



**CITY OF HENDERSON**

**NORTH CAROLINA**

**FY 2014-2015**

**APPROVED**

**BUDGET**

***11 JUNE 2014***

*Prepared by*

*The City Manager's Office*

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**City of  
Henderson, North Carolina**

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***Mayor and City Council***



*James D. O'Geary*  
Mayor

*Sara M. Coffey*

*Garry D. Daeke*

*George M. Daye*

*Michael C. Inscoc*

*James C. Kearney, Sr.*

*Brenda Peace-Jenkins*

*D. Michael Rainey*

*Fearldine A. Simmons*



***Leadership Team***

*A. Ray Griffin, Jr.*  
City Manager

*Frank Frazier, Assistant City Manager*

*Marcus Barrow, Police Chief*

*Kathy Brafford, Finance Director*

*Cathy Brown, Human Resources Director*

*Steve Osborne, Interim Parks & Recreation Director*

*Christy Lipscomb, Kerr Lake Regional Water Plant Director*

*Esther J. McCrackin, City Clerk*

*Tom Spain, Henderson Water Reclamation Facility Director*

*Danny Wilkerson, Fire Chief*

*Corey Williams, Code Compliance Director*

*John H. Zollicoffer, Jr., City Attorney*

*Clark Thomas, Engineering Director*

*Vacant, Planning & Community Development Director*

*Vacant, Public Services Director*

*Frozen, Special Projects Manager*

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## City of Henderson, North Carolina

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The objective of a community is not merely to survive, but to progress, to go forward into an ever-increasing enjoyment of the blessings conferred by the rich resources of this nation under the benefaction of the Supreme Being for the benefit of all the people of that community.

If a well governed city were to confine its governmental functions merely to the task of assuring survival, if it were to do nothing but to provide “basic services” for an animal survival, it would be a city without parks, swimming pools, zoo, baseball diamonds, football gridirons and playgrounds for children. Such a city would be a dreary city indeed. As man cannot live by bread alone, a city cannot endure on cement, asphalt and sewer pipes alone. A city must have a municipal spirit beyond its physical properties, it must be alive with an esprit de corps, its personality must be such that visitors—both business and tourist—are attracted to the city, pleased by it and wish to return to it. That personality must be one to which the population contributes by mass participation in activities identified with that city. (This quote is from the concurring opinion of Justice Musmanno in *Conrad v. City of Pittsburgh*, 218 A.2d 906, 421 Pa. 492 (1966)).



*Artist Commission by Jeff Pittman [www.jeffpittmanart.com](http://www.jeffpittmanart.com)*

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# City of Henderson, North Carolina



## **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.*

## **MOTTO**

*Pride, Progress, Potential*



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# CITY OF HENDERSON

**Mayor and City Council**  
Mayor James D. "Pete" O'Geary

*Updated: 12 June 14*

**City Clerk**  
Esther J. McCrackin

Sara M. Coffey  
Michael C. Inscoe  
Brenda Peace-Jenkins  
George M. Daye

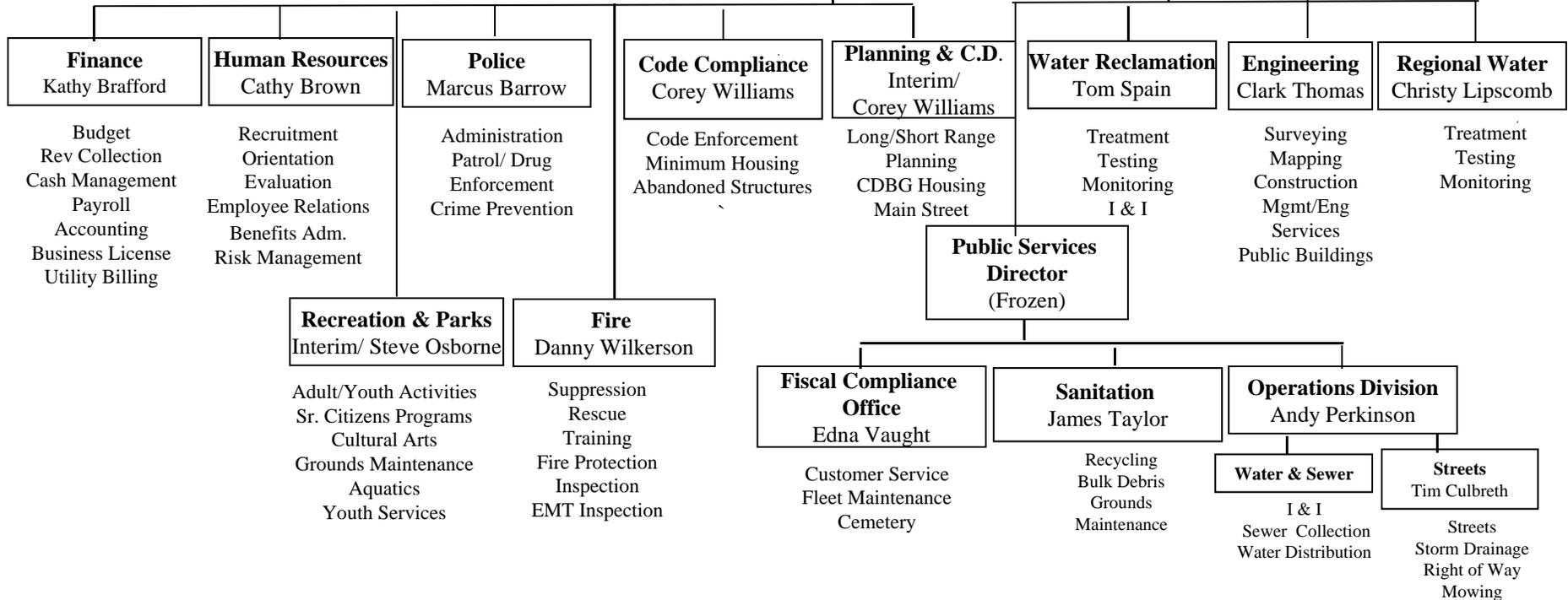
James C. Kearney, Sr.  
D. Michael Rainey  
Garry D. Daeke  
Fearldine A. Simmons

**City Attorney**  
John H. Zollicoffer, Jr.

**City Manager**  
Ray Griffin

**Executive Assistant**  
Patricia Pearson

**Assistant City Manager**  
Frank Frazier



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**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**

19 May 2014

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

**FR:** Ray Griffin, City Manager

**RE: CAF: 14—62**

**Presentation and Consideration of the FY 14-15 Work Budget**

**Ladies and Gentlemen:**

In accordance with the Henderson City Charter and the Statutes of the State of North Carolina, the FY 14—15 Work 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**

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. While, during difficult times, it is easier to see the “glass as half-empty,” it is critical for City and community leadership to work hard towards focusing on the “glass as half-full” mind-set, and to help focus on achieving the objectives and goals of the Strategic Plan.

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 important policy document is the annual Strategic Plan. When aligned, both combine to form a powerful public policy focus in providing guidance and focus for the community and City forward as it addresses critical Key Strategic Objectives and operational needs and initiatives. To that end, the Work 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 vis-à-vis the Recommended Budget:

1. *KSO 4: Improve Housing Stock:* Minimal funding of \$48,300 is provided to continue demolition of dilapidated, abandoned structures. This will allow for demolition and disposal of about 9 structures.

## FY 14-15 BUDGET WORK BUDGET MESSAGE



2. *KSO 5: Reliable Infrastructure:* Significant funding in the amount of \$2,383,300 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:* Initial funding of about \$117,000 is provided to begin Phase 1 of a 5-Year financing plan to implement the new Classification and Pay Study's recommendations as a means to begin addressing the City's 22.67% average compensation lag in the marketplace.

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. Recurring expenses have not been 'balanced' by using non-recurring revenue sources, such as undesignated fund balance. Unlike the Federal government, the operating budget is not capitalized. Many justified and warranted initiatives and needs, both capital and operating, have not been recommended for funding due to very limited resources. Thus, a relatively austere, albeit balanced budget has been produced for Council's review, consideration and adoption as it deems appropriate.

The Department Directors were requested to develop conservative, constrained operating budgets for FY15. I was very impressed with the manner in which their budgets were developed and requests for funding were indeed constrained given the significant amount of need existing for incremental replacement of the fleet and equipment, building maintenance, information technology updating, staff expansion and compensation, and budgetary needs in day-to-day operating expenses. Unfortunately, natural growth revenues are not keeping up the budgetary needs of the City, thus the ever widening gap between available resources and critical un-met needs.

### TOTAL BUDGET

The total City budget is comprised of four (4) primary, operating funds and numerous smaller, specialty funds. The primary funds include General, Water, Wastewater and Regional Water System. The smaller supporting funds include Powell Bill and the Capital Reserve funds. Many of the smaller funds are *transferred* to or from the four primary funds and thus become inter-fund transfers.

The total recommended budget, adjusted for inter-fund transfers, is \$37,053,200. The total budget is balanced with serious *belt tightening efforts*, utility rate increases in the Water, Sewer and Regional Water funds; however, there is no recommended increase in the property tax and sanitation fee. The reader is directed to review the individual Budget Summary sections for each fund for additional information. The estimated impacts of these recommended increases are described in the following table:



**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**

<b>Impacts on Residential Customers</b>				
<b>FY15 Recommended Budget</b>				
	<b>FY14</b>	<b>FY15</b>	<b>Monthly Increase</b>	<b>Annual Increase</b>
<i>Inside City</i>				
<b>Property Tax:</b> No Increase	\$ 0.62	\$ 0.62	NA	NA
<b>Sanitation Fee:</b> No Increase	\$ 29.00	\$ 29.00	NA	NA
<b>Water Rate</b> increase of 5% based on customer using 800 cubic feet of water per month.	\$ 13.70	\$ 14.39	\$ 0.69	\$ 8.28
<b>Sewer Rate</b> increase of 3% based on customer using 800 cubic feet of water per month	\$ 34.15	\$ 35.17	\$ 1.02	\$ 12.24
<b>Total Impacts</b>			\$ 1.71	\$ 20.52
<i>Outside City</i>				
<b>Water Rate</b> increase of 5% based on customer using 800 cubic feet of water per month.	\$ 41.84	\$ 43.93	\$ 2.09	\$ 25.08
<b>Sewer Rate</b> increase of 3% based on customer using 800 cubic feet of water per month	\$ 104.61	\$ 107.75	\$ 3.14	\$ 37.68
<b>Total Impacts</b>			\$ 5.23	\$ 62.76
<b>Notes:</b> 1) 800 cubic feet of water = 5,984 gallons of water. 1 cubic foot of water = 7.4805 gallons of water.				

**GENERAL FUND**

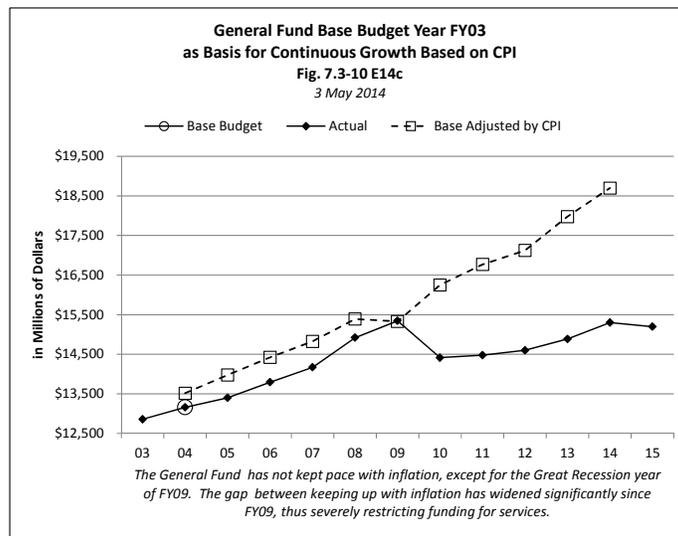
The General Fund is arguably the most difficult fund to balance because it is the workhorse fund of municipal operations. It is the least able to pay for services it must provide due to the manner in which general fund revenues are legislatively structured and authorized. It is heavily dependent on the archaic property tax, sanitation fee, State Inter-Governmental Revenues such as Sales Taxes, Utility Franchise Taxes and Powell Bill, as well as Inter-Fund transfers from the enterprise funds for cost allocation. The recommended General Fund budget is \$15,196,000. This is \$104,000 less than the FY14 approved budget beginning 1 July 2013.

Without a doubt, the FY15 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.

**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**



The City’s General Fund budget has trailed the inflation rate from 2003-2009; however, in the post Great Recession year of FY09, the gap between what budget growth would be if it kept up with inflation has seriously lagged. This gap, as evidenced by information presented in *Figure 7.3-10 E14c, General Fund Base Budget Year FY03 as Basis for Continuous Growth Based on CPI*, copied below. Put simply, the General Fund’s inability to reasonably keep up with inflation, as was the case prior to FY09 is resulting in less dollars for critical issues such as infrastructure maintenance via street resurfacing and storm drainage, vehicle and equipment replacement in a timely manner, competitive compensation for employees and expansion projects that might add to the quality of life, such as recreation, downtown economic development and community appearance.

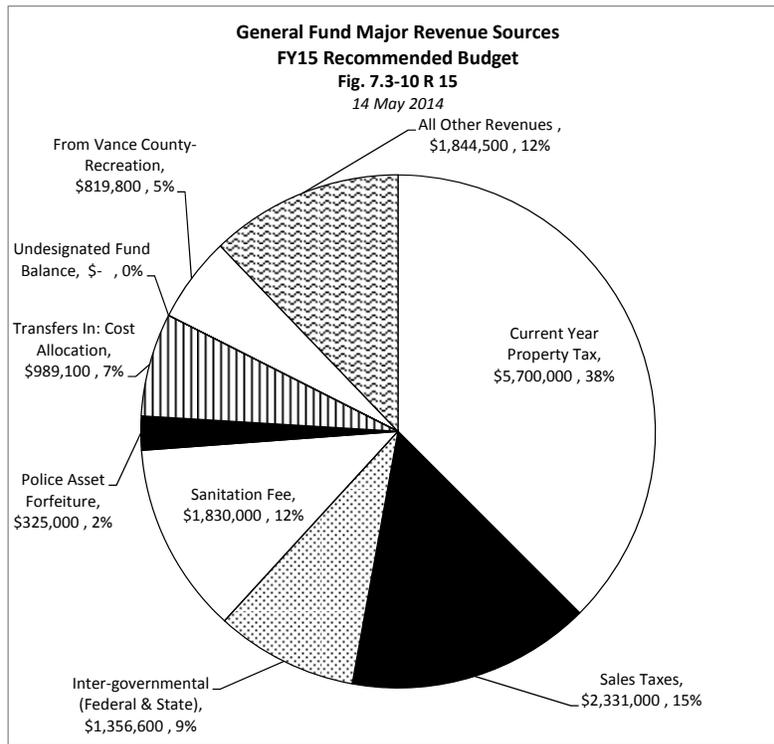


*General Fund Revenues*

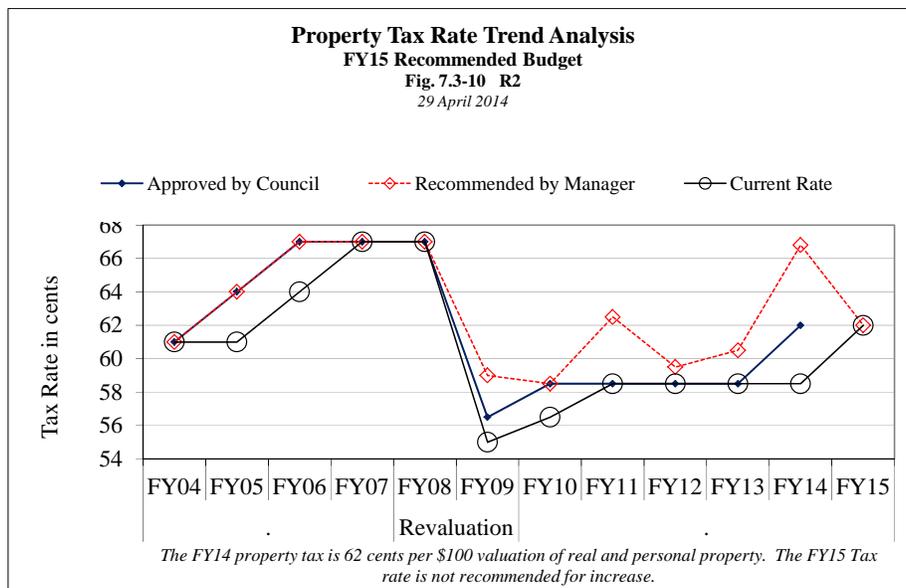
The current year property tax, both real and personal, is the single largest revenue source for the fund and comprises 38% of the total projected revenues. The sales tax, an extremely volatile revenue source which is totally dependent on the strength of the economy comprises 15% of the fund’s budget and the Sanitation Fee, comprises 12%. Thus, 65% 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.



