock Gym per hour (County).....	\$30.00
Aycock Ballfield per field per hour (Non-County).....	\$20.00
Aycock Ballfield per field – lighted per hour (Non-County).....	\$40.00
Aycock Ballfield one day / all four fields (Non-County).....	\$350.00
All other Ballfields per field per hour (Non-County).....	\$20.00
All other Ballfields per field – lighted per hour (Non-County).....	\$30.00
Ballfield Weekend (Friday, Saturday & Sunday) (Non-County).....	\$750.00
Lights per field per hour (Non-County).....	\$30.00
Old Aycock Gym per hour (Non-County).....	\$45.00

Rentals – For Profit

Aycock Ballfield – per field per hour (County).....	\$20.00
All other Ballfields per hour (County).....	\$15.00
Aycock Ballfield – per field – lighted per hour (County).....	\$30.00
All other Ballfields – lighted per hour (County).....	\$20.00
Aycock one day / all four fields (County).....	\$300.00
Old Aycock Gym per hour - 2 hour minimum (County).....	\$50.00
Aycock one day / all four fields (Non-County).....	\$500.00
Aycock Weekend / all four fields (Friday, Saturday & Sunday) (County).....	\$650.00
Aycock Ballfield per field per hour (Non-County).....	\$30.00
All other Ballfields per hour (Non-County).....	\$25.00



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Aycock Ballfield – per field – lighted per hour (Non-County).....	\$40.00
All other Ballfields – lighted per hour (Non-County).....	\$30.00
Aycock Weekend / all four fields (Friday, Saturday & Sunday) (Non- County).....	\$800.00
Old Aycock Gym per hour – 2 hour minimum (Non-County).....	\$75.00
Lights per field per hour	\$25.00
Additional Services	
Drag/Mark fields between each game per field (County).....	\$20.00
Drag/Mark fields after 2 games per field (County).....	\$15.00
Drag/Mark fields halfway through each day per field (County).....	\$10.00
Supply ice water in coolers w/cups per dugout per game (County).....	\$10.00
Drag/Mark fields between each game per field (Non-County).....	\$30.00
Drag/Mark fields after 2 games per field (Non-County).....	\$25.00
Recreation (cont.)	
Drag/Mark fields halfway through each day per field (Non-County).....	\$20.00
Henderson Rec Players Tickets.....	\$10.00
Special Events (Athletic)	
District Tournament Daily Pass for Students.....	\$3.00
District Tournament Daily Pass for Adults.....	\$5.00
District Tournament Pass for entire Tournament.....	\$10.00
State Tournament Daily Pass for Students.....	\$5.00
State Tournament Daily Pass for Adults.....	\$7.00
State Tournament Pass for Entire Tournament.....	\$20.00
Athletic Event Daily Pass.....	\$3.00
Athletic Event Tournament Pass.....	\$6.00
Special Events (Non-Athletic).....	not to exceed \$8.00
Aycock Center	
Rental	
Aquatics –	
Pool Non-Profit - County (per hour).....	\$70.00
Pool Non-Profit – Non-County (per hour)	\$75.00
Pool For-Profit – County (per hour).....	\$125.00
Pool For Profit – Non-County (per hour).....	\$175.00
Swim Teams & Clubs – Private County (per lane, per day).....	\$12.00
Swim Teams & Clubs – Private Non-County (per lane, per day).....	\$12.00
Swim Teams & Clubs – County (per lane, per hour).....	\$8.00
Swim Teams & Clubs – Non-County (per lane, per hour).....	\$12.00
Swim Lessons	
Preschool Ages 3-5 - 6 30 minute sessions.....	\$30.00
Ages 6-12 - 6 60 minutes sessions.....	\$48.00
Parent Tot Ages 6 months - 3 years.....	\$30.00



FY 15-16 BUDGET
ADOPTED BUDGET UPDATE

Adults/Beginners 16+ - 6 30 minute sessions	\$30.00
Water Aerobics (per class - 5 per week)	
Non-Member	\$2.00
Member	\$1.00

Gymnasium

Aycock Recreation Complex Non-Profit per hour – County	\$70.00
Aycock Recreation Complex Non-Profit per hour – Non-County	\$85.00
Aycock Recreation Complex - Non-Profit Private Team - County (per practice/game)	\$30.00
Aycock Recreation Complex - Non-Profit Private Team – Non-County (per practice/game)	N/A
Aycock Recreation Complex For- Profit per hour – County	\$100.00
Aycock Recreation Complex For-Profit per hour – Non-County	\$150.00
Multi-purpose Room Non-Profit per hour – County	\$70.00

Recreation (cont.)

Multi-purpose Room Non-Profit per hour – Non-County	\$75.00
Multi-purpose Room For-Profit per hour – County	\$125.00
Multi-purpose Room For-Profit per hour – Non-County	\$175.00
Aycock Lobby – County	\$25.00
Aycock Lobby – Non-County	\$30.00

Fees

Aycock Recreation Center	
Resident – Daily	
Adult Single Admission	\$5.00
Teen 18 and under	\$2.00
Senior 55 and over	\$2.00
Resident – Monthly	
Adult Single Admission	\$30.00
18 and under	\$25.00
Senior 55 and over	\$25.00
Non-Resident – Daily	
Adult Single Admission	\$10.00
18 and under	\$5.00
Senior 55 and over	\$5.00
Non-Resident – Monthly	
Adult Single Admission	\$50.00
18 and Under	\$45.00
Senior 55 and Over	\$45.00
Resident Family Pass – Monthly	
Family Pass	\$35.00
Seniors 55 and Over	\$25.00
Non-Resident Family Pass – Monthly	
Family	\$65.00



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

Seniors 55 and Over.....	\$50.00
City/County/State Employee – Monthly	
Family Pass.....	\$17.00
Adult.....	\$15.00
Senior 55 and Over.....	\$12.00

Classes/Programs

Preschool per class.....	\$3.00
Walking Program per month (Adult/Senior).....	\$15.00
Swim Group.....	\$2.00

Camps

Summer Day Camp – per week (8-11 year olds).....	\$50.00
Swim Camp.....	\$10.00

Recreation (cont.)

Aquatics Club

Winter/Spring.....	\$160.00
Summer.....	\$225.00



**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**

5 October 2015

While compiling the budget document, an adjustment for the Inter-fund Transfers and Cost Allocations needed to be made to reflect the \$10,000 Powell Bill increase, decreasing the Total Adjusted Budget by the same. A complete summary of the FY 2015-16 Adopted Budget is below:

Fund	Adopted Budget
General Fund	\$15,428,100
Powell Bill Fund	\$450,000
Regional Water Fund	\$4,499,500
Water Fund	\$6,851,700
Sewer Fund	\$5,032,300
Capital Reserve Funds	\$8,421,500
Total Budget	\$40,683,100
Inter-fund Transfers and Cost Allocations	(\$2,710,500)
Total Adjusted Budget	\$37,972,600

\$345,000 from the General Fund's Fund Balance was appropriated to balance the budget in order to provide for the loss of Business Privilege License revenue, meet Council's Goal and Objectives under KSO 4: Improve Housing Stock and address the increased request to provide for more Façade Grants through the Downtown Development Commission.

References:

1. CAF 15-62 Recommended Budget Message
2. CAF 15-62-A Budget Work Session Update
3. CAF 15-62-B Adopted Budget Update
4. Council Minutes 28 & 29 January 2015 (*Strategic Planning Sessions*)
5. Council Minutes 18 May 2015 (*Presentation of FY15-16 Recommended Budget*)
6. Council Minutes 21 May 2015 (*Budget Work Session #1*)
7. Council Minutes 15 June 2015 (*Public Budget Hearing*)
8. Council Minutes 22 June 2015 (*Adoption of Budget*)
9. Ordinance 15-28 (*FY15-16 Approved Budget and Fee Schedule*)

**FY 15-16 BUDGET
ADOPTED BUDGET UPDATE**



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**FY 15-16 BUDGET
CITY OF HENDERSON NORTH CAROLINA
STRATEGIC PLAN**

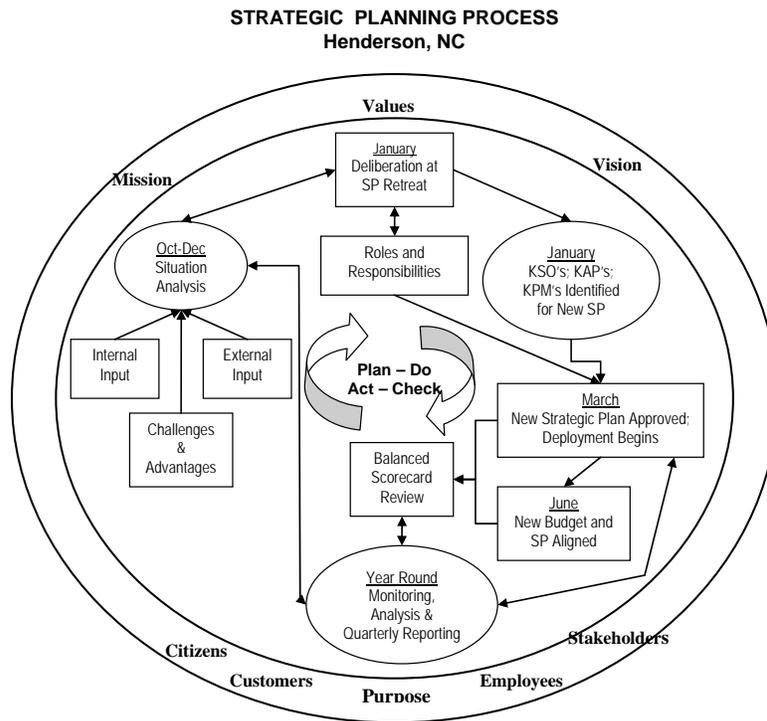
STRUCTURE AND PURPOSE OF THE STRATEGIC PLAN

Purpose

The Purpose of the Henderson Strategic Plan is to provide a visionary framework that forms the foundation for the tone and direction of how the City will plan for its future by addressing Key Strategic Challenges and deliver services. The City’s first strategic plan, *Henderson Strategic Plan 2009-2011*, was approved by the City Council in April 2009.

Strategic Planning Process

The City has developed a strategic planning process that guides its development and deployment of the Strategic Plan. In December, questionnaires are submitted to Mayor, City Council and Administration to solicit input on the direction of the City, new ideas, etc. Information is also captured throughout the year and incorporated into the process. Results are analyzed and reported to Council with recommendations from Staff. The Council meets in a Strategic Planning Retreat in January of each year. During this time the prior year’s plan is reviewed, external and internal information reviewed and revisions are made to the Strategic Plan. A diagram of the Strategic Planning Process is provided below:



**FY 15-16 BUDGET
CITY OF HENDERSON NORTH CAROLINA
STRATEGIC PLAN**

Action Plans identified in the Strategic Plan are developed as well as identifying the Steward responsible for its implementation. The Steward works with colleagues and others to form and implement the plan. Thus, each Action Plan in this Report is summarized and presents the conceptual framework around which the ultimate plan will be developed.

Desired Outcomes

The desired outcomes of the Strategic Plan include: 1) increased and improved focus on addressing issues critical to the City; 2) improved budgeting by virtue of considering critical issues vis-à-vis the allocation of scarce resources; and 3) development of performance based measures to assist in decision making.

Performance Measures

Performance measures are identified for each of the Key Strategic Objectives and related action plans throughout the text of the Strategic Plan. These performance measures are developed as the action plans' development process matures. Additionally, a Balanced Scorecard is developed for the measures provided within the Strategic Plan as well as other key measures necessary for the overall governance and operation of the City.

**FY 15-16 BUDGET
CITY OF HENDERSON NORTH CAROLINA
STRATEGIC PLAN**

**2015 Strategic Plan Matrix
(Open Items from Feb 2014 Planning Session)**

		Multi-Year Action Plan Scorecard	AP Time Horizon	Mar 2009 09-11 SP	Jan 2010 10-12 SP	Jan 2011 11-13 SP	Jan 2012 12-14 SP	Mid-Year 13-15	Jan 2013 13-15 SP	Status for Feb 2014 Retreat
KSO 1		Implement Performance Excellence								
	AP 1-1	Implement Process Improvement	long term	Green	Green	Green	Green	Green	Green	Green
	AP 1-4	Improve Citizen Engagement	short term				Tan	Tan	Green	Yellow
KSO 2		Reduce Crime & Safe Community								
	AP 2-4	Business Watch	short term				Green	Green	Green	Green
KSO 3		Economic Development								
	AP 3-1c	Establish 1-Stop permit process	ST-2011	Green	Green	Green	Green	Green	Green	Green
	AP 3-3d	Locate HSR Passenger Station in Downtown	long term	Green	Green	Green	Green	Green	Green	Green
KSO 4		Improve Housing Stock								
	AP 4-1	Aggressive Code Enforcement	long term	Green	Green	Green	Green	Green	Green	Green
	AP 4-6	Redevelopment of Flint Hill Community	long term						Green	Yellow
	AP 4-7	Urban Homesteading	long term							
KSO 5		Reliable Infrastructure								
	AP 5-2	Expand Kerr Lake Regional Water Plant	long term	Green	Green	Green	Green	Green	Green	Green
	AP 5-4	Upgrade Sewer Plant	short term			Green	Green	Green	Green	Green
	AP 5-5	Replace 2" water lines	long term				Green	Green	Green	Green
KSO 6		Retain Qualified Municipal Workforce								
	AP 6-1	Perform Pay Classification Study	short term	Red	Red	Red	Red	Red	Green	Completed
	AP 6-2b	Update Personnel Policy/Procedures Manual	mid-term			Green	Green	Green	Green	Green
	AP 6-3	Career Development & Training Plan	short term	Green	Green	Green	Green	Green	Green	Green
	AP 6-4	Sensitivity and Diversity Training	short term						Green	Green
KSO 7		Expand Leisure Services								
	AP 7-1	Develop Walking & Bike Trails	long term	Green	Green	Green	Green	Green	Green	Green
KSO 8		Provide Sufficient Funding for Services								
	AP 8-1	Grow Undesignated Fund Balance	mid-term	Green	Green	Green	Green	Green	Green	Green
	AP 8-2	Create Fleet/Equipment IT Replacement Fund	mid-term	Red	Red	Red	Red	Red	Red	Red
	KEY:	Blue = Completed		Yellow = Lagging	Red = Not Accomplished					
		Green = In Process	Tan = Not Yet Started		Grey = Not in Plan					7-Jan-15

**FY 15-16 BUDGET
CITY OF HENDERSON NORTH CAROLINA
STRATEGIC PLAN**

PURPOSE STATEMENT

To improve the quality of life of citizens by providing services that provide for the community's health, safety and welfare.

MISSION STATEMENT

To provide value added services in a customer friendly, cost efficient and effective manner resulting in a safe and prosperous community.

VISION STATEMENT

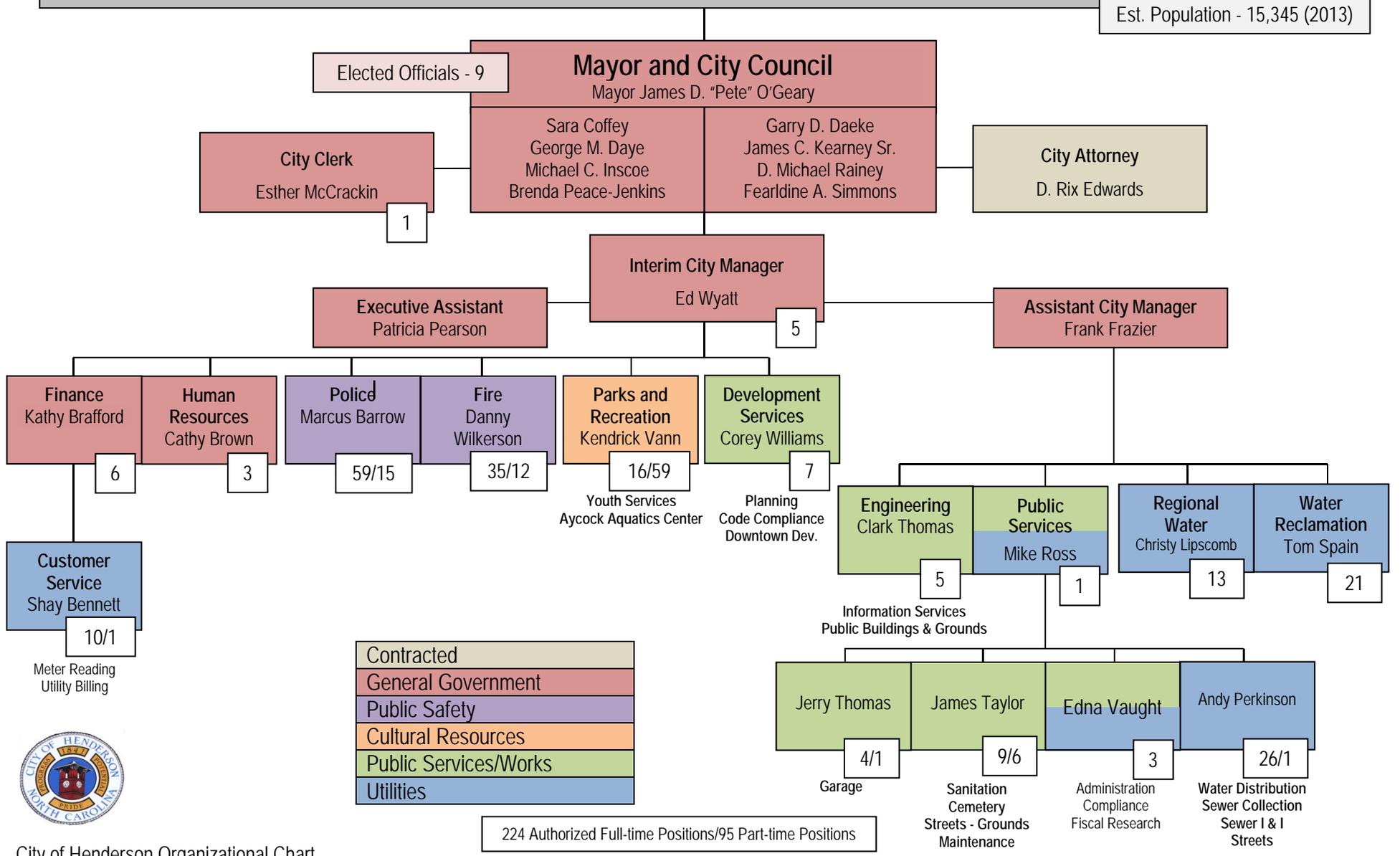
To be a vibrant, safe, progressive and prosperous community in which citizens are actively engaged in governance and community activities.

CORE VALUES

- 1. Roles and Responsibilities:** We value the Agreement established by the City Council setting forth the Mayor, City Council and City Manager roles, responsibilities and expectations.
- 2. Citizen/Customer Friendly:** We value our citizens and customers and will work with them in a courteous, professional manner. We value their participation and input and owe them an answer to their questions in a timely manner.
- 3. Fairness:** We Value equity and will be fair in how we work with citizens and customers and how we implement City policies, regulations and ordinances.
- 4. Ethical Behavior:** We value the public trust and will perform our duties and responsibilities with the highest levels of integrity, honesty, trustworthiness and professionalism.
- 5. Respectful of Others:** We value the opinions of others and will seek to first understand before seeking to be understood, and will at all times agree to disagree in an agreeable manner.
- 6. Value Diversity:** We value and celebrate the diversity of people in our community and municipal workforce.
- 7. Teamwork and Collaborative Efforts:** We value teamwork and collaborative efforts with our fellow workers, stakeholders and partners, and believe through such efforts we will be better able to achieve our goals and objectives.
- 8. Value Employees:** We value employees and the contributions they make to the City and to the citizens and customers of our community.
- 9. Good Working Relationship with Vance County:** We value a good working relationship with the County of Vance and believe by working together in a cooperative effort we can better address the strategic challenges and opportunities facing our community.
- 10. Transparency in Governance:** We value transparency in the governance and operations of the City.
- 11. Performance Excellence:** We value excellence in how we govern and deliver services and believe we should always strive for continuous improvement in our work and service delivery processes.
- 12. Data Based Decision Making:** We value the use of valid data in making our decisions.

CITIZENS OF HENDERSON

Est. Population - 15,345 (2013)



City of Henderson Organizational Chart

Classification and Pay System - Phase One (2015)

rev: 5/13/2015

<u>Grade</u>	<u>Classification</u>	<u>Salary Range</u>	<u>Grade</u>	<u>Classification</u>	<u>Salary Range</u>
5	No position assigned	\$17,640 - \$26,460	17	Police Detective Sergeant Police Sergeant	\$31,679 - \$47,519
6	Parking Enforcement Agent/Custodian	\$18,522 - \$27,783		Public Works Supervisor Street Maintenance Supervisor Recreation Program Supervisor	
7	No position assigned	\$19,448 - 29,172		Senior Instrument Technician Youth Services Prg Coordinator Zoning Administrator	
8	Maintenance Worker Meter Reader Office Assistant Parks Maintenance Worker Street Maintenance Worker	\$20,420 - \$30,630	18	Chief Treatment Plant Operator Construction Inspector Engineering Technician Laboratory Supervisor Fire Lieutenant	\$33,263 - \$49,895
9	Plant Maintenance Worker Solid Waste Equipment Operator Street Sign Technician Utility Maintenance Mechanic	\$21,441 - \$32,162	19	City Clerk Community Development Spec Main Street Program Manager	\$34,926 - \$52,389
10	Customer Service Representative Fleet Service Technician Public Works Crew Leader Senior Street Maintenance Worker	\$22,513 - \$33,770	20	Dist and Collection System Sup Police Detective Lieutenant Police Lieutenant	\$36,672 - \$55,008
11	Human Resources Technician Police Records Clerk Administrative Support Specialist	\$23,639 - \$35,459	21	Assistant Finance Director Fire Battalion Chief Youth Services Program Manager	\$38,506 - \$57,759
12	Accounts Payable Specialist Accounting Technician Plant Maintenance Mechanic Treatment Plant Operator Utility Billing Specialist	\$24,821 - \$37,232	22	Police Captain	\$40,431 - \$60,647
13	Athletics Program Specialist Firefighter Laboratory Technician Payroll Specialist Street Maintenance Crew Leader	\$26,062 - \$39,093	23	Assistant Fire Chief Public Services Operations Mgr Treatment Plant Director	\$42,453 - \$63,680
14	Executive Assistant Fleet Maintenance Mechanic Senior Firefighter Utility Maintenance Crew Leader	\$27,365 - \$41,048	24	No position assigned	\$44,576 - \$66,864
15	Code Compliance Inspector Fire Engineer Instrument Technician Laboratory Analyst Parks Maintenance Supervisor Police Officer	\$28,733 - \$43,100	25	Human Resources Director	\$46,805 - \$70,208
16	Accountant Police Detective Police Records Supervisor	\$30,170 - \$45,255	26	Parks and Recreation Director Development Services Director	\$49,145 - \$73,718
17	Administrative Services Officer Aquatics Program Supervisor Athletics Program Supervisor Community Center Supervisor Customer Services Supervisor Fleet Maintenance Supervisor GIS Technician Plant Maintenance Supervisor Planner	\$31,679 - \$47,519	27	Fire Chief	\$51,602 - \$77,043
			28	City Engineer Finance Director Police Chief Public Services Director	\$54,182 - \$81,273
			31	Assistant City Manager	\$62,723 - \$94,085

Recommended Classification and Pay System - Phase Two (2016)

rev: 5/13/2015

Grade	Classification	Salary Range		Grade	Classification	Salary Range	
		Minimum	Maximum			Minimum	Maximum
5	No position assigned	\$18,805	\$27,519	17	Police Detective Sergeant Police Sergeant	\$33,770	\$49,420
6	Parking Enforcement Agent/Custodian	\$19,745	\$28,895		Public Works Supervisor Street Maintenance Supervisor Recreation Program Supervisor Senior Instrument Technician Youth Services Prg Coordinator Zoning Administrator		
7	No position assigned	\$20,732	\$30,339	18	Chief Treatment Plant Operator Construction Inspector Engineering Technician Laboratory Supervisor Fire Lieutenant	\$35,459	\$51,891
8	Maintenance Worker Meter Reader Office Assistant Parks Maintenance Worker Street Maintenance Worker	\$21,769	\$31,856	19	City Clerk Community Development Spec Main Street Program Manager	\$37,231	\$54,485
9	Plant Maintenance Worker Solid Waste Equipment Operator Street Sign Technician Utility Maintenance Mechanic	\$22,857	\$33,449	20	Dist and Collection System Sup Police Detective Lieutenant Police Lieutenant	\$39,093	\$57,209
10	Customer Service Representative Fleet Service Technician Public Works Crew Leader Senior Street Maintenance Worker	\$24,000	\$35,121	21	Assistant Finance Director Fire Battalion Chief Youth Services Program Manager	\$41,048	\$60,070
11	Human Resources Technician Police Records Clerk Administrative Support Specialist	\$25,200	\$36,878	22	Police Captain	\$43,100	\$63,073
12	Accounts Payable Specialist Accounting Technician Plant Maintenance Mechanic Treatment Plant Operator Utility Billing Specialist	\$26,460	\$38,722	23	Assistant Fire Chief Public Services Operations Mgr Treatment Plant Director	\$45,255	\$66,228
13	Athletics Program Specialist Firefighter Laboratory Technician Payroll Specialist Street Maintenance Crew Leader	\$27,783	\$40,657	24	No position assigned	\$47,518	\$69,539
14	Executive Assistant Fleet Maintenance Mechanic Senior Firefighter Utility Maintenance Crew Leader	\$29,171	\$42,690	25	Human Resources Director	\$49,894	\$73,017
15	Code Compliance Inspector Fire Engineer Instrument Technician Laboratory Analyst Parks Maintenance Supervisor Police Officer	\$30,630	\$44,824	26	Parks and Recreation Director Development Services Director	\$52,389	\$76,667
16	Accountant Police Detective Police Records Supervisor	\$32,161	\$47,066	27	Fire Chief	\$55,008	\$80,500
17	Administrative Services Officer Aquatics Program Supervisor Athletics Program Supervisor Community Center Supervisor Customer Services Supervisor Fleet Maintenance Supervisor GIS Technician Plant Maintenance Supervisor Planner	\$33,770	\$49,420	28	City Engineer Finance Director Police Chief Public Services Director	\$57,759	\$84,524
				31	Assistant City Manager	\$66,863	\$97,849

City of Henderson Authorized Positions

POSITIONS BY FUND	FY 10-11		FY 11-12		FY 12-13		FY 13-14		FY 14-15		FY 15-16		
	Full-time	Part-time	Full-time	Unfunded	Part-time								
General Fund													
Governing Body	1	0	1	0	1	0	1	0	1	0	1	0	0
Admin - City Attorney	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration	5	0	4	0	4	0	4	0	3	0	3	2	0
Human Resources	2	0	2	0	2	0	2	0	3	0	3	0	0
Code Compliance	2	0	2	0	2	0	2	0	2	0	0	0	0
Finance	11	0	11	0	6	0	5	0	6	0	6	0	0
Planning & Community Development	2	0	2	0	2	0	2	0	2	0	0	0	0
Development Services	0	0	0	0	0	0	0	0	0	0	4	3	0
Downtown Development Commission	0	1	0	1	0	1	1	0	0	0	0	0	0
Public Buildings & Grounds	1	0	0	0	0	0	0	0	0	0	0	0	0
Police	68	14	60	14	60	16	60	16	59	15	59	0	15
Police - Drug Seizure	2	0	0	0	0	0	0	0	0	0	0	0	0
Fire	35	12	35	12	35	12	35	11	35	12	35	0	12
Public Services/Administration	2	0	2	0	2	0	2	0	2	0	2	0	0
Garage	4	0	4	0	4	0	3	1	3	1	3	1	1
Cemetery	3	0	0	0	0	0	0	0	0	0	0	0	0
Street	14	0	14	0	13	0	13	1	13	1	13	0	1
Sanitation	5	0	5	0	5	0	5	6	5	6	5	0	6
Recreation	9	24	9	24	11	24	9	30	9	29	9	2	29
Aycock Aquatics Center	2	10	2	10	2	8	2	30	2	30	2	0	30
Youth Services	4	0	4	0	4	0	4	0	3	0	3	0	0
Total General Fund Employees	172	61	157	61	153	61	150	95	148	94	148	8	94
Water Fund													
Administration	0	0	0	0	0	0	0	0	1	0	1	0	0
Customer Service	0	0	0	1	0	1	10	1	10	1	10	0	1
Engineering	3	0	3	0	3	0	4	0	4	0	4	1	0
Water Distribution	13	0	15	0	15	0	10	0	10	0	10	0	0
Total Water Fund Employees	16	0	18	1	18	1	24	1	25	1	25	1	1
Sewer Fund													
Water Reclamation Facility	21	0	21	0	21	0	21	0	21	0	21	0	0
Sewer Collection	5	0	5	0	5	0	5	0	5	0	5	0	0
Sewer Collection I & I	3	0	3	0	3	0	3	0	3	0	3	0	0
Total Sewer Fund Employees	29	0	29	0	0								
Regional Water													
Regional Water	12	0	12	0	12	0	13	0	13	0	13	0	0
Total Regional Water Employees	12	0	12	0	12	0	13	0	13	0	13	0	0
Weed & Seed													
Weed & Seed	1	1	1	1	1	1	0	0	0	0	0	0	0
Total Weed & Seed Employees	1	1	1	1	1	1	0	0	0	0	0	0	0
TOTAL EMPLOYEES	230	62	217	63	213	63	216	96	215	95	215	9	95

The FY 2015-16 Budget has been prepared in a reader friendly, program oriented budget format. The following summary provides information on how the reader might best understand the budget by first explaining the format of the budget.

The budget describes recommended City services and revenue sources proposed for the fiscal year beginning 1 July 2015 and ending 30 June 2016. Adopting an annual budget is one of the most important tasks the Mayor and City Council undertake each year. Indeed, it is the single most important policy document that the Mayor and Council will approve. It is through the adoption and implementation of the budget that the interests and values of our community are translated into plans for and the service delivery of programs, projects, services, and resources intended to benefit the citizens of Henderson.

1. This book is divided into sections.
2. Read the Budget Calendar found on *page 83*. All budget work sessions are open to the public and the public is cordially invited to attend.
3. Read the Budget Process and Accounting Policies beginning on *page 77*.
4. Read the Budget Message that begins on *page 1* under the *Budget Message* tab. This document provides information on the overall budget and identifies major policy recommendations and shifts in policy direction found within the budget document.
5. Read the Program Narratives for each budget division. These narratives will provide the reader with information about the division's purpose, budget highlights.
6. Read the Glossary found in *Appendix A*. The Glossary provides definitions for various words and phrases used within the budget that may not be generally understood by the lay reader.
7. If you have any questions about the budget, please feel free to contact the Finance Director at (252) 430-5711.

BUDGET ADOPTION

The City of Henderson's annual operating budget is adopted by ordinance in accordance with the North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) which states that estimated revenues and appropriated fund balances equal appropriations. The budget is developed on a cash basis, including only expenditures and revenues expected to be realized during the fiscal year. State statute also sets the fiscal year as beginning July 1 and ending June 30; therefore, the City Council must adopt a budget prior to July 1st of each year.

ACCOUNTING POLICIES

Summary

The accounting policies of the City of Henderson conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Reporting Entity

The City of Henderson is a Municipal Corporation governed by an elected mayor and an eight-member council.

FY 15-16 BUDGET BUDGET GUIDE

ACCOUNTING POLICIES (CONT.)

Fund Accounting

The accounts of the City are organized and operate on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are not funds but are a reporting device used to account for certain assets and liabilities of the governmental funds that are not recorded directly in those funds. The City uses the following fund categories:

Governmental Funds

Governmental Funds are used to account for the City's governmental functions. Governmental funds include the following fund types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and State-shared revenues. The primary expenditures are for public safety, streets, sanitation, parks and recreation, and general government services.

Powell Bill Fund - The Powell Bill Fund serves as a transfer account for expenditures incurred with Powell Bill Street allocations for accounting purposes.

Grant Revenue Funds - The Grant Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has two Capital Projects funds within its governmental fund types, the General Capital Projects Fund, and the Powell Bill Capital Projects Fund.

Proprietary Funds

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Fund includes the Water Fund, Regional Water System Fund, Sewer Fund, Capital Reserve Utilities Fund, Capital Reserve Regional Fund, and Water, Sewer, and Regional Water Capital Project Funds.

Fiduciary Fund

Pension Trust Fund - The Pension Trust Fund accounts for the Law Enforcement Officers' Special Separation Allowance enacted by the State Legislature and effective January 1, 1987.

BASIS OF BUDGETING

In accordance with the North Carolina General Statutes, the City is required to budget and account for its funds on the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become available. Expenditures are recognized in the accounting period in which the goods and services are received (except for unmatured interest on general long-term debt, which is recognized when due). The City's accounting records for general governmental operations are reported on the modified accrual basis. Enterprise and pension trust operations are reported on the accrual basis.

The General Statutes also provide for balanced project ordinances for the life of the projects, including both capital and grant activities, which are expected to extend beyond the end of the fiscal year. The budgeted appropriations for capital and grant projects do not lapse until the completion of the project, while appropriations for funds that adopt annual budgets lapse at the end of the fiscal year.

In keeping with state law, the budget is prepared and accounted for on a modified accrual basis for the general fund, enterprise funds, and the Powell Bill fund. All other funds, including capital project and grant funds adopt multi-year budgets.

In keeping with Generally Accepted Accounting Principles (GAAP), financial statements for proprietary funds are prepared on a full accrual basis. A reconciliation of the full accrual basis to modified accrual basis (budgetary basis) is included in the annual financial statements for enterprise funds.

Budget Structure

Fund Accounting, required for governmental units, is the style of accounting used to segregate and account for restricted resources. The City of Henderson develops its source and use of funds estimates contained in the annual budget in a manner that follows general accepted accounting principles (GAAP). The budget is organized on the basis of funds, each of which is considered a separate budgetary and accounting entity. Governmental resources are accounted for in individual funds based upon the purposes for which they are to be spent.

The primary focuses of most budget documents are the revenue and expenditure appropriations. The City's operating expenditures are organized into the following hierarchy: Funds, Departments, Categories and Line Items. To better understand the budget documents, the terms in the City's financial structure should be understood.

FUNDS

The budget is organized on the basis of funds, each of which is considered a separate budgetary and accounting entity. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent.

- A. **OPERATING BUDGET** - The City of Henderson's annual budget is adopted as required by the North Carolina General Statutes. The annual budget is divided into twelve separate funds as indicated below:

FY 15-16 BUDGET

BUDGET GUIDE

Governmental Funds

10: General Fund - handles the general operations of the City such as administration, police protection, fire services, planning/zoning, recreational programs, street maintenance, sanitation Governmental Funds (cont.)

services and Elmwood Cemetery operations. Resources are provided primarily through ad valorem taxes and intergovernmental revenues and are expended for services which are not compatible with a user fee financing method.

11: Powell Bill Fund - serves as a transfer account to properly account for expenditures incurred with Powell Bill Street Allocations. This annual State allocation is restricted to street, sidewalk and right-of-way maintenance, resurfacing and the purchase of equipment directly related to streets and right-of-ways. Transfers are made monthly to the General Fund or Capital Improvement Project Fund for the expenses incurred for these specific uses.

Enterprise Funds

30: Water Enterprise Fund - accounts for the provision of water services to utility customers and the revenue associated with the distribution of this water service. This enterprise fund is operated in a manner similar to private business enterprise. This fund is fully self-supporting by user charges for its service.

31: Sewer Enterprise Fund - provides for the activities necessary to furnish sewer treatment, sanitary sewer collection and inflow and infiltration of sewer. This enterprise fund is operated in a manner similar to private business enterprise. This fund is fully self-supporting by user charges for its service.

64: Regional Water System Fund - accounts for all revenue and expenditure sources to the City's Kerr Lake Regional Water System which is under the control of Henderson (60%), Oxford (20%) and Warren County (20%). The City of Henderson as the majority and controlling partner operates the system which serves over 40,000 customers for the joint use and benefit of all three entities and their respective service areas.

Capital Reserve Funds

70: Capital Reserve Utilities Fund - provides for the accumulation of revenues for future expansion and/or construction of water and sewer system and related improvements.

72: Capital Reserve General Fund - provides for the accumulation of revenues for future large capital equipment purchases and/or construction of facilities normally funded through General Fund resources including infrastructure components such as streets, sidewalks, storm drainage systems, public buildings, etc.

73: Capital Reserve Economic Development Fund - provides for a small reserve for economic development grant matches and incentives. It has no fund balance since the fund is just now being established.

78: Capital Reserve Regional Water Fund - consolidates three Regional Capital Reserve Funds into one. *75: Capital Reserve Regional Water COE*, *76: Capital Reserve Regional Water 20 MGD* and *77: Capital Reserve Regional General*.

FUNDS (CONT.)

79: Capital Reserve Rate Stabilization Fund - was established in March 2012 for the purpose of reserving money for future debt service for the 20MGD water plant expansion and major upgrades planned for the Water Reclamation Facility (Sewer Plant).

- B. **CAPITAL IMPROVEMENT PROJECTS FUND BUDGETS** - The Capital Improvement Projects fund budgets account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has two Capital Projects Funds within its governmental fund type (General and Powell Bill), and three Capital Projects Funds within its proprietary fund type (Water, Sewer & Regional Water). Capital Improvement Projects Fund projects are not considered to be part of the annual budget process since these projects remain “open” for the life of the project.

Governmental Funds

41: General Capital Improvement Projects Fund - accounts for the costs of general projects currently in the planning and/or construction stage.

42: Powell Bill Capital Improvement Projects Fund - accounts for the costs of Powell Bill projects currently in the planning and/or constructions stage.

Proprietary Funds

43: Water Capital Improvements Projects Fund - accounts for the costs of water projects currently in the planning and/or construction stage.

44: Sewer Capital Improvements Projects Fund - accounts for the costs of sewer projects currently in the planning and/or construction stage.

46: Regional Water Improvements Projects Fund - accounts for the costs of Regional Water projects currently in the planning and/or construction stage.

- C. **GRANT PROJECT FUNDS** - Grant Project Funds are projects that are set up by project ordinances that are funded in full or in part by Federal or State funds and have more than one year duration. These projects are accounted for as special revenue funds and are listed below:

55-100 Julia Avenue Engineering Project, **55-208** BJA (Bureau of Justice Assistance) Bulletproof Vest Grant 2013, **55-209** BJA Grant 2014, **55-210** 2014 GCC (Governor's Crime Commission) Viper/MDT Upgrade Grant, **55-211** BJA Bulletproof Vest Grant 2014, **99-942** Beckford Drive Widening Project

EXPENDITURE CLASSIFICATION

Departments are divisions of a fund that are responsible for performing specific government functions within their area of accountability. The departments represent the highest level of summarization used in the City's budget structure. Each department is divided by department budget as noted below:

Fund Department

Fund Department cont

FY 15-16 BUDGET BUDGET GUIDE

Fund Department cont.

- A. General Fund:** Governing Body, City Attorney, Administration, Human Resources, Finance, Development Services, Henderson-Vance Downtown Development, Public Buildings, Bennett Perry House, IT Services, Police, Fire, Admin/Public Services, Garage, Cemetery, Street, Sanitation, Recreation, Recreation/Youth Services, Aycock Aquatics Center, Non-Departmental, Vance County Shared Programs, Contribution to Local Agencies and Debt Service.
- B. Water Fund:** Engineering, Water Distribution, Administrative, Customer Service, Non-Departmental and Debt Service.
- C. Sewer Fund:** Wastewater Treatment, Sewer Collection, I & I, Non-Departmental and Debt Service.
- D. Regional Water Fund:** Water Treatment, Non-Departmental and Debt Service.
- E. Capital Reserve:** Utilities, General Fund, Economic Development, Regional Water and Rate Stabilization

DEPARTMENTAL EXPENDITURES CATEGORIES

Each department is broken down into four categories:

- A. Personnel Services** includes salaries and wages (full-time and part-time), pensions, health insurance, merit and other fringe benefits.
- B. Operating** pertains to the daily operations that provide basic governmental services such as supplies, utilities, materials and travel.
- C. Debt Service** includes appropriated principal and interest payments for any outstanding debt within each funds department.
- D. Capital Outlay** includes funds for the purchase of equipment, land or other fixed assets valued at more than \$1,000 with a lifespan of at least 5 years.

LINE ITEMS

Each budget consists of individual line items which identify specific expenditures and revenues. Line items are the most detailed way to list budget information.

BUDGET AMENDMENTS

Throughout the fiscal year, adjustments to the original budget ordinance may become necessary to meet changing circumstances, better carry out planned programs and provide for new Council initiatives. Two types of changes can occur – budget amendments and budget transfers. Such changes are required at the line-item level of the budget underlying the budget ordinance.

A budget amendment increases or decreases the revenue and expenditures of an appropriated fund (this may involve decreases or increases in revenue and expenditures or shifting of monies between funds). Budget amendments, in accordance with North Carolina Statute 159-15, require the approval of City Council. Amendment requests are submitted to the Finance Department and approved by the City Manager prior to submittal to City Council.

BUDGET TRANSFERS

A budget transfer changes line-item appropriations within a particular fund without changing the fund total. Interdepartmental budget transfers are prepared by the Department Directors. All transfer actions are reviewed and approved by both the Finance Director and the City Manager.

BUDGET CALENDAR

The City of Henderson begins its annual budget process in October of each year, with the distribution of the Capital Improvements Program (a ten year planning document), and the annual operating budget instructions and forms to Department Directors and Local Agencies.

The Department Directors have approximately three (3) months to concentrate on developing goals and objectives, requesting expenses and justifying any capital outlay for their department for the upcoming fiscal year.

After reviewing initial development requests, the City Manager and select staff meet with Department Directors. These informal meetings allow Department Heads to fully explain their requests and respond to questions from the City Manager. After these review meetings, expenditure and revenue decisions are made and line item recommendations are put into draft form, and presented to the Mayor, City Council and Department Directors.

Several Council/Staff work sessions are held that focus on the Operating and CIP Budgets for the upcoming year. Council directives are stated during these meetings and then incorporated into each budget document.

