



City Council Minutes
Henderson City Council Budget Work Session #3
23 May 2017

PRESENT

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

ABSENT

Council Member Fearldine A. Simmons

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, Police Captain Vance Johnson, 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 23 May 2017 Henderson City Council Budget Work Session #3 was called to order by Mayor Eddie Ellington 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 Ellington a quorum was present.

OPENING REMARKS

Mayor Ellington asked City Manager Frazier to pick up the discussion from where it left off following the Public Hearing on May 22, 2017.

Discussion Recap

Mr. Frazier said the discussion ended with the Shared Programs and Local Agency requests.

Council Member Daeke asked if either of these funds requested additional personnel. Manager Frazier said there were no personnel requests. He said there was a slight increase in the 911 shared program due to salary increases, election costs have increased due to City elections this fall and taxes decreased slightly.

With no other questions, City Manager Frazier began to review the Car Park items.

Car Park Items

1. Additional Code Inspector – Mr. Frazier’s recommendation is to fill the existing vacant position first and for this new position to be funded for a half year. He suggested using contingency funds from Redevelopment in the amount of \$25,000 and if it is the consensus of Council, a budget amendment be brought to the next regular council meeting to place existing contingency funds into a CIP project (Redevelopment) that will allow funds to be allocated throughout the project.

Council Member Rainey asked for confirmation that this new position will be for a half-year in FY18. Mr. Frazier said that is correct.

Council Member Williams asked for verification that the \$25,000 would come from the Redevelopment contingency funds. Mr. Frazier said that is correct but it was for funds in reserve proposed for FY18

Council Member Inscoe endorsed this recommendation and Mayor Ellington called for a consensus.

The consensus of Council, as follows, was to fund the additional code inspector position for a half-year with \$25,000 taken from funds proposed for in reserve for Redevelopment: Yes: Williams, Coffey, Inscoe, Rainey and Daeke. NO: None. ABSTAIN: None. ABSENT: Elliott, Simmons and Daye

2. Maintenance Litter Worker – Mr. Frazier does not recommend the creation of a new position at this time as there are no available funds in the FY17-18 budget.

There was no discussion regarding this position.

3. Salary Increase for the Police Department – Mr. Frazier distributed a spreadsheet showing the additional costs for all departments if a 3% salary increase is approved beginning July 1, 2017. Mr. Frazier’s recommendation was to move the proposed salary increase for all employees from January 2018 to October 2017. The spreadsheet shows

the additional dollars needed from each fund (Sewer/Water/General/Regional Water) to allow for a July 1 increase and also shows the additional FICA and Retirement expense.

There was a discussion regarding the effect this will have on the Fund Balance and whether the salary increase would be negated by the increased deductible proposed for insurance. Council continued to express concerns about losing good employees and how to retain employees.

(Clerk's Note: Council Member Elliott arrived at 6:10 p.m. and Council Member Daye arrived at 6:18 p.m.)

Part of the discussion was whether all employees should receive a raise or just the police and/or the fire departments.

Council Member Daeke asked for a study of surrounding communities to have specific numbers to compare with Henderson. Council Member Elliott felt comparing the Police & Fire Department staff with other employees was comparing *apples to oranges* and Council Member Coffey said the police department is working hard every day and is finally gaining the trust of citizens. Council Member Williams asked if there were any other areas that could be cut to provide more funds for increases. City Manager Frazier stated that he did not think so.

Manager Frazier said his desire would be to find a way to not only approve an overall 3% increase but to begin giving merit raises, as well which could be done after FY17 is completed and the finances are reviewed carefully to see if our Fund Balance has actually increased or not based on existing expenses and revenues..

For clarity, Mr. Frazier specifically mentioned the police department raises that occurred in October of 2016, and he wanted Council to understand that he supported that and felt that it was the right thing to do. Council Members assured the City Manager that he is doing a great job.