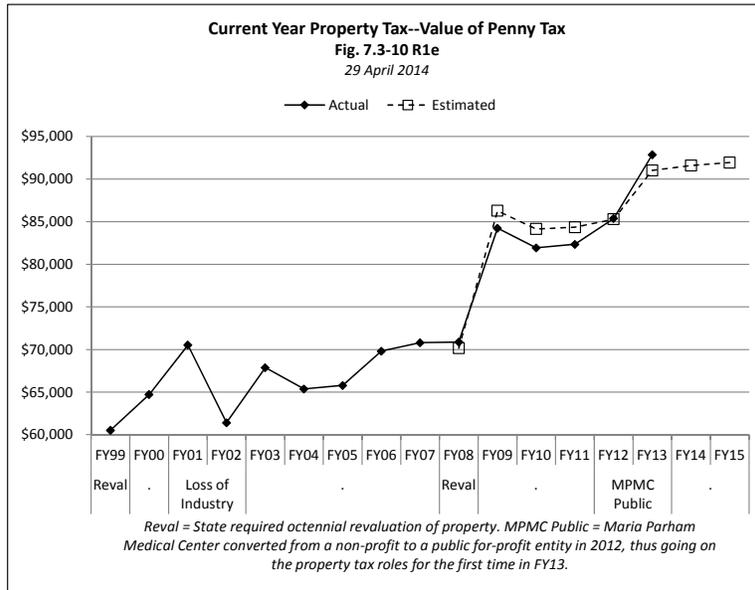
# FY 14-15 BUDGET WORK BUDGET MESSAGE



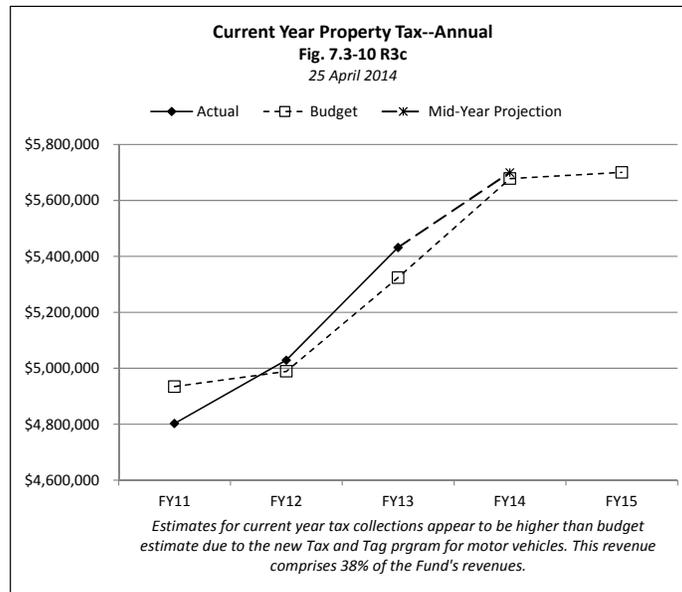
The tax rate has been fairly stable over the past number of years. The rate was reduced in FY08 year from 67 cents to 56.6 cents as a result of reevaluation. The rate increased 2 cents in FY10 and 3.5 cents in FY14. No increase is recommended for FY15. A penny on the tax rate is worth about \$91,000.



**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**



The 2014 property tax revenues are estimated to be \$5,700,000. This is slightly higher than the \$5,677,900 budgeted for FY14. Again, there is no recommended increase in the property tax rate for FY15.

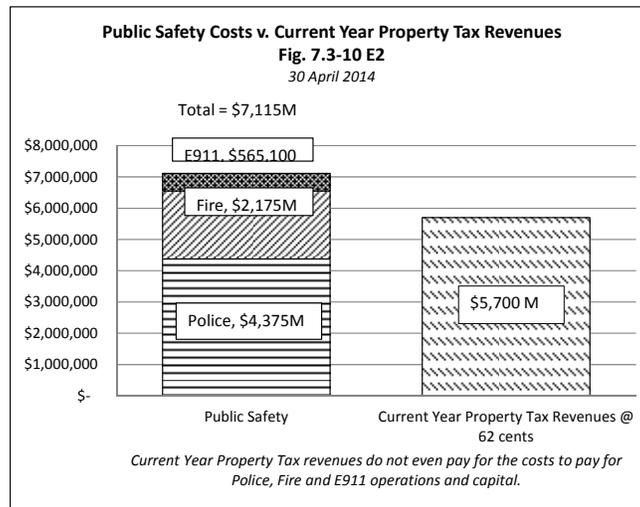


It is instructive to note that the current year property tax does not even come close to financing basic public safety services. The following graph reveals the recommended property tax rate of \$0.62 cents will provide for 38% of the General Fund's revenues, yet public safety operating expenses require 47% of total fund expenditures. There is a common misunderstanding among property tax payers that the property tax pays for all

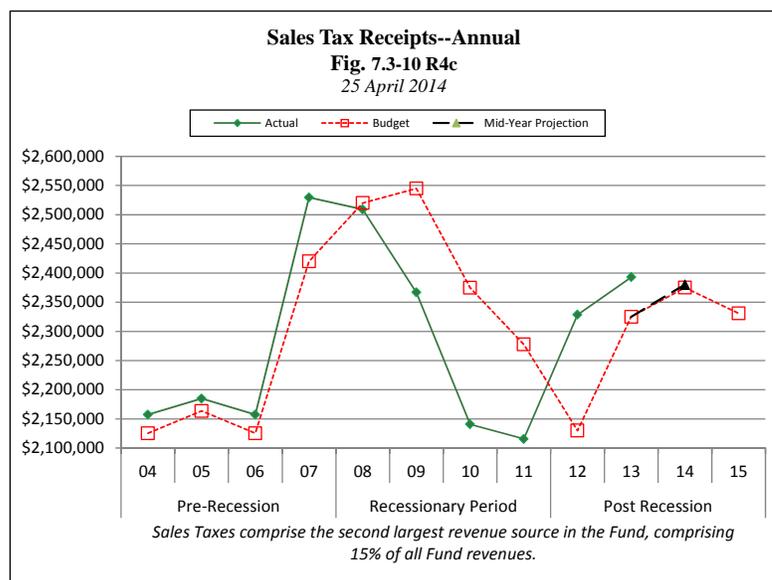


## FY 14-15 BUDGET WORK BUDGET MESSAGE

city services, when indeed it does not even generate enough revenue to pay for police, fire and emergency E-911 services.



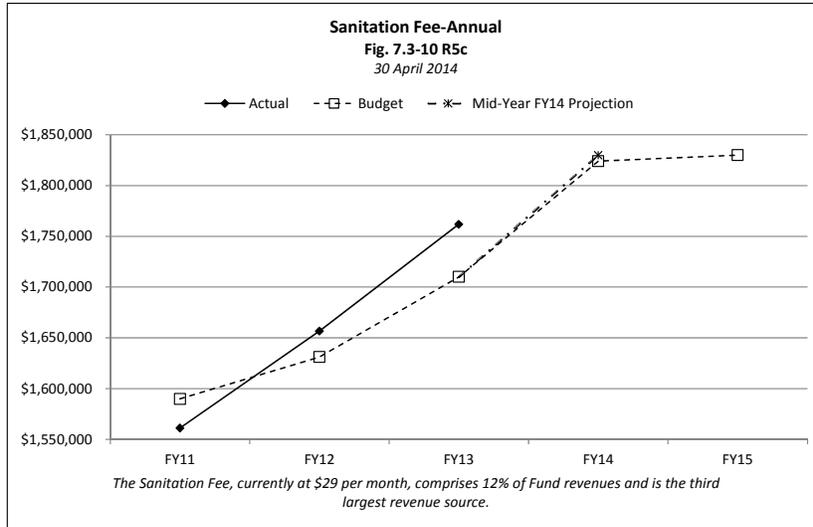
The second largest revenue producer for the City's General Fund is the local option sales tax. This critical revenue source is extremely volatile and has not yet recovered to its pre-Recession levels. Indeed, sales tax revenues are projected to decline due to the State phasing out its Hold-Harmless sales tax payments. It is estimated this will cost the City \$50,000 next year. Natural growth in sales tax collections for the first eight months of FY14 is essentially flat, with collections just about \$11,000 over budget estimate. 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 FY15 Budget reflects a modest reduction with a revenue estimate of \$2,331,000, down from \$2,375,000 in FY14.



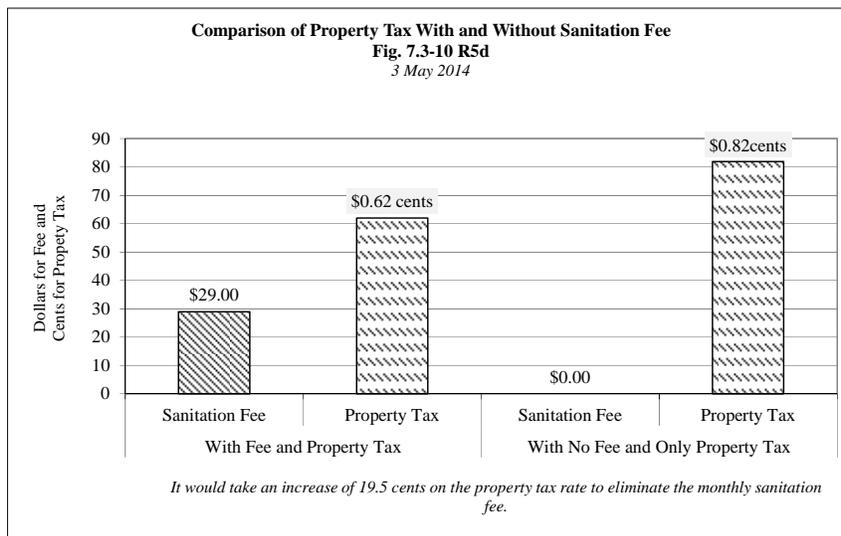
**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**



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 \$60,000 in revenues. The current rate is \$29.00 per month. No increase is recommended in FY15.



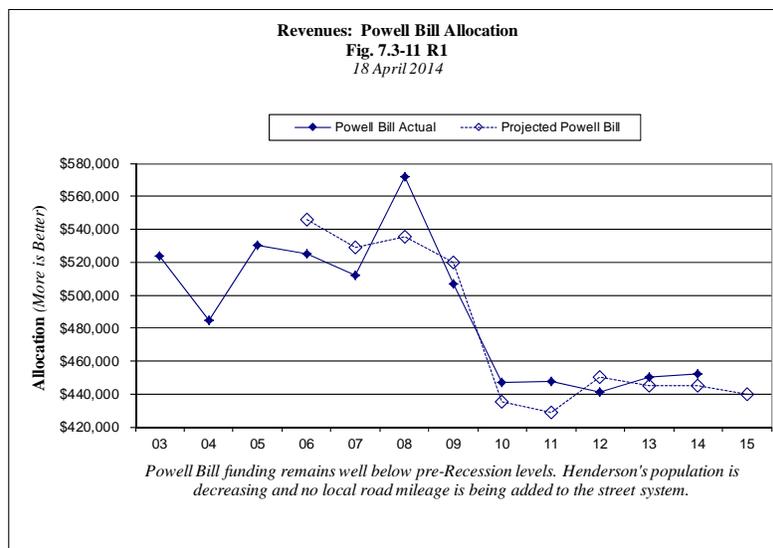
Often times City Administration is asked why the Sanitation Fee is so high. The fee is used to support household collection of solid waste, now via the Waste Industries contract, curbside collection of yard debris, bulk debris, recycling and Fall leaf collection. It also supports the cost for any capital equipment needed to support the Sanitation services. 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 14-15 BUDGET WORK BUDGET MESSAGE

Powell Bill funds, the State’s distribution of the gasoline sales tax to localities, is based on a locality’s lane miles and 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. Henderson’s share of Powell Bill Revenues have not recovered to pre-Recession levels.

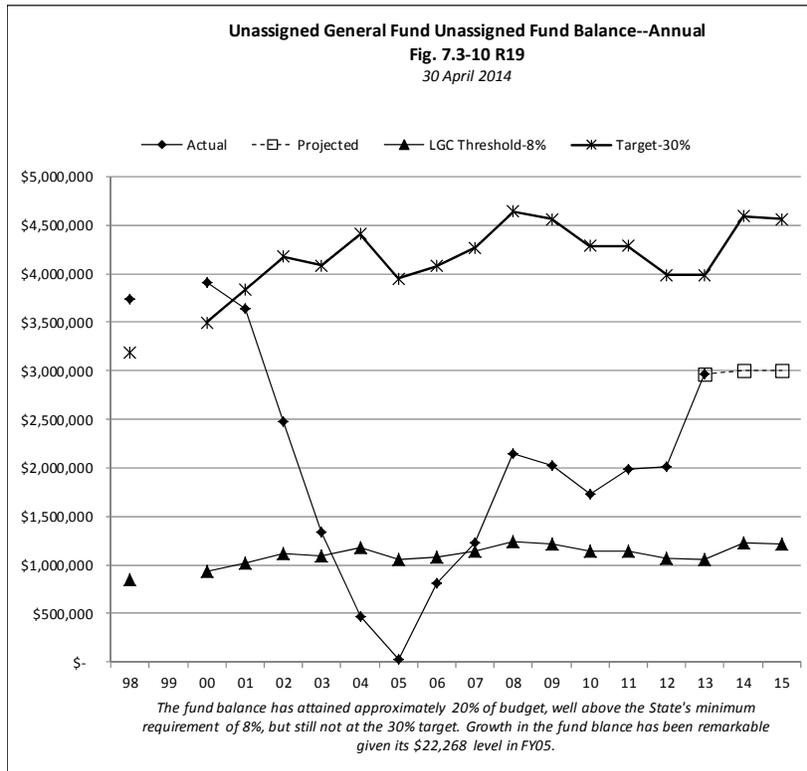


### *Undesignated Fund Balance*

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.

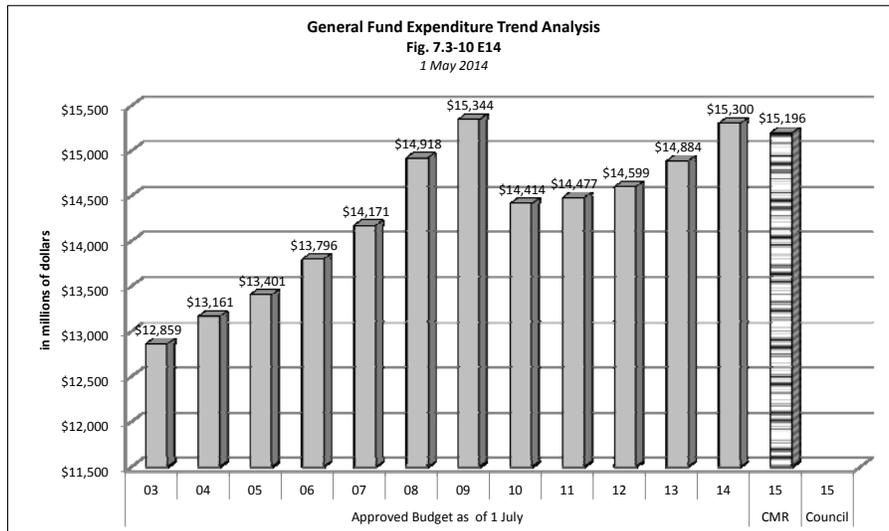
The NC Local Government Commission (LGC) requires that localities maintain at least an 8% fund balance. In 2005, Henderson’s undesignated fund balance decreased from \$4.5M, or 41.3% in FY00 to \$22,268, or 0.0016% in FY06. City Council, in 2006, adopted a fund balance growth policy in response to a LGC letter citing the City for falling underneath the acceptable threshold. At the end of FY08, the fund balance had recovered to 13.8%, or \$2.1M. According to the FY13 Audit, the unassigned (undesignated) fund balance had grown to \$2,966,287, or 22.3% of budget. The goal is to achieve 30% of budget in unassigned funds. No unassigned fund balance is recommended for appropriation in FY15.

**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**



*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, library operating hours, more aggressive code enforcement, information technology and planning.





## FY 14-15 BUDGET WORK BUDGET MESSAGE

There are no major new initiatives in the operations and very limited capital expenditures for the General Fund during FY15. Of the 26 General Fund budget sections:

- **18 are budgeted for less money than allocated on 1 July 2013** for the FY14 Budget. These budget sections are:
  - 1) City Clerk & Governing Body, 2) City Attorney, 3) Administration, 4) Code Compliance, 5) Debt Service, 6) Planning and Community Development, 7) Downtown Development, 8) Asset Forfeiture, 9) Information Technology, 10) Bennett Perry House, 11) Public Services Administration, 12) Garage, 13) Cemetery, 14) Streets, 15) Parks & Recreation, 16) Youth Services, 17) Aycock Recreation Center, and 18) Local Agencies.
  
- **One (1) is budgeted for more money than allocated on 1 July 2013** for the FY14 Budget, but that is because of the transfer of the receptionist position from Administration to Human Resources. If the transfer of the position from Administration had not been made, the Human Resources budget as well as the Administration would both be less than 1 July 2013 levels. **Thus 19 of the 26 budget sections are budgeted at less than was allocated by City Council for the 1 July 2013 FY14 Budget.** This budget section is:
  - 19) Human Resources.
  
- **One (1) is budgeted for exactly the same allocation as 1 July 2013 funding** for the FY14 Budget. This budget section is:
  - Public Buildings.
  
- **Six (6) are budgeted more money than was allocated on 1 July 2013** for the FY14 Budget. These budget sections are:
  - Finance—funding was provided for unfreezing the Assistant Finance Director position and funding two actuarial studies required by law on an every-other-year basis, therefore such funding was not provided in the FY14 Budget.
  - Police—funding was provided for the purchase of three (3) vehicles, otherwise, the operating budget is less than appropriated on 1 July 2013.
  - Fire—funding was provided for the purchase of two (2) vehicles, otherwise, the operating budget is less than appropriated on 1 July 2013.
  - Sanitation—the annual increase in the cost for household sanitation services has increased, thus making the budget larger than last year.
  - Non-Departmental—funding was provided for Phase 1 of the Classification and Pay Study implementation, otherwise this budget would have been less than FY14 levels.

## FY 14-15 BUDGET WORK BUDGET MESSAGE

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- Joint Programs—this is larger than last year due to increased funding for tax and E-911 services. The City is bound by contract to pay the County for its share of these ‘contracted’ services.

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 about 42 positions since FY01, and spending in the fund has seriously lagged inflation since FY09, 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.

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 \$40,000.
- *Storm drainage* improvements budget is only \$35,000.
- *Public buildings’ maintenance* is basically zero. There is no funding for the Bennett Perry House, Old National Bank Building, Old City Hall/Police Station attached to and part of the historic Fire Station on Garnett and Young Streets. Additionally, there are no funds for the painting of City Hall’s now faded mansard roof and interior walls which are now showing six (6) years of wear and tear. It is probably time for the City to have a discussion on the efficacy of keeping the Bennett Perry House and the significant cost issues surrounding its renovation vis-à-vis priority for other municipal buildings.
- *Demolition funding for abandoned structures* and codes compliance is funded at \$48,300, well below any figure that could meaningfully reduce the backlog of 14 structures already condemned for demolition and with an estimated cost of \$90,500. Additionally, 15 more units will be brought before Council by Fall, adding another \$70,000 funding gap. Beyond these 29 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.
- *Reduction-in-Force* of two (2) full-time and four (4) part-time positions as follows:
  - Main Street Director, full-time—essentially closing out this operation except for the \$10,000 annual contribution to the DDC. Human Resources will work with this individual to find employment elsewhere within the City.



## FY 14-15 BUDGET WORK BUDGET MESSAGE

- Police Office Assistant, full-time—civilian position which is currently vacant.
- Four (4) School Crossing Guards.
- *Classification and Pay Plan-Phase 1 Implementation*, \$65,000, is recommended.

While the aforereferenced budget data are sobering, there are a couple of bright spots in terms of expenditures and revenues.

- Health insurance premiums will be reduced between 6% and 10%, thus adding some relief to the budget balancing. Negotiations with Blue Cross/Blue Shield are on-going.
- The State's Tax and Tag program is generating about \$150,000 to \$200,000 more property tax revenues than received last year. This accrued to the budget balancing and eliminated the need to use any of the undesignated fund balance.

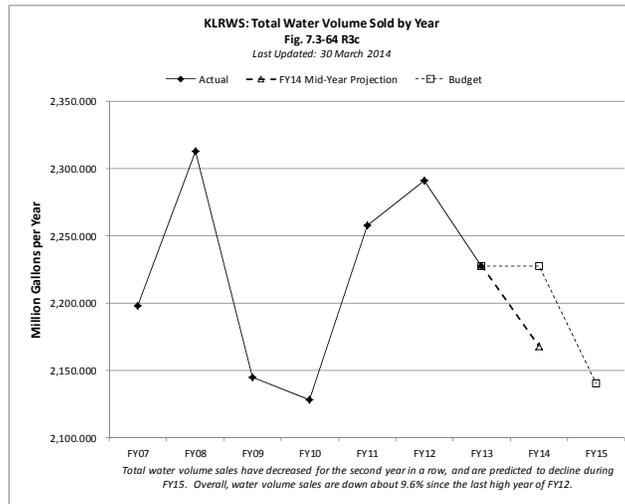
### REGIONAL WATER FUND

The Regional Water 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 FY09 to assist the City in pursuing the expansion of its Inter-basin Transfer (IBT) of water from 10 MGD to 20 MGD. It is expected this project will be “put-to-bid” in late 2015 or early 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 as well as residential, business and industrial customers. Additionally, the City has water sales contracts with Vance County and Granville County.

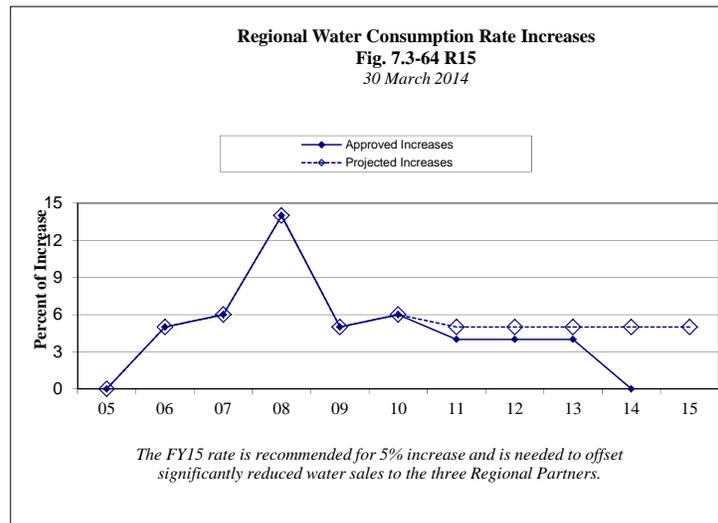
Regional water sales have decreased over the past 18 months, and this trend is expected to continue. It is expected water volume sales will decrease another 4.1% in FY15 over FY14 levels. Overall, water sales are expected to drop by 9.6% since FY12. This, of course, means lower revenues for the Regional Water Plant and capital reserves.

**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**



Given the reduction in sales of water and in order to meet its operational needs and provide adequate funding for capital reserves established for the planned expansion of the facility, the Regional Water Fund must increase its water rates by 5%, effective 1 July 2014. Each percent increase results in about \$39,000. This will result in an additional \$195,000 in revenues that will continue to provide for needed capital reserves.

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:



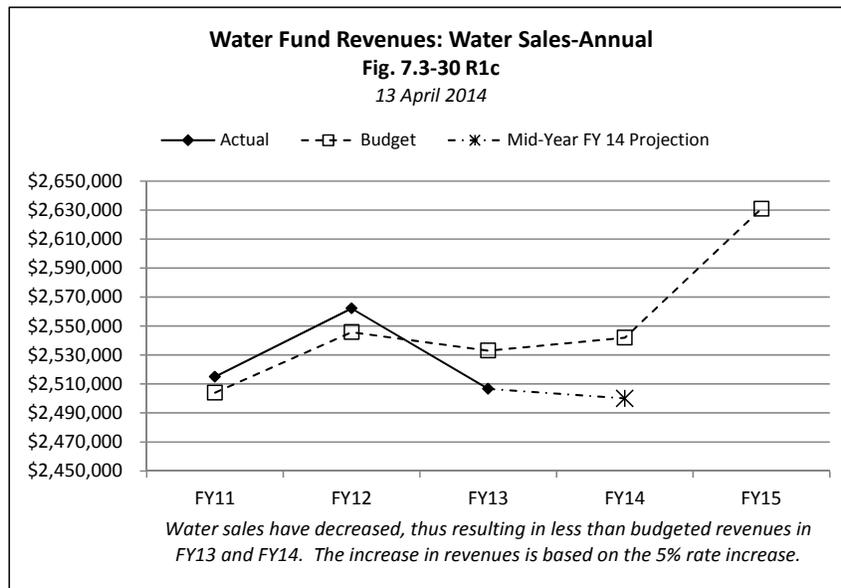
The Regional Water System Fund is estimated to be \$4,319,000 as compared to \$4,430,000 approved for FY14. 99% of its revenues are generated from the sale of water to Henderson, Oxford and Warren County. 18% of its expenditures are dedicated for debt service and 19% for capital reserve. Personnel expenses make up 16% of total budget.



**WATER FUND**

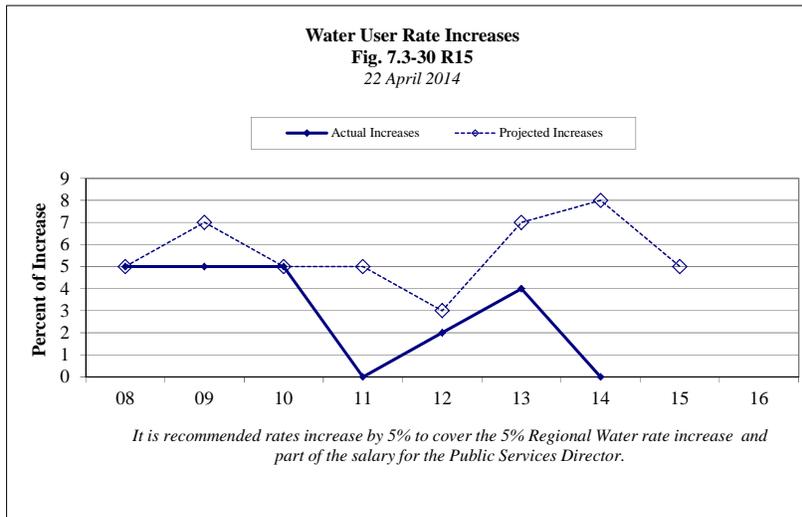
The Water Fund provides for the distribution of potable water to the City’s 8,800 customers and its three governmental customers of Kittrell Water Association, Franklin County and Vance County. Vance County Phase 1A is now on-line and it is expected Phases 2A&B will be on-line in the third or fourth quarter of FY15. The Water Fund is estimated to be \$7,167,000.

78% of Water Fund revenues are derived from the sale of water to retail customers and wholesale governmental customers of Kittrell Water Association and Franklin County. Water reservation fees from Granville and Vance counties make up 14% of revenues. Water sales are down, and is part of the overall driver for the reduced water sales from the Regional Water Plant. Warren County and Oxford also report reduced sales. At current levels, it appears total sales may be about \$42,000 less than budgeted in FY14.



In order to absorb the 5% water rate increase from the Kerr Lake Regional Water Treatment Facility, pay for one-half of the costs for unfreezing the Public Utilities Director position and reduced consumption, it is recommended that the water rate be increased by 5%, effective with the first billing cycle in July. Each percent increases yields about \$27,000 from the City’s general rate customers. The impact on a residential customer using 5,000 gallons per month would be \$0.69 and \$1.71 for inside and outside customers; respectively. A time trend analysis of water rate increases is provided in the following graph:

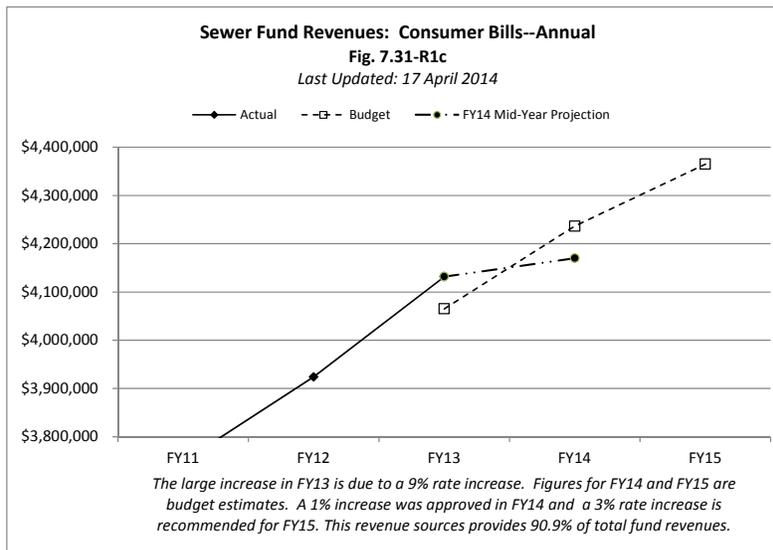
**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**



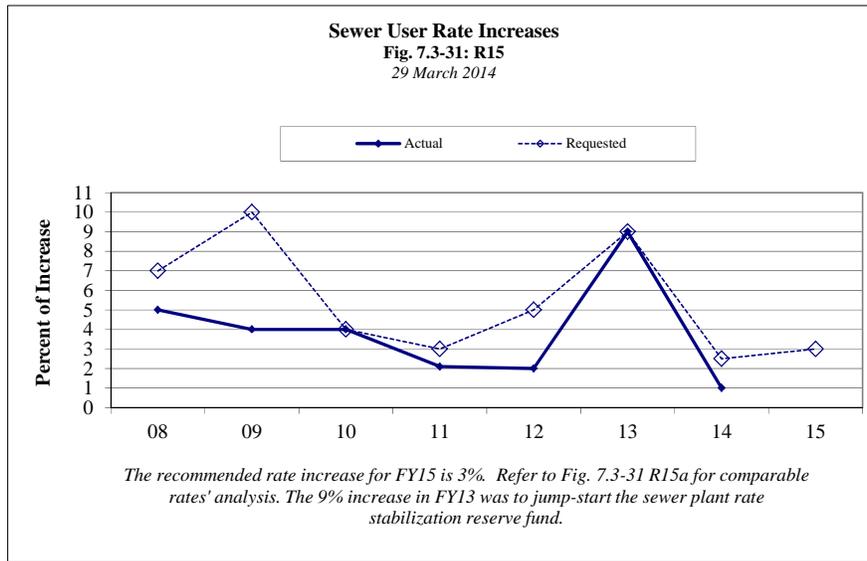
**SEWER FUND**

*Revenues*

The Sewer Fund provides for the collection of sanitary waste and treatment for the City’s 6,990 customers. The Sewer Fund is expected to be \$4,842,000 in FY15. 91% of the fund’s revenues are derived from the sewer user fee. Revenues are estimated to be lower in FY14 than budgeted by about \$66,000 due to reduction in water sales.



It is recommended that the sewer rate increase by 3% in order to provide for increased operational costs and paying for one-half of the costs to unfreeze the Public Utilities Director position. Each percent generates \$37,000.



*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). The major capital initiative is the reservation of \$436,000 for sewer plant improvements' rate stabilization reserve.

**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.

*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 and 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 last pay and classification study commissioned by the City was in 1992.

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

**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**



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.

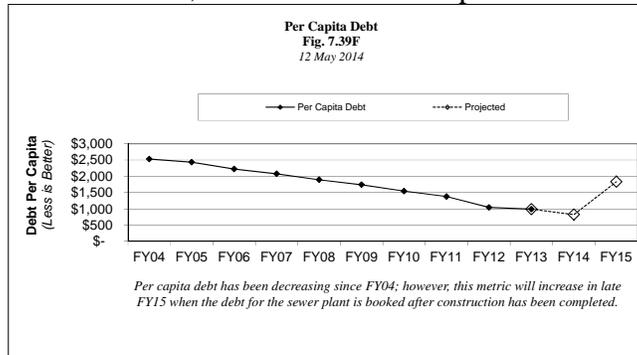
The recently completed *2014 Classification and Pay Study*, received by Council during its 12 May 2014 meeting, has determined, on average, the City’s workforce is paid about 22.67% less than peer cities and towns. The cost to fully implement the Study’s recommendations would exceed \$1.4M; consequently, a minimal amount of funding has been set aside in the budget to begin Phase 1 of a five-year implementation plan. Thus, about \$117,000 has been budgeted across the four operating funds in order to start addressing this issue.

**DEBT SERVICE**

All debt is allocated to and expended from the operating budgets. Debt includes General Obligation Bonds, Revenue Bonds, Certificates of Participation (COPS) and lease purchases for vehicles and equipment. There are no plans to issue bonds or COPS during FY15. Total debt has been reduced from \$30,126,051 in FY08 to \$15,162,440 at the end of FY13.

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 and its total debt is trending downward. The City’s legal debt margin has increased from \$59,435,698 in FY04 to \$79,101,708 in FY13.

Long term debt is not expected to increase until FY15 when the sewer plant project becomes due. There are no plans to add to the general fund debt in the foreseeable future. Additionally, the debt on Aycock Recreation Center will be paid off in FY16. 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 a high of \$2,500 in FY04 to a low of \$990 in FY13. This is estimated to increase to \$1,831 when the sewer plant debt is due.





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## **BUDGET REVIEW PROCESS**

The Budgetary Review process begins its legislative phase this evening with the presentation of the Budget to the Mayor and City Council. The budgets are increasingly difficult to balance at the staff level and to review and approve at the Council level. The continuing *Period of Austerity* that began in the late 1990s continues to this day.

I am very proud of the City's work force and the good work they provide to the City and its residents each day. I am very proud of the hard work given to the budgetary process this year by the department directors and their good spirit in doing so while, at the same time, knowing many needed initiatives and funding streams for operations are not being met.

## **IN CLOSING**

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

I would like to recognize and thank Executive Assistant Patricia Pearson for her excellent work in helping edit and produce the Work Budget book. This document would not have been possible without her.

I would like to thank Finance Director Kathy Brafford, Assistant City Manager Frank Frazier and City Clerk McCrackin for the many, many hours they worked in helping me prepare the budget and the many hours the Department Directors and their staff spent in preparing and working with me in the development balancing of the budget.

Finally, I would like to thank the City Council for its approval of the Strategic Plan and providing guidance and direction to the Staff as it began to develop the budget.

The staff and I look forward to working with the City Council over the next several Budget Work Sessions.

Respectfully Submitted,

A. Ray Griffin, Jr.  
City Manager

**FY 14-15 BUDGET  
WORK BUDGET MESSAGE**

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5 June 2014

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

**FR:** Ray Griffin, City Manager

**RE: CAF: 14-62-A**  
**Conduct Budget Public Hearing and Consideration of Citizen Input;  
Consideration of Ordinance 14-34, Adoption of FY14-15 Budget, and  
Resolution 14-42, Adoption of May 2014 Classification and Pay Plan**

**Council Goals and Objectives Addressed**

- *KSO 8: Provide Financial Resourcing:* To provide sufficient funds for municipal operations and capital outlay necessary to meet the needs of citizens, customers and mandates of regulatory authorities.
  - *Action Plan 8-1:* Grow undesignated fund balance
- *KSO 4: Improve Housing Stock:* To Improve the condition and expansion of the housing stock.
  - *Action Plan 4-1:* Aggressive code enforcement
- *KSO 5: Reliable Infrastructure:* To provide reliable, dependable and environmentally compliant infrastructure systems.
  - *Action Plan 5-2:* Expand the Kerr Lake Regional Water Treatment Facility
  - *Action Plan 5-4:* Upgrade sewer plant
  - *Action Plan 5-5:* 2” Water line replacement
- *KSO 6: Retain Qualified Municipal Workforce:* To provide a supportive and competitive workforce climate that facilitates and maintains a strong workforce capability and adequate staffing levels.
  - *Action Plan 6-1:* Pay classification Study

**Ladies and Gentlemen:**

**Recommendation:**

- Conduct Budget Public Hearing and Consider Comments from the Public
- Approve Ordinance 14-34, Adoption of FY14-15 Budget, *and*
- Resolution 14-42, Adoption of May 2014 Classification and Pay Plan

## **FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE**



### **Executive Summary:**

#### *Consensus Budget Achieved*

The FY14-15 Work Budget was presented to City Council during a Special Called Meeting on Monday, 19 May 2014. Subsequent to the Budget's presentation, City Council met in two budget work sessions on 20 and 22 May. A consensus of Council was achieved at the 22 May budget work session. A summary of the changes made to the Recommended Work Budget are provided below:

- Regional Water Fund
  - The recommended 5% rate increase was reduced to 4%.
    - A reduction in the transfer to 78: Regional Capital Reserve Fund was made to compensate for the reduced revenues.
- Water Fund
  - The recommended 5% rate increase was reduced to 3.5%.
    - Reductions in the 30-818: purchase for resale line item and transfer to 79: Rate Stabilization Fund Capital Reserve Fund were made to compensate for the reduced revenues.
- Sewer Fund
  - The recommended 3% rate increase was maintained at 3%.
    - 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 only change made to the Fund is as follows:
    - Provide an \$800 initial contribution to the Boys and Girls Club. This was achieved by transferring \$400 each from the 10-510: Police and 10-530: Fire departments' budgets.
- All Other Funds
  - There were no changes made to the following funds' recommended budgets:
    - 11: Powell Bill, 40: Library Trust Fund; 50: LEO Trust Fund; 51: Elmwood Cemetery Trust Fund; 70: Capital Reserve Utilities Fund; 72: Capital Reserve General Fund; and 73: Capital Reserve Economic Development Fund.

#### *Budget Ordinance and Fee Schedule*

The Budget Ordinance and its appended Fee Schedule have been prepared to reflect the Consensus Budget achieved by City Council on 22 May. Included with the utility rate increases for retail customers, rates for bulk water and governmental customers have been adjusted according to the percentages of increase authorized by Council.



Additionally, it is recommended two tweaks to the security deposit section of the fee schedule be amended as follows:

- Reduce the out-of-city residential water-only deposit from \$200 to \$150. Experience has shown the \$200 is well above the amount needed to secure the City's interest.
- Increase the commercial deposits from 2.5 times the average bill to 2.5 times average or \$150, whichever is larger. We are finding in some cases the City's security interest is not being achieved. The \$150 minimum would ensure the City's fiduciary interests are being met.

#### *May 2014 Classification and Pay Study*

Strong Council support of the Phase 1 implementation of the Classification and Pay Study was achieved during the presentation of the Study by Ms. Veazey, President of The MAPS Group as well as during the two budget work sessions. Approval of Resolution 14-42 will have the effect of putting the new Classification and Pay plan on the books, with implementation of Phase 1 of a five-year implementation plan.

#### *Main Street Program Concerns*

The Mayor, Members of Council and City Administration have been receiving calls and letters expressing concern about the de-funding of the Main Street Program. These concerns are surely understandable and have created stress on those affected. Several members of Council and several private citizens have asked what alternatives are there for restoring funding so the program can continue. The cost to restore funding for the position is \$53,000. This figure, the amount reduced from the budget, is essentially for salary and personnel related costs and does not provide for any significant operational/programming funding. As with all things, there are options. With each option comes a new set of pros and cons.

The options to restoring funding for this program are several, including:

1. Increase Revenues:
  - a. Increase property tax rate by \$0.006, or 6/10 of one penny, or increasing the tax rate from \$0.62 to \$0.626; *or*
  - b. Increase sanitation fee by \$0.85 per month, or bringing the monthly fee to \$29.85. A \$0.40 per month increase could be easily justified given the increase in the Waste Industries contract; *or*

**FY 14-15 BUDGET  
CONSENSUS BUDGET MESSAGE**



- c. A combination of increasing both the property tax and sanitation fee. Both of these sources of revenues are recurring revenues and would be used to offset a recurring expense.
- d. Increase use of undesignated general fund balance, a non-recurring revenue source, from \$0.00 to \$53,000. This goes against Policy of using this funding source to finance recurring expenses. This alternative is not recommended.

2. Living Within Our Means:

- a. This would mean changing budget expenditure priorities within the existing budget. It should be noted the General Fund is recommended at a level \$104,000 less than the budget adopted on 1 July 2013.
  - i. When adjusted for the inter-departmental transfer of one position, 19 of 26 General Fund budget departments are at lower funding levels than they were allocated on 1 July 2013.
  - ii. One is budgeted at the same level as 1 July 13 funding.
  - iii. Six (6) departmental budgets are larger than 1 July 2013 levels. Their budgets are larger because of the following:
    1. Police and Fire are larger due to the purchase of vehicles;
    2. Sanitation is larger due to the increase cost for Waste Industries contract;
    3. Joint Programs is larger due to increases in costs for E-911 and Tax Administration;
    4. Finance is larger due to two biennial audits not funded in FY13 coming due in FY14 and the addition of one-half year's funding for un-freezing the assistant finance director's position;
    5. Non-Departmental is larger due to funding for Phase 1 of the new Classification and Pay Plan.
- b. The several areas of budget expansion not resultant from contractual obligations, such as increased costs for County services via the Joint-Programs' contracts, the Waste Industries Sanitation Services Contract, etc., are enumerated below. Council could transfer funding in whole or part from these various expenditure accounts to provide funding for restoring the Main Street Program.



## FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

- i. \$19,000: Lease purchase for replacement of three police cars;
- ii. \$15,000: Lease purchase for replacement of two inoperable fire vehicles;
- iii. \$65,000: Phase 1 funding for new Classification & Pay Plan;
- iv. \$30,000: Funding for ½ year for assistant finance director position.

### *Sequence of Actions*

Subsequent to conducting the Budget Public Hearing and considering comments made by the public, City Council has several courses of action options:

1. Subsequent to review and consideration of comments made by the public during the Budget Hearing, it may:
  - a. Adopt the Budget Ordinance based on the Consensus Budget of 22 May,  
*or*
  - b. Delay adoption of the Budget Ordinance and at the close of the Council Meeting, recess and reconvene on Tuesday, 10 June for further discussion to either confirm the Consensus Budget of 22 May or revise said Budget and form a new Consensus Budget for Adoption.
    - i. If a new consensus Budget is developed subsequent to the Budget Hearing, for example, at the potential 10 June meeting, staff would revise the Budget accordingly and bring an amended Budget Ordinance reflecting the New Consensus Budget at the 23 June Council Meeting.
    - ii. NC General Statutes require the adoption of a balanced budget not later than 30 June. The FY14-15 Budget becomes effective on 1 July.

### Enclosures:

1. Ordinance 14-34
2. Resolution 14-42
3. CAF 14-62

**FY 14-15 BUDGET  
CONSENSUS BUDGET MESSAGE**

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**FY 14-15 BUDGET  
ADOPTED BUDGET MESSAGE**

12 June 2014

**TO:** The Honorable James D. "Pete" O'Geary and Members of the City Council

**FR:** Ray Griffin, City Manager

**RE: CAF: 14-62-B**

**Approval of Ordinance 14-34, FY14-15 Budget, and Resolution 14-42,  
Adoption of May 2014 Classification and Pay Plan**

**Council Goals and Objectives Addressed**

- *KSO 8: Provide Financial Resourcing:* To provide sufficient funds for municipal operations and capital outlay necessary to meet the needs of citizens, customers and mandates of regulatory authorities.
  - *Action Plan 8-1:* Grow undesignated fund balance
- *KSO 4: Improve Housing Stock:* To improve the condition and expansion of the housing stock.
  - *Action Plan 4-1:* Aggressive code enforcement
- *KSO 5: Reliable Infrastructure:* To provide reliable, dependable and environmentally compliant infrastructure systems.
  - *Action Plan 5-2:* Expand the Kerr Lake Regional Water Treatment Facility
  - *Action Plan 5-4:* Upgrade sewer plant
  - *Action Plan 5-5:* 2" Water line replacement
- *KSO 6: Retain Qualified Municipal Workforce:* To provide a supportive and competitive workforce climate that facilitates and maintains a strong workforce capability and adequate staffing levels.
  - *Action Plan 6-1:* Pay classification Study

**Ladies and Gentlemen:**

**Adoption of Budget and Related Resolutions:**

- **Ordinance 14-34, Adoption of FY14-15 Budget and Annual Fee Schedule**
  - This Ordinance was unanimously approved by City Council
- **Resolution 14-42, Adoption of May 2014 Classification and Pay Plan**
  - This Resolution was unanimously approved by City Council

*CAF 14-62-B; FY 14-15*

*Approved Budget Message: 11 June 2014-Recessed 9 June 2014*

*ABM: Page 1*

## **FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE**

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### **Executive Summary:**

#### *Consensus Budget Adopted*

The FY14-15 Consensus Budget<sup>1</sup> was presented to the public via a Budget Public Hearing held on 9 June 2014. A more complete accounting of the public comments may be found in the Council Minutes from this meeting. After receiving public comment and discussion about same by Council Members, it was the consensus to recess the business meeting and reconvene on 11 June to continue budget deliberations.

Council reconvened its 9 June Council Meeting on 11 June to continue discussions on the budget. The major area of concern in the Recommended and Consensus budgets was the elimination of the full-time Main Street Manager and losing State Main Street Program designation. These concerns reflect the significant majority of comments made by those attending the Budget Hearing.

Council Member Daeke offered an approach which seeks to strike a balance of these concerns. Specifically, he offered the following suggestions to the Council:

- The position will not be funded. The City Manager has said the Main Street Manager would be very good in the now vacant Zoning Administrator position.
- We look at the possibility of utilizing the Redevelopment Committee to work with the DDC on downtown (could downtown be declared a redevelopment zone?). We would ask that the DDC members to stay committed to that mission. Their function would remain the same.
- We propose a different focus for DDC this year and see how it works...working on the physical look of downtown to improve facades and signage. I would propose the City try to provide some funds to re-start these older, but very successful, programs that businesses loved and utilized in years gone when we gave the DDC an operating budget. I believe those funds could come from salary not used this year for the now vacant Planning Director's position, funds that would revert to fund balance, but we give to DDC soon after we hire that position, and we know exactly what was saved. The target would be somewhere between \$8,000 to \$20,000.
- DDC could then offer downtown businesses/property owners sign grants and façade grants, and they now have a small business loan program. These would be

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<sup>1</sup> The FY14-15 Consensus Budget was developed by City Council during its Budget Work Session #2 held on 22 May 2014.



## FY 14-15 BUDGET ADOPTED BUDGET MESSAGE

incentives for business, and would physically improve the look downtown of existing and new businesses.

Council Members discussed Mr. Daeke's proposal and agreed to it provided the matter would be revisited as part of the FY15-16 Budget review process. 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, refocusing on the Main Street Mission and to try and find some level of funding for a façade and signs grant program.

Subsequent to the discussion about the Main Street Program, Council achieved a unanimous consensus to proceed with adoption of the Consensus Budget presented to the Public Hearing.<sup>2</sup>

A summary of the significant highlights to the Adopted FY14-15 Budget are as follows:

1. General Fund Budget
  - a. Fund is \$104,000 less than the Approved FY14 Budget
  - b. No property tax increase
  - c. No sanitation fee increase
  - d. Initial funding of \$800 for Boys and Girls Club, with funding coming from Police and Fire recommended budgets in order to keep budget at recommended level
  - e. De-funding of the Main Street Manager position (*see commentary above*)
2. Water Fund Budget
  - a. Water rate increase of 3.5%
  - b. Reduced contribution to 79: Rate Stabilization Fund and reduced appropriation for purchase for resale to off-set revenues lost from 1.5% reduction in the rate
3. Sewer Fund Budget
  - a. Sewer rate increases of 3% and no changes to recommended budget.
4. Regional Water Fund
  - a. Regional water rate increase of 4%
  - b. A reduction in the transfer to 78: Regional Capital Reserve Fund was made to compensate for the reduced revenues.
5. All Other Funds
  - a. There were no changes made to the following funds' recommended budgets:

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<sup>2</sup> ibid.

**FY 14-15 BUDGET  
CONSENSUS BUDGET MESSAGE**



- i. 11: Powell Bill, 40: Library Trust Fund; 50: LEO Trust Fund; 51: Elmwood Cemetery Trust Fund; 70: Capital Reserve Utilities Fund; 72: Capital Reserve General Fund; and 73: Capital Reserve Economic Development Fund.
6. Other recommended changes to the Annual Fee Schedule include a reduction in the out-of-city water only security deposit, and an increase in the commercial/business security deposits.
7. Approval of the May 2012 Classification and Pay Plan, including year one appropriations of the five-year implementation plan.

References:

1. CAF 14-62 Recommended Work Budget Message
2. CAF 14-62-A Consensus Budget Message
3. CAF 14-62-B Adopted Budget Message
4. Council Minutes 19 & 20 February 2014 (*Strategic Planning Sessions*)
5. Council Minutes 12 May 2014 (*Classification & Pay Study Presentation*)
6. Council Minutes 19 May 2014 (*Presentation of FY14-15 Recommended Budget*)
7. Council Minutes 20 May 2014 (*Budget Work Session #1*)
8. Council Minutes 22 May 2014 (*Budget Work Session #2*)
9. Council Minutes 9 June 2014 (*Budget Hearing*)
10. Council Minutes 11 June 2014 (*Adoption of Budget*)
11. Ordinance 14-34 (*FY14-15 Approved Budget and Fee Schedule*)
12. Resolution 14-42 (*Approval of May 2014 Classification and Pay Study*)

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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**ORDINANCE 14—34**

**APPROVAL OF  
THE FY 14-15 ANNUAL OPERATING BUDGET,  
ESTABLISHING THE 2014 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 City Manager presented the FY 14-15 Recommended Budget to the City Council on Monday, 19 May 2014 and subsequent to the Budget Presentation, City Council met in several budget work sessions 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, 9 June 2014; *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 14-15 Budget.

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

- The FY 14-15 Budget; *and*
- Establishes the 2014 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:

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**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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**PART 1: ADOPTION OF FY 14—15 BUDGET**

**Section 1: Total FY 14-15 Total Budget Summary**

FY 14-15 TOTAL COUNCIL APPROVED BUDGET SUMMARY					
Fund	REVENUES		EXPENDITURES		
	Recommended	Approved	Restored	Recommended	Approved
<i>Governmental Funds</i>					
10 General Operations	\$ 15,196,000	\$ 15,196,000	\$ 17,733,279	\$ 15,196,000	\$ 15,196,000
11 Power Bill Operatng	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000
<i>Enterprise Funds</i>					
30 Water Enterprise	\$ 7,167,000	\$ 7,126,000	\$ 7,207,767	\$ 7,167,000	\$ 7,226,000
31 Sewer Enterprise	\$ 4,842,000	\$ 4,842,000	\$ 4,601,000	\$ 4,842,000	\$ 4,842,000
64 Regional Water Enterprise	\$ 4,319,000	\$ 4,380,000	\$ 4,582,200	\$ 4,319,000	\$ 4,280,000
<i>Trust Funds</i>					
40 Library Trust	\$ -	\$ -	\$ -	\$ -	\$ -
50 LEO Pension Trust	\$ -	\$ -	\$ -	\$ -	\$ -
51 Elmwood Cemetery Trust	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Reserve Funds</i>					
70 Capital Reserve-Utilities	\$ 293,000	\$ 293,000	\$ 293,000	\$ 293,000	\$ 293,000
72 Capital Reserve-General	\$ -	\$ -	\$ -	\$ -	\$ -
73 Capital Reserve Economic Development	\$ 15,800	\$ 15,800	\$ 5,800	\$ 15,800	\$ 15,800
78 Capital Reserve Regional	\$ 3,842,000	\$ 3,803,000	\$ 3,934,655	\$ 3,842,000	\$ 3,803,000
79 Capital Reserve Rate Stabilization	\$ 5,036,400	\$ 5,022,800	\$ 5,036,400	\$ 5,036,400	\$ 5,022,800
<b>Subtotal</b>	<b>\$ 41,151,200</b>	<b>\$ 41,018,600</b>	<b>\$ 43,844,694</b>	<b>\$ 41,151,200</b>	<b>\$ 41,018,600</b>
<i>Less Inter-Fund Transfers—Revenues</i>					
PR 11 Power Bill to 10 General	\$ 440,000	\$ 440,000			
FR 30 Water to 10 General	\$ 361,300	\$ 361,300			
FR 31 Sewer CA to 10 General	\$ 402,800	\$ 402,800			
FR 31 Elmwood to 10 General	\$ -	\$ -			
FR 64 Regional CA to 10 General	\$ 225,000	\$ 225,000			
FR 31 Sewer CA to 30 Water	\$ 205,400	\$ 205,400			
FR 64 Regional CA to 30 Water	\$ 80,000	\$ 80,000			
FR 64 Regional to 30 Water	\$ 16,000	\$ 16,000			
FR 70 Rate Stabilization to 31 Sewer	\$ -	\$ -			
FR 78 CR Regional to 64 Water	\$ -	\$ -			
FR 31 Sewer to 70 CR Utilities	\$ 77,800	\$ 77,800			
FR 30 Water to 70 CR Utilities	\$ 50,100	\$ 50,100			
FR 10 General to 73 CR Econ Dev	\$ -	\$ -			
FR 64 Regional to 78 Regional Reserve	\$ 800,000	\$ 761,000			
FR 30 Water to 79 CR Rates	\$ 1,003,400	\$ 989,800			
FR 31 Sewer Fund to 79 CR Rates	\$ 436,000	\$ 436,000			
<b>Total: Inter-Fund Transfers</b>	<b>\$ 4,097,800</b>	<b>\$ 4,045,200</b>			
<i>Revenue Summary</i>					
Operating Budgets' Total	\$ 41,151,200	\$ 41,018,600			
Less Inter-Fund Transfers' Total	\$ 4,097,800	\$ 4,045,200			
<b>TOTAL FY 15</b>	<b>\$ 37,053,400</b>	<b>\$ 36,973,400</b>			
<i>Less Inter-Fund Transfers—Expenditures</i>					
TO: 10 from 11	\$ 440,000	\$ 440,000			
TO: 10 from 30	\$ 361,300	\$ 361,300			
TO: 10 from 31	\$ 402,800	\$ 402,800			
TO: 10 from 31	\$ -	\$ -			
TO: 10 from 64 CA	\$ 225,000	\$ 225,000			
TO: 30 from 31 CA	\$ 205,400	\$ 205,400			
TO: 30 from 64 CA	\$ 80,000	\$ 80,000			
TO: 30 from 64	\$ 16,000	\$ 16,000			
TO: 31 from 70	\$ -	\$ -			
TO: 64 from 78	\$ -	\$ -			
TO: 70 from 31	\$ 77,800	\$ 77,800			
TO: 70 from 30	\$ 50,100	\$ 50,100			
TO: 73 from 10	\$ -	\$ -			
TO: 78 from 64	\$ 800,000	\$ 761,000			
TO: 79 from 30	\$ 1,003,400	\$ 989,800			
TO: 79 from 31	\$ 436,000	\$ 436,000			
<b>Total: Inter-Fund Transfers</b>	<b>\$ 4,097,800</b>	<b>\$ 4,045,200</b>			
<i>Expenditures Summary</i>					
Operating Budgets' Total	\$ 41,151,200	\$ 41,018,600			
Less Inter-Fund Transfers' Total	\$ 4,097,800	\$ 4,045,200			
<b>TOTAL FY 15</b>	<b>\$ 37,053,400</b>	<b>\$ 36,973,400</b>			

