



AGENDA

**Henderson City Council Regular Meeting
Monday 13 May 2019 6:00 p.m.**

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

Mayor and City Council Members

Mayor Eddie Ellington, Presiding

Councilmember Marion B. Williams
Councilmember Sara M. Coffey
Councilmember William Burnette
Councilmember D. Michael Rainey

Councilmember Melissa Elliott
Councilmember Garry D. Daeke
Councilmember Fearldine A. Simmons
Councilmember George M. Daye

City Officials

Frank Frazier, City Manager
D. Rix Edwards, City Attorney
Esther J. McCrackin, City Clerk

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. INVOCATION AND PLEDGE OF ALLEGIANCE**
- IV. OPENING REMARKS**

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.

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.

V. ADJUSTMENTS TO AND/OR APPROVAL OF THE AGENDA

VI. APPROVAL OF MINUTES

- a) 8 April 2019 Regular Meeting. *[See Notebook Tab 1]*

VII. PUBLIC HEARING

- a) Consideration of Approval of Ordinance 19-01, Amending the Zoning Map to Rezone 1337 Dabney Drive (Parcel 0013 03052), 1343 Dabney Drive (Parcel 0013 03001), and 1511 Lynne Avenue (Parcel 0013 03002) from OIA (Office Institutional "A") District and R-8 (Moderate to High Density Residential) District to B-4 (Neighborhood Commercial) District. *(CAF 19-05-B) [See Notebook Tab 2]*

- Ordinance 19-01

- b) Consideration of 1) Holding a Public Hearing on the Question Annexing 429 Birch Street and 432 Bobbitt Street Pursuant to NCGS §160A-31, and 2) Consideration of Approval of Ordinance 19-16, 1) Extending the Corporate Limits of the City of Henderson, North Carolina; 2) Assignment of Newly Annexed Areas to Ward 4, and 3) Directing the City Attorney to Record Annexation with Vance County Board of Elections, Vance County Register of Deeds and the North Carolina Secretary of State. *(CAF 19-16-B) [See Notebook Tab 3]*

- Ordinance 19-16

VIII. PUBLIC COMMENT PERIOD ON AGENDA ITEMS

Citizens may only speak on Agenda items at this time. Citizens wishing to address the Council must sign-in on a form provided by the City Clerk prior to the beginning of the meeting. The sign-in form is located on the podium. When recognized by the Mayor, come forward to the podium, state your name, address and if you are a city resident. Please review the Citizen Comment Guidelines that are provided below.³

³ Citizen Comment Guidelines for Agenda Items

The Mayor and City Council welcome and encourage citizens to attend City Council meetings and to offer comments on matters of concern to them. Citizens are requested to review the following public comment guidelines prior to addressing the City Council.

- 1) Citizens are requested to limit their comments to five minutes; however, the Mayor, at his discretion, may limit comments to three minutes should there appear to be a large number of people wishing to address the Council;
- 2) Comments should be presented in a civil manner and be non-personal in nature, fact-based and issue oriented. Except for the public hearing comment period, citizens must speak for themselves during the public comment periods;
- 3) Citizens may not yield their time to another person;
- 4) Topics requiring further investigation will be referred to the appropriate city official, Council Committee or agency and may, if in order, be scheduled for a future meeting agenda;
- 5) Individual personnel issues are confidential by law and will not be discussed. Complaints relative to specific individuals are to be directed to the City Manager;
- 6) Comments involving matters related to an on-going police investigative matter and/or the court system will not be permitted; and
- 7) Citizens should not expect specific Council action, deliberation and/or comment on subject matter brought up during the public comment section unless and until it has been scheduled as a business item on a future meeting agenda.

IX. NEW BUSINESS

- a)* Consideration of Approval of Ordinance 19-12, Amending Elmwood Cemetery City Code Article II Section 4-12, Cemetery Maintenance and Operation, and Article IV, Section 4-18, Plants, Flowers, Etc., and Section 4-22, Other Rules and Regulations Enumerated. *(CAF 19-29) [See Notebook Tab 4]*
- Ordinance 19-12
- b)* Consideration of Approval of 1 Ordinance 19-07, Amending Section 10-34 of the City Code Relative to Peddlers, Solicitors, Park Concessions and Food Trucks. *(CAF 19-13) [See Notebook Tab 5]*
- Ordinance 19-07
- c)* Consideration of Approval of Ordinance 19-20, Amending Section 7-48 of the Henderson Code of Ordinances Relative to Specific Streets. *(CAF 19-40) [See Notebook Tab 6]*
- Ordinance 19-20
- d)* Consideration of Approval of Ordinance 19-19, FY19 BA #32, Approving a Budget Amendment to Make Repairs at Red Bud and Industrial Park Pump Stations. *(CAF 19-39) [See Notebook Tab 7]*
- Ordinance 19-19

X. CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine or have been previously discussed, and can be approved in one motion, unless a Council Member asks for separate consideration of an item.

- a)* Consideration of Approval of Resolution 19-21, Authorizing the Submission of an Application to the Bureau of Justice Assistance Office for the FY19 Bulletproof Vest Program Grant for the Police Department. *(CAF 19-38) [See Notebook Tab 8]*
- Resolution 19-21
- b)* Consideration of Approval of Tax Releases and Refunds from Vance County for the Month of March 2019. *(CAF 19-36) [See Notebook Tab 9]*

XI. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

Citizens may only speak on non-Agenda items at this time. Citizens wishing to address the Council must sign-in on a form provided by the City Clerk prior to the beginning of the meeting. The sign-in form is located on the podium. When recognized by the Mayor, come forward to the podium, state your name, address and if you are a city resident. Please review the Citizen Comment Guidelines that are provided below.⁴

XII. REPORTS

- a) Mayor/Mayor Pro-Tem (No Report)**
- b) City Manager (No Report)**
- c) City Attorney (No Report)**
- d) City Clerk**
 - i. Meeting and Events Calendar [See Notebook Tab 10]
 - ii. E-911 Monthly Report
 - iii. Fire Department Monthly Report
 - iv. Recreation and Parks Monthly Report
 - v. Public Services Monthly Report

XIII. CLOSED SESSION

- a) Pursuant to G.S.§143-318.11 (a)(6) regarding a Personnel Matter**

XIV. WORK SESSION

- a) Consideration of Stormwater Utility Ordinance. (No Materials)**
- b) Consideration of Beckford Drive Widening Project. (No Materials)**

XV. PROPOSED FY20 BUDGET PRESENTATION (To be Distributed at Meeting)

XVI. ADJOURNMENT

⁴ Citizen Comment Guidelines for Non-Agenda Items

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- 2) Comments should be presented in a civil manner and be non-personal in nature, fact-based and issue oriented. Except for the public hearing comment period, citizens must speak for themselves during the public comment periods;**
- 3) Citizens may not yield their time to another person;**
- 4) Topics requiring further investigation will be referred to the appropriate city official, Council Committee or agency and may, if in order, be scheduled for a future meeting agenda;**
- 5) Individual personnel issues are confidential by law and will not be discussed. Complaints relative to specific individuals are to be directed to the City Manager;**
- 6) Comments involving matters related to an on-going police investigative matter and/or the court system will not be permitted; and**
- 7) Citizens should not expect specific Council action, deliberation and/or comment on subject matter brought up during the public comment section unless and until it has been scheduled as a business item on a future meeting agenda.**



City Council Minutes

Henderson City Council Budget Work Session #1

14 May 2019

PRESENT

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

(Clerk's Note: Council Member Elliott arrived at 6:10 p.m. and Council Member Daye arrived at 6:50 p.m.)

ABSENT

Council Member D. Michael Rainey *(Due to family responsibilities)*

STAFF PRESENT

City Manager Frank Frazier, Assistant City Manager Paylor Spruill, City Clerk Esther J. McCrackin, Finance Director Joey Fuqua, Police Chief Marcus Barrow, Kerr Lake Regional Water Director Christy Lipscomb, Public Works Director Andy Perkinson, Henderson Water Reclamation Facility Director Lamont Allen, Recreation and Parks Superintendent Steve Osborne, Recreation and Parks Facilities Supervisor Tara Goolsby, Fire Chief Steve Cordell, Assistant Fire Chief Curtis Tyndall, Customer Service Manager Shay Bennett, Development Services Director Corey Williams, Engineering Director Clark Thomas and Executive Assistant Tracey Kimbrell

CALL TO ORDER

The 14 May 2019 Henderson City Council Budget Work Session #1 was called to order by Mayor Eddie Ellington at 6:03 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 immediately turned the meeting over to the City Manager.

City Manager Frazier began the discussion by reviewing some of the key budget issues and specifically mentioned that The FY20 proposed budget includes a \$1,500 raise for each employee. He also said in 2019 the turnover rate through April of employees was 4%.

He then started the discussion period with Regional Water.

Kerr Lake Regional Water (KLRW)

Mr. Frazier said there are very few changes to this fund. He went on to point out the need for some small lab equipment that was approved in the FY19 budget but have lasted through the year (\$15,600); contingency funds (\$12,700); reserve funds (\$385,720) and transfer to CIP (\$1,650,000). The Reserve funds have been set aside for the Nutbush Road project and possible expansion of the water plant.

Council Member Burnette asked if the Nutbush/Satterwhite project needs the COE approval. Mr. Frazier said a permit will be required. He then asked if there is a timetable for completion. Kerr Lake Regional Water Director Christy Lipscomb said no timing from the COE has been received as the project is under design by the City's consulting engineer.

Council Member Coffey asked if the Nutbush project would tie in with Ross Mill. Mr. Frazier said that is a different project with another loop.

Debt Service for this fund includes \$48,500 for the high service pump. The upcoming project at Regional Water is still being reviewed by partners and will require adjustment of the rate in the coming year(s).

No increases were included in the proposed FY20 budget. The recommended budget for this department is \$5,060,000.

There were no further questions so Mr. Frazier moved on to the Water Distribution Fund.

Water Fund

Mr. Frazier began by reviewing the CIP funding of \$282,100. These funds are set aside for projects such as the Beckford Drive loop, a second feed for the hospital and painting the rusty standpipe at Andrews Avenue and Clark Street. He believes grant funds may be awarded for the Ross Mill project. There are no major Capital Outlay requests recommended for this fund.

Funding has been included in this proposed budget for a possible salary upgrade to fund the Engineering Tech position and a part-time GIS position.

Customer Service

This department has requested a counterfeit bill detector, the replacement of one scanner and gas meter detectors. Mr. Frazier said more than one half of the water meters are now being read by radio read.

Water Distribution

Mr. Frazier said he has not included a new crew that was requested by the Department Director. However, he did recommend additional funding for one new position to exercise valves/fire hydrants (maintenance technician). Addition funding was approved for repair/patching of utility cuts (\$5,000) and \$3,835,300 to pay for water from KLRW was approved due to increased sales.

Capital items approved were for mall items at a dollar amount of \$11,700. Mr. Frazier said the one big item is the need to replace the HVAC at the Operations Center. The water portion of this cost is \$9,000.

Mr. Frazier said a 2.5% increase was included in this budget to help with the costs that may be incurred with the Regional Water upgrades.

Council Member Williams asked for clarification between the fire hydrant position and the maintenance technician position. Mr. Frazier explained the difference and said it's possible at some point that the two positions may be combined in the future. The current Fire Department position that performs this work may become a full time fire fighter as well.

Council Member Daeke asked for the household impact of the 2.5% increase. Mr. Frazier said annually it would increase inside rates by \$5.88 and outside rates by \$14.76.

Council Member Coffey inquired about the location of hydrants and valves and whether they had been mapped. Mr. Frazier said this is in the process. Ms. Coffey asked specifically about valves on Raleigh Road and the Manager said that those had not been mapped but that there is value in the additional valves that have been installed.

Council Member Williams asked for an explanation of the \$3,835,300 purchase for resale. Mr. Frazier explained that the city purchases water from Regional Water just like everyone else and the cost is based on gallons metered and purchased by the City.

Before moving on, Mr. Frazier shared that the residents on Weybosset are still interested in obtaining city water. Funding needs to be found for this project through either revenue or other loans that may be available. The Industry Drive project was mentioned as well.

The recommended budget for this department is \$8,218,770.

Sewer Fund

Mr. Frazier began with an overview of the fund. He commented about the recent I&I problems and the need to prevent more spills. The need to continue to work on increasing flow at the Sandy Creek Pump station and reducing stormwater inflow/infiltration into the sanitary sewer system.

The budget for this department includes \$256,370 in CIP funds.

The Debt Service amount is slightly less than the current fiscal year. Some of the projects that are included are the HWRP project, Elmwood Cemetery Sewer project and the need to work on the Sandy Creek Pump Station. Mr. Frazier asked Henderson Water Reclamation Facility Director Lamont Allen to address Council about some of these issues.

Mr. Allen explained the new generator has been ordered but it will not be delivered for 12 weeks. A temporary generator will be used until the new generator arrives.

Council Member Coffey asked for an explanation about grease removal. Mr. Allen said he has a staff member that inspects restaurants and there is a fine if not in compliance. When asked how much has been collected in fines, Mr. Frazier said he did not think there was much collected as the City can take aggressive action if not brought into compliance - so normally restaurants comply quickly.

Mr. Frazier said accepting septic waste has been beneficial to the city although he could not state how much income has been received but could report back on this.

Council Member Daeke asked about small stores. Mr. Frazier said often the City is unaware that they have an issue with grease until there is a blockage. Mr. Frazier expressed concern about the need to reduce I&I problems and said this is an issue that needs to be brought under control. Mr. Daeke asked if the problems have diminished and Mr. Frazier responded by saying some gains have been made but as the system ages, it will be a continuous battle.

The Manager told Council that there may need to look at equalization at Sandy Creek later on during the FY20 budget year. The cost for this work may range in the \$400,000 - \$450,000 amount.

Mr. Frazier said the Public Works department is systematically trying to identify I&I issues. City Engineer Thomas added that it is estimated the City could spend \$40M worth of upgrades to the system.

Council Member Coffey recognized this need and commented that the City had limited funds for so long that proper repairs could not be made which has *“put us behind the eight ball.”* Mr. Frazier said staff is looking into SRF to try to help with this need and there will be future funding that the City could apply for.

Council Member Elliott asked if there is a lifetime for pipes. Engineering Director Clark Thomas said 75 years is average and then explained the difference between various pipe materials.

Mr. Frazier applauded Council for its foresight in upgrading the sewer plant and said without the upgrade, running the plant would be much more difficult and costly at this time.

Council Member Williams asked why there was a drop in personnel. Mr. Frazier said because of the efficiency of the new plant. Council Member Daeke said the reduction of staff was part of the expectation when the new plant renovation was approved.

The recommended but for the Sewer Fund is \$5,156,000.

There were no other questions so Mr. Frazier asked Council if it would like to move on to the General Fund.

General Fund

Mr. Frazier summarized this fund by saying taxes make up the largest part of the revenue and this year the collection rate increased to 97.35%. The property tax rate remains the same (0.712 cents) and sales tax continues to grow. No changes are proposed for the motor vehicle tax. He said asset forfeiture funds continue to decline and there has been a slight increase in revenue from the sanitation fee.

Council Member Burnette asked why the asset forfeiture funds have decreased. Police Chief Barrow explained that the City no longer receives Federal forfeiture dollars but it does receive State dollars. There was a brief discussion about past practices on the interstate and the liability associated with stops, etc.

Mr. Frazier then began reviewing each individual fund.

Governing Body- A capital outlay for binding old minute books is included at a cost of \$1,500.

City Attorney- A \$1,000 increase for professional services is included in this proposal along with a slight increase for the attorney to attend a yearly conference.

Administration- The cost for one new computer (\$1,500). The Main Street Program Manager's salary is designated in the Main Street budget; however, this position will report to the City Manager.

There was discussion about the DDC position and how much the County will contribute to the position. Mr. Frazier noted that County Manager McMillen stated that his recommendation amount was \$1,500. Mayor Ellington said he would call the County liaison to see if that amount could be changed.

Human Resources – This budget includes additional funds for employee events such as the health fair and holiday luncheon. It also includes an additional \$200 to cover the cost of part-time help for the receptionist/office assistant position.

Finance – The audit contract remains the same for the second year in a row, and will not change for FY21. This department needs to replace a computer at a cost of \$1,500.

Information Services – Mr. Frazier said during a recent Public Safety meeting the Committee felt an outside group should be retained to review our existing system and process. The proposed budget includes \$15,000 for capital improvements and there may be a possible increase depending on the outcome of current negotiations.

Council Member Elliott asked about creating an IT position. She said she has learned that the position could be filled with a starting salary of approximately \$47,000 and said she would bring the City Manager the information at the next budget meeting. There was a short discussion about IT services as a proposal was recently received from a start-up company and Mr. Frazier said this need and the overall services need to be examined carefully before any decisions are made in this area. Ms. Elliott and others felt the City needs to create and fill an IT position

Henderson-Vance Downtown Development (DDC) – As stated earlier, this position reports to the City Manager but the funding is found under the DDC. There was a brief discussion about the DDC when Mr. Frazier covered the Administration Department. A search is currently ongoing to fill a full-time position at a salary of approximately \$55,000 (including benefits). Facades costs are funded at \$25,000 and the County's participation is currently unknown. (As stated earlier, the Mayor will contact the County for more details about its participation.)

Development Services- Costs increased by \$42,500 not including benefits, for the additional full-time Code Compliance Inspector that was approved earlier this year. The Manager included \$50,000 for demolition which is the same amount as FY19.

Council Member Daeke asked if the County has matched the demolition costs. Development Services Director Corey Williams said when a city/county owned building is demolished, the County has paid its portion. Mr. Williams said three structures on Andrews Avenue are currently for demolition and that the number of city/county owned properties are diminishing.

Council Member Williams asked about the two properties on Chestnut Street. Mr. Williams said one is pending due to an offer to purchase but the other is under contract to be demolished.

Council Member Daeke then directed the discussion to lawn mowing. Mr. Williams said it costs approximately \$3,000 to mow 25 lots – some are done by contract and some are done by the Public Works staff. Again, the County is paying its portion as required. Mr. Daeke said he appreciated the County stepping up to do its share.

Public Buildings- The capital outlay for this department is #3,400 with possible additional costs for fencing along the property line. Maintenance and repair of both City Hall and the DDC office is set at \$5,000.

Police – The police department building is 20 years old and needs repairs. Thus, Mr. Frazier has set aside fund for a new HVAC and other building repairs in the proposed budget. Also included in the budget is the lease purchase of four new vehicles and \$95,000 for outfitting the vehicles. Structured overtime and liability insurance have increased by \$6,500 for overtime and \$2,000 for insurance.

Police Chief Barrow said the compressor went out last week on one of the HVACs and since the units are on the roof, a crane needs to be used which is another expense to the City.

Council Member Elliott asked how many vehicles the department has that are currently out of service and wondered if the purchase of four vehicles is enough. The Chief said the purchase of four vehicles is sufficient and explained that staggering the replacement of vehicles is working fine. For informational purposes, the Chief stated the department takes approximately 30,000 calls a year.

Asset Forfeiture – Funds have been included for Travel & Schools (\$20,000), Informant Funds (\$5,000) and Capital Improvements (\$10,000). Mr. Frazier said he just received a request from the Chief to increase the funds being used in Asset Forfeiture by \$10,000.

Fire- Part-time salaries and wages increase in the FY20 budget by \$4,000. There is \$160,000 included for the lease purchase of half of the new portable radios need and \$15,000 is included for a study relating to a new fire station.

Fire Chief Cordell explained new radios are necessary because the 800 series radios are no longer repairable and the 2500 series radios will be out of date as of December. (Police Chief Barrow said his department used the same radios and added that there is an automatic \$500 service charge for repair and that they are shipped to Mexico for the repair work. He noted his department has been able to replace their radios through grant funds.)

Council Member Burnette suggested the city lease purchase 1-2 more radios so the department would have a spare or two on hand. Council Member Daeke agreed. Mr. Frazier mentioned the department will retain some of the older radios to use until replaced. Chief Cordell added that

there is a possibility that some of the older radios can be sold. Mr. Daeke commented that the extra radios can be purchased now or later since this is a General Fund item.

Council Member Coffey asked if the department has sufficient vests. The Chief said each personnel will have their own sized vests this year and that next year he will begin phasing in the costs to replace the plates in the vests that cost approximately \$5,000 each.

Chief Cordell said he is proud of his personnel because everything that has been mentioned in regard to the cancer issue recently revealed nationwide his personnel is doing as a result of participating/listing during conferences/training.

Turnover issues were then discussed for both the Police and Fire departments. Both were staffed well until recently when they have both experienced loss of personnel.

Both Chiefs said they cannot say enough about what Council has done to help them retain staff. However, they both felt they will never be able to compete with the larger communities in the surrounding areas. Both Chiefs said Henderson is a good training ground that provides good employees for other communities. There was then a discussion about the possibility of creating a commitment contract so personal will remain with the City for a certain number of years. Another suggestion was to provide bonuses to staff if they refer a person who is employed by the City. Neither Chief felt job fairs are worthwhile but they did think an open house might draw new employees. At this time, the Fire Department is short one employee and the Police Department is short four employees. The Manager noted that this is a major improvement in staffing over previous years.

Council Member Daeke commented that overall morale seems to be good and commended the Manager as retention in 2019 is the lowest he remembers at 4%.

Other

At this time, Mr. Frazier asked if Council would like to continue with the General Fund or call it a night. It was the consensus of Council to adjourn at this time and return at 5:00 p.m. on Thursday, May 17 to finish the General Fund.

Car Park:

1. Mayor Ellington will call the County regarding the DDC position funding
2. IT Position
3. Increase lease purchase of Fire Department Radios so they have extra's on hand
4. Possibility of establishing a commitment contract to help keep police/fire staff
5. The need to look at Public Works Positions was mentioned during the May 13th budget presentation.

ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Williams, and unanimously approved. The meeting adjourned at 7:55 p.m.

Eddie Ellington
Mayor

ATTEST:

Esther J. McCrackin, City Clerk



City Council Minutes

Henderson City Council Budget Work Session #2

16 May 2019

PRESENT

Mayor Eddie Ellington, Presiding; and Council Members Marion B. Williams, Sara M. Coffey, William Burnette, Fearldine A. Simmons, and George M. Daye.

(Clerk's Note: Council Member Daye arrived at 5:29 p.m. and Council Member Simmons arrived at 5:50 p.m.)

ABSENT

Council Member D. Michael Rainey *(Due to family responsibilities)* and Council Member Melissa Elliott *(prior commitment)* and Council Member Daeke

STAFF PRESENT

City Manager Frank Frazier, Finance Director Joey Fuqua, City Clerk Esther J. McCrackin, Assistant to the City Manager Paylor Spruill, Police Chief Marcus Barrow, Public Works Director Andy Perkinson, Recreation and Parks Director Kendrick Vann, Recreation and Parks Facilities Supervisor Tar Goolsby, Fire Chief Steve Cordell, Assistant Fire Chief Curtis Tyndall, Henderson Water Reclamation Facility Manager Lamont Allen, Engineering Director Clark Thomas and Executive Assistant Tracey Kimbrell

CALL TO ORDER

The 16 May 2019 Henderson City Council Budget Work Session #1 was called to order by Mayor Eddie Ellington at 5:19 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 thanked staff for attending this meeting and asked City Manager Frank Frazier to continue with the next General Fund item.

Mr. Frazier reminded Council that the last budget discussed on Tuesday evening was for the Fire Department so he began this evening with Public Works Administration.

GENERAL FUND (Con't)

Public Works Administration – Mr. Frazier said this department handles the budget for the various funds within the Operations Center. The proposed budget includes \$12,000 for the General Fund's portion of replacing the HVAC at the Operations Center.

Garage- The Garage takes care of the City's fleet of vehicles. A new computer to be used for tracking work orders has been included in the FY20 budget; however, the frozen position will remain frozen.

Cemetery- The main expense in this fund is for contracted services to maintain lawn services in both Elmwood Cemetery and Blacknall Cemetery (which the City does not own but maintains). Funds have also been included to replace dead trees and the purchase of new trash cans, installing concrete pads for the trash cans to sit on and a laptop to track grave information.

Council Member Burnette asked how often the cemeteries are mowed. Mr. Frazier said it depends on the rainfall and how fast the grass is growing. Typically the City mows every two weeks, just before a holiday (such as Mother's Day/Memorial Day) and also before a funeral service.

Council Member Williams asked about the perpetual care fund. Mr. Frazier said there is approximately \$400,000 in the account but the City Attorney has not yet determined how State Statute would allow the City of use those funds.

Council Member Coffey asked if the monies will cover the cost of replacing trees in the cemetery. Mr. Frazier said this amount should cover the cost to replace the trees that are removed.

Street Dept/Powell Bill – Mr. Frazier said \$400,000 has been included for street resurfacing and that a list of priority streets will be presented to Council at the appropriate time. He has included \$35,000 for sidewalk repair/replacement and \$2,500 for small equipment purchases. No major purchases are included in the FY20 budget.

Council Member Coffey asked how many streets can be resurfaced with these funds. Mr. Frazier said it depends on the amount of resurfacing needed for each street which is determined by the

length and width. Staff compiles a list of the worst areas and again, that will be brought to Council prior to going to bid.

Council Member Williams asked about sidewalk repairs and how they are selected. Mr. Frazier reminded Council to let him know if they are aware of any sidewalks that need to be repaired or replaced and he would have staff look at the area. He also stated that Public Works staff usually picked the areas repaired based on their knowledge and public request.

Sanitation- The increase of \$18,500 will cover the increase agreed to in the Waste Industries contract which is based on the consumer price index. There is no sanitation fee increase. The purchase of a new leaf machine and two new leaf boxes has been included at a cost of \$54,000 and the lease purchase agreement for the loan will be brought before Council for approval.

Mr. Frazier paused at this point to ask if Council had any questions. There being none, he moved to the next fund, Recreation.

Recreation- Mr. Frazier began by saying this department has had a slight reduction in overall costs; there is additional funding for the additional salary needed for the Maintenance Worker position that Council approved in FY19. The requested overlay for the tennis courts and paving of the trails was not approved in the proposed budget due to cost.

Council Member Burnette asked how much it would cost to resurface the courts. Recreation Director Kendrick Vann said the courts are clay and it would cost approximately \$300,000. Council Member Coffey asked if anyone had looked into possible grant funds. Mr. Vann said possible grant funds have been reviewed and at most, \$30,000 might be available. There was a short discussion about using a different surface but Mr. Vann said that would not be possible due to specifications from the High School Athletic Association.

Council Member Williams asked if funding was included for the water park. Mr. Frazier said no because at this time the City does not know if it will be awarded the grant money that has been applied for but added if the grant is awarded, then it is anticipated that funds from the purchase of the property and other in-house work can be used for the matching portion of the grant; however, there may be some funds that the City would have to utilize fund balance dollars.

Ms. Williams also asked why there was a decrease in the overall budget for Recreation. Mr. Frazier said it was because the Henderson Rec Players are no longer part of this budget and funds are still available to cover the Rec Player's grant application

Going back to the tennis courts, Ms. Coffey asked if the courts could be patched. Mr. Vann said they are no longer in a condition to be patched. Mr. Burnette asked if it would be possible to do one or two courts a year. Mr. Frazier said normally the price is better when a project is done as a whole. After further discussion, Mr. Vann was charged with providing Council with the cost of doing two courts at a time (since they are side by side).

Youth Services- This department is fully funded by the County.

Aycock Aquatic Center- Mr. Frazier said funding has been included in this budget to replace the gym floor and added that this was determined to be a priority when he discussed the budget with the Recreation Director. Mr. Frazier reminded Council that the Recreation department is funded 50/50 by the City and County so the County would be paying a portion of the cost to replace the gym floor and also the tennis courts.

Council had questions about what kind of flooring has been selected and Council Member Burnette said he would like Recreation Director Vann to contact a specific person/company to assist with this floor replacement. Mr. Vann did say that there are concerns that they may find that concrete work is needed when they tear out portions of the old floor. The contract for this work will be brought to Council for approval after being bid out due to the amount.

Vance County Shared Programs – Various programs are shared between the City and County.

Board of Elections: Election costs have increased as this is an election year for the City.

Tax Office: Costs have decreased slightly. Mr. Frazier felt it could be due to a new employee hired at a lower salary.

E-911: The emergency service has requested two new employees which caused the City's portion to increase.

NCDMV Tax & Fees: This increased by \$1,000.

Perry Memorial Library: Overall the budget is less due to a new funding arrangement that was approved last year that places the City's funding at 15%; however there was a slight increase in the FY20 budget (\$2,400)

Non-Departmental – No changes were made from FY19.

Council Member Coffey asked why \$100,000 was included for economic development incentives. Mr. Frazier said the agreements with various businesses such as M.R. Williams, Mako, Vescom and North Central Medical were for a set period of time so it is necessary to stay at the same amount in FY20.

Mr. Frazier pointed out that \$222,500 has been set aside in the reserve account line item for the \$1,500 salary increase proposed for each employee in FY20.

Before moving on, Council Member Coffey asked if the company installing the HVAC system at the Police Department would bring the crane needed or if the City would need to supply the crane. Mr. Frazier said the company is responsible for the crane and entire repair.

Contributions – Local Agencies- The funding for all the Local Agencies remains the same for FY20.

Debt Service – Debt for FY20 are approximately \$136,000 less than FY19. This fund includes payment of previous lease purchases along with the second year of payments for the renovations at Fire Station #2 and the former municipal building.

Powell Bill- This fund will help pay for the resurfacing mentioned earlier. Mr. Frazier said it is possible that these dollars may increase as there are several legislative bills under consideration. Currently the City has slightly more than 84 street miles which is what the funding is based on by the State as well as the population.

OTHER

Council Member Williams asked if the Perry Memorial Museum is the same as the Corbitt Museum. Mr. Frazier said the City pays the insurance on the Perry Memorial building and it is leased from the City by the Corbitt association.

Council Member Williams asked about the travel allowance for the Governing Body. Mr. Frazier said last year Council received a raise, along with staff, so this year he felt the travel allowance should be increased. This allowance is included in the stipend received by Council.

With no other questions, Mr. Frazier said Monday, May 20th at 6:00 will be the Public Hearing followed by further deliberations if needed. If there are no major changes, the Manager plans to bring the FY20 budget to Council at its regularly scheduled meeting on June 10 for final approval.

Mayor Ellington thanked Mr. Frazier, the Budget team and staff for compiling this budget and asked if there was anything further.

ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Williams, and unanimously approved. The meeting adjourned at 5:59 p.m.

Eddie Ellington
Mayor

ATTEST:

Esther J. McCrackin, City Clerk



City Council Minutes
Henderson City Council Budget Public Hearing and
Work Session #3
20 May 2019

PRESENT

Mayor Eddie Ellington, Presiding; and Council Members, Sara M. Coffey, William Burnette, D. Michael Rainey, Melissa Elliott, Garry D. Daeke and George M. Daye

(Clerk's Note: Council Member Elliott arrived at 6:15 p.m.)

ABSENT

Council Member Marion B. Williams (Called out of town unexpectedly) and Council Member Fearldine A. Simmons

STAFF PRESENT

City Manager Frank Frazier, Finance Director Joey Fuqua, City Clerk Esther J. McCrackin, Assistant City Manager Paylor Spruill, Police Chief Marcus Barrow, Fire Chief Steve Cordell, Assistant Fire Chief Curtis Tyndall, Recreation and Parks Director Kendrick Vann, Engineering Director Clark Thomas, Public Works Director Andy Perkinson, Henderson Water Reclamation Facility Manager Lamont Allen, Development Services Director Corey Williams, Customer Service Manager Shay Bennett, Human Resources Director Elgin Lane and Executive Assistant Tracey Kimbrell

CALL TO ORDER

The 20 May 2019 Henderson City Council Budget Public Hearing 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 thanked the staff for attending the meeting.

PUBLIC HEARING

Mayor Ellington immediately opened the Public Hearing by asking if anyone was present who wanted to speak in favor or opposition to the FY20 Proposed Budget. No citizens were present so Mayor Ellington immediately closed the Public Hearing.

Mayor Ellington then turned the meeting over to City Manager Frazier.

CAR PARK ITEMS

Mr. Frazier stated he wanted to abide by Council's wishes and that there were several items that needed to be reviewed.

- 1) DDC Position Funding – Mr. Frazier stated that he had spoken to County Commission Chair Archie Taylor and Tommy Hester about additional funding for the DDC. Both gentlemen indicated that the County Manager has not received an official written request from the City. Apparently there was a misunderstanding and to clarify, the Manager will be putting in writing the City's desire that the County's participation in the funding of the DDC position be increased based on the City's desire to make this a full-time position, as well as being able to offer other initiatives to become a Main Street City again.
- 2) IT Position- It was the consensus of Council that a position needs to be created. Council Member Elliott has researched the salary range of other communities and found that Morganton salary range is \$39,000 - \$58,000; Mebane's range is \$56,000 to \$87,000 and Waxhaw's range is \$51,000 – 72,000. Mr. Frazier said staff is in agreement that an independent consultant should be retained to evaluate the current system. Finance Director Joey Fuqua explained how one of his previous employers went about this and offered to speak to the IT staff at Vance Granville Community College. This was agreeable to Council.

Mr. Frazier asked Council to provide guidance in how they would like him to proceed. The consensus of Council was to add General Fund dollars over and above the \$60,000 already included in the FY20 budget and to bring back to Council with the budget for approval in June. Mr. Frazier did say that this position may not need to be funded for the entire year, depending on when the position is filled and also stated that the salary could be funded through the different enterprise funds, as well as the General Fund.

- 3) Fire Department Radios – It was the consensus of Council to lease purchase two additional radios and the lease purchase award would ultimately be approved by Council. Therefore, it would not effect the final budget numbers.

- 4) Commitment Contract for Police/Fire – Mr. Frazier said he has not had time to review with the City Attorney the possibility of creating a contract to help retain new employees in these two departments. More details will be provided as they become available as this is being researched further.
- 5) Public Works Positions – Early in the budget discussions a question arose about whether another crew should be created for Public Works. Mr. Frazier said he included one water distribution position and did not feel another crew should be added at this time. There was no discussion.
- 6) Septic Sewer Waste Income – Mr. Frazier said to date, \$158,160 in revenue has been collected for accepting septic tank sewer waste from haulers.
- 7) Tennis Court Resurfacing Costs- Recreation and Parks Director Kendrick Vann said it would cost approximately \$175,000 to resurface the front two courts due to erosion. That cost includes filling the eroded areas. Mr. Frazier cautioned Council by saying if it desires to move forward with the resurfacing, the funds will need to come from Fund Balance. He also emphasized if the grant is awarded for the multi-purpose park in downtown Henderson, the matching funds will also have to come from the Fund Balance.

There was a brief discussion about whether taking more monies from the Fund Balance was the right thing to do but ultimately, Council felt this resurfacing should be done so citizens could use the courts. Mr. Vann said he spoke with members of the Board of Education to see if they would be willing to contribute to the resurfacing but the Board felt it had more pressing issues to fund.

Mr. Frazier was asked to put this cost into the FY20 budget and to contact the County Manager to ensure the County would pay its portion of the cost. Because the County pays 45% of the Recreation costs, it is expected that approximately \$78,750 would be asked of the County with an additional \$96,250 to come from the City by way of Fund Balance. .

Council Member Coffey said she appreciated Mr. Frazier's conservatism toward the budget but felt improving the courts was the right thing to do.

Because the IT issue was discussed prior to Council Member Elliott's arrival, she brought up the information she had shared with Mr. Frazier and he had mentioned earlier. Council thanked her for her research and she thanked Council for including the position in the proposed budget.

At this time Mr. Frazier paused and asked if Council had any questions. No questions were asked so he moved on to the Clean Up Items.

CLEAN UP ITEMS

- 1) Asset Forfeiture Change (Police Department) – Police Chief Marcus Barrow has requested the Manager included additional funds from Asset Forfeiture for maintenance repair, equipment, supplies and educational travel. Council had no objection to adding \$20,000 to this line item as these funds could only be used by the Police Department
- 2) HWRP Budget Change – Mr. Frazier said he would like to include the lease purchase of a new vehicle for this department since learning that the repair to an existing truck (a late 90's model) will cost \$14,000 and there was \$10,000 for a crane rental so therefore the final budget in Sewer may not have to change other than the least purchase amounts. Council had no objection to adding this lease purchase to the FY20 budget.

CONCLUSION

In conclusion, Mr. Frazier thanked Council for the input and asked for a consensus to move forward with the FY19-20 budget as amended. The consensus was as follows: YES: Coffey, Burnette, Rainey, Elliott and Daeke. NO: None. ABSTAIN: None. ABSENT: Williams and Simmons.

The City Clerk said the remaining work session dates will be cancelled.

OTHER

The next few minutes were spent with Council thanking staff, sharing an upcoming fundraiser for a city employee's family, the Torch Run for Special Olympics and two Recreation and Parks dedication ceremonies taking place this week

Mayor Ellington asked Council if there was any further business before adjournment.

ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Rainey, and unanimously approved. The meeting adjourned at 6:49 p.m.

Eddie Ellington
Mayor

ATTEST:

Esther J. McCrackin
City Clerk