



City Council Minutes

Henderson City Council Budget Public Hearing

23 May 2016

PRESENT

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

ABSENT

Council Members D. Michael Rainey and Fearldine A. Simmons. (*Clerk's Note: Council Member Simmons is under a physician's care and unable to attend and Council Member Rainey plans to arrive about 6:30 due to a prior commitment*)

STAFF PRESENT

City Manager Frank Frazier, City Clerk Esther J. McCrackin, Assistant to the City Manager Paylor Spruill, Police Chief Marcus Barrow, Fire Chief Steve Cordell, Assistant Fire Chief Curtis Tyndall, Kerr Lake Regional Director Christy Lipscomb, Recreation and Parks Director Kendrick Vann, Engineering Director Clark Thomas, Public Services Director Mike Ross, and Assistant Finance Director Lisa Boyd.

CALL TO ORDER

The 23 May 2016 Henderson City Council Budget Public Hearing was called to order by Mayor Eddie Ellington 6:01 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 Ellington a quorum was present.

OPENING REMARKS

Mayor Ellington welcomed the citizens to this public hearing. The Mayor then turned the meeting over to the City Manager.

City Manager Frazier began by summarizing (see below) the highlights and consensus of Council since deliberations began with the budget presentation on May 16 and through two Work Session on May 17 and 19.

Regional Water Fund – No changes were made to the recommended 0% rate increase

Sewer Fund – No changes were made to the recommended 0% rate increase and using \$260,700 from Rate Stabilization funds.

Water Fund – The recommended 5% rate increase was reduced to 3% with \$54,000 to be used out of Rate Stabilization funds.

General Fund – In order to obtain a revenue neutral tax rate due to revaluation, the proposed property tax will rise from \$0.62 per \$100 to \$0.712 per \$100. Council did not recommend any change in the tax rate; however, it did feel the need to reduce the Demolition budget.

Since these properties are City/County owned and the County owns 57.12%, Council felt the City should match what the County budgets which is \$33,000. Council asked that the remaining amount of \$47,000 be placed in contingency to be used as needed and approved by Council.

Council asked to have funds set aside for its training since no funding has been provided over the last several years. It was proposed to put up to \$10,000 in to a contingency fund.

It was asked by Council that there be a refinement of funds on the 20MGD project to make sure any City funds generated from City customers relative to rate stabilization goes into the correct fund so there is no confusion as to where the funds were generated from. Mr. Frazier said this would be brought back to Council at the June meeting.

The proposed budget includes a rated increase from \$10.00 to \$30.00 for the municipal motor vehicle tax. These funds will be used strictly for street resurfacing which has not been done in the past 7 years.

The proposed budget also included using a vacant position in Finance and reclassifying it to create an IT position. The salary being considered for this position is approximately \$45,000 (\$30,000 from the existing position with \$15,000 added to this amount), and Council asked the City Manager to review the possibility of shared responsibilities with the County or other option. The City Manager agreed that the position will only be filled with Council's approval.

Other Funds – No changes were made to any other funds.

Mr. Frazier concluded by saying depending on discussions after the Public Hearing, and when budget discussions are wrapped up, the necessary details, ordinance, etc. will be brought to Council for final approval at the June 13th meeting.

Mayor Ellington asked Council to refrain from asking questions until after the Public Hearing. He then opened the Public Hearing by asking if anyone present wished to speak in favor of the proposed budget.

Tommy Haithcock, 25 Kerr Circle Mr. Haithcock represents Citizens Aligned to Take Back Henderson. He asked Council for help with the City/County owned properties and for the City to do its part in demolishing 31 jointly owned properties at a cost by his estimation of \$148,000 – the City’s portion would be about \$66,000.

Tom Burleson, 1308 S. Garnett Street Mr. Burleson echoed Mr. Haithcock’s request. He said the numbers are daunting and asked the City to do what it can to work with the County.

No other citizen came forward to speak in favor of the budget, so Mayor Ellington then asked if anyone was present who wished to speak in opposition to the proposed budget. No citizen came forward to speak in opposition so Mayor Ellington closed the Public Hearing and asked how Council wished to proceed.

Council Member Inscoe questioned the number of structures scheduled for demolition. He thought at the end of this fiscal year the number should be down to 16 with four of those being burned. The City Manager Frazier asked Development Services Director Corey Williams to respond to this question.

Mr. Williams said the total was 31 less seven of which 4 are scheduled to be used as fire training which leaves a total of 24 at this time. Council Member Coffey asked that Council be kept updated on the number removed. Mr. Frazier agreed to keep Council apprised of the status.

Council Member Williams asked if the \$33,000 budgeted along with \$47,000 in contingency would cover the removal costs. Council felt approximately \$40,000 more would be necessary.

Council Member Daeke did not think the City should put more funds into this account until it is known what the County does with its budget. Council Member Inscoe said the County needs to step up to do their part as the City has carried the cost for years even though the County owns the greater percentage of each City/County owned property. Council Member Coffey believes the County will do the right thing in the end.

City Manager Frazier reminded everyone that any funds in contingency have to be approved by Council before they can be used.

Mr. Frazier then directed Council’s attention to the workforce turnover ratio information distributed this evening as the request of Council Member Daeke at the last meeting.

Mayor Ellington now asked how Council would like to proceed. It was the consensus of Council to meet on Tuesday, May 24 at 6:00 p.m. for further deliberations on the FY16-17 budget. The consensus was as follows: YES: Williams, Coffey, Inscoe, Elliott, Daeke and Daye. NO: None. ABSTAIN: None. ABSENT: Rainey and Simmons.

City Manager Frazier asked if there was anything specific Council would like to address on Tuesday evening.

Car Park

1. Scholarship status
2. Review raising the municipal motor vehicle tax from \$10.00 to \$30.00
3. Verify contingency amounts

Before closing, City Manager Frazier said there was a water main break on Young Avenue which was a project recently considered and approved by Council.

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

ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Elliott and unanimously approved. The meeting adjourned at 6:25 p.m.

Eddie Ellington
Mayor

ATTEST:

Esther J. McCrackin
City Clerk