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

**Section 2: 10: General Governmental Fund**

10: GENERAL GOVERNMENTAL FUND		FY15	
Revenue		City Manager Richmond	City Council Approved
<b>Historical Revenue</b>			
<b>All Valorem Taxes</b>			
10-100-400-401	All Valorem All Free Years	4,900	4,900
10-100-400-406	All Valorem 2008	-	-
10-100-400-409	All Valorem 2009	8,000	8,000
10-100-400-410	All Valorem 2010	15,000	15,000
10-100-400-411	All Valorem 2011	70,000	70,000
10-100-400-412	All Valorem 2012	100,000	100,000
10-100-400-413	All Valorem 2013	150,000	150,000
10-100-400-414	All Valorem 2014	2,700,000	2,700,000
10-100-400-401	Debt Set-Off All Valorem	-	-
10-100-400-400	Tax Appeals & Errors	40,000	40,000
	<b>Subtotal All Valorem Taxes All Years</b>	<b>4,002,900</b>	<b>4,002,900</b>
<b>Other Local Taxes &amp; Licenses</b>			
10-100-400-409	ABC Tax Revenue	200	200
10-100-400-410	1% Local Option Sales Tax (LOGST)	225,000	225,000
10-100-400-411	Tax 1.0% City	1,041,000	1,041,000
10-100-400-410	1% 1/2 QST Hold-Over	175,000	175,000
10-100-400-410	Solid Waste Disposal Tax	6,000	6,000
10-100-400-410	Business Privilege License (BPL)	211,200	211,200
10-100-400-410	Motor Vehicle License	300,000	300,000
10-100-400-410	Vehicle Rental Tax	13,000	13,000
	<b>Subtotal Other Taxes &amp; Licenses</b>	<b>2,061,400</b>	<b>2,061,400</b>
<b>Inter-Governmental Unrestricted</b>			
10-100-400-410	Payments in Lieu of Tax (Vance Co PMA)	1,500	1,500
10-100-400-410	Vance County ABC (Brew Tax 5%)	1,100	1,100
10-100-411-410	State Lottery (Vince Tax)	40,000	40,000
10-100-411-410	State Lottery (Vince Tax)	150,000	150,000
	<b>Subtotal Inter-Governmental Unrestricted</b>	<b>913,600</b>	<b>913,600</b>
<b>Inter-Governmental Restricted</b>			
10-100-412-410	Ballpark/Vent Grant Point	-	-
10-100-412-410	McDuffie Moving Forward	4,000	4,000
	<b>Subtotal Inter-Governmental Restricted</b>	<b>4,000</b>	<b>4,000</b>
<b>Other Services</b>			
<b>General Government Services</b>			
10-100-413-100	County Sales	783,500	783,500
	<b>Subtotal County Sales</b>	<b>783,500</b>	<b>783,500</b>
<b>Construction/Other Services</b>			
10-100-414-400	Public Construction	1,830,000	1,830,000
10-100-414-401	Public Public-Use	3,000	3,000
10-100-414-400	Bad Debt Recovery-Substation	1,000	1,000
10-100-414-401	Bad Debt Recovery-Drill Services	2,000	2,000
10-100-414-410	Salvage of Land Bank	1,000	1,000
10-100-414-410	Demolition & Land Clearing Fees Paid	1,000	1,000
10-100-414-410	Demolition & Land Clearing Fees	-	-
	<b>Subtotal Construction/Other Services</b>	<b>1,837,000</b>	<b>1,837,000</b>
<b>Recreation Programs &amp; Services</b>			
10-100-415-100	Registration Fees & Revenue	35,000	35,000
10-100-415-101	Amateur Athletic Center Revenue	66,000	66,000
10-100-415-100	Rental Fee (Park)	1,000	1,000
10-100-417-100	Vance County 45% Operations	375,100	375,100
10-100-417-100	Vance County Youth Services	164,000	164,000
10-100-417-101	Vance County 45% Amusements	127,000	127,000
10-100-417-102	Vance County 50% Amusements	133,700	133,700
	<b>Subtotal Recreation Programs &amp; Services</b>	<b>941,800</b>	<b>941,800</b>
<b>Administrative Sales &amp; Services</b>			
10-100-418-100	Zoning & BOA Permits	14,000	15,000
10-100-418-100	Commodity Lot Sales & Services	7,000	7,000
10-100-418-100	Permit-Police Training Center	-	-
	<b>Subtotal Administrative Sales &amp; Services</b>	<b>21,000</b>	<b>22,000</b>
	<b>Subtotal for All Sales and Services</b>	<b>3,594,300</b>	<b>3,594,300</b>
	<b>Subtotal All Categories for this Page</b>	<b>12,395,200</b>	<b>12,395,200</b>

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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Section 2: 10: General Governmental Fund (continued)

10 GENERAL GOVERNMENTAL FUND		FY15	
Revenues (continued)		City Manager Recommend	City Council Approved
<b>Total- All Categories From Prior Page</b>		\$ 13,395,300	\$ 13,395,300
<b>Miscellaneous</b>			
10-100-422-110	Court Cost Fees	\$ 6,000	\$ 6,000
10-100-422-210	Parking Violations	\$ -	\$ -
10-100-422-211	Fire Inspection Fee	\$ 15,000	\$ 15,000
10-100-457-000	Sale of Assets & Material	\$ 8,000	\$ 8,000
10-100-444-010	Investments	\$ 4,000	\$ 4,000
10-100-455-010	Miscellaneous	\$ 8,600	\$ 8,600
<b>Subtotal-Miscellaneous</b>		\$ 41,600	\$ 41,600
<b>Reimbursements &amp; Rebates</b>			
10-100-455-015	Workers Comp Insurance Reimbursement	\$ -	\$ -
10-100-456-000	Insurance Proceeds	\$ 5,000	\$ 5,000
<b>Subtotal-Reimbursements &amp; Rebates</b>		\$ 5,000	\$ 5,000
<b>Budgetary Appropriations</b>			
<b>Inter-Fund Transfers</b>			
10-980-461-017	Transfer from 11 Powell Bldg Fund	\$ 440,000	\$ 440,000
10-985-471-050	Transfer from 30: Water-Cost Allocation	\$ 361,300	\$ 361,300
10-985-471-031	Transfer from 31: Sewer-Cost Allocation	\$ 402,800	\$ 402,800
10-985-471-064	Transfer from 64: Regional-Cost Allocation	\$ 225,000	\$ 225,000
<b>Subtotal-Inter-Fund Transfers</b>		\$ 1,429,100	\$ 1,429,100
<b>Fund Balance Appropriations</b>			
10-990-490-999	Fund Balance Appropriated	\$ -	\$ -
10-995-490-999	Assets Forfeiture Fund Balance Appropriated	\$ 325,000	\$ 325,000
<b>Subtotal-Fund Balance Appropriations</b>		\$ 325,000	\$ 325,000
<b>Subtotal-Budgetary Appropriations</b>		\$ 1,754,100	\$ 1,754,100
<b>Total-This Page</b>		\$ 15,196,000	\$ 15,196,000
<b>Total Fund Revenue Summary</b>			
<b>Subtotal-Ad Valorem Taxes All Years</b>		\$ 6,032,900	\$ 6,032,900
<b>Subtotal-Other Taxes &amp; Licenses</b>		\$ 2,861,500	\$ 2,861,500
<b>Subtotal-Inter-Governmental Unrestricted</b>		\$ 912,600	\$ 912,600
<b>Subtotal-Inter-Governmental Restricted</b>		\$ 4,000	\$ 4,000
<b>Subtotal-Sales &amp; Services</b>		\$ 3,584,300	\$ 3,584,300
<b>Subtotal-Miscellaneous</b>		\$ 46,600	\$ 46,600
<b>Subtotal-Budgetary Appropriations</b>		\$ 1,754,100	\$ 1,754,100
<b>Total Revenues</b>		\$ 15,196,000	\$ 15,196,000

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

**Section 2: 10: General Governmental Fund (continued)**

10 GENERAL GOVERNMENTAL FUND		FY15	
Expenditures		City Manager Recommend	City Council Approved
<b>Departmental Expenditures</b>			
<i>Legislative</i>			
10-410	Governing Body	\$ 175,000	\$ 175,000
10-414	City Attorney	\$ 89,000	\$ 89,000
	<b>Subtotal-Legislative</b>	<b>\$ 244,000</b>	<b>\$ 244,000</b>
<i>Administrative</i>			
10-420	Administration	\$ 302,000	\$ 302,000
10-425	Human Resources	\$ 292,000	\$ 292,000
10-440	Finance	\$ 441,000	\$ 441,000
10-450	Information Services	\$ 37,000	\$ 37,000
	<b>Subtotal-Administrative</b>	<b>\$ 982,000</b>	<b>\$ 982,000</b>
<i>Planning &amp; Community Development</i>			
10-422	Code Compliance	\$ 164,000	\$ 164,000
10-495	Planning & Community Development	\$ 144,000	\$ 144,000
10-496	Main Street-Downtown Development	\$ 10,000	\$ 10,000
	<b>Subtotal-Planning &amp; Community Development</b>	<b>\$ 318,000</b>	<b>\$ 318,000</b>
<i>Public Safety</i>			
10-510	Police	\$ 4,050,000	\$ 4,049,600
10-512	Police-Asset Forfeiture	\$ 325,000	\$ 325,000
10-516	Fire	\$ 2,175,000	\$ 2,174,800
	<b>Subtotal-Public Safety</b>	<b>\$ 6,550,000</b>	<b>\$ 6,549,200</b>
<i>Public Services</i>			
10-500	Public Buildings	\$ 73,000	\$ 73,000
10-501	Berkey Petty House	\$ 500	\$ 500
10-545	Public Services Administration	\$ 140,000	\$ 140,000
10-555	Garage	\$ 944,000	\$ 944,000
10-560	Cemetary	\$ 76,000	\$ 76,000
10-570	Street Maintenance	\$ 1,182,000	\$ 1,182,000
10-580	Sanitation	\$ 921,000	\$ 921,000
	<b>Subtotal-Public Services</b>	<b>\$ 3,336,500</b>	<b>\$ 3,336,500</b>
<i>Recreation &amp; Parks</i>			
10-620	Recreation Services	\$ 891,600	\$ 891,000
10-622	Youth Services	\$ 164,000	\$ 164,000
10-623	Aycock/Aquatics Center	\$ 348,000	\$ 348,000
	<b>Subtotal-Recreation &amp; Parks</b>	<b>\$ 1,403,600</b>	<b>\$ 1,403,000</b>
<i>Non-Departmental</i>			
10-650	City & County Shared Programs	\$ 976,700	\$ 976,000
10-660	Non-Departmental	\$ 481,000	\$ 481,000
10-670	Local Agencies	\$ 30,000	\$ 30,000
10-680	Debt Service	\$ 875,500	\$ 875,500
	<b>Subtotal-Non-Departmental</b>	<b>\$ 2,362,500</b>	<b>\$ 2,362,500</b>
	<b>Subtotal-All Departments</b>	<b>\$ 15,196,000</b>	<b>\$ 15,196,000</b>
<b>Total Final Expenditure Summary</b>			
	Subtotal-Legislative	\$ 244,000	\$ 244,000
	Subtotal-Administrative	\$ 982,000	\$ 982,000
	Subtotal-Planning & Community Development	\$ 318,000	\$ 318,000
	Subtotal-Public Safety	\$ 6,550,000	\$ 6,549,200
	Subtotal-Public Services	\$ 3,336,500	\$ 3,336,500
	Subtotal-Recreation & Parks	\$ 1,403,600	\$ 1,403,000
	Subtotal-Non-Departmental	\$ 2,362,500	\$ 2,362,500
	<b>Total Expenditures</b>	<b>\$ 15,196,000</b>	<b>\$ 15,196,000</b>
	<b>Total General Fund Revenues</b>	<b>\$ 15,196,000</b>	<b>\$ 15,196,000</b>
	<b>Total General Fund Expenditures</b>	<b>\$ 15,196,000</b>	<b>\$ 15,196,000</b>
	<b>Variance of Revenues to Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

**Section 3: 11: Powell Bill Governmental Fund**

11 POWELL BILL GOVERNMENTAL FUND		FY15	
Revenues		City Manager Recommend	City Council Approved
<b>Inter-Governmental Restricted Revenues</b>			
11-110-411-120	Powell Bill Allocation	\$ 440,000	\$ 440,000
	<i>Subtotal</i>	\$ 440,000	\$ 440,000
<b>Miscellaneous Revenues</b>			
11-110-444-010	Investments	\$ -	\$ -
	<i>Subtotal</i>	\$ -	\$ -
<b>Budgetary Appropriations</b>			
11-990-490-999	Fund Balance Appropriation	\$ -	\$ -
	<i>Subtotal</i>	\$ -	\$ -
	<b>Total Revenues</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>
<b>Expenditures</b>			
<b>Departmental Expenditures</b>			
11-690-561-010	Powell Bill	\$ 440,000	\$ 440,000
	<b>Total Expenditures</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>
	<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**Section 4: 30: Water Enterprise Fund**

30 WATER ENTERPRISE FUND		FY15	
Revenues		City Manager Recommend	City Council Approved
<b>Operating Revenues</b>			
30-300-433-420	Account Set Up Fee	\$ 12,000	\$ 12,000
30-300-433-430	Water Taps	\$ 35,000	\$ 35,000
30-300-433-410	Water User Revenues	\$ 2,631,700	\$ 2,590,700
30-300-433-416	Water Charges-Franklin County	\$ 2,800,000	\$ 2,800,000
30-300-433-418	Water Reservation Fee-Cranville	\$ 951,100	\$ 951,100
30-300-433-421	Water Reservation Fee-Vance 1A	\$ 9,100	\$ 9,100
30-300-433-427	Water Reservation Fee-Vance 2A/B	\$ 43,700	\$ 43,700
30-300-433-425	Water Charges-Kittrell WA	\$ 73,000	\$ 73,000
30-300-433-426	Water Charges-Vance Co 1A	\$ 45,000	\$ 45,000
30-300-433-427	Water Charges-Vance Co 2A&B	\$ -	\$ -
30-300-433-450	Sprinkler/Hydrant Fees	\$ 100,000	\$ 100,000
30-300-433-440	Leak Fee Charges	\$ 71,000	\$ 71,000
30-300-433-460	Reconnection Service Fee	\$ 20,000	\$ 20,000
30-300-433-407	Returned Check Fee	\$ 4,000	\$ 4,000
30-300-455-010	Miscellaneous	\$ 5,000	\$ 5,000
30-300-455-500	Bad Debt Recovery	\$ 5,000	\$ 5,000
30-300-455-501	Bad Debt Rec-Debt Set Off	\$ 5,000	\$ 5,000
	<i>Subtotal</i>	\$ 6,810,600	\$ 6,769,600
<b>Non-Operating Revenues</b>			
30-300-444-010	Investments	\$ 3,000	\$ 3,000
30-300-433-470	Sale of Materials	\$ 2,000	\$ 2,000
30-300-457-000	Sale of Assets	\$ -	\$ -
30-300-455-025	Sprint PCS Agreement	\$ 25,000	\$ 25,000
30-300-455-030	T-Mobile Agreement	\$ 25,000	\$ 25,000
	<i>Subtotal</i>	\$ 55,000	\$ 55,000
<b>Budgetary Appropriations</b>			
30-980-461-064	Transfer from 64: Regional Fund	\$ 16,000	\$ 16,000
30-985-471-031	Transfer from 31: Sewer Cost Alloc	\$ 205,400	\$ 205,400
30-985-471-064	Trans from 64 Regional Cost Alloc	\$ 80,000	\$ 80,000
	<i>Subtotal</i>	\$ 301,400	\$ 301,400
	<b>Total Revenues</b>	<b>\$ 7,167,000</b>	<b>\$ 7,126,000</b>
<b>Expenditures</b>			
<b>Departmental Expenditures</b>			
30-600	Non-Departmental	\$ 1,589,600	\$ 1,575,600
30-680	Debt Service	\$ 618,800	\$ 618,800
30-715	Public Services Administration	\$ 110,100	\$ 110,100
30-720	Engineering	\$ 266,800	\$ 266,800
30-725	Customer Service	\$ 524,600	\$ 524,600
30-818	Water Distribution Operations	\$ 4,037,100	\$ 4,030,100
	<b>Total Expenditures</b>	<b>\$ 7,167,000</b>	<b>\$ 7,126,000</b>
	<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

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**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

**Section 5: 31: Sewer Enterprise Fund**

31 SEWER ENTERPRISE FUND			FY15	
Revenues			City Manager Recommend	City Council Approved
<b>Operating Revenues</b>				
31-310-433-420	Account Set Up Fee	\$ 25,000	\$ 25,000	
31-310-433-435	Sewer Taps	\$ 5,000	\$ 5,000	
31-310-433-485	Sewer User Revenues	\$ 4,389,000	\$ 4,389,000	
31-310-433-480	Sewer Surcharges	\$ 16,000	\$ 16,000	
31-310-433-440	Late Fee Charges	\$ 165,000	\$ 165,000	
31-310-433-460	Reconnect Service Fee	\$ 51,000	\$ 51,000	
31-310-433-495	FOG Monitoring Inspection Fee	\$ 3,000	\$ 3,000	
31-310-433-485	Sewer Code Violations	\$ 5,000	\$ 5,000	
31-310-455-010	Miscellaneous	\$ 1,000	\$ 1,000	
31-310-455-500	Bad Debt Recovery	\$ 10,000	\$ 10,000	
31-310-455-501	Bad Debt Rec-Debt Set Off	\$ 10,400	\$ 10,400	
	<b>Subtotal</b>	<b>\$ 4,685,400</b>	<b>\$ 4,685,400</b>	
<b>Non-Operating Revenues</b>				
31-310-444-010	Investments	\$ 1,000	\$ 1,000	
31-310-461-230	Vance Co DS NVHS Sewer	\$ 77,800	\$ 77,800	
31-310-477-052	Vance Co DS Rub Clk Sewer	\$ 77,800	\$ 77,800	
	<b>Subtotal</b>	<b>\$ 156,600</b>	<b>\$ 156,600</b>	
<b>Budgetary Appropriations</b>				
31-980-461-079	Transfer from: 79 Rate Stabilization	\$ -	\$ -	
	<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	
	<b>Total Revenues</b>	<b>\$ 4,842,000</b>	<b>\$ 4,842,000</b>	
<b>Expenditures</b>				
<b>Departmental Expenditures</b>				
31-660	Non-Departmental	\$ 1,298,700	\$ 1,298,700	
31-680	Debt Service	\$ 765,500	\$ 765,500	
31-822	Water Reclamation Facility	\$ 2,212,300	\$ 2,212,300	
31-828	Sewer Collection Operations	\$ 431,300	\$ 431,300	
31-829	Sewer I & I Operations	\$ 194,200	\$ 194,200	
	<b>Total Expenditures</b>	<b>\$ 4,842,000</b>	<b>\$ 4,842,000</b>	
	<i>Variance of Revenues to Expenditures</i>	<i>\$ -</i>	<i>\$ -</i>	