A public hearing on the proposed budget is held in June prior to budget adoption. Citizen concerns are voiced to the Mayor and Council at this public hearing. The budget is adopted at the City Council's last regular meeting in June or at a special called meeting set for the purpose of adopting the budget subsequent to the Budget hearing.

October	Budget instructions and forms are distributed to Department Directors and Local Agencies
January	City Council develops goals and objectives during their Strategic Planning Retreat
February	City Manager reviews Department Budget requests with the Department Directors
March	Funding requests from Local Agencies are due
April	Year-end revenue estimates are projected for current budget year Revenue projections for the upcoming budget year are developed Adjustments to all budgets, revenue projections, etc. necessary to balance budget Follow-up with individual Department Heads as needed and subject to City Manager's discretion
May	Special Called Meeting - Budget Summary Draft prepared and presented to City Council Budget Work Sessions held with Department Directors and Council for budget review
June	Budget Hearing Budget Adoption Notification to Local Agencies/Organizations who requested appropriation of City funds of funding status

**FY 15-16 BUDGET
BUDGET GUIDE**

Budget Calendar cont.

July 1 New Fiscal Year begins

September Final Budget/CIP Summary printed and distributed to City Council, Staff and appropriate agencies

Total Budget Issues

There are several key issues facing the overall budget that serve to not only impact FY16, but the next several fiscal years as well. A brief summary of these key issues is provided below:

Preparing for the Future

- **The Economy** has yet to bounce back in our area, thus “natural growth” in enterprise service funds and in general revenues such as sales taxes and property taxes remain stagnant. The city’s population continues to decline, so there is no growth in the utility or property tax customer base. This leaves little to no financial resources available for needed operations and capital support, in especially the General Fund, and requires dependency on rate and fee increases in enterprise funds.
- **Economic Development** is still widely viewed as the primary way the City and Vance County will be able to move forward from the long-standing period of regression following the loss of their traditional economic base and the recessions. The budget supports economic development efforts through the maintenance of a small economic development incentive fund as well as major investments in rebuilding the Water Reclamation Facility and doubling the size of the Regional Water Plant.
- After two years of rate reductions, **Medical Insurance** premiums will increase. The City has done a great job with health care management and wellness program participation, keeping the renewal rate well under what it could have been without consideration to the same. After extensive negotiations and alternative packages considered, staff was able to decrease the anticipated 24% and 18% increases down to an approximate increase of 15% for FY16. Mr. Burnette, the City’s broker for medical insurance, continues to perform in an exemplary manner to represent the City’s interest with rate negotiations with Blue Cross and Blue Shield.
- **Employee Compensation** remains an issue in terms of retaining and recruiting qualified employees. In 2014, the *Pay and Classification Study* revealed, on average, the City’s workforce was about 22.67% below peer cities and towns in compensation. This serves to fuel turnover as the economy improves in other areas, making it more difficult to recruit and retain well qualified people to fill vacancies. The 5-Year transition plan has not been funded as intended, therefore, it is likely that the City will continue to increase the gap between itself and peer cities. The first year’s installment addressed several positions in greatest need, thus not benefitting all employees. This year, eligible employees will be given a 3 or 4 percent market rate increase based on their salary at the time of hire, or a bonus based on their current salary. Again, not benefitting all employees.

FY 14-15 BUDGET
TOTAL BUDGET SUMMARY
ALL FUNDS

Expenditure Drivers

There are several expenditure drivers in the budget that serve to increase the cost of doing business. Just as private sector business faces increases in its costs, so too does the City. A summary of several of the leading expenditure drivers are summarized below:

- **Budgetary Creep** is a term used to identify the incremental increases in the costs of doing business. Several factors in this include: 1) increased costs of purchasing utilities, especially electricity for the treatment plants and street lighting; 2) increased costs of contracted services to the City for a variety of services ranging from communications and lighting installation for police cars to land application of sludge for the water treatment and wastewater treatment plants, etc; 3) career development for employees has an impact on personnel costs as employees gain higher level certifications and move through the ranks as tenure, experience and proficiency are attained; and 4) increased costs for maintenance and repair of an aging vehicle and equipment fleet.

Budgetary Position

The budgetary position for FY16 continues to be difficult. When natural growth does not drive budgetary revenue expansion, a locality must employ a combination of approaches including cost cutting, implementing efficiencies within operations, cost avoidance, increasing taxes, fees and rates and reductions in levels of service or eliminating services altogether. The City has deployed each of these approaches over time, particularly since 2005 when its general reserves were spent down to an alarming \$22,268.

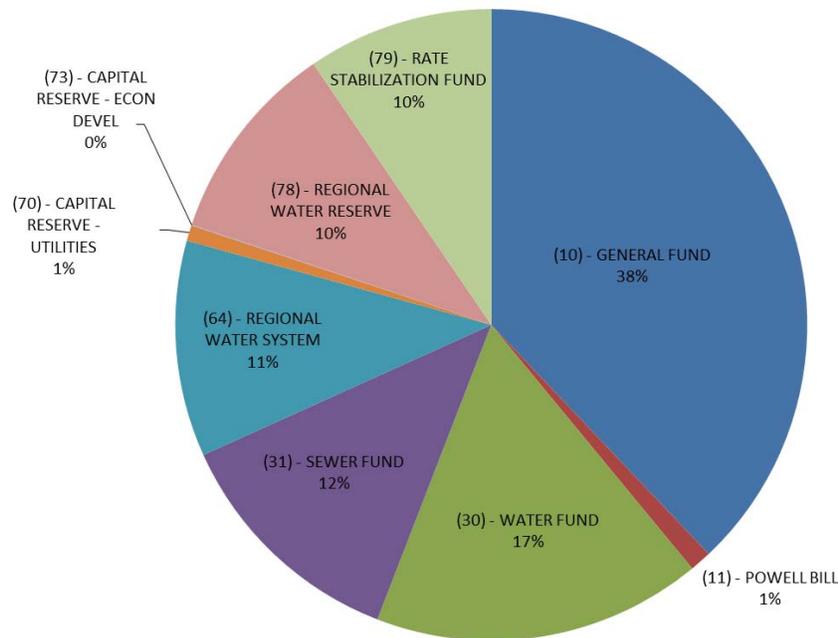
The FY16 Budget continues cost avoidance by not recommending worthy and needed requests by the department directors. There are still frozen positions, technology that needs replacing and upgrading, and needs for increased funding for training and career development.

- **Revenues are Lagging** due to very limited growth. While the City is seeing some positive signs of economic recovery, its local housing market still lags, and revenues are not keeping up with expenditure needs via natural growth. In the absence of natural growth, the City is forced to consider cuts to the operating and capital budgets and/or increases in the property tax, fees and utility rates. The recommended and approved changes in taxes, fees and utility rates are summarized below:
 - **Property Taxes** - No recommended increase
 - **Sanitation Fee** - No recommended increase
 - **Sewer Rate** - Increase of 9% recommended & approved
 - **Regional Water Rate** - Increase of 5% recommended and approved
 - **Water Rate** - Increase of 4% recommended and approved

**FY 15-16 BUDGET
TOTAL BUDGET SUMMARY
ALL FUNDS**

FUND	APPROVED
(10) - GENERAL FUND	\$ 15,428,100
(11) - POWELL BILL	\$ 450,000
(30) - WATER FUND	\$ 6,851,700
(31) - SEWER FUND	\$ 5,032,300
(64) - REGIONAL WATER SYSTEM	\$ 4,499,500
(70) - CAPITAL RESERVE - UTILITIES	\$ 324,500
(73) - CAPITAL RESERVE - ECON DEVEL	\$ 15,800
(78) - REGIONAL WATER RESERVE	\$ 4,208,900
(79) - RATE STABILIZATION FUND	\$ 3,872,300
TOTAL BUDGET	\$ 40,683,100

TOTAL BUDGET SUMMARY



Inter-fund Transfers include the Powell Bill, contributions to capital reserve funds, cost allocations and shared debt service between the enterprise and general funds. These total \$2,710,500, bringing the **Total Adjusted Budget**, to **\$37,972,600**.

**FY 14-15 BUDGET
TOTAL BUDGET SUMMARY
ALL FUNDS**

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**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10: GENERAL FUND SUMMARY**

GENERAL FUND SUMMARY

DEPARTMENT	2013-14		2014-15	2015-16		
	ACTUAL	AMENDED		REQUEST	RECOMMENDATION	APPROVED
(410) - GOVERNING BODY	\$ 164,738	\$ 177,710	\$ 177,500	\$ 186,300	\$ 176,100	\$ 177,200
(414) - ADMIN - CITY ATTORNEY	\$ 59,673	\$ 76,700	\$ 92,000	\$ 77,800	\$ 62,300	\$ 62,300
(420) - ADMINISTRATIVE	\$ 328,467	\$ 335,530	\$ 323,640	\$ 327,100	\$ 310,500	\$ 310,100
(423) - CODE COMPLIANCE	\$ 140,748	\$ 165,300	\$ 177,300	\$ 297,800	\$ 156,600	\$ -
(425) - HUMAN RESOURCES	\$ 175,695	\$ 182,940	\$ 200,640	\$ 201,500	\$ 198,800	\$ 198,400
(440) - FINANCE	\$ 378,042	\$ 402,470	\$ 442,400	\$ 484,200	\$ 478,000	\$ 477,100
(450) - INFORMATION SERVICES	\$ 19,872	\$ 35,800	\$ 43,000	\$ 90,400	\$ 52,900	\$ 52,900
(495) - PLANNING & COMMUNITY DEV	\$ 101,657	\$ 133,850	\$ 130,400	\$ 170,000	\$ 125,800	\$ -
(496) - DOWNTOWN DEVELOPMENT	\$ 61,578	\$ 66,530	\$ 10,500	\$ 90,500	\$ 10,000	\$ 20,000
(498) - DEVELOPMENT SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 333,800
(500) - PUBLIC BUILDINGS & GROUNDS	\$ 62,652	\$ 72,870	\$ 75,000	\$ 184,900	\$ 73,900	\$ 73,900
(501) - BENNETT PERRY HOUSE	\$ 1,236	\$ 2,700	\$ 25,750	\$ 600	\$ 600	\$ 600
(510) - POLICE	\$ 3,767,575	\$ 3,981,250	\$ 4,135,986	\$ 4,296,900	\$ 4,023,900	\$ 4,014,500
(512) - POLICE - ASSET FORFEITURE	\$ 233,425	\$ 406,000	\$ 325,000	\$ 163,000	\$ 288,500	\$ 288,500
(530) - FIRE	\$ 2,087,620	\$ 2,158,946	\$ 2,221,056	\$ 4,158,000	\$ 2,160,300	\$ 2,154,700
(545) - ADMIN - PUBLIC SERVICES	\$ 119,163	\$ 139,800	\$ 139,000	\$ 195,600	\$ 144,300	\$ 144,000
(555) - GARAGE	\$ 764,092	\$ 942,380	\$ 943,000	\$ 945,900	\$ 873,500	\$ 873,100
(560) - CEMETERY	\$ 70,485	\$ 77,200	\$ 76,000	\$ 86,500	\$ 86,500	\$ 86,500
(570) - STREET	\$ 1,040,215	\$ 1,190,460	\$ 1,190,100	\$ 1,274,900	\$ 1,127,400	\$ 1,115,400
(580) - SANITATION	\$ 853,437	\$ 888,630	\$ 910,100	\$ 1,034,100	\$ 1,160,800	\$ 1,160,000
(620) - RECREATION	\$ 830,627	\$ 881,000	\$ 895,600	\$ 1,184,800	\$ 907,200	\$ 905,800
(622) - YOUTH SERVICES	\$ 146,238	\$ 151,600	\$ 163,040	\$ 163,800	\$ 161,600	\$ 161,200
(623) - AYCOCK AQUATICS CENTER	\$ 322,440	\$ 346,460	\$ 355,440	\$ 476,300	\$ 350,400	\$ 350,100
(650) - VANCE CO SHARED PROGRAMS	\$ 931,787	\$ 983,700	\$ 1,006,000	\$ 1,045,800	\$ 1,027,200	\$ 1,027,200
(660) - NON-DEPARTMENTAL	\$ 556,236	\$ 607,067	\$ 607,825	\$ 667,300	\$ 631,600	\$ 631,600
(670) - CONTRIBUTION - LOCAL AGENCIES	\$ 35,050	\$ 35,100	\$ 30,800	\$ 35,100	\$ 30,800	\$ 30,800
(680) - DEBT SERVICE	\$ 842,409	\$ 842,548	\$ 809,715	\$ 778,400	\$ 778,400	\$ 778,400
(10) - GENERAL FUND	\$ 14,095,159	\$ 15,284,541	\$ 15,506,792	\$ 18,617,500	\$ 15,397,900	\$ 15,428,100

Key Budget Issues

\$345,000 of Fund Balance was appropriated to balance this year's budget, mainly due to a loss in the authority to collect Business Privilege Licenses.

A lease-purchase option had to be considered this year with a delay in payments in order to fulfill capital needs. This strategy allows departments to move forward with the purchases they need this year, but will likely lead to a need to go without capital outlay in at least the next fiscal year because the payments will be made at that time.

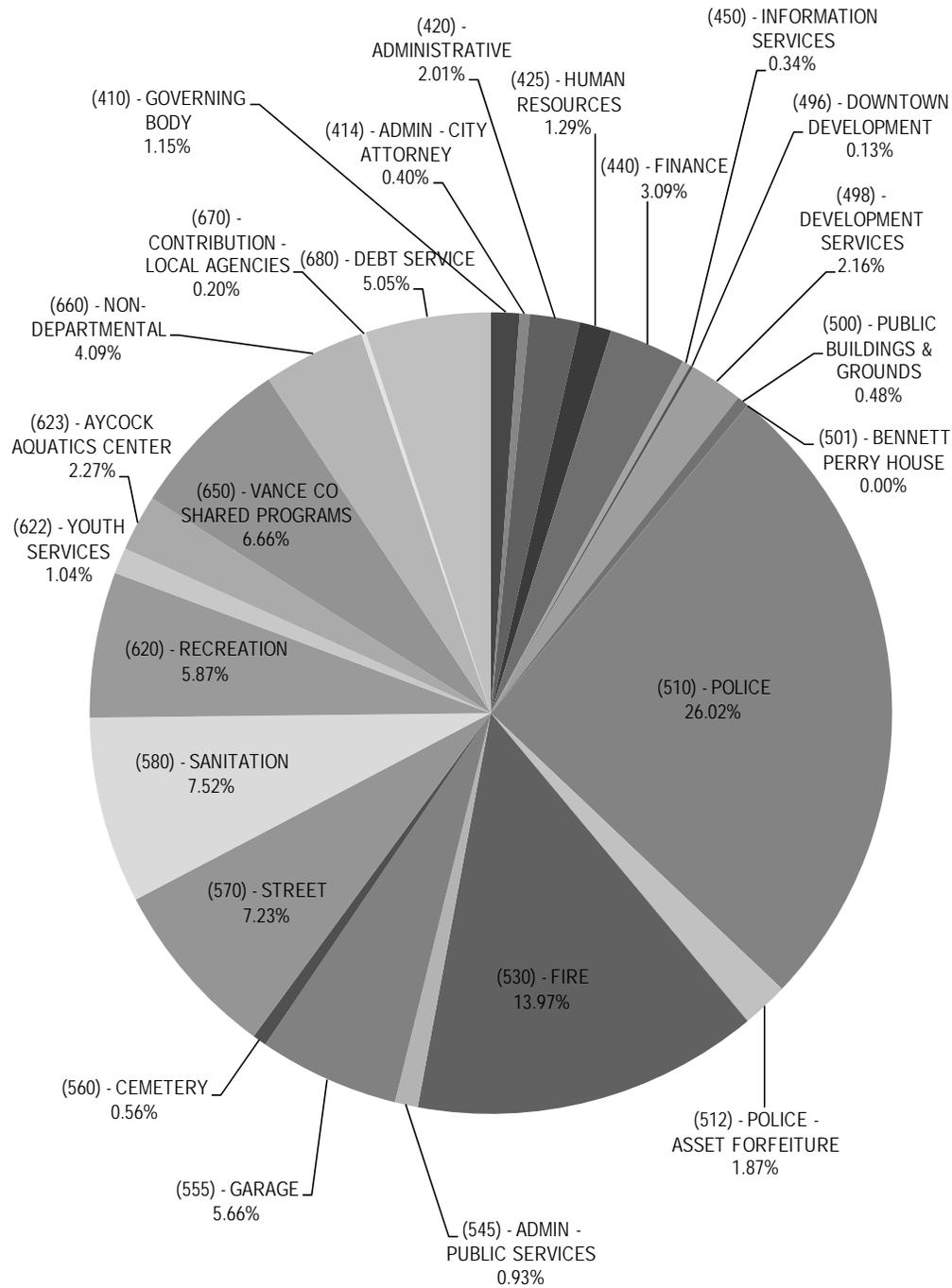
County shared programs should be revisited in the future due to the significant increases in obligations and the potential shift in ability to fulfill agreements entered into when the economy was in better shape.

Downtown Development, Information Services and Risk Management are key areas that need positions.

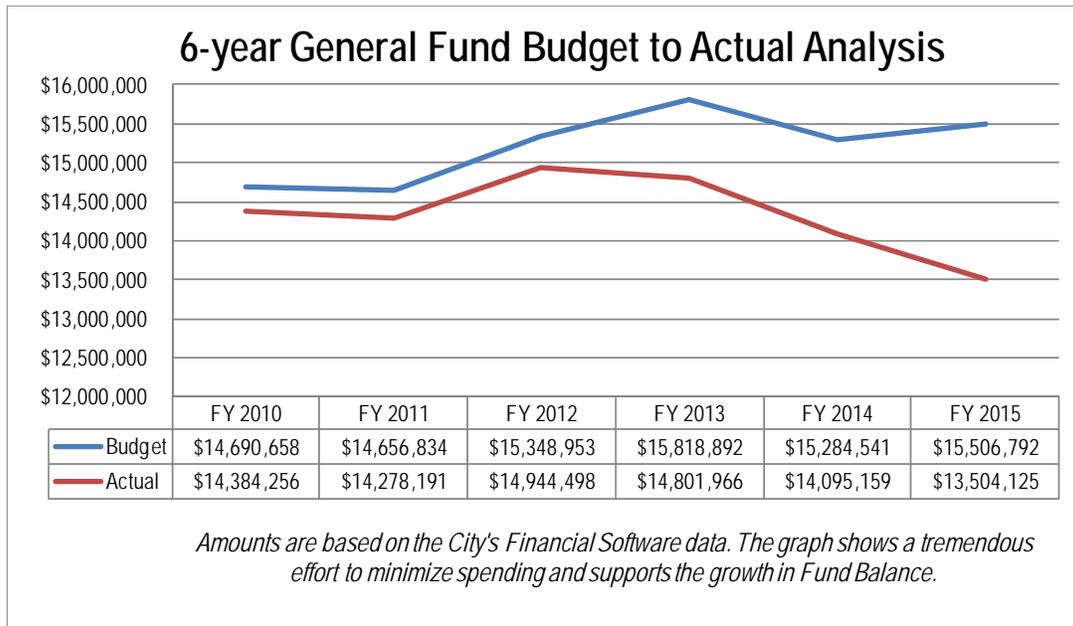
Police Asset Forfeiture funds are declining exponentially and the financial responsibility will fall back on the General Fund in order to continue to meet the demands of the community.

**FY 15-16 BUDGET
GOVERNING BODY
10: GENERAL FUND SUMMARY**

General Fund Departmental Budgets

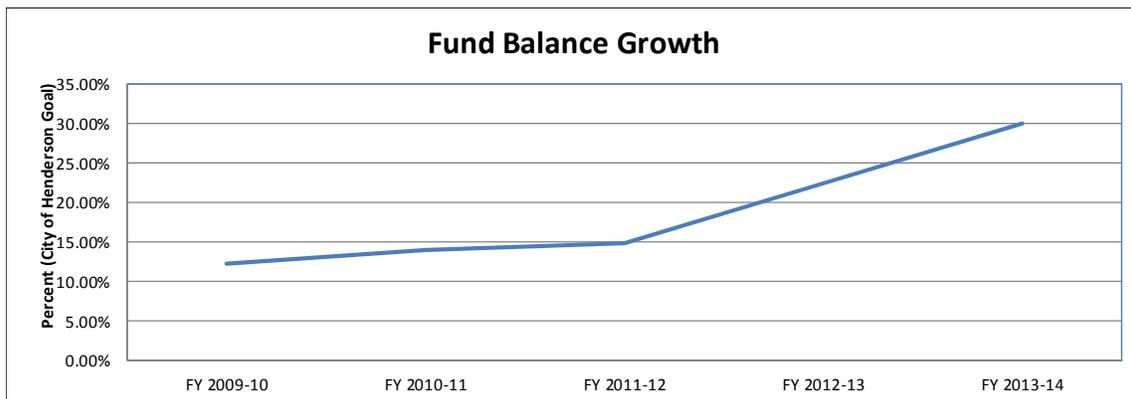


**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10: GENERAL FUND SUMMARY**



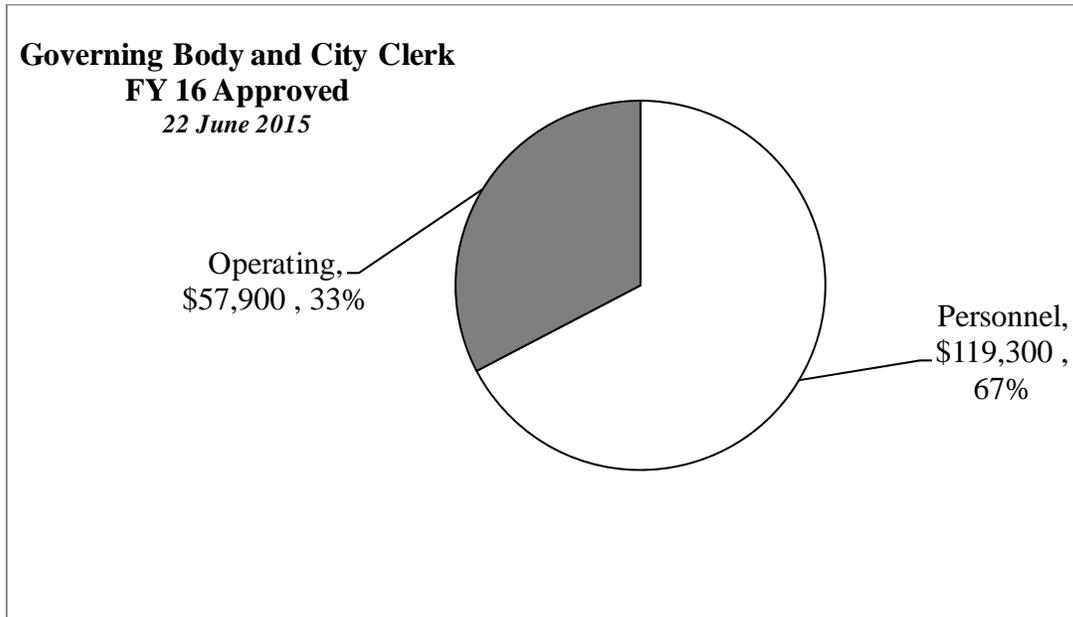
FUND BALANCE

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Fund Balance - General Fund at June 30	4,498,154	4,613,658	4,776,193	5,092,940	6,130,835
Stabilization by State Statute	1,624,662	1,317,984	1,392,725	1,042,496	1,264,915
Reserved for Federal Asset Forfeiture	676,450	837,941	768,647	663,547	454,050
Reserved for Powell Bill	244,299	299,017	349,608	267,610	410,519
Assigned for Subsequent Year's Expenditures - General Fund	219,750	175,008	238,000	153,000	-
Assigned for Subsequent Year's Expenditures - Powell Bill	-	-	21,600	-	-
Assigned for Subsequent Year's Expenditures - Leo Separation	-	-	-	-	-
Unassigned Fund Balance - General Fund at June 30 (per audit)	1,732,993	1,983,708	2,005,613	2,966,287	4,001,351
Current Year Expenditures + Transfers Out	14,281,300	14,278,191	13,522,458	13,277,942	13,390,403
Unassigned Fund Balance as a % of Current Year Expenditures	12.13%	13.89%	14.83%	22.34%	29.88%



**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-410: GENERAL FUND GOVERNING BODY SUMMARY**

10-410: GOVERNING BODY SUMMARY							
<i>last updated 17Apr 15 psp</i>	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 128,539	\$ 130,297	\$ 117,100	\$ 117,100	\$ 118,600	\$ 118,200	\$ 119,300
Operating	60,971	34,441	57,600	57,500	67,700	57,900	57,900
Total Expenditures	\$ 189,510	\$ 164,738	\$ 174,700	\$ 174,600	\$ 186,300	\$ 176,100	\$ 177,200



<u>AUTHORIZED POSITIONS</u>							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
<i>Elected Officials</i>							
1	1	Mayor					
8	8	Council Members					
<i>Administrative Staff</i>							
1	1	City Clerk	19	\$34,926	\$52,389		
1 FT/9 EO	1 FT/9 EO						
<u>HISTORY OF POSITIONS</u>							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	1 FT/9 EO	1 FT/9 EO	1 FT/9 EO				
New Requests	0	0	0	0	0	0	0
Total Funded Positions	1 FT/9 EO	1 FT/9 EO	1 FT/9 EO				

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-410: GENERAL FUND GOVERNING BODY SUMMARY

PURPOSE

The City of Henderson is structured as a Council-Manager form of government pursuant to the North Carolina General Statutes. The Mayor is elected at large and eight Council Members are elected to represent four (4) wards. Each ward has one council member elected by ward vote only and one council member is elected at-large. Beginning in 2013, council members and the mayor are elected for four year staggered terms.

The City Council is the legislative board of City government and sets the policies for the City. It appoints the City Manager, City Attorney and City Clerk.

FY14 ACCOMPLISHMENTS

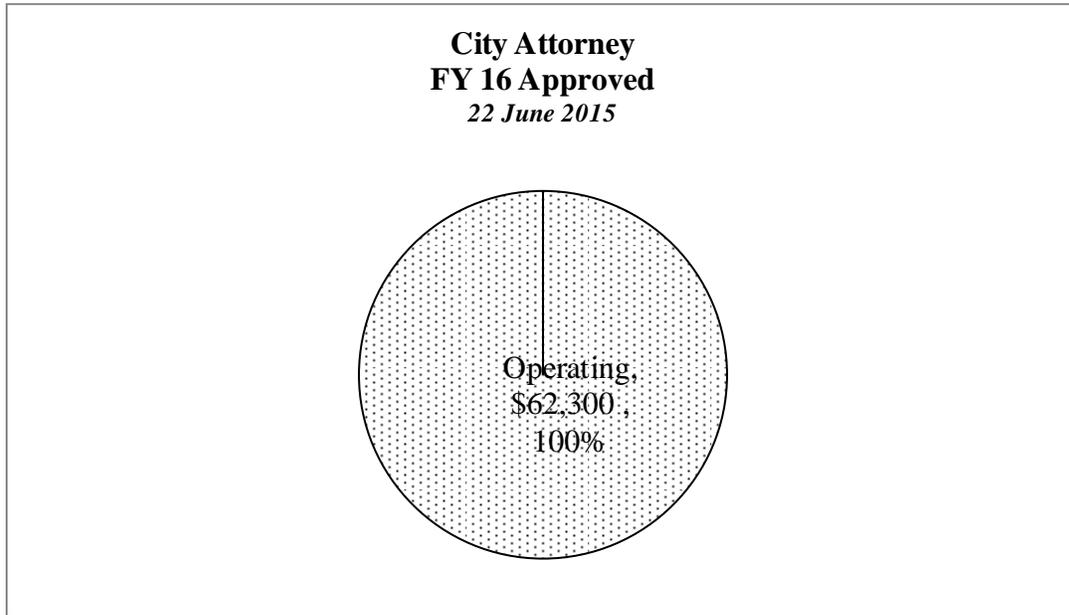
- **Strategic Plan:** The 2015-2017 Strategic Plan was reviewed during the Council Retreat in January 2015.
- **Roles and Expectations:** Council re-affirmed the roles and expectations for the Mayor, Council and City Manager during the Strategic Planning Retreat.
- **Infrastructure:**
 - Work continues on completing the Henderson Water Reclamation Facility with completion expected in 2015.
 - Replacement of a High Speed Pump at the Kerr Lake Regional Water Facility and is scheduled to be completed mid-summer 2015.
- **Major Accomplishments:**
 - Inter-Basin Transfer is ongoing and set to go before the EMC for consideration on July 9, 2015.
 - Pay Classification Study was approved by Council and Phase I was funded
 - Ethics Policy for Governing Body was revised and approved by Council

KEY BUDGET ISSUES

- **Travel & Meetings:** Insufficient funds for Mayor and Council to attend North Carolina League of Municipalities (NCLM) and/or National League of Cities (NLC) meetings.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-414: GENERAL FUND CITY ATTORNEY SUMMARY**

10-414: CITY ATTORNEY SUMMARY							
<i>last updated 6 May15 psp</i>	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30-Jun-15	15-16	15-16	15-16
Personnel Services	\$ 31,080	\$ 31,323	\$ 8,830	\$ 10,300	\$ -	\$ -	\$ -
Operating	49,389	28,350	60,170	38,074	77,800	62,300	62,300
Total Expenditures	\$ 80,469	\$ 59,673	\$ 69,000	\$ 48,374	\$ 77,800	\$ 62,300	\$ 62,300



<u>AUTHORIZED POSITIONS</u>							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1 PT	0	City Attorney (Contracted part time)					
		No Salary provided					
<u>HISTORY OF POSITIONS</u>							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	1 PT	1 PT	1 PT	1 PT	1 PT	0	0
New Requests	0	0	0	0	0	0	0
Total Funded Positions	1 PT	1 PT	1 PT	1 PT	1 PT	0	0

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-414: GENERAL FUND CITY ATTORNEY SUMMARY**

PURPOSE

To provide legal counsel to the Mayor, City Council, City Manager and City staff; prepare Ordinances and Resolutions; review contracts and agreements; and to represent the City as needed.

In 2014 the City Attorney's position changed from a part-time salaried position to a professional service position due to the retirement of City Attorney Zollicoffer. This required the salary funding to be moved to the operating funds.

The City Attorney now provides part-time services to the City via a contract with the firm of Stainback, Satterwhite, & Zollicoffer.

FY 15 ACCOMPLISHMENTS

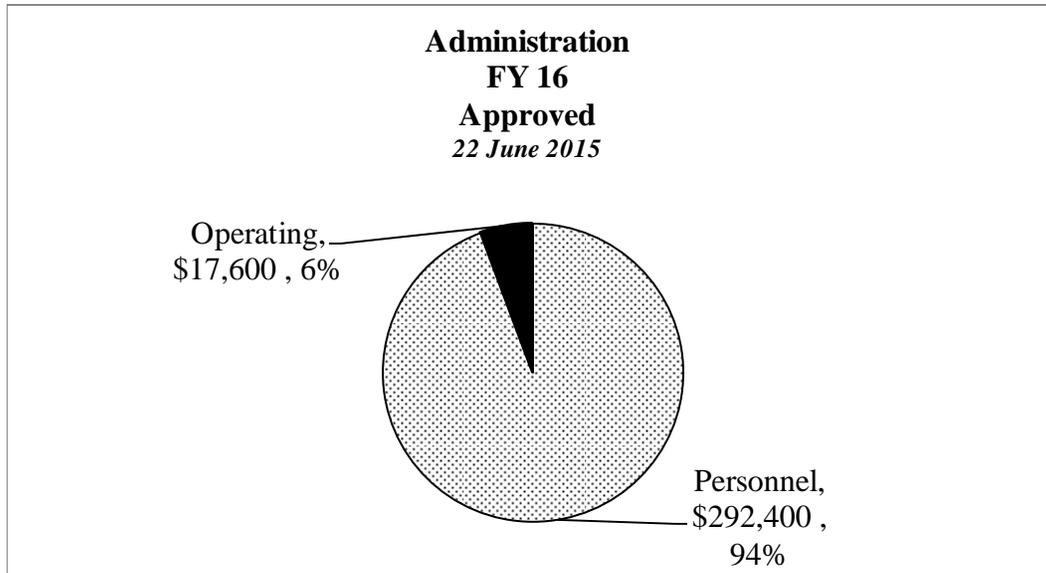
- **Ordinances:** As of 1 April 2015, the City Attorney has developed 23 Ordinances for the City of Henderson during FY 15.

KEY BUDGET ISSUES

- **Necessary Funding:** Insufficient funding to support use of outside legal representation when necessary.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-420: GENERAL FUND ADMINISTRATIVE SUMMARY**

10-420: ADMINISTRATIVE DEPARTMENT SUMMARY							
	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30 June 15	15-16	15-16	15-16
Personnel Services	\$ 316,756	\$ 312,935	\$ 289,340	\$ 302,068	\$ 304,200	\$ 292,800	292,400
Operating	16,896	15,531	33,300	32,990	19,900	17,700	17,700
Capital Outlay	-	-	1,000	1,000	3,000	-	-
Total Expenditures	\$ 333,652	\$ 328,467	\$ 323,640	\$ 336,058	\$ 327,100	\$ 310,500	\$ 310,100



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	City Manager					
1	1	Asst. City Manager	31	\$62,723	\$94,085		
1	1	Special Projects Manager	n/a	frozen			
1	1	Executive Assistant	14	\$27,365	\$41,048		
1	1	Administrative Secretary	11	frozen			
5	5						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	6	6	6	5	5	5	5
New Requests	1	1	0	0	0	0	0
Total Funded Positions	4	4	4	3	3	3	3

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-420: GENERAL FUND ADMINISTRATIVE SUMMARY**

PURPOSE

To guide, lead and direct all City departments in administrative matters related to and necessary for implementing City Council's policy.

The Administration Department consists of the City Manager, Assistant City Manager, Executive Assistant to the City Manager, Administrative Support Specialist and Special Projects Manager. The Special Projects Manager position and the Administrative Support Specialist positions have been frozen and unfunded for years. The Assistant City Manager acts in the absence of the City Manager and provides day-to-day supervision to the Public Services Department, Engineering, Water and Wastewater Treatment Facilities.

GOALS & OBJECTIVES

Goal 1: Strategic Plan

Objective 1: Lead the staff in implementing the Strategic Plan.

Goal 2: Performance Excellence

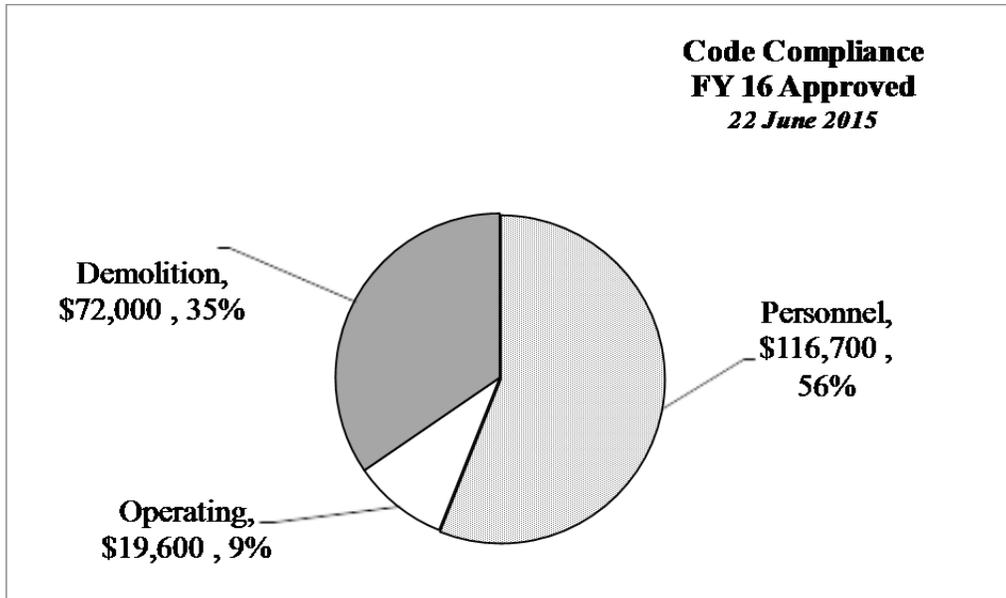
Objective 1: Implement process improvements throughout the organization.

KEY BUDGET ISSUES

- **Insufficient funds** to support municipal operational and capital needs as outlined throughout the budget document.
- **Frozen Positions:** Insufficient funds continue to keep the positions of Special Projects Manager and Administrative Assistant frozen and unfunded. This means the City does not have an effective Legislative Program.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-423: GENERAL FUND CODE COMPLIANCE SUMMARY**

10-423: CODE COMPLIANCE DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 95,425	\$ 90,906	99,300	103,801	\$ 152,300	\$ 117,100	116,700
Operating	51,351	49,842	64,900	59,899	145,500	39,500	91,600
Total Expenditures	\$ 146,776	\$ 140,749	\$ 164,200	\$ 163,700	\$ 297,800	\$ 156,600	\$ 208,300



AUTHORIZED POSITIONS					
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Development Services Director	26	\$49,145	\$73,718
1	1	Code Compliance Inspector	15	\$28,733	\$43,100
0	0	Code Compliance Inspector	15	frozen	
2	2				

HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	3	2	2	2	2	2	2
New Requests	1	1	0	0	1	0	0
Total Funded Positions	2	2	2	2	2	2	2

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-423: GENERAL FUND CODE COMPLIANCE SUMMARY**

PURPOSE

To ensure that all neighborhoods are safe, decent, and a good place to live and play by enforcing the Minimum Housing, Abandoned, Weeded Lot (Nuisances) ordinances and other applicable codes.

GOALS & OBJECTIVES

- Goal 1:** Evaluate city neighborhoods to ensure habitable and safe housing stock.
- Objective 1:** With strategic planning, the Code Compliance Department will continue to enforce the Minimum Housing Code and Abandoned Structure Code by evaluation of each dwelling within the neighborhoods and responding to complaints of substandard dwellings. The department, under the orders of the City Council, needs to remove the abandoned structures ready for demolition.
- Goal 2:** Continue to improve the City's appearance of nuisance properties and hazards under Chapter 23 Weeded Lot (Nuisance Property) City Ordinance.
- Objective 1:** Patrol all wards and neighborhoods on a routine cycle minimum (3 wards per week). Patrolling wards on a regular cycle will reduce complaints from citizens and ensure a cleaner and more attractive city.
- Goal 3:** Henderson's housing stock has many unsafe properties, abandoned structures, and poor housing. Aggressive enforcement of abandoned structures has removed over 300 structures in the past decade; however, there are still numerous structures and dwellings that need repair or demolition.
- Objective 1:** To create and initiate a periodic housing inspection program that will address minimum housing issues prior to dwellings reaching a state of dilapidation or condemnation.

FY 15 ACCOMPLISHMENTS

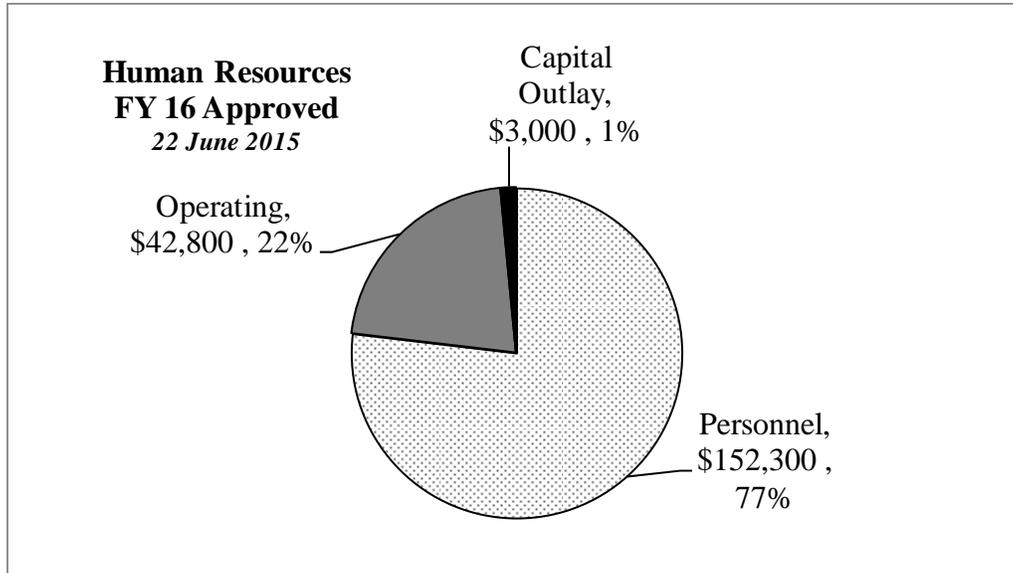
- The Code Compliance Department has experienced challenges this past fiscal year starting late summer of 2014 with key staffing issues and the retirement of the Code Compliance Inspector in October 2014. Due to other staffing issues in the Planning Department, the Development Services Department was created to stabilize staffing issues and merge departments and develop cross training to ensure services for citizens and customers. In February 2015, a Code Compliance Inspector was hired.

KEY BUDGET ISSUES

- Insufficient funds for effectively reducing the backlog of structures that are ready for demolition.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-425: GENERAL FUND HUMAN RESOURCES SUMMARY**

10-425: HUMAN RESOURCES SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 108,757	\$ 122,073	\$ 156,340	\$ 156,700	\$ 155,700	\$ 153,000	\$ 152,600
Operating	31,326	53,172	41,300	40,900	42,800	42,800	42,800
Capital Outlay	-	450	3,000	3,000	\$ 3,000	3,000	3,000
Total Expenditures	\$ 140,084	\$ 175,695	\$ 200,640	\$ 200,600	\$ 201,500	\$ 198,800	\$ 198,400



AUTHORIZED POSITIONS					
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Human Resources Director	25	\$46,805	\$70,208
1	1	Human Resources Technician	11	\$23,639	\$35,459
1	1	Receptionist/Office Assistant	8	\$20,420	\$30,630
Total Funded Positions					
3	3				

HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	2	2	2	3	3	3	3
New Requests	0	0	0	0	0	0	0
Total Funded Positions	2	2	2	3	3	3	3

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-425: GENERAL FUND HUMAN RESOURCES SUMMARY**

PURPOSE

To establish plans and programs related to the recruitment, staffing, training, compensation, benefits, employee safety, and employee and labor relations functions of the City; to ensure that each function is performed in such a manner as to meet the needs of Henderson residents and customers, the well-being of each employee and in accordance with local, state and federal regulations.

GOALS & OBJECTIVES

- Goal 1:** Offer affordable professional training.
Objective 1: To provide in-house training for employees in order to maintain a qualified workforce.
- Goal 2:** Stay abreast of “Health Care Reform” rules and regulations.
Objective 1: Comply with the federal and state Health Care Reform mandates.
- Goal 3:** Complete the update of Personnel Policies and separate Procedures.
Objective 1: Ensure that City policies are aligned with federal and state regulations.

FY 15 ACCOMPLISHMENTS

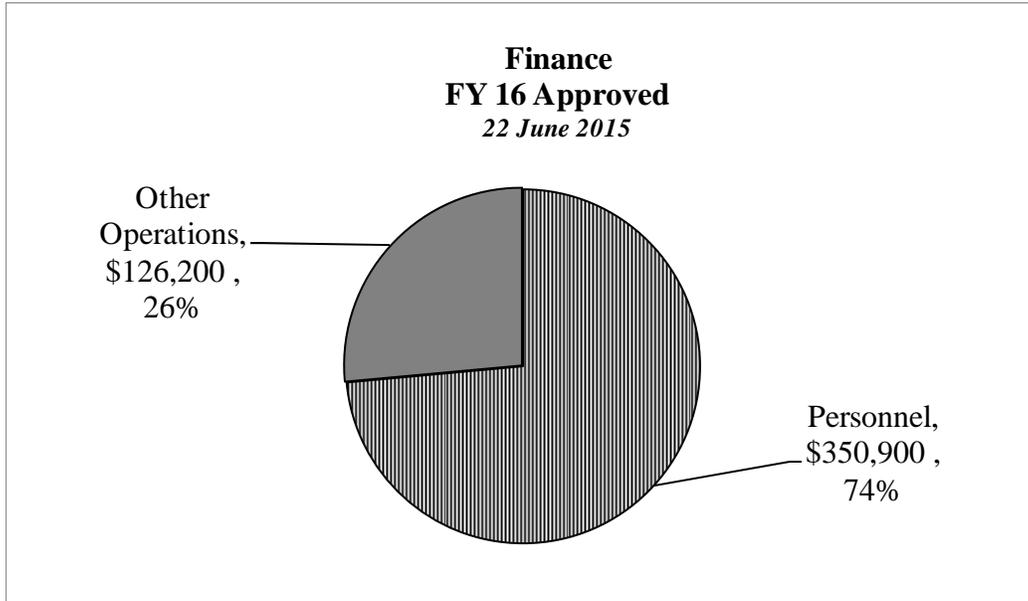
- **Health Insurance:** Recognized a 10% reduction in the City’s overall premium cost from the previous fiscal year and reduced the employee’s annual deduction amount from \$1500 to \$1000.
- **Health & Wellness:** Annual events – health fair, nutrition counseling and flu clinic. 100% of active employees completed the Health Assessment. Employees were highly motivated to participate in the City’s wellness program.
- **Pay Study Implementation:** Managed pay/class study project and the implementation of Phase One, which impacted 66 employees equaling 31.9 % of workforce at a cost of \$94,737.
- **Policy Updates/Compliance:** Update of entire Administrative Policy Manual underway. A basic generic Personnel Policy was provided by the MAPS group.
- **Employee Recognition:** Service Award banquet and Holiday luncheon.
- **Work First Intern Program:** Managed Work First Program for disadvantaged youths.
- **Training and Development:** Provided development opportunities to leadership team and city staff. Leadership Team received Diversity Training and Staff had an opportunity to participate in Anger Management training.

KEY BUDGET ISSUES

- **Training Budget:** \$5,000 to fund municipal training. This is an essential need in order to provide equal training opportunities for the staff and to maintain a qualified workforce.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-440: GENERAL FUND FINANCE SUMMARY**

10-440: FINANCE DEPARTMENT SUMMARY							
	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30-Jun-15	15-16	15-16	15-16
Personnel Services	\$ 306,177	\$ 276,205	\$ 320,600	\$ 318,300	\$ 357,500	\$ 351,800	\$ 350,900
Operating	110,964	101,837	120,100	114,670	126,700	126,200	126,200
Total Expenditures	\$ 417,141	\$ 378,042	\$ 440,700	\$ 432,970	\$ 484,200	\$ 478,000	\$ 477,100



<u>AUTHORIZED POSITIONS</u>							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
<i>Accounting & Payroll Section</i>							
1	1	Finance Director	28	\$54,182	\$81,273		
0.5	1	Assistant Finance Director	21	\$38,506	\$57,759		
1	1	Accountant	16	\$30,170	\$45,255		
1	1	Payroll Specialist	13	\$26,062	\$39,093		
1	1	Accounts Payable Specialist	12	\$24,821	\$37,232		
1	1	Accounting Technician	12	\$24,821	\$37,232		
5.5	6						
<u>HISTORY OF POSITIONS</u>							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 14-15	Recommended FY 14-15	Approved FY 14-15
Authorized	11	6	5	5.5	6	6	6
New Requests	0	0	0	0	0	0	0
Total Funded Positions	11	6	5	5.5	6	6	6

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-440: GENERAL FUND FINANCE SUMMARY**

PURPOSE

To administer the fiscal affairs of the City in compliance with local, state and federal regulations and in accordance with generally accepted accounting principles of governmental accounting and the rules and regulations of the North Carolina Local Government Commission. The Finance Department's responsibilities include the collection and disbursement of funds, control of expenditures, cash and asset management, payroll and purchasing. The Department is responsible for insuring that all of the City's disbursements are in strict compliance with laws and regulations and the City's budget ordinance.

GOALS & OBJECTIVES

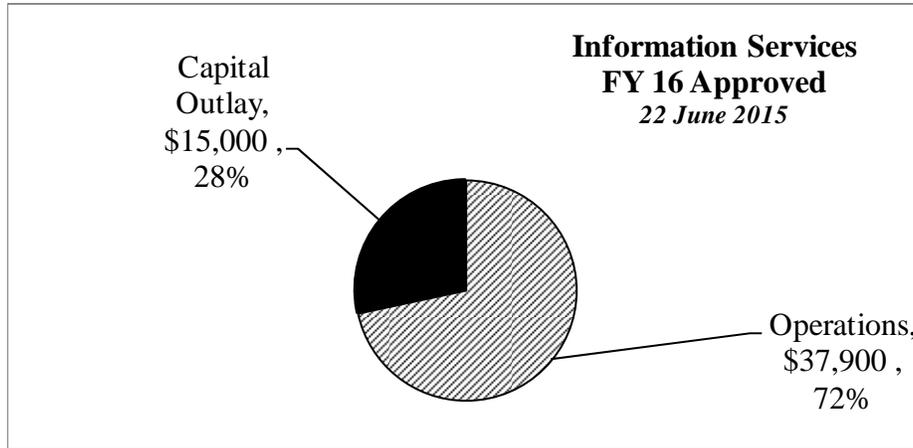
- Goal 1:** Earn the GFOA Certificate of Achievement Award for Excellence in Financial Reporting.
Objective 1: Work closely with auditors to ensure that the FY15 Comprehensive Annual Financial Report meets or exceeds the requirements for the GFOA award and assist with preparation of the FY16 budget in compliance with GFOA guidelines.
- Goal 2:** To record and post financial data in a timely and efficient manner.
Objective 1: To utilize and/or expand the comprehensive checklist of critical dates for various items and/or tasks including revenue receipts (sales tax, utility franchise tax, etc.), debt service payments, reporting deadlines, etc. and to continue to review and monitor this checklist on an on-going basis to insure that deadlines are met and that financial data is recorded accurately and in a timely manner in order to provide meaningful and reliable up-to-date financial information to management and department heads and submit all "outside" reports (Powell Bill, various LGC reports, NC Dept. of Revenue reports, etc.) by their required due dates.
- Goal 3:** Improve current departmental processes and procedures.
Objective 1: Review current processes and procedures for potential improvements. Determine if distribution of departmental tasks and responsibilities are assigned in the most efficient manner and re-align/re-assign duties and responsibilities where efficiencies could be improved.

FY 15 ACCOMPLISHMENTS

- **Awards:** GFOA Certificate of Achievement for Excellence in Financial Reporting was received for the 23rd consecutive year for the FY 2013.
- **Audit:** Received a "clean," unmodified opinion on the FY 2014 financial audit report, with no "unit letter" from the NC Local Government Commission. This is the second year in a row that we have not received a letter and we feel that this is indicative of the progress that the Finance Department has made.
- **Staff:** We were able to hire a qualified Assistant Finance Director this past year and we look forward to making even further improvements within the Finance Department in the years ahead.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-450: GENERAL FUND INFORMATION SERVICES SUMMARY**

10-450: INFORMATION SERVICES DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services			-	-		-	
Operating	20336	19,872	35,800	37,060	37,900	37,900	37,900
Capital Outlay			7,200	7,200	52,500	15,000	15,000
Total Expenditures	\$ 20,336	\$ 19,872	\$ 43,000	\$ 44,260	\$ 90,400	\$ 52,900	\$ 52,900



AUTHORIZED POSITIONS							
FY 12-13	FY 13-14	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
HISTORY OF POSITION							
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	Requested Fy 14-15	Recommended FY 14-15	Approved FY 14-15
Authorized	0	0	0	0	0	0	0
New Request	0	0	0	0	0	0	0
Total Funded Positions	0	0	0	0	0	0	0

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-450: GENERAL FUND INFORMATION SERVICES SUMMARY

PURPOSE

To provide support and assistance to all departments in troubleshooting computers and software systems.

GOALS & OBJECTIVES

Goal 1: To update and maintain the City's Information Technology (IT) infrastructure.

Objective 1: To update and maintain the City's Information Technology (IT) infrastructure to meet and exceed the needs of the City's workforce to operate, serve, and protect the public in a timely manner.

FY 15 ACCOMPLISHMENTS

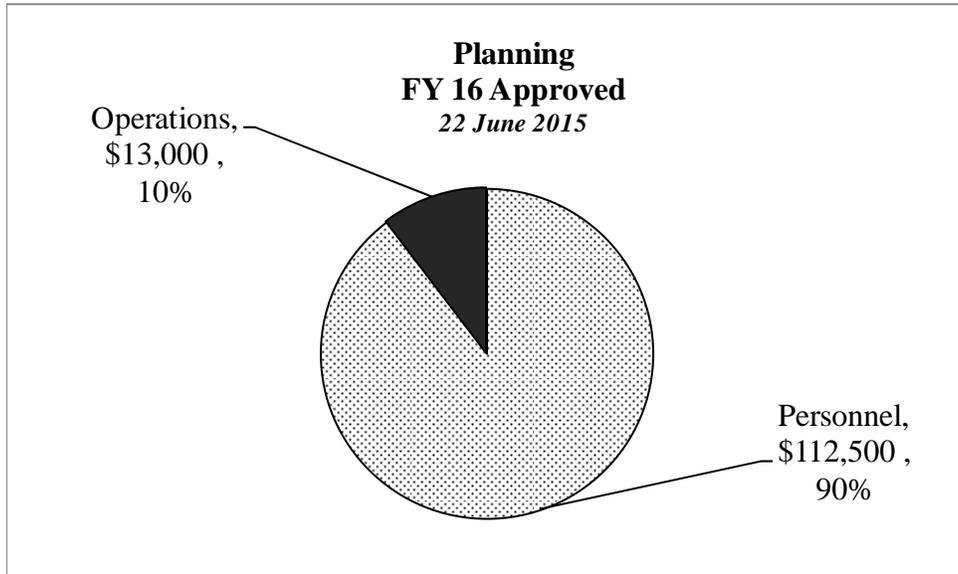
- **Police Department Records Management Server:** The Police Department has replaced their Records Management Server with utilizing General Funds and Asset Forfeiture Money.

KEY BUDGET ISSUES

- **Insufficient Staffing:** The City has not had an IT position for years. This task was performed to a limited capacity in the past by former staff members with limited abilities, but now must be performed by outside contractors leaving the city vulnerable to their schedule for repairs, etc. The City has developed an information technology team to review the needs and services offered by other contractors in the business.
- **Computer Replacements:** In accordance with the General CIP that was produced this fiscal year, the IT department is requesting funds to replace 25 computers (monitors included) as well as MS Office software. The existing IT infrastructure is aging and without significant funds to replace the older computers, the work force will lag in work capacity and performance as well as technical knowledge to keep abreast of current standards. Budget cuts necessary to balance the General Fund eliminated all funding.
- **IT System Replacement Plan:** The IT department, using the General CIP, is requesting funds for replacement of the City Hall's remaining servers and switches as those are significantly dated, causing connectivity issues, work stoppages, and speed degradation. The servers are the backbone of our infrastructure and cannot be allowed to fail. These switches allow for connections to the server, which are approximately 12 to 15 years old. The useful life of a switch is normally 10 years.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-495: GENERAL FUND PLANNING & COMMUNITY DEVELOPMENT SUMMARY**

10-495: PLANNING & CD DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 126,473	\$ 89,131	\$ 130,700	\$ 88,789	\$ 154,200	\$ 112,800	\$ 112,500
Operating	11,128	12,527	13,300	9,055	15,800	13,000	13,000
Total Expenditures	\$137,601	\$101,657	\$144,000	\$ 97,844	\$ 170,000	\$ 125,800	\$ 125,500



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
		<i>Board Members</i>					
15	15	Board of Adjustment Members					
10	10	Planning Board Members					
		<i>Staff</i>					
1	0	Planning Director	26	\$49,145	\$73,718		
1	1	Zoning Administrator	17	\$31,679	\$47,519		
0	1	Planner	17	\$31,679	\$47,519		
1	1	Planning Technician		frozen			
1	1	Community Dev. Director		frozen			
1	1	Administrative Secretary		frozen			
5	5						
HISTORY OF POSITIONS							
	FY11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	5	5	5	5	5	5	5
New Requests	0	0	1	0	1	0	0
Total Funded Positions	2	2	2	2	2	2	2

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-495: GENERAL FUND PLANNING & COMMUNITY DEVELOPMENT SUMMARY

PURPOSE

Planning and Community Development along with Zoning operates under the direction of Development Services Department. Planning, Zoning, and Community Development administer land use regulations for the City of Henderson. Our overall objective is to promote smart growth and development in the City and Extraterritorial Jurisdiction.

GOALS & OBJECTIVES

- Goal 1:** Develop permitting process that meet the needs of all customer (external and internal)
- Objective 1:** To continue to streamline the permitting and development processes so that developers are able to construct, renovate, and make property improvements with as much up front knowledge as possible, a most comprehensive development process and the highest level of customer service. In addition, identify ways to unify codes and regulation that impact development with other departments within the City and Vance County.
- Goal 2:** Develop community planning.
- Objective 1:** To build community capacity within the distressed commercial areas and neighborhoods prioritizing the most distressed zones. Continue to develop the Community Advisory committee identify potential areas of economic development and neighborhood development. In addition, work with other partners within the city and regional area to create solution for blight.
- Goal 3:** Build and develop spatial data capacity/GIS
- Objective 1:** The spatial data is at a stage to compile and create a version of the data for examination for potential users such as state planners, grant writers, consultants, and other city staff. The data is expected to included land use zones, housing information (abandoned structures), City and County properties, and crime information (limited).

FY 15 ACCOMPLISHMENTS

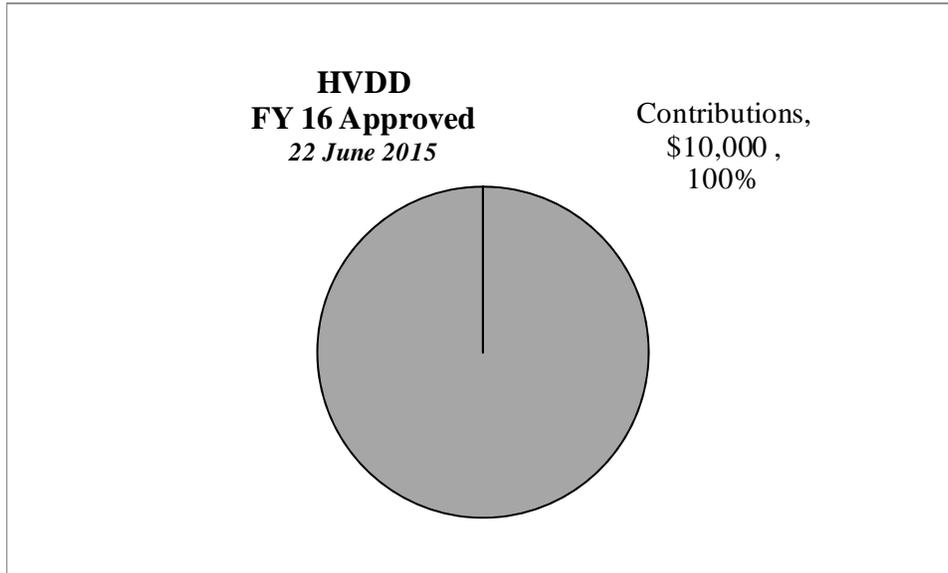
- This past year has been challenging due to 100% turn over within the Planning Department. However, the Development Services Department was created in September 2014 and a Planner and Zoning Administrator was hired in December 2014. This merger of Planning and Code Compliance has instituted relief and leadership for land use development.
- Re-establishment of Technical Review Committee on all minor and major development prior to development.
- Created system of digital communication to other departments and Vance County Planning Development for permits through direct email.

KEY BUDGET ISSUES

- **Updated Zoning Ordinance:** A major document the entire department uses is our Code of Land use laws. Our ordinance desperately needs an overhaul rewrite as we have not amended it since its origin in 1987. Many of the uses are antiquated and not developer friendly. There is no funding for this initiative.
- **Lack of Administrative Staff:** Lack of administrative staff prolongs processing and limits other staff's time in the field.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-496: GENERAL FUND DOWNTOWN DEVELOPMENT SUMMARY**

	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 34,464	\$ 47,893			\$ 54,400		
Operating	15,682	13,685	10,000	10,000	36,100	10,000	20,000
Total Expenditures	\$ 50,146	\$ 61,578	\$ 10,000	\$ 10,000	\$ 90,500	\$ 10,000	\$ 20,000



<u>AUTHORIZED POSITIONS</u>							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
0	0	Main St. Program Manager	19	\$34,926	\$52,389		
Position eliminated FY 15							
0	0						
<u>HISTORY OF POSITIONS</u>							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	0.5	0.5	1.0	0	0	0	0
New Requests	0	0	0	0	1	0	0
Total Funded Positions	0.5	0.5	1.0	0	0	0	0

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-496: GENERAL FUND DOWNTOWN DEVELOPMENT SUMMARY

PURPOSE

To promote, enhance, facilitate and encourage a vibrant, healthy and historically significant downtown historic central business district. To ensure the Downtown business district is being managed using the four-point approach of the Main Street program: organization, promotion, design and economic restructuring.

The Downtown Development Commission is a twenty-three (23) member group organized as a 501c3 corporation.

GOALS & OBJECTIVES

- Goal 1:** Build and enhance relationships with the downtown merchants
Objective 1: Strive to foster relationships with the merchants in the downtown area, encouraging networking and collaborative improvement opportunities
- Goal 2:** Provide assistance and support for downtown businesses
Objective 1: Use various promotional opportunities to make downtown attractive, to build the customer base for all businesses and enhance the environment in the downtown area
- Goal 3:** Develop and market a brand for Henderson
Objective 1: Identify and market a selected brand for the City and possibly beyond. This will include a branding campaign and promotional opportunities.

FY 15 ACCOMPLISHMENTS

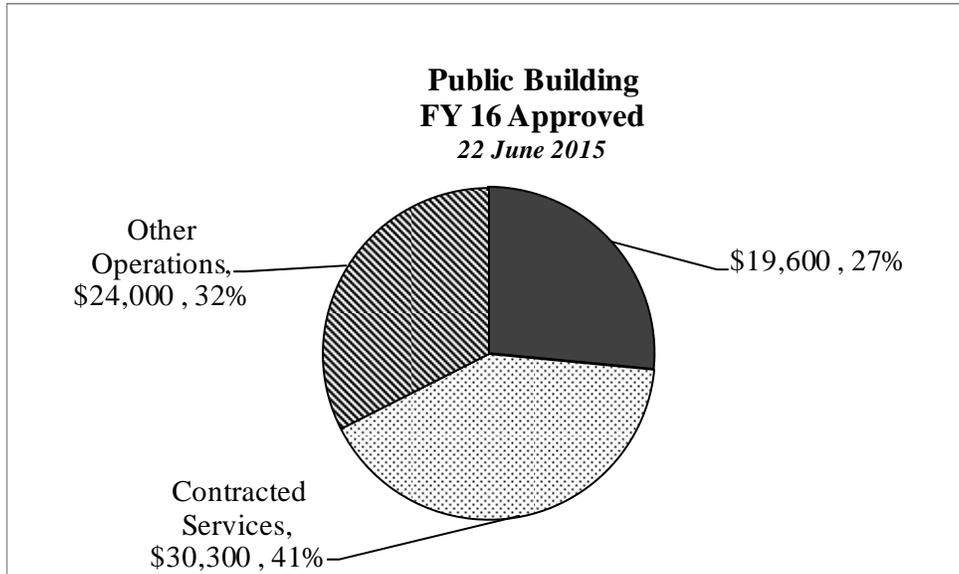
- **Establish Façade Grant Program Application and Process.** This incentive suggested by City Council to improve the physical appearance of downtown buildings. The DDC board has completed this task and in search of funding to provide grant opportunities.
- **Downtown Streetscape:** The downtown streetscape maintained through maintenance contract provided by the City and DDC board members have provided additional effort outside the scope of work of the maintenance contract such as additional plantings. A contract with a Landscape company provides limited maintenance to existing trees and planter areas in the downtown area.

KEY BUDGET ISSUES

- **Façade Improvements:** There are numerous buildings downtown that need their facades improved to attract businesses and approve the overall appearance of Main Street. There are no funds for this program.
- **De-Funding Main Street:** In order to meet the needs of downtown merchants and insititute a four-point approach of the Main Street program, refunding of the Main Street Manager position is requested.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-500: GENERAL FUND PUBLIC BUILDINGS & GROUNDS SUMMARY**

10-500: PUBLIC BLDGS DEPARTMENT SUMMARY							
	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30-Jun-15	15-16	15-16	15-16
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating	67,876	62,652	72,400	68,800	74,400	73,900	73,900
Capital Outlay	-				110,500	-	
Total Expenditures	\$ 67,876	\$ 62,652	\$ 72,400	\$ 68,800	\$ 184,900	\$ 73,900	\$ 73,900



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
0	0						
0	0						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	1	0	0	0	0	0	0
New Request	0	0	0	0	0	0	0
Total Fund Positions	1	0	0	0	0	0	0

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-500: GENERAL FUND PUBLIC BUILDINGS & GROUNDS SUMMARY

PURPOSE

To provide funds on a centralized basis for general building maintenance (City Hall, Public Safety Building, etc.) and associated insurance and utility costs for public buildings. The Engineering Department is responsible for administering this budget.

GOALS & OBJECTIVES

- Goal 1:** Continue to make improvements to landscaping around City Hall.
- Objective 1:** Continue to improve the look of City Hall to set the tone and encourage further beautification efforts as well as promotion of the downtown area.
- Goal 2:** Continue to maintain and improve the City Hall working environment for employees with various projects.
- Objective 1:** Increase worker safety, productivity through better working environment.

FY 15 ACCOMPLISHMENTS

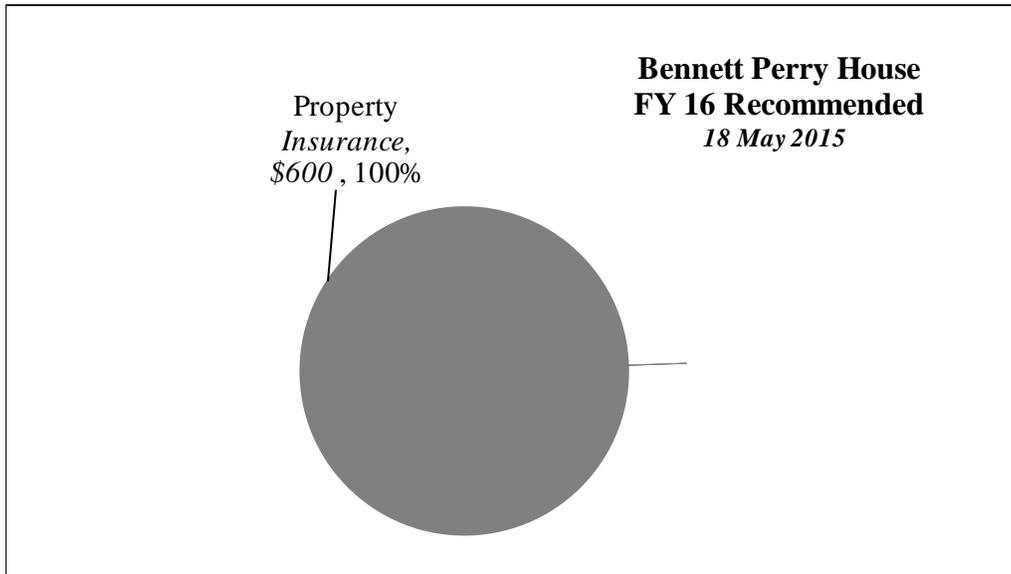
- **Interior Improvements:** Completed wall partitions and doors to create a conference room for Development Services and Council Recess at the City Hall facility. This conference room will aid all departments in the day-to-day operations as well as giving them the ability to provide more efficient customer service.

KEY BUDGET ISSUES/REQUESTS

- **Old Police Department Roof:** The roof on the old Police Department that is attached to Fire Station #1 is in serious need of replacement but has been removed from the budget multiple times. Once a roof starts to leak the interior of the building degrades quickly, therefore to secure the integrity of this, City building funds need to be secured for this roof.
- **Electric Door Lock System:** Insufficient funds to install new electronic door lock system for the employee entrances which would aid in protection of access, tracking access by employees and better control of access to City Hall during non-work hours. The current locking mechanisms are archaic and it requires changing whenever an employee leaves the city's employ as well as constant maintenance as the locking mechanism continues to break.
- **Maintenance and upkeep:** Insufficient funds for interior and exterior painting of the building.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-501: GENERAL FUND BENNETT PERRY HOUSE SUMMARY**

10-501: BENNETT PERRY HOUSE							
	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30-Jun-15	15-16	15-16	15-16
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating	5,407	1,236	25,750	200	600	600	
Total Expenditures	\$ 5,407	\$ 1,236	\$ 25,750	\$ 200	\$ 600	\$ 600	\$ -



AUTHORIZED POSITIONS					
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
0	0				
0	0				

HISTORY OF POSITIONS							
	FY	FY	FY	FY	Requested	Recommended	Approved
	11-12	12-13	13-14	14-15	FY	FY	FY
					15-16	15-16	15-16
AUTHORIZED			0	0	0	0	
NEW REQUESTS			0	0	0	0	
TOTAL FUNDED POSITIONS			0	0	0	0	

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-501: GENERAL FUND BENNETT PERRY HOUSE SUMMARY

PURPOSE

Mr. Bennett Perry donated his home, located at the corner of Church and North Chestnut streets to the City of Henderson with the intent that the City maintain it as a museum. The City Council approved the acceptance of his donation via Resolution 11-80 on 8 August 2011.

GOALS & OBJECTIVES

Goal 1: Conversion of property to a 501(c3) corporation to establish a museum.

Objective 1: Establishment of a museum consistent with the covenants of the transfer of property.

Goal 2: Effectively maintain the existing building and grounds.

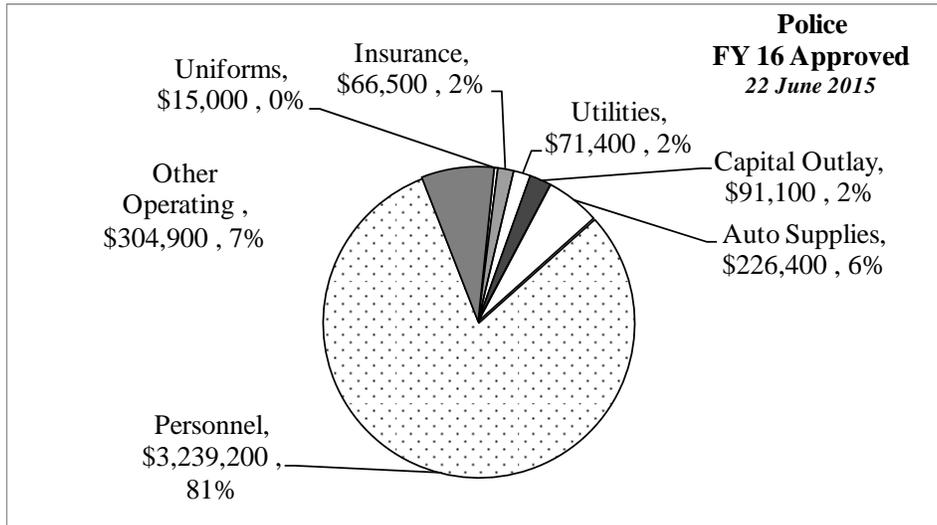
Objective 1: To maintain the integrity of the house as well as the aesthetics of the grounds.

FY 15 ACCOMPLISHMENTS

- The Bennett Perry Museum was leased in March 2015 to the Corbitt Preservation Association (a historical preservation institution). The Association will maintain and operate the Museum until 2020.
- Winterized the house to protect the integrity of the pipes, heating system, etc.
- Maintained the grounds to be aesthetically pleasing to the surrounding neighborhood.

**FY 15-16 BUDGET
GENERAL BUDGET
10-510: GENERAL FUND POLICE DEPARTMENT SUMMARY**

	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 2,925,889	\$ 3,105,401	\$ 3,251,440	\$ 3,257,871	\$ 3,310,300	\$ 3,248,600	\$ 3,239,200
Operating	\$ 809,349	\$ 662,174	761,700	747,600	850,500	684,200	684,200
Capital Outlay	\$ -		96,246	88,396	136,100	91,100	91,100
Total Expenditures	\$ 3,735,239	\$ 3,767,575	\$ 4,109,386	\$ 4,093,866	\$ 4,296,900	\$ 4,023,900	\$ 4,014,500



Police Department has their own pay scale.

FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
<i>Sworn Law Enforcement Officers Full Time</i>							
1	1	Chief of Police	LE 28	\$54,182	\$81,273		
2	2	Captain	LE 22	\$46,876	\$70,313		
9	9	Lieutenant	LE 20	\$43,892	\$65,838		
9	9	Sergeant	LE 17	\$41,094	\$61,641		
4	4	Senior Police Officer	LE 15	\$35,893	\$53,840		
11	11	Patrol Officer II	LE 15	\$33,546	\$50,319		
16	16	Patrol Officer I	LE 15	\$31,352	\$47,029		
16	52	<i>Subtotal</i>					
<i>Administrative Full Time</i>							
1	1	Case Management Coordinator	LE 5	\$23,190	\$34,656		
1	1	Administrative Assistant	LE 6	\$24,906	\$37,359		
1	1	Administrative Secretary	LE 5	\$23,190	\$34,656		
4	3	Police Office Assistant	LE 4	\$21,592	\$32,388		
1	1	Parking Enforcement	LE 2	\$18,859	\$28,288		
8	7	<i>Subtotal</i>					
<i>Part Time Employees</i>							
1	1	Crime Analyst		\$14	\$14		
1	1	Assistant to Administrative Services		\$14	\$14		
4	0	School Crossing Guard		\$7	\$7		
1	1	Police Office Assistant		\$8	\$8		
9	11	Reserve Officers		\$8	\$8		
0	1	Accreditation Manager		\$14	\$14		
16	15	<i>Subtotal</i>					
60 FT- 16 PT	59 FT- 15 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
AUTHORIZED	60 FT-14PT	60 FT-14 PT	60 FT-14 PT	60 FT-16 PT	60 FT- 20 PT	59 FT-15 PT	59 FT-15 PT
NEW REQUESTS	0	0	0	0	4 PT	0	0
TOTAL FUNDED POSITIONS	60 FT-14 PT	60 FT-14 PT	60 FT-14 PT	60 FT-16 PT	60 FT-17PT	59 FT-15 PT	59 FT-15 PT

**FY 15-16 BUDGET
GENERAL BUDGET
10-510: GENERAL FUND POLICE DEPARTMENT SUMMARY**

PURPOSE

The prevention of crime, the protection of life and property, and the general preservation of the public peace.

GOALS AND OBJECTIVES

GOAL 1: Reduce the overall violent crime rate for Henderson and continue to reduce the overall Part 1 Crime Volume along the current three year trend.

Objective 1: Continue to use the Federal Court System to remove violent and habitual felons from the City.

Objective 2: Reduce the number of “points of distribution” of narcotic sales in the Henderson area and submit persons arrested for Federal prosecution.

Objective 3: Use Crime Analysis information and resources to deploy personnel, traffic tracking equipment, surveillance equipment, etc. to continue to decrease crime within the City.

GOAL 2: Continue to improve the relationship between the citizens and the Police Department

Objective 1: Establish a Citizen’s Police Academy and review and revise the VIPS policy and program.

Objective 2: Continue to develop relationships between our department and internal and external stakeholders.

Objective 3: Work with faith based organizations and implement the program “Circle of Faith”.

GOAL 3: Make progress in replacing inoperable in-car cameras

Objective 1: Purchase at least four (4) new camera units for vehicles in the fiscal year with grant funding.

Objective 2: Seek additional funding to purchase four (4) additional cameras for vehicles in the fiscal year.

GOAL 4: To maintain full sworn officer staffing.

Objective 1: To hire personnel to fill all existing allocated sworn positions.

Objective 2: To work with the other agency divisions to maintain sworn officer loss in 2014 at less than 10%.

GOAL 5: Continue to seek resources to address needed CIP purchases

Objective 1: Continue the upgrades of workstation computers to build existing department information infrastructure.

Objective 2: Maintain the current level of operation, efficiency and expenditures of our individually assigned Police Department vehicle fleet program.

FY 15 ACCOMPLISHMENTS

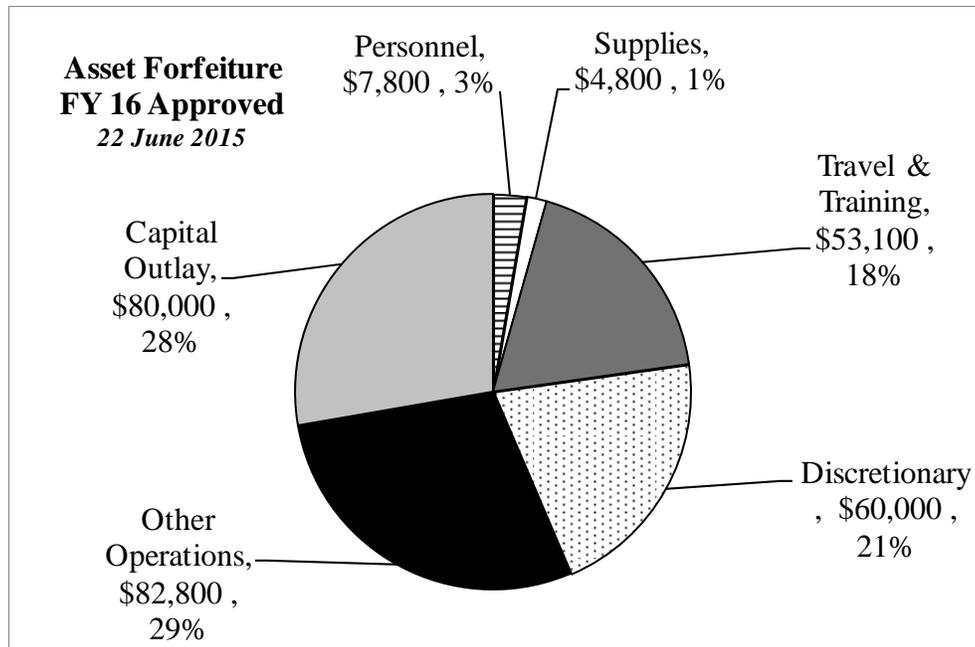
- **Partnerships:** Developed and strengthened existing community partnerships by enhancing the Community Watch Program and assisting the Northern Vance High School Engineering Program in the development of a new vehicle graphic.
- **Data Analysis:** Purchased updated computers for Operation Division supervisors.
- **Use of Federal Court:** Continued partnership with ATF to produce fifteen (15) indictments of violent felons in the Federal System thus far in FY13-14.
- **Reduced Crime Levels:** Used resources to work toward a lower crime volume and higher clearance rate.

KEY BUDGET ISSUES

- **Larger capital items:** Includes five (5) replacement vehicles, and four (4) in-car video systems.
- **Fuel & Maintenance:** There will be a need for an increase in the Maintenance and Repair Equipment line item if replacement vehicles are not purchased.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-512: GENERAL FUND POLICE –ASSET FORFEITURE SUMMARY**

10-512: POLICE FED ASSET FORFEITURE DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 14,126	\$ -	\$ 17,400	\$ -	\$ -	\$ 7,800	\$ 7,800
Operating	111,519	73,836	183,400	5,000	83,000	155,700	155,700
Capital Outlay	4,555	159,589	124,200	96,500	80,000	125,000	125,000
Total Expenditures	\$ 130,200	\$ 233,425	\$ 325,000	\$ 101,500	\$ 163,000	\$ 288,500	\$ 288,500



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
0	0						
There have been no positions assigned to this fund since FY 10-11							
HISTORY OF POSITIONS							
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	Requested FY 14-15	Recommended FY 14-15	Approved FY 14-15
Authroized Positions	2	0	0	0	0	0	0
New Requests	0	0	0	0	0	0	0
Total Funded Positions	0	0	0	0	0	0	0

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-512: GENERAL FUND POLICE –ASSET FORFEITURE SUMMARY

PURPOSE

To provide resources that expand the ability of the City to provide capital equipment, training and first year personnel

GOALS & OBJECTIVES

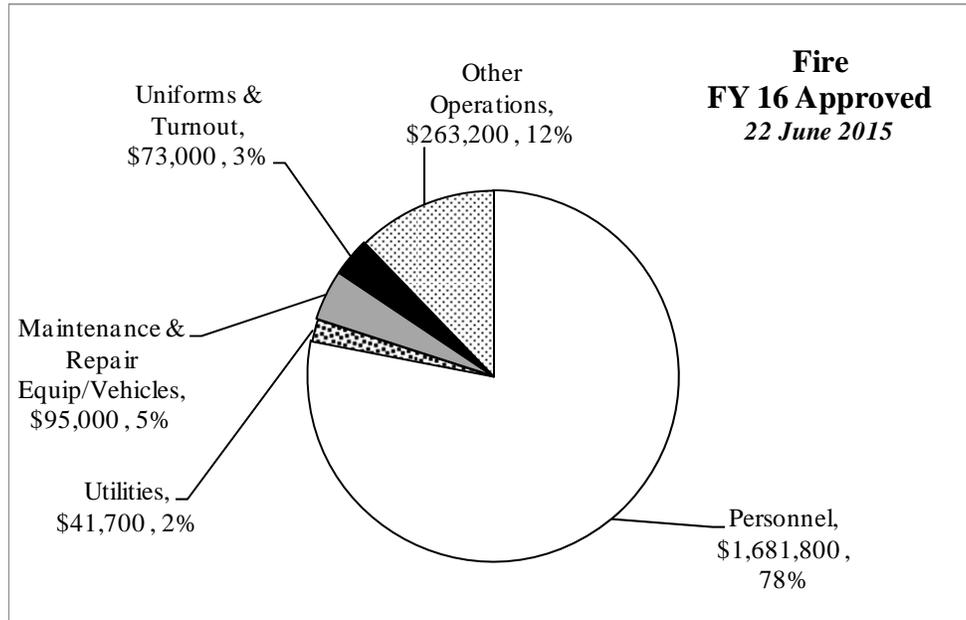
See Police Department on prior pages.

KEY BUDGET ISSUES

- **Use of Funds:** Funding levels of various accounts are consistent with the current availability of these funds as collected by the Police Department
- **Rate of Seizure is Down:** Seizure funds continue to decrease which will have impacts on future budgets unless interdictions increase.
- **Asset Forfeiture Funds:** The Utilization of Asset Forfeiture funds is occurring at a pace faster than funds are being received. Eventually. These funds will no longer be available at the capacity they once were. The City will need to increase financial responsibility if maintaining the status and condition of the Police Department's equipment and facility is a priority.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-530: GENERAL FUND FIRE DEPARTMENT SUMMARY**

10-530: FIRE DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-14	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 1,684,365	\$ 1,522,667	\$ 1,728,600	\$ 1,759,287	\$ 1,896,000	\$ 1,687,400	\$ 1,681,800
Operating	421,147	523,578	429,440	322,439	911,500	436,200	436,200
Capital Outlay	4,537	41,375	63,016	62,086	1,350,500	36,700	36,700
Total Expenditures	\$ 2,110,049	\$ 2,087,620	\$ 2,221,056	\$ 2,143,812	\$ 4,158,000	\$ 2,160,300	\$ 2,154,700



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Fire Chief	27	\$51,602	\$77,403		
1	1	Assistant Fire Chief	23	\$42,453	\$63,680		
1	1	Battalion Chief/Fire Inspections/Training	21	\$38,506	\$57,759		
3	3	Battalion Chief	21	\$38,506	\$57,759		
1	1	Fire Lieutenant/Fire Safety Educator	18	\$33,263	\$49,895		
6	6	Fire Lietuenant	18	\$33,263	\$49,895		
6	6	Fire Engineer	15	\$28,733	\$43,100		
5	5	Senior Firefighter	14	\$27,365	\$41,048		
10	10	Firefighter	13	\$26,062	\$39,093		
34	34	<i>Subtotal</i>					
		<i>Administration</i>					
1	1	Adminstrative Support Specialist	11	\$23,639	\$35,459		
35	35	<i>Total Full Time</i>					
		<i>Part Time</i>					
12	12	<i>Part time/Reserve</i>					
35 FT - 12PT	35 FT-12 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	35 FT-12 PT	35 FT-11 PT	35 FT- 11 PT	35 FT- 12PT	35 FT-12 PT	35FT-12 PT	35FT-12 PT
New Requests	4	4	0	0	4	0	0
Total Funded Positions	35 FT-12 PT	35 FT-11 PT	35 FT- 11 PT	35FT- 12 PT	35 FT-12 PT	35 FT-12 PT	35 FT-12 PT

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-530: GENERAL FUND FIRE DEPARTMENT SUMMARY**

PURPOSE

To prevent fires and fire hazards throughout the City, suppression and containment of fires, education and related initiatives in fire prevention, the provision of rescue and emergency medical services, and interpretation and enforcement of Chapter V of the State Fire Prevention Code.

GOALS & OBJECTIVES

- Goal 1:** Obtain a Fire Rating of “Class 3” to reduce insurance rates for our citizens.
Objective 1: Continue to work toward obtaining a Fire Rating of “Class 3” for Henderson. This can be accomplished by improving fire department operations, water system improvements and improvements at the 911 Center.
- Goal 2:** Hire four (4) firefighters to staff a “Third Engine Company” for fire suppression purposes.
Objective 1: This will assist the fire department in acquiring a lower Fire Protection Class Rating.
- Goal 3:** Replace Six (6) vehicles: Ford F-250 1991 Pick-up truck; 1998, 2000, 2001 & 2003 Ford Crown Victorias; 1999 Dodge Van, 1990 Grumman HME Fire Engine and 1996 KME Renegade Fire Engine.
Objective 1: Secure the necessary funding to purchase the six (6) new vehicles and 2 fire engines for the fire department by 1 May 2016.
- Goal 4:** Offer Carbon Monoxide Detectors to our citizens.
Objective 1: Expand the smoke detector program by purchasing and installing, at no charge to citizens, carbon monoxide detectors in residential homes meeting certain criteria by 30 June 2015.

FY 15 ACCOMPLISHMENTS

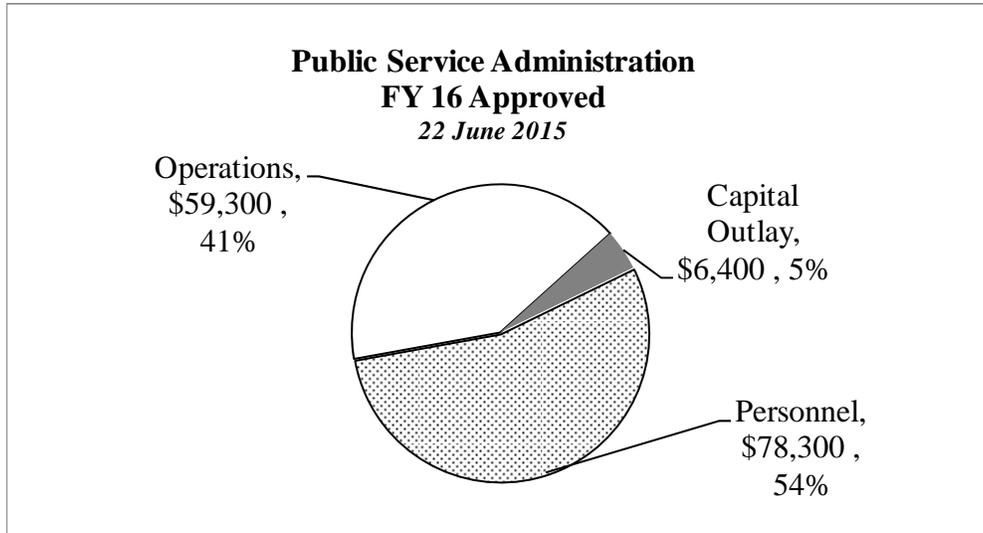
- **Training:** Fire Fighters have completed a combined total of 11,358 hours of fire training and 1,203 hours of EMS training, as well as 244 hours of special training, for a total of 12,805 training hours of training for 2014. 99% of the fire fighters have met the required 240 hours of fire training and 100% of the fire fighters have met the required 36 hours of EMS training.
- **Fire Inspections:** The Inspection Division has conducted 426 Fire Inspections and 1,122 pre-plans. We have completed 100% of 1, 2 and 3 year inspections and pre-plans.
- **Fire and Life Safety Program:** The Prevention and Education Division performed 731 training and/or seminars reaching 16,050 participants for the year FY 14-15. We had a successful year with our Home Inspection Program by visiting 6,630 homes, in which 1,788 home inspections were conducted, 105 smoke alarms installed and 250 smoke alarm batteries replaced.
- **Responses:** Responded safely to 3,074 fire and rescue calls.

KEY BUDGET ISSUES

- Funding needed to replace: Two (2) Fire Engines (1990 Grumman HME & 1996 KME Renegade) and Six (6) Vehicles (1998, 2000, 2001, & 2003 Ford Crown Victoria). All of these vehicles have exceeded their service life expectancy to be classified as Emergency Response Vehicles.
- Funding is needed for Hurst Extrication Tool replacement. Current extrication tools are over twenty eight (28) years old, making them ineffective.
- Funding is needed for an Emergency Backup Generator for Station No. 2. Current generator only allows for the opening of the bay doors leaving the station without HVAC during a power outage.
- Funding is needed for a Fire Service Study for the new Fire Station.
- Funding is needed for replacement of the apparatus floor at Fire Station No.1, resurfacing of the parking lot at Station No. 1, and various other improvements.

**FY 14-15 BUDGET
GOVERNMENTAL FUNDS
10-545: GENERAL FUND ADMINISTRATION- PUBLIC SERVICES SUMMARY**

10-545: PUBLIC SERVICES/ADMIN DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 72,215	\$ 72,584	\$ 78,800	\$ 76,900	\$ 80,200	\$ 78,600	\$ 78,300
Operating	39,664	46,579	58,300	57,300	66,800	59,300	59,300
Capital Outlay	-	-	1,900	1,900	48,600	6,400	6,400
Total Expenditures	\$ 111,879	\$ 119,163	\$ 139,000	\$ 136,100	\$ 195,600	\$ 144,300	\$ 144,000



<u>AUTHORIZED POSITIONS</u>							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Administrative Services Officer	17	\$31,679	\$47,519		
1	1	Administrative Support Specialist	11	\$23,639	\$35,459		
2	2						
<u>HISTORY OF POSITIONS</u>							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	2	2	2	2	2	2	2
New Requests	0	0	0	0	0	0	0
Total Funded Positions	2	2	2	2	2	2	2

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-545: GENERAL FUND ADMINISTRATION- PUBLIC SERVICES SUMMARY

PURPOSE

To provide for the overall fiscal and compliance management and support functions for the Cemetery, Sanitation, Garage, and Water and Sewer Utility Operations Divisions.

This department manages the budget for the Operations and Service Center. 60% of the total cost associated with the Operations Center is reimbursed by the Water and Sewer funds. Additionally, this office (as part of Sanitation Division Management) is charged with contract compliance responsibilities, and complaint resolution, for any contract or franchise agreements with private waste haulers or collectors operating within the city, including commercial/industrial bulk container collection and monitoring customer service.

GOALS & OBJECTIVES

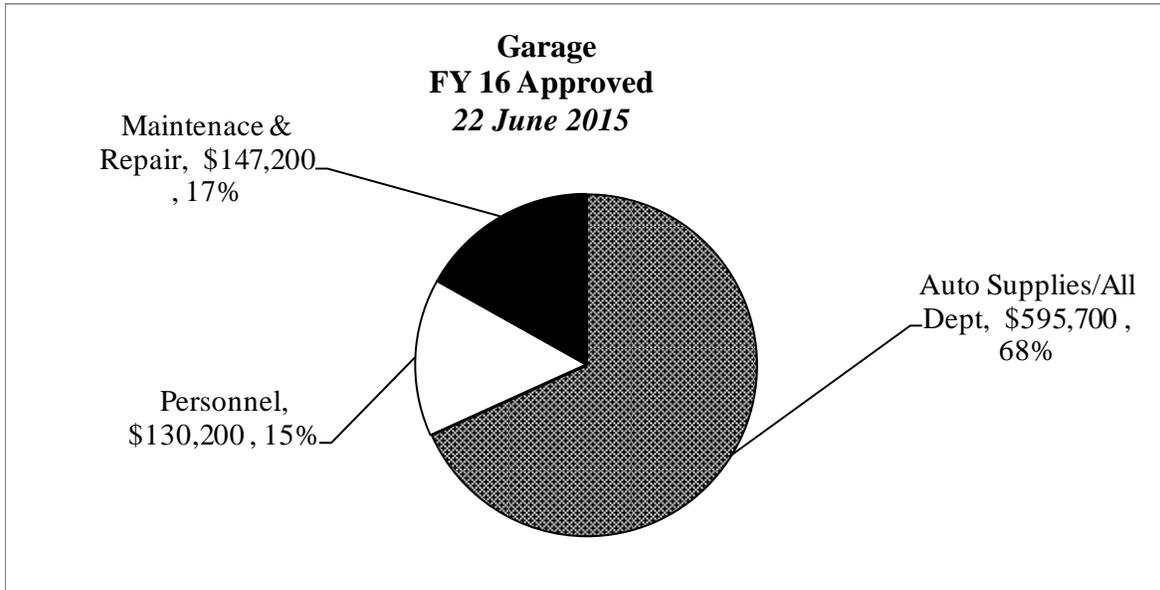
- Goal 1:** Provide overall management of contracts and other fiscal matters.
- Objective 1:** Track spending, checking for compliance with contracts and customer service and collecting and analyzing data to improve efficiency and track customer service issues.
- Goal 2:** Further development of graphs and other data relative to revenues.
- Objective 2:** Consistent monitoring of revenues to ensure budget projections are met.

FY 15 ACCOMPLISHMENTS

- **Initiated Safety Committee** which has identified potential safety problems and eliminated potential safety hazards or concerns.
- **Monitored** Preventative maintenance measures on equipment.
- **Continued to utilize more data** to track expenditures and monitor contracts for compliance.
- **Customer service survey** was good as it related to sanitation and also provided excellent customer service relative to the public need and Elmwood cemetery. The most recent survey indicates 89.25% percent customers were satisfied or very satisfied with the sanitation service.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-555: GENERAL FUND GARAGE SUMMARY**

10-555: GARAGE DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 117,821	\$ 118,264	\$ 125,000	\$ 123,800	\$ 133,700	\$ 130,600	\$ 130,200
Operating	163,422	23,237	34,500	80,180	120,300	105,200	105,200
Sales & Services to other Depts.	442,150	620,303	783,500	670,200	691,900	595,700	595,700
Capital Outlay	-	2,288	-	-	9,000	42,000	42,000
Total Expenditures	\$ 723,393	\$ 764,092	\$ 943,000	\$ 874,180	\$ 954,900	\$ 873,500	\$ 873,100



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Fleet Service Technician	10	\$22,513	\$33,770		
1	1	Fleet Maintenance Mechanic	14	\$27,365	\$41,048		
1	1	Fleet Maintenance Supervisor	17	\$31,679	\$47,519		
0	0	Auto Mechanic		frozen			
		<i>Part Time Employees</i>					
1	1	Part Time					
3 FT/ 1 PT	3FT/1PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	4 FT/ 1 PT	4 FT/1PT	4 FT/1PT	4 FT/1PT	4 FT/1PT	3 FT/1PT	3 FT/1PT
New Requests	0	0	0	0	0	0	0
Total Funded Positions	3 FT/ 1 PT	3 FT/1PT	3 FT/1PT	3 FT/1PT	3 FT/1PT	3 FT/1PT	3 FT/1PT

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-555: GENERAL FUND GARAGE SUMMARY**

PURPOSE

To provide maintenance and repair services and dispense fuel, oil and other parts and supplies to the City's 176 vehicle fleet.

Departmental expenses are "charged back" to the appropriate operations, included (for the most part) in the individual expenditure accounts of Maintenance and Repair – Equipment (5016-05), Maintenance and Repair – Auto Repair and Maintenance (5031-05) and Motor Fuels (5031-06). This has the effect of artificially increasing the size of the General Fund Reserves including the Garage.

GOALS & OBJECTIVES

- Goal 1:** Provide timely preventative maintenance to vehicles and equipment.
Objective 1: Documentation of time and materials associated with repairs and maintenance performed to reduce major repairs and extend the longevity of the equipment.
- Goal 2:** Obtain fleet maintenance software.
Objective 2: Provide better analysis of repairs and downtime of vehicles and equipment.

FY 15 ACCOMPLISHMENTS

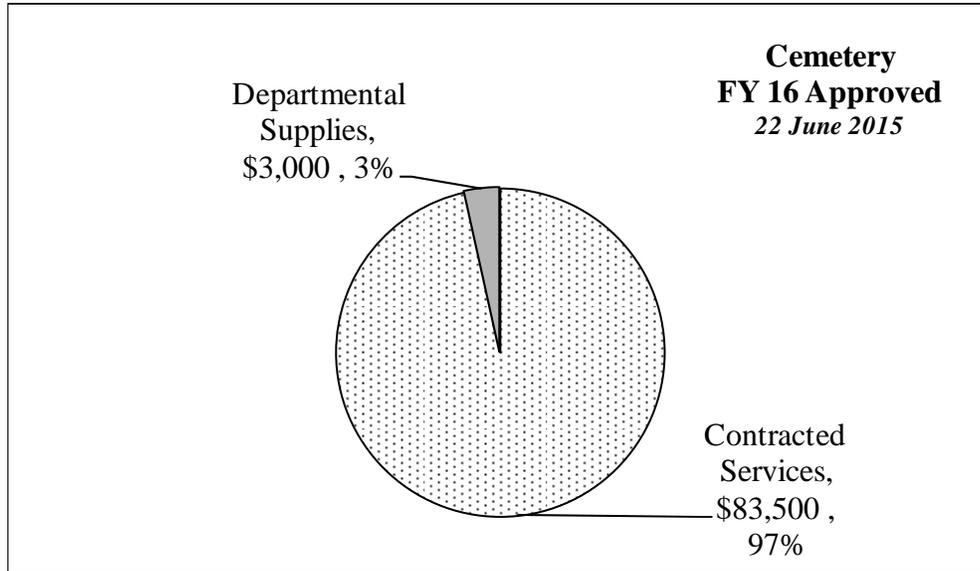
- **Prevention Maintenance:** Continued to improve preventative maintenance on equipment, which has helped reduce downtime and cost of repairing the equipment. This data is being analyzed on a consistent basis when considering equipment replacement needs and/or major repairs.
- **Maintained** and repaired leaf machines without use of outside help.

KEY BUDGET ISSUES

- **Motor Fuels Costs:** Unleaded and Diesel fuel costs remain volatile and unpredictable. The City tracks fuel cost with two different vendors to ensure we receive the best price.
- **Aging Fleet:** Maintenance and repair costs are increasing as the fleet ages particularly in the general fund.

**FY 14-15 BUDGET
GOVERNMENTAL FUNDS
10-560: GENERAL FUND CEMETERY SUMMARY**

10-560: CEMETERY DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	69,352	70,485	76,000	74,000	86,500	86,500	86,500
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	\$69,352	\$70,485	\$76,000	\$74,000	\$86,500	\$86,500	\$86,500



AUTHORIZED POSITIONS							
FY 13-14	FY 14-15	CLASSIFICATION			GRADE	MINIMUM	MAXIMUM
0	0						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	4	0	0	0	0	0	0
New Requests	0	0	0	0	0	0	0
Total Funded Positions	3	0	0	0	0	0	0

Cemetery maintenance was contracted out beginning FY 11-12. There are no employees assigned for this function.

**FY 14-15 BUDGET
GOVERNMENTAL FUNDS
10-560: GENERAL FUND CEMETERY SUMMARY**

PURPOSE

To provide for the perpetual care and maintenance of Elmwood and Blacknall Cemeteries, as well as the coordination of funeral services and burials in Elmwood Cemetery.

GOALS & OBJECTIVES

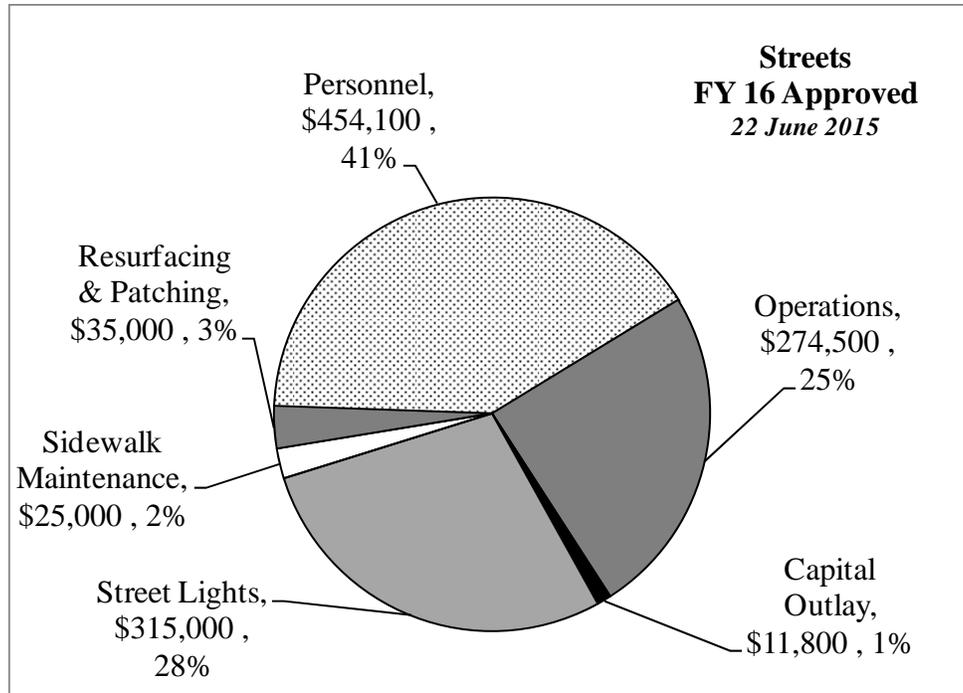
- Goal 1:** Improve signage at the entrance to Elmwood Cemetery and having remote accessibility to cemetery records for citizens.
- Objective 1:** Further enhance the beauty of the cemetery as well as providing better accessibility for citizens searching for a deceased family member or friend.

KEY BUDGET ISSUES

- **Privatization Funding:** Continue funding for contracted services for lawn care services at Elmwood and Blacknall Cemetery. Contract is subject to annual Consumer Price Index increases. Current Contractor has expressed concerns about the need for a significant increase to the contract for properly carrying out their duties while making a reasonable profit. Staff has taken informal bids, and based on preliminary review, these contract services for Elmwood and Blacknall Cemeteries can be done within the existing proposed budget. The current contract expires in August.
- **Cemetery Lot Sales:** Revenues have continued to remain steady due to the sale of cemetery plots.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-570: GENERAL FUND STREET SUMMARY**

10-570: STREET DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 425,331	\$ 367,195	\$ 437,200	\$ 420,700	\$ 465,300	\$ 456,100	\$ 454,100
Operating	606,961	665,674	730,000	728,800	758,700	659,500	649,500
Capital Outlay	29,461	7,346	11,500	11,500	50,900	11,800	11,800
Total Expenditures	\$1,061,753	\$1,040,215	\$1,178,700	\$1,161,000	\$ 1,274,900	\$ 1,127,400	\$ 1,115,400



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
		<i>Full Time</i>					
8	4	Street Maintenance Worker	8	\$20,420	\$30,630		
0	1	Street Sign Technician	9	\$21,441	\$32,162		
2	5	Senior Street Maintenance Worker	10	\$22,513	\$33,770		
1	1	Street Maintenance Crew Leader	13	\$26,062	\$39,093		
1	1	Street Maintenance Supervisor	17	\$31,679	\$47,519		
1	1	Public Works Supervisor	17	\$31,679	\$47,519		
1	1	<i>Part Time</i>					
13 FT- 1 PT	13 FT-1 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	14	13	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT
New Requests	0	0	0	0	0	0	0
Total Funded Positions	14	13	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-570: GENERAL FUND STREET SUMMARY**

PURPOSE

To provide for the general maintenance of streets, curbs, gutters, sidewalks, storm drains and ditches throughout the city including snow removal as needed.

The City has about 80 miles of City-maintained streets and approximately 17 miles of State-maintained/owned roadways.

GOALS & OBJECTIVES

- Goal 1:** Provide further extensive training to all Street Division employees.
Objective 1: To ensure that employees perform their job in a safe and high quality manner to professional standards.
- Goal 2:** Identify a comprehensive list of needed storm drain repairs.
Objective 1: Insure problems are prioritized so that the integrity of the streets is not compromised and remain safe for travel.
- Goal 3:** Identify and prioritize sidewalk repair/replacement.
Objective 1: To encourage pedestrian traffic by improving the appearance and safety of sidewalks.
- Goal 4:** Improve appearance of city streets.
Objective 1: To foster a sense of pride in the community as well as encourage citizens to maintain their homes and surroundings in a well-kept manner.

FY 15 ACCOMPLISHMENTS

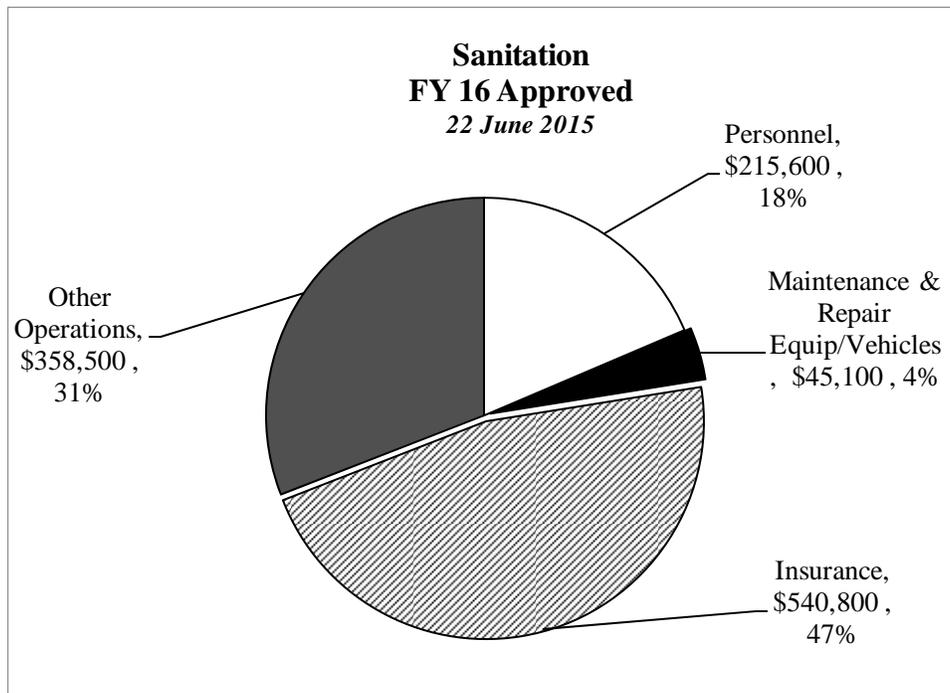
- **Sidewalk Repair:** Completed repairs on Andrews Avenue as well as other areas throughout the City.
- **Sign Replacement:** Replaced 73 Stop signs in 2014-2015 (through February 2015).
- **Completed** signage and striping in Downtown.
- **The Replacement of Major Storm Drain Culverts:** The major storm drain replacements were on Lakeview Drive, Marrow Drive and Roanoke Avenue as well as Mason Street in the near future.
- **Community Watch Groups:** Worked in conjunction with Community Watch Groups to install new Community Watch signs to help reduce crime. This is an ongoing process.
- **Street Department,** along with the help of utilities and sanitation, successfully carried out removal of snow and ice from city and state streets during the winter storms.

KEY BUDGET ISSUES

- **Sidewalk Repairs:** More funding is needed for more sidewalk repairs; however, the budget cannot support this amount.
- **Resurfacing Funds:** Funding for resurfacing is needed for FY15; however, the budget cannot provide for same. There has been no significant resurfacing in several years.
- **Street Sweeper and other Right of-way mowing Equipment:** The equipment is aging and less reliable. As it ages, the maintenance and repair costs increase.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-580: GENERAL FUND SANITATION SUMMARY**

10-580: SANITATION DEPARTMENT SUMMARY							
	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30-Jun-15	15-16	15-16	15-16
Personnel Services	\$ 197,538	\$ 188,927	\$ 217,200	\$ 203,900	\$ 223,100	\$ 216,400	\$ 215,600
Operating	615,097	664,510	698,900	681,300	719,100	705,300	705,300
Capital Outlay	-	-	-	-	91,900	239,100	239,100
Total Expenditures	\$ 812,635	\$ 853,438	\$ 916,100	\$ 885,200	\$1,034,100	\$ 1,160,800	\$1,160,000



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
		<i>Full Time Employees</i>					
4	4	Solid Waste Equipment Operator	9	\$21,441	\$32,162		
1	1	Public Service Supervisor	17	\$31,679	\$47,519		
		<i>Part Time Employees</i>					
6	6	Seasonal, Leaf Crew	1				
5 FT/ 6 PT	5 FT/ 6 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	5	5	5 FT/6FT	5 FT/6FT	5 FT/ 6 PT	5 FT/ 6 PT	5 FT/ 6 PT
New Requests	0	0	0	0	0	0	0
Total Funded Positions	5	5	5 FT/6FT	5 FT/6FT	5 FT/ 6 PT	5 FT/ 6 PT	5 FT/ 6 PT

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-580: GENERAL FUND SANITATION SUMMARY**

PURPOSE

To provide solid waste collection and management for 6,500 plus residential customers; loose leaf collection (at curbside) during the fall and early winter months, recycling waste and the bulk item collection program.

GOALS & OBJECTIVES

Goal 1: Improve efficiency of fleet by studying existing routes and movement of fleet for collection of recyclables and bulky waste, etc.

Objective 1: Improved Customer Service and reducing and/or maintaining existing cost.

Goal 2: Improve Communication with Citizens relative to garbage collection procedures.

Objective 2: Education of citizens to help with the efficiency of collection of yard debris and recyclables as well as items no longer allowed by state law such as electronics, collection times and to continue to improve the overall appearance of the city.

FY 15 ACCOMPLISHMENTS

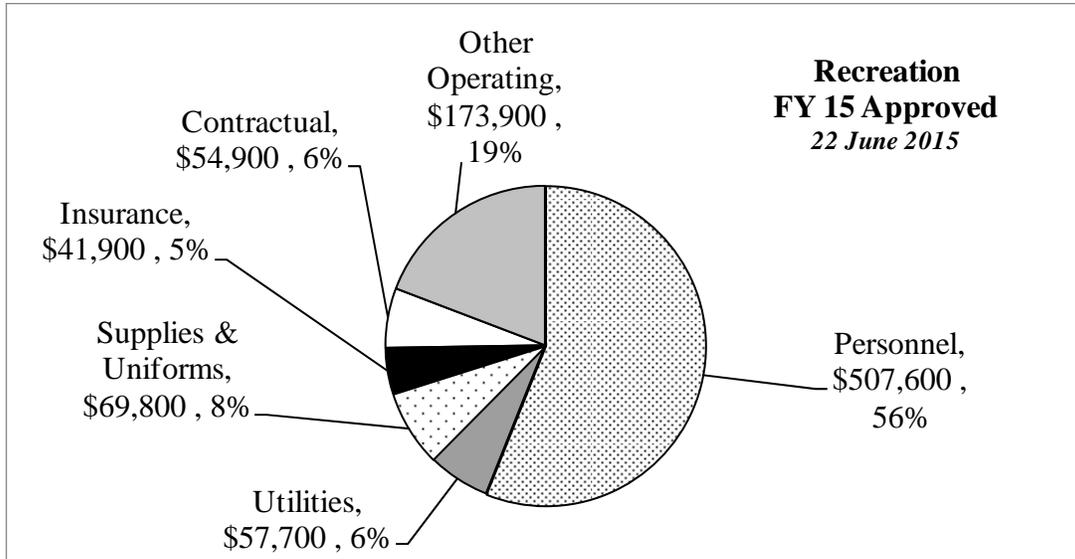
- **Leaf Collection:** Provided loose-leaf collection throughout the city in a timely manner and was extended by two weeks. Collected over 800 tons of leaves by the end of December 31, 2014.
- **Yard Debris and Recyclables:** Collected 650 tons of yard debris and 170 tons of recyclable material thru the first six months of the year.
- **Consistency of Services:** Continued to improve overall service regarding yard debris, recycling, and bulky waste pickup. There were very few customer complaints.
- **Audit:** Audit of existing charges and services provided by Waste Industries to insure revenues and expenditures are in compliance.

KEY BUDGET ISSUES

- **Contract Cost Increase:** The contract for Waste Industries includes a 5% increase based on the Consumer Price Index (excluding fuel) for sanitation.
- **Aging Fleet:** Existing garbage trucks are getting older as well as leaf vacuum equipment and trucks utilized for hauling. There is no funding recommended for this fiscal year to address this issue.
- **Vance County Landfill Rates:** Potential added cost due to Vance County charging for disposal at the landfill.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-620: GENERAL FUND RECREATION SUMMARY**

10-620: RECREATION DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 496,315	\$ 490,125	\$ 514,100	\$ 551,144	\$ 622,000	\$ 509,000	\$ 507,600
Operating	345,741	\$ 340,502	361,700	392,476	484,800	364,700	364,700
Capital Outlay	5,695	\$ -	19,800	-	78,000	33,500	33,500
Total Expenditures	\$ 847,752	\$ 830,627	\$ 895,600	\$ 943,620	\$ 1,184,800	\$ 907,200	\$ 905,800



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Park & Recreations Director	26	\$49,145	\$73,718		
1	1	Recreation Program Supervisor	17	\$31,679	\$47,519		
1	1	Athletics Program Supervisor	17	\$31,679	\$47,519		
1	1	Park Maintenance Supervisor	15	\$28,733	\$43,100		
1	1	Athletics Program Specialist	13	\$26,062	\$39,093		
1	1	Administrative Support Specialist	11	\$23,639	\$35,459		
1	1	Maintenance Worker	8	\$20,420	\$30,630		
1	1	Maintenance Worker	8	frozen	frozen		
1	1	Recreation Program Specialist	13	frozen	frozen		
9	9	<i>Subtotal</i>					
		<i>Regular Part Time Employees</i>					
11	11	Facility Supervisor - RPT					
1	1	Athletic Program Assistant - RPT					
16	11	Various Part-Time - TSPT					
1	1	Maintenance Assistant - RPT					
	5	Various Part-Time - RPT					
29	29	<i>Subtotal</i>					
8 FT - 30 PT	8 FT- 29 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	9 FT-24 PT	9 FT-24 PT	9 FT-24 PT	9 FT - 29 PT	9 FT - 29 PT	9 FT - 29 PT	9 FT - 29 PT
New Requests	0	0	0	0	0	0	0
Total Funded Positions	9 FT-24 PT	9 FT-24 PT	9 FT-24 PT	9 FT - 29 PT	9 FT - 29 PT	9 FT - 29 PT	9 FT - 29 PT

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-620: GENERAL FUND RECREATION SUMMARY**

PURPOSE

To provide a variety of recreational opportunities for all segments of the community in addition to providing management oversight for the Youth Services/Community Service and Restitution Program. Staff support is also provided to (and policy direction is obtained from) the Recreation and Parks Commission. All costs are funded by the City of Henderson (55%) and Vance County (45%).

GOALS & OBJECTIVES

- Goal 1:** Begin to develop action plans to implement the recommendations outlined in the Comprehensive System-Wide Master Plan scheduled to be completed in June 2014.
- Objective 1:** Establish program and facility needs for the future.
- Goal 2:** Expand existing youth athletic programs and implement new youth and adult athletic programs.
- Objective 2:** Request funding to advertise/operate/reinstate the adult athletic programs that were previously cut from the budget, and funding to implement new youth athletic programs.
- Goal 3:** Provide increased maintenance and repair efforts at park and facilities
- Objective 3:** Request funding to unfreeze a frozen maintenance worker position that has been frozen since 2006, and increase funding for maintenance and repair efforts to help provide desired level of upkeep.

FY 15 ACCOMPLISHMENTS

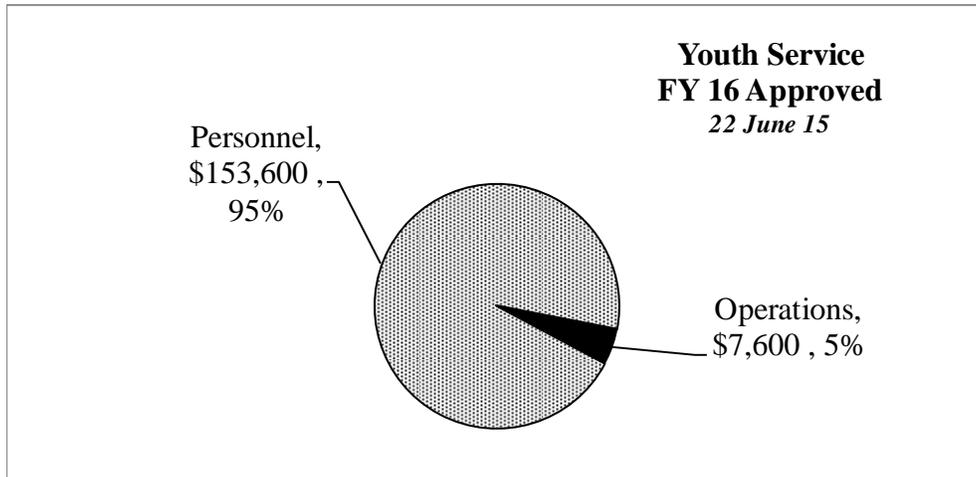
- **Youth Athletic programs** had a total of 948 participants ranging in age from 5-16 who participated in the sports of basketball, baseball, softball, soccer, football and volleyball. There were 593 games played and 1350 practices for a total of 63,978 participant hours of activity. This resulted in 44,673 spectators attending youth athletic programs.
- **Continued Customer Service** initiatives.
- **Special Olympics** Coordinator conducted the second annual Polar Plunge, a fundraiser for the Vance County Special Olympics program, raised \$2,847.80.
- **Produced three shows** for the Henderson Rec. Players 42nd season, including a special Valentines Dinner Theatre Fund Raiser in order to raise funds for future capital needs for the theatre program.
- **Continued monthly support group meetings**, monthly activities such as bingo and bowling, and monthly field trips for the Vance County Visually Impaired Person group and the Golden Age group.
- **Comprehensive System-Wide Master Plan** has been developed by the Kerr-Tar Council of Government for the Department. The Department will utilize this plan as guidance in future program/facility development.

KEY BUDGET ISSUES

- **\$135,800** needed for improvements and repairs in parks including funding to complete Phase II improvements at Fox Pond Park. No improvements were funded by the City in FY 13-14 or FY 14-15. \$50,000 grant from Triangle North Healthcare was awarded toward the completion of Phase II at Fox Pond Park Trail.
- **No Funding** for adult athletic programs, or to provide expanded youth athletic programs that citizens and/or Recreation Commission members have expressed interest in seeing provided for the citizens.
- **Need Positions Unfrozen** – Maintenance worker position is needed to provide for a full time employee at Fox Pond, and Recreation Superintendent is needed to help provide better program supervision and organization of the Recreation Division.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-622: GENERAL FUND YOUTH SERVICES SUMMARY**

10-622: YOUTH SERVICES DEPARTMENT SUMMARY							
	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30-Jun-15	15-16	15-16	15-16
Personnel Services	\$ 175,681	\$ 140,960	\$ 156,140	\$ 152,100	\$ 155,200	\$ 154,000	\$ 153,600
Operating	3,220	5,278	6,900	6,800	8,600	7,600	7,600
Total Expenditures	\$ 178,901	\$ 146,238	\$ 163,040	\$ 158,900	\$ 163,800	\$ 161,600	\$ 161,200



AUTHORIZED POSITIONS					
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Youth Services Program Manager	21	\$38,506	\$57,759
2	2	Youth Services Program Coordinator	17	\$31,679	\$47,519
3	3				

HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	4	4	4	3	3	3	3
New Requests	0	0	0	0	0	0	0
Total Funded Positions	4	4	4	3	3	3	3

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-622: GENERAL FUND YOUTH SERVICES SUMMARY**

PURPOSE

To provide the following array of services for referred youth to prevent and reduce juvenile crime and deter commitments to Youth Development Centers.

- Community Service/Restitution provides a means where adjudicated delinquents can demonstrate responsibility by completing Juvenile Court mandated community service/restitution hours at assigned work sites to compensate the community and/or victims of their offenses.
- Project Youth Outreach promotes interpersonal skills addressing conflict resolution, character education, informal counseling, bullying, school drop-out prevention, healthy choices and recreational outings for at risk school and Juvenile Court referred youth.
- Vance County Teen Court is a diversion program for the first time juvenile offenders who admit responsibility for committing minor misdemeanor offenses. By complying with the sanctions of Teen Court imposed by a jury of their peers, juveniles bypass Juvenile Court and have no juvenile record.
- Conflict Management Services offers anger management classes for Juvenile Court and Teen Court referred youth completing mandated sanctions of Teen Court and fulfilling Juvenile Services diversion or probation plans. Upon request staff do Conflict Resolution workshops for schools and human service agencies.

GOALS & OBJECTIVES

- Goal 1:** Continue to offer Community Service/Restitution, Project Youth Outreach, Teen Court and Conflict Management Services for referred youth and their families in Vance County.
- Objective 1:** Submit program proposals to the NC Department of Public Safety – Division of Adult Correction and Juvenile Justice and Vance County to secure funding to sustain services offered through Youth Services.
- Goal 2:** Serve Juvenile Court referred (top priority) and those youth at risk for delinquent and undisciplined behaviors through an array of services under Youth Services.
- Objective 1:** Give priority placement for juvenile court referrals through juvenile court counselors and program staff consensus and admit other at risk youth through school and law enforcement referrals.
- Goal 3:** Enhance professional and personal development of staff.
- Objective 1:** Division staff will explore training options to obtain at least 40 hours of training for professional and personal development.
- Goal 4:** Explore becoming the host agency to bring the 2016 NC Teen Court Summit to Vance County through Youth Services Teen Court Program
- Objective 1:** Youth Services Teen Court will host the statewide NC Teen Court Summit in the spring of 2016.

FY 15 ACCOMPLISHMENTS

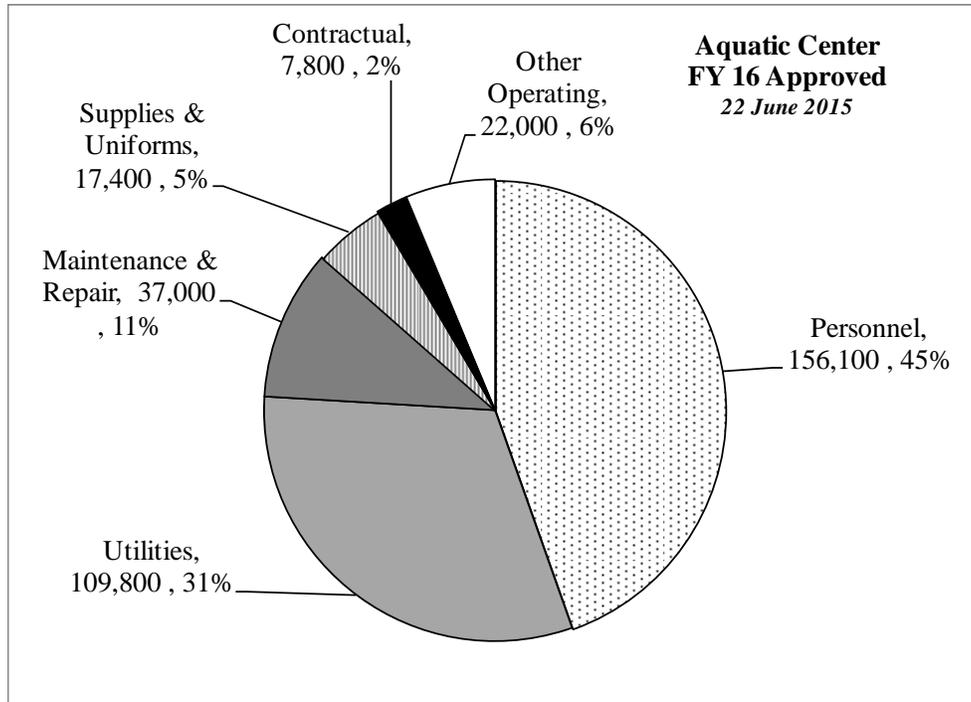
- **Continued funding:** Youth Services was awarded funding by NC Department of Public Safety – Division of Adult Corrections and Juvenile Justice, Vance County and United Way for FY 2014-15 to offer Youth Services programs.
- **Priority Placement** Services were offered to top priority Juvenile Court referred youth and those at risk youth for delinquent and undisciplined behaviors.
- **Training:** All division staff exceeded the 40 hours of professional training and attended a National Symposium on Juvenile Services in Greensboro (National Conference).

KEY BUDGET ISSUES

- **State funds controlled by General Assembly and NC General Statute:** 100% reimbursable by Vance County via State allocations and county's matching funds.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-623: GENERAL FUND AYCOCK AQUATICS CENTER SUMMARY**

10-623: AYCOCK AQUATICS DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 142,432	\$ 144,956	\$ 151,440	\$ 151,440	\$ 189,800	\$ 156,400	\$ 156,100
Operating	168,524	176,398	188,700	188,700	222,100	194,000	194,000
Capital Outlay	12,000	1,086	6,000	6,000	64,400	-	-
Total Expenditures	\$ 322,956	\$ 322,440	\$ 346,140	\$ 346,140	\$ 476,300	\$ 350,400	\$ 350,100



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Community Center Supervisor	17	\$32,471	\$47,519		
1	1	Aquatics Program Supervisor	17	\$32,471	\$47,519		
2	2	<i>Subtotal</i>					
		<i>Regular Part Time</i>					
1	1	Head Lifeguard					
1	1	Instructor					
14	8	Facility Supervisor					
14	8	Lifeguard					
30	18	<i>Subtotal</i>					
		<i>Temporary Seasonal Part Time</i>					
0	6	Facility Supervisors (TSPT)					
0	6	Lifeguard (TSPT)					
0	12	<i>Subtotal</i>					
2 FT- 30 PT	2FT- 30 PT	Total					
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	2 FT-10 PT	2 FT-8 PT	2 FT-30PT	2 FT-30 PT	2 FT-30 PT	2 FT-30 PT	2 FT-30 PT
New Requests	0	0	0	0	0	0	0
Total Funded Positions	2 FT-10 PT	2 FT-8 PT	2 FT-30PT	2 FT-30 PT	2 FT-30 PT	2 FT-30 PT	2 FT-30 PT

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-623: GENERAL FUND AYCOCK AQUATICS CENTER SUMMARY

PURPOSE

To provide a variety of educational, recreational and athletic programs including indoor swimming, indoor volleyball, indoor basketball, indoor walking track, multi-purpose rooms and restroom/dressing room facilities.

