



## **City Council Minutes**

### **Henderson City Council Budget Work Session #3**

### **24 May 2016**

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#### **PRESENT**

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

#### **ABSENT**

Council Members Fearldine A. Simmons and Melissa Elliott  
*(Clerk's Note: Council Member Simmons is under a physician's care and unable to attend)*

#### **STAFF PRESENT**

City Manager Frank Frazier, City Clerk Esther J. McCrackin, Assistant to the City Manager Paylor Spruill, Police Chief Marcus Barrow, Police Captain Vance Johnson, 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, Development Services Director Corey Williams and Assistant Finance Director Lisa Boyd.

#### **CALL TO ORDER**

The 24 May 2016 Henderson City Council Budget Work Session #3 was called to order by Mayor Eddie Ellington at 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 turned the meeting over to City Manager Frazier.

## Car Park Issues from May 23, 2016

1. **Annie Bullock Scholarship Funds:** Mr. Frazier said this scholarship was established in 1994 by Ms. Bullock's family and in 2008 a Declaration of Endowment was approved by Council. After a brief discussion, it was agreed to include \$5,000 in the FY 16-17 budget for Vance-Granville Community College for scholarship opportunities to full-time students of City employees with at least a 2.5GPA
2. **Contingency Funds:** Mr. Frazier said the General Fund balance of contingency funds is currently \$48,750. It was stated previously that the balance was \$45,000; however, Mr. Frazier verified the change was due to an adjustment of the sharing of costs with the Library staying the same as the previous fiscal year.
3. **Abandoned Structures:** In light of the discussion Monday evening, Mr. Frazier asked Development Services Director Corey Williams to verify the number of City/County abandoned structures. Mr. Williams compiled a chart showing 7 Priority 1 structures scheduled for demolition before the end of FY16; 11 Priority 2 structures expected to be demolished during FY 16-17; and 4 properties in the process of being sold. The remaining 13 properties have no resolution for demolition at this time.

Council Member Williams asked if any of the properties scheduled for demolition can be sold. Mr. Williams said the building inspector has not inspected all the properties but many are structurally sound outside but are not sound inside. Ms. Williams asked about the possibility of offering any of these structures for sale to neighbors. Council Member Inscoe said a proposal should come before Council in June for selling vacant lots and the possibility of retrofitting structures in the future is being reviewed.

Council Member Inscoe asked if the environmental process has been completed on the 11 scheduled for demolition in FY 16-17. Mr. Williams said they are in the process of being scheduled and Mr. Inscoe asked that the scheduling begin immediately since the new year is only a month away.

Council Member Coffey asked if any people are sleeping in these structures. Mr. Williams said yes. Council Member Daeke felt the gas and power should be disconnected immediately to avoid any catastrophe. Mr. Williams will investigate this further.

With that, Mr. Frazier said there were no other updates requested by Council and turned the meeting back to the Mayor.

Mayor Ellington then opened the floor for Council questions and discussion.

## **General Fund Discussion:**

Council Member Williams asked for details regarding the Downtown Development Commission budget and specifically what salary amount is allocated for the part-time director. Several Council Members provided Ms. Williams, and the other newer members of Council, with some background regarding Downtown Development and why it was cut from the budget in recent years. Last year Council approved \$10,000 for part of the year for a part-time director. Police Chief Barrow's Administrative Support Specialist is the Treasurer for the Downtown Development Commission and her financial report showed the director received approximately \$500 per month. This year, the \$45,900 budgeted includes \$20,900 for operating costs, \$20,000 for building improvements, grants, etc. and \$5,000 for the Historical Society's display at the Perry Memorial Library. After discussion it was understood that the Downtown Development Director is not an employee of the City and that the budgeted funds will be disbursed by the Downtown Development Commission.

Ms. Williams said she has no objection to the office but asked where the funding for this \$50,000 is coming from. Mr. Frazier said the funds come from the General Fund which is mainly made up of receipts from tax dollars.

Council Member Inscoe added the goal of the Commission is to renovate and create 1-2 suites which can be leased in the old police department portion of the fire station on Garnett Street with the income possibly going to fund the Commission so going forward it can become self-sufficient.

Council Members Rainey and Coffey both asked to have a quarterly report submitted. Mr. Frazier said this will not be a problem as the Commission meets monthly with several subcommittees presenting reports during the meeting. Going forward, Mr. Frazier will bring a report to Council quarterly.

Council Member Coffey asked for a list of businesses that have opened and closed in the downtown area and if that could also be shared quarterly.

Council Member Inscoe moved the discussion to the \$260,000 street sweeper. Mr. Inscoe recently learned of two businesses that will be closing on Ross Mill Road which equates to a loss of revenue to the City. With that information, Mr. Inscoe said he would rather put a portion of that expense into street paving.

City Manager Frazier reminded Council the City's existing street sweeper is currently out of commission due to an accident that occurred while being returned from being serviced in Raleigh. The individual who caused the accident has limited insurance which has to be divided between the three vehicles involved.

Public Services Director Mike Ross said it is anticipated the sweeper will be out of service for approximately 6 months and will cost about \$15,000 - \$16,000 to repair. This sweeper is about 12 years old and some towns replace their sweepers every 5-6 years.

Council Member Inscoe said there is street work that needs to be done before a sweeper can be used and specifically mentioned Peachtree and Brick streets where there is overgrowth and other debris.

Council Member Daeke asked why the cost is so high and Council Member Inscoe asked if the water containment on the sweeper works. City Manager Frazier said there were major repairs performed on the sweeper 2-3 years ago at a cost of approximately \$25,000 - \$30,000. A question was asked relative to water use on the sweeper and Mr. Frazier stated there was a water component on the sweeper that helps keep the dust down while sweeping.

Since the City currently has a sweeper on loan to demonstrate its capabilities, Council Member Rainey asked if it would be possible for it to be used while the damaged sweeper is repaired. Mr. Ross said he could ask but did not think that would be possible but we would probably have access to it for only a few days.

City Manager Frazier added the sweeper has many mechanical parts and with age it becomes more difficult to keep it running. The plan was to keep the existing sweeper as a backup so one would always be available if one needed to be out of service for repairs or maintenance.

Discussion continued until Council agreed that looking for a used sweeper would be more cost effective and authorized \$15,000 from contingency to fix the damaged sweeper. The consensus for this action was as follows: YES: Williams, Coffey, Inscoe, Rainey, Daeke and Daye. NO: None. ABSTAIN: None. ABSENT: Elliott and Simmons.

It was also the consensus to remove the new sweeper from the FY 16-17 budget with the consensus as follows: YES: Williams, Coffey, Inscoe, Rainey, Daeke and Daye. NO: None. ABSTAIN: None. ABSENT: Elliott and Simmons.

Council Member Coffey asked that Council be notified when something like this accident happens and to be provided pictures if appropriate. Mr. Frazier said he had notified Council of this particular incident and will continue to do so in the future.

Council Member Daeke moved the discussion to the Clearwell repairs at the KLRW facility. He asked for a better understanding of what this involves. Mr. Frazier said it contains water storage and the concrete cover is experiencing failing. The repairs would stabilize the concrete. Council Member Inscoe said the repairs are not structural and wondered if the cost could be included in the IBT 20MGD expansion project. Mr. Frazier said that might be possible but had included it in the FY 16-17 budget as the funding is available, without a recommended rate increase.

Council Member Inscoe suggested the Clearwell repairs be deferred for one year. Mr. Frazier said the \$200,000 would be placed in capital reserve.

Council Member Williams asked if there are any safety issues to staff or citizens. Mr. Frazier said none that he is aware of at this time.

Mayor Ellington called for a consensus from Council to defer this repair for one year. Council's consensus was as follows: YES: Williams, Coffey, Inscoe, Rainey, Daeke and Daye. NO: None. ABSTAIN: None. ABSENT: Elliott and Simmons.

Council Member Daeke asked for more information regarding the Annie Bullock Scholarship. Mr. Daeke said although there is no direct benefit to the City, he thought something should be included in the budget.

There was a brief discussion and then Mayor Ellington called for a consensus of Council to add \$5,000 to the FY 16-17 budget for the Annie Bullock Scholarship. Council's consensus was as follows: YES: Williams, Coffey, Inscoe, Rainey, Daeke and Daye, NO: None. ABSTAIN: None. ABSENT: Elliott and Simmons.

The next item of discussion Council Member Daeke raised was setting a specific amount for Council education and training. Again, there was a brief discussion with Council suggesting setting aside \$10,000.

City Manager Frazier reminded Council that these funds would come out of contingency as approved.

Mayor Ellington called for a consensus of Council to set aside \$10,000 for education and training. The consensus was as follows: YES: Williams, Coffey, Inscoe, Rainey, Daeke and Daye, NO: None. ABSTAIN: None. ABSENT: Elliott and Simmons.

Council Member Daeke's next request was to discuss the motor vehicle tax increase from \$10.00 to \$30.00. He said he had heard as much if not more from citizens about this increase than he had about the property tax increase. Mr. Daeke said the need for street repairs is greatly needed but suggested it might be better to raise this fee incrementally. Council Member Coffey agreed. Council Member Rainey said if you break down the cost, it would amount to \$1.75 per month per vehicle. Council Member Williams commented the tax is not paid monthly but yearly when registrations are renewed.

There was a short discussion during which Council agreed to raise the motor vehicle tag fee from \$10.00 to \$20.00 and then to possibly raise it to \$30.00 next year.

City Manager Frazier said reducing the tax by \$10.00 would reduce the street resurfacing funds by \$100,000.

Mayor Ellington called for a consensus to raise the municipal motor vehicle tag fee to only \$20.00 in FY 16-17 budget and \$30.00 in FY 17-18 and to take \$100,000 out of Powell Bill fund balance to keep this account to the suggested amount of \$300,000. Council's consensus was as follows: YES: Williams, Coffey, Inscoe, Rainey, Daeke and Daye, NO: None. ABSTAIN: None. ABSENT: Elliott and Simmons.

Council Member Daeke's last question dealt with the funds in Redevelopment. Mr. Frazier said the \$50,000 has been set aside for consulting services regarding hiring a landscape architect for planning services within the redevelopment project. Council Member Inscoe asked if it would be possible to receive free help from the local universities. Mr. Frazier said that may be possible but felt some professional services will be needed.

The decision of Council was to place this \$50,000 in contingency and Mayor Ellington called for a consensus which was as follows: YES: Williams, Coffey, Inscoe, Rainey, Daeke and Daye, NO: None. ABSTAIN: None. ABSENT: Elliott and Simmons.

Council Member Inscoe requested clarification regarding the cost of the scissor lift and how it will be used. Mr. Frazier said the total cost which is divided amongst several departments is \$8,400. He said these departments would use the lift for things like changing lightbulbs, traffic signals, parking lot lights, HVAC repairs, etc.

Currently the City has a lift that can be utilized, and Mr. Inscoe felt a scissor lift could be leased for a day at a reasonable cost if lightbulbs were changed at the same time. Council Member Daeke said it is not always reasonable to change all lightbulbs at the same time.

Public Services Director Ross explained the ceilings at the Operations Center are very high making the scissor lift very useful. He said the Police Station has a need for the lift as well as other departments.

Council Member Inscoe said in light of the City continuing to lose revenue he felt this item should be removed from the budget.

Mayor Ellington called for Council's consensus to remove the scissor lift from the FY 16-17 budget with Council's consensus being as follows; YES: Williams, Coffey, Inscoe, Rainey, Daeke and Daye, NO: None. ABSTAIN: None. ABSENT: Elliott and Simmons.

The next item for discussion was the tire changer. Council Member Coffey felt this was more valuable than the scissor lift. Council Member Rainey asked up to what size the tire changer could accommodate. Public Services Director Ross said up to 20". When larger tires, such as garbage truck tires, need changing there are companies in Oxford and Norlina that do this work.

Council Member Rainey suggested, if it is not already being done, that spare tires on rims be stored for faster turnaround. Mr. Ross said that is being done and Mr. Rainey complimented him on planning ahead.

Council agreed this should remain in the budget and no consensus was required as no changes were being made.

Council Member Inscoe asked if the vehicles being requested by the Police Department will be purchased through the State plan. Police Chief Barrow said yes, he also looks at the Sheriff's Association pricing to find the best price and the purchase price will include extended warranties. Mr. Inscoe asked if the Chief had talked with any local dealerships for comparisons. Chief Barrow said he had talked with the owner of Boyd Chevrolet who told him they are unable to match the State/Sheriff's plans. The Chief said he priced a vehicle on the State plan at \$26,000 versus a dealership at \$35,000. City Manager Frazier said some of the State plan vehicles are coming from dealerships in Asheville and other locations, depending on the type of vehicle.

The discussion then turned to the \$34,000 vehicle requested by the Fire Department. Fire Chief Steve Cordell said the ¾ ton truck is necessary for pulling the trailer and he requested a 4-wheel drive for safe travel during inclement weather. Council Member Inscoe asked what this vehicle will replace. Chief Cordell said a 1991 Ford F250 2-wheel drive with 87,000 miles. When asked what will happen to the 1991 vehicle, Chief Cordell said it will go on GovDeal. City Manager Frazier said sometimes vehicles go to other departments in need; however, this one has experienced mechanical trouble and is not reliable.

Council Member Inscoe then asked about the \$12,000 set aside for new mattresses and where they will be purchased. Chief Cordell said last year they requested quotes from the three furniture stores in town and the best price was from Vance Furniture. He will do the same with the purchase of these mattresses.

Council Member Daeke asked for more information regarding the Fire Department's request for bulletproof vests, including the purpose and cost. Chief Cordell said the cost is \$700 each. The plan is to purchase 12 vests this year and 12 vests next year so when their 5 year life span expires not all the vests will need to be replaced at the same time. He also said 10 vests were purchased last year. Chief Cordell said bulletproof vests are becoming more common for fire fighters and reminded Council of two firefighters out of state who were shot while responding to a fire; one of which died. He said Vance County is currently using vests along with several other communities in this locale.

Council Member Inscoe asked about the possibility of obtaining grant funds similar to what is available to the police department. Police Chief Barrow said unfortunately, the Federal program only provides vests for police.

Council Member Williams then turned the discussion to Public Services administration and asked for help understanding why the 13% increase in expenditures. City Manager Frazier explained a portion of the personnel services increased due to the implementation of Phase II of the pay study in October, staff obtaining job specific certifications,(career development), health

insurance costs. He said there are a myriad of things that can create these increases in all departments.

Council Member Inscoe inquired about the \$9,000 expenditure for a plotter/scanner in Engineering. Engineering Director Clark Thomas said the current plotter is approximately 4 years old and is in relatively good condition. However, the plotter in Development Services was purchased in 2001 and no longer works. The thought was to send the current plotter to Development Services to be used until the operating system changes and basically puts it out of service, and the new plotter will be for the Engineering Department.

Discussion then turned to the availability of fiber optic to the City and whether the City has a central server. Chief Barrow said the Police department is utilizing fiber optic and has its own server. The department also uses voiceover IP for its phone system.

Council Member Coffey asked about the playground equipment. Recreation and Parks Director Kendrick Vann said these funds will be used to maintain current playground equipment.

Council Member Inscoe then asked about the adopt-a-park program. Clearview Baptist adopted Owens Street park and Mr. Vann said he is in negotiations with South Henderson Pentecostal Holiness Church for possible adoption of Kings Daughters Park. Mr. Inscoe also asked about donations to this department. City Manager Frazier said he thought there was approximately \$18,000 in the account, and Mr. Vann added most of the donations are earmarked for specific things.

Council Member Williams questioned the \$60,000 in Economic Development grant funds. City Manager Frazier said most of that is for agreements with MR Williams and Vescom. Ms. Williams asked if the grants go to any specific size business. Mr. Frazier said these are typically for larger businesses but sometimes smaller businesses are able to qualify. Council Member Inscoe added requests for grant funds may be coming soon from the Downtown Development Commission.

Mayor Ellington asked if Council had any further questions regarding the FY 16-17 budget. He thanked Mr. Frazier and the department directors for their work on this budget

City Manager Frazier mentioned that he and Human Resources Director Cathy Brown met with the Aetna representative this afternoon. The health insurance cost per employee will be \$475.25 and the plan is very similar to the existing health insurance plan with BCBS which was unable to provide reasonable costs to the City for FY 16-17.

Council Member Daeke asked is the City pays a consultant for health insurance. Mr. Frazier said Mr. Phil Burnette has been the consultant for the City who helped put together this package and that the City pays him a flat fee of \$12,000.

Mr. Frazier also mentioned in regard to Councils desire to attend more training/education that Town Hall Day will take place June 8<sup>th</sup> and asked anyone who would like to attend to contact the City Clerk.

Mr. Frazier said if there were no further questions, he would prepare the budget for final approval at the June 13<sup>th</sup> regular meeting.

With no further discussion, Mayor Ellington 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 8:05 p.m.

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Eddie Ellington  
Mayor

***ATTEST:***

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Esther J. McCrackin  
City Clerk