Mayor Ellington called for a consensus from Council as to whether raises should be given to all employees as of July 2017 and that Fund Balance dollars (approximately \$53,000) should be used to increase the budget to support this action. The consensus was: YES: Williams, Coffey, Inscoc (with reservation – only if this was the consensus of all other Council Members), Rainey, Daeke and Daye; NO: None. ABSTAIN: None. ABSENT: Simmons

4. Grant Writer – Mr. Frazier's recommendation is that the unfilled Youth Services Manager position be utilized as the grant writer/community liaison position as many of the existing responsibilities are similar to what this new position would require. He said he is not totally comfortable with exactly what the requirements/responsibilities of this position will be but felt this would provide a positive beginning to get started. A

discussion with JCPC and the County needs to take place since the existing position is State and County funded. Manager Frazier stated there may be a need to upgrade the position, adding additional duties and utilizing additional City funds to do this, as well as looking at other coordinator positions.

Council Member Inscoe said that in addition to using the Youth Services Manager position, he would also like to see \$20,000 set aside for Kerr-Tar (COG) to help find grants to help with this. This could be done by using savings from the additional lease terms of the purchase of the Fire Pumper Truck. There was then a very lengthy debate about the COG's ability to do this work and then it was stated that the City could consider utilizing other firms to accomplish this work. Mr. Frazier said no agreement/contract will be entered into without Council's approval

(Clerk's Note: Council Member Rainey left the meeting at 7:40 p.m.)

Once the discussion returned to the issue at hand, that being whether Council agrees to use the unfilled Youth Services Manager position to establish this new position, City Manager Frazier suggested a meeting to discuss the scope of work and to adjust the existing job description to meet the new requirements.

Council Member Daeke asked the Mayor to call for a consensus to use the existing Youth Services Director salary, along with an additional \$20,000 for the grant write position, and that the details of this new position be discussed in detail at a future work session.

Council Member Inscoe restated Mr. Daeke's consensus statement and Mayor Ellington called a consensus which was as follows: YES: Williams, Coffey, Inscoe, Elliott, Daeke and Daye.

5. Faith/City/County Advisory Board – Mr. Frazier suggested this be discussed at a future date since it is not budget related.
6. Billing for Large Item(s) pickup – Mr. Frazier has confirmed that the \$75.00 fee for picking up large, bulky items can be added to the utility bill and he is working with the City Attorney to establish a protocol.
7. Fire Inspection Fees- Mr. Frazier distributed materials earlier in the budget process regarding the need to increase fees.
8. Memorials (Pop-up)- Mr. Frazier said this issue will be brought before Council at its next regular meeting.

9. Arts Council – Council Member Simmons had asked about the possibility of contributing more to the Arts Council as another way to keep kids off the streets in the summer time. The Council’s original request was for \$1,500 but \$300 was allocated in the FY17-18 budget, which is the amount contributed in past years. Council asked the City Manager to find out what the County contributes to the local agency.

Other

Council Member Elliott mentioned redevelopment and Council Member Williams asked about finding additional funds for the Recreation and Parks Department. She also asked if the City has considered other vendors other than NCOL regarding the IT department.

Mr. Frazier said other information technology businesses have been found to be very comparable to NCOL and added that NCOL is working with the City to make needed changes. He said the IT Committee found areas that needed changes and those are being worked on but overall NCOL provides valuable services to the City.

Council Member Inscoe made a motion to adjourn at this time.

(Clerk’s Note: Council Members Elliott and Inscoe left the meeting at 6:53 p.m.)

Council Member Daeke asked for another budget meeting (scheduled for Thursday, May 25 at 6:00 p.m.) to discuss insurance.

ADJOURNMENT

Mayor Ellington said a motion was made to adjourn and he asked if there was a second. Council Member Daye seconded the motion and the meeting adjourned at 6:55 p.m.

Eddie Ellington
Mayor

ATTEST:

Esther J. McCrackin
City Clerk