

City Council Minutes
Recessed Short Regular Meeting from 24 and 25 June 2013
27 June 2013

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, Finance Director Kathy Brafford, Planning and Community Development Director Erris Dunston, Code Compliance Director Corey Williams, Recreation and Parks Director Alan Gill, Kerr Lake Regional Water Plant Manager Christy Lipscomb, Fire Chief Danny Wilkerson, Assistant Fire Chief Steve Cordell, Police Captain Perry Twisdale, Interim Police Chief Marcus Barrow, and Human Resources Director Cathy Brown.

CALL TO ORDER

The 27 June 2013 Recessed Short Regular Meeting of the Henderson City Council was reconvened by Mayor James D. O'Geary at 6:30 p.m. in the R. G. "Chick" Young, Jr., Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

Mayor O'Geary opened the meeting saying the purpose of this meeting is to discuss and take action on the *FY 13-14 Budget*: Ordinance 13-19.

ROLL CALL

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

He then asked City Manager Griffin to begin the discussion.

Approval of the FY13-14 Annual Operating Budget, Establishing the 2013 Ad Valorem Property Tax Rate and Approving the Annual Fee Schedule. (Reference: CAF 13-B-40; Ordinance 13-19)

In response to Council's request for a 1.5% across-the-board budget cut during the 25 June Recessed Short Regular Meeting, Mr. Griffin began by saying he was able to finalize the information requested just prior to this meeting. He then reviewed the data presented saying in total amount the 1.5% reduction from the \$15,300,000 should be \$229,500; however, not all of the General Funds could be reduced which increased the requested reductions to \$263,222 or from the proposed \$15,300,000 down to \$15,036,780. He advised the effective reduction percentage was 2.15% for reducible departments and 3.85% for Recreation. Mr. Griffin went on to share some of the major impacts of this reduction saying many budgets will lose travel and training funding, there would be further reductions in the street lighting fund, seasonal staffing will be reduced which will necessitate citizens to bag leaves for pick-up and most of all, the Police Department would be reduced by two (2) officers and the reinstatement of the frozen fire fighter would be frozen for another year.

Mr. Griffin said he could appreciate the dilemma Council faces but said in all honesty he could not recommend the 1.5% reduction. He felt the lack of flexibility would create problems throughout the year with unexpected costs and/or loss of revenue; reduction in services and lack of training would all result in negative outcomes. He said he respected everyone's frustrations and asked that Council consider other alternatives.

City Manager Griffin then referred to a matrix showing how the 1.5% budget reduction would affect each reducible General Fund account and lastly presented a Budget Review Worksheet showing all the adjustments Council has requested throughout the budget process. He then said he would be happy to answer any questions.

Mayor O'Geary then opened the floor for comments and first recognized Council Member Kearney.

Council Member Kearney said he felt the garbage fees pay for what citizens get and property taxes pay for what citizen already received. Mr. Kearney said he was appalled at the sanitation fees and asked how the cost can be justified. He said he had compromised on the \$0.50 additional sanitation fee increase in earlier discussions because he thought that would move the budget forward. He added he did not want to see another dime added to sanitation portion of the budget. He then asked for a motion on the \$15,300,000, as articulated in Ordinance 13-19, consensus budget which presented for approval on 24 June as Ordinance 13-19.

Motion was made by Council Member Kearney on the consensus budget as it was presented during the 24 June 2013 Short Regular meeting which entailed a 1% increase in Sewer; a \$2.00 increase in Sanitation and a 3.5 cent increase in property taxes.

Mayor O'Geary asked if there was a second. Motion was seconded by Council Member Peace-Jenkins and APPROVED by the following vote: YES: Kearney, Peace-Jenkins, Brown and Daye. NO: Coffey, Inscoc, Rainey and Daeke. As this was a tie vote, giving Mayor O'Geary the responsibility to vote and break the tie. Mayor O'Geary voted in favor of this motion making the vote 5/4 in favor of the consensus budget saying he could not support the loss of police/fire positions. (*See Ordinance Book 8, p 557*)

Council Member Peace-Jenkins commended City Manager Griffin and the staff for their work on the budget and she recognized staff is overworked and underpaid. She went on to say she knows not everyone can be satisfied and knows people would be upset but she had to vote for what she felt was just and fair.

Council Member Daeke wanted to make it clear that he would have supported keeping the fire/police positions. He said he did not support the cuts presented but he would have liked to have had further negotiations to perhaps lower the tax increase. He felt the 3.5 cents would be hard, especially on many businesses.

Council Member Coffey would not have supported the loss of fire/police positions. She said she would have liked to have the paperwork sooner for review as she felt another penny might have been found. Ms. Coffey she said she is not happy with the decision and wanted it made clear she does not agree, but it is the decision of Council.

Council Member Inscoc agreed that he would not have supported cutting the positions. He said there are other things that could have been cut and said he is afraid the time will come when the City will have to learn to live within its means. He added unless economic development occurs, the City will continue to have to pull funds from the undesignated Fund Balance.

Council Member Rainey said he appreciated Council Member Kearney's willingness to stand up for his beliefs. He said he knows how hard the City Manager and staff have worked on the budget and added he had really hoped for a two cent tax increase versus the 3.5 cent increase. He said he hoped citizens understood Council is trying to operate the City as efficiently as possible without eliminating services. He added this Council has its own opinions but he said he did not remember ever having a Council split down the middle and hoped this Council is not divided. He said he respects the individual opinions represented and will back the majority decisions. He added he hoped decisions will not require tie breakers in the future.

Council Member Kearney felt Council would still look for cuts moving forward and hopes this will positively affect the Fund Balance. He said there were a number of uncertainties that assumptions have been made on which could have positive or negative impacts in the future.

Mayor O'Geary thanked the Manager and staff for working so hard over the past weeks. He also thanked Council for its hard work and said he hoped good things will come from this decision. He then asked for a motion to adjourn.

Adjournment

Council Member Daeke moved for adjournment. Motion seconded by Council Member Peace-Jenkins and unanimously approved. The meeting adjourned at 7:08 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk