

# **City Council Minutes**

## **Regular Meeting**

### **13 May 2013**

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#### **PRESENT**

Mayor James D. O'Geary, Presiding; and Council Members James C. Kearney, Sr., Sara M. Coffey, Michael C. Inscoe, D. Michael Rainey, Brenda Peace-Jenkins, Garry D. Daeke, Vernon L. Brown, and George M. Daye.

#### **ABSENT**

None.

#### **STAFF PRESENT**

City Manager Ray Griffin, City Clerk Esther J. McCrackin, Assistant City Manager Frank Frazier, Finance Director Katherine C. Brafford, Engineering Director, Peter Sokalski, Henderson Water Reclamation Facility Director Tom Spain and Police Chief Keith Sidwell.

#### **CALL TO ORDER**

The 13 May 2013 Regular Meeting of the Henderson City Council was called to order by Mayor James D. O'Geary at 6:00 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

#### **ROLL CALL**

The City Clerk called the roll and advised Mayor O'Geary a quorum was present.

#### **INVOCATION AND PLEDGE OF ALLEGIANCE**

Council Member Brenda Peace-Jenkins led those in attendance in a prayer and the Pledge of Allegiance.

Mayor O'Geary greeted Council and citizens alike to this meeting.

## **ADJUSTMENTS TO/APPROVAL OF AGENDA**

Mayor O'Geary asked if there were any adjustments to the Agenda. City Manager Griffin advised there would be an addition to the Closed Session in accordance with *G.S. §143-318.11(a)(3), Consult with the City Attorney*. Council Member Coffey asked that a discussion be added regarding the *Recreation Center and School Employees*. With those additions, Mayor O'Geary asked for the pleasure of Council. Council Member Peace-Jenkins moved to accept the Agenda with the two additions mentioned above. Motion seconded by Council Member Daye and unanimously approved.

## **APPROVAL OF MINUTES**

Mayor O'Geary asked for any corrections to and/or approval of the minutes. Council Member Rainey moved the approval of the 22 April 2013 Short Regular and 22 April 2013 Work Session minutes as presented. Motion seconded by Council Member Rainey and unanimously approved.

## **PUBLIC COMMENT PERIOD ON AGENDA ITEMS**

The City Clerk advised the Mayor and Council Members that no citizen wished to speak to Council on agenda matters.

## **NEW BUSINESS**

**Authorizing the Submission of the FY14 BJA Bulletproof Vest Grant Application and NCLM Risk Management Service Reimbursement Funding for the Police Department.**  
(Reference: CAF 13-50; Resolution 13-37)

City Manager Griffin asked Police Chief Sidwell to come forward and brief Council. Chief Sidwell said this request addresses two of the City's KSO's. He went on to say the total cost for the purchase of 10 bulletproof vests and vest carriers would be \$10,575. If awarded, the BJA Bulletproof Vest Grant would provide up to \$5,287.50 and would cover vests purchased after 1 April 2013. Chief Sidwell is also requesting approval to submit a funding reimbursement request to the NC League of Municipalities Risk Management Services.

*(Clerk's Note: Council Member Daeke arrived at 6:17 p.m.)*

Council Member Rainey asked if this is a recurring cost. Chief Sidwell said it is recommended vests be replaced every five (5) years on a rotating basis.

There were no further questions. Mayor O'Geary then asked for the pleasure of Council.

Council Member Inscoe moved the approval of Resolution 13-37, *Authorizing the Submission of the FY13 BJA Bulletproof Vest Grant Application and NCLM Risk Management Service Reimbursement Funding for the Police Department*. Motion seconded by Council Member Rainey and APPROVED by the following vote: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Brown and Daye. NO: None. ABSTAIN: None. ABSENT: Daeke. (See Resolution Book 3, pp. 175)

**Authorizing An Additional Assessment of \$21,362 for FY12-13 to Kerr-Tar Regional Council of Governments for Payment of Funds Owed to the Revolving Loan Funds.**  
(Reference: CAF 13-52; Ordinance 13-25)

*(Clerk's Note: Council Member Inscoe asked to be excused from voting as he serves as a consultant for Kerr-Tar Regional Council of Governments)*