**Section 6: 64: Regional Water Enterprise Fund**

64 REGIONAL WATER ENTERPRISE FUND			FY15	
Revenues			City Manager Recommend	City Council Approved
<b>Operating Revenues</b>				
64-640-433-415	Sale of Water	\$ 4,309,000	\$ 4,270,000	
	<b>Subtotal</b>	<b>\$ 4,309,000</b>	<b>\$ 4,270,000</b>	
<b>Non-Operating Revenues</b>				
64-640-444-010	Investment Income	\$ 5,000	\$ 5,000	
64-640-455-010	Miscellaneous	\$ 7,000	\$ 7,000	
	<b>Subtotal</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	
<b>Budgetary Appropriations</b>				
64-640-461-078	Trans from 78: Capital Reserve	\$ -	\$ -	
64-990-490-999	Fund Balance Appropriations	\$ -	\$ -	
	<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	
	<b>Total Revenues</b>	<b>\$ 4,319,000</b>	<b>\$ 4,280,000</b>	
<b>Expenditures</b>				
<b>Departmental Expenditures</b>				
64-660	Non-Departmental	\$ 1,233,700	\$ 1,194,700	
64-680	Debt Service	\$ 765,500	\$ 765,500	
64-900	Regional Water Plant	\$ 2,319,800	\$ 2,319,800	
	<b>Total Expenditures</b>	<b>\$ 4,319,000</b>	<b>\$ 4,280,000</b>	
	<i>Variance of Revenues to Expenditures</i>	<i>\$ -</i>	<i>\$ -</i>	

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**Section 7: 40: Public Library Trust Fund**

40 PUBLIC LIBRARY TRUST FUND			FY15	
			City Manager Recommend	City Council Approved
<b>Revenues</b>				
<i>Budgetary Appropriations</i>				
	40-400-461-020	Transfer from 10: General Fund	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		<b>Total Revenues</b>	\$ -	\$ -
<b>Expenditures</b>				
<i>Departmental Expenditures</i>				
	40-820	Library	\$ -	\$ -
		<b>Total Expenditures</b>	\$ -	\$ -
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**Section 8: 50: Law Enforcement Officers' Retirement Trust Fund**

50 LAW ENFORCEMENT OFFICERS' RETIREMENT TRUST FUND			FY15	
			City Manager Recommend	City Council Approved
<b>Revenues</b>				
<i>Budgetary Appropriations</i>				
	50-550-491-000	Fund Balance Appropriation	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		<b>Total Revenues</b>	\$ -	\$ -
<b>Expenditures</b>				
<i>Departmental Expenditures</i>				
	50-860	Non-Departmental	\$ -	\$ -
		<b>Total Expenditures</b>	\$ -	\$ -
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**Section 9: 51: Elmwood Cemetery Trust Fund**

51 ELMWOOD CEMETERY TRUST FUND			FY15	
			City Manager Recommend	City Council Approved
<b>Revenues</b>				
<i>Budgetary Appropriations</i>				
	51-480-444-010	Investment	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		<b>Total Revenues</b>	\$ -	\$ -
<b>Expenditures</b>				
<i>Departmental Expenditures</i>				
	51-855	Cemetery	\$ -	\$ -
		<b>Total Expenditures</b>	\$ -	\$ -
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

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**Section 10: 70: Utilities Capital Reserve Fund**

70 UTILITIES CAPITAL RESERVE FUND			FY15	
			City Manager Recommend	City Council Approved
<b>Revenues</b>				
<i>Miscellaneous Revenues</i>				
	70-851-444-010	Investments	\$ 56	\$ 56
	70-801-444-010	Investments	\$ 100	\$ 100
		<i>Subtotal</i>	\$ 156	\$ 156
<i>Budgetary Appropriations</i>				
	70-801-491-000	Fund Balance Appropriated	\$ 55,600	\$ 55,600
	70-801-461-930	Trans from 30: Water Fund	\$ 50,100	\$ 50,100
	70-851-461-031	Trans from 31: Sewer Fund	\$ 77,800	\$ 77,800
	70-700-491-000	Fund Balance Appropriated	\$ 109,344	\$ 109,344
		<i>Subtotal</i>	\$ 292,844	\$ 292,844
		<b>Total Revenues</b>	\$ 293,000	\$ 293,000
<b>Expenditures</b>				
<i>Departmental Expenditures</i>				
	70-801-509-850	Water Reserve	\$ 105,800	\$ 105,800
	70-851-509-850	Sewer Reserve	\$ 187,200	\$ 187,200
		<b>Total Expenditures</b>	\$ 293,000	\$ 293,000
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

*Last Updated: 26 March 2014, eg*

**Section 11: 72: General Capital Reserve Fund**

72 GENERAL CAPITAL RESERVE FUND			FY15	
			City Manager Recommend	City Council Approved
<b>Revenues</b>				
<i>Miscellaneous Revenues</i>				
	72-722-444-010	Investments	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		<b>Total Revenues</b>	\$ -	\$ -
<b>Expenditures</b>				
<i>Departmental Expenditures</i>				
	72-875-509-800	Capital Reserve	\$ -	\$ -
		<b>Total Expenditures</b>	\$ -	\$ -
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**Section 12: 73: Economic Development Capital Reserve Fund**

73 ECONOMIC DEVELOPMENT CAPITAL RESERVE FUND			FY15	
			City Manager Recommend	City Council Approved
<b>Revenues</b>				
<i>Budgetary Appropriations</i>				
	73-990-491-000	Fund Balance Appropriated	\$ 15,800	\$ 15,800
	73-980-461-010	Transfer from 10: General Fund	\$ -	\$ -
		<i>Subtotal</i>	\$ 15,800	\$ 15,800
		<b>Total Revenues</b>	\$ 15,800	\$ 15,800
<b>Expenditures</b>				
<i>Departmental Expenditures</i>				
	73-660-509-850	Capital Reserve	\$ 15,800	\$ 15,800
		<b>Total Expenditures</b>	\$ 15,800	\$ 15,800
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

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**Section 13: 78: Regional Water Capital Reserve Fund**

78 REGIONAL WATER CAPITAL RESERVE FUND			FY15	
Revenues			City Manager Recommend	City Council Approved
<i>Revenues by Project</i>				
Corps of Engineers	78-911-461-064	Transfer from Regional Fund 64	\$ 5,000	\$ 5,000
Corps of Engineers	78-911-491-000	Fund Balance Appropriation	\$ 54,000	\$ 54,000
Corps of Engineers	78-911-444-010	Investment Income	\$ -	\$ -
		<i>Subtotal</i>	\$ 59,000	\$ 59,000
20 MGD	78-922-461-064	Transfer from Regional Fund 64	\$ 795,000	\$ 756,000
20 MGD	78-922-491-000	Fund Balance Appropriation	\$ 2,763,000	\$ 2,763,000
20 MGD	78-922-444-010	Investment Income	\$ -	\$ -
		<i>Subtotal</i>	\$ 3,558,000	\$ 3,519,000
Regional CR	78-865-461-064	Transfer from Regional Fund 64	\$ -	\$ -
Regional CR	78-865-491-000	Fund Balance Appropriation	\$ 225,000	\$ 225,000
Regional CR	78-865-444-010	Investment Income	\$ -	\$ -
		<i>Subtotal</i>	\$ 225,000	\$ 225,000
		<b>Total Revenues</b>	<b>\$ 3,842,000</b>	<b>\$ 3,803,000</b>
<b>Expenditures</b>				
<i>Departmental Expenditures</i>				
	78-911-509-850	Corp of Engineers Reserve	\$ 59,000	\$ 59,000
	78-922-509-850	20 MGD Reserve	\$ 3,558,000	\$ 3,519,000
	78-865-509-850	Regional Capital Reserve	\$ 225,000	\$ 225,000
		<b>Total Expenditures</b>	<b>\$ 3,842,000</b>	<b>\$ 3,803,000</b>
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**Section 14: 79: Rate Stabilization Capital Reserve Fund**

79 RATE STABILIZATION CAPITAL RESERVE FUND			FY15	
Revenues			City Manager Recommend	City Council Approved
<i>Revenues by Project</i>				
Water Plant	79-641-461-030	Transfer from 30: Water Fund	\$ 1,003,400	\$ 989,800
Water Plant	79-641-444-010	Investments	\$ 12,000	\$ 12,000
Water Plant	79-641-433-430	Vince Tap Fee Ph 2A&2B	\$ -	\$ -
Water Plant	79-641-491-000	Fund Balance Appropriation	\$ 3,046,000	\$ 3,046,000
		<i>Subtotal</i>	\$ 4,061,400	\$ 4,047,800
HWRP	79-652-461-031	Transfer from 31: Sewer Fund	\$ 436,000	\$ 436,000
HWRP	79-652-444-010	Investments	\$ 1,000	\$ 1,000
HWRP	79-652-491-000	Fund Balance Appropriation	\$ 538,000	\$ 538,000
		<i>Subtotal</i>	\$ 975,000	\$ 975,000
		<b>Total Revenues</b>	<b>\$ 5,036,400</b>	<b>\$ 5,022,800</b>
<b>Expenditures</b>				
<i>Departmental Expenditures</i>				
Water Plant	79-641-535-750	20 MGD Rate Stabilization	\$ 4,061,400	\$ 4,047,800
HWRP	79-652-535-750	HWRP Rate Stabilization	\$ 975,000	\$ 975,000
		<b>Total Expenditures</b>	<b>\$ 5,036,400</b>	<b>\$ 5,022,800</b>
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**FY 14-15 BUDGET  
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**PART 2: ESTABLISHING THE FY 14—15 PROPERTY TAX RATE**

**Section 15: 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 2014 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 2014 Ad Valorem property tax revenue is based on an estimated overall valuation of \$990,000,000 at a collection rate of 93.5%.

**PART 3: AUTHORIZING INCREASES IN FEES AND RATES**

**Section 16: Regional Water Rate Increased**

The Regional Water Rate shall be increased by 4% on all customers for all bills rendered on or after 1 July 2014 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Regional Potable Water Rate	
Rate Tier	Per 1M Gallons
Fixed Rate	\$ 2,008.00
Used Rate	\$ 1,284.00
M = Million	

**Section 17: Water Rate Increased**

The City Water Rate shall be increased by 3.5% on all customers for all bills rendered on or after 1 July 2014 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Water Rates FY14-15				
Non-Large Water Quantity Customers <100,000 CF				
Average Monthly Use				
Location	Minimum Charge 0 to 499 CF	Plus	500 to 4,000 CF per 100 CF	> 4,000 CF per 100 CF
In-City	\$ 10.42	Plus	\$ 2.98	\$ 1.78
Out-of-City	\$ 26.06	Plus	\$ 5.90	\$ 4.45
Large Water Quantity Customers >100,000 CF				
Average Monthly Use				
Location	Minimum Charge	Plus	0 to 100,000 CF per 100 CF	> 100,000 CF per 100 CF
In-City	\$ 10.42	Plus	\$ 1.34	\$ 1.07
Out-of-City	\$ 26.06	Plus	\$ 3.30	\$ 2.68
Bulk Water Rate				
Location	Minimum Charge 0 to 500 Gallons	Plus	> 500 Gallons per One Gallon	
In-City	\$ 8.24	Plus	\$ 0.007	
Out-of-City	\$ 14.27	Plus	\$ 0.010	

CF = Cubic Feet; > = Greater Than

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**Section 18: Governmental Water and Sewer Sales Contracts' Rates Increased**

- **18-1: Kittrell Water Association:** Pursuant to the Water Sales Agreement, the rate shall be increased by 3.5%, effective 1 July 2014; *and*
- **18-2: Franklin County:** Pursuant to the Water Sales Agreement, the rate shall be increased by 4%, effective 1 July 2014; *and*
- **18-3: Granville County:** Pursuant to the Water and Sewer Sales Agreement, the rates shall be increased as follows: Water shall be increased by 3.5%, effective 1 July 2014, and Sewer shall be increased by 3%, effective 1 July 2014; *and*
- **18-4: Vance County Phase 1A:** Pursuant to the Water Sales Agreement, the rate shall be increased by 3.5%, effective 1 April 2015; *and*
- **18-5: Vance County Phases 2A&2B:** Pursuant to the Water Sales Agreement, the rate shall be increased by 3.5%, effective 1 April 2015.

**Section 19: Sewer Rate Increased**

The Sewer Rate shall be increased by 3% on all customers for all bills rendered on or after 1 July 2014 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Sewer Rates FY14-15				
Location	Minimum Charge	Plus	0 - 10,000 CF per 100 CF	Over 10,000 CF per 100 CF
In-City	\$ 13.74	Plus	\$ 4.89	\$ 3.60
Out-of-City	\$ 34.34	Plus	\$ 12.24	\$ 8.80

CF = Cubic Feet

**PART 4: SPECIAL AUTHORIZATIONS**

**Section 20: 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 21: 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; and 79: Rate Stabilization Capital Reserve Fund; with the prior consent of the City Council via a formal Budget Ordinance Amendment.

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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**Section 22: 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 and/or 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 and/or grant restrictions and guidelines.

**Section 23: Utilization of Budget and Budget Ordinance**

This Ordinance, 14-34, adopts the FY14-15 Budget and said Budget shall be the basis of the financial plan for the City of Henderson for the period beginning 1 July 2014 and ending 30 June 2015. 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 the Finance Director and 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 24: 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 25: Utilities Multi-Year Capital Improvements Plan**

The Utilities Multi-Year Capital Improvements Plan (CIP) for the period 2012 – 2021, and initially approved on 13 June 2011 via Resolution 11-59 is hereby reaffirmed and readopted as the City of Henderson's multi-year capital improvements plan for its Regional Water, Water and Sewer systems. 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 26: General Fund Multi-Year Capital Improvements Plan**

The General Fund Multi-Year Capital Improvements Plan (Plan) for the period 2014-2018 is hereby adopted 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.

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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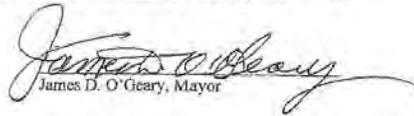
**PART 7: ADOPTION OF BUDGET AND RELATED AUTHORIZING  
INSTRUMENTS**

**Section 27: Effective Dates**

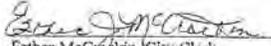
All sections of this Ordinance shall become effective on 1 July 2014, except for Sections 18-4 and 18-5, which shall become effective 1 April 2015.

**Section 28: Adoption**

The foregoing Ordinance 14-34, upon motion of Council Member Kearney and second by Council Member Coffey, and having been submitted to a roll call vote and received the following votes and was APPROVED on this the 11<sup>th</sup> day of June 2014: YES: Kearney, Coffey, Inscoc, Rainey, Peace-Jenkins, Dacke, Simmons and Daye. NO: None. ABSTAIN: None. ABSENT: None.

  
James D. O'Geary, Mayor

**ATTEST:**

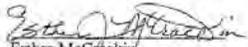
  
Esther McCrackin, City Clerk

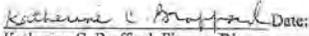
Reference: Minute Book 43, p. 257

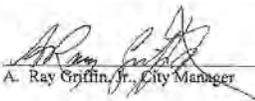
**STATE OF NORTH CAROLINA - CITY OF HENDERSON**

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 14-34 adopted by the Henderson City Council in Regular Session on 11 June 2014. This Ordinance is recorded in *Ordinance Book 9*, p 131.

Witness my hand and corporate seal of the City, this 12<sup>th</sup> day of June 2014,

  
Esther McCrackin  
City Clerk  
City of Henderson, North Carolina

Reviewed by:  Date: 6-13-14  
Katherine C. Brafford, Finance Director

Reviewed by:  Date: 13 June 14  
A. Ray Griffin, Jr., City Manager

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

Attachment

**Annual Fee Schedule  
FY 14-15**

<b>Cemetery<sup>1</sup></b>	
Grave Plot	\$750.00
<b>Engineering</b>	
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
<b>Finance</b>	
Late Fee (One Time Waiver within a rolling 12 month period with Good Standing History)	\$12.00
Privilege Licenses	(See Privilege Licenses)
Reconnection Fee	\$13.00
Returned Check Fees	\$25.00
Security Deposits (see below)	

Water and Sewer Security Deposits' Schedule Approved Ordinance 12-10 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
<b>Residential Out-of-City</b>			
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><b>R-Tier 1 Deposit</b> 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><b>R-Tier 2 Deposit</b> 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		
Based on Total Consumption	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
<b>Commercial/Non-Profit &amp; Industrial Out-of-City</b>		
Based on Total Consumption		
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><b>CNI-Tier Deposit</b> 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>		

<sup>1</sup> City stopped opening/closing graves in 2011

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<b>Fire</b>	
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)	\$300.00
Blocked Stairwells or Stairways	\$500.00
Blocked Means of 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
State Mandated Fire Inspections	
Initial Inspection	
Up to 50,000 sq. ft.	\$55.00
50,001 to 500,000 sq. ft.	\$105.00
Greater than 500,000 sq. ft.	\$120.00
Re-inspections	
1 <sup>st</sup> Re-inspection	\$0.00
2 <sup>nd</sup> Re-inspection	\$55.00
3 <sup>rd</sup> Re-inspection	\$110.00
4 <sup>th</sup> Re-inspection	\$225.00
<b>Planning</b>	
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
Review by Technical Review Committee	\$200.00
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	\$350.00
Text Amendment	
Change affecting only one subsection of Ordinance	\$100.00
Other	\$150.00
Variances	\$350.00
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
Subdivision Regulations	\$25.00
Exempt Plat	\$60.00
<b>Police</b>	
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

