



## **City Council Minutes**

### **Henderson City Council Budget Work Session #2**

### **18 May 2017**

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#### **PRESENT**

Mayor Eddie Ellington, Presiding; and Council Members Marion B. Williams, Sara M. Coffey, Michael C. Inscoe, D. Michael Rainey, Melissa Elliott, Garry D. Daeke, Fearldine A. Simmons, and George M. Daye.

#### **ABSENT**

None

#### **STAFF PRESENT**

City Manager Frank Frazier, Finance Director Joey Fuqua, City Clerk Esther J. McCrackin, Assistant to the City Manager Paylor Spruill, Public Works Director Andy Perkinson Assistant Public Works Director Lee Owens, Police Chief Marcus Barrow, Fire Chief Steve Cordell, Assistant Fire Chief Curtis Tyndall, Engineering Director Clark Thomas, Human Resource Director Cathy Brown and Recreation and Parks Director Kendrick Vann

#### **CALL TO ORDER**

The 18 May 2017 Henderson City Council Budget Work Session #2 was called to order by Mayor Eddie Ellington at 6:02 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 Ellington a quorum was present.

#### **OPENING REMARKS**

Mayor Ellington welcomed everyone to this second budget work session and then turned the meeting over to the City Manager.

## **Discussion Recap**

Mr. Frazier began by saying a corrected copy of the Sewer Fund page was distributed this evening, He then moved into the General Fund.

## **General Fund**

Mr. Frazier said the proposed FY17-18 budget does not include any tax increase. He said real and personal property values have increased slightly; however, the percentage of collections has decreased. Sales tax has increased slightly and there is \$450,000 proposed to be taken from Fund Balance. Mr. Frazier said the fire inspection fees have been revised; \$53,000 has been set aside for demolition and \$25,000 for redevelopment. Phase IV of the pay study in the General Fund includes all eligible employees, including the police department in the amount of \$80,830, starting in January 2018. \$50,000 is proposed for the DDC budget and \$20,000 has been placed in reserve for the possibility of a full time Main Street position. Capital Outlay includes four new vehicles for the police department and a new fire truck for the Fire Department, \$800 for the Corbitt Museum to help with utilities, and \$60,000 for EDC grants (Vescom and MR Williams) that have been approved by Council.

With no questions, Mr. Frazier moved to Public Buildings

Public Buildings – This fund provides for the general upkeep of City Hall, the old Bank Building and the former municipal building/Fire Station #2 on Young St. The FY 17-18 budget includes \$3,200 for a new projection system in Council Chambers that will allow for better viewing by both Council and citizens of any presentations that require projection.

Council Member Inscoe asked about current funds for redevelopment. Mr. Frazier said there are funds in the amount of \$25,000.

Bennett Perry House- Manager Frazier said \$800 has been proposed and is included in the Local Agencies portion of the budget

Human Resources – Mr. Frazier said the majority of the budget request for this department is personnel.

Council Member Coffey asked for a job description of the Human Resources Technician and that led to a brief discussion about the job responsibilities for all three staff members in this department. Manager Frazier stated that the Human Resources Director is a direct report to him, and other responsibilities of the Director include ensuring policies are adhered to throughout all departments, recruiting of personnel and also the provision of benefits for all employees falls under this position. The Human Resources Director copied the job descriptions for employees within this department and distributed them to all Council members.

Governing Body – Mr. Frazier said this departmental budget is basically the same as FY16-17.

Council Member Daeke asked if funds had been set aside for Council to attend classes/conferences. Mr. Frazier said the amount set aside this year is slightly less than last year, but it still includes various conferences/classes that Council may wish to attend such as ethics training and possible other School of Government (SOG) conferences.

Administration/City Attorney- Mr. Frazier said this department's budget is basically the same as the current year. The Attorney portion of the budget includes fees for attending council meetings and advice to staff. It is less than the current year due to estimated fees; however, it is ultimately dependent on the amount of services requested of the City Attorney. The Administrative portion of the proposed budget is mainly personnel fees for the City Manager, Assistant to the City Manager and the Executive Assistant.

Finance – Mr. Frazier said the Finance budget is composed mainly of personnel expenses and is less than the FY16-17 budgeted amount due to the exclusion of a vacant position that could possibly be used for an IT position. This department consists of five employees that do the accounting work for the City.

Council Member Inscoe asked the City Manager to compile a percentage of the existing debt service.

Information Services – Manager Frazier said he appreciates all the work the committee has done in this area and stressed the importance of having programs in place to protect the city against attacks such as with Ransomware. The amount set aside in this department is \$55,000. Further work was ongoing and the City Manager noted that there were items being completed in the current fiscal year budget.

Downtown Development- Mr. Frazier said \$55,000 has been appropriated to this budget, which is up slightly from FY17.

Council asked for the number of façade/sign grants awarded by the DDC. Several Council Members asked about a truck and trailer that was used by Green Rural Development and whether the funds used to place signage on the vehicles came from the DDC. Mr. Frazier did not believe the cost of the signage was contributed to by the DDC but he would find out and report back to Council.

Development Services- The proposed budget for Development Services (Planning, Community Development & Zoning, and Code Compliance) is \$347,950. No new positions have been included in this budget; however, funds in the amount of \$5,000 have been included for a part-time position

Council Member Coffey asked if the vacant inspector position would continue to exist. Mr. Frazier said yes, applications are being accepted and interviews are taking place.

Council Member Williams asked if an outside contractor could be hired in place of a part-time position and both Ms. Williams, and Council Member Daeke, as members of the Mayor's housing task said their findings indicated the need for a second inspector. This led to a lengthy discussion regarding contractor's vs city employees, and ultimately Council Member Elliott's strong desire to have the city hire a grant writer/community liaison.

Council Member Simmons asked for the qualifications necessary to be an inspector. Development Services Director Corey Williams came to the podium and explained an individual must have basic building principles, construction knowledge, and some legal/due process background. Council Member Inscoe gave an example of an untrained inspector saying the electrical system is fine and the next day the building burns down, thus possibly leaving the city in jeopardy. Mr. Williams said competition is fierce and the last inspector moved to another position in Franklin County that offered more money. There was discussion about how to find qualified retirees willing to work in such a position, along with tapping into the local colleges. Manager Frazier said the City is recruiting hard as our Human Resource Director and staff is working relentlessly getting out information to churches, community colleges and other places to recruit qualified candidates. Council Member Rainey mentioned the possibility of needing to raise taxes to fund a second position.

Ultimately, Council asked that finding funds for a second code inspector be *Car Parked* until all departmental budgets have been discussed.

Police- The anticipated FY17-18 budget for the Police Department is \$4,190,653. Again, the majority of this budget is for personnel. There is capital outlay of \$66,000 for new vehicles. Mr. Frazier said the Police Chief has discussed with him the possibility of restructuring the department, and Council asked Chief Barrow to explain his reorganizational proposal.

Chief Barrow said with several officers retiring he would like to have more part-time seasoned employees (perhaps some of those retiring) and he felt that would put more full-time officers on the streets. The Chief said this would also allow for more community policing.

Council Member Coffey asked the Manager to look at raising the pay for this department in July, not January. She said the city needs to find a way to retain officers. She commented about how the city trains new recruits and then they move on to other jurisdictions.

Council Member Inscoe said economic growth is the key to retention of employees in all departments in which the City would be able to pay more with a higher tax base.

Council Member Rainey asked about Police retirees. Chief Barrow said several retirees continue to work for the department in various positions. He cited the Crime Analyst position that is filled by a retired Lt. He also mentioned a reduction in the records department since the department has been innovative in moving forward with reducing paperwork and the time necessary for officers to duplicate work. Manager Frazier stated that was the importance of IT and having

adequate computers in the patrol vehicles to avoid duplication of records and other reports.

Council Member Elliott said she has been told that because of police presence, people are now able to sit on their front porches. She then asked the Mayor and Council if they would be willing to allow Ms. Andrea Harris to address Council.

Before Ms. Harris addressed Council, Mayor Ellington said he thought the County has the same problem with retention of officers. Council Member Inscoe said he thought the County could hire anyone as a Sheriff whereas the City had certain requirements that needed to meet and he asked for confirmation with Chief Barrow. The Chief verified this is correct.

Council Member Williams referred back to the Crime Analyst position by asking if a community person could fill that position. Chief Barrow said this position compiles crime rate data and maps, along with working with the Records Management System. Over the years, the department has found citizens are unable to gather and compile the necessary information as well as officers within the department. At this time the officer who in this position is one of the ones who created the program in 2000 and is willing to continue to work in the position.

Before concluding the discussion, Chief Barrow asked Council not to alienate his department from the other departments relative to the salary increase. He said everyone works hard and the departments work well together

Council Members asked the Manager to *Car Park* the possibility of beginning Phase IV of the Pay Study for all employees in July rather than January.

At this time, the Mayor asked Council by consensus if they were willing to hear Ms. Harris' comments. The consensus was to ask Ms. Harris to come forward.

**Andrea Harris, 340 West Rock Spring Street** – Ms. Harris thanked Chief Barrow for the work his department has done and encouraged Council to find funding for a community liaison. She also encouraged Council to find ways to grow the community through economic development, housing and working with the planning school of Carolina to create a strategy for growth. In conclusion, Ms. Harris reiterated her request for the city to consider a community liaison.

There was a lot of general discussion about this topic and Council Member Elliott reminded Council that concerned citizens had asked for this and the Council should seriously consider their request.

Council asked Mr. Frazier to add to the *Car Park* list the possibility of a community liaison position with a grant writer as a process for engaging citizens. Several alternatives were discussed such as hiring a full-time person or possibly contracting with Kerr-Tar Council of Governments (COG)

Asset Forfeiture – Mr. Frazier said these funds are quickly diminishing; however, \$77,000 will

be used for the purchase of two new vehicles, along with other items as proposed in the budget.

Fire- Manager Frazier said the need for a third fire company would need to be considered in the near future but was not included in this budget. Capital Outlay includes \$566,500 for a new fire pumper truck.

Council Member Inscoe commented that if the 5-year loan was extended to a 10-year loan, then the savings could be used to contract with the Kerr-Tar Council of Governments (COG) (approximately \$30,000) for grant writing and perhaps another \$15,000 could be added for a code compliance inspector. A 10-year loan would reduce the annual payments.

Council Member Elliott was adamant that this was not what the citizens asked for and it takes the community element out of the request for a grant writer.

Council Member Daeke asked what the interest rate is for a five-year lease purchase. Mr. Frazier said 2.25%. Council asked Mr. Frazier to do calculations regarding a seven-year and a ten-year lease purchase price.

Fire Chief Cordell was then asked to review the need for a new pumper truck. Chief Cordell provided the ages of the existing trucks that date back to 1990 and said the truck to be replaced will be used as a “spare”. Chief Cordell said the last new truck to be purchased was 2009 through a partial FEMA grant that he felt will no longer be available due to the Federal Government cutting funding in this area.

Council Member Inscoe felt the truck should be purchased now to protect the citizens. Mr. Frazier said the lease purchase agreement is scheduled to begin in FY18-19.

Regarding the need for a new company, Chief Cordell explained the closeness of the two existing fire stations is a problem in reaching areas at the eastern and western perimeters of the city as quickly as they would like. Mr. Frazier stated that there would need to be a study on this in the near future.

Council Member Coffey asked if there was an agreement with Bearpond. The Chief said there was no working agreement with Bearpond; however, there is a mutual aid agreement with the County Fire Department.

Council Member Williams turned the discussion back to extending the lease purchase as a way to free up funding for a grant writer and still allow for the purchase of the pumper truck.

Council Member Daeke questioned how the grants decisions would be made on what grants to apply for and other details. Mr. Frazier said some type of systematic system would need to be established. Council Member Elliott said this request from citizens came from the recent homicides, conditions and disparities. She felt the grants should be written to specific issues.

There was more discussion about the grant writing with no definite decision being made other than it would be discussed further.

Mayor Ellington and Council Members Daeke and Inscoe suggested the 417 churches in the area, long with Vance County should be involved, especially since the EDC is mainly a County function. Council Member Elliott was not in favor of this suggestion.

Ultimately, Council asked to have this matter *Car Parked* and for the establishment of an advisory board to be made up of city/county and church members to be considered.

Council Member Inscoe said that perhaps the County would be willing to match funds for a community liaison. This item was added to the *Car Park* issues.

At this point, Mayor Ellington suggested the meeting be adjourned.

Before doing so, Manager Frazier asked for direction regarding the fire truck. It was agreed that the truck is needed and Mr. Frazier said the loan documents and the length of the loan would need to be approved by Council at a future date.

**Guidance for Staff:**

- a) Funding for a second full time code inspector
- b) Implementation of Phase IV of the Pay Study in July rather than January
- c) Creation of a community liaison position
- d) Establishment of a city/county/church advisory board
- e) Discussion with County to share cost of community liaison position
- f) 7 and 10 year lease purchase calculations for the fire pumper truck

City Manager Frazier reminded Council of the budget public hearing scheduled for Monday, May 22, 2017, after which the General Fund discussion will continue.

Mayor Ellington then asked if there was anything further or if Council was prepared to adjourn.

**ADJOURNMENT**

Council Member Rainey moved for adjournment. Motion seconded by Council Member Daeke, and unanimously approved. The meeting adjourned at 7:53 p.m.

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Eddie Ellington

Mayor

*ATTEST:*

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Esther J. McCrackin  
City Clerk