City Manager Griffin said Mr. Danny Wright, Chairman of the Board of Directors for the Kerr-Tar Regional Council of Governments (COG), was present and with the Mayor's approval asked him to come forward to explain this request. Mr. Wright gave a brief history of the COG and explained the COG is funded by grants and the membership fees paid by Franklin, Granville, Person, Vance and Warren Counties, along with 16 municipalities, fund the matches required by various approved grants. He then read a portion of the audit report which identified poor accounting practices which he assured Council have now been corrected. He explained the \$311,367 were improperly used and stated no criminal activity took place with those dollars. The COG is now requesting \$21,362 from the City as its portion of the \$311,367 that needs to be paid immediately and said the COG has full intentions of repaying the City, along with all the other municipalities/counties involved as soon as possible. Mr. Wright added that the EDA has demanded a separate account be established for the repayment of the \$311,367. He also said the position of CBDG Director has been eliminated and the hiring of a COG Director has been postponed as part of the COG's effort to repay this loan. Mr. Wright's full presentation is incorporated by reference and hereby made part of these minutes. *(See Appendix A)*

Council Member Rainey asked if this shortfall occurred this year or over years and about future expenditures. Mr. Wright responded the shortfall manifested itself in 2012 as an accumulation over the years. He also said this is a problem with the Revolving Loan Funds only.

City Attorney John Zollicoffer, Jr., asked if the assessments are based on per capita. Mr. Wright responded yes.

Council Member Kearney expressed his appreciation for the presentation and asked for verification that the full balance is being required from the EDA. Mr. Wright responded yes. He added that once the outstanding funds are repaid he was hopeful the COG would be able to negotiate a new loan.

Council Member Coffey asked for a list of the businesses that received funds. Mr. Wright said he would provide a list.

City Manager Griffin suggested taking \$50,000 reserved for the REEF project to pay the \$21,362 for this project and another project to be discussed later this evening. He shared privilege license fees are down approximately \$89,000 and due to an oversight, the Hospital has just been billed for real property taxes by the Tax Collector

Council Member Coffey asked for verification that the \$50,000 was the same amount discussed at a prior meeting when it was decided to leave the money until the end of the fiscal year.

Discussion ensued and it was decided that taking the \$50,000 from the REEF Project would not show the support expressed by Council previously.

Mayor O'Geary asked for the pleasure of Council.

Council Member Kearney moved the approval of Ordinance 13-25, *Authorizing An Additional Assessment of \$21,362 for FY12-13 to Kerr-Tar Regional Council of Governments for Payment of Funds Owed to the Revolving Loan Funds* with \$50,000 taken from the General Fund Undesignated Balance rather than the REEF project. Motion seconded by Council Member Rainey and APPROVED by the following vote: YES: Kearney, Coffey, Rainey, Peace-Jenkins, Daeke, Brown and Daye. NO: None. ABSTAIN: Inscoe. ABSENT: None. *(See Ordinance Book 8, pp. 569)*

**Authorizing the Dedication and Acceptance of Vance Granville Community College Watermain Extension.** *(Reference: CAF 13-51; Resolution 13-38)*

City Manager Griffin asked Engineering Director Peter Sokalski to brief Council on this item. Mr. Sokalski said Vance Granville Community College (VGCC) has extended approximately 540 linear feet of 6" DIP watermain to serve a newly acquired building by the College which is located across the street from the main campus. The watermains have been constructed and inspected in accordance to the City's standards. All testing for the water main has been performed and approval from DENR has been obtained for the use of the water system. The College has asked the City to accept the main and a one year warranty will be placed on the system as a condition of acceptance by the City.

There was no discussion. Mayor O'Geary asked for the pleasure of Council.

Council Member Rainey moved the approval of Resolution 13-38, *Authorizing the Dedication and Acceptance of Vance Granville Community College Watermain Extension*. Motion seconded by Council Member Coffey and APPROVED by the following vote: YES: Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Brown, Daye and Kearney. NO: None. ABSTAIN: None. ABSENT: None. *(See Resolution Book 3, pp. 177)*

**Approval of Sole Source for New Radio Read Water Meter Purchases and to Purchase the Meters from HD Supply Waterworks, LTD; and Authorizing the Mayor to Sign the Promissory Note for the Loan For Project #H-LRX-F-11-1693 for the Purchase of Radio Read Water Meters and Amending the Budget for Above Mentioned Project.** *(Reference: CAF 13-48; Resolution 13-34, Ordinance 13-24)*

City Manager Griffin asked Engineering Director Peter Sokalski to again come forward and summarize this request. Mr. Sokalski said after about a year and a half, this project has received a loan through the State for \$294,000 to purchase 1,276 ¾" residential water meters; 20 1" water meters; 5 2" water meters and 2 4" water meters, along with 1,296 MBX1 lids with 2" holes. He said the loan is being offered at 0% interest with repayment at \$14,696.40 per year. He also said that H.D. Supply has exclusive rights to distribute these meters in North Carolina. Mr. Sokalski explained that changing to another system would be costly and said staff recommends continuing with the system currently in place.

Council Member Inscoe asked if the new meters would be clustered in particular areas to improve productivity for the meter readers and if any meters would be shelved. Assistant City Manager Frazier said they do not anticipate shelving any of the units. He said they would be used to replace meters and that would limit clustering. Mr. Frazier added that the meters need to be installed within a year after the grant is approved. Mr. Inscoe also asked if there had been any increase in the previous quote. Mr. Sokalski said the cost per unit had decreased by \$5.00

Council Member Rainey asked how many of the new radio read meters are currently in service. Mr. Frazier said approximately 1,300 (both business and residential). Mr. Rainey also asked if customers can request new meters. Mr. Frazier responded normally they are used to replace meters as they break.

With no further questions, Mayor O'Geary asked for Council's pleasure.

Council Member Rainey moved the approval of Resolution 13-34, *Approval of Sole Source for New Radio Read Water Meter Purchases and to Purchase the Meters from HD Supply Waterworks, LTD; and Authorizing the Mayor to Sign the Promissory Note for the Loan For Project #H-LRX-F-11-1693 for the Purchase of Radio Read Water Meters* and Ordinance 13-24, *Amending the Budget for Above Mentioned Project*. Motion seconded by Council Member Kearney and APPROVED by the following vote: YES: Inscoe, Rainey, Peace-Jenkins, Daeke, Brown, Daye, Kearney and Coffey. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 3, pp. 169; Ordinance Book 8, pp. 567)

**Authorizing the Execution of a Contract with McGill Associates, P.A. for the Completion of an Engineering Report for the Elmwood Cemetery Outfall Project; and Establishing a CIP Project Budget for the Elmwood Cemetery Outfall Project.** (Reference: CAF 13-49: Resolution 13-35, Ordinance 13-23)

City Manager Griffin asked Assistant City Manager Frazier to present this item to Council. Mr. Frazier briefly summarized the background for the project and said the project ranked high enough with the State to receive a low interest CWSRF (Clean Water SRF) loan in the amount of \$1,800,000 at 2% interest. He explained the need of meeting all required deadlines and said the first deadline, which is for an Engineering Report, is 1 July 2013. McGill Associates is recommended to perform this Engineering Report as they have assisted the City in applying for loans and grants, both past and present, and are currently working on other CIP projects. Mr. Frazier explained the project is called the Elmwood Cemetery Outfall because the force main that empties into Sandy Creek runs through the Cemetery.

Council Member Inscoe inquired about how this affects the City's debt. City Manager Griffin responded this project would not create an increase due to debt payoffs and the project being built into the 20 year rate stabilization plan. Mr. Inscoe then asked about the Henderson Water Reclamation Facility and Mr. Griffin said this would be discussed during the budget discussions beginning Monday evening.

Mayor O'Geary then asked for the Council's pleasure.

Council Member Kearney moved the approval of Resolution 13-35, *Authorizing the Execution of a Contract with McGill Associates, P.A. for the Completion of an Engineering Report for the Elmwood Cemetery Outfall Project*; and Ordinance 13-23, *Establishing a CIP Project Budget for the Elmwood Cemetery Outfall Project*. Motion seconded by Council Member Daeke and APPROVED by the following vote: YES: Rainey, Peace-Jenkins, Daeke, Brown, Daye, Kearney, Coffey and Inscoe. NO: None. ABSTAIN: None. ABSENT: None (*See Resolution Book 3, pp. 171; Ordinance Book 8, pp. 565*)

**Authorizing Vance County to Extend 2,500 Linear Feet of Waterlines into Warren County.**  
(Reference: CAF 13-58; Resolution 13-40)

City Manager Griffin said he received a request from Vance County to extend water lines into Warren County and asked City Attorney John Zollicoffer, Jr. to explain the contract. Attorney Zollicoffer, Jr. said the contract is between Vance County and Warren County and by a prior agreement between Vance County and the City, Vance County is now requesting permission from the City to extend their waterlines. If approved, the water line would extend 2,500 linear feet on Tower Road.

Council Member Kearney asked who owned the line. Attorney Zollicoffer said Vance County.

There was no further discussion and then Mayor O'Geary asked for the Council's pleasure.

Council Member Inscoe moved the approval of Resolution 13-40, *Authorizing Vance County to Extend 2,500 Linear Feet of Waterlines into Warren County*. Motion seconded by Council Member Coffey and APPROVED by the following vote: YES: Peace-Jenkins, Daeke, Brown, Daye, Kearney, Coffey, Inscoe and Rainey. NO: None. ABSTAIN: None. ABSENT: None. (*See Resolution Book 3, pp. 181*)

**Authorizing an Agreement Between the Embassy Cultural Center Foundation and the City of Henderson.** (Reference: CAF 13-57; Resolution 13-39)

City Manager Griffin said Mr. John Wester, Mr. Sam Watkins and Mr. George Watkins, representing the Foundation Board, were present to answer questions. He then asked City Attorney Zollicoffer, Jr., who had briefed Council Members previously, to discuss the key elements of the agreement

Attorney Zollicoffer, Jr. said years ago the City purchased land where the current library is located and the Foundation was formed to raise funds from the general public to build the library. Because the City is not allowed to borrow against pledged funds, an agreement was signed to deed the Foundation that City block and the Foundation was to build the library and then deed it back to the City. The property to the South of the library, which the Foundation owns, is the location where the Foundation now wishes to build a new performing arts center with funds they have raised for this purpose.

This agreement provides that the Foundation will payoff all deeds of trust and liens and encumbrances against the library building and the parking lot on the North end of the property. The Foundation would have no control over the library and the City would continue to have

rights to use McGregor Hall. Attorney Zollicoffer, Jr. said there is a storage closet within the library that opens into the lobby that will belong to the Foundation.

The Foundation has entered into an agreement with H. G. Reynolds to construct the performing arts center on the property South of the library. The City will release any interest it may have in that property and McGregor Hall as part of the agreement for conveyance of the library to the City. The City will have no obligation to build, maintain or operate the performing arts center. According to the agreement the performing arts center will be maintained and operated by the Foundation and all profits would go to the Foundation. The City would release the Foundation from any debts it presently might owe to the City.

Attorney Zollicoffer, Jr. added the City will have the ability to join the Foundation in obtaining grants but the City would have no liability regarding payment of any grants received.

Attorney Zollicoffer, Jr. also said H.G. Reynolds has requested certain parking spaces be cordoned off during construction and fencing be put in place to protect citizens and building materials.

Council Member Kearney asked if the County/City relationship regarding the operation of the Library would change. The answer was no; the relationship would remain the same.

Council Member Inscoe said the \$10M in assets brought to the City books not only helps with taxes but will also help with the City's Bond rating.

At this time, Mayor O'Geary asked Mr. Wester, Chairman of the Foundation, to come forward.

Council Member Rainey asked when construction of the performing arts center building will begin. Mr. Wester responded the end of this summer with an approximate 14 month timeframe for completion.

Council Member Brown asked about seating capacity. Mr. Wester said there would be 957 – 1,000 seats and explained the layout allows for a portion of the seating to remain dark when smaller groups use the facility.

Council Member Inscoe said he thought it admirable the citizens of this size city could raise the monies to build this center. Mr. Wester agreed and emphasized the project is consistent with the original design.

Council Member Rainey gave kudos/hats off to the Board of Directors of the Foundation for their positive attitude in seeing this project to completion. He said thank you to all involved.

Council Member Peace-Jenkins said they have set an example of perseverance/tenacity.

Mayor O'Geary said this speaks well of the City of Henderson and the people. He then asked for the pleasure of Council.

Council Member Inscoe moved the approval of Resolution 13-32, *Authorizing an Agreement Between the Embassy Cultural Center Foundation and the City of Henderson*. Motion seconded by Council Member Rainey and APPROVED by the following vote: YES: Daeke, Brown, Daye, Kearney, Coffey, Inscoe, Rainey and Peace-Jenkins. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 3, pp. 179)

**Amending Separate Contracts Between the City and Cordell's Lawn Care, Inc. and Perks Lawn Care, LLC to Include Additional Landscaping Services.** (Reference: CAF 13-32; Resolution 13-32)

City Manager Griffin asked Assistant City Manager Frank Frazier to summarize this request. Mr. Frazier said during the 11 March 2013 meeting, Council asked staff to consider other areas for privatization. These amended contracts include awarding Veterans Triangle and the Bennett Perry House to Cordell's Lawn Care and the downtown area and North Garnett Street to Park's Lawn Care.

Council Member Inscoe asked if there were bid specifications and if the contract included pruning shrubs and trees. He also asked about the sprinkler system and if the agreement included mulching, aerating, fertilizing, and if the contract included the trees in the City parking area on Garnett Street. Mr. Frazier responded there was no designated guide; the sprinkler system needed to be repaired by the City and then would be maintained by the landscaper; mulching and aerating were included; however, fertilizing was not included and lastly the parking lot was not considered.

Council Member Coffey asked if the agreement included replacement of shrubs. Mr. Frazier responded no.

Council Member Kearney inquired about the net effect in terms of dollars to the City. Mr. Frazier said it would allow staff to spend more time on street work. Council Member Rainey summarized by saying staff would not be spread so thin.

Council Member Inscoe asked to have a revision to the contract to include the downtown parking lot.

Council Member Coffey made a motion to approve Resolution 13-32 as presented. Mr. Inscoe then asked her to withdraw her motion so the contract could be revised during the budget process to include the downtown parking area. Council Member Coffey withdrew her motion. It was the consensus of Council to discuss this during the budget process and to bring this item back to Council at a future meeting.

**Award of FY13 Audit Contract Between the City of Henderson and William L. Stark and Company.** (Reference: CAF 13-60; Resolution 13-41)

City Manager Griffin asked Finance Director Kathy Brafford to address Council. Ms. Brafford reminded Council that William L. Stark and Company submitted a three year proposal to perform the City's audit in 2012. They completed the FY12 audit and the contract for FY13 would total \$41,550, approximately a 5% increase over FY13.

There was no discussion. Mayor O'Geary asked for the pleasure of Council.

Council Member Rainey moved the approval of Resolution 13-41, *Award of FY13 Audit Contract Between the City of Henderson and William L. Stark and Company*. Motion seconded by Council Member Kearney and APPROVED by the following vote: YES: Daye, Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke and Brown. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 3, pp. 183)

### **Recreation Center – School Employees**

Council Member Coffey asked why school employees are not able to use the Recreation Facility. She stated County and City employees use the facility free of charge and shared portions of correspondence between the school superintendent, Mr. Gregory and the Aycock Recreation Center Director, Alan Gill. She said Mr. Gregory felt free use of the facility would be an additional tool for recruiting teachers.

City Manager Griffin said he had asked Mr. Gill to obtain the number of school employees so he could consider the impact and as far as he knew, Mr. Gill had never received the information requested. Mr. Griffin said he would prepare a report for the June meeting.

### **CONSENT AGENDA**

The City Clerk read the Consent Agenda, summarized as follows:

**Updating the Sewer Use Ordinance, Chapter 15.** (Reference: CAF 13-23; Ordinance 13-14) This amendment increases the City's enforcement authority as well as makes the wording more concise and comprehensible, and removes outdated sections. (See Ordinance Book 8, p 547)

**Issuing Sewer Credit for Outside Watering of Lawns, Plants and Vegetation from June 1, 2013 through October 31, 2013.** (Reference: CAF 13-37; Resolution 13-29) This allows credit to customers for watering throughout the summer with a caveat that it may be discontinued if water conservation measures and/or a drought situation arise. (See Resolution Book 3, p 159)

**Amending/Closing Out the Following Grants: Fund 55-201: Fire FM Global Grant; Fund 55-203: BJA Bulletproof Vests Grant; and Fund 55-302: Orange Breckenridge Redevelopment Grant.** (CAF 13-42; Ordinance 13-21) This amends/closes out the above mentioned funds. (See Ordinance Book 8, p 561)

**Amending the General Fund and the Water Fund.** (CAF 13-53; Ordinance 13-26) This corrects Budget Amendment #25 and #7 respectively. (See Ordinance Book 8, p 571)

**Amending Fund 510: Police Department and Fund 530: Fire Department of the General Fund.** (Reference: CAF 13-54; Ordinance 13-18) This allows for the appropriation of proceeds of insurance claims back to the appropriate departments to offset repair costs. (See Ordinance Book 8, p 555)

**Authorizing an Additional Appropriation of \$25,000 to the Departmental Budget for the City Attorney.** (Reference: CAF 13-56; Ordinance 13-28) This appropriation is necessary to cover the attorney fees of the law firm of Tharrington Smith, LLP in connection with the Pitts, Von Williams case. (See Ordinance Book 8, p 575)

**Closing Out the Water Main Replacement/Relocation of the Red Bud Creek Bridge Project Fund 43-848 and Amending Capital Reserve utilities Fund 70.** (Reference: CAF 13-55; Ordinance 13-27) This Ordinance returns the surplus funds to Capital Reserves Utilities and closes out this project. (See Ordinance Bok 8, p 573)

**Amending the General Fund – Recreation Department Budget.** (Reference: CAF 13-59; Ordinance 13-29) This amendment will budget the proceeds of the fund raiser \$6,623) plus an additional \$377 from general recreation donations to cover fund raiser expenses and to offset expenses of the upcoming summer production of *The Sound of Music*. (See Ordinance Book 8, p 577)

**Tax Releases and Refunds from Vance County for the Month of March 2013.** (Reference: CAF 13-45). The Finance Director has reviewed the tax releases and refunds and has found them to be in order. (See below)

March 2013 Tax Releases			
Name	Reason	Tax Year	Amount
<b>Real &amp; Personal Property</b>			
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2000	\$ 11.20
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2001	\$ 11.20
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2003	\$ 12.20
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2003	\$ 253.75
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2004	\$ 12.80
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2004	\$ 13.12
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2005	\$ 13.40
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2005	\$ 63.74
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2006	\$ 13.40
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2006	\$ 13.74
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2007	\$ 13.40
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2007	\$ 13.74

Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2008	\$ 20.34
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2008	\$ 20.85
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2009	\$ 21.06
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2009	\$ 21.59
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2010	\$ 21.06
Cordell, William F	Correct Ownership	2010	\$ 231.48
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2010	\$ 21.59
Vision of Hope Intern	Correct Ownership	2010	\$ (231.48)
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2011	\$ 21.06
Cordell, William F	Correct Ownership	2011	\$ 231.43
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2011	\$ 21.59
Vision of Hope Intern	Correct Ownership	2011	\$ (231.43)
Brame, Leah B. Heirs	Taxes Lost to Foreclosure	2012	\$ 21.06
Cordell, William F	Correct Ownership	2012	\$ 231.43
Davis, Georgia S Heirs	Taxes Lost to Foreclosure	2012	\$ 21.59
Vision of Hope Intern	Correct Ownership	2012	\$ (231.43)
<b>Total R&amp;P Prop. Releases</b>			<b>\$ 657.48</b>
<b>Registered Vehicle Refunds</b>			
Brownson, Jacqueline R	Pro-Rate	2011	\$ 5.15
Hargrove, Linda Wade	Pro-Rate	2011	\$ 3.95
Clark, Elizabeth Leona	Pro-Rate	2012	\$ 2.60
Corbitt Hills Construction	Pro-Rate	2012	\$ 61.59
Hamm, Johnny Hartwell	Pro-Rate	2012	\$ 9.05
Hensley, Phyllis Ann	Pro-Rate	2012	\$ 1.96
Howes, Lebert Andre	Pro-Rate	2012	\$ 4.15
Hughes, Howard Arthur	Pro-Rate	2012	\$ 2.49
Johnson, Sabrina Antio	Pro-Rate	2012	\$ 4.16
Kelley, Tryone	Pro-Rate	2012	\$ 23.61
Rouse, Jamon Andre	Pro-Rate	2012	\$ 63.71
Thorpe, Julia Henderson	Pro-Rate	2012	\$ 1.56
Vaughan, Ernest Lee	Pro-Rate	2012	\$ 1.99
Watkins, Lloyd Quintin	Correct Situs	2012	\$ 47.56
Wilkerson, Sandra Harris	Pro-Rate	2012	\$ 5.74
<b>Total Refunds</b>			<b>\$ 239.27</b>

<b>Registered Vehicle</b>			
<b>Releases</b>			
Moore, NE Dempsey Jr.	Correct Situs	2011	\$ 15.32
Perry,James Otis	Pro-Rate	2011	\$ 1.80
Allen, Helen Thomas	Pro-Rate	2012	\$ 4.24
Allen, Lathisha Monique	Pro-Rate	2012	\$ 19.26
Alliance Rehabilitation	Charitable All O	2012	\$ 95.64
Carroll, Larry Darnell	Pro-Rate	2012	\$ 58.50
Carter, Brandon Jamail	Pro-Rate	2012	\$ 37.61
Catlett, Robert Stephen	Pro-Rate	2012	\$ 1.09
Cawthorne, Wallace Graham	Pro-Rate	2012	\$ 38.08
Clodfelter, Catherine	Correct Value	2012	\$ 5.01
Dieng, Xernorna Yoland	Pro-Rate	2012	\$ 28.59
Ellis, Charles Lawrence	Correct Situs	2012	\$ 73.53
ETC of Henderson	Correct Value	2012	\$ 43.73
Henderson, Charline Shunta	Pro-Rate	2012	\$ 9.13
Henderson, Orthopaedic	Pro-Rate	2012	\$ 11.95
Henderson, Willie	Correct Situs	2012	\$ 164.09
Howard, Bettie Denise	Transfer Out	2012	\$ 60.54
Kelly, Jazman Shua	Pro-Rate	2012	\$ 33.69
Kerr Area Transportation Auth.	Charitable All O	2012	\$ 6,900.52
Kodavanti Viswahdham	Pro-Rate	2012	\$ 4.43
Leyes, Gladys	Pro-Rate	2012	\$ 11.17
McLaughlin, Amy Ball	Pro-Rate	2012	\$ 38.26
Melchoir, Jessica Kamill	Pro-Rate	2012	\$ 2.16
Perry,James Otis	Pro-Rate	2012	\$ 15.28
Ragland, Tiffany Nicole	Pro-Rate	2012	\$ 9.48
Washington, Sheila Lorraine	Pro-Rate	2012	\$ 50.69
Wilkins, Kevin Michael	Military Non Resident	2012	\$ 144.61
Williams, Jacquelin Hawley	Pro-Rate	2012	\$ 9.76
<b>Total Reg Veh Releases</b>			<b>\$ 7,888.16</b>
<b>Total Reg Veh Releases</b>			
<b>&amp; Refunds</b>			<b>\$ 8,127.43</b>
<b>Total All Release &amp; Refunds</b>			<b>\$ 8,784.91</b>

City Manager Griffin asked to remove the *Authorizing an Additional Appropriation of \$25,000 to the Departmental Budget for the City Attorney from the Consent Agenda. (Reference: CAF 13-56; Ordinance 13-28) See next page.*

There were no other requests for removal. Mayor O'Geary asked for a motion to approve the consent Agenda excluding the *Authorizing an Additional Appropriation of \$25,000 to the Departmental Budget for the City Attorney from the Consent Agenda*.

Council Member Peace-Jenkins moved the approval of the Consent Agenda as amended. Motion seconded by Council Member Kearney and APPROVED by the following vote: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Brown, and Daye. NO: None. ABSTAIN: None. ABSENT: None.

Council Member Kearney expressed his appreciation for the diligence in saving dollars on the Red Bud Creek Bridge Project. City Manager Griffin said the hard work of both Assistant City Manager Frank Frazier and Engineering Director Peter Sokalski were responsible for the savings.

**Authorizing an Additional Appropriation of \$25,000 to the Departmental Budget for the City Attorney.** (*Reference: CAF 13-56; Ordinance 13-28*)

City Manager Griffin said in light of an earlier discussion this evening regarding Council's desire to keep the \$50,000 reserved for the REEF Project intact, and since this amendment includes a portion of that REEF appropriation of \$50,000, it is appropriate to increase the fund balance appropriation from the General Fund to cover the additional costs of fees incurred by the law firm of Tharrington Smith, LLP for legal services in connection with the Pitts, Von Williams case also be taken from the General Fund.

There was no discussion. Mayor O'Geary asked for Council's pleasure.

Council Member Rainey moved the approval of Ordinance 13-28, *Authorizing an Additional Appropriation of \$25,000 from the General Fund's Undesignated Balance to the Departmental Budget for the City Attorney*. Motion seconded by Council Member Daeke and APPROVED by the following vote: YES: Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Brown, Daye and Kearney. NO: None. ABSTAIN: None. ABSENT: None.

**WORK SESSION**

City Manager Griffin asked Economic Development Commission Director Stuart Litvin to introduce the new owners of the Quality Inn. Mr. Litvin introduced Anjali Koul as owner of the Inn, her daughter, Manasvi Koul and Floor Manager, Joel Casey. Ms. Koul gave a brief PowerPoint presentation showing before and after pictures of the Inn. Approximately 20 Henderson residents are employed by the Inn and Ms. Koul was proud to share all the work to improve the Inn was done locally with local products, workers, etc. She also asked for assistance from the City to make the Inn more appealing to travelers. She asked for road repairs, more lighting and removal of trees.

Mr. Griffin said the issues would be considered during the budget process and suggested Ms. Koul speak with the State as it was felt some of the trees were located on State property.

Before leaving the three introduced themselves to each Council Member.

## **PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS**

City Clerk McCrackin advised no citizen wished to address City Council.

## **REPORTS**

- a) Mayor/Mayor Pro-Tem (No Report)
- b) City Manager – City Manager Griffin felt it appropriate to advise Council of the declaration of surplus property and offered an opportunity for discussion. There was none.
- c) City Attorney – City Attorney Zollicoffer, Jr. said Mr. Bill Faison would like to purchase the rights on an easement along the Southerland Mill property. He said this would get through the proper bidding process.
- d) City Clerk – City Clerk McCrackin reminded Council of the groundbreaking ceremony for the Henderson Water Reclamation Facility Improvements on Tuesday, 14 May; the Ethics Webinar on Wednesday, 15 May and the Special Called Meeting on Monday 20 May.

With no further discussion, Mayor O’Geary asked if Council was prepared to go into Closed Session and stated there would be no report following the session.

## **CLOSED SESSION**

Council Member Rainey moved for Council to convene in closed session pursuant to G.S. §143-318.11(a)(3) for an Attorney-Client Privilege Matter, and G.S. §143-318.11(a)(6) for a Personnel Matter. Motion seconded by Council Member Peace-Jenkins and unanimously approved.

