



AGENDA

Henderson City Council Work Session
Monday, 25 February 2013 Immediately Following Regular Session
R. G. (Chick) Young, Jr. Council Chambers, Municipal Building
134 Rose Avenue
Henderson, North Carolina

Mayor and City Council Members

Mayor James D. O'Geary, Presiding

Councilmember James C. Kearney, Sr.
Councilmember Sara M. Coffey
Councilmember Michael C. Inscoe
Councilmember D. Michael Rainey

Councilmember Brenda G. Peace—Jenkins
Councilmember Garry D. Daeke
Councilmember Vernon L. Brown
Councilmember George M. Daye

City Officials

A. Ray Griffin, Jr., City Manager
John H. Zollicoffer, Jr., City Attorney
Esther J. McCrackin, City Clerk

I. CALL TO ORDER

II. ROLL CALL

III. ADJUSTMENTS TO AND/OR APPROVAL OF THE AGENDA

IV. REGULAR WORK SESSION

- a)* Henderson-Vance County Economic Development Commission Update by Director, Stuart Litvin. *(See Notebook Tab 7)*
- b)* Consideration of Approval of Resolution 13-18, Amended Contract Between Perk's Lawn Care and the City of Henderson for the Contracting of Landscape Management Services at Elmwood Cemetery and Blacknall Cemetery. *(CAF 13-24) [See Notebook Tab 8]*
 - Resolution 13-18

- c) Consideration of Approval of Resolution 13-19, Amending the Contract Between Cordell's Lawn Care, Inc., and the City of Henderson Relative to the Landscape Management Services at the Police Station/Breckenridge Streetscape. *(CAF 13-25) [See Notebook Tab 9]*
 - Resolution 13-19

- d) Consideration of Approval of Resolution 13-20, Confirming the City's Desire to Continue Services with Waste Industries, Inc., Relative to the Contracting of Sanitation Services. *(CAF 13-26) [See Notebook Tab 10]*
 - Resolution 13-20

- e) Consideration of Approval of Ordinance 13-10, Amending Chapter 15, Waters and Sewers, of the Henderson City Code and the Annual Fee Schedule. *(CAF 13-29) [See Notebook Tab 11]*
 - Ordinance 13-10

V. ADJOURNMENT

City Council Minutes
Work Session
25 February 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 Daeke, Vernon L. Brown, and George M. Daye.

ABSENT

Council Member Vernon L. Brown

STAFF PRESENT

City Manager Ray Griffin, City Clerk Esther McCrackin, Assistant City Manager Frank Frazier, Finance Director Katherine Brafford and Billing and Collections Supervisor, Shay Bennett

CALL TO ORDER

The 25 February 2013 Work Session of the Henderson City Council was called to order by Mayor James D. O'Geary at 7:07 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.

ADJUSTMENTS TO/APPROVAL OF AGENDA

Mayor O'Geary asked if there were any adjustments to the Agenda. There were no changes and it was the consensus of Council to approve the Agenda as presented

WORK SESSION ITEMS

Henderson-Vance County Economic Development Commission (EDC) Update by Director, Stuart Litvin. *(No Reference number)*

Mayor O'Geary asked Mr. Stuart Litvin to come forward to make his presentation. Mr. Litvin greeted Council and said the information provided is the same as what he presented to the County Commissioners. He explained the first document is a summary, by category for informational purposes and the second document is for internal use only which details steps to be taken regarding incentive programs. Mr. Litvin said the County has requested an update quarterly which he will provide both the City and County going forward. He explained that any Rural Center Grant funds are held in escrow until the requirements are met and defined terms such as lead (i.e., receiving a business card at a trade show); suspect (interested but no plan); and prospect (has prepared a date certain timetable).

Council Member Rainey asked about piggybacking with other surrounding Counties. Mr. Litvin explained that there is an agreement between Vance County, Granville County, Franklin County and Warren County that revenue is shared equally for any development regarding Triangle North. He went on to say development in an area such as the Industrial Park is not considered shared. Mr. Litvin said this arrangement should enable better marketing throughout the area.

Amended Contract Between Perk's Lawn Care and the City of Henderson for the Contracting of Landscape Management Services at Elmwood Cemetery and Blacknall Cemetery. *(Reference: CAF 13-24; Resolution 13-18)*

City Manager Griffin asked Assistant City Manager Frazier to update Council on this contract. Mr. Frazier stated privatizing the care of these two cemeteries has gone well overall and since this contract is due for renewal in August, it is now before Council for consideration. He said when first considered, two bids were received and that Perk's was considerably lower. He felt with the rise in fuel, labor and other costs, Perk's Lawn Care's request for a 4% increase was reasonable and since the working relationship is going well, would recommend renewing the agreement with Perk's Lawn Care. The 4% increase would bring the monthly cost for both cemeteries to \$5,155.97 per month.

Council Member Kearney asked if having this outsourced saved the City dollars and if this is a local contractor. Mr. Frazier responded yes to both. He also explained funeral homes are basically using one grave digger who understands the guidelines so that is working well.

Council Member Inscoe asked for verification that the City does not own Blacknall Cemetery. Mr. Frazier said that is correct and added that when a burial takes place at Blacknall Cemetery, the City is notified of the location for future reference. City Manager Griffin added that the City Attorney has been unsuccessful in several attempts to determine a clear title and owner of Blacknall Cemetery.

It was the consensus of Council to carry this forward as an action item to the next Council meeting.

Amending the Contract Between Cordell's Lawn Care, Inc., and the City of Henderson Relative to the Landscape Management Services at the Police Station/Breckenridge Streetscape. *(Reference: CAF 13-25; Resolution 13-19)*

City Manager Griffin asked Assistant City Manager Frazier to update Council on this contract. Mr. Frazier said Cordell's Lawn Care, Inc. has provided landscape services for the Police Station and Breckenridge Streetscape since 2006. He said he has received positive comments from citizens regarding the work performed by Cordell's Lawn Care and felt that due to the rising cost of fuel and fertilizer, an increase of \$30.00 per month is reasonable.

Council Member Rainey asked who is responsible for the grass cutting on William Street. Mr. Frazier responded the City crews do the work with CSX paying a portion of the cost.

In conjunction with this contract, Mr. Frazier added that the City is now starting to look at taking bids for other areas such as the Bennett Perry House and Veterans Park.

It was the consensus of Council to carry this forward as an action item to the next Council meeting.

Confirming the City's Desire to Continue Services with Waste Industries, Inc. Relative to the Contracting of Sanitation Services. *(Reference: CAF 13-26; Resolution 13-20)*

City Manager Griffin asked Assistant City Manager Frazier to brief Council on this service. Mr. Frazier reminded Council that the contract with Waste Industries was originally approved for service to begin in August 2010. Because there is a 90 day window to cancel, it is necessary for Council to now consider this contract. He said a recent citizen survey resulted in a satisfaction rating of 85.5% with over 12.5% of the customer base responding and the comments he hears most is about the reliability of this service.

It was the consensus of Council to carry this forward as an action item to the next meeting.

Amending Chapter 15, Waters and Sewers, of the Henderson City Code and the Annual Fee Schedule. *(Reference: CAF 13-29; Ordinance 13-10)*

City Manager Griffin advised it has been a little over a year since Council began implementation of new policies requiring a security deposit and no longer allowing "pay one/leave one" which allowed many accounts to remain in perpetual delinquency. He reminded Council there was a glitch in February 2012 when the normal grace period was not provided. In an effort to correct that with the public, Council reduced the security deposit, service fee and extended the grace

period to 10 business days. Council wanted to review these policies after a year, and Mr. Griffin proceeded to present data since the implementation.

He said the implementation of the security deposit and not allowing customers to “pay-one/leave-one” has been very positive. He reviewed several charts showing positive changes which have reduced the risk of loss significantly. He also referred to an upward trend during the latter quarters of 2012 which indicates more customers are no longer complying with the policy. Since it is not as costly to be late, customers seem to be more willing to ignore the policy. He said currently more customers are on the cut-off list than before the changes were implemented. Mr. Griffin expressed concern that the exposure to write-offs would increase permanently lost revenues.

Examples of accounts out of compliance were discussed, and Billing and Collections Supervisor, Shay Bennett said customers would rather pay the \$13.00 than pay their bill on time. Mr. Griffin said customers are receiving on average, a minimum grace period of 12 days and over the recent Christmas holiday, they received 20 days.

In summary, Mr. Griffin said the exposure due to write-offs is still much greater than necessary. Due to the fact that the cut-off list is growing larger rather than smaller, Mr. Griffin felt a discussion on policy changes should occur.

Mr. Griffin’s suggestion to reduce the risk is to consider a two tiered process for residential customers. Tier 1 would restore the security deposit to the November 2011 levels with new customers unable to provide a good letter of credit from their prior service paying \$150 for city customers and \$200 for County residents to establish service. Tier 2 would require customers who have been cut off twice within a rolling 18 month period to pay a security deposit of two and a half times their average bill.

Regarding business accounts, Mr. Griffin said there is a problem with some customers and gave the example of one business customer who is currently in the process of establishing a payment plan for a \$3,000 outstanding bill. Since business accounts cannot be pursued in the same manner as residential accounts, Mr. Griffin suggested that commercial customers, including hotels, churches and restaurants on the cut-off list would have to upgrade their security deposit to two and one half their average bill.

Mr. Griffin said he did not recommend increasing the \$13.00 service fee at this time. He also recommended the grace period be reduced to five (5) calendar days.

Lastly, Mr. Griffin explained that the Code currently requires customers to come in to close their account. If a structure is found to be vacant and the customer has not closed their account, Ms. Bennett will go ahead and close the account. Also, if individuals are residing in a structure with no service, Ms. Bennett and Code Compliance Director Corey Williams have been working together as this is a violation of City Code.

Council Member Rainey asked about what point in time commercial accounts are cut-off. Mr. Griffin responded that commercial accounts go through the same process and once they are on the cut-off list, they are cut-off just like residential customers. Ms. Bennett added notification is provided by several methods including door hangers left by the meter readers; telephone calls, etc. She said then about 99.9% of customers come in and pay.

Council Member Kearney asked for verification that there are more on the cut-off list now than before instituting the security deposit. Mr. Griffin said it's about the same and usually the same people. Mr. Kearney then asked about receiving new security deposits and if the meter readers had any idea when they go out to cut off a meter if the structure is vacant. Ms. Bennett said there have been very few security deposit refunds and stated the meter readers are trained to look for vacancies.

Council Member Coffey said she understands people are having a hard time paying their bills and asked if there was a way to track individuals who attempt to establish service under a different name at a different location. Mr. Griffin responded yes and said the customer service representatives are now making copies of leases, social security cards and drivers licenses when service is established and they have captured some past due dollars by using this method.

Council Member Rainey asked how far back the City can go with the State regarding the debt setoff and what the main source is for these dollars. Ms. Bennett responded she selected a date as far back as possible and the funds come from income tax and lottery winnings. Mr. Griffin expressed concern here regarding the General Session's consideration of abolishing the State income tax which would take away this method.

At this time, Mr. Griffin said he would like to suggest Council consider making changes effective 1 April. He also said the Chapter in the City Code would need to be clarified.

Council Member Daeke felt citizens deserved more time to hear about the changes and said every possible medium for reaching citizens should be utilized. Council Member Peace-Jenkins said the lesson has been learned and citizens need time to learn of any changes to be made. Council Member Coffey felt 1 April would be a problem and felt 1 June would be a better date to make changes effective. Council Member Kearney said he would like to a lead time of 60 days following the establishment of any new policy. He did not want this to be a hasty decision.

City Manager Griffin asked if Council would consider implementing changes for businesses in May and residences in June.

Council Member Inscoe reminded Council that the utilities being discussed operate as a business and stand on their own as far as income/expense

Mayor O'Geary asked for a consensus and everyone present agreed they would like to carry this discussion into a Work Session at the 11 March meeting for further consideration.

With no further discussion, Mayor O'Geary asked if Council was prepared to adjourn.

ADJOURNMENT

Council Member Rainey moved for adjournment. Motion seconded by Council Member Coffey and unanimously approved. The meeting adjourned at 8:18 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin, City Clerk