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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Overtime Parking, Parking too Close to Corner, Other	\$8.00
<b>Privilege Fees</b>	
<b>Code/Category</b>	<b>Fee</b>
1 Advertisement	\$35.00
2 Amusements (Entertainments, Dances, Traveling, Banquet Room Rental)	\$25.00
3 Adult Entertainment Sales (Annual Fee)	\$800.00
4 Antique Furniture	\$50.00
5 Auto Service Station	\$12.00
6 Automobile Dealer (New & Used)	\$25.00
7 Bakery Products	\$50.00
8 Balloons, Novelties, Souvenirs	\$10.00
9 Barber Shops (Per Chair)	\$2.50
10 Beauty Shops (Per Chair)	\$2.50
11 Beer Off Premises	\$5.00
12 Bear On Premises	\$15.00
13 Bicycle Dealer	\$25.00
14 Billiard Tables	\$25.00
15 Book Store	\$20.00
16 Bowling Alleys (Per Lane)	\$10.00
17 Brick Dealers and Manufacturers	\$20.00
18 Brokers & Commission Merchants	\$50.00
19 Building Materials	\$50.00
20 Cabinet & Carpenter Shops (1 Emp)	\$20.00
21 Cabinet & Carpenter Shops (2 Or More Emp)	\$50.00
22 Car Wash	\$12.50
23 Carnival Companies	\$00.00
24 Chain Stores	\$50.00
25 Check Cashing Business	\$100.00
26 Cigarette, Cigar, Tobacco	\$4.00
27 Circus & Animal Shows (Per Day)	\$25.00
28 Clothing Stores	\$50.00
29 Cold Storage & Freezer Locker	\$100.00
30 Collection and Claim Agencies	\$50.00
31 Confectionery & Fruit Stands	\$30.00
32 Contractor - Electrical	\$50.00
33 Contractor - General	\$10.00
34 Contractor - Heating / Air	\$50.00
35 Contractor - Plumbing	\$50.00
36 Contractor - Sprinkler System	\$100.00
37 Contractor - Wallpaper Hanging	\$20.00
38 Contractor - Roofing	\$50.00
39 Contractor - Painting	\$10.00
40 Cotton Warehouse	\$100.00
41 Creameries or Dairies	\$50.00
42 Day Cares	\$50.00
43 Dealer of Firearms	\$50.00
44 Dealer of Other Weapons	\$200.00
45 Drugstores	\$3.00
46 Dry Cleaners	\$50.00
47 Electric Company	\$100.00
48 Electronic Gaming Operations - (Per Terminal)	\$1,000.00
49 Electronic Gaming Operations - Annual Fee	\$2,000.00
50 Employment Agencies	\$100.00
51 Express Companies	\$100.00
52 Feed or Grain Stores	\$50.00
53 Fertilizer Dealers	\$50.00
54 Gas Company	\$100.00
55 Gas, Benzene, Lubricants, Oil & Grease	\$100.00
56 Grocery Stores	\$30.00
57 Hardware Stores	\$50.00
58 Harvesting & Agricultural Machine	\$30.00
59 Health Facilities, Spas, Gyms, etc.	\$50.00
60 Hotels Per Room (\$25.00 Minimum)	\$1.00
61 Ice Cream Mfg. & Dealer - Retail	\$2.50
62 Ice Cream Mfg. & Dealer - Wholesale	\$25.00
63 Ice Dealers	\$50.00
64 Itinerant Merchants & Salesman	\$100.00
65 Jewelry Repair	\$20.00
66 Jewelry Stores	\$50.00
67 Juke Box (Each)	\$5.00
68 Junk Dealers	\$75.00
69 Knitting Mills	\$50.00
70 Laundries/Laundrettes	\$30.00

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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Privilege Fees (Con't)		Fee
Code/Category		
71	Lawn Care & Mowing.....	\$50.00
72	Loan Agencies.....	\$100.00
73	Locksmiths.....	\$50.00
74	Lunch Stands.....	\$5.00
75	Manufacturers.....	\$10.00
76	Meat Retailers.....	\$50.00
77	Meat Wholesale.....	\$100.00
78	Merry-Go-Round, Etc. (Arcade Games).....	\$50.00
79	Metal & Machine Shop.....	\$50.00
80	Mills, Corn, Flour or Feed.....	\$50.00
81	Miscellaneous.....	\$60.00
82	Monument Erecting & Sales.....	\$50.00
83	Motorcycle/ATV/Scooter Dealer.....	\$80.00
84	Motorcycle/ATV/Scooter Dealer.....	\$12.50
85	Movie Theaters.....	\$200.00
85	Musical Instrument Sales.....	\$10.00
86	Nail Salon (per chair).....	\$2.50
87	Newspaper Sales.....	\$50.00
88	Office Supplies & Servicing.....	\$50.00
89	Operators of Vending Machines.....	\$20.00
90	Outdoor Theaters.....	\$100.00
91	Pawnbroker.....	\$100.00
92	Peddler (Cart or Vehicle).....	\$25.00
93	Peddler (on foot).....	\$10.00
94	Photo Engravers.....	\$20.00
95	Piano Repairers & Tuners.....	\$5.00
96	Printing Establishments.....	\$20.00
97	Rags, Hides, Wastepaper Dealers.....	\$20.00
98	Repair Shop.....	\$20.00
99	Restaurants (0-4 Seats).....	\$25.00
100	Restaurants (5 or More Seats).....	\$42.50
101	Retail Merchants.....	\$50.00
102	Secondhand Dealers.....	\$40.00
103	Security Dealers.....	\$100.00
104	Service Merchant.....	\$50.00
105	Shoe Shop.....	\$20.00
106	Sporting Goods.....	\$50.00
107	Storage Warehouse/ Mini Storage.....	\$100.00
108	Sundries.....	\$4.00
109	Tailors.....	\$30.00
110	Tanning Salon (Per Unit).....	\$5.00
111	Tattoo or Body Piercing (Per Emp).....	\$100.00
112	Taxicab (Per Vehicle).....	\$30.00
113	Telegraph Companies.....	\$50.00
114	Tobacco Leaf Dealers.....	\$50.00
115	Tobacco Warehouses.....	\$50.00
116	Undertakers & Coffin Retailers.....	\$50.00
117	Upholstery Shops.....	\$20.00
118	Video Games (Each).....	\$5.00
119	Video Rental.....	\$25.00
120	Wholesale Auto, Equipment/Supplies.....	\$37.50
121	Wholesale Dealers.....	\$100.00
122	Wine On Premises.....	\$15.00
123	Wine Off Premises.....	\$10.00
124	Wood & Coal Dealer - Retail.....	\$50.00
125	Wood & Coal Dealer - Wholesale.....	\$150.00
126	Wood Dealers.....	\$20.00
127	Wrestling & Boxing.....	\$100.00
128	Fish & Oyster Dealer - Retail.....	\$50.00
129	Florist.....	\$30.00
<b>Regional Water</b>		
	Bacteria Analysis (Contractors).....	\$50.00
	Bacteria Analysis (Partners).....	\$35.00
	Potable Water (Used Rate).....	\$2,008.00
	Potable Water (Fixed Rate).....	\$1,284.00
<b>Sanitation</b>		
	Sanitation Charge - Monthly	
	1 Pickup per week per dwelling (includes one 96 gallon roll-out).....	\$29.00
	Additional 96 gallon roll-out container.....	\$3.87
	2 Pickups per week per business.....	\$52.00
	3 Pickups per week per business.....	\$78.00

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

<b>Sanitation (Cont)</b>	
4 Pickups per week per business.....	\$104.00
5 Pickups per week per business.....	\$130.00
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
<b>Sewer Collection</b>	
<b>Sewer Rates<sup>2</sup></b>	
10,000 cubic ft or less (inside city).....	\$13.74 minimum plus \$4.39 per 100 cu. ft., plus
<i>For the next utilization tier</i>	
Over 10,000 cubic ft (inside city).....	\$3.50 per 100 cu. ft.
10,000 cubic ft or less (outside city).....	\$34.34 minimum plus \$12.24 per 100 cu. ft., plus
<i>For the next utilization tier</i>	
Over 10,000 cubic ft (outside city).....	\$8.80 per cu. ft.
<b>Sewer Taps</b>	
4" Sewer Tap.....	\$1,000
6" Sewer Tap (within manhole).....	\$1,200
Above 6" Sewer Tap.....	Actual cost of labor, equipment & material plus 10%
Capacity Usage Fee.....	\$0.80/gallon (gallons determined by type of establishment)
<b>Rentals</b>	
Jet Vac Machine.....	\$300.00 per hour
<b>Sewer Collection I&amp;I</b>	
<b>Rentals</b>	
TV Camera Truck.....	\$200.00 per hour
<b>Street</b>	
<b>Street Cuts</b>	
Asphalt Street (20'0" wide).....	\$150.00
Concrete Base Street (more than 4").....	\$350.00
Concrete Base Street (less than 4").....	\$320.00
Unpaved Street.....	\$100.00
<b>Sidewalk Cuts</b>	
Concrete Sidewalk (except Garnett St. from Spring St. to Church St.).....	\$100.00
Garnett Street (from Church St. to Spring St.).....	\$150.00
Curb and Gutter Cut (3 ft. minimum charge).....	\$15.00/ft
Encroachment Fee.....	\$20.00
<b>Water Distribution</b>	
<b>Water Rates</b>	
0 - 499 cubic ft. (minimum fee - inside city).....	\$10.42, plus
500 - 4,000 cubic ft. (additional fee - inside city).....	\$2.36 per 100 cubic ft., plus
Consumption exceeding 1 <sup>st</sup> 4,000 cubic ft. (additional fee - inside city).....	\$1.78 per 100 cubic ft.
0 - 499 cubic ft. (minimum fee - outside city).....	\$26.06, plus
500 - 4,000 cubic ft. (additional fee - outside city).....	\$5.90 per 100 cubic ft., plus
Consumption exceeding 1 <sup>st</sup> 4,000 cubic ft. (additional fee - outside city).....	\$4.45 per 100 cubic ft.
<b>Large Quantity Water Rates</b>	
First 100,000 cubic ft. (inside city).....	minimum of \$10.42 plus \$1.34 per 100 cubic ft., plus
Consumption exceeding 100,000 cubic ft. (inside city).....	\$1.07 per 100 cubic ft.
First 100,000 cubic ft. (outside city).....	minimum of \$26.06 plus \$3.30 per 100 cubic ft., plus
Consumption exceeding 100,000 cubic ft. (outside city).....	\$2.66 per 100 cubic ft.
<b>Water Taps</b>	
3/4" Water Tap.....	\$1,235.00
1" Water Tap.....	\$1,340.00
1" Water Tap w/ two 3/4" Branch Meters.....	\$1,590.00
Above 1" Taps.....	Actual cost of labor, equipment & materials plus 10%

<sup>2</sup> CF = Cubic Feet of water consumed or sewer metered through a sewer measuring device.

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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<b>Bulk Water</b>	
Inside Rate.....	\$8.24 service connection (includes first 500 gallons) .007/gallons for any amount over 500
Outside Rate.....	\$14.27 service connection (includes first 500 gallons) .010/gallon for any amount over 500
Capacity Usage Fee.....	\$0.52/gallon (gallons are determined by type of establishment)
<b>Set Meter Fee</b>	
1/2" Taps already in place.....	\$100.00
1" Taps already in place.....	\$400.00
Fire Protection Sprinkler Fee.....	based on sq. footage
Fire Hydrant Meter Deposit Fee (95% refundable if returned in good condition).....	\$1,000.00
<b>Fire Hydrant - Category A</b>	
Inside Rate - charge for floor space w/only a private fire line & fire hydrant(s) - no inside sprinkler	
Per 10,000 sq. feet - Minimum (A1).....	\$2.93
300,000 - 1,000,000 sq. feet (A1 + A2).....	\$1.61
1,000,000 sq. feet and above (A1 + A2 + A3).....	\$0.70
Outside Rate - charge for floor space w/only a private fire line & fire hydrant(s) - no inside sprinkler	
Per 10,000 sq. feet - Minimum (B1).....	\$5.98
300,000 - 1,000,000 sq. feet (B1 + B2).....	\$3.24
1,000,000 sq. feet and above (B1 + B2 + B3).....	\$2.27
<b>Fire Hydrant - Category B</b>	
Inside Rate - charge for floor space protected w/ fire line, fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (A1).....	\$5.36
300,000 - 1,000,000 sq. feet (A1 + A2).....	\$2.23
1,000,000 sq. feet and above (A1 + A2 + A3).....	\$1.16
Outside Rate - charge for floor space protected w/ fire line, fire hydrant(s) and inside sprinkler	
300,000 - 1,000,000 sq. feet (B1 + B2).....	\$4.45
1,000,000 sq. feet and above (B1 + B2 + B3).....	\$2.23
<b>Fire Hydrant - Category C</b>	
Inside Rate - charge for floor space w/ fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (A1).....	\$8.29
300,000 - 1,000,000 sq. feet (A1 + A2).....	\$3.84
1,000,000 sq. feet and above (A1 + A2 + A3).....	\$1.81
Outside Rate - charge for floor space w/ fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (B1).....	\$16.93
300,000 - 1,000,000 sq. feet (B1 + B2).....	\$7.71
1,000,000 sq. feet and above (B1 + B2 + B3).....	\$4.49
Fire Hydrant - Subdivision outside of City limits (to be charged per lot when service is made).....	\$1.76
<b>Water Distribution/Sewer Collection</b>	
Utility Reconnection 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%
<b>Water Reclamation</b>	
<b>Sewer Surcharges</b>	
Biochemical Oxygen Demand.....	\$0.1941 lb.
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
Permit Fee for Discharge of Groundwater Remediation Project.....	\$605.52
FOG Compliance Inspection and Monitoring.....	\$7.64 per mo.
FOG Permit Fee.....	\$153.00

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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**Recreation**

<b>Registration Fees – Youth</b>	
Youth Athletics Registration Fee (County Resident)	
Football, Volleyball, Soccer & Basketball	\$25.00
Youth Athletics Registration Fee (Non-Resident)	
Football, Volleyball, Soccer & Basketball	\$45.00
Babe Ruth Baseball & Softball	\$30.00
All Star	\$20.00
<b>Youth Sponsorship Fees</b>	
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
<b>Registration Fees - Adult</b>	
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
<b>Rentals (See Rentals – For-Profit or Rentals – Non-Profit also)</b>	
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
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
<b>Rentals – Non-Profit</b>	
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

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**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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<b>Rentals - For Profit</b>	
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
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
<b>Additional Services</b>	
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
Drag/Mark fields halfway through each day per field (Non-County)	\$20.00
Supply ice water in coolers w/cups per dugout per game (Non-County)	\$15.00
Henderson Rec Players Tickets	\$7.00
<b>Special Events (Athletic)</b>	
District Tournament Daily Pass for Students	\$2.00
District Tournament Daily Pass for Adults	\$4.00
District Tournament Pass for entire Tournament	\$10.00
State Tournament Daily Pass for Students	\$2.00
State Tournament Daily Pass for Adults	\$5.00
State Tournament Pass for Entire Tournament	\$15.00
Athletic Event Daily Pass	\$3.00
Athletic Event Tournament Pass	\$6.00
Special Events (Non-Athletic)	not to exceed \$8.00
<b>Aycock Center</b>	
<b>Rental</b>	
<b>Aquatics -</b>	
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 hour)	\$6.00
Swim Teams & Clubs - Private Non-County (per lane, per hour)	\$12.00
Swim Teams & Clubs - County (per lane/per hour)	\$0.00
Swim Teams & Clubs - Non-County (per lane, per hour)	\$9.00
Swim Lessons	\$5.00
Water Aerobics (per class - 5 per week)	\$2.00
<b>Gymnasium</b>	
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)	\$22.00
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
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

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**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

Fees

Ayecock 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
Seniors 55 and Over.....	\$50.00
City/Country/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).....	\$30.00
Swim Camp.....	\$10.00

**FY 14-15 BUDGET  
ADOPTED BUDGET ORDINANCE**

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Budget Adoption Ordinance 14-34  
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**RESOLUTION  
14-42**

**A RESOLUTION APPROVING  
THE MAY 2014 POSITION AND CLASSIFICATION & PAY PLAN  
FOR THE CITY OF HENDERSON**

*WHEREAS*, the City Council conducted its Annual Strategic Planning Retreat (Retreat) on 19 and 20 February 2014; *and*

*WHEREAS*, this Resolution addresses one (1) Core Value and one (1) Key Strategic Objective as follows: *Core Value 8: Values Employees*: We value our employees and the contributions they make to the City and to the citizens and customers of our community; *and Key Strategic Objective 6: Develop and Maintain a Qualified Municipal Workforce*, To provide a supportive and competitive workforce climate that facilitates and maintains a strong workforce capability and capacity and adequate staffing levels; *Action Plan 6-1, Pay Classification Study*; *and*

*WHEREAS*, pursuant to North Carolina Statutes and the Code of the City of Henderson, Section 2-23, the City of Henderson is an employment "At Will" organization; *and*

*WHEREAS*, a formal, comprehensive Classification and Pay Plan was last conducted for the City in 1993, and therefore out-of-date and no longer competitive with peer communities; *and*

*WHEREAS*, funding was appropriated by the City Council in the FY14 Budget for conducting an up-to-date Classification and Pay Study (Study); *and*

*WHEREAS*, the City utilized The MAPS Group through a contract with the North Carolina League of Municipalities to conduct the Study; *and*

*WHEREAS*, the Study was presented to the City Council at its regular meeting held on 12 May 2014; *and*

*WHEREAS*, the Study includes an overall Personnel Policy review and update; however, said Personnel Policy amendments will be presented to Council later this summer for approval once they have been completely formatted; *and*

*WHEREAS*, the Recommended FY14-15 Budget includes funding for Phase 1 of a Five (5) Year implementation plan to adopt and utilize the Position Classification and Pay Plan recommended by The MAPS Group; *and*

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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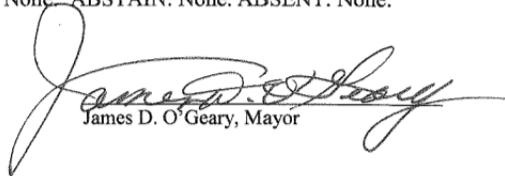
*WHEREAS*, during its budget work sessions, the City Council has voiced strong support for the adoption of the recommended May 2014 Position Classification and Pay Plan and Phase 1 implementation of same as part of its 22 May 2014 Consensus Budget.

*NOW, THEREFORE BE IT RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY REVOKE* the Classification and Pay Plan currently in use *AND APPROVES* the *May 2014 Classification and Pay Plan for the City of Henderson* performed by The MAPS Group, said complete Classification and Pay Plan (Plan) being on permanent file in the Office of the City Clerk and in the City's Official Records Vault; however, a more complete summary of said Plan is provided as *Attachment A* to this Resolution.

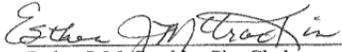
*AND BE IT FURTHER RESOLVED BY THE HENDERSON CITY COUNCIL THAT* the City Manager and his designees are authorized to implement the *May 2014 Position Classification and Pay Plan* in a manner consistent with the Personnel Policy, Position Classification and Pay Plan recommendations and within budgetary appropriations.

*AND BE IT FURTHER RESOLVED BY THE HENDERSON CITY COUNCIL THAT* this Resolution shall become effective on 1 July 2014.

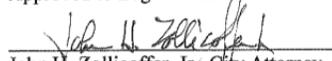
The foregoing Resolution 14-42, introduced by Council Member Coffey and seconded by Council Member Daeke on this the 11<sup>th</sup> day of June 2014, and having been submitted to a roll call vote, was approved by the following votes: YES: Coffey, Inscoc, Rainey, Peace-Jenkins, Daeke, Simmons, Daye and Kearney. NO: None. ABSTAIN: None. ABSENT: None.

  
James D. O'Geary, Mayor

*ATTEST:*

  
Esther J. McCrackin, City Clerk

Approved to Legal Form:

  
John H. Zollicoffer, Jr., City Attorney

Reference: Minute Book 43, p 31

Resolution Book 4  
Resolution 14-42, Page 2 of 14

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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*Resolution 14-42  
Attachment A*

**PAY PLAN IMPLEMENTATION**

**Overview**

We conducted a market survey of minimum and maximum salaries for the selected jobs. Range percentages (the difference between the minimum and maximum of the range) varied as follows:

Albemarle	48%
Clayton	48%
Creedmoor	50%
Garner	55%
Hillsborough	60%
Oxford	50%
Smithfield	53%
Roxboro	48%
Wake Forest	98%
Vance County	55%
South Granville W & S	48%
Average	57%
Henderson Recommended	50%

The salary ranges in the recommended pay table are approximately 50% from starting to maximum salary. Grades 5% apart have been established. An open range salary schedule has been recommended to provide flexibility in providing in-range salary increases. These ranges provide for employee advancement as a result of increased value to the City because of increased experience, and as an incentive and reward for increased performance. When annual market adjustments (cost of living adjustments) are made to pay ranges to account for inflation and local labor market changes, the whole table should reflect the adjustment, thus maintaining competitive entry level rates of pay.

Compression. Normally, given the seniority of some City employees, one would expect to find half of the City's employees below Midpoint and half above Midpoint. As can be seen on page 33, that is not the case currently or in the recommended implementation options. There are two primary disadvantages to this compressed distribution. The first, long term, high performance employees are making the same or nearly the same as employees with less tenure. There are often morale problems associated with this and it can lead to turnover. The second problem is that when the City has the opportunity to hire highly qualified candidates; it is very difficult to offer such prospects salaries above entry level when employees with a number of years of service are compensated near those entry levels.

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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**Implementation**

Employee salaries are adjusted to at least the Hiring Rate of the new range and at least at the Minimum of the range if the employee has passed probation, consistent with the personnel policy recommendation. In addition, employees are moved into the range based on 1% per year of service above the Minimum of the range.

Initial annual cost to implement	\$1,443,989
Cost as a percentage of payroll	20.39%

This is a very conservative implementation strategy because using this approach it would take 45 years for an employee to reach the top of the salary range.

**Study Phase – In**

The City requested that we prepare a five year study phase-in plan. If the goal is to be at market in five years, the City will need to add market adjustments to the ranges periodically. The costs are estimates and are subject to change based on any market adjustments the City provides, turnover, etc. We have not taken into account compounding that will occur over time. We have added a performance pay component that will reduce overall costs slightly.

**Year 1. July 1, 2014      Cost: \$ 116,665      Percentage of Payroll: 1.65%**

Reduce the recommended salary ranges by 18%; use a Minimum Rate (probationary completion step) that is 2.5% instead of 5% above the Hiring Rate; and place employees 0.33 percent per year of service above the Minimum Rate and cap increases at the Midpoint Rate.

**Year 2. July 1, 2015      Cost: \$ 354,105      Percentage of Payroll: 4.5%**

Increase the salary ranges by 4% over the previous year and move employees whose performance is rated at the "exceeds expectations" level to 0.5% per year of service.

**Year 3. July 1, 2016      Cost: \$ 389,516      Percentage of Payroll: 5.5%**

Increase the salary ranges by 5% over the previous year and move employees whose performance is rated at the "exceeds expectations" level to 0.75% per year of service and employees whose performance is rated at the "meets expectations" level to 0.5% per year of service.

**Year 4. July 1, 2017      Cost: \$ 389,516      Percentage of Payroll: 5.5%**

Increase the salary ranges by 5% over the previous year and move employees whose

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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performance is rated at the "exceeds expectations" level to 1% per year of service and employees whose performance is rated at the "meets expectations" level to 0.75% per year of service.

Year 5, July 1, 2018      Cost: \$ 460,337      Percentage of Payroll: 6.5%

Increase the salary ranges by 4%, move the Minimum Rate to 5% above the Hiring Rate and move employees whose performance is rated at the "exceeds expectations" level to 1% per year of service and employees whose performance is rated at the "meets expectations" level to 0.75% per year of service.

**Important Notes:**

1. The costs reflected above represent salary cost only and do not reflect the cost of benefits associated with salaries.
2. If there are employees who have recent documented disciplinary action and who are not currently fully performing duties as needed by the City, the Manager may delay implementation of any increases that employee would receive until such time as the employee is fully meeting job requirements. Otherwise, all employees should be treated consistently in the implementation to avoid legal liabilities.
3. These recommendations are based on salary data effective September 2013. In July 2014, many of these same organizations will update their ranges based on cost of living.

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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**City of Henderson  
Recommended Salary Schedule  
2013-2014**

GRADE	HIRING RATE	MINIMUM	MID POINT	MAXIMUM	GRADE
3	19,425	20,396	24,262	29,138	3
4	20,396	21,416	25,495	30,594	4
5	21,416	22,487	26,770	32,124	5
6	22,487	23,611	28,109	33,731	6
7	23,611	24,792	29,514	35,417	7
8	24,792	26,032	30,990	37,188	8
9	26,032	27,334	32,540	39,048	9
10	27,334	28,701	34,168	41,001	10
11	28,701	30,136	35,877	43,052	11
12	30,136	31,643	37,670	45,204	12
13	31,643	33,225	39,554	47,465	13
14	33,225	34,886	41,532	49,838	14
15	34,886	36,630	43,608	52,329	15
16	36,630	38,462	45,788	54,945	16
17	38,462	40,385	48,078	57,693	17
18	40,385	42,404	50,482	60,578	18
19	42,404	44,524	53,005	63,606	19
20	44,524	46,750	55,655	66,786	20
21	46,750	49,088	58,438	70,125	21
22	49,088	51,542	61,360	73,632	22
23	51,542	54,119	64,428	77,313	23
24	54,119	56,825	67,649	81,179	24
25	56,825	59,666	71,032	85,238	25
26	59,666	62,649	74,583	89,499	26
27	62,649	65,781	78,312	93,974	27
28	65,781	69,070	82,227	98,672	28
29	69,070	72,524	86,338	103,605	29
30	72,524	76,150	90,655	108,786	30
31	76,150	79,958	95,188	114,225	31
32	79,958	83,956	99,948	119,937	32
33	83,956	88,154	104,945	125,934	33
34	88,154	92,562	110,193	132,231	34
35	92,562	97,190	115,703	138,843	35

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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**City of Henderson  
Salary Schedule  
2013-2014  
with 18% reduction**

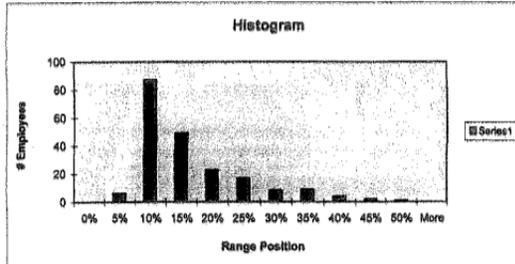
GRADE	HIRING RATE	MINIMUM	MID POINT	MAXIMUM	GRADE
3	16,000	16,400	20,000	24,000	3
4	16,800	17,220	21,000	25,200	4
5	17,640	18,081	22,060	26,480	5
6	18,522	18,985	23,153	27,783	6
7	19,448	19,934	24,310	29,172	7
8	20,420	20,931	25,525	30,630	8
9	21,441	21,977	26,802	32,162	9
10	22,513	23,076	28,142	33,770	10
11	23,639	24,230	29,549	35,469	11
12	24,821	25,442	31,027	37,232	12
13	26,062	26,714	32,578	39,093	13
14	27,365	28,049	34,207	41,048	14
15	28,733	29,451	35,917	43,100	15
16	30,170	30,924	37,713	45,255	16
17	31,679	32,471	39,599	47,519	17
18	33,263	34,095	41,579	49,895	18
19	34,926	35,799	43,658	52,389	19
20	36,672	37,589	45,840	55,008	20
21	38,506	39,469	48,133	57,759	21
22	40,431	41,442	50,539	60,647	22
23	42,453	43,514	53,067	63,680	23
24	44,576	45,690	55,720	66,864	24
25	46,805	47,975	58,507	70,208	25
26	49,145	50,374	61,432	73,718	26
27	51,602	52,892	64,503	77,403	27
28	54,182	55,537	67,728	81,273	28
29	56,891	58,313	71,114	85,337	29
30	59,736	61,229	74,670	89,604	30
31	62,723	64,291	78,404	94,085	31
32	65,859	67,505	82,324	98,789	32
33	69,152	70,881	86,440	103,728	33
34	72,610	74,425	90,763	108,915	34
35	76,241	78,147	95,302	114,362	35

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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**CITY OF HENDERSON  
EMPLOYEE RANGE DISTRIBUTION**

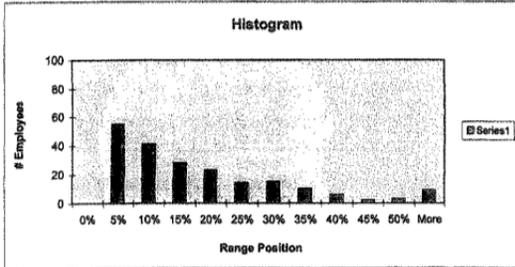
Range Pos	# Emp
0%	0
5%	6
10%	87
15%	48
20%	23
25%	17
30%	8
35%	9
40%	4
45%	2
50%	1
More	0



**SALARY SCHEDULE A**

To 5% Probationary Step Plus 1% Per Full Year of service

Range Pos	# Emp
0%	0
5%	55
10%	41
15%	28
20%	23
25%	14
30%	15
35%	10
40%	6
45%	2
50%	3
More	9



**SALARY SCHEDULE B**

To 2.5% Probationary Step Plus 1/3% Per Full Year of service  
Increases Capped at Midpoint of the Range  
Reduce recommended range by 18%

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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City of Henderson  
List of Classes Arranged by Grade

GRADE	CLASSIFICATION	FLSA STATUS	HIRING RATE	MAXIMUM
5			21,418	32,124
6	Parking Enforcement Agent/Custodian		22,487	33,731
7			23,611	35,417
8	Hydrant Maintenance Technician Maintenance Worker Meter Reader Office Assistant Parks Maintenance Worker Street Maintenance Worker		24,792	37,188
9	Plant Maintenance Worker Solid Waste Equipment Operator Street Sign Technician Utility Maintenance Mechanic		26,032	39,048
10	Customer Services Representative Fleet Service Technician Public Works Crew Leader Senior Street Maintenance Worker		27,334	41,001
11	Administrative Support Specialist Human Resources Technician Police Records Clerk		28,701	43,052
12	Accounting Technician Accounts Payable Specialist Plant Maintenance Mechanic Senior Police Records Clerk Treatment Plant Operator Utility Billing Specialist		30,136	45,204
13	Athletics Program Specialist Firefighter Laboratory Technician Payroll Specialist Street Maintenance Crew Leader		31,643	47,465
14	Executive Assistant Fleet Maintenance Mechanic Laboratory Analyst Senior Firefighter Utility Maintenance Crew Leader		33,225	49,838

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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City of Henderson  
List of Classes Arranged by Grade

GRADE	CLASSIFICATION	FLSA STATUS	HIRING RATE	MAXIMUM
15	Codes Compliance Inspector Fire Engineer Instrument Technician Parks Maintenance Supervisor Police Detective * Police Officer Police Records Supervisor		34,888	52,329
16	Accountant Chemist		36,630	54,945
17	Administrative Services Officer Aquatics Program Supervisor Athletics Program Supervisor Fleet Maintenance Supervisor GIS Technician Plant Maintenance Supervisor Public Works Supervisor Recreation Center Supervisor Recreation Program Supervisor Senior Instrument Technician Street Maintenance Supervisor Youth Services Program Coordinator Zoning Administrator		38,462	57,693
18	Chief Treatment Plant Operator Construction Inspector Customer Services Supervisor Engineering Technician Fire Lieutenant Laboratory Supervisor Police Detective Sergeant Police Sergeant		40,385	60,578
19	City Clerk Community Development Specialist Main Street Program Manager		42,404	63,606
20	Distribution and Collection System Supervisor Police Detective Lieutenant Police Lieutenant	E	44,524	66,786
21	Accounting Services Manager Fire Battalion Chief Youth Services Program Manager	E E	46,750	70,125

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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City of Henderson  
List of Classes Arranged by Grade

GRADE	CLASSIFICATION	FLSA STATUS	HIRING RATE	MAXIMUM
22	Code Compliance Director	E	49,088	73,632
	Police Captain	E		
23	Assistant Fire Chief	E	51,542	77,313
	Public Services Operations Manager	E		
	Treatment Plant Director	E		
24			54,119	81,179
25	Human Resources Director	E	56,825	85,238
26	Parks and Recreation Director	E	59,666	89,499
	Planning and Community Development Director	E		
27	Fire Chief	E	62,649	93,974
28	City Engineer	E	65,781	98,672
	Finance Director	E		
	Police Chief	E		
	Public Services Director	E		
29			69,070	103,605
30			72,524	108,786
31	Assistant City Manager	E	76,150	114,225
32			79,958	119,937

E = Exempt from the Wage and Hour Provisions  
of the Fair Labor Standards Act (FLSA)

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

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City of Henderson  
List of Classes Arranged by Title

GRADE	CLASSIFICATION	HIRING RATE	MAXIMUM
18	Accountant	36,630	54,945
21	Accounting Services Manager	46,750	70,125
12	Accounting Technician	30,136	45,204
12	Accounts Payable Specialist	30,136	45,204
17	Administrative Services Officer	38,462	57,693
11	Administrative Support Specialist	28,701	43,052
17	Aquatics Program Supervisor	38,462	57,693
31	Assistant City Manager	76,160	114,225
23	Assistant Fire Chief	61,542	77,313
13	Athletics Program Specialist	31,643	47,465
17	Athletics Program Supervisor	38,462	57,693
16	Chemist	36,630	54,945
18	Chief Treatment Plant Operator	40,385	60,578
19	City Clerk	42,404	63,606
28	City Engineer	65,781	98,672
22	Code Compliance Director	49,088	73,632
15	Codes Compliance Inspector	34,886	52,329
19	Community Development Specialist	42,404	63,606
18	Construction Inspector	40,385	60,578
10	Customer Services Representative	27,334	41,001
18	Customer Services Supervisor	40,385	60,578
20	Distribution and Collection System Supervisor	44,524	66,786
18	Engineering Technician	40,385	60,578
14	Executive Assistant	33,225	49,838
28	Finance Director	65,781	98,672
21	Fire Battalion Chief	46,750	70,125
27	Fire Chief	62,649	93,974
15	Fire Engineer	34,886	52,329
18	Fire Lieutenant	40,385	60,578
13	Firefighter	31,643	47,465
14	Fleet Maintenance Mechanic	33,225	49,838
17	Fleet Maintenance Supervisor	38,462	57,693
10	Fleet Service Technician	27,334	41,001
17	GIS Technician	38,462	57,693
25	Human Resources Director	56,825	85,238
11	Human Resources Technician	28,701	43,052
8	Hydrant Maintenance Technician	24,792	37,188
15	Instrument Technician	34,886	52,329

**FY 14-15 BUDGET  
RESOLUTION 14-42  
2014 POSITION CLASSIFICATION & PAY PLAN**

City of Henderson  
List of Classes Arranged by Title

GRADE	CLASSIFICATION	HIRING RATE	MAXIMUM
14	Laboratory Analyst	33,225	49,838
18	Laboratory Supervisor	40,385	60,578
13	Laboratory Technician	31,643	47,465
19	Main Street Program Manager	42,404	63,606
8	Maintenance Worker	24,792	37,188
8	Meter Reader	24,792	37,188
8	Office Assistant	24,792	37,188
6	Parking Enforcement Agent/Custodian	22,487	33,731
26	Parks and Recreation Director	59,666	89,499
15	Parks Maintenance Supervisor	34,886	52,329
8	Parks Maintenance Worker	24,792	37,188
13	Payroll Specialist	31,643	47,465
26	Planning and Community Development Director	59,666	89,499
12	Plant Maintenance Mechanic	30,136	45,204
17	Plant Maintenance Supervisor	38,462	57,693
9	Plant Maintenance Worker	26,032	39,048
22	Police Captain	49,086	73,632
28	Police Chief	65,781	98,672
15	Police Detective *	34,886	52,329
20	Police Detective Lieutenant	44,524	66,786
18	Police Detective Sergeant	40,385	60,578
20	Police Lieutenant	44,524	66,786
15	Police Officer	34,886	52,329
10	Police Records Clerk	27,334	41,001
15	Police Records Supervisor	34,886	52,329
18	Police Sergeant	40,385	60,578
28	Public Services Director	65,781	98,672
23	Public Services Operations Manager	51,542	77,313
10	Public Works Crew Leader	27,334	41,001
17	Public Works Supervisor	38,462	57,693
17	RecreationCenter Supervisor	38,462	57,693
17	Recreation Program Supervisor	38,462	57,693
14	Senior Firefighter	33,225	49,838
17	Senior Instrument Technician	38,462	57,693
11	Senior Police Records Clerk	28,701	43,052
10	Senior Street Maintenance Worker	27,334	41,001
9	Solid Waste Equipment Operator	26,032	39,048
13	Street Maintenance Crew Leader	31,643	47,465
17	Street Maintenance Supervisor	38,462	57,693

**FY 14-15 BUDGET  
 RESOLUTION 14-42  
 2014 POSITION CLASSIFICATION & PAY PLAN**

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City of Henderson  
 List of Classes Arranged by Title

GRADE	CLASSIFICATION	HIRING RATE	MAXIMUM
8	Street Maintenance Worker	24,792	37,188
9	Street Sign Technician	26,032	39,048
23	Treatment Plant Director	51,542	77,313
12	Treatment Plant Operator	30,136	45,204
12	Utility Billing Specialist	30,136	45,204
14	Utility Maintenance Crew Leader	33,225	49,838
9	Utility Maintenance Mechanic	26,032	39,048
17	Youth Services Program Coordinator	38,462	57,693
21	Youth Services Program Manager	46,750	70,125
17	Zoning Administrator	38,462	57,693