Council Member Rainey moved for Council to convene in open session. Motion seconded by Council Member Daeke and unanimously approved.

## **ADJOURNMENT**

Council Member Rainey moved for adjournment. Motion seconded by Council Member Daeke, and was unanimously approved. The meeting adjourned 9:34 p.m.

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James D. O’Geary  
Mayor

**ATTEST:**

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Esther J. McCrackin  
City Clerk

Mr Mayor, Members of the Council, Madam Clerk, Mr. Manager

Thank you for allowing me to appear before you tonight on behalf of the Kerr Tar Regional Council of Governments.

The Council of Governments, which you helped create in 1975, which you help finance **and** which you help govern through your appointments to the COG Board of Directors, is in serious financial difficulty. Regrettably, but dutifully, I am here to speak to you on this matter tonight.

My name is Danny Wright. I am a member of the COG Board of Directors, serving since 1984. I live and work in Vance County. I am Chairman of the newly formed Finance Committee of the COG. The Kerr Tar Council of Governments consist of 5 Counties (Franklin, Granville, Person, Vance and Warren) and 16 municipalities within those counties. I have provided you with a list of the member units and their appointments to the COG Board of Directors to give you a sense of the leadership of our organization. Ultimately, the COG Board of Directors is responsible for the proper administration and management of the COG. As one member of the board, I accept responsibility for the situation we are in. As a board, we are taking the necessary steps to ensure the long-term economic viability of the Kerr-Tar Council of Governments. I appear before you tonight at the board's request.

The operating expenses of the COG are funded through the administrative dollars **allowed** for each of the grants they receive and administer. The local membership assessments that you pay on an annual basis is used to pay the required match for the grants received. For the 5 year period ended June 30, 2012, our member units paid \$501,064 in local assessments to the COG. These assessments were used for matches of federal and state grants that totalled more than \$30 million dollars in the same 5 year period. That is a return of \$61 in federal and state dollars for every \$1.00 of local membership assessments. 61 to 1 is a nice ROI. That is simply what COGs do. There are 16 COGs in North Carolina and 506 across the nation. Authorized by federal statute and formed by state statute, COGs develop regional solutions to regional problems by fostering regional collaboration. Counties and cities do not exist in isolation, our destinies are intertwined. **This** COG has a long distinguished history of helping to improve local governments in a variety of ways, including, but not limited to,

administration, planning and GIS mapping, transportation, economic development, work force development, aging, grant writing, CDBG and HUD Administration grants, as well as providing additional technical assistance on a contractual basis to member units that otherwise might not be able to afford such services. The COG also serves as the “convener” on a host of issues relating to our state and federal partnerships. There is significant value in local governments pulling together and seeking regional solutions to regional problems.

And now for the problem and our request.

During the fiscal year 2011-2012, the COG began to have cash flow problems in it’s General Fund that led to the unintentional borrowing of and improper use of restricted federal funds. (EDA) Let me say that there is no missing money, no intentional wrongdoing, and no criminal activity involved. What occurred, happened as a result of poor accounting procedures and practices with respect to controlling expenses within the allotted contract revenues, with respect to the monitoring of prepaid expenses and receivables to ensure that the fair values reported in the balance sheet are supported by the underlying documentation, and with respect to the accurate tracking of cash balances within the centralized cash account.

In the June 30<sup>th</sup> 2012 Audit Report prepared by Phillips, Dorsey, Thomas, Waters & Brafford, PA, the following significant finding was reported:

See Audit Page 78-79 (Read the finding)

When EDA received the audit report, they had a “hissy fit” as my grandma used to say. And rightfully so. EDA has demanded that we return to them the entire balance in the RLF Loan Account totaling \$311,107.30 immediately. We don’t have the funds and that is the reason for our request.

When news of our financial difficulty came to the Board’s attention, we immediately implemented a Deficit Reduction Plan on 10/01/12. (Read the highlights)

request Letter (Attached)

We believe that once the funds have been paid back in full to EDA, they will view our future more favorably. In the event that this COG is dissolved, the federal funds earmarked for our region on a per capita basis, will continue to flow to this region, but through another COG; ie; Triangle J in Raleigh. Then we will really be a little fish in a big pond with little or no say in the decision making process, and they will take their assessment share off of the top, which they are entitled to do.

Thank you for allowing me to speak to you on this matter. Any consideration that you may give our request will be grateful for. We will work hard to regain your trust and restore the confidence that is essential for government to be effective and for partnerships to work.

Questions?