This recreational facility is a joint City of Henderson-Vance County project that began in 1996 with the construction of the Aycock Multi-field Complex. The County pays 50% of the debt service and 45% of the operations cost.

GOALS & OBJECTIVES

- Goal 1:** Provide a safe environment for swimmers.
Objective 1: Conduct in service training for life guards and meet all health department guidelines for swimming pool operation.
- Goal 2:** Reinstate the hours of operation and staffing levels for both the pool and the Center in general that have been reduced due to budget cuts in previous years, in order to give the citizens adequate access to the Center.
Objective 1: Request funding to operate and staff the Center at the level of operation established when it was originally opened, including morning hours, Saturday evenings, and Sunday afternoons. Since 2005 the Center hours of availability have been reduced by 18.5 hours, while the pool hours of availability have been reduced by 34.5 hours, resulting in less service and usage to the general public.
- Goal 3:** Expand the program base offered and increase participation in existing programs.
Objective 1: Continue to offer existing popular programs while researching and implementing new programs based on customer requests, as well as reviewing current programs to make improvements or adjustments as needed and increase program marketing and promotion.

FY 15 ACCOMPLISHMENTS

- **Conducted annual “Cookies & Milk with Santa”** with over 250 participants.
- **Conducted annual “Fall Festival”** with over 750 participants.
- **Conducted annual “Easter Egg Hunt”** with over 220 participants. Department added an additional site for this program.
- **Conducted Save Our Students** water safety program with 290 second graders from Carver, Pinkston, E.O. Young, Aycock, and Clarke Elementary schools to teach water safety and survival skills in the water.
- **Facilitated CPR re-certification** for 100% of lifeguard staff and Recreation professional staff.
- **Operated the pool in a safe manner** with no major accidents or injuries.
- **Aycock Recreation Center** total of 19,282 registered users for the year and scheduled 145 facility rentals for a total of 351 usage hours and a total of 5,995 participants. There were 118 community meetings scheduled for a total of 330 usage hours and a total of 3,745 participants. The Aycock Recreation Center was open for a total of 3,022 hours in 2014.

KEY BUDGET ISSUES

- **Aging facility, mechanical systems and roof** need additional maintenance/repair/replacement to provide a proper level of maintenance and upkeep.
- **Aycock Recreation Center desperately needs a full-time custodian** to take care of daily cleaning/minor upkeep issues of a heavily utilized public facility of over 43,000 square feet, and to handle facility set up and take down now split between the limited maintenance staff and the full time program staff that work at the Center.
- **Reinstate hours of operation and staffing levels** that have been cut due to prior year’s budget reductions.
- **Need increased advertising** funding to properly promote programs and services to the citizens.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-650: VANCE COUNTY SHARED PROGRAMS**

10-650: VANCE COUNTY SHARED PROGRAM SUMMARY						
	Actual	Actual	Budget	Requested	Recommended	Approved
	12-13	13-14	14-15	15-16	15-16	15-16
Board of Elections	44,369	45,072	46,800	49,140	59,000	59,000
Tax Office	165,540	170,631	176,000	184,800	175,000	175,000
911	524,656	513,596	565,100	593,355	584,800	584,800
Old SNB Building	-	-	700	735	0	-
NCDMV Tax & Fees	-	15,089	0	21,000	21,000	21,000
Perry Memorial Library	187,315	187,400	187,400	196,770	187,400	187,400
Total Expenditures	\$ 921,880	\$ 931,787	\$ 976,000	\$ 1,045,800	\$ 1,027,200	\$ 1,027,200

PURPOSE

This budget is designed to account for the appropriation and transfer of funds directly from the City to Vance County and the Perry Memorial Library for jointly fund programs that benefit both the citizens of Vance County and the City of Henderson.

KEY BUDGET ISSUES

- **Tax Office:** \$174,985 provides for the contract with Vance County to bill and collect city taxes. This figure is based on 25% of the budget that is managed by Vance County.
- **911 Emergency Services:** The City provides 50% of the funding of this County managed joint operation.
- **Perry Memorial Library:** \$187,400 is provided on a 75% County and 25% City financial sharing.
- **Board of Elections:** Provides 17% of the annual operating budget and 100% of City elections to Vance County. This increase is due to the 2015 City elections.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS**

10-660: GENERAL FUND NON-DEPARTMENT & LOCAL AGENCIES SUMMARY

10-660:NON-DEPARTMENTAL SUMMARY

10-660: NON-DEPARTMENTAL SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 318,491	\$ 331,568	\$ 389,200	\$ 331,000	\$ 523,200	\$ 487,500	\$487,500
Operating	916,037	224,668	218,545	206,370	144,100	144,100	144,100
Transfer to Debt Service	917,200	-	-	-	-	-	-
Total Expenditures	\$ 2,151,728	\$ 556,236	\$ 607,745	\$ 537,370	\$ 667,300	\$ 631,600	\$ 631,600

PURPOSE

The purpose of the Non-Departmental Budget is to provide a system to account for items of a general nature that apply to all General Fund Departments, but which can not be easily assignable into specific cost components for particular operations.

The City's retiree insurance is budgeted in Non-Departmental and includes total cost City-wide. The cost for Enterprise Fund retiree insurance is made by a transfer from those funds to the General Fund. The 4% pay increase for General Fund employees is budgeted in Non-Departmental.

10-670: CONTRIBUTIONS TO LOCAL AGENCIESS SUMMARY

10-670: CONTRIBUTIONS - LOCAL AGENCIES - SUMMARY						
	Actual 12-13	Actual 13-14	Budget 14-15	Requested 15-16	Recommended 15-16	Approved 15-16
Airport	\$28,750	\$ 28,750	\$28,800	\$ 28,800	\$ 28,800	\$ 28,800
Human Relations	800	400	-	-	-	-
Appearance Commission	4,000	4,000	-	-	-	-
Roanoke River Basin	400	400	300	2,500	300	300
Crime Stoppers	500	1,000	600	2,000	600	600
Boys & Girls Club	-	-	800	800	800	800
Arts Council	800	500	300	1,000	300	300
Total Expenditures	\$ 35,250	\$ 35,050	\$ 30,800	\$ 35,100	\$ 30,800	\$ 30,800

PURPOSE

This Budget is designed to account for the appropriation and transfer of funds directly from the City to various affiliated agencies. Each of these organizations/agencies supplement the services and programs provided by the City. Their funding meets the “public purpose” definition as outlined in the North Carolina General Statutes and their continuing eligibilty is periodically reviewed by the City Attorney and/or an independent Auditor. Most are also supported, to some extent either by contractual arrangement with the City or through general practice, by Vance County.

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-680: GENERAL FUND DEBT SERVICE**

10-680: DEBT SERVICE SUMMARY							
	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30-Jun-15	15-16	15-16	15-16
Debt Service Principal		\$ 647,016	\$ 647,070	\$ 647,100	\$ 647,100	\$ 647,100	\$ 647,100
Debt Service Interest		141,781	110,415	110,500	79,100	79,100	79,100
Lease Purchase Payment		53,612	52,230	52,200	52,200	52,200	52,200
Total Expenditures	\$ -	\$ 842,409	\$ 809,715	\$ 809,800	\$ 778,400	\$ 778,400	\$ 778,400

The variance between the debt schedule and the presentation number is a combination of rounding up and the transfer from the General Fund to the Water Fund (\$97.100) for the General Fund's portion of the revenue bonds that were refunding in 2011. The bonds covered projects in the General, Water and Sewer Funds. The entire debt for this refunding is recorded in the Water Fund; therefore, the General Fund and the Sewer Fund transfer their portion of this debt to the Water Fund so that the debt payment can be made directly from the Water Fund.

Debt service comprised approximately 5.5% of the total General Fund expenditures. If the transfer out for the General Fund's portion of the revenue bonds is subtracted, that percentage is reduced to 5%.

10: General Fund Debt Service Schedule										
Type of Debt		Actual	Scheduled						Six Year Total	
Revenue Bond: Funds	P/I	FY 12-13	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	By Total	By Total
10: Operations and Service Center--DS Payment - 40% General Fund (\$452,838)Outstanding Principal \$1,342,161 (total project)	P	\$ 82,683	\$ 84,026	\$ 86,232	\$ 88,726	\$ 90,549	\$ 92,659	\$ 94,673	\$ 536,865	\$ 582,853
	I	\$ 14,858	\$ 12,884	\$ 10,868	\$ 8,799	\$ 6,669	\$ 4,496	\$ 2,272	\$ 45,988	
Certificates of Participation										
Aycock Aquatics Center: 5.46% interest; issued 12/2000, (15 year) semi-annual interest payments, annual principal ending FY 2015-2016. Outstanding Principal \$528,532	P	\$ 264,266	\$ 264,266	\$ 264,266	\$ -	\$ -	\$ -	\$ -	\$ 528,532	\$ 571,819
	I	\$ 43,287	\$ 28,858	\$ 14,429	\$ -	\$ -	\$ -	\$ -	\$ 43,287	
Embassy Block - Police Station: 4.84% interest; issued 1/18/02 (17 year) semi-annual interest payments, annual principal ending FY 2018-2019. Outstanding Principal \$1,685,000.	P	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 345,000	\$ 290,000	\$ -	\$ 1,685,000	\$ 1,923,612
	I	\$ 98,494	\$ 81,554	\$ 64,614	\$ 47,674	\$ 30,734	\$ 14,036	\$ -	\$ 238,612	
Inter-Governmental Agreements										
City Hall: Created 2008, total project \$163,750; 0 % interest; payments began FY12 and end FY 16. Outstanding Principal \$65,500. Financed by Vance Co.	P	\$ 32,750	\$ 32,750	\$ 32,750	\$ -	\$ -	\$ -	\$ -	\$ 65,500	\$ 65,500
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Lease-Purchase										
1 Ford Explorer and 2 Dodge Chargers (Police Dept.): 14-15 - 1.98% interest (5 years) issued 10-10-2014- annual payments ending FY 18-19. Outstanding Principal & Interest \$90,270		\$ -	\$ 18,054	\$ 18,054	\$ 18,054	\$ 18,054	\$ 18,054	\$ -	\$ -	\$ 90,270
2 Ford Explorers (Fire Dept.): 14-15 - 1.98% interest (5 years) issued 10-10-2014- annual payments ending FY 18-19. Outstanding Principal & Interest \$65,370		\$ -	\$ 13,074	\$ 13,074	\$ 13,074	\$ 13,074	\$ 13,074	\$ -	\$ -	\$ 65,370
15 GPM Pumper and Equipment (Fire): (total cost \$424,000-\$275,000 FEMA Grant) \$149,000 cost to city bid accepted FY 08-09 however first lease payment was budgeted FY 09-10, 3.26% issued 10-29-08(5years) annual payments ending FY 13-14 Outstanding Principal & Interest \$-0-		\$ 32,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
800 MGZ radios (Fire Dept.): 10-11 - 2.37% interest (5 years) issued 9-22-10- annual payments ending FY 15-16. Outstanding Principal & Interest \$42,018		\$ 21,009	\$ 21,009	\$ 21,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,018
Long Term Principal:		\$ 729,699	\$ 731,042	\$ 733,248	\$ 438,726	\$ 435,549	\$ 382,659	\$ 94,673	\$ 2,815,897	
Long Term Interest:		\$ 156,639	\$ 123,296	\$ 89,911	\$ 56,473	\$ 37,403	\$ 18,532	\$ 2,272	\$ 327,887	\$ 3,143,784
Total Long Term Debt Service:		\$ 886,338	\$ 854,338	\$ 823,159	\$ 495,199	\$ 472,952	\$ 401,191	\$ 96,945	\$ 3,143,784	
Total Lease Purchase (P & I) Debt Service:		\$ 53,613	\$ 52,137	\$ 52,137	\$ 31,128	\$ 31,128	\$ 31,128	\$ -	\$ -	220,143
Total Fund Debt Service:		\$ 939,951	\$ 906,475	\$ 875,296	\$ 526,327	\$ 504,080	\$ 432,319	\$ 96,945	\$ 3,363,927	\$ 3,143,784

**FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-680: GENERAL FUND DEBT SERVICE SUMMARY**

PURPOSE

The purpose of the debt service budget department is: 1) to provide for the payment of the Fund's long-term and short-term debt interest and principal payments; and 2) to provide long-term information and understanding as to the Fund's debt service requirements and how that might impact utility rates as well as day-to-day operations.

KEY BUDGET ISSUES

- **Scheduled Debt Service** will decrease from FY14 level of \$939,951 to \$96,945 in FY 2020. This is primarily due to the final debt payment on the Aycock Center being made in FY 2016 and the final debt payment on the Police Station being made in FY 2019.
- **The Ability to Support New Debt Service** in the General Fund is quite limited given the severe revenues issue facing the fund. Under the current circumstances, a tax rate increase would be required to support any new long-term debt service.

FY 15-16 BUDGET
GOVERNMENTAL FUNDS
10-680: GENERAL FUND DEBT SERVICE

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Key Fund Issues

There are several key issues facing the Powell Bill Fund that serve to impact not only FY16, but the next several fiscal years as well. A brief summary of these key issues is provided below:

- **Revenues are Flat and/or Declining** over time. Revenues fell during the Recession years of 2008—2010 and have not recovered. Revenues are about \$100,000 less per year than they were just six years ago.
- **Powell Bill Allocation Formula** is based on three major factors as follows: 1) amount of State gasoline tax collected, 2) number of lane miles within a locality and 3) the locality's population. These latter two elements are especially a concern to the city due to declining population and no additional lane miles. Since Henderson has lost population over the past decade, is not adding additional lane mileage and State gas tax receipts are not keeping pace due to more fuel efficient cars and people driving less due to terribly high gasoline prices, the allocation is going to be less than prior years. As a result, the City should expect its share of the Powell Bill allocation to continue to decline. Ultimately, this means less money for street operations, maintenance and capital improvements.
- **Legislation has been passed** that adjusts the gasoline tax in a way that further impacts our allocation in FY 2016-17. The flat tax will eventually stabilize the revenue source, but if we continue to see declining population and sustained lane miles, we can expect this allocation to decline as a result.

Basic Fund Information

The Powell Bill fund is used as a transfer mechanism to properly account for revenues received from the State and expenditures incurred by the Street Division of the Public Service Department related to street, sidewalk and right-of-way maintenance, resurfacing and the purchase of equipment directly related to streets and right-of-ways authorized by "Powell Bill" legislation. In addition, funds are transferred from this fund on a monthly basis to the City's General Fund, 10-570: Street Powell Bill, related to maintenance of streets, sidewalks and right-of-ways.

Financial Summary

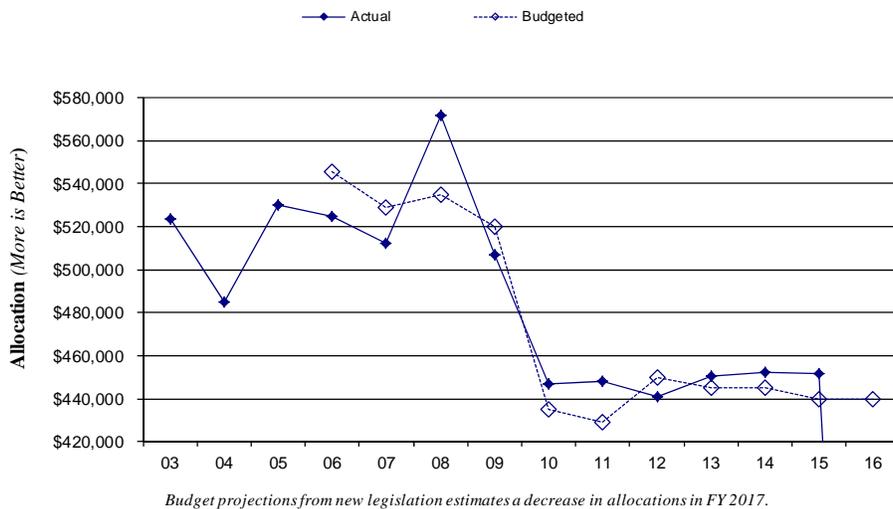
A financial summary of the Powell Bill fund is provided on the following page.

**FY 15-16 BUDGET
OPERATING BUDGETS
11: POWELL BILL FUND SUMMARY**

POWELL BILL OPERATING FUND SUMMARY									
Estimated Status as of 1 July 2014									
11 POWELL BILL OPERATING FUND			FY13	FY14	FY15		FY16		
Revenues	Code	Line Item	Prior Year Actual	Prior Year Actual	Current Year as Amended	Estimated 30 June 14	Dept. Requested	Manager Recommend	Council Approved
Revenues	11-110-411-120	Powell Bill Allocation	\$ 441,226	\$ 452,189	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 450,000
Revenues	11-110-444-010	Investments	\$ 187	\$ 68	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	11-110-491-100	Fund Balance Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	11-990-490-999	Fund Balance Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	11-110-461-042	Trans from 42: CIP Powell Bill	\$ 21,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues			\$ 463,013	\$ 452,257	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 450,000
Expenditures									
Non-Dept.	11-690-561-042	Transfer to 42: CIP Powell Bill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Dept.	11-690-561-090	Transfer to 90: A. L. Harris Grant	\$ 395,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Dept.	11-690-561-010	Transfer to 10: General Fund	\$ -	\$ 309,347	\$ 439,900	\$ 439,900	\$ 439,900	\$ 440,000	\$ 450,000
Total Expenditures			\$ 395,238	\$ 309,347	\$ 439,900	\$ 439,900	\$ 439,900	\$ 440,000	\$ 450,000
<i>Variance of Revenues to Expenditures</i>			<i>\$ 67,775</i>	<i>\$ 142,910</i>	<i>\$ 100</i>	<i>\$ 100</i>	<i>\$ 100</i>	<i>\$ -</i>	<i>\$ -</i>
Fund Balance Information									
as 30 June 13			\$ 267,609						
Appropriated forward to FY14			\$ -	\$ -					
as of 1 July 13			\$ 267,609	\$ -	\$ -				
Appropriated during FY14					\$ -				
Growth During FY14				\$ 142,910	\$ -				
as of 1 July 14				\$ 410,519	\$ 410,519				
Appropriated during FY15					\$ -				
Estimated Growth during FY 15									
Estimated 30 June 15									
as 1 July 14					\$ 410,519			\$ 410,519	
Estimated Growth During FY16								\$ -	
Estimated at 30 June 16								\$ 410,519	

Key Powell Bill Fund Financial Metrics

Powell Bill Allocation

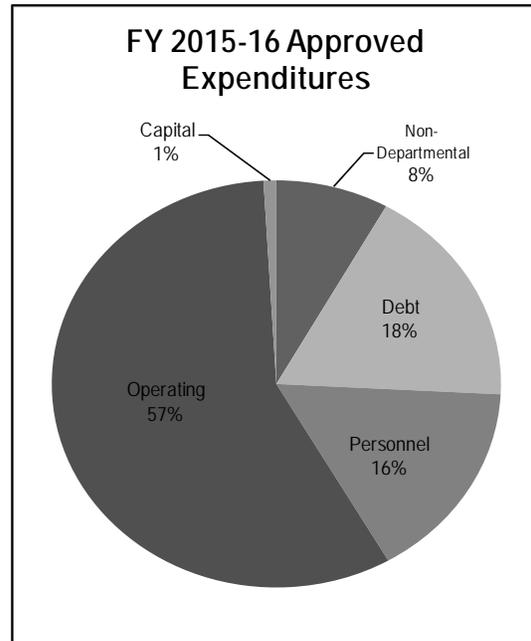
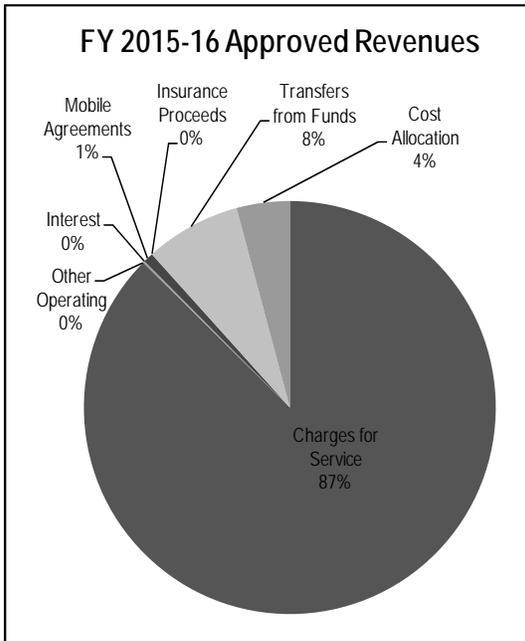


**FY 15-16 BUDGET
ENTERPRISE FUNDS
30: WATER FUND BUDGET SUMMARY**

WATER FUND SUMMARY

	2013-14		2014-15	2015-16		
	ACTUAL	AMENDED		REQUEST	RECOMMENDATION	APPROVED
REVENUES						
Charges for Service	\$ 5,829,076	\$ 6,728,475	\$ 6,779,630	\$ -	\$ 5,987,800	\$ 5,987,800
Other Operating	\$ 7,582	\$ 5,000	\$ 36,130	\$ -	\$ 7,000	\$ 7,000
Interest	\$ 93,076	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ 3,000
Mobile Agreements	\$ 52,170	\$ 50,000	\$ 50,000	\$ -	\$ 53,000	\$ 53,000
Insurance Proceeds	\$ 4,895	\$ -	\$ 900	\$ -	\$ 900	\$ 900
Sale of Assets	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from Funds	\$ 516,840	\$ 516,840	\$ 513,555	\$ -	\$ 514,600	\$ 514,600
Cost Allocation	\$ 224,900	\$ 224,900	\$ 285,400	\$ -	\$ 285,400	\$ 285,400
Reserve Appropriation	\$ -	\$ 999,339	\$ 2,000	\$ -	\$ -	\$ -
TOTAL	\$ 6,732,540	\$ 8,527,554	\$ 7,670,615	\$ -	\$ 6,851,700	\$ 6,851,700

EXPENDITURES						
Non-Departmental	\$10,660,167	\$ 2,498,944	\$ 1,596,020	\$ 609,100	\$ 556,900	\$ 556,900
Debt	\$ 168,582	\$ 1,248,940	\$ 1,116,355	\$ 1,211,800	\$ 1,211,800	\$ 1,211,800
Personnel	\$ 903,141	\$ 956,650	\$ 1,037,540	\$ 1,115,500	\$ 1,088,900	\$ 1,088,900
Operating	\$ 3,729,587	\$ 3,768,720	\$ 3,825,800	\$ 3,949,000	\$ 3,931,000	\$ 3,931,000
Capital	\$ 1,171	\$ 54,300	\$ 94,900	\$ 45,800	\$ 63,100	\$ 63,100
TOTAL	\$15,462,649	\$ 8,527,554	\$ 7,670,615	\$ 6,931,200	\$ 6,851,700	\$ 6,851,700



FY 15-16 BUDGET
ENTERPRISE FUNDS
30: WATER FUND BUDGET SUMMARY

Key Water Fund Budget Issues

There are several key issues facing the water fund that serve to not only impact FY16, but the next several fiscal years as well. A brief summary of these key issues is provided below:

Preparing for the Future

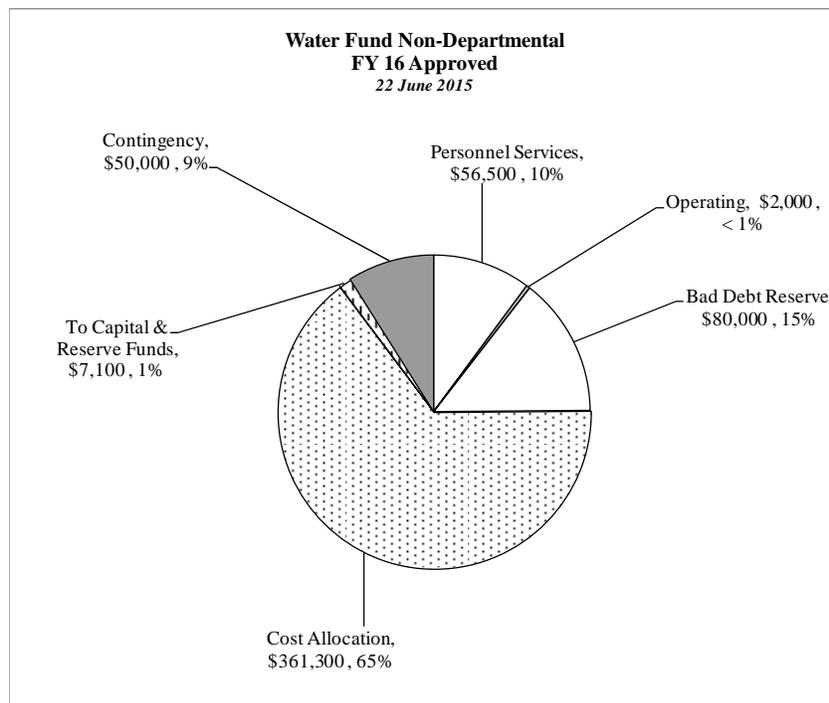
Major Capital Projects

- **2” Line Replacement SRF Loan** in the amount of \$1,726,000 was approved by the State and is actively underway. The loan is zero interest and payments due annually over a 20 year period, beginning in FY14. The annual debt service will be \$86,300
- **Radio Read Water Meter Replacement Loan** in the amount of \$294,000 was approved by the State and is currently underway. The loan is zero interest with annual debt service payments of \$14,700 beginning FY14. Additionally, operating capital is provided in the water distribution budget to augment the purchase of these meters. Over time, the meter reading will be automated and allow for a more efficient staffing level.
- **System is Not Growing** so as to keep up with inflationary costs due to the continuing impacts of the recession, decline in the local housing market and the lack of funds to provide for water line extensions into un-served areas within the City’s water district. This means more pressure on existing customers to provide funding for the system’s needs vs. revenues generated via natural growth.
- **Water Rate Increase of 5%** is approved to provide for the operational and capital needs of water services. The increase provides revenues to cover the cost of potable water purchased from the Regional Water Plant as well as financing 50% of the costs for unfreezing the Public Services Director position. The monthly impact on residential customers using 5,000 gallons of water per month would be \$0.70 and \$1.75 for inside and outside customers; respectively.

The Water Fund Budget is \$6,851,700.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
30-660: WATER FUND NON-DEPARTMENTAL**

30-660: NON-DEPARTMENTAL SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Through 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 18,077	\$ 20,179	\$ 32,300	\$ 18,000	\$ 65,700	\$ 56,500	\$ 56,500
Operating	202,860	8,212,964	14,560	13,600	2,000	2,000	2,000
Bad Debt Reserve	1,674	66,010	80,000	80,000	80,000	80,000	80,000
To Debt Service	556,500						
To Cost Allocation	361,300	361,300	361,300	361,300	361,300	361,300	361,300
To Rate Stabilization		1,955,114	989,800				
To Capital & Reserve Funds	62,296	44,600	50,100	50,100	50,100	7,100	7,100
Contingency	-		50,100		50,000	50,000	50,000
Total Expenditures	\$ 1,202,707	\$ 10,660,167	\$ 1,578,160	\$ 523,000	\$ 609,100	\$ 556,900	\$ 556,900



The Non-Departmental Budget group was established for this fund, as well as others, during FY 11-12 in order to better account for inter-fund transfers and other expenditures that should not be located in an operating budget group. No personnel are assigned to the Non-Departmental budget group; however, some personnel related expenditures, such as retiree health insurance and reserves for incumbent liabilities for accrued vacation and compensatory time, are accounted for in this budget department. Additionally, the Fund's share of the recommended Pay & Classification Study is included in this budget.

The largest expenditure center for the non-departmental budget is the inter-fund transfer. The transfer provides for "sending" money from Sewer Fund to the Capital Reserve and CIP funds as well as to the General and Water funds for cost allocation.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
30-680: WATER FUND DEBT SERVICE**

30-680: DEBT SERVICE SUMMARY						
	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Long-Term Debt Service- P&I	\$ 165,635	\$ 1,081,955	\$ 1,081,850	\$ 1,177,400	\$ 1,177,400	\$ 1,177,400
Lease Purchase Debt Service- P&I	2,948	34,400	34,400	34,400	34,400	34,400
Total Expenditures	\$ 168,582	\$ 1,116,355	\$ 1,116,250	\$ 1,211,800	\$ 1,211,800	\$ 1,211,800

Debt Service comprises approximately 17.69% of the total fund budget. If the transfers in for the General, Sewer and Regional Water Funds' portion of the debt is subtracted, that percentage is reduced by 7.51%.

30: Water Fund Debt Service Schedule										
30: Water Fund		Actual	Scheduled						Six Year Total	
Revenue Bond: Funds 10, 30 & 31	P / I	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	By P & I	By Total
30: Franklin County Water Line--Outstanding Principal \$2,438,053; 100% Franklin County participation	P	\$ 375,487	\$ 381,586	\$ 391,604	\$ 402,930	\$ 411,207	\$ 420,789	\$ 429,937	\$ 2,438,053	\$ 2,646,900
	I	\$ 67,478	\$ 58,513	\$ 49,356	\$ 39,957	\$ 30,286	\$ 20,417	\$ 10,318	\$ 208,847	
30: Operations and Service Center-- DS Payment - 30% Water Fund (\$339,629); Outstanding Principal \$1,342,161 (total project)	P	\$ 62,012	\$ 63,019	\$ 64,674	\$ 66,545	\$ 67,911	\$ 69,494	\$ 71,005	\$ 402,648	\$ 437,140
	I	\$ 11,144	\$ 9,664	\$ 8,151	\$ 6,599	\$ 5,002	\$ 3,372	\$ 1,704	\$ 34,492	
State Revolving Loan										
Overhead Storage Tank-Water Share: 3.43% interest; issued 4/1/98 (20 year)/semi annual interest payments, annual principal ending FY 2016-2017. Outstanding Principal \$126,295	P	\$ 42,098	\$ 42,098	\$ 42,098	\$ 42,098	\$ -	\$ -	\$ -	\$ 126,294	\$ 134,958
	I	\$ 4,811	\$ 4,332	\$ 2,888	\$ 1,444	\$ -	\$ -	\$ -	\$ 8,664	
2" Water Line Replacement: \$1,898,571 Zero % interest, 20 years, beginning FY16 and ending FY35 (Res 12-62 & Ord 12-50); Outstanding Principal \$1,898,571.	P	\$ -	\$ -	\$ 94,929	\$ 94,929	\$ 94,929	\$ 94,929	\$ 94,929	\$ 474,645	\$ 474,645
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Radio Read Meters: \$294,000; issued July 2012; 20 years at Zero % interest; Beginning FY15 and ending FY34 (Res 12-63 and Ord 12-51); Outstanding principal \$293,928.	P	\$ -	\$ 14,697	\$ 14,697	\$ 14,697	\$ 14,697	\$ 14,697	\$ 14,697	\$ 88,182	\$ 88,182
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Inter-Governmental Agreement										
Warren County District II Water Line: Financed by Warren County annual payments ending FY 2041-2042 (40 years) Outstanding Principal \$152,209	P	\$ 2,431	\$ 2,555	\$ 2,686	\$ 2,824	\$ 2,969	\$ 3,121	\$ 3,281	\$ 17,436	\$ 62,137
	I	\$ 7,926	\$ 7,801	\$ 7,670	\$ 7,532	\$ 7,387	\$ 7,235	\$ 7,076	\$ 44,701	
Lease-Purchase										
Pick-up truck (Water Dist): 12-13 , 1.527% issued FY 2013 (3 years) annual payments ending FY 15-16 . Outstanding Principal & Interest \$20,614		\$ 10,307	\$ 10,307	\$ 10,307	\$ -	\$ -	\$ -	\$ -	\$ -	20,614
Backhoe (Water Dist): 12-13 , 1.527% , issued FY 2013 (5 years) annual payments ending FY 17-18 . Outstanding Principal & Interest \$96,256		\$ 24,064	\$ 24,064	\$ 24,064	\$ 24,064	\$ 24,064	\$ -	\$ -	\$ -	96,257
Excavator (Water Distribution, Sewer Collections & Sewer Collections I&I): FY 08-09, 3.26% issued 10-29-08 (5 years), annual payments ending FY 13-14 . Outstanding Principal & Interest \$-0-. These payments are allocated among three		\$ 17,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Long Term Principal:		\$ 482,028	\$ 503,955	\$ 610,688	\$ 624,023	\$ 591,713	\$ 603,030	\$ 613,849	\$ 2,330,379	\$ 2,576,961
Long Term Interest:		\$ 91,359	\$ 80,310	\$ 68,065	\$ 55,532	\$ 42,675	\$ 31,024	\$ 19,098	\$ 246,582	
Total Long Term Debt Service:		\$ 573,387	\$ 584,265	\$ 678,753	\$ 679,555	\$ 634,388	\$ 634,054	\$ 632,947	\$ 2,576,961	
Total Lease Purchase (P & I) Debt Service:		\$ 52,067	\$ 34,371	\$ 34,371	\$ 24,064	\$ 24,064	\$ -	\$ -	\$ -	116,871
Total Fund Debt Service:		\$ 625,454	\$ 618,636	\$ 713,124	\$ 703,619	\$ 658,452	\$ 634,054	\$ 632,947	\$ 2,693,832	\$ 2,693,832

A variance between the summary and the City's debt schedule is a combination of rounding up and the transfers in from the General Fund (\$97,100), Sewer Fund (\$401,500) and Regional Water Fund (\$16,000) for those funds' portion of the revenue bonds that were refunded in 2011 and other shared debt service payments. The bonds covered projects in all three funds. The entire debt for this refunding is recorded in the Water Fund; therefore, the debt payment is made directly from the Water Fund

PURPOSE

The purpose of the debt service budget department is: 1) to provide for the payment of the Fund's long-term and short-term debt interest and principal; and 2) to provide long-term information and understanding as to the Fund's debt service requirements and how that might impact utility rates as well as day-to-day operations.

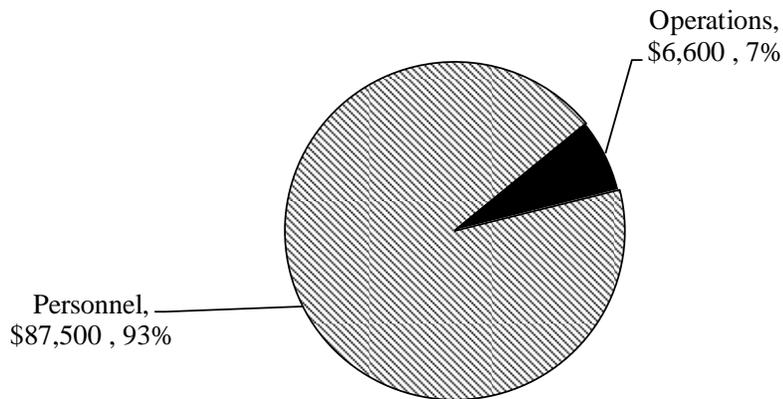
KEY BUDGET ISSUES

- **Scheduled Debt Service is Relatively Flat** until FY '21. During FY '20, the City will retire the Revenue Bonds, thus 'freeing' approximately \$512,000 for re-appropriation. This windfall offers the City a wonderful opportunity to re-invest in the water system infrastructure for replacement of old lines and provide for new extensions within the City's un-served utility service area.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
30-715: WATER FUND ADMINISTRATION**

30-715: WATER ADMINISTRATION FUND SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ -	\$ -	\$ 69,900	\$ 49,500	\$ 88,300	\$ 87,500	\$ 87,500
Operating	15,501	-	10,400	6,300	6,600	6,600	6,600
Capital Outlay	5,427.00	-	30,000	-	-	-	-
Total Expenditures	\$ 20,928	\$ -	\$ 110,300	\$ 55,800	\$ 94,900	\$ 94,100	\$ 94,100

**Public Services -Water Fund Administration
FY 16 Approved
22 June 2015**



30-715: WATER ADMINISTRATION FUND SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ -	\$ -	\$ 69,900	\$ 49,500	\$ 88,300	\$ 87,500	\$ 87,500
Operating	15,501	-	10,400	6,300	6,600	6,600	6,600
Capital Outlay	5,427.00	-	30,000	-	-	-	-
Total Expenditures	\$ 20,928	\$ -	\$ 110,300	\$ 55,800	\$ 94,900	\$ 94,100	\$ 94,100

AUTHORIZED POSITIONS					
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Public Services Director	28	\$54,182	\$81,273
1	1				

HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	0	0	0	1	1	1	1
New Requests	0	0	0	0	0	0	0
Total Funded Positions	0	0	0	1	1	1	1

PURPOSE

To provide overall leadership and supervision of the Public Service Department to insure that the City Council's goal of providing reliable and dependable infrastructure is met.

GOALS & OBJECTIVES

Goal 1: Evaluating existing services and provide improvements and/or changes as needed.

Objective 1: To provide the best service in a safe and most efficient manner.

Goal 2: Full Implementation of Career Development Plan.

Objective 2: To insure a well trained work force.

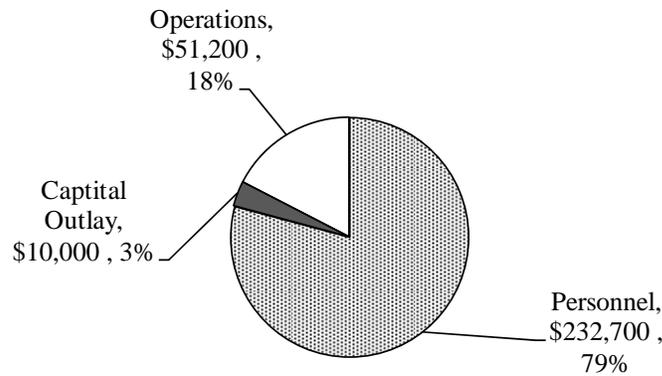
FY 15 ACCOMPLISHMENTS

- Hiring of Public Services Director.
- Worked in conjunction with McGill Associates in obtaining CDBG infrastructure grant worth over \$1.5 Million dollars.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
30-720: WATER FUND ENGINEERING**

30-720: ENGINEERING DEPARTMENT SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 198,425	\$ 176,883	\$ 225,240	\$ 225,200	\$ 231,000	\$ 232,700	232,700
Operating	24,121	58,672	33,900	34,400	47,200	51,200	51,200
Capital Outlay	-	1,171	7,700	11,500	14,000	10,000	10,000
Total Expenditures	\$ 222,546	\$ 236,726	\$ 266,840	\$ 271,100	\$ 292,200	\$ 293,900	\$ 293,900

**Engineering
FY 15 Approved**
22 June 2015



AUTHORIZED POSITIONS							
FY 13-14	FY 14-15	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	City Engineer	28	\$54,182	\$81,273		
1	1	Engineering Technician	18	\$33,263	\$49,895		
1	1	Engineering Construction/Inspector	18	\$33,263	\$49,895		
1	1	GIS Technician	17	\$31,679	\$47,519		
		<i>Part Time (TSPT)</i>					
1	1	Intern to assist with Data Entry(TSPT)					
4 FT/ 1 PT	4FT/ 1 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	5	5	5	4 FT/1PT	4 FT/ 1 PT	4FT/ 1 PT	4FT/ 1 PT
Frozen Positions	2	1	1	1	0	0	0
New Requests	0	1	1	1	0	0	0
Total Funded Positions	3	4	4	4 FT/1PT	4 FT/1PT	4 FT/1PT	4 FT/1PT

PURPOSE

To provide overall engineering design, as well as planning, project management and inspection services to utility (water distribution, sewer collections, streets, waste water and water treatment) and general governmental operations. In addition, this division provides extensive technical support and assistance to the CDBG project staff, the City Manager's office, and other City departments upon request. The planning and administrative responsibilities for the Public Buildings and Grounds Budget are managed by this department as well.

GOALS & OBJECTIVES

- Goal 1:** Continued implementation of our Geographical Information System (GIS) mapping to include additional storm water lines and other water and sewer details
- Objective 1:** The objective of this is to have the best available mapping to insure that valuable information on existing utilities is recorded on GIS and easily available to staff. It is also desirable to have the technological information immediately available to serve trucks and other field personnel to increase response times and repairs.
- Goal 2:** Completion of various projects in the proposed CIP.
- Objective 1:** Continue to monitor and facilitate the completion of the Beckford Drive Widening project, DWSRF water funded projects to completion and other sewer collection improvement projects.
- Goal 3:** Work on Engineering Design and Construction standards for Water/Sewer Storm water Utility installations.
- Objective 1:** This is to ensure proper and consistent installation methods for utilities.

FY 15 ACCOMPLISHMENTS

- **2-Inch Watermain & Services Replacement Project.** Bid and released the project for construction, have increased the project scope 2 times as project savings were realized during construction.
- **Water Meter Replacement Project.** This project was released, all the meters and materials ordered, and meter replacement installed and completed by in house staff.
- **Various Storm Water Projects.** Worked on various storm water designs and projects to correct or improve drainage, including the David Avenue storm sewer replacement project which will be completed within FY14.
- **Warren County Meter Vault.** Helped with design/construction of the new meter vault.
- **Project Reviews.** Provided engineering project reviews on various projects throughout the year for new developments.
- **GIS Technician.** GIS Technician hired and is increasing the accuracy and mapping of utilities and storm drainage. Working actively on impervious surface calculations to develop master storm water plan.
- **CAD Program** has been brought up to date and standards being developed.

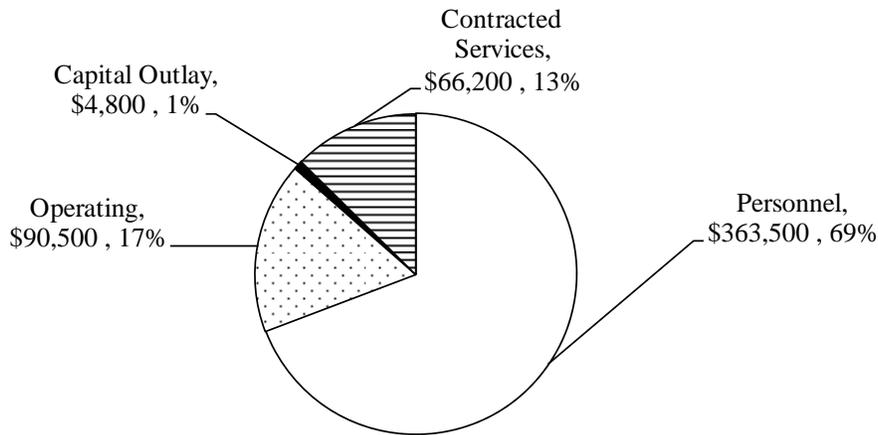
KEY BUDGET ISSUES

- Engineering 1996 Explorer is old and needs to be replaced. The truck has continuous maintenance issues.
- Limited amount of survey equipment to permit staff to identify issues and develop a design to resolve the issue.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
30-725: WATER FUND CUSTOMER SERVICE**

30-725: WATER FUND CUSTOMER SERVICE SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 303,113	\$ 338,544	\$ 357,100	\$ 349,712	\$ 382,000	\$ 363,500	\$ 363,500
Operating	27,149	\$ 55,912	85,000	63,973	90,000	90,500	90,500
Contracted Services	49,188	\$ 52,542	66,700	66,000	66,200	66,200	66,200
Capital Outlay	17,921	\$ -	17,800	17,550	4,800	4,800	4,800
Total Expenditures	\$ 397,371	\$ 446,998	\$ 526,600	\$ 497,234	\$ 543,000	\$ 525,000	\$ 525,000

**Customer Service
FY 16 Approved
22 June 2015**



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
		<i>Full Time Employees</i>					
1	1	Customer Service Supervisor	18	\$34,095	\$49,895		
2	2	Utility Billing Specialist	12	\$25,442	\$37,232		
3	3	Customer Service Representative	10	\$23,076	\$33,770		
4	4	Meter Reader	8	\$20,931	\$30,630		
		<i>Part Time Employees</i>					
1	1	RPT Customer Service Rep. I	10	\$23,076	\$33,770		
1	1	RPT Meter Reader	8	\$20,420	\$30,630		
10 FT/2 PT	10 FT/2 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	10	10 FT/ 1 PT	10 FT 1 PT	10 FT 2 PT	10 FT 2 PT	10 FT 2 PT	10 FT 2 PT
New Requests	1 PT	0	0	0	0	0	0
Total Funded Positions	10 FT/ 1 PT	10 FT/ 1 PT	10 FT 1 PT	10 FT 2 PT	10 FT 2 PT	10 FT 2 PT	10 FT 2 PT

**FY 15-16 BUDGET
ENTERPRISE FUNDS
30-725: WATER FUND CUSTOMER SERVICE**

PURPOSE

To provide excellent customer service to the City's approximate 8,600 utility customers through the reading of water meters, billing and collections and working with customers if they have special needs.

GOALS & OBJECTIVES

- Goal 1:** To continue to provide excellent customer service to customers.
Objective 1: Implement on-line bill pay as an added convenience to customers.
- Goal 2:** Collect unpaid account balances.
Objective 1: Continue to add unpaid account balances to Debt Setoff Program, which will take customers State Tax Refunds and State Lottery winnings to pay off unpaid accounts.
- Goal 3:** Continue with Radio Read Meter replacements.
Objective 1: Replace existing manual read meters with Radio Read meters, which will reduce read time for billing cycles. This goal has already reduced the cost to retrieving reading data.

FY15 ACCOMPLISHMENTS

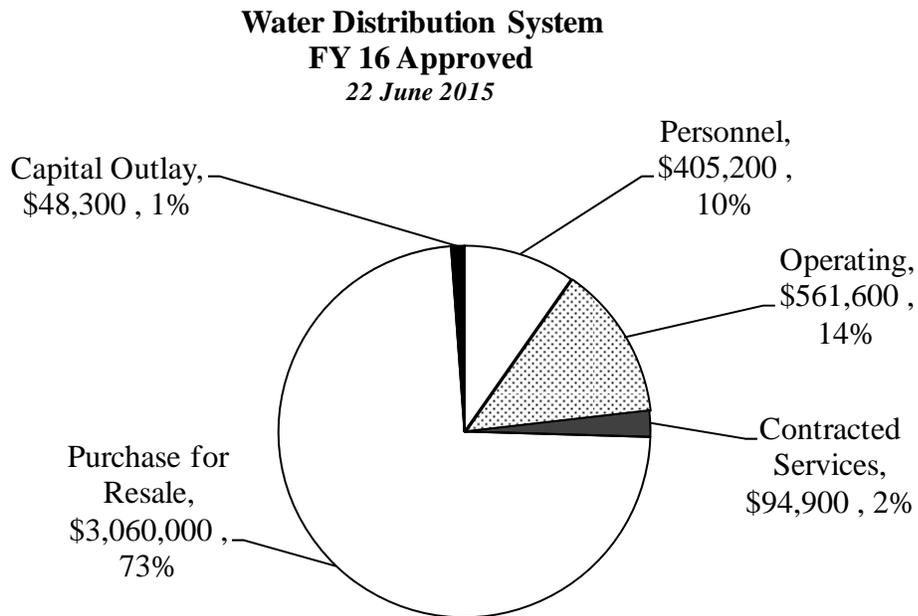
- **Radio Read Meters** are now providing an economy of scale in that the work is being done with 4.5 meter readers rather than five (5). This efficiency will continue to improve as additional water meters are replaced in the future. Being able to provide customers with data logging reports generated from the meter that services their address. Other reports generated by the radio read meters also allow the department the tools necessary to make customer's aware if they have an intermittent or continuous leak or any sort of back flow issue.
- **Security Deposits** are now required for customers who fail to keep their accounts in good standing. The City required no security deposits prior to 1 November 2011. Since this date the City has collected a total of \$388,357.89 in deposits. From this total \$53,132.58 have been applied to account balances and \$688.36 has been refunded to customers. As of 29 January 2015, the City has \$334,536.95 of security deposits on file. These funds will help mitigate bad debt write-offs in the future.
- **NC Debt Setoff** program allowed the City to collect \$86,456.23 on delinquent utility accounts and Privilege License fees over the 2014 calendar year.

KEY BUDGET ISSUES

- Funds are being requested for software and services needed for the implementation of on-line bill pay. Customers continue to request that the City upgrade to online bill pay. The department staff receives complaints frequently from customers that the City's utility bill is the only bill which they are unable to pay online. The department currently takes phone payments with the caller using a debit or credit card. This is very time consuming.
- Currently the City pays all service fees associated with credit/debit card payments. The department is asking for consideration on charging customers a flat convenience fee to make credit card payments via phone or online bill pays. Revenue from this fee will offset the service fees associated with credit card payments currently paid by the City to Merchant Services.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
30-818: WATER FUND WATER DISTRIBUTION SYSTEM**

30-818: WATER DISTRIBUTION SYSTEM SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimate 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 379,998	\$ 387,714	\$ 389,900	\$ 383,600	\$ 414,200	\$ 405,200	405,200
Operating	770,163	910,340	565,500	524,200	565,100	561,600	561,600
Contracted Services	66,823	63,205	114,300	118,600	113,900	94,900	94,900
Purchase for Resale	2,603,861	2,588,916	2,939,000	2,900,000	3,060,000	3,060,000	3,060,000
Capital Outlay	62,726	-	19,500	19,500	27,000	48,300	48,300
Total Expenditures	\$ 3,883,571	\$ 3,950,175	\$ 4,028,200	\$ 3,945,900	\$ 4,180,200	\$ 4,170,000	\$ 4,170,000



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Public Services Operations Manager	23	\$42,453	\$63,680		
1	1	Distribution and Collection System Supervisor	19	\$36,672	\$55,008		
8	7	Utility Maintenance Mechanic	9	\$21,441	\$32,162		
0	1	Water Quality Technician	8	\$20,420	\$30,630		
10	10						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended F 15-16	Approved FY 15-16
Authorized	15	10	10	10	10	10	10
New Requests	0	0	0	0	1 PT	0	0
Total Funded Positions	13	10	10	10	10	10	10

**FY 15-16 BUDGET
ENTERPRISE FUNDS**

30-818: WATER FUND WATER DISTRIBUTION SYSTEM

PURPOSE

To provide maintenance on water transmission and distribution mains throughout the City's service area (as part of the Regional System); and to install water taps, providing force labor and management for improvements and extensions to the water system. The City owns and maintains over 140 miles of water lines and roughly 600 hydrants.

GOALS & OBJECTIVES

Goal 1: Continue to identify and provide improvements to areas with water quality issues (dead-end mains, small lines operating at minimum pressure).

Objective 1: Provide better water quality and service to our citizens.

Goal 2: Complete change out of older style fire hydrants which do not conform to NCDENR standards.

Objective 1: Provide better fire protection and consistence of service as it relates to flushing and fire protection services.

Goal 3: Meet Stage II Disinfection by products regulations.

Objective 1: Provide the best water for our citizens as well as maintain compliance.

Goal 4: Continue mapping improvements of water and sewer locations.

Objective 1: Update on a regular basis and as projects are being completed. This includes in house improvements performed and including utilities contractors. This is done on an on a going basis.

FY 15 ACCOMPLISHMENTS

- Completion of 1000 plus water meter replacement to radio read meters.
- Major distribution mains of the city have been identified and priorities set for the identification and working of valves. This will aid in the response time relative to shutting the main down in the event of rupture to the main and reducing the amount of water loss.
- Completion of 2" water main replacement in conjunction with Engineering.
- Worked with the Engineering Department in providing locates to existing water mains in conjunction with construction of 2" water main replacement service change over project. Project will be complete by midsummer.
- Workplace training and safety continue to improve.
- Replaced water Main on Gholson Place.
- Installed new main on Deerwood Trail.

KEY BUDGET ISSUES

- Increased costs for purchase of water for resale from the Kerr Lake Regional Water System.
- Repayment of loans relative to funding received for radio read meters and 2" water main replacement projects.
- Funding of patching/pavement restoration due to leaks.

FY 15-16 BUDGET
ENTERPRISE FUNDS
30-818: WATER FUND WATER DISTRIBUTION SYSTEM

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**FY 15-16 BUDGET
ENTERPRISE FUNDS
31: SEWER FUND BUDGET SUMMARY**

Key Fund Issues

There are several key issues facing the Sewer Fund that serve to not only impact FY16, but the next several fiscal years as well. A brief summary of these key issues is provided below:

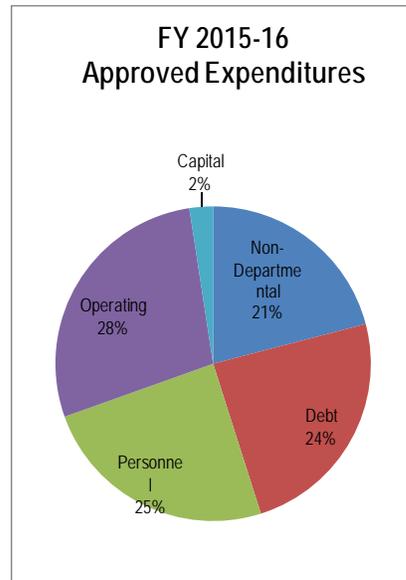
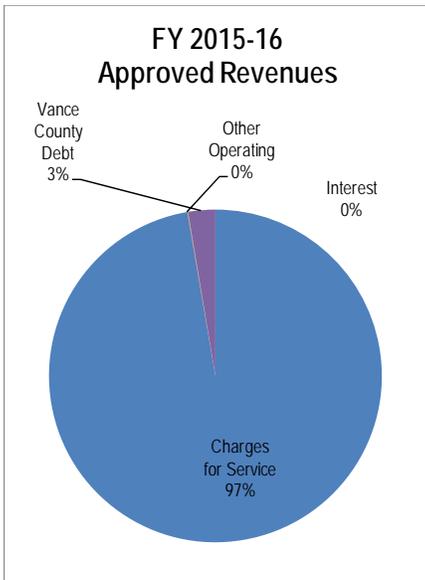
- **Major Treatment Plant Renovation and Modernization** work is well underway. It is anticipated the project will be completed sometime this year. The State loan was awarded with \$1M in principal forgiveness and the balance with zero interest over twenty years. Annual debt service will be \$805,750 vs. the previously projected \$1.16M. This has resulted in substantial cost avoidance for the City's sewer customers.
- **Sandy Creek Pump Station Improvement's** contract has been awarded by City Council. It is anticipated this much needed project will be completed by year's end. Debt service for this project has already been calculated in the long-term debt management plan.
- **Elmwood Interceptor** project is moving forward. The preliminary engineering report was approved by the State and City Council accepted the loan offer of \$1.8M. This project includes replacement and upsizing of a major outfall through the Elmwood Cemetery as well as other properties within a sewer easement to address capacity issues in conjunction with the flows from the Sandy Creek pump station.
- **Major Equipment Purchases** were significantly trimmed in the recommended budget and only a work order system, jet vac truck and one ton truck have been approved for FY16. Many of the costs are also shared with other funds in an effort to equitably share the burden of paying for such expense equipment and meet the need. The lease/purchase option is used in the Sewer fund, and the initial payments will be made this fiscal year.
- **System is Not Growing.** Funds are currently unavailable for either planning for or extending sanitary sewer lines beyond the current service area, or rehabilitating existing lines on a scheduled basis. Since the customer base is not growing, more pressure is placed upon existing customers to finance the Sewer Fund's needs via rate increases vs. financing resulting from natural growth in the system.
- **A Rate Stabilization, Debt Service and Utilities Multi-Year Capital Improvements Plan** was developed and approved as part of the FY14 Budget process. Thanks to significant long-term debt being retired over the next several years, the City will be able to fully fund the scheduled debt service, including the sewer plant and Elmwood projects without additional rate increases. Additionally, the Plan, over time, provides for use of 'captured' debt service funding for annual capital improvements such as equipment replacement and sewer line repairs and extensions. These items have been identified in the Utilities Multi-Year Capital Improvements Plan.
- **A 9% Rate Increase** is recommended in order to keep fund operations solvent. Each percent increase generates about \$37,000, thus, the proposed increase would generate \$111,000 for the Fund's operations and capital needs.

The Sewer Fund budget is \$5,032,300.

**FY 15-16
ENTERPRISE FUNDS
31: SEWER FUND BUDGET SUMMARY**

SEWER FUND

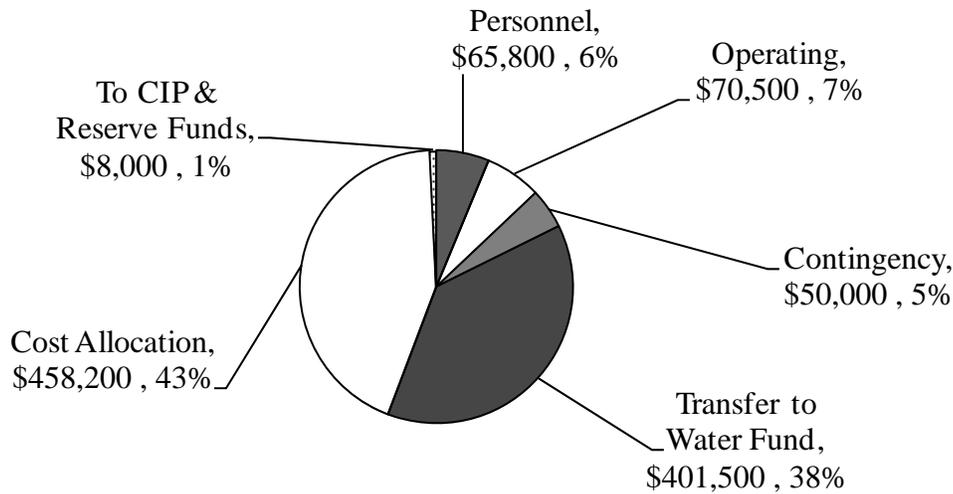
	2013-14 AMENDED	2014-15	REQUEST	2015-16 RECOMMENDED	APPROVED
REVENUES					
Charges for Service	\$ 4,537,700	\$ 4,684,400		\$ 4,895,900	\$ 4,895,900
Other Operating	\$ 100	\$ 7,210		\$ 3,000	\$ 3,000
Interest	\$ 1,000	\$ 1,000		\$ 1,000	\$ 1,000
Sale of Assets	\$ -	\$ -		\$ -	\$ -
Vance County Debt	\$ 155,600	\$ 155,600		\$ 132,400	\$ 132,400
Transfer From Fund 79	\$ 200,000	\$ -		\$ -	\$ -
Reserve Appropriation	\$ 125,000	\$ -		\$ -	\$ -
TOTAL	\$ 5,019,400	\$ 4,848,210		\$ 5,032,300	\$ 5,032,300
EXPENDITURES					
Non-Departmental	\$ 1,472,958	\$ 1,718,110	\$ 1,056,200	\$ 1,054,000	\$ 1,054,000
Debt	\$ 436,712	\$ 304,860	\$ 1,215,000	\$ 1,215,000	\$ 1,215,000
Personnel	\$ 1,178,800	\$ 1,218,640	\$ 1,254,400	\$ 1,229,700	\$ 1,229,700
Operating	\$ 1,662,730	\$ 1,558,500	\$ 1,409,400	\$ 1,411,900	\$ 1,411,900
Capital	\$ 268,200	\$ 48,100	\$ 419,300	\$ 121,700	\$ 121,700
TOTAL	\$ 5,019,400	\$ 4,848,210	\$ 5,354,300	\$ 5,032,300	\$ 5,032,300



**FY 15-16 BUDGET
ENTERPRISE FUNDS
31-660: SEWER FUND NON-DEPARTMENTAL**

31-660: NON-DEPARTMENTAL SUMMARY							
	Actual Expended		Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
	12-13	13-14					
Personnel Services	\$ 23,425	\$ 22,686	\$ 37,300	\$ 23,000	\$ 76,000	\$ 65,800	\$ 65,800
Operating	-	\$ 526,590	532,900	486,000	70,500	70,500	70,500
Contingency	-	\$ -	26,700	-	50,000	50,000	50,000
Debt Service	795,282	\$ -	-	-	-	-	-
Cost Allocation	305,300	\$ 397,700	608,200	458,200	458,200	458,200	458,200
Transfer to Water Fund	-	\$ 403,288	400,640	400,700	401,500	401,500	401,500
Capital Reserve	357,173	\$ 342,000	513,800	513,800	-	8,000	8,000
Total Expenditures	\$ 1,481,179	\$ 1,692,264	\$ 2,119,540	\$ 1,881,700	\$ 1,056,200	\$ 1,054,000	\$ 1,054,000

**Non-Departmental
FY 16 Approved
22 June 2015**



The Non-Departmental Budget group was established for this fund, as well as others, during FY 11-12 in order to better account for inter-fund transfers and other expenditures that should not be located in an operating budget group. No personnel are assigned to the Non-Departmental budget group; however, some personnel related expenditures such as retiree health insurance and reserves for incumbent liabilities for accrued vacation and compensatory time are accounted for in this budget department. Debt service is no longer accounted for in this budget and may be found in budget department 31:680 Debt Service.

The largest expenditure center for the non-departmental budget is the inter-fund transfer. The transfer provides for “sending” money from Sewer Fund to the Capital Reserve and CIP funds as well as the General and Water funds for cost allocations.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
31-680: SEWER FUND DEBT SERVICE**

31-680: DEBT SERVICE SUMMARY						
	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Debt Service Principal	\$ -	\$ 247,530	\$ 202,000	\$ 1,120,900	\$ 1,120,900	\$ 1,120,900
Debt Service Interest	37,964	25,930	25,900	62,700	62,700	62,700
Lease Purchase Payments	2,653	31,400	31,400	31,400	31,400	31,400
Total Expenditures	\$ 40,617	\$ 304,860	\$ 259,300	\$ 1,215,000	\$ 1,215,000	\$ 1,215,000

Debt service comprised approximately 24.14% of the total fund budget. The majority of this is due to the debt on the renovations at the Henderson Water Reclamation Facility (HWRF). If the transfer out for the Sewer Fund's portion of the revenue bonds is subtracted, that percentage is reduced to 16.17%.

31: Sewer Fund Debt Service Schedule											
Type of Debt	P/I	Actual		Scheduled						Six Year Total	
		FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	By P & I	By Total	
31: Operations and Service Center--DS Payment 30% Sewer Fund (\$339,629); Outstanding Principal \$1,342,161 (total project)	P	\$ 62,012	\$ 63,019	\$ 64,674	\$ 66,545	\$ 67,911	\$ 69,494	\$ 71,005	\$ 402,648	\$ 437,140	
	I	\$ 11,144	\$ 9,664	\$ 8,151	\$ 6,599	\$ 5,002	\$ 3,372	\$ 1,704	\$ 34,492		
31: Redbud Pump Station	P	\$ 230,413	\$ 234,155	\$ 240,303	\$ 247,252	\$ 252,331	\$ 258,212	\$ 263,825	\$ 1,496,078	\$ 1,624,235	
Outstanding Principal \$1,496,078	I	\$ 41,406	\$ 35,906	\$ 30,286	\$ 24,519	\$ 18,585	\$ 12,529	\$ 6,332	\$ 128,157		
31: WWTP Study	P	\$ 4,741	\$ 4,818	\$ 4,945	\$ 5,087	\$ 5,192	\$ 5,313	\$ 5,428	\$ 30,783	\$ 33,420	
Outstanding Principal \$30,783	I	\$ 851	\$ 739	\$ 623	\$ 504	\$ 382	\$ 258	\$ 131	\$ 2,637		
31: Oxford Road Sewer Upgrade	P	\$ 44,652	\$ 45,377	\$ 46,568	\$ 47,915	\$ 48,899	\$ 50,039	\$ 51,127	\$ 289,925	\$ 314,760	
Outstanding Principal \$289,925	I	\$ 8,024	\$ 6,958	\$ 5,869	\$ 4,751	\$ 3,602	\$ 2,428	\$ 1,227	\$ 24,835		
State Revolving Loans											
HWRF: E-SRF-T-92-OR25: 385% interest; issued 3/25/94 (20 year) semi-annual interest payments, annual principal ending FY 2013-2014; Outstanding Principal \$0-	P	\$ 137,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	I	\$ 4,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Ruin Creek Outfall - E-SBF-T-95-0024: 3.43% interest; issued 5/1/97 (20 year) semi annual interest payments, annual principal ending FY 2016-2017 Outstanding Principal \$345,856; 56% Vance County participation	P	\$ 115,286	\$ 115,286	\$ 115,286	\$ 115,286	\$ -	\$ -	\$ -	\$ 345,858	\$ 369,584	
	I	\$ 15,817	\$ 11,863	\$ 7,909	\$ 3,954	\$ -	\$ -	\$ -	\$ 23,726		
NVHS Sewer Line - E-SBF-T-94-0004: 5.85% interest; issued 11/1/96 (20 year) semi annual interest payments, annual principal ending FY 2015-2016 Outstanding Principal \$124,453; 100% Vance County participation	P	\$ 62,227	\$ 62,227	\$ 62,227	\$ -	\$ -	\$ -	\$ -	\$ 124,454	\$ 129,853	
	I	\$ 8,129	\$ 4,543	\$ 856	\$ -	\$ -	\$ -	\$ -	\$ 5,399		
Sandy Creek Pump Station Improvements: 0.00% interest; approved FY 2013, (20 years) annual principal payments ending FY 2034-2035; Total Project = \$1,696,694; Principal Forgiveness: \$848,437; Outstanding Principal:	P	\$ -	\$ -	\$ 42,422	\$ 42,422	\$ 42,422	\$ 42,422	\$ 42,422	\$ 212,109	\$ 212,109	
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Sewer Rehab Projec--E-SRF-T-12-O3002: 2.0% interest; issued 5/1/2013 (20 years); semi-annual interest payments, annual principal payments ending FY 2032-2033; Total Project \$988,782. Principal Forgiveness: \$494,391. Outstanding Principal: \$469,391	P	\$ 25,000	\$ 24,439	\$ 24,720	\$ 24,720	\$ 24,720	\$ 24,720	\$ 24,720	\$ 148,038	\$ 196,987	
	I	\$ 9,836	\$ 9,398	\$ 8,899	\$ 8,405	\$ 7,910	\$ 7,416	\$ 6,922	\$ 48,950		
HWRF Improvements: 0.00% interest; approved FY 2013 (20 years) annual principal payments ending 5/06/2035. Outstanding Principal: \$16,115,000	P	\$ -	\$ -	\$ 805,750	\$ 805,750	\$ 805,750	\$ 805,750	\$ 805,750	\$ 4,028,750	\$ 4,028,750	
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Potential Project: Elmwood Interceptor. Initial paperwork underway, Estimated Project cost = \$1.8M, Assuming 2.5% interest, Payments initially due in FY16-17.	P	\$ -	\$ -	\$ 70,465	\$ 72,227	\$ 74,033	\$ 75,883	\$ 77,780	\$ 370,388	\$ 607,327	
	I	\$ -	\$ -	\$ 45,000	\$ 43,239	\$ 41,433	\$ 39,582	\$ 37,685	\$ 236,939		
Lease Purchase											
Video Inspection Camera (Sewer Coll 1&1): 08-09 3.26% issued 10-29-08 (5 years) annual payments ending FY 13-14. Outstanding Principal & Interest \$17,002		\$ 17,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dump Truck (Sewer Coll): 12-13; 3.12% issued FY 2013 (5 years); annual payments ending FY 17-18 . Outstanding Principal & Interest \$79,516		\$ 19,879	\$ 19,879	\$ 19,879	\$ 19,879	\$ 19,879	\$ -	\$ -	\$ 79,517	\$ 125,553	
Tractor/Bushhog (Sewer Coll): 12-13; 1.527% issued FY 2013 (5 years); annual payments ending FY 17-18 . Outstanding Principal & Interest \$46,036		\$ 11,509	\$ 11,509	\$ 11,509	\$ 11,509	\$ 11,509	\$ -	\$ -	\$ 46,036		
Long Term Principal:		\$ 681,618	\$ 549,321	\$ 1,477,359	\$ 1,427,203	\$ 1,321,257	\$ 1,331,832	\$ 1,342,057	\$ 7,449,031		
Long Term Interest:		\$ 99,854	\$ 79,071	\$ 107,593	\$ 91,971	\$ 76,914	\$ 65,585	\$ 84,001	\$ 505,135		
Total Long Term Debt Service:		\$ 781,472	\$ 628,392	\$ 1,584,952	\$ 1,519,174	\$ 1,398,172	\$ 1,397,417	\$ 1,426,058	\$ 7,954,166	\$ 7,954,166	
Total Lease Purchase (P & I) Debt Service:		\$ 48,390	\$ 31,388	\$ 31,388	\$ 31,388	\$ 31,388	\$ -	\$ -	\$ -	\$ 125,553	
Total Fund Debt Service:		\$ 829,862	\$ 659,780	\$ 1,616,341	\$ 1,550,562	\$ 1,429,560	\$ 1,397,417	\$ 1,426,058	\$ 8,079,718	\$ 8,079,718	

A variance between the summary and the City's debt schedule is a combination of rounding up and the transfer from the Sewer Fund to the Water fund (\$401,500) for the Sewer Fund's portion of the revenue bonds that were refunding in 2011. The bonds covered projects in the General, Water and Sewer Funds. The entire debt for this refunding is recorded in the Water Fund; therefore, the General Fund and the Sewer Fund transfer their portion of this debt to the Water Fund so that the debt payment can be made directly from the Water Fund.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
31-680: SEWER FUND DEBT SERVICE**

PURPOSE

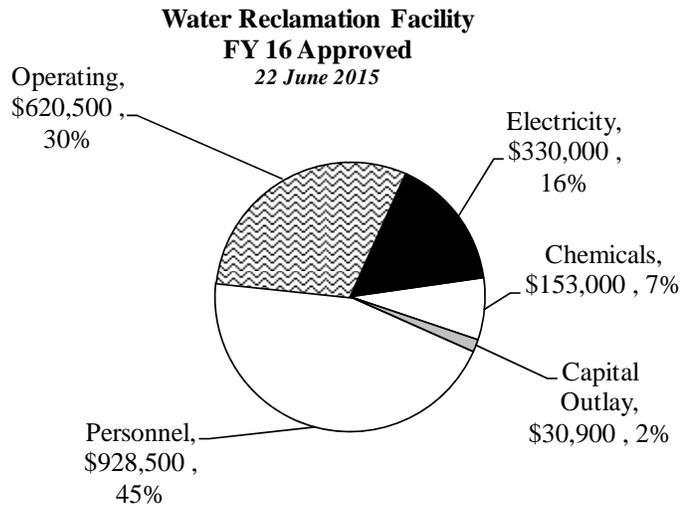
The purpose of the debt service budget department is: 1) to provide for the payment of the Fund's long-term and short-term debt interest and principal; and 2) to provide long-term information and understanding as to the Fund's debt service requirements and how that might impact utility rates as well as day-to-day operations.

KEY BUDGET ISSUES

- **Scheduled Debt Service is Relatively Flat** until FY '21. During FY '20 the City will retire the Revenue Bonds.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
31-822: SEWER FUND WATER RECLAMATION FACILITY**

31-822: WATER RECLAMATION FACILITY SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel	\$ 897,109	\$ 839,642	\$ 916,540	\$ 908,475	\$ 946,300	\$ 928,500	\$ 928,500
Operating	590,294	\$ 1,430,999	658,500	655,927	619,000	620,500	620,500
Electricity	316,656	\$ 303,698	320,000	291,000	330,000	330,000	330,000
Chemicals	226,393	\$ 262,808	273,000	256,000	153,000	153,000	153,000
Debt Service	707,498						
Capital Outlay	54,391	\$ 523	30,900	30,900	214,000	38,000	38,000
Total Expenditures	\$ 2,792,340	\$ 2,837,670	\$ 2,198,940	\$ 2,142,302	\$ 2,262,300	\$ 2,070,000	\$ 2,070,000



AUTHORIZED POSITIONS					
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
<i>Special Certified or Sworn Employees (i.e., police officers, firefighters, treatment operators, etc.)</i>					
1	1	Director of HWRF	23	\$42,453	\$63,680
1	1	Chief Plant Operator	18	\$33,263	\$49,895
1	1	Laboratory Supervisor	18	\$33,263	\$49,895
5	5	Treatment Plant Operator	12	\$24,821	\$37,232
8	8				
<i>All Other Full Time, both exempt and non-exempt</i>					
1	1	Plant Maintenance Supervisor	17	\$31,679	\$47,519
1	1	Senior Instrumentation Tech	17	\$31,679	\$47,519
1	1	Laboratory Analyst	15	\$28,733	\$4,310
1	1	Instrument Technician Assistant	13	\$26,062	\$39,093
4	4	Plant Maintenance Mechanic	12	\$24,821	\$37,232
2	2	Lab Technician	13	\$26,062	\$39,093
1	1	Administrative Support Specialist	11	\$23,639	\$35,459
1	1	Maintenance Worker	9	\$21,441	\$32,162
12	12				

HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	21	21	21	20	20	20	20
New Requests	0	0	0	0	0	0	0
Total Funded Positions	21	21	21	20	20	20	20

**FY 15-16 BUDGET
ENTERPRISE FUNDS**

31-822: SEWER FUND WATER RECLAMATION FACILITY

PURPOSE

To provide adequate treatment of wastewater to meet the effluent limits set forth in the City's National Pollutant Discharge Elimination System (NPDES) permit; to provide adequate management and maintenance of the City's pump station facilities (5 major and 8 minor stations) and sludge disposal program; and to make available adequate capacity for continued residential, commercial and industrial growth within Henderson's corporate limits and throughout the service area.

GOALS & OBJECTIVES

- Goal 1:** Operate the HWRF, pump stations, laboratory, SCADA, storm water, odor control and land application of sludge efficiently and maintain compliance with all NPDES, laboratory, land application of sludge and storm water permit limits including the Environmental Protection Agency (EPA)/Division of Water (DWQ) regulations in a cost effective manner.
- Objective 1:** Coordinate with the lab, operations, maintenance and instrumentation staff to make needed adjustments to the plant and other processes to maintain compliance with all regulations. Study the operational parameters of the new plant and train the staff in its operation so the transition from the old to the new plant goes as smooth as possible and the plant stays in compliance with the NPDES limits.
- Goal 2:** Continue to improve and maintain the safety record at the HWRF.
- Objective 1:** Continue plant safety inspections and staff training as we transition to new plant.
- Goal 3:** Clean and restore the first 500 feet of creek bank at the HWRF.
- Objective 1:** Flood prevention and prevent damage to highway. No longer need to clean the entire creek, just the head-works. New equipment located out of flood plain.
- Goal 4:** Inspect the construction of the new plant daily while keeping the old one in compliance.
- Objective 1:** Coordinate my schedule with McGill's and my staff's schedules. Allocate my time where needed the most. Plant is 80% complete.
- Goal 5:** Inspect and assist contractor and McGill Associates in construction of Sandy Creek Pump Station upgrade. Station is 30% complete.
- Objective 1:** Allocate my time to this project while considering the needs of the project to upgrade the plant and my staff's needs.

FY 15 ACCOMPLISHMENTS

We had one overflow at Sandy Creek from I&I rainfall and one fecal violation from toxic dump in plant. All were unavoidable circumstance. All other permit and lab parameters were within limits this year.

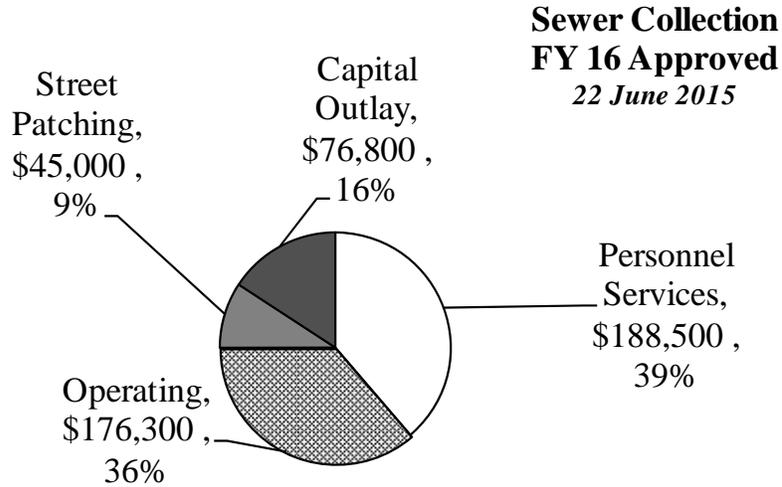
- **Grants Awarded:** Awarded in 2013-14. Draw-down in progress because projects not finished. State Revolving Loan Funds for sanitary sewer collection replacement/rehab and SRF and CWMTF Grant at the Water Reclamation Facility. Able to help obtain SRL to upgrade Sandy Creek Pump Station.
- **Construction Administration:** Inspected construction at the treatment plant (80% complete). Recommended change orders, paid bills and filed loans/grants for reimbursements. Inspected construction at Sandy Creek Pump Station (30% complete). Pumps have been delivered with construction to resume the 1st of June 2015.

KEY BUDGET ISSUES

- Chemical costs will definitely go down when the new plant begins operation. It is not known at this time whether or not further savings will be possible until full operational costs are determined.
- Goal 3 is very important but will need City funds to accomplish. Would not qualify for a loan or grant.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
31-828: SEWER FUND COLLECTION**

31-828: SEWER COLLECTION SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 145,543	\$ 172,729	\$ 192,100	\$ 186,500	\$ 193,100	\$ 188,500	\$ 188,500
Operating	105,916	101,659	165,300	161,500	175,300	176,300	176,300
Street Patching	27,755	19,820	45,000	45,000	45,000	45,000	45,000
Capital Outlay	3,000	11,022	25,500	25,500	183,400	76,800	76,800
Total Expenditures	\$ 282,214	\$ 305,230	\$ 427,900	\$ 418,500	\$ 596,800	\$ 486,600	\$ 486,600



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
2	2	Maintenance Crew Leader	13	\$26,062	\$39,093		
1	3	Maintenance Worker	9	\$21,441	\$32,162		
3	5						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	5	5	5	5	5	5	5
New Requests	0	0	0	0	0	0	0
Total Funded Positions	5	5	5	5	5	5	5

PURPOSE

To perform both scheduled and emergency maintenance on more than 150 miles of sanitary sewer lines (both gravity and force mains); to install sewer taps; to provide force account labor for some capital improvement projects to the system; and manage the Sewer Collection and I & I Division.

GOALS & OBJECTIVES

- Goal 1:** Continue to reduce the number of spills/overflows that took place in previous years.
- Objective 1:** To be in compliance with sanitary sewer collections permits and avoid potential fines.
- Goal 2:** Monitor projects performed in Sandy Creek and other basins to reduce I and I.
- Objective 2:** Further reduce infiltration/inflow to maximize capacity within the collection system.

FY 15 ACCOMPLISHMENTS

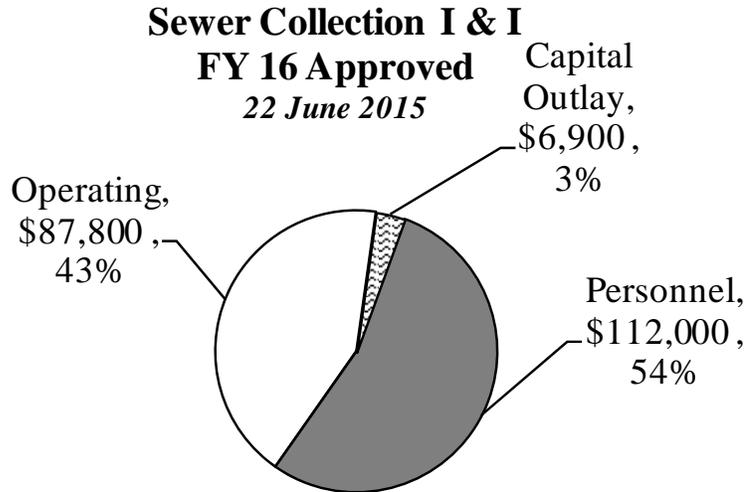
- **Line Rehabilitation.** Successfully completed foam injection to existing sewer mains to eliminate root problems which can cause spills.
- **Right of Way Clearing.** Continued right of way clearing on Sanitary Sewer outfalls.
- **State Report.** Received a good inspection report from the State relative to the operation of the Sanitary Sewer Collection System.
- **Line Cleaning.** Crews have exceeded the 83,000 linear feet that is required by State mandate by cleaning 117,482 linear feet as of December 31, 2014.
- **Sanitary Sewer Rehab Project.** Project was completed and has increased reliability of service in these areas.
- **Elmwood Cemetery Outfall.** Design has been completed and approved by the State with bidding to take place upon completion of Right-of-way acquisition

KEY BUDGET ISSUES

- **Funding Needed** for projects relative to capital improvement projects as well as other sewer improvement projects.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
31-829: SEWER FUND I & I OPERATIONS**

31-829: SEWER COLLECTION I & I SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 95,555	\$ 102,528	\$ 110,000	\$ 108,500	\$ 113,600	\$ 112,000	\$ 112,000
Operating	44,809	53,813	76,700	76,400	88,500	87,800	87,800
Debt Service	1,057						
Capital Outlay	3,100		4,700	4,700	21,900	6,900	6,900
Total Expenditures	\$ 144,521	\$ 156,341	\$ 191,400	\$ 189,600	\$ 224,000	\$ 206,700	\$ 206,700



AUTHORIZED POSITIONS					
FY 13-14	FY 14-15	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Crew Leader	13	\$26,062	\$39,093
2	2	Maintenance Worker	8	\$20,420	\$30,630
3	3				

HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	3	3	3	3	3	3	3
New Requests	0	0	0	0	0	0	0
Total Funded Positions	3	3	3	3	3	3	3

PURPOSE

To perform scheduled maintenance of sanitary sewer mains relative to the identification and reduction of storm and groundwater inflow/infiltration (I&I) into the sanitary sewer system.

GOALS & OBJECTIVES

Goal 1: Inflow & Infiltration Reduction and Identification.

Objective 1: Continue smoke testing and performing visual inspections of the collection system in order to keep as much rain and storm water flow as possible out of the sanitary sewer system.

Goal 2: Perform repairs identified by smoke testing and visual inspection and other means. Perform day-to-day I&I preventive maintenance as required of this system.

Objective 2: Record and document flow reduction from outside sources. Dedicate 70% of time to use of Jet-Vac, camera truck, sewer rodder, I&I elimination and mapping assistance with engineering. Dedicate 30% of time to manhole inspections and high priority line inspections as required by state law and NCDENR.

FY 15 ACCOMPLISHMENTS

- **I&I Work:** Continued to work toward strengthening the City's efforts in reducing inflow/infiltration (I&I) particularly in the Sandy Creek Basin and therefore minimizing sanitary sewer overflows and bypasses.
- **TV and Visual Monitoring:** Identified various areas with open cleanouts and or discontinued services which contributed to I&I.
- **Fats, Oils & Grease Compliance:** The Sewer Collection I&I Division worked in conjunction with the pretreatment staff of the HWRF in identifying accumulation of grease build-up within the mains and helped to identify potential businesses which may be depositing excessive amounts of fats, oils and grease.
- **Sandy Creek Pump Station:** The upgrade project was awarded by the City Council with construction starting in the Spring of 2014.

KEY BUDGET ISSUES

- **Contract Services:** Includes a minimal amount of funds related to smaller sewer construction repairs that cannot be performed by the city.
- **Funding for key** equipment and additional I&I sewer line work included in the budget.

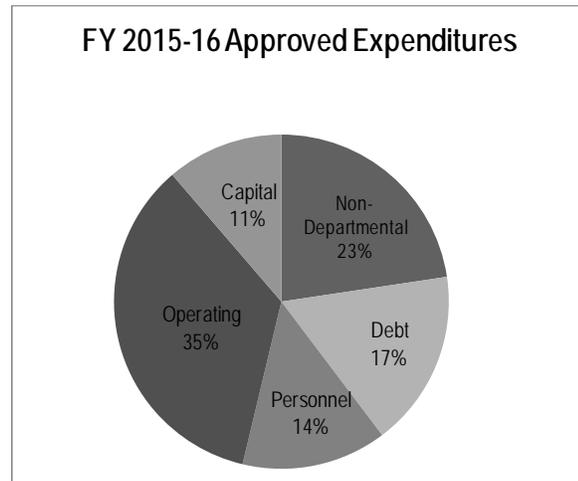
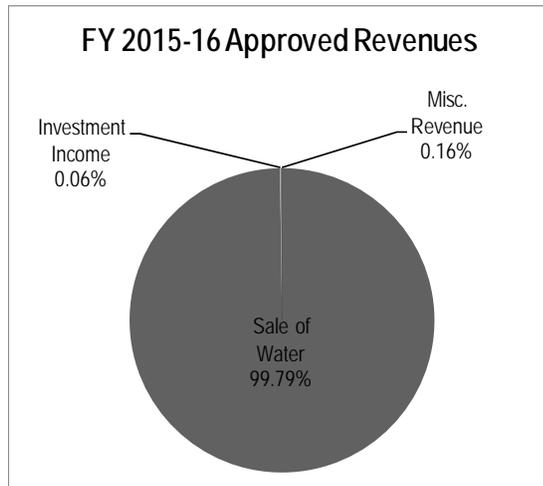
FY 15-16 BUDGET
ENTERPRISE FUNDS
31-829: SEWER FUND I & I OPERATIONS

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**FY 15-16 BUDGET
ENTERPRISE FUNDS
64: REGIONAL WATER FUND SUMMARY**

	2013-14		2014-15	2015-16		
	ACTUAL	AMENDED		REQUEST	RECOMMENDATION	APPROVED
REVENUE						
Sale of Water	\$ 4,209,096	\$ 4,395,000	\$ 4,270,000	\$ -	\$ 4,490,000	\$ 4,490,000
Investment Income	\$ 4,111	\$ 3,000	\$ 3,000	\$ -	\$ 2,500	\$ 2,500
Misc. Revenue	\$ 12,499	\$ 7,000	\$ 15,240	\$ -	\$ 7,000	\$ 7,000
Fund Balance Appropriation	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 4,225,705	\$ 4,430,000	\$ 4,288,240	\$ -	\$ 4,499,500	\$ 4,499,500

EXPENDITURES						
Non-Departmental	\$ 1,140,180	\$ 1,407,250	\$ 1,199,660	\$ 1,167,000	\$ 1,017,700	\$ 1,017,700
Debt	\$ 174,989	\$ 776,100	\$ 765,500	\$ 769,300	\$ 769,300	\$ 769,300
Personnel	\$ 607,128	\$ 639,000	\$ 639,840	\$ 636,100	\$ 630,500	\$ 630,500
Operating	\$ 1,275,178	\$ 1,529,750	\$ 1,604,240	\$ 1,573,000	\$ 1,574,000	\$ 1,574,000
Capital	\$ 9,748	\$ 77,900	\$ 79,000	\$ 408,500	\$ 508,000	\$ 508,000
TOTAL	\$ 3,207,223	\$ 4,430,000	\$ 4,288,240	\$ 4,553,900	\$ 4,499,500	\$ 4,499,500



A **rate increase of 5%** is approved in order to meet its operational needs, provide adequate funding for capital reserves established for the planned expansion of the facility, and fund the needed replacement of the SCADA system. Each percent yields about \$39,000 in revenues. This will result in an additional \$195,000 in revenues.

A Water Rate Stabilization and Debt Service Plan was approved by the Council in FY 14. The Plan was tweaked last fiscal year and will continue to be in light of the reduced contribution resulting from significantly reduced water sales revenues and projections. The Plan calls for only \$612,100 to be transferred to 78: 20MGD Reserve in FY16.

Kerr Lake Regional Water System is the first in the State to go through the process of obtaining an Inter-Basin Transfer Permit under the State’s new legislation and the Department of Natural and Environmental Resources’ regulations. The City is on track to completing this process mid-fiscal year.

Replacement of the SCADA System is approved for major capital outlay and is expected to cost **\$508,000**.

The **cost of chemicals continues to increase** and they represent **15.85%** of the budget in FY 16.

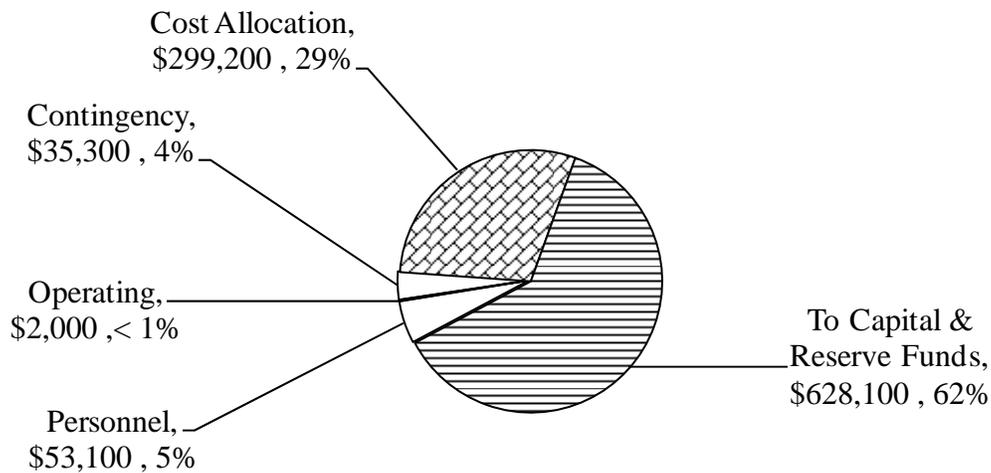
FY 15-16 BUDGET
ENTERPRISE FUNDS
64: REGIONAL WATER FUND SUMMARY

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**FY 15-16 BUDGET
ENTERPRISE FUNDS
64-660: REGIONAL WATER FUND NON-DEPARTMENTAL**

64-660: NON-DEPARTMENTAL SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel	\$ 23,722	\$ 24,230	\$ 38,700	\$ 20,500	\$ 58,800	\$ 53,100	\$ 53,100
Operating	-	-	1,660	1,600	2,000	2,000	2,000
Debt Service	1,273,993						
Contingency	-	-	30,000	-	30,000	35,300	35,300
Cost Allocation	305,000	497,200	359,000	353,200	299,200	\$ 299,200	299,200
To Capital & Reserves	713,100	618,750	769,300	767,000	777,000	628,100	628,100
Total Expenditures	\$ 2,315,815	\$ 1,140,180	\$ 1,198,660	\$ 1,142,300	\$ 1,167,000	\$ 1,017,700	\$ 1,017,700

**Non-Departmental
FY 16 Approved
22 June 2015**



The Non-Departmental Budget group provides for a better accounting for inter-fund transfers and other expenditures that should not be located in an operating budget group. No personnel are assigned to the Non-Departmental budget group; however, some personnel related expenditures such as retiree health insurance and the fund's share of the recommended pay and classification study are accounted for in this budget department.

The largest expenditure center for the non-departmental budget is the transfer to the Capital Reserve Fund.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
64-680: REGIONAL WATER DEBT SERVICE**

64-680: DEBT SERVICE SUMMARY						
	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Long-Term Debt Service P&I	\$ -	\$ 706,700	\$ 650,300	\$ 732,300	\$ 732,300	\$ 732,300
Lease Purchase Debt Service P&I	174,989	58,800	58,800	37,000	37,000	37,000
Total Expenditures	\$ 174,989	\$ 765,500	\$ 709,100	\$ 769,300	\$ 769,300	\$ 769,300

Debt service comprises approximately 17.1% of total fund budget.

64: Regional Water Fund Debt Service Schedule										
64: Regional Water Fund		Actual		Scheduled					Six Year Total	
State Revolving Loan	P/I	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	By P & I	By Total
High Speed Pump: 20 years at Zero % interest. Initial project \$1,129,000 with annual principal payments of \$56,450. (Res 12-59 and Ord 12-48). Payments begin FY16 and end FY35. Outstanding principal: \$1,129,000.	P	\$ -	\$ -	\$ 56,450	\$ 56,450	\$ 56,450	\$ 56,450	\$ 56,450	\$ 282,250	\$ 282,250
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Certificates of Participation										
Regional Water Loop Line/Filter Upgrade: 3.04% interest (weighted avg.); issued 8/12/03 (13 year) semi-annual payments ending FY 2015-2016. Outstanding Principal \$998,500.	P	\$ 474,500	\$ 489,500	\$ 509,000	\$ -	\$ -	\$ -	\$ -	\$ 998,500	\$ 1,038,473
	I	\$ 42,877	\$ 27,837	\$ 12,136	\$ -	\$ -	\$ -	\$ -	\$ 39,973	
Regional Water Raw Water Facilities Phase I: 3.74% interest; issued 02/26/04 (15 year) semi-annual payments ending FY 2018-2019. Outstanding Principal \$866,625	P	\$ 154,877	\$ 160,723	\$ 166,791	\$ 173,087	\$ 179,622	\$ 186,402	\$ -	\$ 866,625	\$ 958,235
	I	\$ 36,762	\$ 30,923	\$ 24,856	\$ 18,560	\$ 12,026	\$ 5,245	\$ -	\$ 91,610	
Lease Purchase										
Generator: 3.96% interest, issued 3 Dec 04, 8 year annual payments ending FY13. Outstanding Principal & Interest = \$0.00.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long Term Principal:		\$ 629,377	\$ 650,223	\$ 732,241	\$ 229,537	\$ 236,072	\$ 242,852	\$ 56,450	\$ 1,848,073	\$ 1,974,411
Long Term Interest:		\$ 79,639	\$ 58,760	\$ 36,992	\$ 18,560	\$ 12,026	\$ 5,245	\$ -	\$ 126,338	
Total Long Term Debt Service:		\$ 709,016	\$ 708,983	\$ 769,233	\$ 248,097	\$ 248,098	\$ 248,097	\$ 56,450	\$ 1,974,411	
Total Lease Purchase (P & I) Debt Service:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Debt Service:		\$ 709,016	\$ 708,983	\$ 769,233	\$ 248,097	\$ 248,098	\$ 248,097	\$ 56,450	\$ 1,974,411	\$ 1,974,411

A variance between the summary and City's debt schedule is due to rounding-up.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
64-680: REGIONAL WATER DEBT SERVICE**

PURPOSE

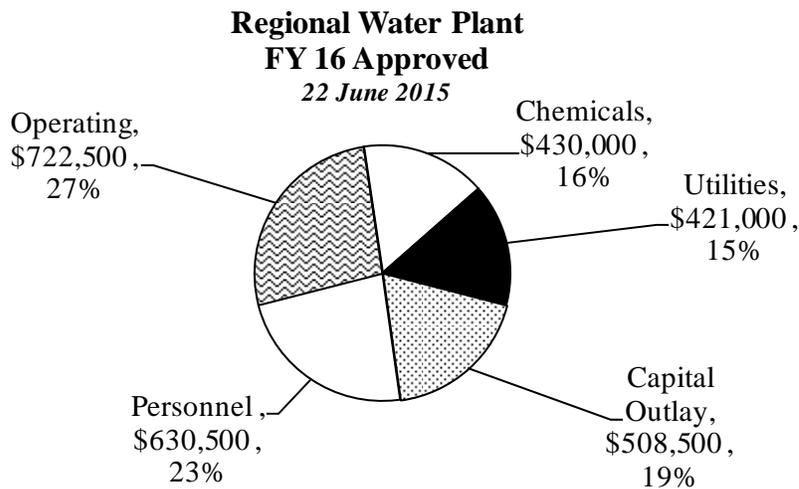
The purpose of the debt service budget department is: 1) to provide for the payment of the Fund's long-term and short-term debt interest and principal; and 2) to provide long-term information and understanding as to the Fund's debt service requirements and how that might impact utility rates as well as day-to-day operations.

KEY BUDGET ISSUES

- The reduced contribution to be made from Regional Water to 78: 20MGD Reserve is \$612,100, down from FY 2015's contribution of \$761,000. This reduction was made in order to help balance Regional Water's budget. This reduction, together with the reduction made in FY 2015's contribution will have impacts on the long-term debt management plan for the project. Increasing rates to compensate for this during FY 16 is not feasible given the recommended 5% rate increase needed to cover operating expenses. The FY 17 contribution will require an adjustment to make up for the reduced contributions for FY 15 and FY 16.

**FY 15-16 BUDGET
ENTERPRISE FUNDS
64-900: REGIONAL WATER FUND WATER PLANT**

64-900: REGIONAL WATER PLANT SUMMARY							
	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
<i>27 April 2015</i> psp	12-13	13-14	14-15	30-Jun-15	15-16	15-16	15-16
Personnel Services	\$ 583,086	\$ 607,128	\$ 639,840	\$ 634,340	\$ 636,100	\$ 630,500	\$ 630,500
Operating	\$ 1,048,247	\$ 1,003,472	708,000	702,770	722,000	722,500	722,500
Chemicals	\$ 452,039	\$ 383,542	469,000	400,000	430,000	430,000	430,000
Utilities	\$ 379,415	\$ 385,730	421,000	396,077	421,000	421,000	421,000
Debt Service	\$ -	\$ -	-	-			
Capital Outlay	\$ 52,659	\$ 9,748	78,000	78,000	408,500	508,500	508,500
Total Expenditures	\$ 2,515,446	\$ 2,389,620	\$ 2,315,840	\$ 2,211,187	\$ 2,617,600	\$ 2,712,500	\$ 2,712,500



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Director	23	\$42,453	\$63,680		
1	1	Chief Operator	18	\$33,263	\$49,895		
2	2	Plant Maintenance Mechanic	12	\$24,821	\$37,232		
7	7	Treatment Plant Operator	12	\$24,821	\$37,232		
1	1	Lab Analyst	15	\$28,733	\$43,100		
1	1	Administrative Support	11	\$23,639	\$35,459		
13	13						
HISTORY OF POSITIONS							
	FY	FY	FY	FY	Requested	Recommended	Approved
	11-12	12-13	13-14	14-15	FY	FY	FY
					15-16	15-16	15-16
Authorized Positions	12	12	13	13	13	13	13
New Requests	0	1	0	0	0	0	0
Total Funded Positions	12	13	13	13	13	13	13

**FY 15-16 BUDGET
ENTERPRISE FUNDS
64-900: REGIONAL WATER FUND WATER PLANT**

PURPOSE

To provide safe and aesthetically pleasing water to the cities of Henderson, Oxford and the County of Warren's, approximate 55,000 + customers, by continuously meeting all state and federal regulations.

GOALS & OBJECTIVES

- Goal 1:** Continue with Duke Energy Time-of-Use Program.
Objective 1: The high service pumps at the plant are operated during off-peak times as established by the Time-of-Use Program. KLRWS is looking at further ways to reduce power cost.
- Goal 2:** Meet and exceed EPA regulations.
Objective 1: Meet all state and federal regulations throughout the year thus providing high quality water to all customers.
- Goal 3:** Reinstate the efforts to advance the 20MGD upgrade.
Objective 1: Meet future growth projections and demands of the regional water partners and customers.
- Goal 4:** Devise a consumer education plan.
Objective 1: Meet state mandates and keep the public informed and educated about conservation and water regulations.

FY 15 ACCOMPLISHMENTS

- Saved approximately \$54,167 on the electric bill by participating in the Time-of-Use Program.
- Continuously provided a supply of safe, clean drinking water to all customers of KLRWS.
- Met or exceeded regulations as they were promulgated and became law.
- IBT process is well underway and anticipation of completion is expected in July 2015.
- KLRWS is continuing to work with water distribution in a flushing program to help the partners in assuring the best water quality, which has led to substantial improvements in the TTHM levels for the KLRWS, as well as its customers.
- High Service Pump Replacement Project was started and anticipated to be finished in May 2015.

FY 16 KEY BUDGET ISSUES

- Continued reduction in water sales to Partners, thus resulting in significantly less revenues for operations, capital improvements and capital reserves.
- Continued funding relative to 20MGD expansion of the KLRWS.
- Chemical costs and fuel remain volatile and unstable which will lead to higher costs during the year.
- Capital Improvements in this year's budget involves on project, to replace the SCADA system that runs the plant and outlying stations.

FY 15-16 BUDGET
ENTERPRISE FUNDS
64-900: REGIONAL WATER FUND WATER PLANT

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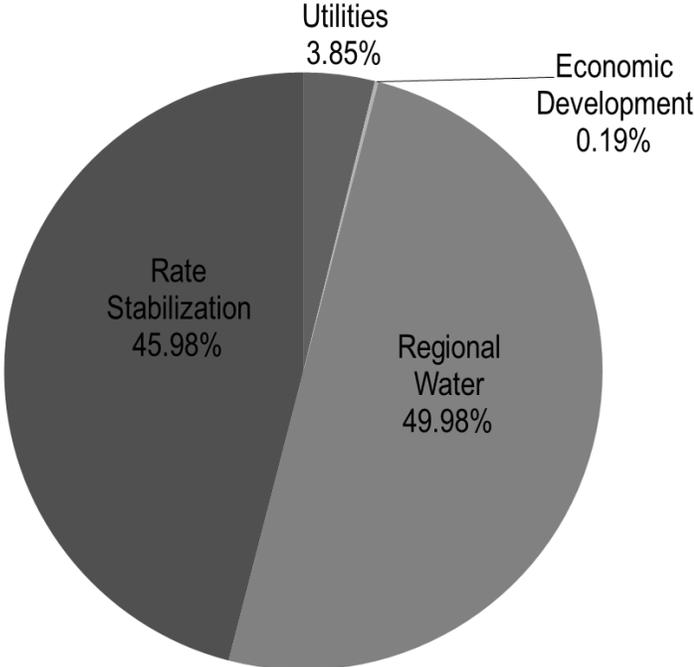
**FY 15-16 BUDGET
CAPITAL RESERVE FUNDS
ALL FUNDS SUMMARY**

SUMMARY

The Capital Reserve Funds are considered to be part of the annual fiscal budget and operate on a fiscal year basis. This summary reveals the FY16 Approved Budget is \$8,421,500 in total capital reserve allocations. More detailed information on each capital reserve fund can be found in the following pages.

SUMMARY OF CAPITAL FUNDS							
ALL FUNDS		FY13	FY14	FY15		FY16	
		Prior Year	Prior Year	Current Year	Estimated	Manager	Council
Revenues		Actual	Actual	as amended	30 June 14	Recommended	Approved
70	Capital Reserve Utilities Fund	\$ 556,187	\$ 123,582	\$ 293,000	\$ 127,900	\$ 324,500	\$ 324,500
73	Capital Reserve Economic Development Fund	\$ 10,000	\$ -	\$ 15,800	\$ -	\$ 15,800	\$ 15,800
78	Capital Reserve Regional Water Fund	\$ 669,508	\$ 618,845	\$ 3,803,000	\$ 761,000	\$ 4,208,900	\$ 4,208,900
79	Capital Reserve Rate Stabilization Fund	\$ 404,272	\$ 2,219,338	\$ 5,022,800	\$ -	\$ 3,872,300	\$ 3,872,300
Total Revenues		\$ 1,639,967	\$ 2,961,765	\$ 9,134,600	\$ 888,900	\$ 8,421,500	\$ 8,421,500
Expenditures							
70	Capital Reserve Utilities Fund	\$ 515,780	\$ 36,000	\$ 293,000	\$ -	\$ 324,500	\$ 324,500
73	Capital Reserve Economic Development Fund	\$ 350	\$ 2,222	\$ 15,800	\$ -	\$ 15,800	\$ 15,800
78	Capital Reserve Regional Water Fund	\$ -	\$ -	\$ 3,803,000	\$ 3,576,700	\$ 4,208,900	\$ 4,208,900
79	Capital Reserve Rate Stabilization Fund	\$ 103,360	\$ 200,000	\$ 5,022,800	\$ -	\$ 3,872,300	\$ 3,872,300
Total Expenditures		\$ 619,490	\$ 238,222	\$ 9,134,600	\$ 3,576,700	\$ 8,421,500	\$ 8,421,500
<i>Variance of Revenues to Expenditures</i>		<i>\$ 1,020,477</i>	<i>\$ 2,723,543</i>	<i>\$ -</i>	<i>\$ (2,687,800)</i>	<i>\$ -</i>	<i>\$ -</i>

Capital Reserves by Fund



FY 15-16 BUDGET
CAPITAL RESERVE FUNDS
ALL FUNDS SUMMARY

70: Capital Reserve Utilities Fund

The basic purpose of the Capital Reserve Utilities Fund is to accumulate revenues and hold them in reserve for future expansion and/or construction of the water distribution and sewer collection systems improvements and related improvements. The City's original Capital Reserve Funds were established in 1970 for the purpose of reserving revenue to construct or assist in the financing of major improvements to the City's utility system or to purchase major capital equipment for other operating departments/divisions. During the intervening years, the fund has served the purpose for which it was intended by providing resources for construction of major water and sewer projects at the Council's discretion following specific authorization.

In FY13, the fund was restructured to provide for separate accounting of water and sewer revenues to be held in reserve for future water and sewer projects. Prior to FY13, the funds had been comingled.

The revenue sources for this fund are the inter-fund transfers from the parent funds—30: Water and 31: Sewer, investments and periodic transfers of project reversions from the capital projects funds 43: Water and 44: Sewer. In short, the primary revenue source is from the water and sewer user rates.

A tremendous amount of work has been funded from this fund during the past several years, including the Perry Avenue water line replacement, Shirley Drive water line replacement and partial funding for the local share of expenses for the Henderson Water Reclamation Facility renovation project. As a result of the focus on these major utility projects, the fund's fund balance had been drawn down from \$443,629 as of July 1, 2011 to \$45,825 as of June 30, 2012. We have been able to build it up slightly over the past couple of years, bringing the fund balance to \$173,815 as of June 30, 2014. The FY15 Budget estimated the fund growing to approximately \$309,400 by June 30, 2015.

72: Capital Reserve General Fund

The Capital Reserve General Fund accumulates revenues and holds them in reserve for future large capital equipment purchases, such as fire trucks, sanitation vehicles, etc. and for the purchase and/or construction of facilities normally funded through General Fund resources, including infrastructure components, such as streets, sidewalks, storm drainage systems, public buildings, etc. This fund has been inactive for several years and no activity is planned for FY16. A small fund balance of \$56,432 exists and is recommended to remain in the fund to keep it open.

73: Capital Reserve Economic Development Fund

This fund was established in FY12 as a means to 'house' funding for future economic development incentive grant matches, such as funding from the Rural Center. Funding is provided via inter-fund transfer from the General Fund's general revenues. The budget is divided into two main expenditure categories: capital reserve for future allocation by City Council and economic incentives allocated by Council for specific projects. All funds not utilized roll over

**FY 15-16 BUDGET
CAPITAL RESERVE FUNDS
ALL FUNDS SUMMARY**

into the fund balance. The undesignated fund balance for 30 June 2014 is \$15,828. Since no transfers from General Fund are budgeted for FY16, no growth is expected in the Fund.

78: Capital Reserve Regional Water Fund

This fund was created in March 2012 in order to consolidate three Regional Capital Reserve Funds into one. 75: Capital Reserve Regional Water COE, 76: Capital Reserve Regional Water 20 MGD and 77: Capital Reserve Regional General, were merged to form 78: Capital Reserve Regional Water System Fund. Reserves are established for these Regional Water system needs: 911: Corp of Engineer Reserve; 922: 20 MGD Plant Expansion Reserve and 865: General Capital Reserve.

The funding source for this fund is the inter-fund transfer from the 64: Regional Water Fund. Revenues are derived from charges for water to the Regional Partners of Oxford, Warren County and Henderson. All funds are held in reserve until needed. When needed, the funds are transferred to a capital project established in 46: CIP Regional Water Fund.

The fund balance at the end of FY13 was \$2,217,072 and increased to \$2,835,916 by the end of FY14. Fund balance is expected to increase to \$3,596,916 by the end of FY 15. The significant majority of the reserve is dedicated to the planned expansion of the Regional Water Treatment Plant and future needs relative to transmission and replacement.

Due to declining revenues from water sales to Partners, the contribution to this Fund is less than previously planned. As in FY 15, there will be no contribution to 865: Regional Reserve. The contribution to 911: COE Reserve will again be only \$5,000; and the contribution to 922: 20MGC is will be less than current year, decreasing from \$756,000 to \$607,100.

79: Capital Reserve Rate Stabilization Fund

This fund was established in March 2012 for the purpose of reserving money for future debt service for the 20MGD water plant expansion and/or other major water system infrastructure needs, and major upgrades planned for the Water Reclamation Facility (Sewer Plant).

The funding source for the sewer plant rate stabilization reserve is the sewer rate transferred from 31: Sewer Fund. The initial transfer to establish this fund was made from 70: Capital Reserve Utilities Fund during FY12.

The 30: Water Fund has several sources of income to fund its rate stabilization reserve as follows: Vance County Phase 1A, Vance County Phases 2A & 2B, investments and transfers of other revenue sources from 30: Water Fund. With the termination of the water sales agreement with Granville County, the majority of the water reservation fees received from the County for the first three years of the contract will be refunded to the County once the agreement is finalized and signed by all parties. This represents a significant loss that would have helped fund major capital projects.

**FY 15-16 BUDGET
CAPITAL RESERVE FUNDS
ALL FUNDS SUMMARY**

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**TABLE 4
CITY OF HENDERSON
CAPITAL IMPROVEMENTS PLAN - WATER FUND**

PROJECT NAME	TOTAL COST	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25	YEARS 11-15
MAJOR CAPITAL IMPROVEMENTS												
1 Elevated Water Storage Tank (1.0 MG)	2,900,000								2,900,000			
2 Water Meter Replacement project	800,000				400,000					400,000		
3 158 Business Loop-DWSRF	660,000	660,000										
4 Beckford Drive-DWSRF	215,000	215,000										
5 Railroad Street WL Replacement	315,000	315,000										
6 Thomas Lane Area WL Replacement	775,000	775,000										
7 Mobile Radio System	15,000											
8 Water System Tie-Ins: One (1) 8" and Two (2) 2" Lines	5,000	5,000										
9 Vance Academy Rd to Old County Home Rd - 8" Loop	598,000	598,000										
10 Martin Luther King Jr Blvd - 8" Loop	343,000					343,000						
RECURRING												
11 New Water Mains	1,195,000	106,000	109,000	112,000	115,000	118,000	121,000	124,000	127,000	130,000	133,000	
12 Annual Water Line Replacement Program	2,469,000	221,000	226,000	232,000	238,000	244,000	250,000	256,000	262,000	270,000	270,000	
13 Annual Water Meter Replacement Program	1,008,000	84,000	86,000	88,000	90,000	92,000	94,000	96,000	98,000	100,000	102,000	
14 Water Tank Maintenance Program	637,400	54,000	55,000	56,000	57,000	58,000	59,000	60,000	62,000	64,000	66,000	
15 Vehicles	215,000	33,000	34,000	35,000	36,000		37,000		40,000			
Service Truck	162,500	17,500	17,500	17,500				110,000				
Truck	22,100	22,100										
Backhoe (lease/purchase over 5 years)	63,000	21,000	21,000	21,000								
Equipment	315,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	
Water Fund Subtotal	12,719,000	139,400	1,174,500	590,500	966,000	886,000	593,000	679,000	3,523,000	999,000	607,000	0

↑ DEBTS 1&2
875,000

↑ DEBT 3
3,300,000

DEBT PACKAGES												
DEBT PACKAGES	1,688,000											
Water Fund - Annual Debt	1,965,000	598,000							2,900,000	400,000		0
Water Fund - Annual Capital Outlay	139,400	590,500	576,500	590,500	966,000	886,000	593,000	679,000	623,000	599,000	607,000	607,000

TABLE 6-1
CITY OF HENDERSON
CAPITAL IMPROVEMENTS PLAN - SEWER FUND / WATER RECLAMATION

PROJECT NAME	TOTAL COST	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25	YEARS 11-15
MAJOR												
1 Stream Restoration / Enhancement for WRF Access Road	320,000	320,000										
2 Phase 2 Expansion to 6 MGD												
Oxidation Ditches And Anoxic Basins (3rd Train)												3,960,000
Headworks/Influent Pump Station Upgrade												710,000
Site Piping												570,000
Clarifier (3rd Train)												1,410,000
New Tertiary Filters												4,950,000
Demolition Of Basins												510,000
3 Country Club Pump Station (2014) - SCADA	25,000	25,000										
4 Harris Street Pump Station (1993) - SCADA	25,000	25,000										
5 Hunstone Pump Station (2000) - SCADA	25,000	25,000										
6 Industrial Park Pump Station (1987) - SCADA/Generator Replacement	130,000	25,000	105,000									
7 Julia Avenue Pump Station (1990) - SCADA/Generator	80,000	25,000	55,000									
8 Martin Creek Pump Station (1978) - SCADA/Generator Replacement	155,000	25,000	130,000									
9 Parlin Street Pump Station (1960) - SCADA/Generator	65,000	25,000	40,000									
10 Sunnyview Pump Station (1990) - SCADA/Fencing/Generator	75,000	25,000	10,000	40,000								
11 Wortham Court Pump Station (2002) - SCADA	25,000	25,000										
12 Zeb Robinson Pump Station (1997) - SCADA/Generator	105,000	25,000		80,000								
RECURRING												
13 Vehicles												
3/4-ton Truck	177,000		33,000		35,000		38,000		40,000			
1-ton Truck	76,000	38,000										
Van / SUV	32,000			32,000								
Dump Truck	174,000	84,000							90,000			
14 Equipment	796,000	60,000	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000	78,000	
Sewer Fund WRF Subtotal	2,289,000	752,000	105,000	546,000	101,000	68,000	108,000	112,000	204,000	76,000	78,000	12,110,000
NEW SEWER GENERATORS OPERATING COSTS												
		25,000	25,750	26,523	27,318	28,138	28,982	29,851				

TABLE 6-2
CITY OF HENDERSON
CAPITAL IMPROVEMENTS PLAN - SEWER FUND / COLLECTION

PROJECT NAME	TOTAL COST	2014-15	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25	YEARS 11-15
MAJOR													
15 Elmwood Sewer Replacement	1,836,000	36,000	1,800,000										
16 Newton Dairy Road Gravity Sewer (100% CDB Grant)	685,000	685,000											
17 Sewer Replacement (10 inch) East Ave. to Montgomery St.	900,000					900,000							
18 Sandy Creek Force Main Upgrade (14" section to 20")	800,000		800,000										
19 Bobbitt and Birch Street Sewer Service, Harris PS Generator (100% CDB Grant)	850,000	850,000											
20 Mobile Radio System	15,000	15,000											
RECURRING													
21 Collection System I/I Repairs	1,334,000	20,000	105,000	110,000	116,000	122,000	128,000	134,000	141,000	148,000	155,000	155,000	
22 Collection System Extensions	555,000		51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000	60,000	
23 Vehicles (Sewer Collection) - No. of vehicles req'd													
3/4-ton Truck	36,000					36,000							
Dump Truck	91,000			91,000									
Backhoe	186,000		86,000					100,000					
Jet-Vac Truck (lease/purchase over 5 years)	220,000		220,000										
24 Vehicles (Sewer I&I) - No. of vehicles req'd													
3/4-ton Truck	140,000		32,000		34,000		36,000		38,000				
25 Equipment	150,000		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Sewer Fund - Sewer Collection Subtotal	7,798,000	1,606,000	3,109,000	268,000	218,000	227,000	1,134,000	305,000	251,000	221,000	229,000	230,000	
Sewer Fund Subtotal	10,087,000	1,745,000	3,861,000	373,000	764,000	328,000	1,202,000	413,000	363,000	425,000	305,000	308,000	



DEBT 1	108,000
DEBTS 2,3,4	1,800,000
	1,050,000
	220,000

Sewer Fund - Annual Debt	108,000	3,070,000	373,000	764,000	328,000	1,202,000	413,000	363,000	425,000	305,000	308,000	
Sewer Fund - Annual Capital Outlay	1,637,000	791,000	373,000	328,000	764,000	328,000	1,202,000	413,000	363,000	425,000	305,000	308,000

DEBT PACKAGES
DEBT PACKAGES
DEBT PACKAGES

APPENDIX A

GLOSSARY OF TERMS

ABC: Alcoholic Beverage Control Commission.

Account Number: A system of numbering or otherwise designating accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used quickly reveals certain required and/or desired information. This is also referred to as the Budget/Accounting Line Item.

Accounts Payable: A liability account reflecting amounts of open accounts owing to private persons or organizations for goods and services received.

Accounts Receivable: An asset account reflecting amounts owing on open accounts from private persons or organizations for goods and services provided.

Accrual Basis: A basis of accounting in which revenues are recognized when they are earned rather than received and expenses are recognized when incurred rather than paid.

Activity Classification: A grouping of expenditures based on specific lines of work performed by organizational units, i.e., public safety.

Actuals: The actual expenditures, which are historically verifiable in the City's Accounting System.

ADA: Americans with Disabilities Act.

Adaptability: The flexibility of the system or process to handle future changing customer expectations to meet today's special needs and future requirement changes.

Ad Valorem Taxes: A tax based on the assessed value of real estate or personal property and the tax rate. Property ad valorem taxes are the major source of revenue for state and municipal governments.

Administrative Support: A calculated amount of money transferred from one fund to another to offset administrative or related support.

Adopted Budget: A budget that has been prepared and reviewed in accordance with State law and has been duly adopted by the City Council.

Allocate: To set aside portions of budgeted expenditures that are specifically designated to organizations, departments, etc.

Allowance for Doubtful Accounts: A contra account, related to accounts receivable, that holds the estimated amount of collection losses.

Annual Budget: A budget covering a single fiscal year (1 July – 30 June).

Annual Routine Debt: Bond debt issued on an annual basis to fund routine needed capital improvements such as street improvements, storm drainage, facilities renovation, etc.

Appendices: Supplemental material.

Appropriations: An authorization made by the City Council permitting the City to incur obligations and make expenditures.

Appropriation Ordinance: An official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Assessed Valuation: The value of real estate and/or personal property and equipment as determined by tax assessors and used as a basis for levying property taxes.

Assessment: The process for determining values of real and personal property for taxation purposes.

Agency Fund: A fund consisting of resources received and held by the governmental unit as an agent for others.

Audit: A methodical examination of the utilization of resources it concludes in a written report of its findings to the governing body. An audit is a test of management's accounting system to determine the extent to which the internal accounting controls are both available and being used. In Henderson, an independent auditor is hired to examine the City's financial records.

Austerity: Rigorous, self-disciplined life; life without excess.

Authorized Positions: These are employee positions which are authorized in the adopted budget to be filled during the fiscal year.

BALI: Budget/Accounting Line Item.

Balanced Budget: A budget in which anticipated revenues are equal to planned expenditures.

Bond: A long-term promise to pay a specified amount of money on a particular date. Bonds are used primarily to finance capital projects.

Bonds Issued: Bonds that have been sold.

Budget/Accounting Line Item: A system of numbering or otherwise designating accounts, entries, invoices, voucher, etc., in such a manner that the symbol used quickly reveals certain required and/or desired information. This is also referred to as the Account Number.

Budget Amendment: A procedure used by the City staff and the City Council to revise a budget appropriation.

Budget Document: A financial plan containing projected expenditures and resources covering a fiscal year prepared by the City Manager and his staff and enacted by the City Council.

Budget Calendar: The schedule of key dates, which a government follows in the preparation, and adoption of its budget.

Budget Message: An overview of the recommended budget, written by the City Manager to the City Council that discusses the major budget items and the City's present and future financial condition.

Budget Ordinance: The official enactment by the City Council to establish legal authority for City staff to obligate and expend resources.

Capital Expenses: Appropriations for the purpose of satisfying one-time expenses for new value added projects such as new roads, buildings, utility lines and facilities, recreation facilities, etc., and large capital maintenance expenses such as street milling and resurfacing, re-roofing and new windows for buildings, repairs to major facilities. Capital expenses are generally financed in one of two methods: annual cash appropriations or bonded indebtedness. The former is generally associated with routine projects such as street milling and resurfacing, facility maintenance such as roofing, etc. The latter is generally associated with very large projects such as renovation of 134 Rose Avenue (new City Hall), construction of a major new road, etc.

Capital Improvement Budget (CIP): A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget, which includes both operating and capital outlays.

Capital Outlay: Expenditures that result in the acquisition of or addition to fixed assets.

Capital Reserve: An account used to indicate that a portion of fund balance is legally restricted for a specific capital purchase and is therefore not available for general appropriation.

Capitalized Interest: An equity account reflecting the accumulated earnings from bonds/loans while in escrow.

Cash Basis: A basis of accounting in which revenue is recorded only when cash is received and expenses are recorded when the cash is paid.

Cash Management: The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships.

CBO: Community Based Organization.

CIP: Capital Improvements Plan.

CDBG: Community Development Block Grant, a federal entitlement program designed to benefit low and moderate-income persons, specifically in the areas of housing and quality of life.

City Manager: The chief executive officer of the City of Henderson, appointed by the City Council.

CMO: City Manager's Office.

COE: Corps of Engineers.

COG: Council of Governments.

COLA: Cost of living adjustment.

Commodities: Supplies; anything bought and sold.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services: Services rendered to a government by private firms, individuals, or other government entities. Examples include utilities, rent and consulting services.

COPS: Certificate of Participation.

Crime Clearance Rate: The percentage of crimes cleared/solved compared to those reported.

Data Response Time: The time it takes to respond to a call for service from the time it is received until a response has been made, i.e., the time it takes to dispatch a fire engine from the station to a house fire after the call has been received.

DCA: Department of Community Assistance.

DDC: Downtown Development Commission.

Debt Ceiling: See debt limit.

Debt Limit: The maximum amount of gross or net debt that is legally permitted. In Henderson, the legal debt limit for tax-supported debt (General Fund) is 8% of assessed value of property.

Debt Management Policy: A policy dealing with the issues of debt, how it is managed, and the manner in which debt is issued.

Debt Reduction Plan: A strategic plan and policy designed to eliminate the need for annual bond issues for annual capital projects while, at the same time, increasing the amount of annual cash appropriations for capital projects.

Debt Service: The City's obligation to pay principal and interest on bonds and other debt instruments according to a pre-determined payment schedule.

Debt Service Fund: Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Ratio: The ratio of total liabilities to total assets. This tells the proportion of a government's assets that it has financed with debt.

Deficit: An excess of expenditures over revenues or expense over income.

Department: The highest levels of operation in the structural organization of the City, which indicates overall management responsibility for a division or a group of related operational divisions.

Depreciation: A decrease in value of property through wear, deterioration, or obsolescence.

Dillon's Rule: A rule of judicial interpretation of the legal powers of local government

Discretionary General Funds: Funds that the City Council has full control over and authority to appropriate in support of general fund activities.

Distinguished Budget Presentation Awards Program: A voluntary program administered by the Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

Diverse: In addition to race, nationality, gender, culture, what part of the United States one may be from and the like, this concept has to do with the way we think, the respect we have for each other's opinions turning differences into advantages and similar concepts.

Draconian: unusually severe or cruel.

Efficiency: The extent to which resources are minimized and waste is eliminated in the pursuit of effectiveness. Productivity is a measure of efficiency. Efficiency is not customer driven but rather controlled by the process – resources are minimized and waste eliminated.

Effectiveness: The extent to which the outputs of the system or process meet the needs and expectations of the customers (A synonym for effectiveness is quality). Effectiveness influences the customer. The individuals who receive the output (internal and external customers) should set the effectiveness standards.

Encumbrance: The commitment of appropriated funds for future expenditures of specified goods or services.

Enterprise Funds: A governmental accounting fund in which the services provided are financed and operated similarly to those of private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year.

Expenditure: The outflow of funds paid or to be paid for an asset obtained or goods and services. Regardless of when the expense is actually paid, this term applies to all funds.

External Customer: People that live within the City of Henderson, citizens, people that receive services from the City but live outside of the City and people that live outside of the City but work here, shop and trade here, and use the City for recreational and cultural activities.

Fiscal Year (FY): The time period signifying the beginning and ending period for the recording of financial transactions. The City of Henderson's Fiscal Year begins July 1 and ends June 30, of the following year.

Fixed Assets: Assets of a long-term character intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Fund: An accounting entity which has a set of self-balancing accounts and where all financial transactions for specific activities or governmental functions are recorded.

Fund Balance: Refers to the excess of assets over liabilities and is therefore also known as a surplus fund. The portion of Fund Equity which is available for appropriation.

GAAP: Generally Accepted Accounting Principles; uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

General Fund: One of five governmental fund types. The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

General Ledger: An accounting file which is a grouping of accounts in which the activities of the City are recorded.

General Obligation Bonds: Bonds issued by a government that are backed by the full faith and credit of its taxing authority.

GFOA: The acronym used for Government Finance Officers Association of the United States and Canada.

GIS: Geographical Information System.

GO Debt: General obligation debt.

Goal: A broad/general statement of direction based on the needs of the community and government.

Governmental Funds: A generic classification adopted by the National Council on Governmental Accounting to refer to all funds other than proprietary and fiduciary funds.

GPD: Gallons per day.

Grants: A contribution or gift in cash or other assets from other government units to be used for a specific purpose.

High Performance Organization: An organization that seeks continuous improvement, strong customer service, and best practices in the delivery of public services.

Impacts: The effects which would exist as a result of making one decision or another.

Infrastructure: Streets, bridges, water and sewer lines and treatment facilities, storm drainage, traffic signals, etc.

Interest and Penalties Receivable on Taxes: Uncollected interest and penalties on property taxes.

Interest Income: Revenue earned on investments with a third party. The City uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then allocated back to the individual funds by average cash balance in that fund.

Inter-fund Accounts: Accounts in which transactions between funds are reflected.

Inter-fund Recoveries: Charges from the General Fund to enterprise funds to recover the cost of general government's support of the enterprise funds. Examples would be financial accounting management, data processing services, purchasing, legal and general government management, etc.

Interfund Transfers: Flows of assets (such as cash or goods) between funds of the governmental unit without equivalent flows of assets in return and without a requirement for repayment.

Inter-governmental Revenues: Revenues from other governments that can be in the form of grants, entitlements, or shared revenues.

Internal Customers: Employees and agencies of the City of Henderson that seek services and assistance from other parts of the City and its agencies.

Internal Service Fund: A proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government.

Investments: Securities held for the production of revenues in the form of interest, dividends, and rentals or lease payments.

ISO: International Organization for Standardization.

Justifications: A defensible explanation for making one decision or another.

Lease Purchase Agreements: A contractual agreement by which capital outlay, usually equipment, may be purchased over a period not exceeding 60 months through annual lease payments.

Legal Debt Margin: Excess of the amount of debt legally authorized over the amount of debt outstanding.

LEO: Law Enforcement Officer.

Levy: The amount of tax, service charges and assessments imposed by a government.

Local Government Budget and Fiscal Control Act: An act which governs all agencies of local government in the State of North Carolina. It spells out how all monies received or expended by local governments must be budgeted, disbursed, and accounted for. It requires that certain types of funds be maintained depending on the functions and activities performed by local governments and how those functions and activities are financed.

Metric: Performance measures and indicators – numerical information that quantifies input, output, and performance dimensions of processes, products, programs, projects, services, and the overall organization (outcomes).

Long-term Debt: Debt with a maturity of more than one year after the date of issuance

Mandate: A requirement imposed upon a local government by the federal and/or state governments to provide certain levels of service.

Merit Pay System: See Performance Pay System.

MGD: Million gallons per day.

Modified Accrual Basis of Accounting: Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis in accounting in two important ways 1) revenues are not recognized until they are measurable and available, and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

Municipal Bonds: A bond issued by a unit of local government.

NCDOT: North Carolina Department of Transportation.

Non-Departmental: Items of expenditure essential to the operation of the City government that do not fall within the function of any department, or which provide for expenditures related to more than one department.

Non-Operating Expenses: Expenses that are not directly related to the provision of services such as debt service.

Non-Operating Revenues: Revenues that are generated from other sources, such as interest income, and are not directly related to service activities.

Objective: A specific statement about that which is to be accomplished or achieved for a particular program during the fiscal year.

Object/Element Codes: An expenditure category, such as salaries, supplies, or professional services.

Obligations: Amounts that a government may be required legally to meet from its resources; i.e., liabilities and encumbrances.

Operating Expenses: Appropriations for the purpose of satisfying recurring annual expenses. Examples of such expenses include salaries and wages, fringe benefits, vehicle maintenance and supplies, utilities, insurance, facility maintenance and supplies, contractual services, annual appropriation to capital improvements plan, etc. Such expenses are routine expenses associated with the operations of the business. Capital expenditures can impact the operating budget in the form of debt service payments and maintenance expenses for infrastructure additions. Additionally, some capital projects can have the effect of lowering annual operating expenses.

Operating Budget: The expenditure plan for continuing everyday service programs and activities. Generally, operating expenditures are made in a single fiscal year. Expenditures include personnel services, contractual services, commodities, minor capital outlay, and debt service requirements.

Operating Transfers: Legally authorized interfund transfers from a fund receiving revenue to the fund that is to make the expenditures.

O & M: Operation and Maintenance of the Water and Waste Water Systems.

OP Ratio: The Operating Ratio is determined by comparing the cost of the goods sold and other operating expenses with net sales. The formula used to calculate the operating ratio is [(Cost of goods sold plus operating expenses divided by net sales)] x 100. This ratio is a test of the efficiency of management in their business operation.

Ordinance: A formal legislative action enacted by a majority vote by the City Council. It has the effect of law within the community and it must not conflict with federal and/or state law.

Overtime: Extra time worked beyond an employee's normal work schedule. This can be affected by holidays, sick and annual leave.

People: A demographically balanced population in which all of its segments that comprise the whole are valued for their contributions, diversity, and strengths.

Performance Pay System: An established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

Personnel Services: Expenditures for salaries, wages, and fringe benefits of a government's employees.

PIT: Process Improvement Team.

Planned: Forward-thinking, innovative, and dynamic actions resulting in a sustainable, well-balanced community where the natural environment, businesses, and residential developments work in harmony resulting in an exceptionally high quality of life.

Postemployment healthcare benefits: Medical, dental, vision, and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

Powell Bill Street Allocation: Funding from state-shared gasoline tax made to incorporated municipalities which establish their eligibility and qualify as provided by General Statutes. These funds shall be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets that are the responsibility of the municipalities or for planning, construction, and maintenance of bikeways or sidewalks along public streets and highways.

Premise: An assumption that is a foundation or basis for submission.

Prodigious: Enormous, beyond capacity.

Program: A distinct, clearly identifiable activity, function, cost center or organizational unit.

Property Tax: A tax levied on the assessed value of real and personal property.

Proprietary Funds: Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Public Hearing: An open meeting of the City Council specifically for the purpose of obtaining public comment and input on a particular issue.

Rate Stabilization Fund: A fund created to set aside reserves in order to help smooth out anticipated annual increases in service rates.

Regional Center: A well planned community whose economic, cultural, and demographic strengths are such that it attracts people and business opportunities well beyond its geo-political boundaries to take advantage of its health care services, tourism, diversified employment, and entrepreneurial opportunities, and leisure and cultural offerings.

Reserve: An account designated for a portion of the fund balance that is to be used for a specific purpose.

Resources: Resources are the people, buildings, equipment, and funds required to produce a product and/or perform services.

Retained Earnings: An equity account reflecting the accumulated earnings of an enterprise or internal service fund

Revenues: Funds the government receives as income. It includes items such as tax payments, fees from certain services, fines and forfeitures, grants, shared revenue, and interest income.

Risk Management: An organized effort to protect a government's assets against accidental loss by the most economic method.

SCADA: Supervisory Control and Data Acquisition.

Service Area: A generic title for the grouping of departments according to common areas of service; i.e., information services.

Special Assessments: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be a general benefit to the public and of special benefit to such properties.

Special Revenue Fund: Governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

State Shared Revenue: Revenues levied and collected by the State of North Carolina but shared with its localities on a predetermined method.

Strategic Plan: A Strategic Plan is the product of an organization's strategic planning process that defines its strategy, or direction, and making decisions on allocating resources to pursue this strategy, including its capital and people. Strategic planning is the formal consideration of an organization's future course. All strategic planning deals with at least one of three key questions: 1) what do we do?, 2) for who do we do it?, and 3) how do we excel?.

Tax Base: The assessed valuation of all taxable real and personal property within the City's corporate limits.

Tax Levy: The total amount of revenue to be raised by property (ad valorem) taxes.

Transfers: Amounts transferred from one fund to another fund to assist in financing the services of the recipient fund.

Trust and Agency Fund: Fiduciary funds which are used to account for many of the more significant amounts of resources that a government receives and holds in a trust or agency capacity for the benefit of others. Trust Funds are used if the government is acting in the capacity of a trustee. Agency funds are used to account for assets received and held by a government in an agency relationship for the benefit of others.

Un-audited: Accounts or numbers that have not been verified for their accuracy.

Unencumbered Balance: The amount of an appropriation that is neither expended nor encumbered. It is the amount of money still available for future purposes.

Vibrant: Robust, energetic, alive, enthusiastic, vitality.

Work Budget: A balanced budget prepared by the City Manager's Office and Finance Department and presented to the governing body.

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City Council Minutes Special Called Meeting 18 May 2015

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members James C. Kearney, Sr., Sara M. Coffey, Michael C. Insoe, D. Michael Rainey, Brenda Peace-Jenkins, Garry D. Daeke, Fearldine A. Simmons and George M. Daye.

ABSENT

None

STAFF PRESENT

Interim City Manager Edward A. Wyatt, City Clerk Esther J. McCrackin, Assistant City Manager Frank Frazier, Finance Director Katherine C. Brafford, Assistant Finance Director Michelle Daniels, Recreation & Parks Director Kendrick Vann, Youth Services Director Donna Stearns, Development Services Director Corey Williams, Fire Chief Danny Wilkerson, Assistant Fire Chief Steve Cordell, Police Chief Marcus Barrow, Engineering Director Clark Thomas, Public Services Director Mike Ross, and Kerr Lake Regional Water Director Christy Lipscomb.

CALL TO ORDER

The 18 May 2015 Special Called Meeting of the Henderson City Council was called to order by Mayor James D. O'Geary at 6:00 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor O'Geary a quorum was present.

NEW BUSINESS

Presentation of Proposed FY 2015-2016 Budget

Mayor O'Geary asked Interim City Manager Wyatt to begin the presentation.

Mr. Wyatt thanked Council for the opportunity to present the proposed FY15-16 budget and said he would like to present an overview of the budget via a PowerPoint presentation. He thanked Assistant Finance Director Michelle Daniels for putting the presentation together and at this time he also recognized the entire budget team which consisted of Finance Director Kathy Brafford, Assistant City Manager Frank Frazier, Human Resources Director Cathy Brown and Executive Assistant Patricia Pearson. The PowerPoint presentation is incorporated by reference and hereby made part of these minutes.

Mr. Wyatt highlighted areas beginning with saying this proposed budget does not include any property tax or sanitation fee increase. It does recommend a 5% increase for Regional Water, 4% increase in the Water Fund and a 9% increase in the Sewer Fund. He said the total budget for FY15-16 is \$37,942,000. Mr. Wyatt said these increases would necessitate fee increases in the Fee Schedule. He also pointed out this budget includes employee salary increases and the County's increases in the City's portion of E-911 and the Board of Elections. Specifically, he mentioned the current cost associated with the Workers' Compensation deductible. He touched on things like existing Debt Service and the need to use \$325,000 of Fund Balance to balance the FY15-16 budget. Mr. Wyatt recommended \$10,000 for the Downtown Development Commission felt it would appropriate for Council to request certain actions by the Commission if the recommendation is approved.

Mr. Wyatt purposefully drew Council's attention to the General Fund which has a recommended budget of \$15,397,900 which is less than FY14-15 current budget by .05%. Overall, the property tax rate remains at \$.62 and the sales tax continues to remain flat. Mr. Wyatt pointed out the City's largest revenue sources do not cover the costs associated with the largest service areas: Public Safety, and Cultural and Public Services.

Mr. Wyatt went on to say employees are being asked to continually do more with less and it will be no different in the coming year. Chemical costs, gasoline expense and other routine costs to keep the City running are all anticipated to increase in the coming year.

The loss of privilege license fees significantly reduced revenue although the General Assembly is looking at options to allow municipalities a method to re-coup at least some of these lost dollars. Mr. Wyatt also referenced annexation saying there are many areas currently outside the city that would benefit from being annexed into the City.

Another area of concern mentioned is that only \$20,000 has been budgeted for the dilapidated and deteriorated housing stock.

SUMMARY

A summary of the 4 major funds is as follows:

General Fund - \$15,397,900 with no recommended property tax or sanitation fee increase
Regional Water Fund - \$4,499,500 with a recommended 5% rate increase
Water Fund - \$6,851,700 with a recommended 4% rate increase
Sewer Fund - \$5,032,300 with a recommended 9% rate increase.

The Kerr Lake Regional Water Advisory Board has approved the 5% increase.

FUTURE

On the brighter side, Mr. Wyatt found the Capital Improvements Plan (CIP) a step in the right direction as it will encourage growth; the City's involvement with the Economic Development Commission and pending legislation regarding E-911 double taxation and sales tax laws may generate significant revenue if the General Assembly approves these measures.

In conclusion, Mr. Wyatt thanked Council for their attentiveness during his presentation. He again thanked the Budget Team and asked the City Clerk to distribute the Budget Workbooks, along with a tri-fold summary of the budget.

Council Member Kearney asked for a copy of the PowerPoint presentation. It was suggested the City Clerk place both the presentation and the tri-fold summary on the City's web page.

Mayor O'Geary asked if Council had any questions. There was no further discussion so Mayor O'Geary asked if Council was prepared to adjourn.

ADJOURNMENT

Council Member Inscoe moved for adjournment. Motion seconded by Council Member Rainey and unanimously approved. The meeting adjourned at 7:08 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk

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City Council Minutes

Henderson City Council Budget Work Session #1 - 21 May 2015

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members Sara M. Coffey, Michael C. Inscoc, D. Michael Rainey, Brenda Peace-Jenkins, Garry D. Daeke, Fearldine A. Simmons and George M. Daye.

ABSENT

Council Members James C. Kearney, Sr.

STAFF PRESENT

Interim City Manager Edward A. Wyatt, Assistant City Manager, Frank Frazier, City Clerk Esther J. McCrackin, Finance Director Katherine Brafford, Assistant Finance Director Michelle Daniels, Development Service Director Corey Williams, Recreation and Parks Director Kendrick Vann, Engineering Director Clark Thomas, Public Services Director Mike Ross, Fiscal Compliance Officer Edna Vaught and Kerr Lake Regional Water Director Christy Lipscomb.

CALL TO ORDER

The 19 May 2015 Henderson City Council Budget Work Session #1 was called to order by Mayor James D. O'Geary at 6:00 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor O'Geary a quorum was present.

OPENING REMARKS

Mayor O'Geary welcomed everyone and said Council Member Inscoe would like to make a few remarks.

Mr. Inscoe commended the Manager and staff for the budget presentation saying it was very concise. He said he hoped all the Council has had an opportunity to review the materials. Personally, he found the information provided was very helpful in preparing Council to make decisions. Mr. Inscoe is pleased there is no tax or sanitation increases. His suggestion, which was agreed upon by Council, was to begin by asking each member for their concerns regarding the presented budget.

GENERAL REVIEW AND DISCUSSION

Concerns expressed were as follows:

Every Council Member express concerns regarding the funds set aside for demolition

Council Member Coffey expressed concern regarding the proposed funding of the Downtown Development Commission.

Council Member Inscoe asked for clarification regarding the proposed Sewer increase and asked what percent equaled debt service.

Council Member Peace-Jenkins is pleased with the budget other than the demolition issue.

Council Member Daeke had questions about the sewer increase and the cost increase with health insurance.

Council Members Simmons and Daye had no questions other than demolition.

Interim City Manager Wyatt said it is important for the City to maintain a broker to negotiate health insurance and from his past experience Mr. Wyatt has found Mr. Phil Burnett gives more service than normally provided.

In reference to the demolition budget, Mr. Wyatt said he hears Council loud and clear, and agreed \$20,000 is an insignificant amount.

As far as the proposed salary increase, Mr. Wyatt reminded Council that this is a modification of the recommended Plan and even this has been reduced by delaying the increase by three (3) months. He commented that more staff and better equipment is needed to maintain the expected level of service and commended the limited staff for its "can-do" attitude.

Council Member Inscoe returned the discussion to demolition and asked if the \$.50 increase in sanitation fees earmarked for demolition approved in the FY14-15 budget still exists. If so, he asked how much that generates for demolition. The response was approximately \$32,000. He said his next suggestion would not make the Public Services Director happy but wondered if the Storm Sewer budget could be reduced by \$30,000 to supplement the demolition budget.

Council Member Daeke commented the \$30,000 was an insignificant amount for storm water and wondered where the funds would come from for storm water if \$30,000 was given to demolition.

(Clerk's Note: Council Member Rainey arrived at approximately 6:30 p.m.)

Council Member Coffey expressed concern regarding the FY14-15 expenses submitted by the Downtown Development Commission. There was a brief discussion regarding the DDC with Development Service Director Williams sharing the Commission is currently working on several projects, including a possible grant application which would re-establish *Main Street* eligibility. Council Member Inscoe asked about the part-time position mentioned in conjunction with the grant and Mr. Williams responded the part-time position would need to become full time in the 4th year of the grant. Mayor O'Geary questioned about the sustainability of funding of a full time position.

Council Member Inscoe turned the discussion back to demolition and asked about taking an additional \$10,000 from Fund Balance. Mr. Wyatt said he had no problem with this. Council Member Daeke asked after the proposed funds are withdrawn from the Fund Balance what percent remains. Finance Director Brafford responded approximately 29.88%

Assistant City Manager Frazier respectfully asked Council to consider taking \$10,000 from Street Resurfacing rather than Storm Water which was acceptable to Council.

At this time Mayor O'Geary asked for the consensus of Council to take an additional \$10,000 from Street Resurfacing, \$10,000 from Fund Balance and specifically earmark \$32,000 from sanitation fees to provide an additional \$52,000 for demolition in FY15-16. The consensus was as follows: YES: Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons and Daye. NO: None. ABSTAIN: None. ABSENT: Kearney.

In response to Council Member Inscoe's question regarding the 9% increase in Sanitation, Mr. Frazier said that increase is 100% debt service. Council Member Daeke commented that the proposed increase from FY14-15 was reduced last year and wondered about the necessary increase for next year's budget. Mr. Inscoe reminded all that the debt service regarding the recreation center will be removed next year.

Discussion now turned to the increase in health insurance. Following a brief discussion, Council Member Daeke said he spoke to Mr. Philip Burnette today who indicated the health insurance increase has been further reduced to a 14.9% increase. Mr. Daeke asked staff for a breakdown of how this will impact the employee's paycheck and also requested information on what the cost difference would be for a \$1,500 deductible.

Council Member Coffey asked if the insurance broker expense was bid out. Mr. Wyatt said it was not and added other brokers would be more expensive from his experience. Council Member Daeke said he has found jumping around ultimately does not save any in the long run.

SUMMARY

In conclusion, Council was agreed to add \$52,000 to the demolition budget as described in the above consensus, and to cancel all budget meetings until the Public Hearing on June 15th.

Mayor O'Geary asked if there was anything further or if Council was prepared to adjourn.

ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Peace-Jenkins and unanimously approved. The meeting adjourned at 6:56 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk



**City Council Minutes
Special Called Meeting
15 June 2015**

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members Council Members James C. Kearney, Sr., Sara M. Coffey, Michael C. Inscoe, D. Michael Rainey, Brenda Peace-Jenkins, Garry D. Daeke, Fearldine A. Simmons and George M. Daye.

ABSENT

None.

STAFF PRESENT

Interim City Manager Edward A. Wyatt, Assistant City Manager, Frank Frazier, City Clerk Esther J. McCrackin, Finance Director Katherine Brafford, Assistant Finance Director Michelle Daniels, Development Service Director Corey Williams, Recreation and Parks Director Kendrick Vann, Youth Services Director Donna Stearns, Engineering Director Clark Thomas, Public Services Director Mike Ross, Fiscal Compliance Officer Edna Vaught, Police Chief Marcus Barrow, Fire Chief Danny Wilkerson, Assistant Fire Chief Steve Cordell and Human Resources Director Cathy Brown.

CALL TO ORDER

The 15 June 2015 Henderson City Council Special Called Meeting was called to order by Mayor James D. O'Geary at 6:01 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor O'Geary a quorum was present.

PUBLIC HEARING

Conduct Budget Public Hearing and Consideration of Citizen Input and the FY2015-16 Recommended Annual Fee Schedule. (*Reference: CAF 15-62-A*)

Interim City Manager Wyatt said it is his understanding that some Downtown Development Commission (DDC) representatives will be present this evening to discuss its needs. The DDC would like to have additional funds for façade improvements. Mr. Wyatt clarified the grant funds will go to the property owners and he mentioned details should go before the Land Planning Committee. Mr. Wyatt then distributed a portion of the FY14-15 Adopted Budget Message and the minutes from the June 11, 2014 meeting pertaining to the DDC discussion.

Mayor O'Geary asked Council if they would like to hear from the DDC now or during the public hearing. It was the consensus to hear from the DDC now, so Mayor O'Geary asked Mr. Phil Hart to come forward.

As Chairperson of the DDC, Mr. Hart came forward and began by saying last year Council decided to do away with the Main Street Program and it was the DDC's understanding that they would receive funding for façade improvements. The DDC has worked diligently to create a grant program which he distributed to Council. He said the program was never promoted as funding was never received. However, three people did request an application and one returned a completed application.

Council Member Inscoe said his understanding was the City would try to provide additional funding which was not a guarantee. Mr. Hart said it was the DDC's understanding that funding would be provided based on unused funds from the vacant position(s) in the Planning Department.

Council Member Kearney asked for the amount of funding requested by businesses. Mr. Hart said \$2,600 for an awning and \$700 to replace windows damaged during the Christmas Parade.

Mr. Kearney said his recollection of the 2014 meeting was, after much discussion, \$10,000 was appropriated in the budget and the City would look for up to \$20,000 for additional funding. Mr. Kearney feels the City should honor its commitment and fund the applications the DDC has received. Council Member Daeke said his recollection is the same as Mr. Kearney's and said the commitment/intention was up to \$20,000 for improving façade.

Council Member Inscoe asked what portion of the grant the owner has to provide. Mr. Hart responded 25%.

Council Member Coffey asked why the owner only contributes 25%. Mr. Hart said there is a loan program in place; however, the 25% provides incentive for the owners to improve their façade(s) which is the goal of the program.

Council Member Inscoe how many loans have been given out this year. Mr. Hart said none. Council Member Coffey asked why. Mr. Hart said merchants are looking for grant funding rather than loans.

Council Member Daeke felt the grants should only be provided to active businesses. Mr. Hart said the DDC does not specify it has to go to an active business. Mr. Daeke said if the grant goes to an active business, he does not have a problem with the 75/25 split. Mr. Hart added it would be nice to have buildings improved before becoming code enforcement issues.

Council Member Kearney asked if staff has reviewed the requirements of the grant. Development Service Director Williams said he felt it would be a good idea to have a special workshop for the DDC to present the process. Mr. Kearney asked if the funds cannot be used, can the \$10,000 be carried forward into the next year.

Interim City Manager Wyatt said at this point in the year, he would suggest setting aside a specific amount from the Planning Development budget and asked whether Council would like to set aside \$10,000 of \$20,000. Development Service Director William proposed \$10,000 which has been set aside in the FY14-15 budget which he thought remains in his budget.

Council Member Peace-Jenkins agreed that Council should honor its commitment to the DDC.

There was then a brief discussion about how to appropriate the additional \$10,000 and Finance Director Brafford suggested amending the FY15-16 budget which will be approved at the June 22nd meeting.

Council Member Daeke asked Council if it was willing to appropriate more funding if needed. Mr. Inscoe said he would be *willing to consider* additional funding.

Council Member Kearney then asked why this needed to go before the Land Planning Committee. His concern was once the commitment is made, he did not want it to be bogged down in bureaucracy. Mr. Inscoe said it involves property and Mr. Daeke thought it was appropriate to go before the Land Planning Committee.

Council Member Coffey said she would like to review the grant information before she agreed to additional funding.

Council Member Kearney then summarized the discussion by saying if \$10,000 available this year can be made available in FY15-16, then the Land Planning Committee and staff should review the grant process for a good, viable mechanism which uses tax payer funds appropriately, then the DDC can proceed with its program. Mr. Kearney said he hoped this process could be completed in no more than 30 days.

Mayor O'Geary asked if this is agreeable, and Mr. Wyatt said the budget would be adjusted for approval next week. Then the Land Planning Committee will meet and the DDC can begin to receive applications.

Council Member Coffey said she would like to see businesses more involved and less dependent on the City. She suggested some type of dialogue with the merchants. Phil asked if this would be a downtown tax, merchants association or what.

Council Member Daeke suggested a meeting to see how committed the merchants would be, to discuss what merchants would like to see done, fund raising ideas, etc. Mayor O'Geary asked if this sounded like a good idea. With reservations, Mr. Hart said yes as it is time consuming to contact everyone. Mr. Daeke suggested the Development Service department or the City Clerk might be able to assist with this. This sounded like a great idea to everyone.

Council Member Coffey asked how many businesses were vacant. There was some discussion with 22 or more being mentioned. Mr. Hart said some buildings are not able to sustain a business due to poor conditions.

Mayor O'Geary asked Mr. Hart if he had a specific number. He said no. Since there is no longer a Main Street Manager, those statistics have not been kept current. The Mayor then asked Mr. Williams if he had the specific number. Mr. Williams said no but he could work on obtaining the data.

This led to a discussion about the need for a Main Street Manager.

Mr. Hart said for the City to qualify in the Main Street program, there is a prerequisite of a part-time employee (20 hours a week) with a commitment that the position will become full-time in 3 years. Unfortunately, the program will only accept 6-8 cities this year and the applications must be submitted by July 1.

There was then a brief discussion about what the County contributes to the DDC and whether they might be willing to make a commitment toward a portion of the salary for a part-time position. This year the County is contributing \$1,500 to the DDC.

There were no further questions so Mayor O'Geary opened the Public Hearing by asking if anyone was present who wished to speak in favor of this budget.

Curtiss White, 236 Dabney Drive Mr. White applauded Council for not increasing property taxes. As a realtor, he said marketing Vance County is difficult and felt a downtown director is needed. Mr. White made several suggestions on how to improve downtown including asking the County to step up and contribute more, and/or a meeting between the City, County and Downtown merchants. He would like to see the Grant application proceed and concluded by saying there are beautiful buildings downtown that just need some TLC.

No other citizen came forward, so Mayor O'Geary then asked if anyone was present who wished to speak in opposition to the budget. No one came forward.

Mayor O'Geary then closed the Public Hearing and asked Mr. Wyatt if he had any further comments.

Mr. Wyatt said the budget will be on the agenda for the June 22nd meeting.

Council Member Coffey asked who is going to speak to the County about the Downtown Development funding. Council Member Inscoe said a meeting is already set with the County for other issues this Wednesday and he would be happy to raise this issue if Council was agreeable and they were. Mr. Wyatt said he would alert Interim County Manager Murphy that this would be added to the meeting agenda.

With no further business, Mayor O'Geary asked if Council was prepared to adjourn.

ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Kearney and unanimously approved. The meeting adjourned at 6:47 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk

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City Council Minutes
Short Regular Meeting and Work Session
22 June 2015

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members James C. Kearney, Sr., Sara M. Coffey, D. Michael Rainey, Michael C. Inscoe, Brenda Peace-Jenkins, Garry D. Daeke, Fearldine A. Simmons, and George M. Daye.

ABSENT

None.

STAFF PRESENT

Interim City Manager Edward A. Wyatt, City Attorney D. Rix Edwards, City Clerk Esther J. McCrackin, Assistant City Manager Frank Frazier, Finance Director Kathy Brafford, Assistant Finance Director Michelle Daniels, Development Services Director Corey Williams, Engineering Director Clark Thomas, Public Services Director Mike Ross, Fire Chief Danny Wilkerson, Assistant Fire Chief Steve Cordell, Recreation and Parks Director Kendrick Vann, and Henderson Water Reclamation Facility Director Tom Spain.

CALL TO ORDER

The 22 June 2015 Short Regular Meeting and Work Session of the Henderson City Council was called to order by Mayor James D. O'Geary at 6:00 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor O'Geary a quorum was present.

INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member Peace-Jenkins led those in attendance in a prayer and the Pledge of Allegiance.

WELCOME

Mayor O'Geary said he was happy to see everyone on such a steamy evening.

ADJUSTMENTS TO/APPROVAL OF AGENDA

Mayor O'Geary asked if there were any adjustments to the Agenda. Council Member Peace-Jenkins moved to accept the Agenda. Motion was seconded by Council Member Simmons, and unanimously approved.

APPROVAL OF MINUTES

Mayor O'Geary asked for any corrections to and/or approval of the minutes. Council Member Coffey moved the approval of the 8 June 2015 Regular Meeting and 15 June Special Called Meeting minutes, as presented. Motion seconded by Council Member Daye, and unanimously approved.

PUBLIC COMMENT PERIOD ON AGENDA ITEMS

The City Clerk advised the Mayor and Council Members that no citizen wished to speak to Council.

NEW BUSINESS

Adoption of the FY15-16 Budget and FY15-16 Annual Fee Schedule. (*Reference: CAF 15-62-B; Ordinance 15-28*)

Interim City Manager Wyatt suggested the Municipal Election Filing Fee increases be deferred until the next fiscal year as the filing dates for 2015 are within two weeks. Council was in agreement

There were no further comments so Mayor O'Geary asked for Council's pleasure.

Motion was made by Council Member Peace-Jenkins to approve Ordinance 15-28, *Adoption of the FY15-16 Budget and FY15-16 Annual Fee Schedule* with the removal of the Municipal Election Filing Fee. Motion seconded by Council Member Rainey, and APPROVED by the following vote: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons and Daye. NO: None. ABSTAIN: None. ABSENT: None. (*See Ordinance Book 9, p 249*)

Council Member Inscoe commented that a significant sum from the Fund Balance has been used to balance this budget which cannot continue. He asked that everyone look for ways to conserve in the coming year.

Council Member Daeke echoed Mr. Inscoe's comments and said although it is for the right reasons, he never remembered using any amount from the Fund Balance close to the roughly \$350,000 used this year.

Approving the Mayor's Signature on the North Carolina Community Development Block Grant (CDBG) Contract in the Amount of \$1,532,400 for Water Infrastructure and Resolving to Provide Adequate Funding for Continued operation of Said Improvements and Authorized Signatures for Documentation Required. (Reference: CAF 15-79; Resolution 15-48 and 15-49)

Interim City Manager Wyatt said this is self-explanatory and asked for Council's approval.

Council Member Inscoe asked the Assistant City Manager if this grant will preclude the City from applying for other grants. Mr. Frazier said he is unaware of any limitations on applying for other grants.

There were no other questions. Mayor O'Geary asked for the pleasure of Council.

Motion was made by Council Member Daeke to approve Resolution 15-48, *Approving the Mayor's Signature on the North Carolina Community Development Block Grant (CDBG) Contract in the Amount of \$1,532,400 for Water Infrastructure* and Resolution 15-49, *Resolving to Provide Adequate Funding for Continued operation of Said Improvements and Authorized Signatures for Documentation Required*. Motion seconded by Council Member Daye, and APPROVED by the following vote: YES: Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons, Daye, and Kearney. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 4, p 237 and 249)

Authorizing an Application to the Carolina Panthers Charities for a Challenger Flag Football League Grant in the Amount of \$5,000 to Establish and Implement a Challenger League. (Reference: CAF 15-76, Resolution 15-45)

Interim City Manager Wyatt said Recreation and Parks Director Kendrick Vann has already received a letter from the Carolina Panthers saying they have awarded the City the \$5,000 grant for this year and \$3,000 for next year. Mr. Wyatt and Council congratulated Mr. Vann on such a positive response.

Motion was made by Council Member Kearney to approve Resolution 15-45, *Authorizing an Application to the Carolina Panthers Charities for a Challenger Flag Football League Grant in the Amount of \$5,000 to Establish and Implement a Challenger League*. Motion seconded by Council Member Coffey, and APPROVED by the following vote: YES: Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons, Daye, Kearney and Coffey. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 4, p 231)

Revising the 2015 City Council Meeting Schedule. (Reference: CAF 15-80, Resolution 15-50)

Interim City Manager Wyatt said he took the liberty to suggest this schedule change as many staff and Council members are on vacation during the summer months and the City pace slows. If approved, Council will meet only once, on the second Monday during the months of July and August. Mr. Wyatt added a Special Meeting can always be called for any emergency situations.

Motion was made by Council Member Rainey to approve Resolution 15-50, *Revising the 2015 City Council Meeting Schedule*. Motion seconded by Council Member Peace-Jenkins, and APPROVED by the following vote: YES: Rainey, Peace-Jenkins, Daeke, Simmons, Daye, Kearney, Coffey and Inscoe. NO: None. ABSTAIN: None. ABSENT: None. (*See Resolution Book 4, p 241*)

Amending the FY14-15 Budget as Part of the Year Ending Budget Reconciliation Process, Budget Amendment #31. (*Reference: CAF 15-72, Ordinance 15-32*)

Interim City Manager said this is a routine housekeeping matter of reconciling the General Fund and the Sewer Fund, as well as closing out a CIP project in the CIP General Fund.

Council Member Kearney asked if there was any indication the amount of funds that will be carried over from FY14-15. Mr. Wyatt and Finance Director Kathy Brafford both indicated this would be unknown until the books are closed and the audit figures are complete.

With no further discussion, Mayor O'Geary asked for the pleasure of Council.

Motion was made by Council Member Kearney to approve Ordinance 15-32, *Amending the FY14-15 Budget as Part of the Year Ending Budget Reconciliation Process*. Motion seconded by Council Member Inscoe, and APPROVED by the following vote: YES: Peace-Jenkins, Daeke, Simmons, Daye, Kearney, Coffey, Inscoe and Rainey. NO: None. ABSTAIN: None. ABSENT: None. (*See Ordinance Book 9, p 257*)

Tax Releases and Refunds from Vance County for the Month of May 2015. (*Reference: CAF 15-80*) Below are the tax releases and refunds which were found to be in order by the Finance Director for the month of December 2015.

May 2015 Tax Releases			
Name	Reason	Tax Year	Amount
Real & Personal Property			
Releases			
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2004	35.97
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2005	37.65
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2006	37.65
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2007	37.65
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2008	28.70
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2009	29.72
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2010	29.72
Woodleif, James R Heirs	Taxes Lost to Foreclosure	2010	74.53
Henderson, Brooksie	Taxes Lost to Foreclosure	2011	134.35
Waddell, Gail B	Taxes Lost to Foreclosure	2011	53.37
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2011	29.74
Woodleif, James R Heirs	Taxes Lost to Foreclosure	2011	4,973.89

May 2015 Tax Releases			
Name	Reason	Tax Year	Amount

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Henderson, Brooksie	Taxes Lost to Foreclosure	2012	280.60
Waddell, Gail B	Taxes Lost to Foreclosure	2012	94.03
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2012	29.74
Woodleif, James R Heirs	Taxes Lost to Foreclosure	2012	252.53
Henderson, Brooksie	Taxes Lost to Foreclosure	2013	297.38
Waddell, Gail B	Taxes Lost to Foreclosure	2013	99.65
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2013	31.51
Woodleif, James R Heirs	Taxes Lost to Foreclosure	2013	55.68
Henderson, Brooksie	Taxes Lost to Foreclosure	2014	297.38
Pearce, Salbert A	Correct Ownership	2014	272.50
Trustees of Room at The Cross PHC	Correct Ownership	2014	(272.50)
Waddell, Gail B	Taxes Lost to Foreclosure	2014	99.65
Wiggins Lisa B & Others	Taxes Lost to Foreclosure	2014	31.51
Woodleif, James R Heirs	Taxes Lost to Foreclosure	2014	55.68
4 Point O Student Center	Personal Property Billed in Error	2014	335.62
Total R&P Property Releases			\$ 7,463.90
Real & Personal Property			
Refunds			
NONE			-
Total R& P Property Refunds			\$ -
Total R&P Prop. Rel. & Ref.			\$ 7,463.90
Vehicle Releases			
Morton, Howard	Discharged Bankruptcy	2013	80.18
Total Vehicle Releases			\$ 80.18
Vehicle Refunds			
NONE			-
Total Vehicle Refunds			-
Tot. Veh. Rel. & Ref.			\$ 80.18
Total All Releases & Refunds			\$ 7,544.08

Council Member Daeke commented he was glad to see fewer taxes lost to foreclosure that are more than 10 years old.

There were no other comments. Mayor O'Geary now asked for Council's pleasure.

Motion was made by Council Member Daeke to approve the *Tax Releases and Refunds from Vance County for the Month of May 2015*. Motion seconded by Council Member Simmons, and APPROVED by the following vote: YES: Daeke, Simmons, Daye, Kearney, Coffey, Inscoc, Rainey, and Peace-Jenkins. NO: None. ABSTAIN: None. ABSENT: None.

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PUBLIC COMMENT PERIOD ON AGENDA ITEMS

The City Clerk advised the Mayor and Council Members that one citizen wished to address to Council.

Mr. Jerry Allen, 645 Horseshoe Bend Road, Henderson Mr. Allen expressed his concern regarding the water bill for his mobile home park located at 1261 Americal Road.

There was a brief discussion which culminated with Council asking Assistant City Manager Frazier to look into providing water to the Park and also to look at the current policy regarding water that does not enter the City's sanitary sewer lines. Since this is a Park rather than a residence, Council felt perhaps some type of adjustment could be made.

REPORTS

a) Mayor/Mayor Pro-Tem(No Report)

b) City Manager - Mr. Wyatt gave a progress report on the City/County meetings regarding the 131 properties owned by both entities and said 27 properties need immediate attention; two have people living in them and 8 need demolition. He said Development Service Director Williams and Assistant County Manager McMillan are working closely and are in agreement 2-3 cuttings a season are necessary for these properties. The County has found a small amount of funding which they will take before the Commissioners for approval. Mr. Wyatt will continue to give progress reports.

Council Member Coffey said there is a business in town that deals with asbestos removal and will provide the information to the Development Services Department.

Council Member Kearney verified that \$5,000 will be added to the \$72,000 budget for demolition once the property known as the old city garage is sold.

Mr. Wyatt said the Land Planning Committee will be meeting on Wednesday with the Downtown Development Executive Committee and the Executive Director from the Chamber of Commerce to discuss extensively the needs of downtown.

Council Member Peace-Jenkins gave kudos to Development Service Director Williams for tearing down the structure(s) at 710 Marshall Street.

c) City Attorney (No Report)

d) City Clerk – (No Report)

CLOSED SESSION

Council Member Coffey moved for Council to convene in closed session pursuant to G.S. §143-318.11(a)(6) for a Personnel Matter and G.S. §143-318.11(a)(6) for two Attorney-Client Privilege Matters, one of which will deal with the Oxford lawsuit. Motion seconded by Council Member Daeke, and unanimously approved.

Following the Closed Session, Council Member Coffey moved for Council to convene in open session. Motion seconded by Council Member Daeke, and unanimously approved.

Concerning Payment of Debt Owed by Granville County to the City of Henderson Under that Certain Utilities Sales Agreement Dated December 29, 2011. (*Reference: Resolution 15-36*)

There was no discussion so Mayor O'Geary asked for the pleasure of Council.

Motion was made by Council Member Inscoe to approve Resolution 15-36, *Concerning Payment of Debt Owed by Granville County to the City of Henderson Under that Certain Utilities Sales Agreement Dated December 29, 2011*. Motion seconded by Council Member Daeke, and APPROVED by the following vote: YES: Simmons, Daye, Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins and Daeke. NO: None. ABSTAIN: None. ABSENT: None. (*See Resolution Book 4, p ****)

WORK SESSION

Amending Sec 15-42.1 and Sec. 15-42.2 of the City Code Providing for Adjustment to Sewer Charges. (*Reference: CAF 15-04; Ordinance 15-02*)

Finance Director Brafford said it has been the policy of the Utility Billing/Collections office to adjust utility bills relating to sewer charges regarding outside watering of grass, plants and vegetation, along with unintentional leaks in customer water lines wherein portions of the water leakage does not enter the City's sanitary sewer service. However, this policy should be an ordinance and what Council is being asked to approve is an Ordinance that will incorporate these policies into the City Code.

Council Member Rainey mentioned people often reseed/replace their lawns in the Fall; however, after hearing this ordinance is in place from the May billing through the September billing, Mr. Rainey felt this issue should be covered.

It was the consensus of Council to bring this to the next Council meeting as follows: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons and Daye. NO: None. ABSTAIN: None. ABSENT: None.

Authorizing the Execution of Change Order #6 for the Henderson Water Reclamation Facility Project to Devere Construction Company, Inc., in the amount of \$218,712; Amendment #1 to the Agreement for Engineering Services with McGill Associates for Said Project; and Amending the CIP Sewer Fund for Change Order #6 to the Water Reclamation Facility Renovation Project. (Reference: CAF 15-11, Resolution 15-09, Resolution 15-53, Ordinance 15-33 and Budget Amendment #44)

Assistant City Manager Frank Frazier said this project is nearing the finish line. Henderson Water Reclamation Facility Manager Tom Spain and Doug Chapman, Engineer for McGill Associates, were both present to answer any questions. Mr. Chapman then came forward to explain the reasoning for the nine (9) changes.

Council Member Rainey asked why there are so many changes at such a significant cost. Mr. Chapman said each project is site specific.

Council Member Inscoe asked about the additional spare chemical line. Mr. Chapman said this line is not really a spare line as it will provide the capability of adding magnesium hydroxide.

Mr. Inscoe asked if this is approved what amount remains in the contingency. Assistant City Manager Frazier said approximately \$30,000. Council Member Coffey asked if that left enough in contingency. Mr. Frazier said the project is so close to completion, he is comfortable with such a small contingency and added there was a meeting today to review what needs to be done to complete the project so he's comfortable with the \$30,000.

Council Member Kearney asked what amount is owed the contractor. Mr. Chapman said there is a 5% holdback. Mr. Kearney then asked what the contractor owes the City for damages. Mr. Chapman said negotiations have not been completed; however, it is normally \$1,000 a day for damages.

Council Member Peace-Jenkins asked if all this work is necessary now. Mr. Frazier said it is better to do the work now.

There was a short discussion and Council requested more information before making a final decision. Mr. Frazier said he would do his best to provide information prior to the next Council meeting.

It was the consensus of Council to bring this to the next Council meeting for further review. The consensus as follows: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons and Daye. NO: None. ABSTAIN: None. ABSENT: None.

Authorizing the Execution of Change Order #1 for the Sandy Creek Pump Station Project to Turner Murphy Company, Inc., in the Amount of \$91,129 and Amending the CIP Sewer Fund for the Above Mentioned Change Order. (*Reference: CAF 15-70, Resolution 15-12, Ordinance 15-30, Budget Amendment #32*)

Assistant City Manager said the pumps have been delivered and now they are waiting on the pump panel before proceeding. Mr. Doug Chapman, from McGill Associates, explained the requested changes which will leave a balance of \$9,276 in contingency.

Council Member Inscoe asked about whether the surge valve replacement is necessary. Henderson Water Reclamation Facility Director Spain said the valve was installed in 1982 and sticks periodically.

Council Member Kearney said there is a propensity to use all the project funds as projects near completion. He urged caution and asked that staff be prudent in expending funds.

Council Member Coffey said Mr. Spain is amazing to keep up with all that he does. She said there are not many people who can come up with the information he did so quickly about when the valve was installed and to remember so far back.

It was the consensus of Council to bring this to the next Council meeting as follows: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons and Daye. NO: None. ABSTAIN: None. ABSENT: None.

With no further business, Mayor O'Geary asked if Council was prepared to adjourn.

ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Kearney, and unanimously approved. The meeting adjourned at 7:44 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk