



Office of the City Manager

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28 August 2012

TO: Local Media

FR: Ray Griffin, City Manager

RE: City Council Mid-Term Retreat

Mayor O'Geary, Members of City Council, City Manager and Administrative staff participated in a mid-term retreat on Thursday, 23 August 2012, at the Aycock Recreation Complex in Henderson, NC. The purposes of the Retreat were to: 1) build and foster team work; 2) review roles and responsibilities of elected officials and city manager; and 3) review status of the Strategic Plan and its related action plans. Ms. Rebecca Veazey, MAPS Group, served as the Retreat facilitator.

Ms. Veazey utilized the Meyers-Briggs Type Indicator process as a means to facilitate the team building session. Outcomes of this process included a broader understanding of how different people perceive information and communicate with others the value of a diverse team of individuals in order to maximize successful results. The Council has decided to utilize this process on several items of interests at its January, 2013 Retreat.

In 2008, the Mayor and City Council established its first Agreement on Roles and Responsibilities of the Mayor, City Council and City Manager. Each year since, Council reviews this Agreement and amends it accordingly. Mayor O'Geary stated, "I feel it is because of this Agreement on Roles and Responsibilities that the Mayor, Council Members, City Manager and Senior Staff work so well together. I am very proud of the strong team oriented working partnership we all share."

The City Council developed its first Strategic Plan in March, 2009. As part of that process, eight Key Strategic Objectives were approved in order to focus attention on key areas of concern and/or interest of the Council and community. For instance, Key Strategic Objectives are focused on process improvement, reducing crime, enhancing economic development, improving housing stock and neighborhoods, maintaining and improving infrastructure, retaining qualified municipal workforce, expanding leisure services and providing sufficient resources for City services.

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A summary of accomplishments achieved since March 2009 were reviewed by the Mayor and Council during the Retreat. A summary of the key achievements include, but not limited to the following:

KSO 1: Process Improvement

1. Developing a Strategic Plan and reviewing and updating it each year during annual retreat.
2. Developing and fostering a climate encouraging of process improvement. Notable examples include automating the timesheet and budgetary development processes, forming the Code Impact Enforcement Team and sanitation privatization.
3. Implementing 4-year staggered terms for Mayor and Councilmembers

KSO 2: Reduce Crime

4. Increasing number of active, viable Community Watch Organizations from 14 in 2008 to 29 in 2011.
5. Developing on-going, positive working relationships with local media, property owners and managers and utility providers as a means to better fight crime. The violent crime rate has gone down for the third year in a row.
6. Implementation of Geographic Policing as a means to better fight crime.
7. Development of "Business Watch" as a means to help businesses better protect themselves and their customers against crime.

KSO 3: Enhanced Economic Development

8. Working with Vance County to re-form the Economic Development Commission (EDC) and bring the City back to the table as a full strategic partner in economic development planning and decision making. The City has participated with Vance County and the EDC in notable projects such as the expansion and relocation of Optimum Lighting, expansion of Vescom, and location of new businesses such as Thermo King and Semprius.
9. Implemented conditional use zoning and approved the first major update to the Comprehensive Land Use Plan.
10. Continued efforts to obtain a passenger rail station and stops on the proposed high speed rail system. This long-term goal is on-going and still in the State and Federal governments planning stages.

KSO 4: Improve Housing Stock and Neighborhoods

11. Demolition of vacant, dilapidated housing. Since 2008, 158 structures/dwelling units have been demolished, including Beacon Light.
12. Redevelopment of downtown via two Hope 6 grants, a public-private partnership, that provided 24 housing units unused downtown buildings' second and third floors and support for the REEF project. \$2M in HUD grants plus private property financial contributions have resulted in the completion of 21 new apartments in downtown.

KSO 5: Reliable Infrastructure

13. Development of a multi-year utilities capital improvements plan and pushing forward with planned renovations to the wastewater plant and expansion of the water treatment facility.

14. Major infrastructure upgrades to the water distribution and sewer collections systems as evidenced by work to replace 2" water lines, install radio read meters, replace Sandy Creek Lift Station, continued work to rehabilitate sanitary sewer lines, etc. Bids will be taken in September 2012 for the major renovation and reconstruction of the wastewater treatment facility. The estimated costs for this project is \$16M - \$17M. Expansion of the Water Plant is expected to occur in 2015 or 2016.

KSO 6: Retain Qualified Municipal Workforce

15. Develop the City Academy

KSO 7: Expand Leisure Services

16. Development of trails and renovations to Fox Pond Park is on-going, as is planning with a broader regional team for the high speed rail/greenway project.

KSO 8: Provide Sufficient Funding for Services

17. Continued growth in the undesignated fund balance. The goal is to achieve 30% of general fund budget for undesignated reserves and, at the close of FY11 on 30 June 2011, the percentage was 13.9%. It is expected FY12 Audit figures will show an increase in this percentage rate. The City's fund balance fell from about \$4.5M in 2000 to \$22,268 in FY05 and is at \$1.98M at the end of FY11.
18. Since FY08, the City has obtained \$13.9M in grants and \$20.1M low/no interest loans for water and sewer infrastructure.
19. Renegotiation of Joint City-County programs' agreements for Emergency Operations 911 Center, Library, Economic Development Commission and Board of Elections that are saving the City approximately \$139,130 for FY13, and an estimated cumulative total of \$309,490 since the agreements were approved in FY10.

Action plans identified and planned for work in the Fall include:

KSO 1: Process Improvement

1. Developing a Brand for the City
2. Improving citizen engagement

KSO 3: Economic Development

3. One-stop permitting

KSO 7: Expand Leisure Services

4. Developing sports tourism

Action plans that have been identified and remain opportunities for future progress include:

KSO 3: Economic Development

1. Revising and updating the land use and sign codes
2. Developing a comprehensive annexation plan

KSO 6: Retain Qualified Municipal Workforce

3. Performing a pay-classification plan for City employees

KSO 8: Provide Sufficient Funding for Services

4. Creating and funding Fleet and Information Technology funds

Attachment:

1. 2012-2014 Strategic Plan Mid-Year Report, 23 Aug 12



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21 August 2012

TO: Mayor O'Geary and Members of City Council
Department Directors and City Clerk
Facilitator Becky Veasey

FR: Ray Griffin, City Manager

RE: Strategic Plan Status Report

Ladies and Gentlemen:

It was felt that a brief update on the Strategic Plan would be appropriate for the upcoming Team Building Retreat. While developing this report, I felt it important to provide an overall look at the various action plans approved by the City since the first one was approved in 2009. The attached document provides a summary update on the various action plans.

The Strategic Plan update is not a full report on all of the various metrics within the City's developing Balanced Scorecard. The one's presented are focused on the several key metrics for the Strategic Plan itself.

Action plans are either short term, mid-term and long-term. The color coding is meant to assist the reader understand, at a glance, the status of the various action plans.

Blue = completed

Green = in progress and on schedule

Yellow = lagging

Tan = not yet started

Red = not accomplished

Grey = not in plan or removed from plan

In the interest of time, I do not plan to have staff presentations on the update. Staff will be present to respond to questions and concerns about the Strategic Plan and the report. The Staff and I look forward to meeting and working with Council at the upcoming Retreat.

Enclosures:

1. Multi-Year Action Plan Scorecard

2012-2014 Strategic Plan

Mid-Year Report

23 August 2012

Multi-Year Action Plan Scorecard 23 Aug 12 Council Team Building Retreat			AP Time Horizon	March 2009 09-11 SP	January 2010 10-12 SP	January 2011 11-13 SP	January 2012 12-14 SP
KSO 1 Implement Performance Excellence							
AP 1-1a	Develop a Strategic Plan	short term	Blue	Removed from Plan: Now Routine			
AP 1-1	Implement Process Improvement	long term	Green	Green	Green	Green	Green
AP 1-2a	Four Year Staggered Terms for Mayor/Council	short term		Green	Green	Blue	
AP 1-2b	Create a Brand for the City	short term			tan	tan	
AP 1-3	Study Possible Areas for Privatization	short term	Green	Blue	Removed from Plan: Now Routine		
AP 1-3a	Develop Mandatory Recycling Plan/Revenues	short term			Red	Removed from plan	
AP 1-4	Improve Citizen Engagement	short term					tan
KSO 2 Reduce Crime & Safe Community							
AP 2-1	Increase Community Watch Groups	short term	Green	Blue	Removed from Plan: Now Routine		
AP 2-2a	Collaborative Efforts with Local Media	short term		Blue	Removed from Plan: Now Routine		
AP 2-2b	Collaborative Efforts with Partners	mid-term	Green	Blue	Removed from Plan: Now Routine		
AP 2-3a	Legislative Authorities	short term	Green	Blue	Removed from Plan: Now Routine		
AP 2-3b	Implement Geographic Policing	short term		Green	Blue	Removed: Routine	
AP 2-4	Business Watch	short term					Green
KSO 3 Economic Development							
AP 3-1a	Reestablish EDC with Vance County	short term	Blue	Removed from Plan: Now Routine			
AP 3-1b	Align EDC and City Strategic Plans	short term		Blue	Removed from Plan: Now Routine		
AP 3-1c	Establish 1-Stop Permitting Process	short term			Green	Yellow	
AP 3-2a	Expand Commercial Retain Base	long term	Tan	Tan	Removed: Now provided in EDC Plan		
AP 3-2b	Revise and Align Land Use & Sign Ordinance	short term		Red	Red	Red	
AP 3-3c	Implement Conditional Zoning	short term			Blue	Now routine	
AP 3-3d	Locate HSR Passenger Station in Downtown	long term	Green	Green	Green	Green	
AP 3-4	Market Henderson's Attributes	long term	Tan	Removed: Now provided in EDC Plan			
AP 3-5	Redevelop Downtown	long term	Green	Green	Green	Blue	
AP 3-6	Complete Comprehensive Land Use Plan	short term	Green	Blue	Removed: Now routine		
AP 3-7	Develop Annexation Plan	short term	Red	Red	Red	Red	
AP 3-8	Improved Workforce Training	long term	Tan	Removed: Now provided in EDC Plan			
KSO 4 Improve Housing Stock							
AP 4-1	Aggressive Code Enforcement	long term	Green	Green	Green	Green	
AP 4-2	Redevelopment of residential/commercial	long term	Green	Green	Green	Green	
AP 4-3	Home Ownership Programs	short term	Green	Green	Blue	Removed from Plan	
AP 4-4	Beacon Light	short term			Blue	Removed from Plan	
AP 4-5	REEF Project	mid-term				Green	
KSO 5 Reliable Infrastructure							
AP 5-1	Develop Multi-Year CIP	short term	Green	Green	Blue	Removed: Routine	
AP 5-2	Expand Kerr Lake Regional Water Plant	long term	Green	Green	Green	Green	
AP 5-3	Comply with CO for Sandy Creek Basin	short term	Blue	Removed from Plan			
AP 5-4	Upgrade Sewer Plant	short-term			Green	Green	
AP 5-5	Replace 2" water lines	long-term				Green	
KSO 6 Retain Qualified Municipal Workforce							
AP 6-1	Perform Pay Classification Study	short term	Red	Red	Red	Red	
AP 6-2a	Merit Pay to Cola-One Time Adjustment	short term	Red	Removed from Plan			
AP 6-2b	Update Personnel Policy/Procedures Manual	mid-term			Green	Green	
AP 6-3	Career Develop & Training Plan	short term	Green	Green	Green	Green	
KSO 7 Expand Leisure Services							
AP 7-1	Develop Walking & Bike Trails	long term	Green	Green	Green	Green	
AP 7-2	Inner City Youth Access to Aycock	short term	Green	Green	Green	Green	
AP 7-3	Develop Sports Tourism	mid-term			Yellow	Yellow	
KSO 8 Provide Sufficient Funding for Services							
AP 8-1	Grow Undesignated Fund Balance	mid term	Green	Green	Green	Green	
AP 8-2	Create Fleet/Equipment/IT Replacement Fund	mid term	Red	Red	Red	Red	
AP 8-3	Evaluate City/County Joint Programs	short term		Green	Blue	Removed from Plan	
Key:	Blue = Completed		Yellow = Lagging		Red = Not Accomplished		
	Green = In Process		Tan = Not Yet Started		Grey = Not in Plan		
21 Aug 12							

KSO 1: Implement Performance Excellence

To provide excellent customer service providing for the efficient and effective delivery of services by implementing performance excellence within the organization.

AP 1-1: Implement Process Improvements

Status = Green

Staff and employees continue to implement process improvements that result in improved services and/or reduced costs. At times, formal teams, or Process Improvement Teams (PIT Crew) are used, while at other times the process is less formal. We utilize the PDCA process. *See Appendix A for a summary of process improvements.*

AP 1-1a: Develop Strategic Plan

Status = Blue

The City's first Strategic Plan in years was approved by Council as a result of its 2009 Strategic Planning Retreat. Each year, the Mayor, Council and Staff come together in an annual strategic planning retreat to review progress and amend the plan.

AP 1-2a: Implement 4-Year Staggered Terms for Mayor and Council

Status = Blue

This plan was approved in 2010 and received necessary regulatory approvals by year's end. The 2012 elections marked the first of two elections implementing this change. The 2013 election will complete the process.

AP 1-2b: Create a Brand for the City

Status = Tan

This project was approved in the 2011 Strategic Plan; however, it has not moved forward. With that said, the Economic Development Commission has developed and approved a brand for the City and County via its economic development efforts.

AP 1-3: Study Possible Areas for Privatization

Status = Blue

This action plan was approved in order to create efficiencies in service delivery. As a result, two services were privatized—household collection of solid waste and cemetery maintenance.

AP 1-3a: Develop Mandatory Recycling Plan and Improve Revenue Stream

Status = Red

This project was approved in the 2011 Strategic Plan; however, it was deleted during the 2012 Strategic Planning Session due to the lack of resources necessary to implement city-wide mandatory recycling.

AP 1-4: Citizen Engagement

Status = Tan

This project was approved during the 2012 Strategic Planning Retreat; however, no action has been taken to begin the process due to the budgetary process. It is hoped this activity can begin in the Fall.

KSO 2: Reduce Crime

To reduce crime and provide for a safe community.

Please refer to Appendix B for more information on the Police Department's efforts to combat crime and provide for a safer community.

AP 2-1: Year of Community Watch

Status = Blue

This was a very successful year and the City has worked with neighborhoods to maintain and strengthen community watch programs. It has also worked with neighborhoods to create new organizations. The growth in the number of community watch organizations is provided in the following table:

Growth in Community Watch Organizations Affiliated with Police Department						
	2006	2007	2008	2009	2010	2011
Increase in CW's	12	2	0	2	4	9
Total CW's	12	14	14	16	20	29

AP 2-2a: Collaborative Efforts with Local Media

Status = Blue

This initiative was established in January 2010. This bi-monthly radio program is a call-in show that allows listeners to voice community concerns. Crimes are showcased during the half hour in which the program runs to solicit information from the community helping to solve crimes. Tips on personal, homeowner and business safety are given as well. Members of the Fire, Code Compliance departments and ALE and licensed alarm companies are just a few of the collaborative partners that have appeared on the radio show with Chief Sidwell.

AP 2-2b: Collaborative Efforts with Stakeholders

Status = Blue

Two working teams have been established and meet quarterly to foster improved working relationships between the Property Owners Group and the Utility Providers Group and the Police Department. As a result of this collaborative effort, significant improvement has occurred in combating theft of utilities and improving responses to crime in neighborhoods. The Community Revitalization Initiative (CRI) is another collaborative effort instituted by the Police Department to streamline city services and customer service. The CRI group is comprised of key City Department Heads, as well as stakeholders from the private sector focusing on every day issues concerning quality of life matters that affect the City of Henderson. This core group of partners were instrumental in the nuisance abatement of a problem motel that plagued the city with crime for many years. With the efforts of the CRI group, the motel is now being sold to responsible parties.

AP 2-3a: Legislative Authorities

Status = Blue

The purpose of this action plan was to focus on any needed local and/or State legislation necessary to assist the Police Department in addressing crime. For example, Council has revised the graffiti ordinance and is now seeking State legislative action to deal with the growing moped issues. Additionally, during the 2012 Session, the Legislature approved a new bill that was

pushed by Chief Sidwell. This new bill provides for strict penalties for repeat offenders. This activity is now seen as routine and items are carried forward to City Council and/or Legislature as deemed necessary and appropriate. Finally, Council recently approved, at Chief Wilkerson's request, a new Private Fire Hydrant Testing Policy.

AP 2-3b: Implement Geographic Policing

Status = Blue

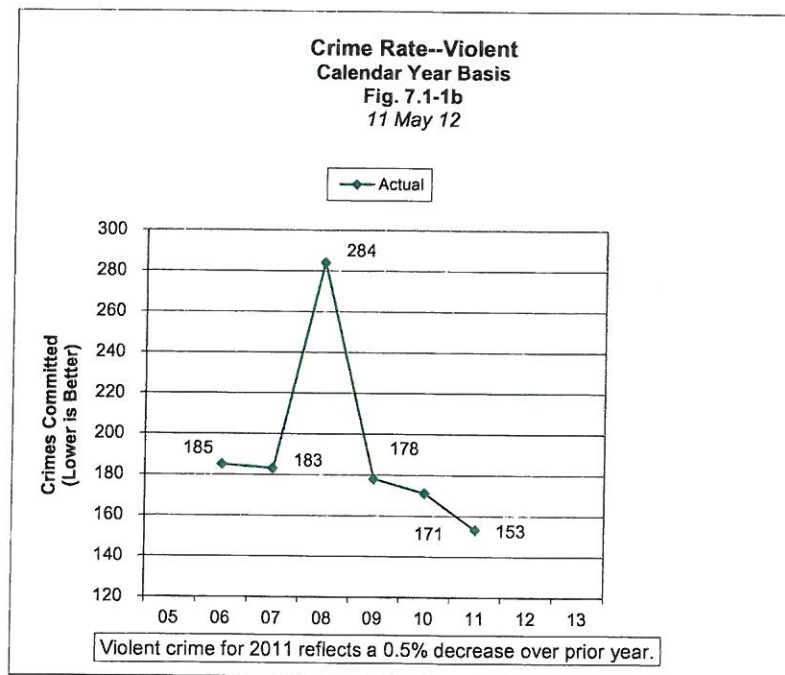
Since implementation, officers have worked in their respective Zones, attending Community Watch meetings, and providing services to stakeholders in their areas of responsibility, putting a "face" on the concept of a neighborhood officer. District maps were redrawn from 5 districts to 4, mirroring their respective Wards. As a result Part 1 Crimes has seen a decrease. The geographic policing model gives officers the ability to focus on being more pro-active in problem solving methods inclusive of crime trends and hot-spot mapping.

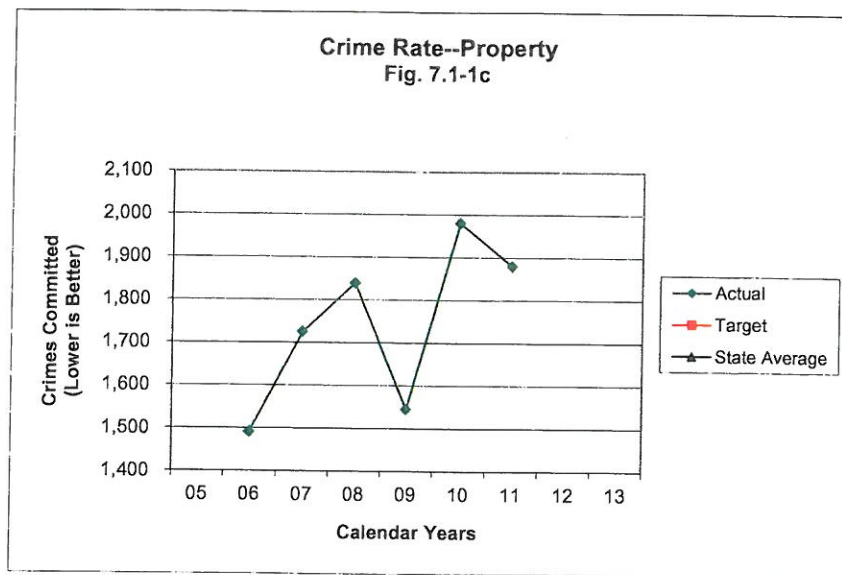
AP 2-4: Business Watch

Status = Green

Officer Jessica West provides free CPTED classes to local business owners, employee safety training, alarm and camera system ideas, as well as linking businesses to better communication within their own community. Safety and business alerts are provided as well as a direct link to the HPD website for real time information to assist each business owner. Business owners are now connected to one another as a result of this collaborative effort and provide information between businesses from everything including employee issues to safety and customer relations. Since inception in 2012 we currently have 6 Business Watch groups. This week the Raleigh Road area will be having their first meeting.

KSO 2 Key Metrics





Additional metrics may be found in Appendix B

KSO 3: Enhanced Economic Development

To create new jobs and investment, expand the tax base and increase the per capita income.

AP 3-1a: Re-Establish the EDC with Vance County to Include City Participation

Status = Blue

The City used to be a full member of the EDC but chose to stop participation in it during the early 1990s. Given the need for economic development and jobs in the post textile and tobacco industries era, all of which were worsened by the Recession, City Council worked with the County Commissioners to re-establish the Economic Development Commission to provide for active City membership and participation. This was achieved in July 2009.

AP 3-1b: Align EDC and City's Strategic Plans

Status = Blue

The EDC developed its Strategic Plan subsequent to the adoption of the City's Strategic Plan. Council may note several Action Plans approved in the 2009 Plan were deleted since they were, in essence, included in the EDC Plan. The Plans were thus aligned. EDC has not updated its Strategic Plan since 2010. Whenever the update occurs, it will be aligned with the City's and County's plans as a matter of course.

AP 3-1c: One Stop Permitting Process

Status = Yellow

Discussions were held with the County last year about co-locating the City and County planning departments; however, this matter has not yet been resolved. It is hoped this can be brought back to the table for discussion this Fall.

AP 3-2a: Expand Commercial Retail Base

Status = Grey

This is one of the Action Plans aligned with the EDC Strategic Plan. It was subsequently removed from the City's Plan since it had been included in the EDC's Plan.

AP 3-2b: Revise and Align Land Use and Sign Ordinances and Implement Conditional Zoning

Status = Red

Funding has not been provided due to limited resources for hiring consultants to work with the City staff in providing a complete overhaul of the City's land use and sign codes.

AP 3-2c: Implement Conditional Zoning

Status = Blue

One step the Council and staff made with upgrading the land use codes was an amendment providing for conditional zoning. This has been accomplished and is now offered to individuals seeking rezoning.

AP 3-3d: Locate High Speed Passenger Rail Service in Downtown

Status = Green

This is a lethargically slow process; however, it is moving forward. Funding for construction from Raleigh to Richmond has not yet been provided. The State continues with its planning and Council has approved several plans for altered railroad crossings in light of the future high speed rail. Given the Federal budget deficit and lingering Recession, it is not known when the high-speed rail project will move beyond the planning stages. At this point, a decision on locating the rail passenger station has not yet been decided by the State.

AP 3-4: Market Henderson's Attributes

Status = Grey

This Plan was established in the first Strategic Plan and was designed to help market the community for economic development purposes. Once the EDC and City Strategic Plans were aligned, this item was eliminated in the 2010 City Plan.

AP 3-5: Redevelop Downtown—Hope 6 II (see AP4-2)

Status = Blue

AP 3-6: Complete Comprehensive Plan

Status = Blue

This project was completed in the Spring of 2010. The Plan is being used by the Planning Staff, Planning Board and Board of Adjustments as they conduct their day-to-day business.

AP 3-7: Develop Annexation Plan

Status = Red

This project has languished due to lack of funding to provide assistance to staff to develop a comprehensive, coordinated annexation plan. Given the significant changes made to the State's involuntary annexation laws by the General Assembly, it appears the days of involuntary annexation for residential areas may be quite limited. Serious thought needs to be given as to whether or not this Action Plan should remain in the Strategic Plan.

AP 3-8: Improved Workforce Training

Status = Grey

This Plan was established in the first Strategic Plan and was designed to help market the community for economic development purposes. Once the EDC and City Strategic Plans were aligned, this item was eliminated in the 2010 City Plan.

KSO 4: Improve Condition of the Housing Stock

To Improve the condition and expansion of the housing stock.

AP 4-1: Aggressive Code Enforcement

Status = Green

205 abandoned structures have been demolished since 2008 by both the City (158) and property owners (47). Local funding has been reduced significantly from pre-Recession years. In 2011, \$449,900 was made available for demolition from HUD for Beacon Light and from sale of City owned property to County for NSP program. There are currently 14 dwelling units that are awaiting demolition and approximately 200 units awaiting inspection. *See Metrics at end of this section.*

AP 4-2: Redevelopment

Status = Green

HOPE VI phase I consist of 12 apartments that were renovated in four buildings. We renovated the units into 1 bedroom and 2 bedroom apartment units. We preserved a lot of the original character of the buildings such as elevator shafts, office building layouts and historic features. HOPE VI phase II renovated nine units in two buildings. This was a public private investment. Additionally downtown, there was the renovation of the Professional Building by a private investor.

Orange/Breckenridge Street Project consisted of acquiring and demolishing 17 properties on Ransom Street and Orange Street. Four properties in this block have not been acquired. There is one property left to be demolished. The next step for this project would be to infill it with new homes for low-moderate income homeowners.

AP 4-3: Home Ownership

Status = Blue

The collapse of the housing market in 2008 is still very much with us in Henderson as the local market has not yet fully recovered. This has had a very negative impact on the effort of fostering home ownership programs. For example, the NSP program built 11 units and none of them have been sold. Carey Chapel and A. L. Harris home ownership programs resulted in the creation of nine and two units; respectively. Both projects have been amended and successfully closed out with the State.

AP 4-4: Beacon Light

Status = Blue

This Plan provided for brining Beacon Light into codes' compliance either through rehabilitation by the owner or demolition. Ultimately, the property was demolished in 2011.

AP 4-5: REEF Project

Status = Green

The Downtown Development Commission requested Council support the REEF project. Council included this plan in the 2012 revisions to the Plan and appropriated \$50,000 to DDC as seed money to help leverage grants for the project.

KSO 4 Key Metrics

Abandoned Structures Report August 2012 Update				
Year	Structures Demolished		Budget	Notes
	By City	By Owner		
2008	16	31	\$45,000	
2009	7	2	\$25,000	
2010	11	10	\$25,000	
2011	123	1	\$69,000	(\$50,000 add from NSP)(108 units Beacon Light and \$399,900 from HUD)
2012	1	3	\$25,900	\$6,900 from Kerr Tar Council of Govt. for Orange & Breckenridge Redevelopment Project
Total	158	47		
Total demolished by enforcement 205 Abandoned Structures				

KSO 5: Provide Reliable, Dependable Infrastructure

To provide reliable, dependable and environmentally compliant infrastructure systems.

AP 5-1: Develop Multi-Year Capital Improvements Plan (CIP)

Status = Blue

Grant funding was received from the Rural Center to help pay for a utilities multi-year CIP. Completing the plan has opened the door for significant grant and low interest loans from the State for the Regional Water, Water and Sewer funds.

AP 5-2: Expand Regional Water Plant

Status = Green

Efforts continue on two fronts with the water plant. First, the cumbersome Inter-Basin Transfer of Water Permit (IBT) has taken years longer than anticipated. It is now expected the process will be completed in perhaps 2014 or 2015. The second process is keeping the water plant plans current and up-to-date with the State. It is hoped bids can be let sometime in mid-late 2015. A major step forward in this regard has been the recent allocation of funds from the State for installation of a new high-speed pump. This \$1.1M project serves the purpose of getting work done now that was planned for the plant expansion, thus reducing future project costs.

AP 5-3: Comply With Sandy Creek SOC

Status = Blue

Compliance with the Special Order of Consent from the Department of Natural Resources and Environment have been achieved and the SOC has been closed. Even though the SOC has been closed, the City continues to work on sewer infrastructure in this area. \$2.8M has been received from the State in a combination of grants and low interest loans for the replacement of the Sandy Creek lift station, a major need, and continued work on sewer line improvements within the basin.

AP 5-4: Upgrade Water Reclamation Facility

Status = Green

Engineering has been completed and plans are with the State and under review. It is hoped bids can be let later this Fall and construction will be underway by year's end. Significant funding, in terms of grants and low-interest loans have been received from the State for this project. (See *KSO 8 Metrics*)

AP 5-5: 2" Water Line Replacement

Status = Green

The City identified this as a major project need in January 2012 and set aside \$39,000 for preliminary engineering. This summer, the State awarded the City \$1,726,000 in a zero interest loan for this project. Approximately 2.5 miles of 2" line will be replaced. There is approximately 20 miles of active 2" water line in the City's water distribution system.

KSO 6: Develop and Maintain a Qualified Municipal Workforce

To provide a supportive and competitive workforce climate that facilitates and maintains a strong workforce capability, and capacity and adequate staffing levels.

AP 6-1: Pay Classification Study

Status = Red

Funding has not been able to survive the annual budget process due to limited resources during the Recession. The last comprehensive pay study was performed in 1992 and the City's pay structure and job classification systems are significantly out-of-date. This has served to hamper recruiting. The adjustment to the Police pay and class system in July 2011 has served to reduce turnover and improve recruitment.

AP 6-2a: Convert Merit Pay to COLA

Status = Red

Council did not approve the conversion of the merit pay provided in the FY09 Budget to COLA.

AP 6-2b: Update Personnel Policy and Procedures Manual

Status = Green

Periodic updating of the Policy has been occurring each and every year New timesheets are fully implemented in the General, law enforcement and exempt workforce. Efforts are underway on finalizing and implementing the fire timesheets.

AP 6-3: Career Development and Training Plan.

Status = Green

Training provided for employees to get or retain certifications and other training related to their job which will enhance their ability to contribute to the achievement of the City's strategic goals. The City Academy is moving forward. The Academy is open to all City employees to pursue development on various levels.

Human Resources will also continue to coordinate Safety Training such as CPR, PPE training and other courses that will promote safety throughout the city employee population. The goal is to help employees to be the best that they can be and to motivate and inspire the staff as we develop a qualified municipal workforce. First Time Supervisor is a course with duration of six-month. A 2-hour training is conducted monthly. The first graduate is scheduled to complete course in September.

KSO 6 Key Metrics

Turnover by Department by FY		
21 August 12		
Department	FY11	FY12
Sewer Plant	28.57	14.29
Police	21.43	15.00
Public Works	36.00	72.73
Finance	9.09	8.33
Fire	8.57	8.57
Public Utilities	30.43	32.43
Water Plant	36.36	16.67

Turnover has improved in the Police, Water Reclamation (Sewer Plant) and Water Plant departments. It has worsened in Public Services general area (old Public Works) and Public Utilities departments.

KSO 7: Expand Leisure Services, Programs and Facilities

To expand leisure and culture services, programs and facilities to meet the needs of a diverse community.

AP 7-1: Develop Walking and Bike Trails

Status = Green

Action plan has two active components:

Fox Pond Park: Work on improvements identified as Phase I at Fox Pond Park is 95% complete. Work on trail surfacing/renovation has been completed on all but approximately 1,000 feet of a total of 6,070 feet of trail, and five bridges are installed and operational at this point. Installation of four access gates at key locations on the trail to help control access by 4-wheelers and other unauthorized vehicles has also been completed. Work remaining in Phase I includes installation of signage and minor trail surfacing work. There continues to be donations of time and labor, services, use of heavy equipment, and materials such as gravel, screenings, and timber to help complete the park improvement project.

Improvements identified as Phase II include renovation of 7,200 feet of remaining trail, repair/replacement of the bridge at the headwaters of the pond, improvements to the day use campground, and boat/canoe launch facilities. Phase II has stalled since the Four Rivers RC&D has been informed that their most recent application to the Recreational Trails Program for grant funds will not be funded.

High Speed Rail/Greenway Project: The Department is actively involved with the Southeast High Speed Rail Project, specifically the Greenway/Trail that is being planned in conjunction with the High Speed Rail. The preliminary plan proposes a 10 foot wide trail to be developed in a separate right of way from the High Speed Rail, but basically parallel to the High Speed Rail. The trail will provide walking and bicycling opportunities for local citizens. Work continues on the environmental assessments being conducted in association with the Southeast High Speed Rail/Greenway project.

AP 7-2: Improved Access to Aycock for Inner-City Youth

Status = Green

Department continues to identify and collaborate with those community groups that serve and work with youth to help enhance their efforts to provide leisure service opportunities. The Department will also work through these groups and agencies to help promote leisure services/programs offered by the Department. For the Summer 2012 season, the Aycock Recreation Center staff identified and worked with 15 different groups including: Boys and Girls Club, Camp Cotton, Mt. Zion Children Center, Charles Hodges' Sports Program, and X'Quisite Ryders Sports Program for a total of 100 scheduled usages with a total of 221 hours of usage and 2,620 participants.

AP 7-3: Develop Sports Tourism

Status = Yellow

This initiative has lagged somewhat due to a lack of staff, time constraints, and budgeted funds and resources to fully implement this. However, staff have identified and worked with a girl's softball tournament organizer to conduct a couple of softball tournaments at the Aycock

Recreation Complex. Three tournaments were held in 2011. Initially 6 tournaments were scheduled for 2012, however the first 3 were cancelled due to lack of participants, one has been held, and two more are scheduled in the upcoming months. It appears that Henderson-Vance County will be competing with larger cities that have dedicated tournament facilities and that do not have to share time with local league play.

KSO 8: Adequate Financial Resources

To provide sufficient funds for municipal operations and capital outlay necessary to meet the needs of citizens, customers and mandates of regulatory authorities.

Evidence of an easing of the Recession is apparent with the increasing property tax collection rate for 2011 taxes and sales tax receipts exceeding budget estimates and being larger than the past three years.

City Council has continued to hold the line on property tax rates; however, it has continued to increase utility rates to fund major capital investments and day-to-day operations.

AP 8-1: Grow Undesignated Fund Balance to 30%.

Status = Green

Good progress has been made in moving the City forward in this regard; however, the depth of the Recession and its impacts on all general revenue sources has made the progress much slower than anticipated when the Action Plan was first approved. At the end of FY11, the latest for which figures are available, the percentage is 13.9%, or just shy of halfway toward goal.

AP 8-2: Create Equipment/Fleet/IT Fund

Status = Red

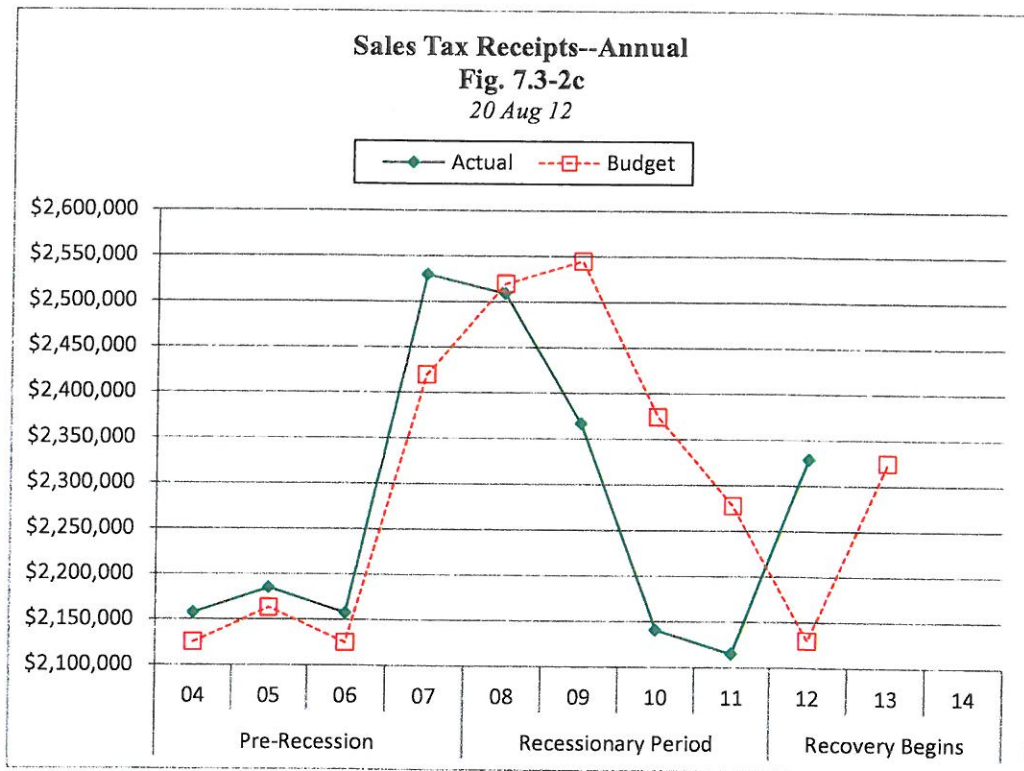
No progress has been made in this endeavor due to extremely limited funding. The City finds itself in the position of not having a computer replacement budget in the General Fund for FY12 and establishing a fleet/equipment fund is something that will require time and the better ability to resource the fund in order for it to be successful.

AP 8-3: Evaluation of City/County Joint Programs

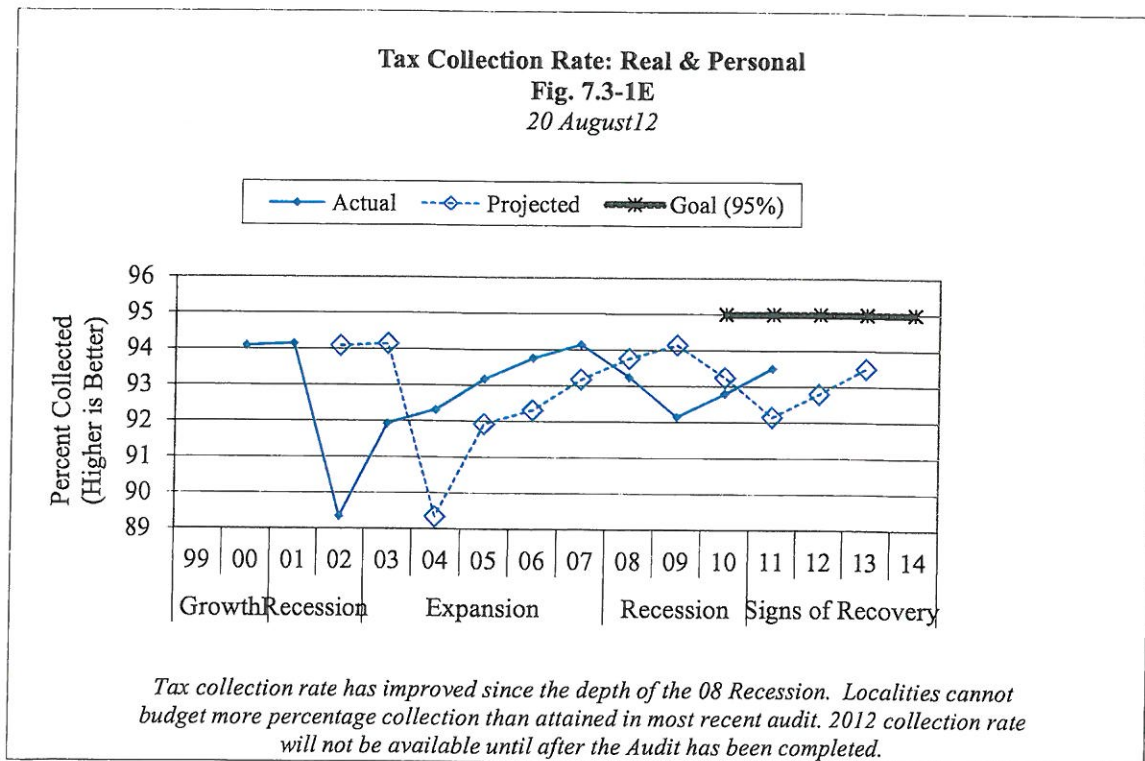
Status = Blue

This action plan has been completed and is reported here for historical purposes. As a result of this effort, the City now pays 5% less for Board of Elections, a reduction from 22% to 17% of annual operations, nothing for Economic Development Commission and 10% less for the Library. The combined results of these adjustments to the contracts allowed the Council to direct these funds to other pressing general fund needs. This was particularly helpful given the impacts of the Recession on the budget. The overall savings to the City has been since the formulae changed as been \$309,490.

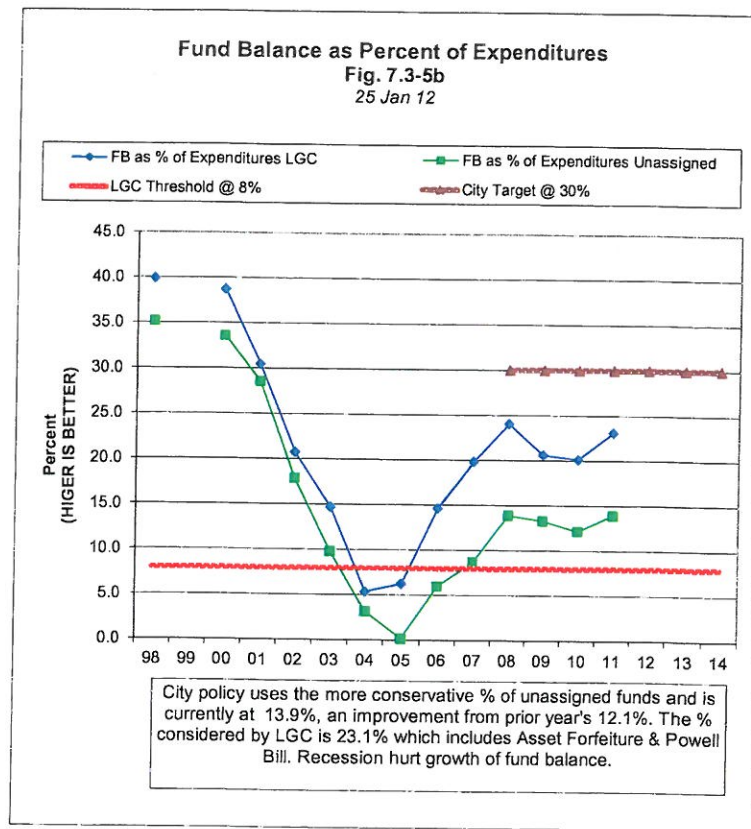
KSO 8: Key Metrics



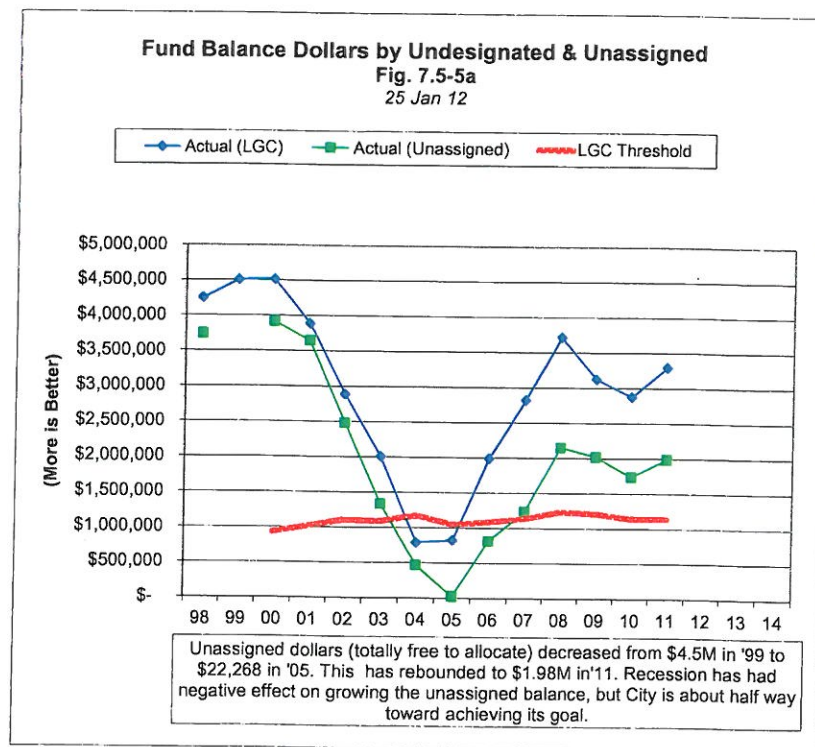
Sales tax receipts reflect first increase since Recession began in FY08.



Tax collection rate is up for second year in a row, now at 93.5%.



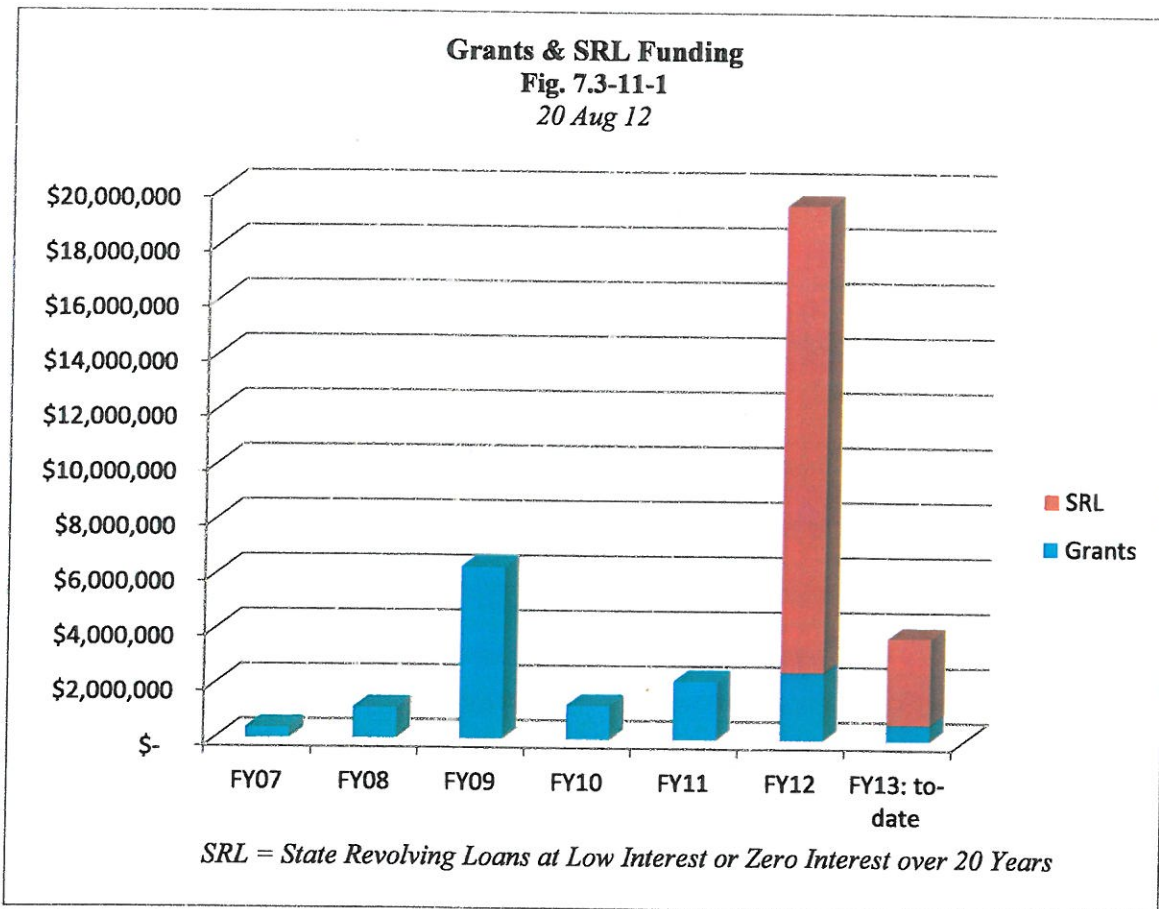
Undesignated fund balance as percentage of budget is showing improvement for first time since FY08.



In terms of real dollars, undesignated fund balance is showing first increase since FY08.

Adjustments to City-County Joint Programs' Funding Formulae					
Fig. 7.3- 20-Aug-12					
	FY10	FY11	FY12	FY13	Cummulative
Elections	\$ 4,300	\$ 4,300	\$ 4,300	\$ 4,300	\$ 17,200
Economic Dev	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 180,000
Library	\$ -	\$ -	\$ 37,460	\$ 74,830	\$ 112,290
Annual Savings	\$ 4,300	\$ 64,300	\$ 101,760	\$ 139,130	\$ 309,490
Cummulative Savings					\$ 309,490
Cents Tax Rate Equivalent	\$ 0.05	\$ 0.77	\$ 1.21	\$ 1.66	

The value of renegotiation of several of the joint program activities with Vance County has yielded significant savings, thus allowing the Council to reassign "freed-up" funds for other needs in the budget.

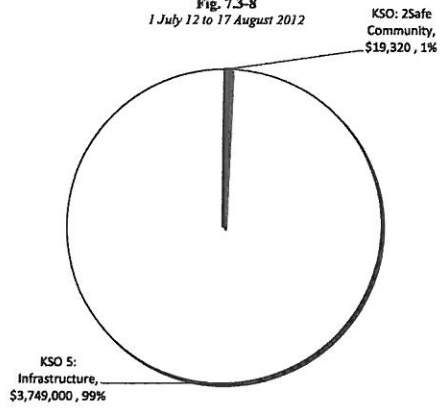


Grant and low interest/no interest loans are key to helping the City achieve its goals.

FY13 Grants & SRL Funds by KSO

Fig. 7.3-8

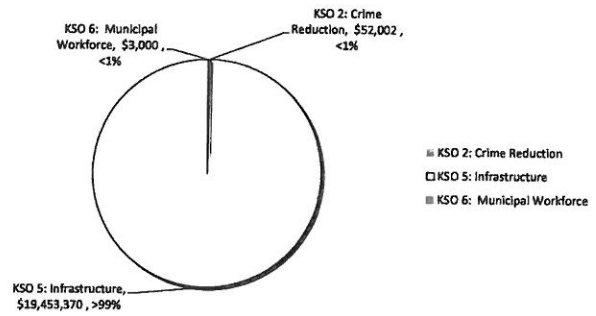
1 July 12 to 17 August 2012



FY12 Grants & SRL Funding by KSO

Fig. 7.3-7

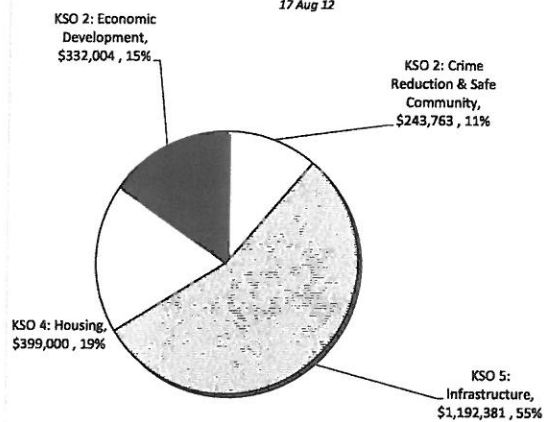
17 August 12



FY11 Grants & SRL Funds by KSO

Fig. 7.3-11-5

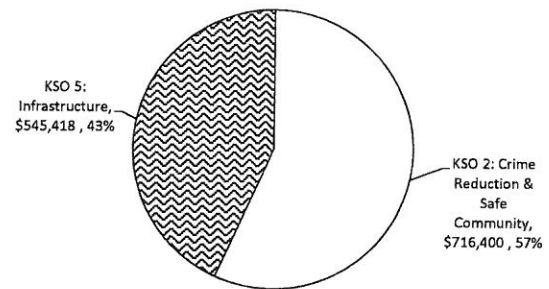
17 Aug 12



Grants & SRF Loans FY10

Fig. 7.3-11.5

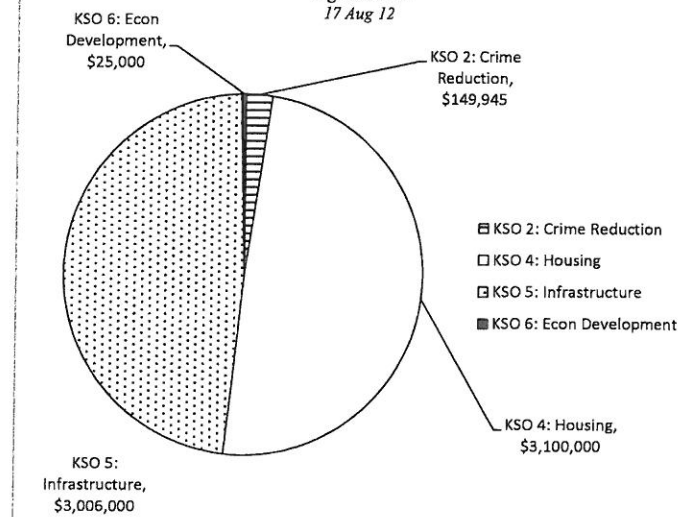
20 Aug 12



Grants & SRL's FY09

Fig. 7.3-11.4

17 Aug 12



Appendix A
Process Improvements
General Summary

Process Improvement		Formed Ended	Status	Comment
1	Payroll /Time Sheet & Comp Time	Apr 09 in Process	Blue	Jun 10: policy for hours worked for general workforce formalized
			Blue	Dec 10: Automated time sheets for general, police, part-time and general workforce deployed
			Green	Current: Automated time sheets for fire still being developed
			Blue	2009: Policy requiring Direct Deposit established; all employees converted to new system
			Blue	2010: Updated old DOS payroll system to Windows based; integrated system with HR
			Green	Current: comp time now monitored each payroll.
2	Procurement Process	Jan 09	Blue	All contracts can only be signed by either Mayor or City Manager as appropriate; all contracts must first be reviewed by City Attorney
3	Risk Management	Apr 09	Blue	Established Safety Committee. Meets routinely under direction of HR Director
		Oct 09	Blue	Established Accident Review Committee. Meets as needed under direction on HR Director
			Blue	Secured grant and installed defibrillator at city hall
4	Retiree Medical Insurance	Jul 09 Jun 09	Blue	Developed process to identify under age 65 vs. 65 and older for appropriate designation of health plan. Medicare supplement costs less than under 65 insurance
5	Establish Henderson Academy	Sep 09 in Process	Blue	Dec 10: Academy established
			Green	In Process: Development of curriculum continues
6	Code Impact Enforcement Team	Feb 09	Blue	Team formed and remains active as needed. Deals with complex code enforcement issues.
7	Debit /Credit Card Payment System	Sep 08	Blue	This improvement was initially only for at-window service; however, Customer Service now accepts over-the-phone payments. This has provided convenience for customers while assuring payment for many questionable accounts.
8	Code Compliance & Revenues Collection	Jul 09	Blue	Significant progress is made with the periodic coupling of unpaid bills and persons living in houses without utilities. This team effort has resulted in less delinquent accounts and more homes in code compliance as it relates to having running water in the homes and businesses.
9	Sanitation Privatization	Oct 09	Blue	This conversion has been complete and the first customer satisfaction survey reveals about 85% of customers are happy with the service. Transition from City provided service to contract was achieved without a RIF in personnel. Substantial savings was achieved for the City by cost avoidance of not having to buy expensive new trucks and bringing wages to competitive levels.
10	Cell Phone Process Improvement	Oct 09	Blue	Jan 10: Consolidated 7 separate accounts held in the various departments into one, unified rate plan under a governmental rate plan. Updated equipment and placed everyone on the same type of equipment plan by Department Directors and all other employees.
		Mar 11	Blue	Mar 11: Implemented procedure whereby cell phone users have to sign off on utilization much as one would with travel reconciliation.
11	Recruitment Process	Mar 09	Blue	Created uniform process for recruitment, interviewing and in-sourcing for all departments
		Jun 09	Blue	Brought City into compliance with Federal I-9 rule.
12	Agenda & Minutes Process	Mar 09	Blue	Reformatted Council Agenda and minutes format into a more intelligible format and system.
13	Citizen Comment Protocol	Nov 09	Blue	Revised procedure for citizen input at regular council meetings: comment on agenda items and comment on non agenda items plus rules for citizen comments
14	Budget Process	April 09	Blue	Aligned annual budget with new Strategic Plan; evolved budget message into a policy document; staff more involved with budget development and review process
		Jan 12	Blue	Converted manual budget system to budgetary development program already available on the mainframe.
15	Office Supply Procurement	Jan 10	Blue	aligned individual department office supply procurement procedures to cut red tape and increase savings from local vendor.
16	Snow Readiness & Removal	2010	Blue	Developed aggressive program to improve service during Winter weather events; updating and practicing snow removal plan, scheduling road clearing priorities, and extensive training of street and fleet crews
17	Contracts & Agreements Organization	2011	Blue	organizing and indexing Official contracts and agreements; electronic archiving and developed new updating procedures.
18	Electronic City Code	2011	Blue	No longer using hard copy City Code; updating via electronic code available on-line. Hard copy set kept by Clerk for Official Records
19	Boards & Committees	2011	Blue	Reorganized Council Process of appointing citizens to boards and commissions.
20	Water Quality Improvement	2010 to now	Blue	This was established in order to deal with TTHM issues at the water plant. Much success has occurred since implementation of improved treatment, monitoring, coordinate systematic distribution systems' flushing programs, etc.
21	Bulk Purchasing	2012	Green	Team now working on how to provide for bulk purchases vs. monthly purchase orders in order to reduce paperwork and achieve cost savings
22	Eyes Wide Open	2012	Green	Team working on unified "eyes on the streets" protocol for identifying problems and reporting same to appropriate departments.
23	Security Deposits	2011	Blue	Developed new policies and procedures for implementing security deposits for at-risk utility accounts. Process is fully implemented.
24	City-County Joint Property	2011 to now	Yellow	This process has stalled, but will resume in September with a meeting now scheduled to provide for the City to transfer ownership to County of lots acquired through foreclosure. The role model for this new process will be the City Armory and old Bank Building downtown.
25	Liens Collection	2012	Green	Code Compliance is now working with Tax Collector to identify properties that have been lienied for collection efforts prior to properties going into foreclosure process.