



AGENDA

**Henderson City Council Work Session Meeting
(Immediately following Short Regular Meeting)**

Monday, 28 March 2011, 6:00 p.m.

**R. G. (Chick) Young, Jr. Council Chambers, Municipal Building
134 Rose Avenue
Henderson, North Carolina**

In order to provide for the highest standards of ethical behavior and Transparency in Governance as well as provide for good and open government, the City Council has approved Core Values regarding Ethical Behavior¹ and Transparency in Governance². The Mayor now inquires as to whether any Council Member knows of any conflict of interest, or appearance of conflict, with respect to matters before the City Council. If any Council Members knows of a conflict of interest, or appearance of conflict, please state so at this time.

I. CALL TO ORDER

II. ROLL CALL

III. WORK SESSION ITEMS

- a) Consideration of Approval of CM 11-04, Appropriating Funds to Complete the Orange/Breckinridge Project. (CM 11-04) [See Notebook Tab #9]*
 - CM 11-04
- b) Consideration of Approval of Resolution 11-35, Industry Drive Annexation/Water Line Issue. (CM 11-05) [See Notebook Tab #10]*
 - Resolution 11-35
- c) Consideration of Approval of CM-11-07, Conditional Zoning Text Amendment. (CM 11-07) [See Notebook Tab #11]*
 - CM 11-07

¹ **Core Value 4: Ethical Behavior:** We value the public trust and will perform our duties and responsibilities with the highest levels of integrity, honesty, trustworthiness and professionalism.

² **Core Value 10: Transparency in Governance:** We value transparency in the governance and operations of the City.

d) Consideration of Approval of Ordinance 11-22, Open Burning Ordinance. (CAF 11-54) [See Notebook Tab #12]

- Ordinance 11-22

e) Consideration of Scorecard Update Report. (CM 11-06) [See Notebook Tab #13]

f) Consideration of Approval of CM 11-08, Contribution Request for Tennis Courts' Construction (CM 11-08) [See Notebook Tab #14]

- CM 11-08

IV. ADJOURNMENT

City Council Minutes
Work Session
28 March 2011

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members James C. Kearney, Sr., Sara M. Coffey, D. Michael Rainey, Brenda G. Peace—Jenkins, Lonnie Davis, Jr., and George M. Daye.

ABSENT

Michael C. Inscoe

STAFF PRESENT

City Manager Ray Griffin, City Attorney John Zollicoffer, City Clerk Esther J. McCrackin, Assistant City Manager Frank Frazier, Finance Director Sandra Wilkerson, Fire Chief Danny Wilkerson, Police Chief Keith Sidwell, Engineering Director Peter Sokalski, Public Works Director Linda Leyen, Parks & Recreation Director Alan Gill, Henderson Water Reclamation Facility Director Tom Spain, Planning & Community Development Director Erris Dunston, Human Resources Manager Cathy Brown, Utilities Maintenance Supervisor, Andy Perkinson and Code Compliance Director Corey Williams.

CALL TO ORDER

The 28th day of March 2011 Work Session of the Henderson City Council was called to order by Mayor James D. O'Geary at 7:01 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

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

ADJUSTMENTS TO/APPROVAL OF AGENDA

Mayor O'Geary asked if there were any adjustments to the Agenda. City Clerk McCrackin advised that Item III-f will be discussed before Item III-e so as to not keep Mr. Riddle waiting. Mayor O'Geary asked for the pleasure of Council. It was the consensus of Council to accept this change.

WORK SESSION ITEMS

Appropriating Funds to Complete the Orange/Breckenridge Project. *(Reference: CM 11-04)*

Mr. Ruxton Bobbitt, Chairman of the Redevelopment Commission address Council on the status of the Orange/Breckenridge Project. In summary, the Commission are asking Council to consider providing additional financial funds for acquisition and demolition of existing buildings on this site. Mr. Bobbitt stated that at this time the Commission has approximately \$6,700 left of the \$250,000 grant. He told Council that he has obtained two quotes to clear the block of existing buildings with greatly different values: approximately \$17,000 from one bidder and approximately \$9,975 from a second.

Council Member Davis asked why the discrepancy. Mr. Bobbitt felt the lower bidder had done work already and as a matter of pride, would like to see this project completed.

There was discussion on using some of the funds from the Code Compliance budget.

Mr. Bobbitt stated he had considered options such as working around Ms. Diggs residence, and seeking advice from attorneys on how to proceed. He also asked Council to look at vacant lots that perhaps could be sold to contribute funds to close out this project.

Mayor O'Geary thanked Mr. Bobbitt for a job well done.

Council Member Coffey asked who is currently responsible for the upkeep of the lots and the cost of purchasing these lots. Council Member Rainey asked if the handout was drawn to scale.

Mr. Griffin stated Code Compliance Director Williams would review his budget and it was the consensus of Council to move this item forward.

Industry Drive Annexation/Water Line Issue. *(Reference: CM 11-05; Resolution 11-35)*

City Manager Griffin asked Assistant City Manager Frank Frazier to update Council on this issue. Mr. Frazier stated a full application needs to be submitted by 23 August 2011 to the N.C. Rural Center for constructing water mains along Industry Drive. The current estimated cost is \$198,828 and that grant requires the City to contribute a minimum of 5% toward the total cost. He told Council there is a possibility of receiving \$70,000 from the Rural Center and the cost recovery period for this project would be more than 31 years.

Mr. Frazier then reviewed options. Option One would be to proceed with the project as is. Property owners would be responsible for a tap fee calculated on the overall remaining cost (excludes grant) times the available frontage on each side of the property.

Option two would function like Option One. However, property owners would be required to pay the tap fee based on the size of the tap. This is not a recommended option as the City cannot require property owners outside the City to connect.

Option Three would be to discontinue the project until there is more development which would improve the feasibility of the City moving toward annexation and placing water/sewer mains in the area.

Council Member Daeke asked about interest by property owners for annexation. Mr. Frazier stated there is a mixed response. Mr. Frazier plans on setting up another meeting to present values and compiling tax values to ensure property owners see the full picture.

Council Member Kearney asked if the assessment would need to be paid in lump sum or over a period to time. City Manager Griffin stated the finance portion needs to be structured as so far only the concept has been discussed, He went on to say he had a conversation recently with Mr. Stevenson who seems very opposed to annexation. Mr. Stevenson stated he was not the spokesman for the group but felt they would prefer no water as opposed to annexation. Mr. Griffin stressed the decision Council makes on this project will set precedent for future property annexation.

Council Member Rainey asked what the lines cost with no meters. Mr. Frazier stated approximately \$5600 with \$1,400 for the tap so approximately \$7,000 per business. It is up to the property owner to extend the line from the tap to the business itself.

Council Member Kearney asked if there are any residential buildings in this area and Council Member Coffey stated there is at least one. Ms. Coffey then asked what the next step will be. Mr. Frazier stated he plans to set up a meeting as soon as possible.

City Manager Griffin stated the results of the meeting will be brought to Council in April.

Mayor O'Geary asked the consensus of City Council. It was the consensus of the Council to move this item forward.

Conditional Zoning Text Amendment. *(Reference: CM 11-07)*

City Manager Griffin advised Council this issue was discussed during the Strategic Planning Meeting in January and asked Planning and Community Development Director Erris Dunston to update Council.

Ms. Dunston stated Conditional Zoning offers another means of attracting development. Conditional Zoning bridges the gap between business and commercial under "conditional" terms. An example is a financial building. The conditional zoning would allow a residential space to become a financial building, with whatever restrictions set by the Planning Board. If the finance company relocated and a restaurant wanted to move in, it would not be an automatic --- the restaurant request would need to be brought before the Planning Board as the financial building property would revert back the residential code.

Conditional zoning is a harmonious method of allowing businesses to develop while retaining the original intent of the property. Any business requesting conditional zoning would need to follow the code, have a complete business plan in place, obtain a special use permit, and the required public hearings would be held. Following questions, Ms. Dunston stated that a property under conditional zoning could remain the same as long as the business was the same (financial institution); however, the esthetics would change.

(Clerk's Note: Council Member Peace-Jenkins left the meeting at 7:57 p.m.)

Mayor O'Geary thanked Ms. Dunston for a well-presented explanation. Mayor O'Geary then asked the consensus of City Council. It was the consensus of the Council to move this item to an action agenda.

Open Burning Ordinance. *(Reference: CAF: 11-54; Ordinance 11-22)*

City Manager Griffin asked Fire Chief Wilkerson to advise Council Members on this Open Burning Ordinance.

Chief Wilkerson thanked Council for their time. He stated the proposed ordinance will help regulate illegal burning. Besides being illegal to burn within City limits, many complaints come from those with respiratory problems and there is always the possibility of the fire dangerously expanding. Although it is usually brush and leaves that are being burned, recently his team was called to a fire involving building materials. Many of these fires are on the streets, which damage the asphalt, thus requiring City maintenance at a future time.

After working with the City Attorney, it is recommended that illegal burning citations be allowed. Following a warning, the first offense would tender a \$50 fine; the second offense \$100 and the third and every offense thereafter a \$500 fine.

Council Member Coffey asked if these fines would go into the Fire Department budget. Chief Wilkerson stated the fines go into the school fund, just as do the fire lane violations. Ms. Coffey then asked the process if the fines were not paid. Chief Wilkerson stated it would probably go to the City Attorney.

Council Member Daeke felt this was necessary and Ms. Coffey agreed. Then Mr. Daeke asked about patio fire pits. Chief Wilkerson said those normally are not a problem; however the smoke might cause a neighbor to place a call to the station.

(Clerk's Note: Council Member Peace-Jenkins returned to the meeting at 8:01 p.m.)

Council Member Davis suggested changing the fines from 50/100/500 to 50/250/500.

It was the consensus of Council and City Manager Griffin stated this matter would be brought back to them at the next meeting.

Contribution Request for Tennis Courts' Construction. (Reference: CM 11-08)

Mr. Tommy Riddle, Bayne Avenue, Henderson came before Council to request funds for construction tennis courts at two high schools. He stated that currently students have to travel to Fox Pond to play/participate in completion. By building the courts on campus, Fox Pond would be available for the general public and there would be less wear and tear on the courts. The new courts would allow better access and the Parks and Recreation Department would have access to the courts throughout the summer just as they currently have use of fields for T-ball and Little League games.

Mr. Riddle stated the USTA (United States Tennis Association) has a program called *10 and Under* which promotes the involvement of kids under 10 to get involved in tennis as a life-long sport. The USTA will fund up to 20% or %50,000 max for each court and Mr. Riddle comes before Council to request \$5,000 for each school or a total of \$10,000. Although dollars a tight he would appreciate anything Council could do to promote this project and the health of the community. Mr. Riddle is also approaching other community associations, the County and individuals trying to put together a complete package.

Council Member Daeke asked for the total project cost. Mr. Riddle stated for 6 courts without lights he was unsure but felt probably between \$125,000 and \$150,000.

Mayor O'Geary thanked Mr. Riddle for his presentation.

City Manager Griffin suggested that Council consider this request with the budget of FY11-12.

Scorecard Update Report. (Reference: CM 11-06)

Due to the length of this report, City Manager Griffin asked Council if they would like to postpone this item. It was the consensus of Council to proceed.

City Manager Griffin then presented a PowerPoint presentation with staff contributing to their portion of the Scorecard and summarized as follows.

As of 25 February 2011, 32% of the Action Plans formulated in the Strategic Plan have been completed and 53% of the Short Term Action Plans are complete. Several items have been put on hold due to budget constraints.

Police Chief Sidwell advised Council of the Town Talk call-in radio show and the Community Watch Programs. He also explained the geographic policing plan which mirrors the Wards of the City and reduced offenses approximately 28% after implementation.

Council Member Rainey asked if there were the same number of officers in each ward. Chief Sidwell responded that due to unfilled positions they are not staffed exactly the same but the officers know they have ability to pull from other Wards as needed.

Chief Sidwell stated that the Crime Stoppers reward has been increased by \$1,000 to encourage citizens. He also gave a brief update as to the behind-the-scenes work and timeframe involving the EDA, State and Federal officers along with a host of other law enforcement leading up to the arrest of several citizens earlier this year.

Planning and Community Development Director Erris Dunston stated that the Hope VI Phase 1 project has met the requirements with 11 of the 12 units rented and Phase 2 is ready to begin. Ms. Dunston also addressed Council regarding the Land Use Plan. She strongly encouraged Council Members to read the Plan as it speaks to the resources, potential and outlook for this community.

Council Member Coffey asked if the Hope VI units are yearly rentals. Ms. Dunston responded yes.

Mr. Griffin advised that Ms. Dunston continues to stay in touch with State Representatives regarding the High Speed Rail

Ms. Dunston also gave a status report on the Carey Chapel Crossing and A. L. Harris projects. Carey Chapel began in 2005 and A.L. Harris in 2008. Due to the poor economy both projects lagged behind for some time, however, Carey Chapel currently has 6 occupied homes, 4 under construction and two are in the initial stages. Once the last 6 are complete the grant commitment will be met. A. L. Harris still lags behind but it is felt that they will succeed just as Carey Chapel has with the help of Franklin-Vance-Warren. Until these grant commitments are met, the City will be unable to obtain additional CDBG funding.

Council Member Coffey asked why the lag. Ms. Dunston responded she felt it was due to the recession but it is good to see things picking up and to see people being able to purchase homes.

Ms. Dunston advised Council that Downtown Development is the lead agent for the REEF Center. Construction is anticipated to begin in 2011.

Parks and Recreation Director Alan Gill reported on the work his department is doing in working with schools, churches and other agencies to work with kids. Mr. Gill also addressed customer satisfaction survey results for both sports in general and aquatics.

Council Member Daeke asked why the discrepancy in response percentages. Mr. Gill thought it was because the kids took the survey and many did not return them where the aquatics group completed the survey on-site.

Code Compliance Director Corey Williams addressed Council regarding code enforcement accomplishments. Significant process was made in demolition and building rehabilitation throughout the City. Mr. Williams stated there are approximately 106 structures to enforce this year and 126 waiting for demolition.

Council Member Kearney asked about the units owned by the City. Mr. Williams stated that those usually come from unpaid taxes and County Foreclosure.

City Manager interjected that Mr. Williams, the Mayor and he have a conference call this week with HUD regarding Beacon Light which contains most of the structures awaiting demolition.

Human Resources Director Cathy Brown updated Council on several issues. The first being the City Academy which Kicked Off earlier this month. The purpose is to provide in-house training on various topics and to bring in affordable experts where needed (i.e., harassment, supervisor skills, etc.) Train the Trainers classes will begin soon.

Payroll Timesheets were next. Ms. Brown with the help of staff has implemented electronic time sheets for general employees, exempt employees and the police officers. The fire men will be next. The purpose is to ensure compliance with laws and fair pay across the board and within departments. Christa Ellington in Finance, was recognized for her long hours and hard work in making this work, along with others.

Ms. Brown then turned the discussion to the workforce. Turnover is a major concern. Chief Sidwell and Henderson Water Reclamation Director Tom Spain both indicated that they consistently lose people to other organizations due to the low pay scale. Mr. Spain stated his staff is well over the age of 50, and he has been unable to hire competent staff to fill vacant positions. At this time, even smaller towns are paying more than Henderson. Chief Sidwell stated he recently lost an officer to a NC Police Department because he will receive a \$15,000 salary increase. Ms. Brown reviewed the Turnover Percentage by Reason which showed that as of 28 March, almost 40% of staff resigned due to salary.

Mr. Griffin advised a pay/classification study has not been done since the 90's and when the funds are available, this should be taken under advisement.

Ms. Brown's next focused on health insurance telling Council that due to some very ill employees (and retirees) the City's health costs are anticipated to increase next year.

City Manager Griffin stated that premiums could increase as much as 3.5% in FY11-12.

Kerr Lake Regional Water Plant Manager Christy Lipscomb was unable to be present for this meeting so City Manager Griffin summarized the excellent work she has accomplished over the past year of improving turbidity in the potable water. Mr. Griffin explained that the KSO 5: Expand Water Plant IBT is in process and the estimated construction date will be in 2014. Mr. Frazier showed a slide indicating that the TTHMs have improved in 6 of the last 7 data points and sustainability is now being monitored. Also, Oxford's TTHMs at point of sale have significantly reduced in the last year and a half.

City Manager Griffin advised Council that the Public Utilities department is slightly behind schedule. Maintenance Supervisor Andy Perkinson stated part of that was equipment failure and that they are working hard to catch up with the sewer cleaning.

Finance Director Sandra Wilkerson was also unable to attend this meeting. City Manager Griffin stated the General Fund under the Capital Improvement Plan will begin as part of the FY12 budget process. He also mentioned the Undesignated Fund Balance which desperately needs shoring up. He drew attention to the Financial Outcomes chart which shows a slight improvement which is a plus for the FY12 budget. Mr. Griffin also added that Ms. Wilkerson continues to research the discrepancy with the Motor Vehicle tax. The second largest contributor to the City's budget is sales tax which is again running short of what is needed.

Mr. Griffin stated the better news is that the General Fund balance is above LGC minimum () but below the projection appropriation of \$220k. He then stated that the debt margin is below the legal debt margin.

(Clerk's Note: Council Member Daye left the meeting at 9:14 p.m.)

On a better note, Ms. Brown informed Council that the overall, accidents for City workers has steadily decreased.

Lastly, Mr. Griffin stated that the per capita debt continues to decrease and is well below the projected limit.

Mr. Griffin touched on the great job the Public Works department did with snow removal this year. He also credited Pete Sokalski for a job well done in integrating the individual budget sheets. Mr. Griffin stated he is probably the most qualified staffer with working with Excel and is thankful for the job he has done.

(Clerk's Note: Council Member Daye returned to the meeting at 9:17 p.m.)

Mr. Griffin stated that the key measures number next to the items listed on the Balanced Scorecard are the Malcolm Balridge scores.

City Manager next advised Council that the business cell phones have been unified under one master contract, which has saved the City an estimated \$3,000 annually and that office supplies have been reduced by approximately 2.5%

Mayor O'Geary asked if any of the Council Members had questions.

Council Member Peace-Jenkins stated she was glad for the information and said she looks forward to seeing the progress continue.

With no further comments, Mayor O'Geary asked for the pleasure of Council regarding adjournment.

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ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Rainey and unanimously approved. The meeting adjourned at 9:58 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk