



AGENDA

Henderson City Council Regular Meeting

Monday 9 June 2014, 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 James D. O'Geary, Presiding

Councilmember James C. Kearney, Jr.
Councilmember Sara M. Coffey
Councilmember Michael C. Inscoe
Councilmember D. Michael Rainey

Councilmember Brenda Peace-Jenkins
Councilmember Garry D. Daeke
Councilmember Fearldine A. Simmons
Councilmember George M. Daye

City Officials

A. Ray Griffin, Jr., City Manager
John H. Zollicoffer, Jr., 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)* 12 May 2014 Regular Meeting *[See Notebook Tab 1]*
- b)* 19 May 2014 Special Called Meeting – Budget Presentation
- c)* 20 May 2014 Budget Work Session #1
- d)* 22 May 2014 Budget Work Session #2

VII. PRESENTATIONS/RECOGNITIONS

- a)* Introduction of City Engineer Clark Thomas

VIII. PUBLIC HEARING

- a)* Conduct Budget Public Hearing on FY14-15 Budget
 - Public Hearing
- b)* Consideration of Approval of Ordinance 14-34, Adoption of FY14-15 Budget, and Resolution 14-42, Adoption of May 2014 Classification and Pay Study. *(CAF 14-62-A) [See Notebook Tab 2]*
 - Ordinance 14-34
 - Resolution 14-42

IX. PUBLIC COMMENT PERIOD ON AGENDA ITEMS

Citizens may only speak on non-Agenda items only 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

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.

X. OLD BUSINESS

- a)** Consideration of Approval of Resolution 14-31, Rejecting the Offer by Prestigious Housing, Inc., to Purchase the Old First National Bank Building located at 213 S. Garnett Street. (CAF 14-54) [See Notebook Tab 3]

- Resolution 14-31

XI. NEW BUSINESS

- a)** Consideration of Approval of: 1) Resolution 14-17-A, Authorizing the Execution of Change Order #4 for the Henderson Water Reclamation Facility Project to Devere Construction Company, Inc. in the Amount of \$41,224.61, and 2) Ordinance 14-26-A FY14 Budget Amendment #37, Amending the CIP Sewer Fund for Change Order #4 to the Water Reclamation Facility Renovation Project. (CAF 14-06-A) [See Notebook Tab 4]

- Resolution 14-17-A
- Ordinance 14-26-A

- b)** Consideration of Approval of Resolution 14-11-A, Authorizing the Execution of Change Order #1 in Conjunction with the David Avenue Storm Sewer Replacement Project in the Amount of \$4,000 with M. T. Murphy, Inc. (CAF 14-17-A) [See Notebook Tab 5]

- Resolution 14-11-A

- c)** Consideration of Approval of Resolution 14-45, Authorizing the Mayor to Execute an Agreement with ECS Carolinas, LLP to Perform Construction Materials Testing Services Relative to the Sandy Creek Pump Station Improvements Project. (CAF 14-71) [See Notebook Tab 6]

- Resolution 14-45

- d)** Consideration of Approval of Resolution 14-19-A, Authorizing Additional Areas for Water Main and Services Replacement to the 2" Water Main and Services Replacement Project Subject to Approval from DWSRF and Availability of Remaining Funds. (CAF 14-26-A) [See Notebook Tab 7]

- Resolution 14-19-A

- e)** Consideration of Approval of Ordinance 14-17, Providing for Four Additional Handicap Parking Spaces on Sunday Near the First Baptist Church. (CAF 14-67) [See Notebook Tab 8]

- Ordinance 14-17

- f)* Consideration of Approval of Resolution 14-43, Appointments to the Henderson Community Appearance Commission, Henderson-Vance Human Relations Commission, Henderson Redevelopment Commission and the Henderson Planning Board. (CAF 14-68) [See Notebook Tab 9]

- Resolution 14-43

XII. CONSENT AGENDA

All matters listed under the Consent Agenda have either been previously discussed by City Council during a previous meeting and/or are considered in the ordinary course of business by the City Council and will be enacted-on by one motion and a roll call vote in the form listed. If discussion is desired by either the Council or the Audience, the item in question will be removed from the Consent Agenda and considered separately after the revised consent agenda has been approved.

- a)* Consideration of Approval of Resolution 14-44, Issuing Sewer Credit for Outside Watering of Lawns, Plants and Vegetation for the 1 June 2014 through 31 October 2014 Billing Statements. (CAF 14-70) [See Notebook Tab 10]

- Resolution 14-44

- b)* Consideration of Approval of Tax Releases and Refunds from Vance County for the Month of April 2014. (CAF 14-66) [See Notebook Tab 11]

XIII. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

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XIV. 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 12]*
 - ii. E-911 May Report

XV. CLOSED SESSION

- a)** Pursuant to G.S. §143-318.11 (a)(3) regarding Attorney/Client Privilege

XVI. ADJOURNMENT

City Council Minutes - DRAFT

Regular Meeting

12 May 2014

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members James C. Kearney, Sr., Sara M. Coffey, Michael C. Inscoe, D. Michael Rainey, Brenda Peace-Jenkins, Garry D. Daeke, Fearldine A. Simmons, and George M. Daye.

ABSENT

None.

STAFF PRESENT

City Manager A. Ray Griffin, City Attorney John H. Zollicoffer, Jr., City Clerk Esther J. McCrackin, Assistant City Manager Frank Frazier, Police Chief Marcus Barrow, Fire Chief Danny Wilkerson, Assistant Fire Chief Cordell, Battalion Chief Moss, Battalion Chief Twisdale, Fire Fighter Boyd, Recreation and Parks Director Alan Gill, Youth Services Director Donna Stearns, Kerr Lake Regional Water Director Christy Lipscomb, Human Resources Director Cathy Brown and Code Compliance Director Corey Williams.

CALL TO ORDER

The 12 May 2014 Regular Meeting of the Henderson City Council was called to order by Mayor O'Geary 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 O'Geary a quorum was present.

INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member Simmons led those present in a prayer and the Pledge of Allegiance.

OPENING COMMENTS

Mayor O'Geary welcomed the staff and citizens by saying it is always good to see individuals in attendance.

ADJUSTMENTS TO/APPROVAL OF AGENDA

Mayor O'Geary asked if there were any adjustments to the Agenda. Council Member Rainey moved to accept the Agenda as presented. Motion seconded by Council Member Peace-Jenkins and unanimously approved.

APPROVAL OF MINUTES

Mayor O'Geary asked for any corrections to and/or approval of the minutes. Council Member Peace-Jenkins moved the approval of the 28 April Short Regular minutes and the 28 April Work Session minutes, as presented. Motion seconded by Council Member Rainey and unanimously approved.

PUBLIC COMMENT PERIOD ON AGENDA ITEMS

The City Clerk advised the Mayor and Council Members that no citizen wished to speak to Council on agenda matters.

OLD BUSINESS

Keeping the Offer to Purchase the Old SNB Building on the Table; Approving a Procedure for Purchasing City Owned Property and an Offer to Purchase City Owned Property Agreement and Remanding the Offer to Purchase Back to the Land Planning & Development Committee for Further Discussion. (Reference: CAF 14-64; Resolution 14-41)

City Manager Griffin said the Land Planning Committee has reviewed the procedures in this three-part item which are: 1) allowing the bid to purchase to remain on the table pending Council's review this evening; 2) approving the proposed policy/agreement and 3) taking the tabled bid back to the Land Planning Committee vis-à-vis the new approved policy. Mr. Griffin then asked City Attorney Zollicoffer, Jr. to review the policy before Council this evening.

Attorney Zollicoffer, Jr. said the policy and offer form specifically include conditions regarding taxes being paid in full on all other properties owned by the potential buyer. The documents also specify the buyers' expenses regarding closing costs. The potential buyer will be responsible for the cost of advertising of the initial bid but the City will be responsible for advertising any upset bids.

Council Member Rainey asked if the City is in a position to not sell the property. Attorney Zollicoffer, Jr. responded the City is able to refuse to accept a bid but it cannot discriminate on race, etc.

Council Member Coffey asked if this replaces anything in existence and if the policy/offer form need to be approved this evening. The Attorney responded nothing is currently in place.

Council Member Kearney expressed concern regarding the buyer fees. Attorney Zollicoffer, Jr. said it customary for there to be buyer fees and other municipalities are passing on these costs to the buyer. He added the policy and procedure are similar to what Vance County has in place. Mr. Kearney also asked about the warranty on properties. The Attorney responded the properties are sold "as is."

Council Member Rainey asked how long the bid can remain on the table. The Attorney responded 90 days.

There was no further discussion. Mayor O'Geary asked for the pleasure of Council.

Council Member Coffey moved the approval of Resolution 14-41, *Keeping the Offer to Purchase the Old SNB Building on the Table; Approving a Procedure for Purchasing City Owned Property and an Offer to Purchase City Owned Property Agreement and Remanding the Offer to Purchase Back to the Land Planning & Development Committee for Further Discussion*. Motion seconded by Council Member Rainey, and APPROVED by the following vote: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons, and Daye. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 4, p 29)

The City Manager then asked the Mayor to call for a voice vote to remand the tabled bid back to the Land Planning Committee for further consideration in light of the approval of this resolution.

A motion was made by Council Member Daeke to remand the tabled bid back to the Land Planning Committee for further consideration in light of the approval of Resolution 14-41. Council Member Daye seconded the motion and Mayor O'Geary asked for all those in favor to say aye. He then asked for those who are not in favor to voice their disagreement. The vote was unanimous to remand the tabled bid back to the Land Planning Committee for further consideration.

NEW BUSINESS

Authorizing an Application for U.S. Department of Justice's 2014-2015 BJA Justice Assistance Grant Program. (Reference: CAF 14-61; Resolution 14-39)

City Manager Griffin asked Police Chief Barrow to come forward. Chief Barrow said this is a grant which offers a 60/40 split between the Henderson Police department and Vance County's Sheriff's department. The City's \$10,161 portion will be used to purchase/replace three (3) in-care mobile camera audio/video records.

Council Member Simmons asked why the split was 60/40. Chief Barrow responded the City is the main holder of the grant and that is the way the grant works.

Council Member Coffey asked if the \$10,161 will cover the cost of the cameras. Chief Barrow responded yes.

There were no further questions and Mayor O'Geary asked for the pleasure of Council.

Council Member Kearney moved the approval of Resolution 14-39, *Authorizing an Application for U.S. Department of Justice's 2014-2015 BJA Justice Assistance Grant Program*. Motion seconded by Council Member Daye and APPROVED by the following vote: YES: Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons, Daye and Kearney. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 4, p 25)

Award of FY 14 Audit Contract Between the City of Henderson and William L. Stark and Company to Conduct the Annual Audit for Fiscal Year 2013-2014. (Reference: CAF 14-58; Resolution 14-38)

City Manager Griffin explained this is consistent with the third year of a three year proposal with this auditing firm. The fee for auditing FY13-14 is \$43,650 which is slightly higher than prior years. Mr. Griffin added the Local Government Commission requires the completion of the audit by the end of October and this firm has agreed to complete the audit by 31 October 2014. A Request for Proposal (RFP) will be needed for a new three-year period. He said this firm has done an excellent job and it is recommended that Council approve this contract.

Council Member Daeke asked why the increase. Mr. Griffin responded auditor's fees increase for the City just as they do for any other client. Council Member Coffey felt \$43,650 was a lot of money. Mr. Griffin responded the auditors have to go through every line item and review over \$35M in assets.

(Clerk's Note: City Attorney Zollicoffer, Jr. asked that the wording used in #25 of the Contract to Audit Accounts for the City of Henderson, be used in all future contracts -- just change the word "Auditor" to the appropriate contract information.)

There were no other questions. Mayor O'Geary asked for the pleasure of Council.

Council Member Rainey moved the approval of Resolution 14-38, *Award of FY 14 Audit Contract Between the City of Henderson and William L. Stark and Company to Conduct the Annual Audit for Fiscal Year 2013-2014*. Motion seconded by Council Member Peace-Jenkins and APPROVED by the following vote: YES: Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons, Daye, Kearney and Coffey. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 4, p 23)

Authorizing Execution of Agreement with the North Carolina Department of Transportation (NCDOT) Relative to the Chavasse Avenue Widening Project (WBS Element: 38404) (Reference: CAF 14-29; Resolution 14-16)

City Manager Griffin asked Assistant City Manager Frank Frazier to update Council on this matter. Mr. Frazier reminded Council this was discussed at the last Work Session. This project began in 2007 but was delayed by the State because of the High Speed Rail project. The project has now been revived and as requested, Mr. Jim Crawford, who serves on the State DOT

committee, has been contacted both verbally and in writing regarding State assistance with its request that the City pick up any unanticipated costs. Mr. Frazier added the State is willing to allow Council to review the bids received by the DOT prior to moving forward with the project.

City Manager Griffin said he received a call from Mr. Crawford late Friday afternoon. Mr. Crawford said there might be a 'little bit' of funding available for sidewalk construction. Mr. Griffin then asked Mr. Frazier if a resolution needed to be passed this evening or if Council could review the bids first. Mr. Frazier said he was not sure but did not think waiting would be a problem.

Council Member Inscoe asked if the right-of-way appraisal has been received and if it has been submitted to the property owner. Mr. Frazier said he expects it within the next 7-10 days and that a copy will be provided to the property owner.

City Attorney Zollicoffer, Jr. said he is very concerned about the liability clause in the *Locally Administered Project – State Contingency Agreement* (especially the underlined portion). Although this is a State road and State project, the DOT wants the City to agree to:

“indemnify and hold the Department and the State of North Carolina, their respective officers, directors, principals, employees, agents, successors, and assigns from and against any and all claims for damage and/or liability in connection with the right of way acquired for Project activities performed pursuant to this Agreement including construction of the Project. The Department shall not be responsible for any damages claims, which may be initiated by third parties.

Council Member Daeke asked if this wording has been used in other project agreements. Mr. Frazier said he did not remember.

Council Members Coffey and Kearney expressed concern regarding the lack of liability responsibility by the State.

Council Member Simmons asked what happens if the State won't change its stance. Mr. Griffin said this could be a major risk management issue. The project was delayed by the State, not the City --- it's a State project and but it expects the City to pick up the costs for anything over \$700,000. Mr. Griffin said the City does not have enough dollars to cover the costs of street work within the City and asked why the City should be expected to pay for State roads when it cannot even pave its own local streets.

Council Member Inscoe suggested this item be tabled for further discussion with Mr. Crawford.

Motion was made by Council Member Inscoe that this issue be **TABLED** until Mr. Crawford is contacted and verification is made as to whether this is the State's standard contractual language. Motion was seconded by Council Member Rainey and **APPROVED** by the following vote: YES: Rainey, Peace-Jenkins, Daeke, Simmons, Daye, Kearney, Coffey and Inscoe. NO: None. ABSTAIN: None. ABSENT: None.

Allowing Vance County Relay for Life to Place a Banner Across the Charles Street Overpass. (Reference: CAF 14-63; Resolution 14-40)

City Manager Griffin asked Code Compliance Director/Interim Planning Director Corey Williams to come forward. Mr. Griffin thanked Mr. Williams for stepping up to the plate and appreciated his willingness to take on additional duties until a Planning Director is hired.

Mr. Williams said he was approached by the Relay for Life representative, Mr. James Baines, about placing a banner across the Charles Street Overpass. According to City Code, this is not allowed unless approved by Council. He said Mr. Baines is present to answer any questions by Council. Mr. Williams added the banner will be in place until 30 June 2014 which allows Relay for Life a week to remove the banner after the conclusion of the event.

Council Member Daeke asked about liability insurance and said the banner would need to be very securely fastened to the overpass.

Council Member Rainey asked if permission has been obtained from CSX, who owns the overpass. Mr. Baines said not yet.

With no further questions, Mayor O'Geary asked for the pleasure of Council.

Council Member Rainey moved the approval of Resolution 14-40, *Allowing Vance County Relay for Life to Place a Banner Across the Charles Street Overpass*. Motion seconded by Council Member Coffey and APPROVED by the following vote: YES: Peace-Jenkins, Daeke, Simmons, Daye, Kearney, Coffey, Inscoe and Rainey. NO: None. ABSTAIN: None. ABSENT: None. (See Resolution Book 4, p 27)

CONSENT AGENDA

The City Clerk read the Consent Agenda, summarized as follows:

Demolition of 712 Champion Street. (Reference: CAF 14-40, Ordinance 14-10) Proper enforcement procedures have been followed in accordance with Section 21A of the NCGS 160A-429,443 and 445. Taxes are due for 2012 and 2013 in the amount of \$669.54. (See Ordinance Book 9, p 83)

Demolition of 407 Pettigrew Street. (Reference: CAF 14-46, Ordinance 14-12) Proper enforcement procedures have been followed in accordance with Section 21A of the NCGS 160A-429,443 and 445. Taxes are due from 2009 through 2013 in the amount of \$2,451.80. (See Ordinance Book 9, p 87)

Amending the CIP Sewer Fund (FY14 Budget Amendment #36) to Reflect Revised Approval of Project Bid Information on the Sandy Creek Pump Station Improvement Project Received from NCDENR on 14 March 2014. (Reference: CAF 14-60, Ordinance 14-32) This is a housekeeping matter that reflects the new estimated loan amount to be \$1,696,874

with a principal forgiveness of \$848,437 for the Sandy Creek Pump Station Improvement project. (See Ordinance Book 9, p 127)

To Amend the CIP Sewer Fund (FY 13-14 Budget Amendment #34) and to Amend and Close Out the 2013 Governor's Crime Commission Mobile Data Terminal Grant (FY13-14 Budget Amendment #35). (Reference CAF 14-59, Ordinance 14-30 and Ordinance 14-31) Budget Amendment #34 corrects Budget Amendment #22 as the engineering design portion of the CIP Sewer Fund was incorrectly decreased by \$68,000. Budget Amendment #35 amends the project budget for funds not spent and closes out the project. (See Resolution Book 4, p 11)

Promissory Note for High Speed Pump at Kerr Lake Regional Water Plant State Project - #H-LRX-F-11, 1692. (Reference: CM 14-17) This loan (see Attachment A) was accepted by Council on 23 July 2012 and serves as a matter of record and status of the project.

Mayor O'Geary asked if anyone wished to remove an item from the Consent Agenda. There were no requests. Mayor O'Geary then asked for a motion to approve the consent Agenda

Council Member Inscoe moved the approval of the Consent Agenda as presented. Motion seconded by Council Member Rainey, and APPROVED by the following vote: YES: Daeke, Simmons, Daye, Kearney, Coffey, Inscoe, Rainey and Peace-Jenkins. NO: None. ABSTAIN: None. ABSENT: None.

PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

City Clerk McCrackin advised no citizen wished to address Council.

REPORTS

- a) Mayor/Mayor Pro-Tem – Mayor Pro-Tem Rainey said there was a terminally ill citizen living on Beechwood Drive, and over the weekend there was a sewer problem. He thanked Mr. Frazier, Mr. Griffin and the staff for their prompt response.
- b) City Manager - Mr. Griffin echoed Mr. Rainey's comments by saying Mr. Frazier and the Public Service responders did a top notch job on Beechwood Drive. He added the problem was called by the failure of a 30 plus year old pump which will have to be updated. This pump replacement is not in the current budget so they are looking to see what adjustments can be made to find the funds to purchase the new pump motors.

Mr. Griffin said the Finance Director is unable to attend this meeting but has compiled a Nine Month FY2014 Financial Report. He said Ms. Brafford will be happy to respond to any questions Council may have and will include any information Council would like to see in the future.

c) City Attorney (No Report)

- d) City Clerk - Ms. McCrackin reminded Council of St. Baldrick's Day May 31st and reminded Council that there is a Special Called Meeting scheduled for Monday, 19 May 2014 at 6:00 p.m. to receive the City Manager's proposed FY15 budget.

Council Member Kearney commended Mr. Griffin and Recreation and Parks Director Alan Gill for responding to a piece of broken equipment at King Kids Park. Mr. Kearney said he anticipates the spring rider will be replaced in the near future.

Mr. Kearney asked the City Manager to contact the Chamber President, Mr. John Barnes to discuss Mr. Barnes supposed concerns regarding the recently passed sign ordinance. Mr. Griffin said he would contact Mr. Barnes.

Mr. Griffin asked Alan Gill to stand so he could be recognized as this is his last City Council meeting before his retirement at the end of this month. Mr. Griffin said Mr. Gill has been with the City for over 30 years and thanked him for all he has accomplished. Alan's last day is May 30 and wished Alan well as he "spends his time fishing".

Mayor O'Geary then called for a five (5) minute recess to allow Ms. Becky Veazey from The MAPS Group to prepare for the Work Session presentation. The meeting recessed at 6:50 p.m. and reconvened at 6:55 p.m.

WORK SESSION

Adopting and Implementation Plan of the 2014 Henderson Classification and Pay Study with Personnel Policy, May 2014. (Reference: CAF 14-65; Resolution 14-42)

City Manager Griffin began by saying Council is well aware that the City is lagging behind in job wage/salary and now finds itself about 23% below market value. He said through the League of Municipalities, Ms. Becky Veazey of The MAPS Group has worked with the City staff to provide the City with an up-to-date Position Classification and Personnel Policy (Classification and Pay Study) and a five-year implementation plan which will allow the City to be more competitive over the coming years.

Mr. Griffin then introduced Ms. Veazey who is no stranger to Council as she has worked for several years with Council on its Annual Strategic Planning process.

Ms. Veazey greeted Council and began by explaining the process and methodology that took place in compiling this 4-part plan. The process began with meetings with the City Manager and Human Resources Director. Then meetings were set to explain the entire process to all the current staff. At that time questionnaires were distributed to each staff member and after a set time, were returned. Interviews were conducted with employees, supervisors and management to clarify duties and responsibilities. Then Ms. Veazey and her team set about compiling the information to create the following components of the plan:

1) Classification specifications were written for each classification and a market survey was conducted with area local governments and private sector employees to identify pay rates. Ms. Veazey emphasized that classification has everything to do with the job and nothing to do with the person performing the job. She also said some job titles (classifications) needed to be re-titled as existing titles were outdated or no longer fit the job. She used Meter Readers as an example of a classification. Meter Readers basically do the same thing; however, some readers, such as a new hire, may only know how to read a meter while other readers who have been doing the same job for twenty years are able to do more detailed work such as repairing broken pipes. This brought her to the compensation portion of the plan.

2) Compensation is recommended by classification which is set into a specific pay grade. Within each pay grade there is a salary range with a low, mid and high point. Using the same example as above, the salary of the new meter reader would be lower than that of the twenty-year employee. Once an employee reaches the maximum of the pay grade they would remain there until they are promoted to a new pay grade or a salary adjustment is approved by Council for the entire grade.

3) A Personnel Policy is part of the proposed plan. The policy reflects regulatory and legislative changes and removes the majority of the City's existing procedures from the current policy manual.

4) Benefits – This plan provides comparative benefits information and recommendations. Some of the suggested changes include an equitable leave accrual for all employees regardless of the number of scheduled hours averaged per week; providing supervisory training, developing a succession plan for each department, longevity pay changes, along with changes to vacation accrual.

Throughout the presentation, Ms. Veazey responded to various questions such as what cities were used for comparisons, how fair employee evaluations would be conducted, how the different classifications were determined in a particular job grade. She explained the cities used are listed in the manual which she distributed (*a copy of which is filed in the City Clerks Vault*). As far as performance evaluations, Mr. Griffin said the next step would be to have Ms. Veazey return to train supervisors on how to conduct an evaluation with proper checks and balances so no individual is treated as “the favorite.” She urged Council to review the Plan and will return during a budget work session to respond to questions.

Ms. Veazey said if the City continues to lag behind, it will eventually become impossible for the City to hire any quality employees. She added the loss of an employee, costs the City approximately 2/3 of the annual salary for that position. She also said when you are in a position of only being able to hire less qualified employees, the supervisors spend all their time training and are unable to properly supervise the entire department.

A few of the comments made by Council were the City cannot continue to put band aids on the problem --- Council Member Inscoe commented the lack of economic development within both the City and County; Council Member Coffey mentioned the expense to train employees;

Council Member Rainey commented that a raise cannot be given if there are no funds available. Council Member Kearney mentioned from his work experience sometimes employees see a salary reduction and Council Member Daeke asked about how competitive municipalities were selected and mention flaws in providing cost of living (COLA) increases.

Lastly, Ms. Veazey thanked Council for its attention and again reiterated that she would be happy to respond (either by phone or in person) to any questions Council may have after reviewing the material. Mr. Griffin advised one of the upcoming budget work sessions will be dedicated to reviewing the pay plan recommendations and asked if Ms. Veazey could plan to attend that specific work session.

Mayor O'Geary now asked if Council was prepared to adjourn.

ADJOURNMENT

Council Member Daeke moved for adjournment. Motion seconded by Council Member Coffey and unanimously approved. The meeting adjourned at 8:33 p.m.

D. Michael Rainey
Mayor Pro-Tem

ATTEST:

Esther J. McCrackin
City Clerk

4/24/14

City of Henderson

Schedule for Federal Revolving Loan
Prepared by the Department of State Treasurer

Amount:	\$1,129,000	LGC Approval Date:	June 5, 2012
Term (Years):	20	Approval Amount:	\$1,129,000
Interest Rate:	0.00%	Loan Amount:	\$1,129,000
Est. Date of Completion:	January 11, 2015	Certified Completion Date:	
State Project Number:	H-LRX-F-11-1692		

Fiscal Year	Outstanding Balance	Interest Rate			May 1 Principal Payment	Total Payment
05/01/16	\$ 1,129,000.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/17	\$ 1,072,550.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/18	\$ 1,016,100.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/19	\$ 959,650.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/20	\$ 903,200.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/21	\$ 846,750.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/22	\$ 790,300.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/23	\$ 733,850.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/24	\$ 677,400.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/25	\$ 620,950.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/26	\$ 564,500.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/27	\$ 508,050.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/28	\$ 451,600.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/29	\$ 395,150.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/30	\$ 338,700.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/31	\$ 282,250.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/32	\$ 225,800.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/33	\$ 169,350.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/34	\$ 112,900.00	0.000%			\$ 56,450.00	\$ 56,450.00
05/01/35	\$ 56,450.00	0.000%			\$ 56,450.00	\$ 56,450.00
					\$ 1,129,000.00	\$ 1,129,000.00



City Council Minutes Special Called Meeting 19 May 2014

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members James C. Kearney, Sr., Sara M. Coffey, Michael C. Inscoe, D. Michael Rainey, Brenda Peace-Jenkins, Garry D. Daeke, Fearldine A. Simmons and George M. Daye.

ABSENT

Council Member Fearldine A. Simmons

STAFF PRESENT

City Manager Ray Griffin, City Attorney John H. Zollicoffer, Jr., City Clerk Esther J. McCrackin, Assistant City Manager Frank Frazier, Finance Director Katherine C. Brafford, Recreation & Parks Director Alan Gill, Interim Recreation & Parks Director Steve Osborne, Youth Services Director Donna Stearns, Henderson, Code Compliance Director Corey Williams, Fire Chief Danny Wilkerson, Police Chief Marcus Barrow and Human Resources Director Cathy Brown.

CALL TO ORDER

The 19 May 2014 Special Called Meeting of the Henderson City Council was called to order by Mayor James D. O'Geary at 6:00 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor O'Geary a quorum was present.

NEW BUSINESS

Presentation of Proposed FY 2013-2014 Budget

Mayor O'Geary immediately turned the meeting over to the City Manager.

City Manager Griffin presented a brief PowerPoint presentation to summarize the FY14-15 budget. Mr. Griffin began by saying this year has not been as good as last year or the year before. He said North Carolina is the tale of two states --- the Golden Crescent cities that are doing better and those in the rural part of the state that continue to struggle. City Manager Griffin said he is pleased to work with the City Council, Department Directors and employees. He said the Council's job is difficult because the final budget has to meet the needs of the community and also meet the State requirements and the needs of the City.

Mr. Griffin shared the budget is seriously constrained due to various causes and said there is no room for error in either the revenues or expenditures. He reviewed the process to compile this budget saying it began back in August. Tweaks were made through discussions with staff and after looking at the revenue streams in February, this proposed budget was worked on into the early part of May to make sure Council has the best information possible. He said even though the proposed budget is less than the current year, it includes 5% increases in the Water Rate and Regional Water Rate, and a 3% Sewer Rate increase. As far as personnel issues, the proposed budget includes reducing the work force by two (2) full-time and four (4) part time positions; unfreezing two (2) full-time positions; and implementing Phase 1 of the Classification and Pay Plan. No cost of living increase is included with the FY14-15 proposed budget. Mr. Griffin reminded Council that according to the Pay Plan, City employees are paid, on average, approximately 22% less than comparable municipalities.

Mr. Griffin shared good news by saying health insurance costs will decrease by 10% due to the wellness program, the good work of Mr. Philip Burnette, the City's Health Plan Administrator and employees/retirees working to reduce costs.

Council Member Rainey asked how long Mr. Burnette has worked for the City and if this is better than what the League of Municipalities offers. Mr. Griffin thought it was 2007 and said the long term relationship has paid off. Mr. Griffin added the City's costs are less than what the League offers.

General Fund

Next, Mr. Griffin reviewed the components which make up both the expenditures and revenues for the General Fund, Regional Water Fund, Water Fund and Sewer Fund. He reviewed the three primary revenue sources for the General Fund (property tax, sales tax and sanitation fees) and shared 47% of the revenue goes toward public safety (Fire/Police and E-911). The property tax does not fully cover the costs associated with public safety. He added since the proposed operating expenses are so limited, Council will find the streets and storm drainage improvements

underfunded, employee compensation lagging and vehicle/equipment replacement, especially in Public Services, minimal. No tax rate increase is recommended in the FY14-15 budget.

Mr. Griffin said the Maria Parham property tax appeal regarding the valuation assigned by the County has not yet been resolved by the State and depending on the result it could have a negative impact on the total levy. However, the tax/tag program is working in the City's favor with approximately \$200,000 in unanticipated revenue. He added the Finance Director is working with the County to separate out the vehicle decal/property tax data.

Council Member Kearney asked what the hospital is currently paying. Mr. Griffin asked the Finance Director to check with the County and said he would report back to Council.

Council Member Inscoe commented the property tax trend will change with the reevaluation of property in the coming year. Mr. Griffin said the rate is adjusted to be revenue neutral saying the new levy is calculated against the revenue received in the most current budget to determine the adjusted tax rate.

Council Member Kearney asked what percentage of the total tax comes from motor vehicles. Mr. Griffin said he would look at the FY13 Audit and report back.

Council Member Daeke asked if there was a limit on the city vehicle fee and if it is included. Mr. Griffin said the Finance Director is breaking out the current \$10.00 fee per vehicle from the tag fee. Mr. Griffin said he would find out the limit for the city vehicle fee and report back.

Mr. Griffin summarized the General Fund by saying it is very constrained and there is very little room for adjustments. He added he did authorize two vehicle lease purchases for the Fire Department because they have two vehicles which are no longer in service. The Police Department has vehicles with 80,000 to 100,000 miles on them that need to be replaced. He said the City has not had an active street resurfacing program since 2008 and the streets show it.

Regional Water Fund

The Regional Water Fund has experienced a decrease in water sales which is anticipated to continue in FY14-15. The proposed 5% increase will help mitigate revenue losses from reduced consumption and to keep capital reserve contributions at near-projected levels. The water plant electricity is managed with the power company's "time of use" program which is estimated to save approximately \$60,000 a year.

Water Fund

The Water Fund receives 97% of its revenues from the sale of water to the City's retail customers along with Kittrell, Vance County, Franklin County and Granville County, which is not yet on-line. A 5% increase is recommended for water rates and to unfreeze the Public Services Director position. This fund maintains the water lines for Regional Water plus the

City's distribution lines. He said the City's inside rate is the most competitive of all users but the outside water rate is competitive to Warren, Franklin and Vance and similar to Oxford. Mr. Griffin said 41% of the budget goes to pay for water purchased from the Regional Water.

Council Member Daeke asked for a reminder regarding the Rate Stabilization Reserve. Mr. Griffin said this was established about three (3) years ago with the funds received from Granville and Vance County for water reservation fees to reserve for any additional costs with the water plant upgrade. This reserve will keep the City from passing on the costs to customers. If the dollars are not needed for this, the dollars are set aside for other capital projects such as installing water lines to the neighborhoods on old US 158.

Mr. Griffin said the need for a Public Services Director is great and has included 50% of the salary in the Water Fund. He said the 5% water rate increase is necessary to avoid creating a long-term structural deficit.

Mr. Griffin said he could not emphasize enough the need for a Public Services Director. Although he said he was not trying to scare Council, in reality, if anything should happen to the Assistant City Manager, the City has no structure to move people into other positions and there is no one that can step into a director position at the current time.

Sewer Fund

Mr. Griffin said 97% of revenues come from user fees. A 3% rate increase is recommended. The increase is primarily for the Public Services Director position. He said the City is very competitive with in city sewer rates but definitely not competitive with out of city rates. The plant renovation continues along with the Sandy Creek project.

City Manager Griffin thanked Council for its time and patience. He said he would be happy to answer questions. There were no questions.

Mr. Griffin said when the budget schedule was set, it did not include time to read the budget information before the first work session. He said if Council would like to meet tomorrow evening (20 May), that would be fine or if it would like to postpone the first meeting until Thursday. The Mayor asked for Council's input. Council Member Coffey said she would rather begin Tuesday evening. Council Member Kearney said he would like a chance to look at the information and asked if Wednesday night was out of the question. Several Council members said they have commitments on Wednesday evening. Council Member Inscoe said Tuesday is fine with him. Council Member Rainey said he has a commitment Tuesday evening but should be able to arrive about 7:00 p.m. Council Member Peace-Jenkins said Tuesday is fine with her. Council Member Daeke said he would be unable to attend Tuesday evening as he has to work. Council Member Daye said Tuesday is fine with him. The Mayor then asked the Clerk for the result. After clarifying with Council Member Kearney that he is willing to meet, it was decided to meet Tuesday, 20 May at 6:00 p.m. by the following: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins and Daye. NO: Daeke. ABSTAIN: None. ABSENT: Simmons.

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City Manager Griffin said he would prepare one-page summary sheets for the meeting tomorrow evening. He then asked staff to distribute the budget books and explained the book is compiled as in past years and suggested Council review Funds 64, 46, 78 for Regional Water; Funds 30, 70 79 and 43 for Water; and Funds 31, 70, 79, and 44 for Sewer. He said the 40's accounts are capital accounts like the sewer plant renovation. Mr. Griffin also suggested Council read the Budget Message and the Fund summaries to be discussed tomorrow evening.

Council Member Inscoe asked if the pumps that recently failed are included in this budget. Mr. Griffin responded no. The pumps need to be replaced immediately and the expense will come out of FY13-14 budget. If the Fund Balance is needed to make this purchase it will be brought to Council for approval.

City Manager Griffin said he will be happy to answer any questions before the next meeting, so please do not hesitate to call him.

Council Member Kearney asked for a list of City owned properties that might be available for sale. Mr. Griffin asked Code Compliance Director Corey Williams to compile a list that also shows if the property is jointly held with the County.

Mayor O'Geary then asked if there were any further questions. There were none so the Mayor asked if Council was prepared to adjourn.

ADJOURNMENT

Council Member Daeke moved for adjournment. Motion seconded by Council Member Coffey, and was unanimously approved. The meeting adjourned 6:50 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk



City Council Minutes

Henderson City Council Budget Work Session #1 - DRAFT

20 May 2014

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members James C. Kearney, Sr., Sara M. Coffey, Michael C. Inscoe, Brenda Peace-Jenkins, and George M. Daye.

ABSENT

Council Members Garry Daeke, Michael Rainey and Fearldine Simmons

STAFF PRESENT

City Manager Ray Griffin, Assistant City Manager, Frank Frazier, City Clerk Esther J. McCrackin, Finance Director Katherine Brafford, and Kerr Lake Regional Water Director Christy Lipscomb.

CALL TO ORDER

The 20 May 2014 Henderson City Council Budget Work Session #1 was called to order by Mayor James D. O'Geary at 6:01 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor O'Geary a quorum was present.

OPENING REMARKS

Mayor O'Geary welcomed everyone to this first budget work session and turned the meeting over to the City Manager to begin.

Car Park Issues

City Manager Griffin said there were four requests from last evening as follows:

1. Limit on Car Tag Fee – Mr. Griffin will speak to the City Attorney about this and will report back at the next meeting
2. City Owned Vacant Property List – A list of City owned property and City/County owned property was distributed for review. Code Compliance Director Williams will be at the Thursday, 22 May meeting to respond to questions.
3. Vehicle Tax vs Total Tax – Mr. Griffin provided Council with page 99 of the FY13 Audit which shows an 85.35% collection of the Registered Motor Vehicles versus 94.30% of property tax collection.
4. Maria Parham Real Estate Taxes- Finance Director Kathy Brafford was out of town for a CDBG meeting today so she was unable to contact the County regarding this but she will have information for Council at the next meeting.

The discussion then turned to Regional Water.

Kerr Lake Regional Water (KLRW)

Fund 64 – City Manager Griffin summarized the key budget issues. He said approximately 97% of the revenue comes from selling water to Henderson, Oxford and Warren County. Electricity and chemicals compose 21% of the budget and continue to be unpredictable in cost. Mr. Griffin said the downward trend of water sales began in FY12 and it seems it will continue in FY15. He said even with the suggested rate increase, Regional Water's budget is \$4,319,000 less than the FY14 approved budget of \$4,430,000. Mr. Griffin said he has included in the FY 15 budget the re-plumbing of the hypochlorite bulk tank, triennial clear-well inspections which are required and critical concrete repairs/patching. He also said it is important to continue building the Capital Reserve for the 20MGD Water Plant Expansion, Corps of Engineers (COE) Reserve, and general needs.

Mr. Griffin said the KLRW budget is extremely tight. The recommendation is for a 5% increase. If Council desires to make changes, Mr. Griffin suggested using Capital Reserve funds which in the long term may have negative impacts.

Council Member Kearney asked about the year-end figure for FY14. Mr. Griffin said Kerr Lake Regional Water Director Christy Lipscomb keeps a very tight handle on her department. Ms. Lipscomb said she expects to come in slightly under budget. She added this has been a better year for the use of chemicals as there has been a lot of rain --- in drought years more chemicals are needed to provide quality water.

Council Member Coffey asked if there is anything that would help improve this downward trend

for water sales. Mr. Griffin responded mainly growth. He added Warren County felt some of its decrease is due to water conservation devices installed by its largest user, the prison. He also said the weather contributes as people tend not to have to water gardens, wash cars, etc. as often.

Council Member Inscoe, as Chair of the Regional Water Board, added several comments to the discussion. He said last year nothing was contributed to the capital expenditure, the plant is approximately 40 years old and there is a “*perfect storm*” brewing with expenditures up and usage down. He personally would like to see the increase reduced from 5% to 4% with the difference (1%) taken from Capital Reserves. This would automatically reduce the Water increase to 4% also. He added it takes money to operate and reserves will be important in the coming year(s).

Council Member Kearney asked about the 1 to 1 ratio between Regional Water and Water. Mr. Griffin said is more like .6% Regional and 1% Water.

Council Member Inscoe brought out the importance of keeping reserves for the IBT (Inter-Basin Transfer).

Council Member Coffey asked if the water usage trend is being experienced by all the partners. Mr. Griffin said he has not broken it down by partners. KLRW Director Lipscomb said other areas are experiencing the same downward trend.

Council Member Kearney asked if the new radio read meters are contributing. Mr. Griffin said if anything, the old meters tend to read more slowly but the new meters are providing more accurate readings.

Council Member Inscoe suggested taking the balance out of the City Water Capital Reserve transfer so the increase for Water would be 3 ½ cents.

Fund 78 – Mr. Griffin moved attention to this fund saying it is solely funded by the KLRW plant water sales. He said the FY15 budget calls for \$795,000 to be contributed to the debt reduction/rate stabilization plan. As mentioned earlier, this fund was established to reserve funds for a) the Corps of Engineers Reserve (COE Reserve); b) the 20MGD Water Plant Expansion projects; and c) General Regional Reserve.

Council Member Coffey asked why the breakout and Mr. Griffin responded to keep the accounts separate and clean for auditing purposes.

There was no further discussion about the Regional Water Plant.

Water Fund

Fund 30- Mr. Griffin began summarizing the key budget issues by saying the City’s revenue is down with water sales down. He said 78% of the revenue for Water Fund comes from retail and

wholesale government customers with 41% coming from Franklin County. Another 14% of revenue comes from the Granville and Vance counties water reservation fees. He reminded Council that the Water Department maintains all the water lines within the City and for Regional Water.

This portion of the budget is also extremely tight but includes limited funds for maintenance and repairs within the water distribution system, replacement of more water meters to radio read meters, the radio read software license/maintenance and outsourcing of bill preparation and mailing. Mr. Griffin said 50% of the costs to hire a Public Services Director are also included. The City Manager recommends a 5% increase. If Council desires to make changes, Mr. Griffin suggested using Capital Reserve funds and reducing the rate stabilization contribution.

Since Council has already suggested reducing the increase to 3.5%, Mr. Griffin asked if there were any questions.

Council Member Coffey asked if the Public Services Director position would still be included. Mr. Griffin responded yes. Council Member Kearney asked if it is anticipated the Public Service Director would be hired at the high end of the grade. Mr. Griffin said yes and added it may well take three (3) months to fill the position. Ms. Coffey asked if the pay scale is in line with the findings in the recently completed Pay Study. Mr. Griffin said yes. From past experience Mr. Griffin felt it would be impossible to find a qualified director at the current City job scale. Council Member Inscoe asked if the individual hired would require training. Mr. Griffin said the only training will be in understanding the City system which Council Member Kearney correctly called orientation.

Before moving on to the Sewer Fund, Mr. Griffin pointed out that the Water Capital Reserve is growing but has not reached Council's goal.

Sewer Fund - City Manager Griffin said citizens fund 91% of the Sewer Fund. The key expenses are similar to the Regional Water plant with volatile issues with chemicals and electricity; the lease purchase for a truck and the replacement of various expensive pieces of laboratory equipment; bio-solid disposal, sewer maintenance/repair and street patching for utility cuts. He reminded Council that Powell Bill funds cannot be used for street patching for utility repair.

As with the Regional Water, Henderson Water Reclamation Facility participates in Duke Energy's Time of Use Rate program which has saved between \$55,000 and \$65,000 per year.

The City Manager recommends a 3% rate increase. If Council desires to make changes, Mr. Griffin suggested reducing the capital reserve and rate stabilization contributions.

Council Member Coffey expressed concern that the \$21,800 for maintenance work was so low. Mr. Griffin agreed.

Council Member Kearney suggested Council be proactive in thinking about the recent Coal Ash spill and how it or something similar could affect the water supply. Mr. Griffin said KLRW Director Lipscomb is keeping a close eye on the situation and suggested a work session to discuss this in more detail.

Guidance for Staff:

In summary, City Manager Griffin asked if it Council's wish to reduce the Regional Water rate increase to 4%; Water to 3.5% and keep the Sewer increase at 3%.

Mayor O'Geary asked for consensus of Council which was as follows: YES: Kearney, Coffey, Inscoe, Peace-Jenkins and Daye. NO: None. ABSTAIN: None. ABSENT: Rainey, Daeke and Simmons.

(Clerk's Note: Council Member Rainey had a prior commitment and planned to join this meeting about 7:00 p.m. Council Member Daeke was working and unable to attend.)

City Manager Griffin said the Thursday, 22 May meeting will focus on the General Fund and more specifically Public Safety. He suggested Council review Fund 10 (General Fund) and Fund 11 (Powell Bill) along with Fund 72 Capital Reserve and Fund 41 (CIP) in preparation for the meeting.

Council Member Inscoe made several observations about this budget and said there are three vehicles included for lease purchase. He asked that natural gas conversion be considered which should save the City dollars and suggested extended warranties as several of the existing police vehicles have 100,000 miles on them. Mr. Griffin said pricing has already been considered for extended warranties. He added he plans to reinstate collision insurance which was dropped for some unknown reason on City vehicles of a certain mileage.

Mr. Inscoe said he is happy with this budget as it includes no ad valorem tax, no dollars are being taken from the Fund Balance, the first year of the pay classification plan is being funded, the Public Services Director is being unfrozen. He also pointed out that the Full Time employees have been reduced over the past years by 22. City Manager Griffin said it is actually more like 45-50 if you go back to 2000.

Council Member Kearney felt the City is in good shape with FY15.

Lastly, Mr. Griffin said there has been a definite tightening of the belt with major reductions in supplies and travel spending: the tax/tag requirement allowed the City to not dip into the Fund Balance and the reduction in health insurance costs contributed significantly to the budget.

Council Member Coffey said she feels better about the FY15 budget than she did the FY14. She added although staffing has been reduced, the work is still being completed at the expected level. Mr. Griffin said everyone is working hard but sometimes keeping up with the work is harder with less employees.

Mayor O'Geary asked if there was anything further or if Council was prepared to adjourn.

ADJOURNMENT

Council Member Peace-Jenkins moved for adjournment. Motion seconded by Council Member Coffey and unanimously approved. The meeting adjourned at 7: 05 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk



City Council Minutes

Henderson City Council Budget Work Session #2 - DRAFT

22 May 2014

PRESENT

Mayor James D. O'Geary, Presiding; and Council Members James C. Kearney, Sr., Sara M. Coffey, Michael C. Inscoe, D. Michael Rainey, Brenda Peace-Jenkins, Garry D. Daeke, Fearldine A. Simmons and George M. Daye.

ABSENT

None.

STAFF PRESENT

City Manager Ray Griffin, Assistant City Manager, Frank Frazier, City Clerk Esther J. McCrackin, Finance Director Katherine Brafford, Youth Services Director Donna Stearns, Recreation and Parks Director Alan Gill, Athletic Director Steve Osborne, Fire Chief Danny Wilkerson, Police Chief Marcus Barrow, Human Resources Director Cathy Brown, and Code Compliance Director Corey Williams.

CALL TO ORDER

The 22 May 2014 Henderson City Council Budget Work Session #2 was called to order by Mayor James D. O'Geary at 6:00 p.m. in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor O'Geary a quorum was present.

OPENING REMARKS

Mayor O'Geary immediately turned the meeting over to the City Manager Griffin.

City Manager Griffin thanked both staff and Council for their attentiveness and began with the Car Park items

Car Park Issues

The three (3) Car park items are:

1. Maria Parham Real Estate Taxes- Finance Director Kathy Brafford said she spoke with the County Tax Collector and has compiled that information which was distributed. She said the Hospital has hired an attorney and at this time, no date has been set for a hearing regarding its appeal of the County's assessment. She added, depending on the outcome, the City may be the recipient of additional funds or the City may be required to refund monies.
2. Limit on Car Tag Fee – Research shows in 1988 the limit for the City of Henderson is \$10.00 via the Local Act of the General Assembly; however, this amount may be amended by the General Assembly and Council may wish to consider a resolution in FY15 to increase this amount for the FY16 budget.
3. Discussion regarding the Coal Ash Spill- Mr. Griffin said this has been added to the June Work Session.

Council Member Inscoe asked how much income would be generated by adding \$5.00 to the car tag fee. Mr. Griffin said perhaps \$50,000. Mr. Inscoe said this will only create more of a burden on the citizens and emphasized that relief only comes with growth.

Council Member Daeke said he would be interested to see if the collection of this fee increases as the fee is now paid with the tax/tag requirement. Mr. Daeke suggested any additional income from increasing the tag fee should be used for street repairs.

Council Member Coffey mentioned there seems to be more vehicles with illegal tags because of the tax/tag program and said perhaps the Police Department will be giving out more tickets to generate income.

There were no other comments so City Manager Griffin directed Council's attention to a one page chart summarizing all the major revenue sources and expenditure centers within the General Fund.

General Fund

Revenues - Beginning with the revenues, City Manager Griffin said one-half of the City's revenue comes from property tax (38%) and sanitation fees (12%). Although the General Fund is severely stressed, he is not suggesting any increase in the tax rate, or sanitation fee increases for FY15. He said \$29.00 is very high for sanitation and would not like to see if go any higher.

Sales tax as intergovernmental funds, the Powell Bill and Federal Asset Forfeiture funds all depend on State and Federal requirements, along with the economy and weather. Mr. Griffin gave an example of a cold winter makes for higher heating bills, thus the utility franchise receives more funds which in turn increase the City's revenue or another example was as crime drops, the City receives less Asset Forfeiture funds --- therefore, it is difficult to predict revenue from these sources which make up 27% of the General Fund. As a reminder, Mr. Griffin said the Powell Bill is very restricted in areas of usage as are Asset Forfeiture funds.

Council Member Rainey asked how the forfeiture funds are distributed in the case of a pursuit from one county to another. Police Chief Barrow said there is a cost sharing of approximately 55/50 between counties if it is requested. However, he said for a continuous pursuit most counties do not request cost sharing unless it assisted in specific areas such as the use of a canine unit.

City Manager Griffin said a very small portion (5%) of revenue comes from contracts and agreements such as the County's contribution for Recreation. This revenue increases only if the City spends more on Recreation. Other income is generated from zoning and planning fees, fire inspections and recreation fees.

Mr. Griffin said the local economy is stagnant and if it does not improve, local revenues, sales tax, Powell Bill and Utility franchise distributions will not increase. Other issues of concern are the FY16 revaluation of property and the unknown property appraisal status with Maria Parham Medical Center. He said the revenue will need to be watched closely throughout FY15.

Council Member Daeke asked if there was a General Fund Contingency. Mr. Griffin said no.

Expenditures – City Manager Griffin then moved on to the expenditure side of the General Fund. Although Council can create its own categories, Mr. Griffin has broken the expenditures into several sections --- the first being the Mandatory expenditures or the Debt Service.

Debt Service (6%) - includes bonds, certificates of deposit (CDs), leases and loans (5.76%). State law requires debt service to be paid first. The only options Council has here is to limit issuing new debt.

Governance & Administration (13%) – This category includes Council, Legal, Administration, Human Resources, Finance, Information Technology along with contracts to Vance County for tax collection and election services. It also includes retiree health insurance, phase one of the Pay Class Plan and bad debt reserve.

Core Services (61%) – City Manager Griffin consider core services as Public Safety (Police, Fire, E-911 and Asset Forfeiture) and Public Services' Divisions. He said the Waste Industries, Inc. contract is increasing by 5%. There are insufficient resources for resurfacing streets, repairing sidewalks, replacing vehicles and/or equipment, etc. properly.

Essential Services (10%) – Mr. Griffin included Zoning & Planning, Code Compliance and the essential services within Public Services. He said the budget for this grouping includes only the basics and pointed out that again there is nothing extra over the FY14 budget. There are no additional funds for demolitions, repair of public buildings or restoration of frozen positions.

Discretionary Services (11%) – City Manager Griffin said all services provided by the City are important but in looking at expenditures, Discretionary Services are just at a different level. This category includes Recreation, Youth Services, Old City Owned Buildings and Main Street. The FY15 budget has held Recreation, Youth Services, Aycock Center, the Library and Airport all at FY14 funding levels. Reduction in funding of local agencies such as Crime Stoppers, Roanoke River Basin Association and the Arts Council is recommended. Mr. Griffin said a letter from the Boys & Girls Club was received on Monday requesting \$1,000. Since the budget is already compiled, he suggested a verbal request be made during the Public Hearing on 9 June.

The recommendation to de-authorize the Main Street Program was a difficult decision but the staff reduction of one will provide \$53,000 for other uses within the General Fund. It is also recommended to remove the currently vacant position of civilian Police Office Assistant and four (4) part-time school crossing guards. As has been done in the past, the City will work to relocate any displaced person into another City position.

Follow-Up Comments - On the positive side, the proposed budget includes funding for the first phase of the Pay Class Study, unfreezing two positions: Public Services Director and Assistant Finance Director, and the purchase of 3 police cars, and two fire vehicles.

Overall, Mr. Griffin said the General Fund has no contingency for major capital expenditures, unforeseen problems, nor does it include funds for economic incentives. It also does not address staffing issues. Mr. Griffin emphasized Council's need to understand if there are any major problems such as the aging of the storm drains or the recent pump failures, there is nothing extra to fall back on within this budget. He also asked Council to consider having a discussion in the coming months regarding the two old buildings (SNB and Perry Museum) that the City currently owns.

City Manager Griffin then said he would be happy to answer any questions from Council.

Main Street Program - Council Member Kearney expressed concern regarding economic development. He felt the Main Street program is needed for growth and noted 14 new businesses in downtown. He wondered how many businesses have been lost during the corresponding timeframe. City Manager Griffin appreciated Mr. Kearney's concern but said with no operating dollars and only one person in the department the creation of viable and/or effective programs is impossible.

Council Member Coffey said she would like to know how many businesses have closed in the downtown area. Mr. Griffin said he did not have a number but would find out and will report back.

Council Member Inscoe felt merchants are indifferent and suggested they step up and adopt a planter or something like that to improve the image. Council Member Coffey added proper signage needs to be addressed as some businesses have their name written in marker on the windows.

Council Member Kearney mentioned a positive brand is needed for the City.

Council Member Rainey asked if a list of expectations/goals, time frames were ever put in place for the Main Street position. Mr. Griffin said the staff person in the Main Street position has the qualifications to deal with small businesses and fund raising; however, there is no funding to pay for costs associated with such activities. Council Member Rainey also asked if this position, which is tied to the DDC, is in competition with the Henderson-Vance Chamber of Commerce. Mr. Griffin said the Chamber and the DDC work very well together and did not see this as a problem.

Council Member Coffey asked if any fundraising had been attempted. Mr. Griffin said fundraising was tried by the previous staff person with no meaningful results.

Council Member Inscoe reminded Council that this position once resided in the Chamber office and was brought back to City Hall as a cost cutting measure.

Council Member Daeke turned the discussion to the other positions being eliminated and the unfreezing of the Assistant Finance Director and Public Services Director, both of which he felt were necessary. Mr. Griffin asked permission for Police Chief Barrow to address Council on the elimination of that department's four (4) positions. Chief Barrow said he has polled other like size CALEA police forces and found none of them house school crossing guards. He said we have moved away from the era of children walking to school. He said he also did a study within the City and found the majority of students either are driven to school or are walked to and from school by an adult. Mr. Griffin asked how the County handles this situation. Chief Barrow said the County uses school employees as crossing guards.

Council Member Daeke asked if the workload of the administrative position in the Police Department could be absorbed by others. Chief Barrow said he is confident the work can be completed in a timely manner by the existing staff.

Mr. Griffin said Chief Barrow suggested eliminating these positions when staff was asked to reduce budget requests back to the FY14 levels.

Council Member Peace-Jenkins asked how grants will be affected if Main Street is decertified. Mr. Griffin said without the certification, certain grants could not be applied for and added the only grant he was aware of in recent history was for the REEF project. Council Member Daeke

said he was unaware of any grants in probably the last ten years and Council Member Inscoe added with the present economic downturn, the chance of any new grants in the near future would be negligible.

Other Items - Council Member Kearney then asked about the request from the Boys and Girls Club. He would like the City Manager to find funds for the club, even if a portion needed to come from his stipend as Council member. Council Member Coffey felt \$1,000 could be found and Council Member Daeke and Daye said they would be willing to just donate \$100 to the club.

Council Member Rainey asked if Council would consider \$1,000 for 211 (United Way information number). Council Member Daeke asked for utilization information before this request is considered.

Council Member Inscoe asked about the status of the pilot program regarding replacing street lights with LEDs. Assistant City Manager Frank Frazier said there have been no complaints about the pilot program lights on Dabney and Cypress. He added he spoke to the Duke Energy representative recently and was told more help is being added as Duke Energy has received requests from many cities. Mr. Frazier was charged with continuing to work closely with Duke Energy as this is a priority. Mr. Griffin agreed but said it could take time.

Council Member Inscoe then said with no ad valorem tax increase, no sanitation fee increase, no fund balance reduction and reductions in the proposed Regional Water, Water and Sewer increase he felt no further discussion was needed until the Public Hearing.

Mayor O'Geary called for the consensus of Council that the FY15 proposed budget as adjusted in the work session now go to the 9 June Public Hearing. The consensus was: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons and Daye. NO: None. ABSTAIN: None. ABSENT: None.

Guidance for Staff:

City Manager Griffin asked for confirmation regarding finding funding for the Boys and Girls Club. It was the consensus to find \$800 for the Boys and Girls Club as follows: YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke and Daye. NO: Simmons (would like to see \$1,000 instead of \$800). ABSTAIN: None. ABSENT: None.

City Manager Griffin then asked for verification that Council sees no need for further discussion until after the 9 June Public Hearing. The consensus was YES: Kearney, Coffey, Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons and Daye. NO; None. ABSTAIN: None. ABSENT: None.

The City Manager reminded Council that once the Public Hearing is held, Council has the option to adopt the FY15 budget at any time before 30 June. It can be adopted following the Public Hearing, at a Work Session, if needed, or any other time. With Council's permission Mr. Griffin

directed the City Clerk to change the public notices as necessary, to reflect the cancellation of all work sessions between now and 9 June, which is the date of the Public Hearing.

Mayor O'Geary asked if there was anything further or if Council was prepared to adjourn.

ADJOURNMENT

Council Member Coffey moved for adjournment. Motion seconded by Council Member Daye and unanimously approved. The meeting adjourned at 7:10 p.m.

James D. O'Geary
Mayor

ATTEST:

Esther J. McCrackin
City Clerk

City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252.430.5701



Agenda Item: _____

Council Meeting: 9 June 14 Regular Meeting

27 May 2014

TO: The Honorable Mayor James D O'Geary and Members of City Council

FR: A. Ray Griffin, Jr., City Manager

RE: CAF: 14-54-A

Consideration of Approval of Resolution 14-31, Rejecting the Offer by Prestigious Housing, Inc., to Purchase the Old First National Bank Building Located at 213 S. Garnett Street

Ladies and Gentlemen:

Council Goals Addressed By This Item:

- KSO 8: Provide Financial Resourcing

Recommendation:

- Approval of Resolution 14-31, Rejecting the Offer by Prestigious Housing, Inc., to Purchase the Old First National Bank Building Located at 213 S. Garnett Street

Executive Summary:

On 10 January 2011 Council voted via Resolution 11-16 to give complete ownership of the Old Armory Building to Vance County and assume sole ownership of the Old Savings and Loan Bank Building located at 213 S. Garnett Street in hopes it would help in the possible sale of both properties. On 10 September 2012 via Resolution 12-05, Council declared the old SNB Bank Building (Old First National Bank Building) surplus property and authorized the solicitation of proposals and sale of said building. On 14 April 2014 an offer was received from the Prestigious Housing, Inc. in the amount of \$7,500.

The Land Planning & Development Committee met on 23 April 2014 to discuss said offer. Following a brief discussion regarding the cost avoidance in having to bring the building up to minimum standards, the Committee unanimously agreed to recommend to City Council to accept the offer as the opening bid for the property.

This offer was presented to Council on 28 April 2014. However, additional information was received just prior to the meeting and Council Member Inscoe asked that this item be tabled until the Land Planning could meet to consider the additional information which pertained specifically to the owing of back taxes.

On 7 May 2014, the Land Planning & Development Committee met with City Attorney John Zollicoffer, Jr. who proposed the attached Procedure to Purchase City Owned Property, along with an Offer to Purchase Agreement. The Agreement specifically includes conditions regarding taxes being paid in full on all other properties owned by the potential buyer. The Committee discussed the procedure and a motion was unanimously approved to bring the procedure before Council for consideration. The motion also included keeping the Prestigious Housing, Inc. bid on the table to be reconsidered by the Land Planning Committee after this meeting and for the Committee to bring its recommendation back to Council at the 9 June 2014 meeting regarding the bid.

On 12 May 2014, Council approved via Resolution 14-41 a *Procedure for Purchasing City Owned Property* and an *Offer to Purchase City Owned Property Agreement* which provides for, among other things, the right to reject a bid unless the ad valorem property taxes are paid in full by the buyer and any business entity the buyer may have ownership interest. Part of the resolution was to remand the offer back to the Land Planning Committee for further consideration of the bid offer after consideration of this Resolution.

The Land Planning Committee met on 22 May 2014. It was the unanimous decision to reject the bid offer as Kenneth G. Stevenson, the owner of Prestigious Housing, Inc., is the owner of at least six (6) other businesses that owes a significant amount in back taxes.

Although the City would like to see this building restored, it is recommended that at this time, Council reject the bid of \$7,500 by Prestigious Housing, Inc.

Enclosures:

1. Resolution 14-31
2. 22 May 2014 Land Planning & Development Committee Meeting Minutes
3. 23 April 2014 Land Planning & Development Committee Meeting Minutes
4. Resolution 12-05
5. Resolution 11-16

RESOLUTION 14-31

A RESOLUTION INDICATING THE CITY COUNCIL'S PROPOSAL TO REJECT A NEGOTIATED OFFER FOR THE OLD FIRST NATIONAL BANK BUILDING ON GARNETT STREET

WHEREAS, the City of Henderson owns the old First National Bank building located on Garnett Street: *and*

WHEREAS, Prestigious Housing, Inc. has offered to purchase the old First National Bank building on Garnett Street for the sum of \$7,500.00 and has deposited with the City of Henderson the sum of \$375.00 representing a good faith deposit; *and*

WHEREAS, the Land Planning Committee met on 22 May 2014 to consider said bid in light of the Offer to Purchase City Owned Property Agreement approved by City Council on 19 May 2014; *and*

WHEREAS, Prestigious Housing, Inc. owes the City of Henderson over \$141,000 in back taxes.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Henderson rejects the offer by Prestigious Housing, Inc. to purchase the Old SNB Building in accordance with the following:

- 1) In accordance with NCGS 160A-269, City Council reserves the right at any time to reject any and all offers: *and*
- 2) In accordance with the Offer to Purchase City Owned Property Agreement, Section 2(c), Other Conditions which states all ad valorem property taxes have been paid in full.

The foregoing Resolution 14-31, upon motion of Council Member ** and second by Council Member **, and having been submitted to a roll call vote received the following votes and was ***** on this the *** day of ***** 2014: YES: . NO: . ABSTAIN: . ABSENT: .

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

*Reference: Minute Book_, pp. **, CAF 14-54*

R E S O L U T I O N 12-05

A RESOLUTION OF THE HENDERSON CITY COUNCIL DECLARING THE OLD SNB BANK BUILDING ON GARNETT STREET AS SURPLUS PROPERTY AND AUTHORIZING THE SOLICITATION OF PROPOSALS FROM REALTORS TO MARKET AND SELL SAID BUILDING

WHEREAS, the Henderson City Council (Council) conducted its Annual Planning Retreat in January 2012, and during said retreat identified eight Key Strategic Objectives (KSO) and Goals and 12 Core Values; *and*

WHEREAS, this Resolution addresses one of the Key Strategic Objectives as follows: KSO 3: Economic Development; Action Plan 3-5: Redevelop Downtown; *and*

WHEREAS, the old SNB Bank building is owned by the City of Henderson and plans to utilize for a proposed rail passenger station has not materialized; the building is vacant and in a deteriorated condition; *and*

WHEREAS, the Land Planning Committee has recommended to City Council to declare the property surplus and to have said property professionally marketed and ultimately sold, including any public-private partnerships that may be advantageous to both the City and prospective developer.

NOW, THEREFORE BE IT RESOLVED by the Henderson City Council that it does hereby declare the old SNB Bank Building located at 213 South Garnett Street to be surplus and available for disposition and/or sale as deemed appropriate by the City Council; *and*

BE IT FURTHER RESOLVED, that the City Manager is authorized to solicit proposals from realtors and brokers to market and sell the property, with said marketing and sale to be flexible to consider viable public-private partnerships that the Council may find advantageous to both the City and prospective developer, said sale to be subject to the general statutes relative to sales by cities.

BE IT FURTHER RESOLVED, that the City of Henderson will share any net profits from the sale of the building and property with the County of Vance in accordance with agreement already in place between the City and County that provided for the transfer of the County's ownership interest in the property to the City via Resolution 11-16 approved by City Council on 10 January 2011.

The foregoing Resolution 12-05, introduced by Council Member Inscoe and seconded by Council Member Rainey on this the 10th day of September 2012, and having been submitted to a roll call vote, was APPROVED by the following votes: YES: Daeke, Brown, Daye, Kearney, Coffey, Inscoe, Rainey and Peace-Jenkins. NO: None. ABSTAIN: None. ABSENT. None.

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

(Reference: Minute Book 42, p.583; CAF 12-18; Resolution 11-16)

RESOLUTION 11—16

A RESOLUTION PROVIDING FOR THE DISPOSITION OF CERTAIN JOINTLY HELD PROPERTIES BY THE CITY AND COUNTY OTHERWISE IDENTIFIED AS THE ARMORY BUILDING LOCATED ON DABNEY DRIVE AND THE OLD SNB BANK BUILDING LOCATED ON SOUTH GARNETT STREET

WHEREAS, the Henderson City Council (Council) conducted its Annual Planning Retreat in January 2010, and during said Retreat identified eight Key Strategic Objectives (KSO) and Goals; *and*

WHEREAS, this Resolution addresses one KSO as follows: KSO 4: To Improve the Condition of the Housing Stock, Action Plan 4-2, Redevelopment; *and*

WHEREAS, the City of Henderson (City) and County of Vance (County) have previously discussed the possibility of disposing of both of the previously mentioned properties; *and*

WHEREAS, there does not appear to be any grant funding available to provide for the renovation of the Armory building; *and*

WHEREAS, it is in the best interest of the City and County to dispose of said properties before either become more deteriorated.

NOW THEREFORE BE IT RESOLVED by the Henderson City Council that it does hereby authorize the following:

1. The City Manager to negotiate with the County Manager to prepare proper instruments for the disposition of the Armory and old SNB buildings; *and*
2. The City of Henderson would accept the County's share of old SNB building on South Garnett Street and would deed its share of the Armory facility to the County; *and*
3. Said transfer of interests in property is predicated upon and conditioned by the equal division of any net proceeds from the eventual sale of said properties, either individually or collectively, between the City and County.

The foregoing Resolution 11—16, upon motion of Council Member Rainey and second by Council Member Peace-Jenkins, and having been submitted to a roll call vote received the following votes and was APPROVED on this the 10th day of January 2011: YES: Peace-Jenkins, Davis, Daye, and Rainey. NO: Daeke. ABSTAIN: None. ABSENT: Coffey, Evans, and Inscoe.

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

Reference: Minute Book 42, p. 6.

City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252.430.5701



Agenda Item: _____

Council Meeting: 9 June 14 Short Reg. Meeting

28 May 2014

TO: The Honorable Mayor James D. O'Geary and Members of City Council

FR: A. Ray Griffin, Jr., City Manager

RE: CAF: 14-06-A

Consideration of Approval of: 1) Resolution 14-17-A, Authorizing the Execution of Change Order #4 for the Henderson Water Reclamation Facility Project to Devere Construction Company, Inc. in the Amount of \$41,224.61, and 2) Ordinance 14-26-A FY14 Budget Amendment #37, Amending the CIP Sewer Fund for Change Order #4 to the Water Reclamation Facility Renovation Project

Ladies and Gentlemen:

Council Retreat Goals Addressed By This Item:

- KSO 5: Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems.

Recommendation:

Approval of:

- **1) Resolution 14-17-A, Authorizing the Execution of Change Order #4 for the Henderson Water Reclamation Facility Project to Devere Construction Company, Inc. in the Amount of \$41,224.61.**
- **2) Ordinance 14-26-A, FY14 Budget Amendment #37, Amending the CIP Sewer Fund for Change Order #4 to the Water Reclamation Facility Renovation Project**

Executive Summary:

On 10 Dec 2010, the City Council approved acceptance of a State Revolving Loan, via Resolution 12-98, in the amount of \$16,615,000 for improvements to the Henderson Water Reclamation Facility providing funding for major improvements to the plant which will simplify treatment processes as well as reduce operational costs.

Change Order #1 in the amount of \$55,709 was approved by the City Council on 23 September 2013, via Resolution 13-09-A, leaving a contingency balance of \$601,431.

Change Order #2 was approved in the amount of \$24,204.76 on 27 January 2014 leaving a contingency balance of \$577,226.

Change Order #3 was approved in the amount of \$78,079.367 on 28 April 2014 via Resolution 14-17, leaving a contingency balance of \$499,146.

A correction to the contingency line item for a previous budget amendment was approved in the amount of \$50,500 on 12 May 2014 via Ordinance 14-30, Budget Amendment #34, leaving a contingency balance of \$448,646.

The items listed below are proposed changes/additions that were discovered during the construction process that were not in the original bid, but necessary due to code changes, utility conflicts and items needed to properly operate the new plant. City staff and McGill Associates recommend approval of this change order and the State has approved them as eligible for funding.

Graph Provided by McGill Associates

CHANGE ORDER NUMBER FOUR			
#	DESCRIPTION	PRICE	DAYS
1	Modifications to Electrical Service	\$ 10,558.49	3
2	Additional Oxidation Ditch PLC	\$ 30,666.12	0
	Total	\$ 41,224.61	3

Enclosures:

1. Resolution 14-17-A
2. Ordinance 14-26-A
3. Resolution 14-17
4. Ordinance 14-30
5. Resolution 13-09-A
6. Resolution 12-98

RESOLUTION 14-17-A

AUTHORIZING EXECUTION OF CHANGE ORDER #4 TO DEVERE CONSTRUCTION COMPANY FOR IMPROVEMENTS TO THE HENDERSON WATER RECLAMATION FACILITY PROJECT

WHEREAS, the Henderson City Council (Council) conducted its Annual Planning Retreat in February 2014, and during said Retreat identified eight Key Strategic Objectives (KSO) and Goals; *and*

WHEREAS, this Resolution addresses one of the Key Strategic Objectives as follows: **KSO 5: Provide Reliable, Dependable Infrastructure** - To provide reliable, dependable and environmentally compliant infrastructure systems; *and*

WHEREAS, the City Council accepted loan funding for this purpose from the NC Department of Environment and Natural Resources, Infrastructure Finance Section; *and*

WHEREAS, the City's Consulting Engineer and City staff recommend approval of Change Order #4, as outlined in the description provided by McGill Associates, to Devere Construction Company, Inc. being more fully articulated in **Attachment A** to this Resolution, subject to approval of the Infrastructure Finance Section.

WHEREAS, there is \$448,646 remaining in the contingency fund, which could be used for these costs pending City Council approval; *and*

NOW, THEREFORE BE IT RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY APPROVE the execution of Change Order #4 of the Henderson Water Reclamation Facility Improvement Project to Devere Construction Company, Inc. in the amount of \$41,224.61, , subject to approval by the State; *and*

BE IT FURTHER RESOLVED that the Mayor is authorized to sign all agreements and documents necessary to effect said Agreement.

The foregoing Resolution 14-17-A, upon motion of Council Member ** and second by Council Member **, and having been submitted to a roll call vote received the following votes and was ***** on this the *** day of **** 2014: YES: . NO: . ABSTAIN: . ABSENT: .

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

*Reference: Minute Book 41, pp. **.*

CHANGE ORDER

Number 4

PROJECT:	Henderson Water Reclamation Facility Improvements	DATE OF ISSUANCE:	_____
OWNER:	City of Henderson 134 Rose Avenue Henderson, North Carolina 27536	OWNER'S PROJECT NO.:	<u>CS370410-06</u>
CONTRACTOR:	DeVere Construction Company, Inc. 1030 DeVere Drive Alpena, Michigan 49707	ENGINEER:	McGill Associates, P.A. P.O. Box 1136 Hickory, NC 28603
		ENGINEER'S PROJECT NO.:	<u>12.01100</u>
CONTRACT FOR: Henderson Water Reclamation Facility Improvements			

You are directed to make the following changes in the Contract Documents:

Description: CO#4 consists of the following items:

1. Modifications to the Electrical Service entering the plant
2. Addition of redundant PLC for control of the Oxidation ditch System

Purpose of Change Order: Make adjustments to the Contract Price and Time.

Attachments (List documents supporting change):

1. Spread sheet listing Changes, Prices, and Days
2. Engineer reviewed Quotes and backup documentation for each item included

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIME:
Original Contract Price	Original Contract Time
<u>\$ 15,519,000</u>	<u>591</u> Days or Date
Previous Change Order No. <u>0</u> to No. <u>3</u>	Net Change From Previous Change Orders
<u>\$ 157,992.20</u>	<u>66</u> Days
Contract Price Prior to This Change Order	Contract Time Prior to This Change Order
<u>\$ 15,676,992.24</u>	<u>657</u> Days or Date
Net Increase (Decrease) of This Change Order	Net Increase (Decrease) of This Change Order
<u>\$ 41,224.61</u>	<u>3</u> Days
Contract Price With All Approved Change Orders	Contract Time With All Approved Change Orders
<u>\$ 15,718,216.85</u>	<u>660</u> Days or Date

RECOMMENDED:	APPROVED:	APPROVED:
BY: _____	BY: _____	BY: _____
Print: _____	Print: _____	Print: _____
McGill Associates (Engineer)	City of Henderson (Owner)	DeVere Construction (Contractor)

EJCDC No. 1910-8-B (1983 Edition)

Prepared by the Engineers' Joint Contract Documents Committee and endorsed by The Associated General Contractors of America.

Change Order Number Four

#	Description	Price	Days
1	Modifications to Electrical Service	\$ 10,558.49	3
2	Additional Oxidation Ditch PLC	\$ 30,666.12	0
Total		\$ 41,224.61	3

GENERAL CONTRACTOR ESTIMATE FOR CHANGE ORDER

DeVere Project #: 13123
 SRF NO. CS370410-06
 DATE: 5/21/2014

General Contractor: Devere Construction
 Change Description: ADDITIONAL COST PROPOSAL. Option No. 3-Per email dated 5/19/14. Construct new electrical service per newly revised attached plan sheet.

PROJECT: HENDERSON WRF

PCO No. 27 Option 3

GENERAL CONTRACTOR DIRECT COST											
Scope Description				Direct Labor				Direct Material			
Item No.	Description	Quantity	Units	Direct Labor Hours Per Unit	Total Direct Labor Hours	Hourly Wage Rate, Excl Taxes & Ins	Total Labor Cost	Material Cost Per Unit	Total Material Cost	Equipment Cost Per Unit	Total Equipment Cost
A	B	C	D	E	F = C x E	G	H = F x G	I	J = C x I	K	L = C x K
1.01	Labor from Worksheet	1	1	1	1	\$ 635.00	\$ 635.00		\$ -		\$ -
1.02	Material from Worksheet	1	1	0	0		\$ -		\$ 453.00		\$ -
1.03	Equipment from Worksheet	1	1	0	0		\$ -		\$ -		\$ 2,190.00
1.04				0	0		\$ -		\$ -		\$ -
1.05				0	0		\$ -		\$ -		\$ -
1.06				0	0		\$ -		\$ -		\$ -
1.07				0	0		\$ -		\$ -		\$ -
1.08				0	0		\$ -		\$ -		\$ -
1.09	Subtotal from Estimate Continuation Sheets										
1.97	Subtotal (S/T) Direct Cost:						Subtotal Labor \$ 635.00		Subtotal Mat'l \$ 453.00		Subtotal Equip \$ 2,190.00
1.98	Taxes / Insurance						of Item 1.97H = \$ 222.25		Sales Tax @6.75% \$ 30.58		
1.99	Total Direct Costs						Total Labor \$ 857.25		Total Mat'l \$ 483.58		Total Equip \$ 2,190.00

FICA, FUI, SUI, & Workman's Comp at 35.00%

SUBCONTRACT COSTS		
Item No.	Subcontractor Name (List totals from attached forms)	Total Cost
A	B	C
2.01	Via Electrical Company	\$ 6,040.00
2.02		
2.03		
2.04		
2.05		
2.06		
2.07		
2.08		
2.09		
2.99	Total Subcontract Cost	\$6,040.00

SUMMARY		
Item No.	Description	Total Cost
3.01	Total Direct Labor Cost	Item 1.99H \$ 857.25
3.02	Total Direct Material Cost	Item 1.99J \$ 483.58
3.03	Total Equipment Cost	Item 1.99L \$ 2,190.00
3.04	Subtotal	3.01+3.02+3.03 \$ 3,530.83
3.05	Overhead & Profit	15% of Item 3.04 \$ 529.62
3.06	Subtotal	3.04+3.05 \$ 4,060.45
3.07	Subcontractor Cost	Item 2.99 \$ 6,040.00
3.08	Markup on Subcontractor	5.0% x Item 3.07 \$ 302.00
3.09	Subtotal	3.06+3.07+3.08 \$ 10,402.45
3.1	Bond Cost (1.5%)	\$ 156.04
3.99	Total Change Order Cost	(3.09+3.10) \$ 10,558.49

ADDITIONAL CONTRACT TIME REQUESTED:

3 Additional Days will be allowed

Change Exclusions:

Utility Company Charges or Fees
 All wire provided by Utility Company
 Concrete Curb or Gutter Replacement.

Submitted by

Name: Tim Meyer

Signature:

Title: Project Manager

Date: May 21, 2014

I have reviewed the cost proposed and find them to be reasonable (as proposed)(as marked)

Engineer Signature



Via Electric Company

P. O. Box 430 • Madison, North Carolina 27025 • (336) 548-6968 • FAX (336) 548-1698

5-20-2014
Mr. Tim Meyer
DeVere Construction Company, Inc.
1-919-363-6575

**Re: Alternate #3 Primary Underground Duct bank
Electrical Quotation**

In reference to the above mentioned project, Via Electric Company is pleased to provide our proposal as follows:

Electrical Lump Sum: \$6040.00

This Proposal Includes:

1. Furnish and install duct bank from proposed primary power pole
2. Furnish concrete encasement under roadway
3. Furnish GRC riser at power pole
4. Wire provided by utility company

Notes:

Utility company installation fees by others for installation of primary power overhead, Cutting and patching of roadway, curb and gutter are by others and not included in this proposal.

Via Electric Company is certified as a M/WBE with HUB. If you have any questions please give me a call. Our North Carolina License number is 4364-U. If you have any questions please give me a call.

Respectfully Submitted,

Jack DeCou
Via Electric Company

Garner Division: 317 US Hwy. 70E, Suite F • Garner, N.C. 27529-4041 • (919) 779-3258 • (919) 779-3874

Job ID: HENDERSON
Project: service #3



Audit Trail Basic

Vendor: VIA BID 1

Labor Level: LABOR 1

20 May 2014 10:49:18

Phases: FIXTURES

Quantity	Size	U/M	Description
0			
0			UNDERGROUND PRIMARY
65		EA	2-DUCT W/TRENCH & REBAR 4" PVC
130	4	FT	PVC SCH 40 10' LAID IN TRENCH
65	24"W x 36"D	FT	BACKHOE TRENCHING SANDY
65	24" x 48" DEEP	FT	BACKHOE BACKFILL SANDY TRENCH
238	#3	FT	STEEL REBAR
82		FT	STEEL TIE WIRE
25	24" WIDE	FT	3" SAND BEDDING
26	4 x 2	EA	BASE DUCT BANK CONDUIT SPACER
69	3"	FT	RED TRENCH CAUTION TAPE
19	OUNCE	OZ	PVC (GLUE) CEMENT
0			
0			STUB UP AT UTILITY POLE
2	4	EA	GRC UTILITY POLE RISER
2	4	EA	GRC 90-DEG ELBOW
60	4	FT	GRC
2	4	EA	PVC FEMALE ADAPTER
2	OUNCE	OZ	PVC (GLUE) CEMENT
9	4	EA	PLTD-MINI COND-HGR W/BOLT
9	1/2"	EA	PLTD FLAT WASHER
9	1/2 x 4"	EA	PLTD LAG BOLT
0			
0			STUB UP AT TRANSFORMER
2	4	EA	PVC SCH40 90D STUB-UP
2	4	EA	PVC SCH 40 90-DEG ELBOW
4	4	EA	PVC COUPLING
10	4	FT	PVC SCH 40
4	OUNCE	OZ	PVC (GLUE) CEMENT
2	4	EA	PVC MALE ADAPTER
2	4	EA	LOCKNUT
2	4	EA	PLASTIC BUSHING
3	3000#	YD	CONCRETE ENCASEMENT

Via Electric Co.

P.O. Box 430
Madison, NC 27025

Phone: 336-548-6968
Web: www.viaelectric.com

ConEst Software Systems

Page 1 of 1

Job ID: HENDERSON
Project: service #3



Bid Brief Form Report

Vendor: VIA BID 1 Labor Level: LABOR 1 20 May 2014 10:47:38
Tax Rate status: Default Bid Name: CHANGE ORDER Bid Template: 03 CHANGE ORDERS PER SPEC

Description	Amount	Subtotal
Material		
Estimated Material	1,737.83	
Material Adjustment	0.00	
Material Total:		1,737.83
Labor		
Direct Labor Hours	77.09	
Labor Dollars	2,870.21	
Indirect Labor	178.98	
Labor Escalation	0.00	
Labor Adjustments	0.00	
Labor Total:		3,049.19
Equipment		
BACKHOE		
BACKHOE from Takeoff	325.00	
BACKHOE Total:	325.00	
Equipment Adjustments	0.00	
Equipment Total:		325.00
Direct Job Costs		
Estimated DJC	0.00	
DJC Adjustments	0.00	
Direct Job Costs Total:		0.00
Taxes		
Material Tax (6.7500%)	117.30	
Quote Tax (0.0000%)	0.00	
Labor Tax (0.0000%)	0.00	
Equipment Tax (0.0000%)	0.00	
SubContract Tax (0.0000%)	0.00	
Taxes Total:		117.30
Pre-Overhead and Profit Subtotal:		5,229.32
Overhead		
Material Overhead (10.00% markup)	185.51	
Quotes Overhead (10.00% markup)	0.00	
Labor Overhead (10.00% markup)	304.92	
Equipment Overhead (10.00% markup)	32.50	
SubContracts Overhead (10.00% markup)	0.00	
DJC Overhead (10.00% markup)	0.00	
Overhead Total:		522.93

Via Electric Co.

P.O. Box 430
Madison, NC 27025

Phone: 336-548-6968
Web: www.viaelectric.com

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Profit

Material Profit (5.00% markup)	102.03	
Quotes Profit (5.00% markup)	0.00	
Labor Profit (5.00% markup)	167.71	
Equipment Profit (5.00% markup)	17.88	
SubContracts Profit (5.00% markup)	0.00	
DJC Profit (5.00% markup)	0.00	
Profit Total:		287.61

Miscellaneous

Job Tax (0.00%)	0.00	
Bond (0.00%)	0.00	
Miscellaneous Total:		0.00

Bid Total: 6,039.87

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Sales Office
200 Horizon Drive, Suite 100
Raleigh, NC 27615
919.747.6366
Fax 919.747.6367

Quote



Dispatch / Orders
Concrete 919.554.0500
Stone 919.575.6010
Asphalt (RDU) 919.861.1860
Asphalt (Durham) 919.688.6881
Asphalt (NRal) 919.554.0500
Asphalt (Kittrell) 252.654.8102

QUOTE SUBMITTED TO:	PHONE:	START DATE:	END DATE:
Devere Construction Co	(989) 356-4411	2/18/2014	12/31/2014
CUSTOMER NUMBER:	JOB NAME AND LOCATION:	COUNTY:	HAUL ZONE:
00011813	Henderson WWTP	Vance	MDC

WE HEREBY SUBMIT PRICES FOR THE FOLLOWING :

Product ID	Product Name	Quantity		Bid U.O.M. Price	Location
B25B	B25.0B Base Mix	20	TN	\$53.00	MDC
I19	I-19 Binder Mix	20	TN	\$53.00	MDC
S9.5B	S9.5B Surface Mix	20	TN	\$55.00	MDC
SF9.5A	SF9.5A Surface Mix	20	TN	\$58.00	MDC

Notes

General Notes:

1. All aggregate pricing is FOB the plant specified. Delivery charges are noted on a separate line item. The addition of a delivery option after an initial FOB plant quote has been accepted requires a customer signature.
2. All product pricing is based on current energy and productive material cost. Pricing is subject to change as costs change.
3. Carolina Sunrock LLC does not currently charge an environmental fee.
4. A delivery charge will be applied on any concrete orders that are less than 3 cubic yards.
5. Hours of operations are Monday thru Friday, 7:00 am to 5:00 pm.

Hot Mix Asphalt Pricing Note: The quoted asphalt prices are based on NC DOT Monthly Terminal FOB Asphalt Binder Index. The price for the Month of February is \$559.29 per ton. Carolina Sunrock LLC reserves the right to adjust the contract price during the contract duration in accordance to NCDOT Monthly Terminal FOB Asphalt Binder Prices.

Carolina Sunrock LLC ("Sunrock") hereby proposes to furnish materials in accordance with the above specifications on the terms and conditions stated herein. All materials furnished will conform to the order specifications. THERE ARE NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE; AND UNDER NO CIRCUMSTANCES SHALL SUNROCK BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.

Sunrock will accept orders for materials only at prices stated in its STANDARD PRICE LIST or in a written quote. The prices stated in this quote supersede any and all oral quotations and may only be modified by a subsequent written quote. The prices stated in this quote are valid only between the start and end date shown. The prices stated in this quote are based upon loading during Sunrock's normal business hours. The customer will be responsible for any and all additional costs to Sunrock caused by loading during off-hours or if customer requires trucks to wait before unloading.

PAYMENT TERMS: Invoices are due and payable net 30 days following the date of invoice. In the event past due invoices are referred to an attorney for collection, the customer be responsible for paying all attorney's fees incurred by Sunrock.

Any order involving a change in the above specifications will be accepted only if in writing. Any additional charges resulting from the change will be added to the unit cost quoted in this quote, and will be the responsibility of the customer. All agreements for the furnishing of materials are contingent by strikes, accidents or other events beyond the control of Sunrock. This quote may be withdrawn by Sunrock if signed acceptance not received within 30 days.

CAROLINA SUNROCK LLC

Authorized Signature _____

Zach Satterwhite

Date February 18, 2014

ACCEPTANCE OF QUOTE - The above prices, specifications and conditions are satisfactory and are hereby accepted.

Authorized Signature _____

Date _____

Printed Name _____

GENERAL CONTRACTOR ESTIMATE FOR CHANGE ORDER

DeVere Project #: 13123
 SRF NO. CS370410-06
 General Contractor: Devere Construction
 Change Description: OVIVO Option No. 3 - One PLC panel with redundant PLC and one remote I/O panel.

DATE: 4/21/2014

PROJECT: HENDERSON WRF

PCO No. 29A

GENERAL CONTRACTOR DIRECT COST												
Scope Description				Direct Labor				Direct Material		Direct Equipment		
Item No.	Description	Qty Units	Quantity	Direct Labor Hours Per Unit	Total Direct Labor Hours	Hourly Wage Rate, Excl Taxes & Ins	Total Labor Cost	Material Cost Per Unit	Total Material Cost	Equipment Cost Per Unit	Total Equipment Cost	
A	B	C	D	E	F = C x E	G	H = F x G	I	J = C x I	K	L = C x K	
1.01	Labor from Worksheet	1	1	1	1	\$ -	\$ -		\$ -		\$ -	
1.02	Material from Worksheet	1	1	0	0	\$ -	\$ -		\$ -		\$ -	
1.03	Equipment from Worksheet	1	1	0	0	\$ -	\$ -		\$ -		\$ -	
1.04				0	0	\$ -	\$ -		\$ -		\$ -	
1.05				0	0	\$ -	\$ -		\$ -		\$ -	
1.06				0	0	\$ -	\$ -		\$ -		\$ -	
1.07				0	0	\$ -	\$ -		\$ -		\$ -	
1.08				0	0	\$ -	\$ -		\$ -		\$ -	
1.09	Subtotal from Estimate Continuation Sheets											
1.97	Subtotal (S/T) Direct Cost:					Subtotal Labor	\$ -	Subtotal Mat'l	\$ -	Subtotal Equip	\$ -	
1.98	Taxes / Insurance					35.00% of Item 1.97H =	\$ -	Sales Tax @6.75%	\$ -			
1.99	Total Direct Costs					Total Labor	\$ -	Total Mat'l	\$ -	Total Equip	\$ -	

FICA, FUI, SUI, & Workman's Comp at

35.00%

of Item 1.97H =

SUBCONTRACT COSTS		
Item No.	Subcontractor Name (List totals from attached forms)	Total Cost
A	B	C
2.01	OVIVO USA, LLC	\$ 28,411.83
2.02	Via Electrical Company	\$ 353.00
2.03		
2.04		
2.05		
2.06		
2.07		
2.08		
2.09		
2.99	Total Subcontract Cost	\$28,764.83

SUMMARY		
Item No.	Description	Total Cost
3.01	Total Direct Labor Cost	Item 1.99H \$ -
3.02	Total Direct Material Cost	Item 1.99I \$ -
3.03	Total Equipment Cost	Item 1.99J \$ -
3.04	Subtotal	3.01+3.02+3.03 \$ -
3.05	Overhead & Profit	15% of Item 3.04 \$ -
3.06	Subtotal	3.04+3.05 \$ -
3.07	Subcontractor Cost	Item 2.99 \$28,764.83
3.08	Markup on Subcontractor	5.0% x Item 3.07 \$ 1,438.24
3.09	Subtotal	3.06+3.07+3.08 \$ 30,203.07
3.1	Bond Cost (1.5%)	\$ 453.05
3.99	Total Change Order Cost	(3.09+3.1) \$ 30,656.12

Submitted by

Name: Tim Meyer

Signature:

Title: Project Manager

Date: April 21, 2014

I have reviewed the cost proposed and find item to be reasonable (as proposed)(as marked)

Engineer Signature

ADDITIONAL CONTRACT TIME REQUESTED:

TBD DAYS

Tim Meyer

From: Powers Lisa <Lisa.Powers@ovivowater.com>
Sent: Wednesday, March 19, 2014 12:00 PM
To: Tim Meyer
Cc: Matthew.Seng@ovivowater.com
Subject: CSW812 -- Henderson

Follow Up Flag: Follow up
Flag Status: Flagged

Controls pricing options are noted below:

Option 1 -- As specified -- no change

Option 2 -- One PLC panel one remote I/O panel -- cost deduct of -\$9,898.64

Option 3 -- One PLC panel with redundant PLC and one remote I/O panel -- cost adder of \$28,411.83

Option 4 -- One PLC and remote I/O in each panel -- cost adder of \$32,226.64

Please call if you have any questions.

Lisa Powers

Project Manager
Aeration Processes

Ovivo USA, LLC
4246 Riverboat Road, Suite 300
Salt Lake City, UT 84123 USA
Tel: +1-801-931-3120
Mobile: +1-801-946-9938
Fax: +1-801-931-3090
Email: Lisa.Powers@ovivowater.com
Web: www.ovivowater.com

OVIVO
Bringing water to life

Formerly Elmco Water Technologies, LLC



Please consider the environment before printing this email.

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4-17-2014
Mr. Tim Meyer
DeVere Construction Company, Inc.
1-919-363-6575

**Re: Oivo secondary PLC
Electrical Quotation**

In reference to the above mentioned project, Via Electric Company is pleased to provide our proposal as follows:

Electrical Lump Sum:	\$353.00
-----------------------------	-----------------

This Proposal Includes:

1. Install new CAT 6 cable in existing conduit

Notes:

Pricing is valid only for cable installed in existing conduit. No drawings or specific details were provided, any additional work other than pulling an additional cable in existing conduit will be at additional cost.

Via Electric Company is certified as a M/WBE with HUB. If you have any questions please give me a call. Our North Carolina License number is 4364-U. If you have any questions please give me a call.

Respectfully Submitted,

Jack DeCou
Via Electric Company

Job ID: 12-20-2012
Project: henderson wwtp



CO: OIVO OPTIONS 3 AND 4: oivo options 3 and 4

Bid Brief Form Report

Vendor: VENDOR-1 Labor Level: VIA BID 17 Apr 2014 17:50:25
Tax Rate status: Default Bid Name: C/O Bid Template: BASIC AND CHANGE ORDER

Description	Amount	Subtotal
Material		
Estimated Material	87.50	
Material Adjustment	0.00	
Material Total:		87.50
Labor		
Direct Labor Hours	1.23	
Labor Dollars	36.38	
Indirect Labor	26.40	
Labor Escalation	0.00	
Labor Adjustments	0.00	
Labor Total:		62.78
Direct Job Costs		
Estimated DJC	149.45	
DJC Adjustments	0.00	
Direct Job Costs Total:		149.45
Taxes		
Material Tax (6.7500%)	5.91	
Quote Tax (0.0000%)	0.00	
Labor Tax (0.0000%)	0.00	
Equipment Tax (0.0000%)	0.00	
SubContract Tax (0.0000%)	0.00	
Taxes Total:		5.91
Pre-Overhead and Profit Subtotal:		305.64
Overhead		
Material Overhead (10.00% markup)	9.34	
Quotes Overhead (10.00% markup)	0.00	
Labor Overhead (10.00% markup)	6.28	
Equipment Overhead (10.00% markup)	0.00	
SubContracts Overhead (10.00% markup)	0.00	
DJC Overhead (10.00% markup)	14.94	
Overhead Total:		30.56
Profit		
Material Profit (5.00% markup)	5.14	
Quotes Profit (5.00% markup)	0.00	
Labor Profit (5.00% markup)	3.45	
Equipment Profit (5.00% markup)	0.00	
SubContracts Profit (5.00% markup)	0.00	
DJC Profit (5.00% markup)	8.22	
Profit Total:		16.81
Miscellaneous		
Job Tax (0.00%)	0.00	

Via Electric Co.

P.O. Box 430
Madison, NC 27025

Phone: 336-548-6968
Web: www.viaelectric.com

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Bid Brief Form Report: henderson wwtp		17 Apr 2014 5:50PM
Bond (0.00%)	0.00	
Miscellaneous Total:		0.00
Bid Total:		353.01

Job ID: 12-20-2012
Project: henderson wwtp



CO: OIVO OPTIONS 3 AND 4: oivo options 3 and 4

Audit Trail Basic

Vendor: VENDOR-1

Labor Level: VIA BID

17 Apr 2014 17:52:02

Phase: FIXTURES

Quantity	Size	U/M	Description
0			
0			PULL CAT 6 CABLE IN EXISTING CONDUIT
250	4 PAIR BLUE	FT	CAT6E+ UTP CABLE (CMP)
0			
0			

Via Electric Co.

P.O. Box 430
Madison, NC 27025

Phone: 336-548-6968
Web: www.viaelectric.com

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Page 1 of 1

ORDINANCE 14-26-A

FY 2013—2014 BUDGET AMENDMENT # 37 AN AMENDMENT TO THE CIP SEWER FUND FOR ADDITIONAL CHANGE-ORDERS TO THE WATER RECLAMATION FACILITY RENOVATION PROJECT

WHEREAS, the City Council of the City of Henderson on 27 June 2013 adopted the FY13-14 Annual Operating Budget; *and*

WHEREAS, the Council has created and uses a Capital Improvements Fund for active capital projects related to the Sewer Fund, said fund referred to as 44: CIP Sewer Fund; *and*

WHEREAS, it is necessary to amend the various revenue and expense accounts of the annual operating and capital improvements budgets from time-to-time;

NOW THEREFORE BE IT ORDAINED by the City Council of The City of Henderson, that the following Ordinance be approved, and said Ordinance shall be effective immediately upon approval of the City Council:

			Ordinance 14-26-A			
FUNDS: 44: CIP SEWER			FY 13-14 Budget Amendment #37			
PROJECT: Water Reclamation Facility Renovation			Budget Amendment #10 to this Capital/Grant Project			
Project Budget Created on 11 Apr 11			Approved 11-Apr-11	Current Budget	Amendment	Revised
REVENUES						
State CWMTF Grant	44-847-458161	\$ -	\$ 600,000	\$ -	\$ 600,000	
State Revolving Loan	44-847-458221	\$ -	\$ 16,115,000	\$ -	\$ 16,115,000	
State RFL Grant	44-847-458222	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	
Trans fr: 70 CR Utilities	44-847-461070	\$ -	\$ 779,110	\$ -	\$ 779,110	
Trans fr: 71 CR Utilities	44-847-461071	\$ 70,000	\$ -	\$ -	\$ -	
Trans fr: 79 Rate Stabilization	44-847-461079	\$ -	\$ 103,360	\$ -	\$ 103,360	
		\$ -	\$ -	\$ -	\$ -	
Total		70,000	\$ 18,597,470	\$ -	\$ 18,597,470	
					\$ 18,597,470	
			Approved 11-Apr-11	Current Budget	Amendment	Revised
EXPENDITURES						
Phase 1						
Admin, Permitting and Legal Fees	44-847-461001	\$ -	\$ -	\$ -	\$ -	
Legal/Administrative	44-847-510200	\$ 2,000	\$ 5,000	\$ -	\$ 5,000	
Engineering Preliminary Engineering Report	44-847-510301	\$ 68,000	\$ 68,000	\$ -	\$ 68,000	
Phase 2						
Engineering Design	44-847-223003	\$ -	\$ 843,125	\$ -	\$ 843,125	
Engineering Permitting Administration	44-847-223004	\$ -	\$ 32,105	\$ -	\$ 32,105	
Engineering Bidding & Award Phase	44-847-223005	\$ -	\$ 39,380	\$ -	\$ 39,380	
Engineering Geotechnical	44-847-223006	\$ -	\$ 115,810	\$ -	\$ 115,810	
Admin, Permitting and Legal Fees-design phase	44-847-461002	\$ -	\$ -	\$ -	\$ -	
Phase 3						
Construction Admin & Inspection	44-847-223010	\$ -	\$ 500,000	\$ -	\$ 500,000	
Capital Outlay Reserve--not yet awarded	44-847-499099	\$ -	\$ -	\$ -	\$ -	
Land Acquisition	44-847-507100	\$ -	\$ 27,000	\$ -	\$ 27,000	
Construction Costs	44-847-510400	\$ -	\$ 15,676,994	\$ 41,225	\$ 15,718,219	
Contingencies & Other						
Closing Fee-grant and loan administration	44-847-670001	\$ -	\$ 367,300	\$ -	\$ 367,300	
Transfer to Capital Reserve Utilities	44-847-561070	\$ -	\$ 379,110	\$ -	\$ 379,110	
Contingency	44-847-999010	\$ -	\$ 448,646	\$ (41,225)	\$ 407,421	
Engineering Contingency	44-847-999020	\$ -	\$ 95,000	\$ -	\$ 95,000	
Total		70,000	\$ 18,597,470	\$ -	\$ 18,597,470	
					\$ 18,597,470	
Variance				\$ -		
Reference: Notes:						
14 Feb 11: CAF 11-38; Res 11-12; MB 42, p.			Authorized application for grant/loan			
11 Apr 11: CAF 11-70; Res 11-44, Ord 11-29; MB42, p.			Approved PER work and established project ordinance: \$70,000			
10 Oct 11: CAF 11-134; MB42, p.			Mini-Brooks discussion			
26 Oct 11: CAF 11-A-134; Res 11-103; MB42, p.			Approved Mini-Brooks exemption			
14 Nov 11: CAF 11-B-134; Res 11-111; Ord 11-62; MB42, p.			First budget amendment to Project Ordinance: \$1,033,900			
28 Nov 11: CAF 11-C-134, Ord 11-62, MB42, p.			award of contract to McGill for engineering/design phase and establishing total project budget Phase 1 was Preliminary Engineering & legal/admin: \$70,000 Phase 2 is design engineering, permitting, bidding and project contract award: \$1,044,610 Phase 3 is construction and is estimated at \$14,075,000 Amend for decrease in estimated closing fees for grant and loan administration (23,190)			
12 Dec 11: CAF 11-D-134, Ord 11-62, MB42, p.						
25 June 12: CAF 12-75; Ord 12-42; BA# 53; MB42,p 492						
26 Nov 12: CAF 12-115; Res 12-73; Ord 12-66; BA#12; MB42,p						
14 Jan 13: CAF 13-12; Res 13-09; Ord 13-08; BA#22			To amend the project budget for changes in post-bid estimates. The transfer side of Fund 79 was part of BA#10; therefore that side of the transaction is not being duplicated here. The project originally called for a transfer in from CR Utilities (Fund 70). After notification of the \$600,000 CWMTF Grant was received, the project budget was amended to revert those funds back to CR Utilities (\$379,110). After all bids and costs were received, it has been determined that \$400,000 of those funds are needed to complete the funding of this project, with the remaining \$103,360 to come from the Rate Stabilization Fund			
24 June 13: CAF 13-74; Res 13-51; Ord 13-37; BA#40			To amend the project budget for changes in post-bid estimates. ECS Carolinas, LLP performed the subsurface exploration and geotechnical engineering work and it is being recommended by McGill Associates that they perform the Construction Materials Testing Services. The estimated cost to perform this work is \$115,810 and the current budget is \$100,000. The additional cost is being budgeted from the Contingency line item.			
23 Sept 13: CAF 13-12-A; Res 13-09-A; Ord 13-08-A; BA#13			To amend the project budget for changes or proposed modifications to the engineering contract being recommended by McGill Associates. These changes include adding alternate #5 to the original contract price. The cost of alternate #5 in the original bid was \$33,000 and the contractor has agreed to honor the same price at this time. In addition to the cost for alternate #5, other costs as outlined in the letter are for unsuitable soils, telescoping valve adjustments and door closures, bringing the total amount of the proposed change order to \$55,709. The additional cost is being budgeted from the Contingency line item.			
27 Jan 14: CAF 14-13; Res 14-07; Ord 14-08; BA#24			To amend the project budget for change order #2 to the construction contract with Devere Construction Company. These changes were brought before Council during the work session on January 13, 2014. The costs associated with this change order total \$24,205. These additional costs are being budgeted from the Contingency line item.			
24 Mar 14: CAF 14-06; Res 14-17; Ord 14-26; BA#30			To amend the project budget for change order #3 to the construction contract with Devere Construction Company. These changes are being brought before Council during the work session on March 24, 2014. The costs associated with this change order total \$85,468. These additional costs are being budgeted from the Contingency line item.			
12 May 14: CAF 14-59; Ord 14-30; BA#34			To amend the project budget for corrections to FY 2013 BA #22 and to appropriate an additional amount for Admin/Legal Fees. The budget for Engineering Design was incorrectly eliminated when preparing BA #22 - this will restore that budget line.			
9 June 14: CAF 14-06-A; Res 14-17-A; Ord 14-26-A; BA#37			To amend the project budget for change order #4 to the construction contract with Devere Construction Company. These changes are being brought before Council during the regular meeting on June 9, 2014. The costs associated with this change order total \$41,225. These additional costs are being budgeted from the Contingency line item.			
CG&L = Construction Grants & Loans from State of NC, DENR						

The foregoing Ordinance 14-26-A, upon motion of Council Member *** and second by Council Member ***, and having been submitted to a roll call vote and received the following votes and was ***** on this the 9th day of June 2014: YES: . NO: . ABSTAIN: . ABSENT: .

James D. O'Geary, Mayor

ATTEST:

Esther McCrackin, City Clerk

*Reference: Minute Book 42, p.**; CAF 14-06-A*

STATE OF NORTH CAROLINA - CITY OF HENDERSON

I, Esther McCrackin, the duly appointed, qualified City Clerk of the City of Henderson, do hereby certify the attached is a true and exact copy of Ordinance 14-26-A adopted by the Henderson, City Council in Regular Session on _____ 2014. This Ordinance is recorded in *Ordinance Book 8*, p.***.

Witness my hand and corporate seal of the City, this *****.

Esther McCrackin
City Clerk
City of Henderson, North Carolina

Reviewed by: _____ Date: _____
Katherine C. Brafford, Finance Director

Reviewed by: _____ Date: _____
A. Ray Griffin, Jr., City Manager

RESOLUTION 14-17

AUTHORIZING EXECUTION OF CHANGE ORDER #3 TO DEVERE CONSTRUCTION COMPANY FOR IMPROVEMENTS TO THE HENDERSON WATER RECLAMATION FACILITY PROJECT

WHEREAS, the Henderson City Council (Council) conducted its Annual Planning Retreat in January 2013, and during said Retreat identified eight Key Strategic Objectives (KSO) and Goals; *and*

WHEREAS, this Resolution addresses one of the Key Strategic Objectives as follows: **KSO 5: Provide Reliable, Dependable Infrastructure** - To provide reliable, dependable and environmentally compliant infrastructure systems; *and*

WHEREAS, the City Council accepted loan funding for this purpose from the NC Department of Environment and Natural Resources, Infrastructure Finance Section; *and*

WHEREAS, there is \$576,225 remaining in the contingency fund, which could be used for these costs pending City Council approval; *and*

WHEREAS, the City's Consulting Engineer and City staff recommend approval of Change Order #3, as outlined in the description provided by McGill Associates, (*See Attachment A*) to Devere Construction Company, Inc., subject to approval of the Infrastructure Finance Section.

NOW, THEREFORE BE IT RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY APPROVE the execution of Change Order #3 of the Henderson Water Reclamation Facility Improvement Project to Devere Construction Company, Inc. in the amount of \$78,079.37, subject to approval by the State; *and*

BE IT FURTHER RESOLVED that the Mayor is authorized to sign all agreements and documents necessary to effect said Agreement.

The foregoing Resolution 14-17, upon motion of Council Member Rainey and second by Council Member Daeke, and having been submitted to a roll call vote received the following votes and was **APPROVED** on this the 28th day of April 2014: YES: Inscoe, Rainey, Peace-Jenkins, Daeke, Simmons, Kearney and Coffey. NO: None. ABSTAIN: None. ABSENT: Daye.

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

*Reference: Minute Book 41, pp. **.*

Resolution 14-17
Attachment A

CHANGE ORDER NUMBER THREE			
#	DESCRIPTION	PRICE	DAYS
1	Return Activiated Sludge Flow Meter and Manhole	\$ 24,121.99	2
2	Headworks Structural Changes	\$ 5,964.15	2
3	Administration Building Restroom Exhaust Chagnes	\$ 417.77	0
4	Utility Conflicts at Influent Pump Station	\$ 11,955.83	1
5	Sheetrock Framing at Maintenance Building	\$ 1,567.13	0
6	Clarifier #1 Effluent Adjustment	\$ 3,380.09	1
7	Utility Conflicts at Clarifier Effluent/Filter Bypass Line	\$ 12,197.81	3
8	Spray Foam Insulation in Administration Building Ceiling	\$ 8,441.81	3
9	Admin. Building Sewer Adjustments	\$ 24,726.28	5
10	Credit for changing DI to PVC on Non Potable Water	\$ (3,334.73)	0
11	Credit for deletion of Electrical Manholes	\$ (11,358.76)	0
12	January Weather Days		4
13	February Weather Days		4
14	March Weather Days		5
	Total	\$ 78,079.37	30

ORDINANCE 14-30

**FY 2013—2014 BUDGET AMENDMENT # 34
AN AMENDMENT TO THE CIP SEWER FUND
TO CORRECT A PRIOR AMENDMENT AND
TO APPROPRIATE ADDITIONAL FEES FOR LEGAL/ADMIN
WATER RECLAMATION FACILITY RENOVATION PROJECT**

WHEREAS, the City Council of the City of Henderson on 27 June 2013 adopted the FY13-14 Annual Operating Budget; *and*

WHEREAS, the Council has created and uses a Capital Improvements Fund for active capital projects related to the Sewer Fund, said fund referred to as 44: CIP Sewer Fund; *and*

WHEREAS, it is necessary to amend the various revenue and expense accounts of the annual operating and capital improvements budgets from time-to-time;

NOW THEREFORE BE IT ORDAINED by the City Council of The City of Henderson, that the following Ordinance be approved, and said Ordinance shall be effective immediately upon approval of the City Council:

FUND: 44: CIP SEWER			FY 13-14 Budget Amendment #34			
PROJECT: Water Reclamation Facility Renovation			Budget Amendment #9 to this Capital/Grant Project			
Project Budget Created on 11 Apr 11						
REVENUES			Approved 11-Apr-11	Current Budget	Amendment	Revised
State CWMTF Grant	44-847-458161	\$ -	\$ 600,000	\$ -	\$ 600,000	
State Revolving Loan	44-847-458221	\$ -	\$ 16,115,000	\$ -	\$ 16,115,000	
State RFL Grant	44-847-458222	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	
Trans fr: 70 CR Utilities	44-847-461070	\$ -	\$ 779,110	\$ -	\$ 779,110	
Trans fr: 71 CR Utilities	44-847-461071	\$ 70,000	\$ -	\$ -	\$ -	
Trans fr: 79 Rate Stabilization	44-847-461079	\$ -	\$ 103,360	\$ -	\$ 103,360	
		\$ -	\$ -	\$ -	\$ -	
	Total	\$ 70,000	\$ 18,597,470	\$ -	\$ 18,597,470	
					\$ 18,597,470	
EXPENDITURES			Approved 11-Apr-11	Current Budget	Amendment	Revised
Phase 1						
Admin, Permitting and Legal Fees	44-847-461001	\$ -	\$ -	\$ -	\$ -	
Legal/Administrative	44-847-510200	\$ 2,000	\$ 2,500	\$ 2,500	\$ 5,000	
Engineering Preliminary Engineering Report	44-847-510301	\$ 68,000	\$ 68,000	\$ -	\$ 68,000	
Phase 2						
Engineering Design	44-847-223003	\$ -	\$ 775,125	\$ 68,000	\$ 843,125	
Engineering Permitting Administration	44-847-223004	\$ -	\$ 32,105	\$ -	\$ 32,105	
Engineering Bidding & Award Phase	44-847-223005	\$ -	\$ 39,380	\$ -	\$ 39,380	
Engineering Geotechnical	44-847-223006	\$ -	\$ 115,810	\$ -	\$ 115,810	
Admin, Permitting and Legal Fees-design phase	44-847-461002	\$ -	\$ -	\$ -	\$ -	
Phase 3						
Construction Admin & Inspection	44-847-223010	\$ -	\$ 500,000	\$ -	\$ 500,000	
Capital Outlay Reserve--not yet awarded	44-847-499099	\$ -	\$ -	\$ -	\$ -	
Land Acquisition	44-847-507100	\$ -	\$ 27,000	\$ -	\$ 27,000	
Construction Costs	44-847-510400	\$ -	\$ 15,684,384	\$ -	\$ 15,684,384	
Contingencies & Other						
Closing Fee-grant and loan administration	44-847-670001	\$ -	\$ 367,300	\$ -	\$ 367,300	
Transfer to Capital Reserve Utilities	44-847-561070	\$ -	\$ 379,110	\$ -	\$ 379,110	
Contingency	44-847-999010	\$ -	\$ 491,756	\$ (50,500)	\$ 441,256	
Engineering Contingency	44-847-999020	\$ -	\$ 115,000	\$ (20,000)	\$ 95,000	
	Total	\$ 70,000	\$ 18,597,470	\$ -	\$ 18,597,470	
					\$ 18,597,470	
	Variance			\$ -		
Reference:						
14 Feb 11: CAF 11-38; Res 11-12; MB 42, p.			Notes:			
11 Apr 11: CAF 11-70; Res 11-44, Ord 11-29; MB42, p.			Authorized application for grant/loan			
10 Oct 11: CAF 11-134; MB42, p.			Approved PER work and established project ordinance: \$70,000			
26 Oct 11: CAF 11-A-134; Res 11-103; MB42, p.			Mini-Brooks discussion			
14 Nov 11: CAF 11-B-134; Res 11-111; Ord 11-62; MB42, p.			Approved Mini-Brooks exemption			
28 Nov 11: CAF 11-C-134, Ord 11-62, MB42, p.			First budget amendment to Project Ordinance: \$1,033,900			
12 Dec 11: CAF 11-D-134, Ord 11-62, MB42, p.			award of contract to McGill for engineering/design phase and establishing total project budget			
			Phase 1 was Preliminary Engineering & legal/admin: \$70,000			
			Phase 2 is design engineering, permitting, bidding and project contract award: \$1,044,610			
			Phase 3 is construction and is estimated at \$14,075,000			
25 June 12: CAF 12-75; Ord 12-42; BA# 53; MB42, p 492			Amend for decrease in estimated closing fees for grant and loan administration (23,190)			
26 Nov 12: CAF 12-115; Res 12-73; Ord 12-66; BA#12; MB42, p.			Notification of approval of CWMTF grant: \$600,000. Transfer funds previously transferred in from Capital Reserve Utilities back to that fund.			
14 Jan 13: CAF 13-12; Res 13-09; Ord 13-08; BA#22			To amend the project budget for changes in post-bid estimates. The transfer side of Fund 79 was part of BA#10; therefore that side of the transaction is not being duplicated here. The project originally called for a transfer in from CR Utilities (Fund 70). After notification of the \$600,000 CWMTF Grant was received, the project budget was amended to revert those funds back to CR Utilities (\$379,110). After all bids and costs were received, it has been determined that \$400,000 of those funds are needed to complete the funding of this project, with the remaining \$103,360 to come from the Rate Stabilization Fund			
24 June 13: CAF 13-74; Res 13-51; Ord 13-37; BA#40			To amend the project budget for changes in post-bid estimates. ECS Carolinas, LLP performed the subsurface exploration and geotechnical engineering work and it is being recommended by McGill Associates that they perform the Construction Materials Testing Services. The estimated cost to perform this work is \$115,810 and the current budget is \$100,000. The additional cost is being budgeted from the Contingency line item.			
23 Sept 13: CAF 13-12-A; Res 13-09-A; Ord 13-08-A; BA#13			To amend the project budget for changes or proposed modifications to the engineering contract being recommended by McGill Associates. These changes include adding alternate #5 to the original contract price. The cost of alternate #5 in the original bid was \$33,000 and the contractor has agreed to honor the same price at this time. In addition to the cost for alternate #5, other costs as outlined in the letter are for unsuitable soils, telescoping valve adjustments and door closures, bringing the total amount of the proposed change order to \$55,709. The additional cost is being budgeted from the Contingency line item.			
27 Jan 14: CAF 14-13; Res 14-07; Ord 14-08; BA#24			To amend the project budget for change order #2 to the construction contract with Devere Construction Company. These changes were brought before Council during the work session on January 13, 2014. The costs associated with this change order total \$24,205. These additional costs are being budgeted from the Contingency line item.			
24 Mar 14: CAF 14-06; Res 14-17; Ord 14-26; BA#30			To amend the project budget for change order #3 to the construction contract with Devere Construction Company. These changes are being brought before Council during the work session on March 24, 2014. The costs associated with this change order total \$85,468. These additional costs are being budgeted from the Contingency line item.			
12 May 14: CAF 14-59; Ord 14-30; BA#34			To amend the project budget for corrections to FY 2013 BA #22 and to appropriate an additional amount for Admin/Legal Fees. The budget for Engineering Design was incorrectly eliminated when preparing BA #22 - this will restore that budget line.			
CG&L = Construction Grants & Loans from State of NC, DENR						

The foregoing Ordinance 14-30, upon motion of Council Member Inscoe and second by Council Member Rainey, and having been submitted to a roll call vote and received the following votes and was **APPROVED** on this the 12th day of May 2014: YES: Daeke, Simmons, Daye, Kearney, Coffey, Inscoe, Rainey and Peace-Jenkins. NO: None. ABSTAIN: None. ABSENT: None.

James D. O'Geary, Mayor

ATTEST:

Esther McCrackin, City Clerk

Reference: Minute Book 43, p 221; CAF 14-59

STATE OF NORTH CAROLINA - CITY OF HENDERSON

I, Esther McCrackin, the duly appointed, qualified City Clerk of the City of Henderson, do hereby certify the attached is a true and exact copy of Ordinance 14-30 adopted by the Henderson, City Council in Regular Session on 12 May 2014. This Ordinance is recorded in *Ordinance Book 9*, p 123.

Witness my hand and corporate seal of the City, this 13th day of May 2014.

Esther McCrackin, City Clerk
City of Henderson, North Carolina

Reviewed by: _____ Date: _____
Katherine C. Brafford, Finance Director

Reviewed by: _____ Date: _____
A. Ray Griffin, Jr., City Manager

RESOLUTION 13-09-A

AUTHORIZING EXECUTION OF CHANGE ORDER #1 TO DEVERE CONSTRUCTION COMPANY FOR IMPROVEMENTS TO THE HENDERSON WATER RECLAMATION FACILITY PROJECT

WHEREAS, the Henderson City Council (Council) conducted its Annual Planning Retreat in January 2013, and during said Retreat identified eight Key Strategic Objectives (KSO) and Goals; *and*

WHEREAS, this Resolution addresses one of the Key Strategic Objectives as follows: **KSO 5:** Provide Reliable, Dependable Infrastructure - To provide reliable, dependable and environmentally compliant infrastructure systems; *and*

WHEREAS, the City Council has accepted loan funding for this purpose from the NC Department of Environment and Natural Resources, Infrastructure Finance Section; *and*

WHEREAS, several alternates were not awarded with the original contract and staff is recommending several additions to the original project; *and*

WHEREAS, there is \$657,140 remaining in the contingency fund, which could be used for these costs pending City Council approval; *and*

WHEREAS, the City's Consulting Engineer and City staff recommend approval of Change Order #1, as outlined in the letter provided by McGill Associates, to Devere Construction Company, Inc., subject to approval of the Infrastructure Finance Section.

NOW, THEREFORE BE IT RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY APPROVE the execution of Change Order #1 of the Henderson Water Reclamation Facility Improvement Project to Devere Construction Company, Inc. in the amount of \$55,709; said change order being more fully articulated in **Attachment A** to this Resolution; *and*

BE IT FURTHER RESOLVED that the Mayor is authorized to sign all agreements and documents necessary to effect said Agreement.

The foregoing Resolution 13-09-A, upon motion of Council Member Brown and second by Council Member Daeke, and having been submitted to a roll call vote received the following votes and was APPROVED on this the 23rd day of September 2013: YES: Inscoe, Rainey, Peace-Jenkins, Daeke, Brown, Daye and Coffey. NO: None. ABSTAIN: None. ABSENT: Kearney.

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk
Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

Reference: Minute Book 43, p. 37



September 6, 2013

Mr. Tom Spain
Water Reclamation Director
City of Henderson
Post Office Box 1434
Henderson, North Carolina 27536

RE: Additional Work
Henderson WRF Improvements
City of Henderson, North Carolina

Dear Mr. Spain:

Construction at an existing facility often results in changes due to unexpected circumstances and site conditions. As you know, several items have been identified that require attention or are desired by City Staff. Those items include the adverse weather delays, telescoping valve adjustments, replacement of unsuitable soils below buildings and structures, additional door closures, and clarifier equipment.

As you are aware, the last several months have seen an above average amount of rainfall. As such McGill Associates has received adverse weather claims for rainfall amounts that exceed the amounts listed in the Contract. McGill has reviewed the claims for the months of June and July and can recommend two (2) additional days and five (5) additional days for the respective months.

The second item involves the adjustment of the operational distance for the telescoping valves at the RAS pump station. This revisions provides greater operation flexibility for the RAS pump station by allowing for effective operation during a greater range of flows. The total cost for this change is an increase of the Contract Price by \$4,730.40 and an increase of Contract Times by two (2) days.

The third item encountered were several locations of unexpected unsuitable soils. While the project is bid as unclassified excavation, meaning the Contractor is not paid extra to remove and dispose of the unsuitable soils, the Contractor does have a right to claim for the work to replace the unsuitable soils with select, suitable material. The unsuitable soils were found, to date, in portions of the oxidation ditch, the new administration building, and the solids handling building. The Contractor, at the direction of the Construction Materials Testing firm, replaced the unsuitable soils with stone. The costs for oxidation ditch unsuitable soils are \$2,578.25 and one day. For the administration building the cost impacts are \$856.29 and one day and the impacts for the solids handling building are \$11,543.17 and three days.

The fourth item is, upon request from City Staff, was to explore the possibility of installing additional automatic door closures in other locations within the plant. Door closures were included in areas where required by code, however City staff was interested in adding these additional closures for security reasons among others. The proposal received by the Contractor estimates the impacts for

E n g i n e e r i n g • P l a n n i n g • F i n a n c e

McGill Associates, P.A. • P.O. Box 1136, Hickory, NC 28603 • 1240 19th St. Lane NW, Hickory, NC 28601

Office: 828-328-2024 • Fax: 828-328-3870

Mr. Tom Spain
September 6, 2013
Page 2

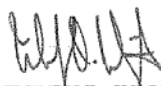
adding nine (9) automatic door closures at approximately \$3,000.00 in additional costs and one day added to the Contract Times.

The last item is the addition of the Clarifier Weir & Trough Cleaning System, originally included in the project bid under Alternate Item No. 5. The Contractor has held the price from the bid at \$33,000.00 to supply and install the cleaning system as outlined in the project specifications. City Staff has expressed interest in awarding this alternate bid item at this time.

The total impacts of the changes outlined above is an increase of the Contract Price of \$55,708.11 and increase to the Contract Times of fifteen (15) days. The adverse weather days, unsuitable soils, and telescoping valves are items that we recommend that the City approve and credit towards the project contingencies at this time. The remaining items, the automatic door closure and the clarifier cleaning system, can be incorporated into the Contract upon approval by the City.

If you have any questions regarding these items, or require any additional information, please do not hesitate to contact us.

Sincerely,
McGILL ASSOCIATES, P.A.



WESLEY D. WIGHTMAN, PE
Construction Services Manager

:ww

Enclosures

cc: Mr. Frank Frazier, City of Henderson
Mr. Doug Chapman, PE, McGill Associates

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RESOLUTION 12-98

ACCEPTANCE OF A LOAN OFFER FROM THE CLEAN WATER STATE REVOLVING LOAN FUND (CWSRF) FOR IMPROVEMENTS AT THE HENDERSON WATER RECLAMATION FACILITY (HWRF)

WHEREAS, the Henderson City Council (Council) identified eight Key Strategic Objectives (KSO) at its 2012 Strategic Planning Retreat; *and*

WHEREAS, two of the Key Strategic Objectives are addressed by this request as follows: **KSO 5: To Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems; and KSO 8: To Provide Sufficient Funds for Municipal Operations and Capital Outlay Necessary to Meet the Needs of Citizens, Customers and Mandates of Regulatory Authorities; and**

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collections systems, and water supply systems, water conservation projects; *and*

WHEREAS, City Council approved Resolution 11-12 on 14 February 2011, authorizing the submission of an application to the CWSRF for funding relative to the improvements at the Henderson Water Reclamation Facility; *and*

WHEREAS, the North Carolina Department of Environment and Natural Resources has offered a CWMTF Loan in the amount of \$16,615,000 with \$1,000,000 in principal forgiveness for the improvements to the Henderson Water Reclamation Facility; *and*

WHEREAS, the City of Henderson intends to construct said project in accordance with the approved plans and specifications.

NOW THEREFORE BE IT RESOLVED, BY THE HENDERSON CITY COUNCIL:

That the City of Henderson does hereby accept the CWSRF Loan in the amount of \$16,615,00 to aid in financing of the HWRF improvements.

That the City of Henderson will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Mayor James D. O'Geary, the Authorized Official, and successors so titled, is hereby authorized to execute the Loan Offer, being more fully articulated in **Attachment A** of this Resolution.

That the Mayor James D O'Geary and his successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the City of Henderson has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

The foregoing Resolution 12-98, introduced by Council Member Inscoe and seconded by Council Member Daye on this the 10th day of December 2012, and having been submitted to a roll call vote, was APPROVED by the following votes: YES: Rainey, Peace-Jenkins, Daeke, Brown, Daye, Coffey and Inscoe. NO: None. ABSTAIN: None. ABSENT: Kearney.

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

(Reference: Minute Book 42, p. 672; CAF 12-149)

**STATE OF NORTH CAROLINA
CITY OF HENDERSON**

I, Esther J. McCrackin, the duly appointed, qualified City Clerk of the City of Henderson, do hereby certify the foregoing is a true and exact copy of *Resolution 12-98*, adopted by the Henderson, City Council in Regular Session on 10 December 2012 (*See Minute Book 42, p. 672*) This Resolution is recorded in *Resolution Book # 3, pp. 91*.

Witness my hand and corporate seal of the City, this 11th day of December 2012.

Esther J. McCrackin
City Clerk
City of Henderson, North Carolina

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WATER QUALITY

State Loan or Grant Offer and Acceptance

This Offer must be accepted, if at all, within forty-five (45) days of receipt.

This Offer is made subject to the attached Standard Conditions and Assurances

Legal Name and Address of Award Recipient

City of Henderson
134 Rose Avenue
Henderson, NC 27536

Account

Clean Water State Revolving Fund (SRF) ☒
State General Loan (SRL) ☐
State Emergency Loan (SEL) ☐
High Unit Cost Grant (SRG) ☐
Technical Assistance Grant ☐

State Project Number: E-SRF-T-13-0314

Federal Project Number: CS370410-06

CFDA Number: 66.458

Project Description:

Nutbush Creek WWTP Improvements

Total Financial Assistance Offer: \$16,615,000.00

Interest Rate: 0 % Per Annum

Total Principal Forgiveness Offer: \$1,000,000.00

Maximum Loan Term: 20 Years

Closing Fee (2%): \$ 332,300 (Actual invoiced closing costs will be calculated based on bids)

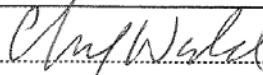
Consideration having been given by the Department of Environment and Natural Resources to the application submitted by the applicant pursuant to North Carolina General Statute 159G, (1) the applicant is an eligible unit of government, (2) the project meets the eligibility criteria for a State Loan or Grant, and (3) the project has been approved and certified by the Department of Environment and Natural Resources as being entitled to priority for State financial assistance,

The Department of Environment and Natural Resources, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina:

Dee Freeman, Secretary

North Carolina Department of Environment & Natural Resources

Signature  Date 4/15/12

On Behalf of:

City of Henderson

Name of Representative in Resolution:

Title (Type or Print):

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this State Loan or Grant offer and make the assurances and accept the conditions.

Signature _____ Date _____

STANDARD CONDITIONS FOR FEDERAL SRF LOANS

1. The recipient shall comply with all provisions of the following Federal laws and authorities (super cross-cutters):
 - (a) Title VI of the Civil Rights Act of 1964 – 42 U.S.C. §2000d
 - (b) CFR 35.3145(c) (Civil Rights laws) and provide completed EPA 4700-4 form
 - (c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972 – 33 U.S.C. §1251
 - (d) Section 504 of the Rehabilitation Act of 1973 – 29 U.S.C. §794
2. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures.
3. Civil Rights and Labor Standard Requirements, and use of MBE (Minority Business Enterprise), WBE (Women's Business Enterprise), and Small Businesses:
 - (a) Specific MBE/WBE (DBE) requirements are included in the SRF Special Conditions that are to be included in the contract specifications. Positive efforts shall be made by recipients, their consultants and contractors to utilize small businesses and minority-owned businesses for sources of supply and services. Such efforts should allow these sources the maximum feasible opportunity to compete for subagreements and contracts to be performed, utilizing Federal SRF funds. Documentation of efforts made to utilize minority and women-owned firms must be maintained by all recipients, consulting firms, and construction contractors, and made available upon request.
 - (b) The recipient shall not award contracts to any firm that has been debarred for noncompliance from the Federal Labor Standards, Title VI of the Civil Rights Act of 1964, as amended, or any firm that appears on the EPA's list of debarred firms. The recipient shall also comply with 40 CFR 32. (Complete the Debarment Certification in the SRF Special Conditions)
 - (c) The recipient shall require all prime construction contractors, as part of their bid, to certify that subcontracts have not and will not be awarded to any firm that has been debarred for noncompliance from the Federal Labor Standards, Title VI of the Civil Rights Act of 1964, as amended, or Executive Order 11246, as amended, or any firm that appears on the EPA's list of debarred firms. (Complete the Debarment Certification in the SRF Special Conditions for each Subcontractor)
 - (d) The recipient shall require all contractors on the project to comply with the Department of Labor's Safety and Health Regulations for construction promulgated under the Occupational Safety and Health Act of 1970 (PL 91-946), under Section 107 of the Contract Work Hours and Safety Standards Act (PL 91-54).
 - (e) The recipient shall ensure all contractors are in compliance with applicable Equal Employment Opportunity regulations.

4. Acquisition of Real Property:

The recipient shall comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended, in regard to acquisition of all real property, (including easements), for the project covered by this loan, and any resulting relocation of persons, businesses, or farm operations. See Assurance 8.

5. Prompt Payment and Payment Retainage:

It is the policy of the State of North Carolina to make timely periodic loan disbursements to the recipient, and to require the recipient to make prompt periodic payment on subagreements. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the conditions of this loan and subsequent amendments;

- (a) The recipient agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
 - (b) The recipient agrees to include appropriate provisions in each construction contract, and to require the prime contractor to include them in all subcontracts, to implement this prompt payment requirement.
6. The construction contract(s) requires the contractor to adhere to Davis Bacon and Related Acts Provisions and Procedures as listed in the Code of Federal Regulations Chapter 29 Part 5 Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148.

ASSURANCES

- 1. The recipient acknowledges that in the event that a milestone contained in the most recent Clean Water State Revolving Fund Intended Use Plan and/or the Notice of Intent to Fund is not met, this State Loan or Grant offer will be rescinded by the Department of Environment and Natural Resources.
- 2. The final plans and specifications have or will be approved by the Division of Water Quality and the applicant so notified, prior to the project being advertised or placed on the market for bids.
- 3. Eligible project expenses are as discussed in the North Carolina Clean Water SRF Program Guidance. Projects will not receive reimbursement for sales taxes. Sales taxes are deducted from project costs at the 90% milestone in accordance with the SRF Program Guidance.
- 4. The applicant agrees to construct the project or cause it to be constructed to final completion in accordance with the application and plans and specifications approved by the Division of Water Quality.
- 5. The construction contract(s) requires the contractor to furnish performance and payment bonds, each of which is in an amount of not less than one hundred percentum (100%) of the contract price; and to maintain during the life of the contract(s) adequate fire, extended coverage, workmen's compensation, public liability, and property damage insurance.

6. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
7. Any change or changes in the approved plans and specifications or contract(s) which (has/have) made or will make any major alteration in the work required by the plans and specifications, or which increases the cost of the project above the latest estimate approved by the Department of Environment and Natural Resources, was or will be submitted to the Division of Water Quality for approval.
8. The construction contract(s) provides that any duly authorized representative of the State will have access to the work whenever it is in preparation or progress, and that the contractor will provide proper facilities for such access and inspection. Further, any authorized representative of the State shall have access, for the purpose of audit and examination, to any books, documents, papers and records of the applicant that are pertinent to funds received under the Act; and the applicant shall submit to the Division of Water Quality such documents and information as it may require in connection with the project.
9. The applicant will provide and maintain competent and adequate engineering supervision and inspection of the project to insure that the construction conforms with the approved plans and specifications.
10. The applicant shall demonstrate to the satisfaction of the Department of Environment and Natural Resources that it has or will have a fee simple or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for the purpose of construction and operation for the estimated life of the project prior to the authorization to award construction contracts. No loan disbursements will be made until clear site certificates are submitted.
11. At least thirty (30) days, shall be allowed from the first date of publication to the date of bid opening.
12. The Project Bid Information package, including MBE and WBE (DBE) requirements, must be submitted and approved prior to the State issuing an Authorization to Award letter. If the approval of the debt instrument for this loan is necessary for the applicant to award contracts, the completed Project Bid Information and supporting documentation must be delivered to the Division of Water Quality a minimum of twenty (20) days prior to the award of contracts.
13. The recipient shall not award any contracts for construction until the Authority to Award is given by the State. Doing so, will be at the risk of the award recipient.
14. Recipient acknowledges that no loan disbursements will be made until the contract documents are submitted and approved. The recipient shall notify the State when contracts are awarded.
15. The recipient shall conduct a preconstruction conference, if applicable, for each construction contract in cooperation with the State, and, in accordance with guidelines which shall be furnished by the State. The State shall be invited to the conference.
16. The Local Government Commission will forward the debt instrument after total project costs are established in the Authority to Award Letter. The applicant must execute the debt instrument a minimum of ten (10) days prior to the request of disbursement of loan funds.
17. Recipient acknowledges that no loan disbursements will be made on the engineering planning and design or construction phase services until the contracts are submitted and approved.

18. Eligible small purchases estimated to exceed \$10,000 require three informal bids for approval.
19. Within thirty (30) days of the date of completion of the project, the applicant will make available to the Construction Grants Section staff all requested project closeout items including final costs for the purpose of making final adjustments to the Revolving Loan and debt instrument.
20. All principal payments will be made annually on or before May 1st. The first principal payment is due not earlier than six months after the original date of completion of the project. All interest payments will be made semiannually on or before May 1st and November 1st of each year. The first interest payment is due not earlier than six months after the original date of completion of the project.
21. In accordance with G.S. 159-26(b)(6), a capital project fund is required to account for all debt instrument proceeds used to finance capital projects. It is required that a capital project ordinance, in accordance with G.S. 159-13.2, be adopted by the governing board authorizing all appropriations necessary for the completion of the project. A copy of the approved ordinance must be submitted to this office before submitting the first reimbursement request.
22. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three (3) years following completion of the project.
23. All funds loaned pursuant to North Carolina General Statute 159G shall be expended solely for carrying out the approved project and an audit shall be performed in accordance with G.S. 159-34, as amended. Please note that the State is not a party to the construction contract(s) and the loan recipient is expected to uphold its contract obligations regarding timely payment. See Standard Condition 5.
24. The applicant shall demonstrate to the satisfaction of the Department of Environment and Natural Resources its ability to pay the remaining or ineligible cost of the project.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environment and Natural Resources that the declarations, assurances, representations, and statements made by the applicant in the application; and all documents, amendments, and communications filed with the Department of Environment and Natural Resources by the applicant in support of its request for a loan will be fulfilled.

.....
Signature

.....
Date



Reed
11/29/12

North Carolina Department of Environment and Natural Resources

Division of Water Quality

Charles Wakild, P. E.

Director

Beverly Eaves Perdue
Governor

Dee Freeman
Secretary

November 26, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Honorable James D. O'Geary, Mayor
City of Henderson
P.O. Box 1434
Henderson, NC 27536

SUBJECT: Offer and Acceptance for a State Loan
Project No. CS370410-06
Nutbush Creek WWTP Improvements

Dear Mayor O'Geary:

The City of Henderson has been approved for loan assistance from the Clean Water State Revolving Fund in the amount of **\$16,615,000 with \$1,000,000 of principal forgiveness.**

Enclosed are two (2) copies of an Offer and Acceptance Document extending a State Revolving loan in the amount of \$16,615,000. This offer is made subject to the assurances and conditions set forth in the Offer and Acceptance Document. Please submit the following items to the Infrastructure Finance Section, 1633 Mail Service Center, Raleigh, North Carolina 27699-1633 within forty-five (45) days of receipt.

1. A resolution adopted by the governing body accepting the loan offer and making the applicable assurances contained therein. (Sample copy attached)
2. One (1) copy of the original Offer and Acceptance Document executed by the authorized representative for the project, along with the signed "Standard Conditions for the Federal SRF loans". **Retain the other copy for your files.**
3. Federal Identification Number of the Recipient (Memo attached)

Infrastructure Finance Section
1633 Mail Service Center, Raleigh, North Carolina 27699-1633
Location: 512 N Salisbury Street, Raleigh, North Carolina 27604
Phone: 919-707-9160 \ FAX: 919-715-6229 Internet: www.nccgl.net

An Equal Opportunity \ Affirmative Action Employer

One
North Carolina
Naturally



Reed
11/29/12

North Carolina Department of Environment and Natural Resources

Division of Water Quality

Charles Wakild, P. E.

Director

Beverly Eaves Perdue
Governor

Dee Freeman
Secretary

November 26, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Honorable James D. O'Geary, Mayor
City of Henderson
P.O. Box 1434
Henderson, NC 27536

SUBJECT: Offer and Acceptance for a State Loan
Project No. CS370410-06
Nutbush Creek WWTP Improvements

Dear Mayor O'Geary:

The City of Henderson has been approved for loan assistance from the Clean Water State Revolving Fund in the amount of **\$16,615,000 with \$1,000,000 of principal forgiveness.**

Enclosed are two (2) copies of an Offer and Acceptance Document extending a State Revolving loan in the amount of \$16,615,000. This offer is made subject to the assurances and conditions set forth in the Offer and Acceptance Document. Please submit the following items to the Infrastructure Finance Section, 1633 Mail Service Center, Raleigh, North Carolina 27699-1633 within forty-five (45) days of receipt.

1. A resolution adopted by the governing body accepting the loan offer and making the applicable assurances contained therein. (Sample copy attached)
2. One (1) copy of the original Offer and Acceptance Document executed by the authorized representative for the project, along with the signed "Standard Conditions for the Federal SRF loans". **Retain the other copy for your files.**
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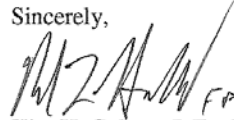
An Equal Opportunity \ Affirmative Action Employer

One
North Carolina
Naturally

Honorable James O'Geary, Mayor
November 26, 2012
Page 2

On behalf of the Department of Environment and Natural Resources, I am pleased to make this offer of State Revolving Loan funds made available by North Carolina Water Infrastructure Fund and the Federal Clean Water Act Amendments of 1987.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Colson', with a stylized flourish at the end.

Kim H. Colson, P.E., Chief
Infrastructure Finance Section

DE/sd

Enclosures:

Loan Offer and Acceptance Document (2 copies)
Guidance Document
Reimbursement Request form
Fed ID Request Form
Resolution to accept Loan offer (suggested format)

cc: Joel Whitford, McGill Associates
PMB
SRF

City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252.430.5701



Agenda Item: _____

Council Meeting: 9 June 14 Regular Meeting

4 June 2014

TO: The Honorable Mayor James D. O'Geary and Members of City Council

FR: A. Ray Griffin, Jr., City Manager

RE: CAF: 14-17-A

Consideration of Approval of Resolution 14-11-A, Authorizing the Execution of Change Order #1 in Conjunction with the David Avenue Stormsewer Replacement Project in the Amount of \$4,000 with M. T. Murphy, Inc.

Ladies and Gentlemen:

Council Goals Addressed By This Item:

- KSO 5: Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems.
- KSO 8: Provide Sufficient Funding for Municipal Services.

Recommendation:

- Approval of Resolution 14-11, Authorizing the Execution of Change Order #1 in Conjunction with the David Avenue Stormsewer Replacement Project in the Amount of \$4,000 with M. T. Murphy, Inc.

Executive Summary

The contract for the David Avenue Stormsewer replacement project was approved by the City Council on 24 February 2014 via Resolution 14-11. The project consisted of replacing the existing failed pipe for approximately 160 feet, addition of a new junction box to connect the remaining portion of the storm sewer line to the newly installed pipe, remove existing concrete driveway, compact soils and replacing existing concrete driveway as needed.

The project is near completion; however, it was discovered that there is a small portion of 15" concrete pipe that is in need of replacement also. The cost to perform this work is \$4,000.

The original contract price was \$31,422; therefore, the total contract price would now be \$35,422. There is an additional \$1,578 of available funds in the storm drain improvement account (10-570-503307) so the net amount of internal transfer needed would be \$2,422, which would come from the resurfacing account (10-570-503308) as stated in the resolution.

Enclosures:

1. Resolution 14-11-A
2. Resolution 14-11

RESOLUTION 14-11-A

AUTHORIZING EXECUTION OF CHANGE ORDER #1 IN THE AMOUNT OF \$4,000 IN CONJUNCTION WITH THE DAVID AVENUE STORM SEWER REPLACEMENT PROJECT TO M.T. MURPHY, INC.

WHEREAS, the Henderson City Council (Council) identified eight Key Strategic Objectives (KSO) at its 2014 Strategic Planning Retreat; *and*

WHEREAS, two of the Key Strategic Objectives are addressed by this request as follows: **KSO 5:** To Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems; and **KSO 8:** To Provide Sufficient Funds for Municipal Operations and Capital Outlay Necessary to Meet the Needs of Citizens, Customers and Mandates of Regulatory Authorities; and

WHEREAS, the City staff has found significant problems with the existing storm sewer pipe along David Avenue; *and*

WHEREAS, there is an existing storm sewer easement recorded in Deed Book 466 Page 636; *and*

WHEREAS, after receiving five bids for the project, M.T. Murphy, Inc. being the lowest, responsible bidder was awarded the project in the amount of \$31,422, via Resolution 14-11 on 24 February 2014; *and*

WHEREAS, a 15" storm sewer main was found to be in disrepair during the completion of the initial work; *and*

WHEREAS, the contractor has given a price of \$4,000 to complete the additional work; *and*

WHEREAS, there are available funds in the amount of \$1,578 in the storm drain improvement account, (10-570-503307) and the additional funds of \$2,422 are available for transfer from the resurfacing account (10-570-503308) as approved in Resolution 14-11; *and*

NOW THEREFORE BE IT RESOLVED, BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY APPROVE the execution of Change Order #1 in conjunction with the David Avenue Stormsewer Replacement Project to M.T. Murphy, Inc. in the amount of \$4,000, being more fully articulated in **Attachment A** to this Resolution; *and*

BE IT FURTHER RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY AUTHORIZE the Mayor and/or City Manager to sign all agreements and documents necessary to effect said agreement.

The foregoing Resolution 14-11-A introduced by Council Member ** and seconded by Council Member ** on this the ___ day of _____ 2014, and having been submitted to a roll call vote, was *** by the following votes: YES: . NO: . ABSTAIN: . ABSENT: .

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney
(Reference: Minute Book 42, p. **.)



Attn: Frank Frazier
City of Henderson Engineering
P.O. Box 1434
Henderson, NC 27536

5/27/2014
Re: David Avenue

Dear Frank,

We propose the following breakdown to dig out and repair the separated pipe joint under the driveway at 1257 David Avenue. If these prices are acceptable, we can move in and complete the repair right away.

<u>DESCRIPTION</u>	<u>QTY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
<u>STORM REPAIR</u>				
- MOBILIZATION	1	LS	\$ 600.00	\$ 600.00
- REPAIR 15" RCP	1	LS	\$ 2,500.00	\$ 2,500.00
- CONCRETE COLLAR	1	EA	\$ 200.00	\$ 200.00
- REM & REPLACE D/W	20	SY	\$ 35.00	\$ 700.00
				\$ 4,000.00

Please contact me if we need to discuss any of the items on this breakdown.

Thanks,

A handwritten signature in black ink, appearing to read "Tony Bryant", is written over the printed name and company.

Tony Bryant
MY Murphy Construction

RESOLUTION 14-11

AWARDING CONTRACT FOR DAVID AVENUE STORM SEWER REPLACEMENT PROJECT TO M.T. MURPHY, INC. IN THE AMOUNT OF \$31,422

WHEREAS, the Henderson City Council (Council) identified eight Key Strategic Objectives (KSO) at its 2013 Strategic Planning Retreat; *and*

WHEREAS, two of the Key Strategic Objectives are addressed by this request as follows: **KSO 5: To Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems; and KSO 8: To Provide Sufficient Funds for Municipal Operations and Capital Outlay Necessary to Meet the Needs of Citizens, Customers and Mandates of Regulatory Authorities; and**

WHEREAS, the City staff has found significant problems with the existing storm sewer pipe along David Avenue; *and*

WHEREAS, there is an existing storm sewer easement recorded in Deed Book 466 Page 636; *and*

WHEREAS, informal bids have been solicited for the performance of this work in accordance with North Carolina General Statutes [G.S. 143-131] Informal Bidding Procedure; *and*

WHEREAS, five bids were received for the project, with M.T. Murphy, Inc. being the lowest, responsible bidder; *and*

WHEREAS, partial funding is available for storm drain improvements with the remaining funds to be transferred from Street resurfacing.

NOW THEREFORE BE IT RESOLVED, BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY APPROVE awarding of the David Avenue Stormsewer Replacement Project to M.T. Murphy, Inc. in the total contract amount of \$31,422, being more fully articulated in **Attachment A** to this Resolution; *and*

BE IT FURTHER RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY AUTHORIZE the Mayor and/or City Manager to sign all agreements and documents necessary to effect said agreement.

The foregoing Resolution 14-11 introduced by Council Member Kearney and seconded by Council Member Peace-Jenkins on this the 24th day of February 2014, and having been submitted to a roll call vote, was **APPROVED** by the following votes: YES: Daeke, Daye, Kearney, Inscoe and Peace-Jenkins. NO: None. ABSTAIN: None. ABSENT: Coffey and Simmons.

D. Michael Rainey, Mayor Pro-Tem

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

(Reference: Minute Book 43, p.130.)

Contract
David Avenue Stormsewer Replacement Project
Project No.: COH 13-001

Page C-1

CONTRACT

THIS CONTRACT made and entered into this _____ day of _____, in the year 2014 by and between the City of Henderson, North Carolina, party of the first part, hereinafter called the Owner, and M.T. Murphy, Inc. of Raleigh, NC, party of the second part, hereinafter called the Contractor.

WITNESSETH

THAT, WHEREAS, a Contract for:

David Avenue Stormsewer Replacement Project

has recently been awarded to the Contractor by the Owner at and for a sum equal to the aggregate cost of the work to be done and labor, materials, equipment, apparatus and supplies furnished at the prices and rates respectively named therefore, in the Proposal attached hereto:

Total Bid Accepted: \$ 31,422.00

AND WHEREAS, it was one of the conditions of said Award that a formal Contract should be executed by and between the Owner and the Contractor, evidencing the terms of said award, and that the Contractor shall commence the work to be performed under this agreement on a date to be specified in a written order of the Owner, and shall fully complete all work hereunder within 30 Consecutive Calendar Days, of the date specified in the Notice to Proceed.

NOW THEREFORE, THIS CONTRACT FURTHER WITNESSETH THAT, the Contractor doth hereby covenant and agree with the Owner that they will and faithfully perform and execute such work and furnish such labor, materials, equipment, apparatus and supplies, in accordance with each and every one of the conditions, covenants, stipulations, terms and provisions contained in the Specifications and in accordance with the Plans, at and for a sum equal to the aggregate cost of the work done and labor, materials, equipment, apparatus and supplies furnished at the prices and rates respectively named therefore in the Proposal attached hereto, and will well and faithfully comply with and perform each and every obligation imposed upon them by said Plans and Specifications and the terms of said Award.

The Contractor shall promptly make payments to all persons supplying materials in the prosecution of the work, and to all laborers and others employed thereon.

The Contractor shall be responsible for all damages to the property of the Owner that may be consequent upon the normal procedure of their work or that may be caused by or result from the negligence of the Contractor, his, its or their employees or agents, during the progress of, or connected with the prosecution of the work, whether within the limits of the work or elsewhere. The Contractor must restore all property so injured to a condition as good as it was when the Contractor entered upon the work.

The Contractor shall furthermore be responsible for, and be required to make good at his, its or their expense, any and all damages of whatever nature, to persons or property, arising during the period of this Contract, caused by carelessness, neglect, or want of due precaution on the part of the Contractor, shall also indemnify and save harmless the Owner, and the officers and agents thereof, from all claims, suits, and proceedings of every name and description which

City of Henderson

November 7, 2013

may be brought against the Owner, or the officers and agents thereof, for or on account of any injuries or damages to persons or property received or sustained by any person or persons, firm or corporation, or by or in consequence of any materials or workmanship in its construction, or by or on account of any accident, or of any other act of omission of the said Contractor, his, its or their agents, employees, servants or workmen.

It is agreed and understood that the Notice to Bidders, Information to Bidders, Instruction to Bidders, General Conditions, Supplementary Conditions, Special Project Conditions, Technical Specifications together with the enumerated Addenda, if any, the Proposal, and the Plans and/or Drawings are a part and parcel to this Contract to the same extent as if incorporated herein in full.

It is further mutually agreed between the parties hereto that if, at any time after the execution of this Agreement and the performance and payment bonds (or other approved security) hereto attached for its faithful performance and payment, the Owner shall deem the surety or sureties upon such Bonds to be unsatisfactory, or if, for any reason, such Bonds cease to be adequate to cover the performance or payment of the work, the Contractor shall, at his, its or their expense, within five (5) days after the receipt of notice from the Owner to do so, furnish an additional Bond or Bonds or other approved security in such form and amount and with such surety or sureties as shall be satisfactory to the Owner. In such event no further payment to the Contractor shall be deemed to be due under this agreement until such new or additional security for the faithful performance and payment of the work shall be furnished in a manner and form satisfactory to the Owner.

And the Owner does hereby covenant and agree with the Contractor that it will pay to the Contractor, when due and payable under the terms of the Contract Documents and the Award, the sum mentioned above, and that it will well and faithfully comply with and perform each and every obligation imposed upon it by said Contract Documents and the terms of said Award.

Completion for above listed item(s) shall be defined as completely installed including all associated appurtenances, tested and ready for the intended service.

ANTI-DISCRIMINATION AND EQUAL OPPORTUNITY

All funds will be distributed in accordance with all anti-discrimination and equal opportunity statutes, regulations, and Executive Orders in accordance to local, state and federal regulations.

HISTORICALLY UNDERUTILIZED BUSINESS

Please check the following:

Is your organization registered with HUB office? Yes _____ No _____

Is your organization a minority contractor, small contractor, physically handicapped contractor, a woman contractor, a disabled business enterprise, or a non-profit work center for the blind and severely disabled?

Yes _____ No _____

E-VERIFY

E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other Federal and State agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to Federal Law in accordance with North Carolina General Statute 64-25 et seq. As a condition for any consideration (whether payment or services) from the City rendered under this contract, Contractors (contracting with the City of Henderson) shall comply with the requirements of Article II of Chapter 64 of the General Statutes. Further, if Contractor provides the services to the City utilizing a subcontractor, Contractor shall require the subcontractor to comply with the requirements of Article II of Chapter 64 of the General Statutes as well. Contractor shall verify, by affidavit, compliance with the terms of this section upon request by the City.

FURTHER AGREEMENTS

Modify the proposal with the use of Reinforced Concrete Pipe in lieu of Corrugated
Plastic Pipe. Attached is the letter that has the price for the use of the RCP for the project.

In Testimony Whereof, of the City of Henderson has caused these presents to be signed in its name by its Mayor and its Corporate seal to be hereto affixed and attested by the City Clerk, all by order of the City Council of the City of Henderson and said party of the second part, acting under and by virtue of the Authority in them vested, have hereunto set their hand seal, the day and year first written above.

OWNER:

ATTEST

THE CITY OF HENDERSON, NORTH CAROLINA

_____(SEAL) BY
Esther McCrackin, City Clerk

James D. O'Geary, Mayor

CONTRACTOR:

ATTEST:

M.T. MURPHY, INC. (SEAL)

Witness

BY

Mitchell T. Murphy, President
(If contractor is a corporation, a partnership, or a
joint venture, attach evidence of authority to sign.)

FINANCIAL CERTIFICATION

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Katherine C. Brafford, CPA

Date

PERFORMANCE BOND

This Bond is executed on _____, 20____

The name of the PRINCIPAL is _____ (1)

a _____ (2)

The name of SURETY is _____

The CITY OF HENDERSON is the CONTRACTING BODY.

The amount of the Bond is _____

Dollars (\$ _____)

KNOWN BY ALL MEN BY THESE PRESENTS, that we, the Principal and Surety above named, are held and firmly bound unto the above named CONTRACTING BODY, hereinafter called the Contracting Body, in the penal sum of the amount stated above in lawful money of the United States, for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas, the Principal entered into a certain contract with the Contracting Body, dated the ____ day of _____, 20__ a copy of which is hereto attached and made a part hereof for the construction of:

DAVID AVENUE STORMSEWER REPLACEMENT PROJECT

NOW THEREFORE, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said Contract during the original terms of said Contract and any extensions thereof that may be granted by the Contracting Body, with or without notice to the Surety, and during the life of any guaranty required under the Contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said Contract that may thereafter be made, notice of which modifications to the Surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above bounded parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body

City of Henderson

November 7, 2013

ATTEST:

Principal Secretary
(SEAL)

Principal

By: _____(3)

Witness as to Principal

Address

Address

Surety

By: _____

Address

Phone Number

ATTEST:

NC Resident Agent
(SEAL)

Witness as to Surety

Address

Note: Date of Bond must not be prior to date of Contract!

- (1) Correct name of Contractor
- (2) A Corporation, a Partnership or an Individual, as the case may be
- (3) If Contractor is a Partnership, all partners should execute Bond.

PAYMENT BOND

This Bond is executed on _____, 20____

The name of the PRINCIPAL is _____ (1)

a _____ (2)

The name of SURETY is _____

The CITY OF HENDERSON is the CONTRACTING BODY.

The amount of the Bond is _____

Dollars (\$ _____)

KNOWN BY ALL MEN BY THESE PRESENTS, that we, the Principal and Surety above named, are held and firmly bound unto the above named CONTRACTING BODY, hereinafter called the Contracting Body, in the penal sum of the amount stated above in lawful money of the United States, for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas, the Principal entered into a certain contract with the Contracting Body, dated the _____ day of _____, 20____ a copy of which is hereto attached and made a part hereof for the construction of:

DAVID AVENUE STORMSEWER REPLACEMENT PROJECT

NOW THEREFORE, if the Principal shall promptly make payment to all persons supplying labor and material in the prosecution of the work provided for in said Contract, and any and all duly authorized modifications of said Contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, then this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above bounded parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body

City of Henderson

November 7, 2013

ATTEST:

Principal Secretary
(SEAL)

Principal

By: _____(3)

Witness as to Principal

Address

Address

Surety

By: _____

Address

Phone Number

ATTEST:

NC Resident Agent
(SEAL)

Witness as to Surety

Address

Note: Date of Bond must not be prior to date of Contract!

- (1) Correct name of Contractor
- (2) A Corporation, a Partnership or an Individual, as the case may be
- (3) If Contractor is a Partnership, all partners should execute Bond.

POWER OF ATTORNEY

(Attach)

CERTIFICATE OF INSURANCE

(Attach)

CERTIFICATE OF ATTORNEY

I hereby certify that I am the duly appointed attorney for the Owner of the Project and that I have examined the foregoing instrument and related Bonds (if required) and I have approved the same as being legal form.

This _____ day of _____, 20_____.

John H. Zollicoffer, Jr., City Attorney



Attn: Peter Sokalski, P.E.
City of Henderson Engineering
P.O. Box 1434
Henderson, NC 27536

December 11, 2013
Re: David Avenue

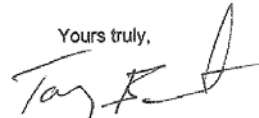
Dear Peter,

We submit the following prices to use 36" RCP class III with six inches of bedding stone in lieu of the 36" HDPE on the David Avenue Storm Replacement Project.

DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
STORM REPLACEMENT				
- TIE TO EXIST JUNCTION BOX	1	LS	\$ 2,500.00	\$ 2,500.00
- 36" RCP WITH 6" BEDDING	160	LF	\$ 118.40	\$ 18,944.00
- ANCHORS & STRAPS		EA	\$ 400.00	\$ -
- 5' X 3' JUNCTION BOX	1	EA	\$ 4,070.00	\$ 4,070.00
- REM & REPLACE D/W	60	SY	\$ 35.00	\$ 2,100.00
- REM & REPLACE ROOF DRAINS	20	LF	\$ 12.90	\$ 258.00
- REM & REPLACE CREPE MYRTLE	1	EA	\$ 150.00	\$ 150.00
- SELECT BORROW	50	CY	\$ 15.00	\$ 750.00
- TRAFFIC CONTROL	1	LS	\$ 150.00	\$ 150.00
- SEED & MULCH	0.25	AC	\$ 2,000.00	\$ 500.00
- EROSION LINING	250	SY	\$ 4.00	\$ 1,000.00
- REMOVE TRASH & DIRT	1	LS	\$ 1,000.00	\$ 1,000.00
				\$ 31,422.00

Please let me know if you have any questions or would like to discuss this option in more detail.

Yours truly,



Tony Bryant

City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252.430.5701



Agenda Item: _____

Council Meeting: 9 June 14 Regular Meeting

2 June 2014

TO: The Honorable Mayor James D. O'Geary and Members of City Council

FR: A. Ray Griffin, Jr., City Manager

RE: **CAF: 14-71**

Consideration of Approval of Resolution 14-45, Authorizing the Mayor to Execute an Agreement with ECS Carolinas, LLP to Perform Construction Materials Testing Services Relative to the Sandy Creek Pump Station Improvements Project.

Ladies and Gentlemen:

Council Retreat Goals Addressed By This Item:

- KSO 5: Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems.
- KSO 8: Provide Sufficient Funds for Municipal Operations and Capital Outlay Necessary to Meet the Needs of Citizens, Customers and Mandates of Regulatory Authorities.

Recommendation:

- Consideration of Approval of Resolution 14-45, Authorizing the Mayor to Execute an Agreement with ECS Carolinas, LLP to Perform Construction Materials Testing Services Relative to the Sandy Creek Pump Station Improvements Project.

Executive Summary:

ECS Carolinas, LLP performed the subsurface exploration and geotechnical engineering work, which was used by McGill Associates to complete the design of the improvements to the Henderson Water Reclamation Facility and to also perform the construction materials testing during construction. It is recommended that they perform the Construction Materials Testing Services for the Sandy Creek Project. McGill Associates has reviewed the proposal along with the City staff and recommends approval of the contract. The estimated cost to perform this work is \$7,350. There is sufficient funding within the Legal, Testing, Administration line items of \$22,000 to cover the costs of the testing.

1. Resolution 14-45

RESOLUTION 14-45

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH ECS CAROLINAS, LLP TO PERFORM CONSTRUCTION MATERIALS TESTING SERVICES RELATIVE TO PLANNING AND DESIGN FOR IMPROVEMENTS AT THE SANDY CREEK PUMP STATION

WHEREAS, the Henderson City Council (Council) identified eight Key Strategic Objectives (KSO) at its 2014 Strategic Planning Retreat; *and*

WHEREAS, two of the Key Strategic Objectives are addressed by this Resolution as follows:
KSO 8: To Provide Sufficient Funds for Municipal Operations and Capital Outlay Necessary to Meet the Needs of Citizens, Customers and Mandates of Regulatory Authorities; and KSO 5: To Provide Reliable, Dependable and Environmental Compliant Infrastructure Systems; *and*

WHEREAS, the Council authorized submission of an application on 14 February 2011 via Resolution 11-12, requesting State loan and/or grant assistance from the State Revolving Fund Grant/Loan; *and*

WHEREAS, ECS is successfully performing the work at the Henderson Water Reclamation Facility and the subservice exploration and geotechnical work was successfully completed; and ECS is familiar with the existing area, it is recommended that ECS Carolina, LLP be contracted to perform the Construction Materials Testing Services.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Henderson, North Carolina, that it does hereby authorize the execution of an agreement for Construction Materials Testing Services with ECS Carolinas, LLP and being more fully articulated in **Attachment "A"** to this Resolution.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to sign the Agreement and other applicable documents as necessary to proceed with this work.

The foregoing Resolution 14-45, upon motion of Council Member _____ and second by Council Member _____, and having been submitted to a roll call vote received the following votes and was _____ on this the ____ day of _____ 2014:
YES: . NO: . ABSTAIN: . ABSENT: .

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk
Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney
*Reference: Minute Book 42, pp. **.*



ECS CAROLINAS, LLP

"Setting the Standard for Service"

Geotechnical • Construction Materials • Environmental • Facilities

NC Registered Engineering Firm F-1078

May 16, 2014

Jason Beard, Construction Administrator
McGill Associates, P.A.
1240 19th Street, Lane NW
Hickory, North Carolina 28601
jason.beard@mcgillengineers.com

**RE: Proposal for Construction Materials Testing
Sandy Creek Pump Station
482 Rock Mill Road
Henderson, North Carolina 27537
ECS Proposal Number: 06:17681**

Dear Mr. Beard:

ECS Carolinas, LLP (ECS) is pleased to submit this proposal to provide Construction Materials Testing services for the above referenced project. This proposal reviews our understanding of the project information, outlines our proposed scope of services and presents our fee estimate along with the applicable schedule of unit rates that will apply for this project.

Our considerable experience with similar projects will help us provide efficient, cost-effective construction observation, testing and engineering consulting services. Also, our automated Field Reporting and Electronic Distribution (FRED) system can provide an efficient reporting of field and laboratory activities as discussed later.

PROJECT UNDERSTANDING

We understand the project will consist of improvement to the existing pump station including but not limited to a new generator, a new single-story electrical room and approximately 75 square yards of associated concrete drive and walkways, as well as a 105 square yard 6 inch thick ABC stone pad surrounding the proposed bypass pump connection, line stop, and valves.

The proposed single story electrical room will have reinforced masonry walls with a brick veneer supported on shallow foundations, and the ground floor will be a concrete slab on grade. The proposed generator will bear on a concrete slab on grade with approximate dimensions of 24 feet by 15.5 feet.

This proposal does not include pricing for wood framing inspections or structural steel inspections. If these types of inspections are requested, we would be happy to revise this cost estimate to include these items.

Mr. Jason Beard with McGill Associates, PA provided ECS with the following documents in PDF format:

- 13.01100 Conformed Plans 24x36 dated November 19, 2013
- 13.01100 Conformed Specifications-Vol1 dated November 20, 2013
- 13.01100 Conformed Specifications-Vol2 dated November 20, 2013

ECS has not been provided with a detailed construction schedule.

9001 Glenwood Avenue, Raleigh, NC • 27617-7505 • T: 919-881-9910 • F: 919-881-9811 • www.ecslimited.com
ECS Capital Services, PLLC • ECS Carolinas, LLP • ECS Central, PLLC • ECS Florida, LLC • ECS Mid-Atlantic, LLC • ECS Midwest, LLC • ECS Southeast, LLP • ECS Texas, LLP

SCOPE OF SERVICES

We propose to provide qualified engineers and engineering technicians to perform the requested services. The following reporting, testing and inspection services may be requested on this project:

Earthwork/Soils

- Proofroll the site to verify that unstable soils have been identified and removed, or repaired in-place.
- Conduct laboratory Classification and Proctor tests on proposed engineered fill soils.
- Continuous observation of fill placement activities for conformance with the project specifications.
- Perform in-place density testing of fill materials to confirm the percent compaction/in-place dry density and moisture content are in compliance with the project specifications.

Shallow Foundations

- Periodic inspections and testing by Dynamic Cone Penetrometer of soils at footing bearing level to confirm that the soils encountered are satisfactory for the design bearing pressure.
- Periodic observations and documentation of reinforcing steel placement.

Concrete

- Observe reinforcing steel prior to concrete placement to confirm bar size, grade of steel, lap splices, clearances, support methods, and cleanliness.
- Observe anchor bolts prior to concrete placement to confirm correct number, size, embedment, and general orientation (measurements to confirm precise placement to match with column locations is not part of our scope).
- Collect and review concrete batch tickets to confirm compliance with the approved mix design(s).
- Visually check the concrete in each truck as it arrives on site for proper slump and observe general placement procedures.
- Sample and test plastic concrete to include slump tests (ASTM C143), air content of air-entrained concrete (ASTM C231), unit weight of lightweight concrete (ASTM C138), and temperature (ASTM C1064).
- Cast and cure 6-inch-diameter by 12-inch tall concrete cylinder test specimens for compressive strength testing (ASTM C39) per specifications. We have assumed one set of 4 test cylinders will be made for every 50 cubic yards of concrete placed each day. (One 7 day break, two 28 day breaks, and one reserve)
- If extreme weather conditions are apparent, document that hot or cold weather procedures are followed.
- Document general curing procedures.
- Return test specimens to our laboratory within 24 hours after casting.
- Laboratory curing, compressive strength testing and reporting of concrete cylinder test specimens

UNDERSTANDING CONSTRUCTION MATERIALS TESTING

Construction Materials Testing (CMT) services are performed to help provide the project's contractors, designers, owners and local code officials some indication of the level of compliance obtained by the installing contractors with the project specification. These services are provided at periodic intervals which typically are defined by the project specifications and on some occasions by the applicable building code. Test locations for most materials, i.e. soils, concrete and fireproofing, are generally based upon random selection; as such not all materials incorporated into a construction project are tested or observed.

Obviously the greater the testing frequency, the greater the confidence level that the test results are representative of other untested areas, however, no amount of testing can assure 100% compliance. Testing and observation services provided by ECS do not relieve the installing contractors from their obligation to install all materials in accordance with the applicable project plans and specifications. ECS makes reasonable effort to test in accordance with the applicable project requirements and to identify areas of materials that may not comply with the project specifications. However, due to the periodic and random nature of our testing, we cannot guarantee that all materials have been installed in accordance with the specifications.

The responsibility to correct or remediate non-complying conditions, even non-complying conditions discovered after testing or during subsequent phases of construction remains solely with the installing contractors.

COMMUNICATIONS

To expedite the timely distribution of our daily reports, our field personnel utilize wireless hand-held technology to collect, process; and return data to our Raleigh office. Our use of this powerful technology typically facilitates electronic distribution of our reports within **24 hours**. This enhanced reporting technology allows us to simultaneously communicate our testing data with all project team members.

We anticipate our services will be needed on a full-time basis during earthwork and foundation installation and typically on an on-call basis thereafter. The appropriate contractor or owner representative should contact our scheduling coordinator to provide the appropriate level of staffing to meet the project requirements; the direct phone number is **919-861-9813**. All scheduling requests must be made 24-hours in advance so that the proper personnel may be scheduled for the required inspection task. Each scheduling request will be assigned a work order number so that the scheduled testing and inspection is documented. We also ask that we be provided with one full set of up to date project drawings and specifications prior to starting work on this project.

COST ESTIMATE

Based upon the scope of services and our fee schedule, ECS estimates that our services for this project will be on the order of \$7,350.00. A cost estimate is attached. We will invoice you for our services on a unit rate basis in accordance with the unit rates provided in the attached Project Fee Schedule. Invoices will be submitted on a monthly basis, and our invoices are typically submitted on or about the 10th of each month.

Our estimated cost provided does not constitute a lump sum or not to exceed price for our services. Additional visits, re-inspections and unanticipated scopes of services may be required and will be invoiced in accordance with the attached fee schedule.

At the time of this proposal, a construction schedule was not available and this cost estimate is based on our assumption of the construction schedule considering the construction drawings and specifications provided. The actual cost may be more or less than our cost estimate and will depend on the duration of construction and the frequency of testing scheduled by the general contractor. Should a defined construction schedule and detailed scope of services be made available to ECS, we would be happy to prepare a more defined cost estimate. Should the scope of services differ from the proposed scope, our estimate will be revised utilizing the enclosed unit rates within this proposal. ECS will invoice only the actual costs of services expended.

Proposal to Provide Construction Materials Testing
Sandy Creek Pump Station
Henderson, North Carolina 27537
ECS Proposal No 06:17681
May 16, 2014

AUTHORIZATION

If the above scope of work is acceptable to you, please sign the attached Proposal Acceptance Form and return one copy of the proposal acceptance form to us. Please note that the attached Terms and Conditions of Service are incorporated herein by reference and are an integral part of this agreement between us. By signing the Proposal Acceptance Form or referencing this proposal, you are also accepting the Terms and Conditions of Service and this proposal in its entirety. Alternatively, you could issue a letter of acceptance or purchase order; but we would ask that you reference and include our proposal by reference showing proposal number and date. This proposal is valid for a period of sixty days beyond that date it may be necessary to revise our schedule or fee.

Using the Proposal Acceptance Form will provide formal authorization for us to perform the above work, enter the site, and will provide proper invoicing instructions and distribution lists for reports and correspondence. Please provide any specific instructions or details not covered in this proposal on the attached Proposal Acceptance Form. Please note that we have provided a place to provide invoicing instructions and report distribution. Please list those to whom the reports should be sent and provide their e-mail addresses on the Proposal Acceptance Form.

We look forward to the opportunity to work with you on this project and to hopefully serve as your consultant in the future. If you have any questions, or if we can be of any additional service, please contact us at (919) 861-9910.

Respectfully,

ECS CAROLINAS, LLP



Norma A. Salter, P.E.
Project Manager



Michael W. Fisher, P.E.
Principal Engineer

Attachments: Cost Estimate, Proposal Acceptance Form, ECS Fee Schedule & ECS Terms & Conditions

Proposal to Provide Construction Materials Testing
 Sandy Creek Pump Station
 Henderson, North Carolina 27537
 ECS Proposal No 06:17681
 May 16, 2014



COST ESTIMATE
CONSTRUCTION MATERIALS TESTING SERVICES
 Sandy Creek Pump Station, Henderson, North Carolina
 ECS Proposal No. 06:17681

Field Services:				Quantity	Unit Rate	Cost
Field Technician (grading, foundation checks, rebar, and concrete):						
Earthwork	5 visits @	8 hours/visit	40 hours @	\$38.00 / hour	\$1,520.00	
Foundation Testing	3 visits @	2 hours/visit	6 hours @	\$38.00 / hour	\$228.00	
Concrete Testing	5 visits @	4 hours/visit	20 hours @	\$38.00 / hour	\$760.00	
Sample Pickups	3 visits @	0.25 hours/visit	1 hours @	\$38.00 / hour	\$28.50	
Project Manager:						
Site Meetings/Obser.	1 visits @	1 hours/visit	1 hours @	\$85.00 / hour	\$85.00	
Travel Time	17 visits @	2 hours/visit	34 hours @	\$38.00 / hour	\$1,292.00	
Mileage (round trip):	17 visits @	100 miles/visit	1700 miles @	\$0.61 / mile	\$1,037.00	
Field Services Subtotal:						\$4,950.50
Laboratory Testing:				Quantity	Unit Rate	Cost
Standard Proctor, Atterberg Limits, Wash 200:			1 samples @	\$215.00 / sample	\$215.00	
Compressive Strength of Concrete Cylinders:			20 cylinders @	\$9.00 / cylinder	\$180.00	
Comp. Strength of Grout Specimen:			0 samples @	\$15.00 / prism	\$0.00	
Comp. Strength of Mortar Cubes			0 samples @	\$9.00 / cube	\$0.00	
Masonry Prisms			0 samples @	\$150.00 / prism	\$0.00	
Laboratory Testing Subtotal:						\$395.00
Equipment Expenses:				Quantity	Unit Rate	Cost
Nuclear Density Gauge:			5 day(s) @	\$40.00 / day	\$200.00	
Equipment Expenses Subtotal:						\$200.00
Project Management/Report Review:				Quantity	Unit Rate	Cost
Principal Engineer:	17 reports @	0.50 hours/report	8.5 hours @	\$125.00 / hour	\$1,062.50	
Project Manager:	17 reports @	0.50 hours/report	8.5 hours @	\$75.00 / hour	\$637.50	
Secretary:	17 reports @	0.2 hours/report	3.4 hours @	\$30.00 / hour	\$102.00	
Project Management Subtotal:						\$1,802.00
ESTIMATED TOTAL COST:						\$7,347.50

**PROPOSAL ACCEPTANCE FORM
ECS CAROLINAS, LLP
(Please Print or Type)**

Project Name: Sandy Creek Pump Station
Services: Construction Materials Testing
Location: 482 Rock Mill Road, Henderson, North Carolina 27537
Proposal No.: 06:17681
Estimate: \$7,350.00

Please complete and return this Proposal Acceptance Form to ECS as shown at the bottom of this form. By signing and returning this form, you are providing us with authorization to proceed, providing us permission to enter the site, and making this proposal the agreement between us. Your signature also indicates that you have read this document and the terms and conditions of service in its entirety and agree to pay for these services.

CLIENT AND BILLING INFORMATION

Name of Client: _____
Contact Person: _____
Telephone No. _____
E-mail: _____

	<u>Responsible for Payment</u>	<u>Approval of Invoice (if different)</u>
Contact Name:	_____	_____
Company Name:	_____	_____
Address	_____	_____
Address	_____	_____
City, State, Zip	_____	_____
Telephone No.:	_____	_____
Fax No:	_____	_____
E-mail Address:	_____	_____

The reports are normally e-mailed directly to client. If you require copies to others, please provide their names, e-mail addresses and fax numbers below.

Name	e-mail Address	Phone Number	Fax Number
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Special Instructions: _____

Client Signature: × _____ Date: _____

Return to: Norma A. Salter	Phone: 919-861-9910
ECS Carolinas, LLP	Fax: 919-861-9911
9001 Glenwood Avenue	Email: nsalter@ecslimited.com
Raleigh, North Carolina 27617	

2014 ECS CAROLINAS, LLP
FEE SCHEDULE FOR
Sandy Creek Pump Station, Henderson, North Carolina
ECS Proposal No. 06:17681

Senior Principal Engineer.....	\$150.00/hour
Principal Engineer	\$125.00/hour
Senior Professional Engineer	\$120.00/hour
Project Manager.....	\$ 85.00/hour
Staff Engineer.....	\$ 70.00/hour
Welding Technician, Shop or Field Inspection (**):	
Senior Level AWS CWI (NDE: UT, MT, PT, RI)	\$ 75.00/hour
AWS CWI (VT with no NDE)	\$ 70.00/hour
Structural Steel Bolting Technician (**).....	\$ 55.00/hour
Chief Materials/ICC Technician (**)	\$ 55.00/hour
Senior Field Technician (**)	\$ 38.00/hour
Field Technician Level II (**)	\$ 36.00/hour
Administrative Support.....	\$ 45.00/hour
Transportation via company or private vehicle.....	\$ 0.65/mile

Note: Charges for engineering and technical personnel will be made for time spent in the field, in engineering analysis, in preparation of reports, and in travel portal to portal from our office. For scheduling requests received without sufficient notice as stated within the ECS proposal, services will be staffed with available personnel at the associated unit rates.

(**) = Overtime = Standard Rate x 1.50 for over 8 hours per day and outside normal business hours of 7:00am to 5:00pm, holiday, Saturday, or Sunday

EQUIPMENT and LABORATORY

R-Meter	\$ 50.00/day
Core machine	\$125.00/day
GPR Equipment	\$125.00/day
Moisture Emission Test Kit	\$ 50.00/unit
Nuclear Density and Moisture Measuring Equipment.....	\$ 40.00/day
Thin Lift Nuclear Gauge	\$ 40.00/day
Ultrasonic Equipment	\$100.00/day
Dipstick	\$150.00/day
Floor Flatness/Levelness Meter.....	\$ 50.00/day
Windsor Probe Gun.....	\$100.00/day
Windsor Probe Shots	\$15.00/shot
Standard Proctor (ASTM D-698)	\$125.00 each
Modified Proctor (ASTM D-1557) 4 inch mold.....	\$130.00 each
Testing of Cylinders, Prisms, Cubes and Core Specimens:	
Compressive Strength of grout prisms (3.5"x3.5"x7")	\$ 18.00 each
Compressive strength of mortar cubes	\$ 10.00 each
Compressive strength of concrete cylinders including reserves, (ASTM C-39).....	\$ 9.00 each
Core Specimen (including sample preparation).....	\$ 25.00/test
Extra Molds - cylinder molds included in compressive strength rate (per case of 30)	\$ 65.00/case

Note: The above charges will be made for tests and equipment operated by ECS CAROLINAS, LLP personnel in addition to personnel charges already listed. Soil Samples requiring a turnaround time of less than 5 days will be billed at 1.5 times the test unit rate.

Proposal No.: 06: 17681 (hereinafter the "Proposal")

Client: McGill Associates, P.A

ECS CAROLINAS, LLP TERMS AND CONDITIONS OF SERVICE

The professional services (the "Services") to be provided by ECS CAROLINAS, LLP ("ECS") pursuant to the Proposal shall be provided in accordance with these Terms and Conditions of Service ("Terms"), including any addenda as may be incorporated or referenced in writing shall form the Agreement between ECS and Client.

1.0 INDEPENDENT CONSULTANT STATUS - ECS shall serve as an independent professional consultant to CLIENT for Service on the Project, identified above, and shall have control over, and responsibility for, the means and methods for providing the Services identified in the Proposal, including the retention of Subcontractors and Subconsultants

2.0 SCOPE OF SERVICES - It is understood that the fees, reimbursable expenses and time schedule defined in the Proposal are based on information provided by CLIENT and/or CLIENT'S contractors and consultants. CLIENT acknowledges that if this information is not current, is incomplete or inaccurate, if conditions are discovered that could not be reasonably foreseen, or if CLIENT orders additional services, the scope of services will change, even while the Services are in progress.

3.0 STANDARD OF CARE

3.1 In fulfilling its obligations and responsibilities enumerated in the Proposal, ECS shall be expected to comply with and its performance evaluated in light of the standard of care expected of professionals in the industry performing similar services on projects of like size and complexity at that time in the region (the "Standard of Care"). Nothing contained in the Proposal, the agreed-upon scope of Services, these Terms and Conditions of Service or any ECS report, opinion, plan or other document prepared by ECS shall constitute a warranty or guaranty of any nature whatsoever.

3.2 CLIENT understands and agrees that ECS will rely on the facts learned from data gathered during performance of Services as well as those facts provided by the CLIENT. CLIENT acknowledges that such data collection is limited to specific areas that are sampled, bored, tested, observed and/or evaluated. Consequently, CLIENT waives any and all claims based upon erroneous facts provided by the CLIENT, facts subsequently learned or regarding conditions in areas not specifically sampled, bored, tested, observed or evaluated by ECS.

3.3 If a situation arises that causes ECS to believe compliance with CLIENT'S directives would be contrary to sound engineering practices, would violate applicable laws, regulations or codes, or will expose ECS to legal claims or charges, ECS shall so advise CLIENT. If ECS' professional judgment is rejected, ECS shall have the right to terminate its Services in accordance with the provisions of Section 25.0, below.

3.4 If CLIENT decides to disregard ECS' recommendations with respect to complying with applicable Laws or Regulations, ECS shall determine if applicable law requires ECS to notify the appropriate public officials. CLIENT agrees that such determinations are ECS' sole right to make.

4.0 CLIENT DISCLOSURES

4.1 Where the Scope of Services requires ECS to penetrate a Site surface, CLIENT shall furnish and/or shall direct CLIENT'S consultant(s) or agent(s) to furnish ECS information identifying the type and location of utility lines and other man-made objects known, suspected, or assumed to be located beneath or behind the Site's surface. ECS shall be entitled to rely on such information for completeness and accuracy without further investigation, analysis, or evaluation.

4.2 "Hazardous Materials" shall include but not be limited to any substance that poses or may pose a present or potential hazard to human health or the environment whether contained in a product, material, by-product, waste, or sample, and whether it exists in a solid, liquid, semi-solid or gaseous form. CLIENT shall notify ECS of any known, assumed, or suspected regulated, contaminated, or other similar Hazardous Materials that may exist at the Site prior to ECS mobilizing to the Site.

4.3 If any Hazardous Materials are discovered, or are reasonably suspected by ECS after its Services begin, ECS shall be entitled to amend the scope of Services and adjust its fees to reflect the additional work or personal protective equipment and/or safety precautions required by the existence of such Hazardous Materials.

5.0 INFORMATION PROVIDED BY OTHERS - CLIENT waives, releases and discharges ECS from and against any claim for damage, injury or loss allegedly arising out of or in connection with errors, omissions, or inaccuracies in documents and other information in any form provided to ECS by CLIENT or CLIENT'S agents, contractors, or consultants, including such information that becomes incorporated into ECS documents.

6.0 CONCEALED RISKS - CLIENT acknowledges that special risks are inherent in sampling, testing and/or evaluating concealed conditions that are hidden from view and/or neither readily apparent nor easily accessible. e.g., subsurface conditions, conditions behind a wall, beneath a floor, or above a ceiling. Such circumstances require that certain assumptions be made regarding existing conditions, which may not be verifiable without expending additional sums of money or destroying otherwise adequate or serviceable portions of a building or component thereof. Accordingly, ECS shall not be responsible for the verification of such conditions unless verification can be made by simple visual observation. Client agrees to bear any and all costs, losses, damages and expenses (including, but not limited to, the cost of ECS' Additional Services) in any way arising from or in connection with the existence or discovery of such concealed or unknown conditions.

7.0 RIGHT OF ENTRY/DAMAGE RESULTING FROM SERVICES

7.1 CLIENT warrants that it possesses the authority to grant ECS right of entry to the Site for the performance of Services. CLIENT hereby grants ECS and its subcontractors and/or agents, the right to enter from time to time onto the property

in order for ECS to perform its Services. CLIENT agrees to indemnify and hold ECS harmless from any claims arising from allegations that ECS trespassed or lacked authority to access the Site.

7.2 CLIENT warrants that it possesses all necessary permits, licenses and/or utility clearances for the Services to be provided by ECS except where ECS' Proposal explicitly states that ECS will obtain such permits, licenses, and/or utility clearances.

7.3 ECS will take reasonable precautions to limit damage to the Site and its improvements during the performance of its Services. CLIENT understands that the use of exploration, boring, sampling, or testing equipment may cause minor, but common, damage to the Site. The correction and restoration of such common damage is CLIENT'S responsibility unless specifically included in ECS' Proposal.

7.4 CLIENT agrees that it will not bring any claims for liability or for injury or loss against ECS arising from (i) procedures associated with the exploration, sampling or testing activities at the Site, (ii) discovery of Hazardous Materials or suspected Hazardous Materials, or (iii) ECS' findings, conclusions, opinions, recommendations, plans, and/or specifications related to discovery of contamination.

8.0 UNDERGROUND UTILITIES

8.1 ECS shall exercise the Standard of Care in evaluating client-furnished information as well as information readily and customarily available from public utility locating services (the "Underground Utility Information") in its effort to identify underground utilities. The extent of such evaluations shall be at ECS' sole discretion.

8.2 CLIENT recognizes that the Underground Utility Information provided to or obtained by ECS may contain errors or be incomplete. CLIENT understands that ECS may be unable to identify the locations of all subsurface utility lines and man-made features.

8.3 CLIENT waives, releases, and discharges ECS from and against any claim for damage, injury or loss allegedly arising from or related to subterranean structures (pipes, tanks, cables, or other utilities, etc.) which are not called to ECS' attention in writing by CLIENT, not correctly shown on the Underground Utility Information and/or not properly marked or located by the utility owners, governmental or quasi-governmental locators, or private utility locating services as a result of ECS' or ECS' subcontractor's request for utility marking services made in accordance with local industry standards.

9.0 SAMPLES

9.1 Soil, rock, water, building materials and/or other samples and sampling by-products obtained from the Site are and remain the property of CLIENT. Unless other arrangements are requested by CLIENT and mutually agreed upon by ECS in writing, ECS will retain samples not consumed in laboratory testing for up to sixty (60) calendar days after the issuance of any document containing data obtained from such samples. Samples consumed by laboratory testing procedures will not be stored.

9.2 Unless CLIENT directs otherwise, and excluding those issues covered in Section 10.0, CLIENT authorizes ECS to dispose of CLIENT'S non-hazardous samples and sampling or testing process by-products in accordance with applicable laws and regulations.

10.0 ENVIRONMENTAL RISKS

10.1 When Hazardous Materials are known, assumed, suspected to exist, or discovered at the Site, ECS will endeavor to protect its employees and address public health, safety, and environmental issues in accordance with the Standard of Care. CLIENT agrees to compensate ECS for such efforts.

10.2 When Hazardous Materials are known, assumed, or suspected to exist, or discovered at the Site, ECS and/or ECS' subcontractors will exercise the Standard of Care in containerizing and labeling such Hazardous Materials in accordance with applicable laws and regulations, and will leave the containers on Site. CLIENT is responsible for the retrieval, removal, transport and disposal of such contaminated samples, and sampling process byproducts in accordance with applicable law and regulation.

10.3 Unless explicitly stated in the Scope of Services, ECS will neither subcontract nor arrange for the transport, disposal, or treatment of Hazardous Materials. At CLIENT'S written request, ECS may assist CLIENT in identifying appropriate alternatives for transport, off-site treatment, storage, or disposal of such substances, but CLIENT shall be solely responsible for the final selection of methods and firms to provide such services. CLIENT shall sign all manifests for the disposal of substances affected by contaminants and shall otherwise exercise prudence in arranging for lawful disposal.

10.4 In those instances where ECS is expressly retained by CLIENT to assist CLIENT in the disposal of Hazardous Materials, samples, or wastes as part of the Proposal, ECS shall do so only as CLIENT'S agent (notwithstanding any other provision of this AGREEMENT to the contrary). ECS will not assume the role of, nor be considered a generator, storer, transporter, or disposer of Hazardous Materials.

10.5 Subsurface sampling may result in unavoidable cross-contamination of certain subsurface areas, as when a probe or excavation/boring device moves through a contaminated zone and links it to an aquifer, underground stream, pervious soil stratum, or other hydrous body not previously contaminated, or connects an uncontaminated zone with a contaminated zone. Because sampling is an essential element of the Services indicated herein, CLIENT agrees this risk cannot be eliminated. Provided such services were performed in accordance with the Standard of Care, CLIENT waives, releases and discharges ECS from and against

- any claim for damage, injury, or loss allegedly arising from or related to such cross-contamination.
- 10.6 CLIENT understands that a Phase I Environmental Site Assessment (ESA) is conducted solely to permit ECS to render a professional opinion about the likelihood of the site having a Recognized Environmental Condition on, in, beneath, or near the Site at the time the Services are conducted. No matter how thorough a Phase I ESA study may be, findings derived from its conduct are highly limited and ECS cannot know or state for an absolute fact that the Site is unaffected or adversely affected by one or more Recognized Environmental Conditions. CLIENT represents and warrants that it understands the limitations associated with Phase I ESAs.
- 11.0 **OWNERSHIP OF DOCUMENTS**
- 11.1 ECS shall be deemed the author and owner (or licensee) of all documents, technical reports, letters, photos, boring logs, field data, field notes, laboratory test data, calculations, designs, plans, specifications, reports, or similar documents and estimates of any kind furnished by it (the "Documents of Service") and shall retain all common law, statutory and other reserved rights, including copyrights. CLIENT shall have a limited, non-exclusive license to use copies of the Documents of Service provided to it in connection with the Project for which the Documents of Service are provided until the completion of the Project.
- 11.2 ECS' Services are performed and Documents of Service are provided for the CLIENT's sole use. CLIENT understands and agrees that any use of the Documents of Service by anyone other than the CLIENT, its licensed consultants and its contractors is not permitted. CLIENT further agrees to indemnify and hold ECS harmless for any errors, omissions or damage resulting from its contractors' use of ECS' Documents of Service.
- 11.3 CLIENT agrees to not use ECS' Documents of Service for the Project if the Project is subsequently modified in scope, structure or purpose without ECS' prior written consent. Any reuse without ECS' written consent shall be at CLIENT's sole risk and without liability to ECS or to ECS' subcontractor(s). CLIENT agrees to indemnify and hold ECS harmless for any errors, omissions or damage resulting from its use of ECS' Documents of Service after any modification in scope, structure or purpose.
- 11.4 CLIENT agrees to not make any modification to the Documents of Service without the prior written authorization of ECS. To the fullest extent permitted by law, CLIENT agrees to indemnify, defend, and hold ECS harmless from any damage, loss, claim, liability or cost (including reasonable attorneys' fees and defense costs) arising out of or in connection with any unauthorized modification of the Documents of Service by CLIENT or any person or entity that acquires or obtains the Documents of Service from or through CLIENT. CLIENT represents and warrants that the Documents of Service shall be used only as submitted by ECS.
- 12.0 **SAFETY**
- 12.1 Unless expressly agreed to in writing in its Proposal, CLIENT agrees that ECS shall have no responsibility whatsoever for any aspect of site safety other than for its own employees. Nothing herein shall be construed to relieve CLIENT and/or its contractors, consultants or other parties from their responsibility for site safety. CLIENT also represents and warrants that the General Contractor is solely responsible for Project site safety and that ECS personnel may rely on the safety measures provided by the General Contractor.
- 12.2 In the event ECS assumes in writing limited responsibility for specified safety issues, the acceptance of such responsibilities does not and shall not be deemed an acceptance of responsibility for any other non-specified safety issues, including, but not limited to those relating to excavating, trenching, shoring, drilling, backfilling, blasting, or other construction activities.
- 13.0 **CONSTRUCTION TESTING AND REMEDIATION SERVICES**
- 13.1 CLIENT understands that construction testing and observation services are provided in an effort to reduce, but cannot eliminate, the risk of problems arising during or after construction or remediation. CLIENT agrees that the provision of such Services does not create a warranty or guarantee of any type.
- 13.2 Monitoring and/or testing services provided by ECS shall not in any way relieve the CLIENT's contractor(s) from their responsibilities and obligations for the quality or completeness of construction as well as their obligation to comply with applicable laws, codes, and regulations.
- 13.3 ECS has no responsibility whatsoever for the means, methods, techniques, sequencing or procedures of construction selected, for safety precautions and programs incidental to work or services provided by any contractor or other consultant. ECS does not and shall not have or accept authority to supervise, direct, control, or stop the work of any contractor or consultant or any of their subcontractors or subconsultants.
- 13.4 ECS strongly recommends that CLIENT retain ECS to provide construction monitoring and testing services on a full time basis to lower the risk of defective or incomplete Work being installed by CLIENT's contractor(s). If CLIENT elects to retain ECS on a part time basis for any aspect of construction monitoring and/or testing, CLIENT accepts the risks that a lower level of construction quality may occur and that defective or incomplete work may result and not be detected by ECS' part time monitoring and testing. Unless the CLIENT can show that the error or omission is contained in ECS' reports, CLIENT waives, releases and discharges ECS from and against any other claims for errors, omissions, damages, injuries, or loss alleged to arise from defective or incomplete work that was monitored or tested by ECS on a part time basis. Except as set forth in the preceding sentence, CLIENT agrees to indemnify and hold ECS harmless from all damages, costs, and attorneys' fees, for any claims alleging errors, omissions, damage, injury or loss allegedly resulting from Work that was monitored or tested by ECS on a part time basis.
- 14.0 **CERTIFICATIONS** - CLIENT may request, or governing jurisdictions may require, ECS to provide a "certification" regarding the Services provided by ECS. Any "certification" required of ECS by the CLIENT or jurisdiction(s) having authority over some or all aspects of the Project shall consist of ECS' inferences and professional opinions based on the limited sampling, observations, tests, and/or analyses performed by ECS at discrete locations and times. Such "certifications" shall constitute ECS' professional opinion of a condition's existence, but ECS does not guarantee that such condition exists, nor does it relieve other parties of the responsibilities or obligations such parties have with respect to the possible existence of such a condition. CLIENT agrees it cannot make the resolution of any dispute with ECS or payment of any amount due to ECS contingent upon ECS signing any such "certification."
- 15.0 **BILLINGS AND PAYMENTS**
- 15.1 Billings will be based on the unit rates, plus travel costs, and other reimbursable expenses as stated in the Professional Fees section of the Proposal. Any Estimate of Professional Fees stated in these Terms shall not be considered as a not-to-exceed or lump sum amount unless otherwise explicitly stated. CLIENT understands and agrees that even if ECS agrees to a lump sum or not-to-exceed amount, that amount shall be limited to number of hours, visits, trips, tests, borings, or samples stated in the Proposal.
- 15.2 CLIENT agrees that all Professional Fees and other unit rates shall be adjusted annually to account for inflation based on the most recent 12-month average of the Consumer Price Index (CPI-U) for all items as established by www.bls.gov when the CPI-U exceeds an annual rate of 2.0%.
- 15.3 Should ECS identify a Changed Condition(s), ECS shall notify the CLIENT of the Changed Condition(s). ECS and CLIENT shall promptly and in good faith negotiate an amendment to the Scope of Services, Professional Fees, and time schedule.
- 15.4 CLIENT recognizes that time is of the essence with respect to payment of ECS' invoices, and that timely payment is a material consideration for this agreement. All payment shall be in U.S. funds drawn upon U.S. banks and in accordance with the rates and charges set forth in the Professional Fees. Invoices are due and payable upon receipt.
- 15.5 If CLIENT disputes all or part of an invoice, CLIENT shall provide ECS with written notice stating in detail the facts of the dispute within fifteen (15) calendar days of the invoice. CLIENT agrees to pay the undisputed amount of such invoice promptly.
- 15.6 ECS reserves the right to charge CLIENT an additional charge of one-and-one-half (1.5) percent (or the maximum percentage allowed by Law, whichever is lower) of the invoiced amount per month for any payment received by ECS more than thirty (30) calendar days from the date of the invoice, excepting any portion of the invoiced amount in dispute. All payments will be applied to accrued interest first and then to the unpaid principal amount. Payment of invoices shall not be subject to unilateral discounting or set-offs by CLIENT.
- 15.7 CLIENT agrees that its obligation to pay for the Services is not contingent upon CLIENT's ability to obtain financing, zoning, approval of governmental or regulatory agencies, permits, final adjudication of a lawsuit, CLIENT's successful completion of the Project, settlement of a real estate transaction, receipt of payment from CLIENT's client, or any other event unrelated to ECS' provision of Services. Retainage shall not be withheld from any payment, nor shall any deduction be made from any invoice on account of penalty, liquidated damages, or other sums incurred by CLIENT. It is agreed that all costs and legal fees including actual attorney's fees, and expenses incurred by ECS in obtaining payment under this Agreement, in perfecting or obtaining a lien, recovery under a bond, collecting any delinquent amounts due, or executing judgments, shall be reimbursed by CLIENT.
- 15.8 Unless CLIENT has provided notice to ECS in accordance with Section 16.0 of these Terms, payment of any invoice by the CLIENT shall mean that the CLIENT is satisfied with ECS' Services and is not aware of any defects in those Services.
- 16.0 **DEFECTS IN SERVICE**
- 16.1 CLIENT, its personnel, its consultants, and its contractors shall promptly inform ECS during active work on any project of any actual or suspected defects in the Services so to permit ECS to take such prompt, effective remedial measures that in ECS' opinion will reduce or eliminate the consequences of any such defective Services. The correction of defects attributable to ECS' failure to perform in accordance with the Standard of Care shall be provided at no cost to CLIENT. However, ECS shall not be responsible for the correction of any deficiency attributable to CLIENT-furnished information, the errors, omissions, defective materials, or improper installation of materials by CLIENT's personnel, consultants or contractors, or work not observed by ECS. CLIENT shall compensate ECS for the costs of correcting such defects.
- 16.2 Modifications to reports, documents and plans required as a result of jurisdictional reviews or CLIENT requests shall not be considered to be defects. CLIENT shall compensate ECS for the provision of such Services.
- 17.0 **INSURANCE** - ECS represents that it and its subcontractors and subconsultants maintain Workers Compensation insurance, and that ECS is covered by general liability, automobile and professional liability insurance policies in coverage amounts it deems reasonable and adequate. ECS shall furnish certificates of insurance upon request. The CLIENT is responsible for requesting specific inclusions or limits of coverage that are not present in ECS insurance package. The cost of such inclusions or coverage increases, if available, will be at the expense of the CLIENT.
- 18.0 **LIMITATION OF LIABILITY**
- 18.1 CLIENT AGREES TO ALLOCATE CERTAIN RISKS ASSOCIATED WITH THE PROJECT BY LIMITING ECS' TOTAL LIABILITY TO CLIENT ARISING FROM ECS' PROFESSIONAL LIABILITY, I.E. PROFESSIONAL ACTS, ERRORS, OR OMISSIONS AND FOR ANY AND ALL CAUSES INCLUDING NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, OR BREACH OF WARRANTY, INJURIES, DAMAGES, CLAIMS, LOSSES, EXPENSES, OR CLAIM EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) RELATING TO PROFESSIONAL SERVICES PROVIDED UNDER THIS AGREEMENT TO THE FULLEST EXTENT PERMITTED BY LAW. THE ALLOCATION IS AS FOLLOWS.
- 18.1.1 If the proposed fees are \$10,000 or less, ECS' total aggregate liability to CLIENT shall not exceed \$20,000, or the total fee received for the services rendered, whichever is greater.
- 18.1.2 If the proposed fees are in excess of \$10,000, ECS' total aggregate liability to CLIENT shall not exceed \$40,000, or the total fee for the services rendered, whichever is greater.
- 18.2 CLIENT agrees that ECS shall not be responsible for any injury, loss or damage of any nature, including bodily injury and property damage, arising directly or indirectly,

- in whole or in part, from acts or omissions by the CLIENT, its employees, agents, staff, consultants, contractors, or subcontractors to the extent such injury, damage, or loss is caused by acts or omissions of CLIENT, its employees, agents, staff, consultants, contractors, subcontractors or person/entities for whom CLIENT is legally liable.
- 18.3 CLIENT agrees that ECS' liability for all non-professional liability arising out of this agreement or the services provided as a result of the Proposal be limited to \$500,000.
- 19.0 INDEMNIFICATION**
- 19.1 Subject Section 18.0, ECS agrees to hold harmless and indemnify CLIENT from and against damages arising from ECS' negligent performance of its Services, but only to the extent that such damages are found to be caused by ECS' negligent acts, errors or omissions, (specifically excluding any damages caused by any third party or by the CLIENT).
- 19.2 To the fullest extent permitted by Law, CLIENT agrees to indemnify, and hold ECS harmless from and against any and all liability, claims, damages, demands, fines, penalties, costs and expenditures (including reasonable attorneys' fees and costs of litigation defense and/or settlement) ["Damages"] caused in whole or in part by the negligent acts, errors, or omissions of the CLIENT or CLIENT'S employees, agents, staff, contractors, subcontractors, consultants, and clients, provided such Damages are attributable to: (a) the bodily injury, personal injury, sickness, disease and/or death of any person; (b) the injury to or loss of value to tangible personal property; or (c) a breach of these Terms. The foregoing indemnification shall not apply to the extent such Damage is found to be caused by the sole negligence, errors, omissions or willful misconduct of ECS.
- 19.3 It is specifically understood and agreed that in no case shall ECS be required to pay an amount of Damages disproportionate to ECS' culpability. If CLIENT is a HOMEOWNER, HOMEOWNERS' ASSOCIATION, CONDOMINIUM OWNER, CONDOMINIUM OWNER'S ASSOCIATION, OR SIMILAR RESIDENTIAL OWNER, ECS RECOMMENDS THAT CLIENT RETAIN LEGAL COUNSEL BEFORE ENTERING INTO THIS AGREEMENT TO EXPLAIN CLIENT'S RIGHTS AND OBLIGATIONS HEREUNDER, AND THE LIMITATIONS, AND RESTRICTIONS IMPOSED BY THIS AGREEMENT. CLIENT AGREES THAT FAILURE OF CLIENT TO RETAIN SUCH COUNSEL SHALL BE A KNOWING WAIVER OF LEGAL COUNSEL AND SHALL NOT BE ALLOWED ON GROUNDS OF AVOIDING ANY PROVISION OF THIS AGREEMENT.
- 19.4 If CLIENT is a RESIDENTIAL BUILDER OR RESIDENTIAL DEVELOPER, CLIENT SHALL INDEMNIFY AND HOLD HARMLESS ECS AGAINST ANY AND ALL CLAIMS OR DEMANDS DUE TO INJURY OR LOSS INITIATED BY ONE OR MORE HOMEOWNERS, UNIT-OWNERS, OR THEIR HOMEOWNER'S ASSOCIATION, COOPERATIVE BOARD, OR SIMILAR GOVERNING ENTITY AGAINST CLIENT WHICH RESULTS IN ECS BEING BROUGHT INTO THE DISPUTE.
- 19.5 IN NO EVENT SHALL THE DUTY TO INDEMNIFY AND HOLD ANOTHER PARTY HARMLESS UNDER THIS SECTION 19.0 INCLUDE THE DUTY TO DEFEND.
- 20.0 CONSEQUENTIAL DAMAGES**
- 20.1 CLIENT shall not be liable to ECS and ECS shall not be liable to CLIENT for any consequential damages incurred by either due to the fault of the other or their employees, consultants, agents, contractors or subcontractors, regardless of the nature of the fault or whether such liability arises in breach of contract or warranty, tort, statute, or any other cause of action. Consequential damages include, but are not limited to, loss of use and loss of profit.
- 20.2 ECS shall not be liable to CLIENT, or any entity engaged directly or indirectly by CLIENT, for any liquidated damages due to any fault, or failure to act, in part or in total by ECS, its employees, agents, or subcontractors.
- 21.0 SOURCES OF RECOVERY**
- 21.1 All claims for damages related to the Services provided under this agreement shall be made against the ECS entity contracting with the CLIENT for the Services, and no other person or entity. CLIENT agrees that it shall not name any affiliated entity including parent, peer, or subsidiary entity or any individual officer, director, or employee of ECS, specifically including its professional engineers and geologists.
- 21.2 In the event of any dispute or claim between CLIENT and ECS arising out of in connection with the Project and/or the Services, CLIENT and ECS agree that they will look solely to each other for the satisfaction of any such dispute or claim. Moreover, notwithstanding anything to the contrary contained in any other provision herein, CLIENT and ECS agree that their respective shareholders, principals, partners, members, agents, directors, officers, employees, and/or owners shall have no liability whatsoever arising out of or in connection with the Project and/or Services provided hereunder. In the event CLIENT brings a claim against an affiliated entity, parent entity, subsidiary entity, or individual officer, director or employee in contravention of this Section 21, CLIENT agrees to hold ECS harmless from and against all damages, costs, awards, or fees (including attorneys' fees) attributable to such act.
- 22.0 THIRD PARTY CLAIMS EXCLUSION** - CLIENT and ECS agree that the Services are performed solely for the benefit of the CLIENT and are not intended by either CLIENT or ECS to benefit any other person or entity. To the extent that any other person or entity is benefited by the Services, such benefit is purely incidental and such other person or entity shall not be deemed a third party beneficiary to the AGREEMENT. No third-party shall have the right to rely on ECS' opinions rendered in connection with ECS' Services without written consent from both CLIENT and ECS, which shall include, at a minimum, the third-party's agreement to be bound to the same Terms and Conditions contained herein and third-party's agreement that ECS' Scope of Services performed is adequate.
- 23.0 DISPUTE RESOLUTION**
- 23.1 In the event any claims, disputes, and other matters in question arising out of or relating to these Terms or breach thereof (collectively referred to as "Disputes"), the parties shall promptly attempt to resolve all such Disputes through executive negotiation between senior representatives of both parties familiar with the Project. The parties shall arrange a mutually convenient time for the senior representative of each party to meet. Such meeting shall occur within fifteen (15) days of either party's written request for executive negotiation or as otherwise mutually agreed. Should this meeting fail to result in a mutually agreeable plan for resolution of the Dispute, CLIENT and ECS agree that either party may bring litigation.
- 23.2 CLIENT shall make no claim (whether directly or in the form of a third-party claim) against ECS unless CLIENT shall have first provided ECS with a written certification executed by an independent engineer licensed in the jurisdiction in which the Project is located, reasonably specifying each and every act or omission which the certifier contends constitutes a violation of the Standard of Care. Such certificate shall be a precondition to the institution of any judicial proceeding and shall be provided to ECS thirty (30) days prior to the institution of such judicial proceedings.
- 23.3 Litigation shall be instituted in a court of competent jurisdiction in the county or district in which ECS' office contracting with the CLIENT is located. The parties agree that the law applicable to these Terms and the Services provided pursuant to the Proposal shall be the laws of the Commonwealth of Virginia, but excluding its choice of law rules. Unless otherwise mutually agreed to in writing by both parties, CLIENT waives the right to remove any litigation action to any other jurisdiction. Both parties agree to waive any demand for a trial by jury.
- 24.0 CURING A BREACH**
- 24.1 A party that believes the other has materially breached these Terms shall issue a written cure notice identifying its alleged grounds for termination. Both parties shall promptly and in good faith attempt to identify a cure for the alleged breach or present facts showing the absence of such breach. If a cure can be agreed to or the matter otherwise resolved within thirty (30) calendar days from the date of the termination notice, the parties shall commit their understandings to writing and termination shall not occur.
- 24.2 Either party may waive any right provided by these Terms in curing an actual or alleged breach; however, such waiver shall not affect future application of such provision or any other provision.
- 25.0 TERMINATION**
- 25.1 CLIENT or ECS may terminate this agreement for breach or these terms, non-payment, or a failure to cooperate. In the event of termination, the effecting party shall so notify the other party in writing and termination shall become effective fourteen (14) calendar days after receipt of the termination notice.
- 25.2 Irrespective of which party shall effect termination, or the cause therefore, ECS shall promptly render to CLIENT a final invoice and CLIENT shall immediately compensate ECS for Services rendered and costs incurred including those Services associated with termination itself, including without limitation, demobilizing, modifying schedules, and reassigning personnel.
- 26.0 TIME BAR TO LEGAL ACTION** - Unless prohibited by law, and notwithstanding any Statute that may provide additional protection, CLIENT and ECS agree that a lawsuit by either party alleging a breach of this agreement, violation of the Standard of Care, non-payment of invoices, or arising out of the Services provided hereunder, must be initiated in a court of competent jurisdiction no more than two (2) years from the time the party knew, or should have known, of the facts and conditions giving rise to its claim, and shall under no circumstances shall such lawsuit be initiated more than three (3) years from the date of substantial completion of ECS' Services.
- 27.0 ASSIGNMENT** - CLIENT and ECS respectively bind themselves, their successors, assigns, heirs, and legal representatives to the other party and the successors, assigns, heirs and legal representatives of such other party with respect to all covenants of these Terms. Neither CLIENT nor ECS shall assign these Terms, any rights thereunder, or any cause of action arising therefrom, in whole or in part, without the written consent of the other. Any purported assignment or transfer, except as permitted above, shall be deemed null, void and invalid, the purported assignee shall acquire no rights as a result of the purported assignment or transfer and the non-assigning party shall not recognize any such purported assignment or transfer.
- 28.0 SEVERABILITY** - Any provision of these Terms later held to violate any law, statute, or regulation, shall be deemed void, and all remaining provisions shall continue in full force and effect. CLIENT and ECS shall endeavor to quickly replace a voided provision with a valid substitute that expresses the intent of the issues covered by the original provision.
- 29.0 SURVIVAL** - All obligations arising prior to the termination of the agreement represented by these Terms and all provisions allocating responsibility or liability between the CLIENT and ECS shall survive the substantial completion of Services and the termination of the agreement.
- 30.0 TITLES: ENTIRE AGREEMENT**
- 30.1 The titles used herein are for general reference only and are not part of the Terms and Conditions.
- 30.2 These Terms and Conditions of Service together with the Proposal, including all exhibits, appendices, and other documents appended to it, constitute the entire agreement between CLIENT and ECS. CLIENT acknowledges that all prior understandings and negotiations are superseded by this agreement.
- 30.3 CLIENT and ECS agree that subsequent modifications to the agreement represented by these shall not be binding unless made in writing and signed by authorized representatives of both parties.
- 30.4 All preprinted terms and conditions on CLIENT'S purchase order, Work Authorization, or other service acknowledgement forms, are inapplicable and superseded by these Terms and Conditions of Service.
- 30.5 CLIENT'S execution of a Work Authorization, the submission of a start work authorization (oral or written) or issuance of a purchase order constitutes CLIENT'S acceptance of this Proposal and its agreement to be fully bound the foregoing Terms. If CLIENT fails to provide ECS with a signed copy of these Terms or the attached Work Authorization, CLIENT agrees that by authorizing and accepting the services of ECS, it will be fully bound by these Terms as if they had been signed by CLIENT.

City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252.430.5701



Agenda Item: _____

Council Meeting: 9 June 14 Regular Meeting

29 May 2014

TO: The Honorable Mayor James D. O'Geary and Members of City Council

FR: A. Ray Griffin, Jr., City Manager

RE: CAF: 14-26-A

Consideration of Approval of Resolution 14-19-A, Authorizing Additional Areas for Water Main and Services Replacement to the 2" Water Main and Services Replacement Project Subject to Approval from DWSRF and Availability of Remaining Funds.

Ladies and Gentlemen:

Council Goals Addressed By This Item:

- **KSO 5** – Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems.
- **KSO 8** – Provide Sufficient Funding for Municipal Services.

Recommendation:

Approval of:

- Resolution 14-19, Authorizing additional areas for water main and services replacement to be added to the 2" water mains and services replacement project subject to approval from DWSRF and availability of remaining funds.

Executive Summary

The project is approximately 95% complete with water main replacement and a majority of the changeover has been completed. The total project cost to date is \$987,867.00, which is 57% of the total project cost.

The following streets were approved to be added to the project via Resolution 14-19 on 24 February 2014.

Zollicoffer Avenue:	1,860 LF	\$149,000
Cedarwood Drive:	1,175 LF	\$94,000
Crestwood Drive:	1,400 LF	\$112,000
Lynn Avenue:	380 LF	\$30,400
	14 meters	\$22,100
Total:		\$407,500

Engineering has been completed and ready to be submitted to the State for review and approval. Based on current projections, the City may be able to add several additional streets beyond the previous list. In order to be prepared if the funds remain available, staff is requesting approval of the following streets to be added:

Orchard Road	2" Main Replacement	\$10,000
Railroad Street	6" Main – 1300 LF	\$104,000
Vicksboro Road	Service Changeover	\$ 19,200
Eaton Street	Service Changeover	\$ 24,000
Walnut Street	350 LF	\$ 28,000
Mulberry Street	690 LF	\$ 55,200
Montgomery Street	370 LF	\$ 29,600
Total		\$270,000

The prices shown above are estimates and will be modified once final design is completed. The project areas need to be approved by DWSRF and DENR to meet the original statement of need, which is replacing and decommissioning 2" and smaller lines throughout the City. In addition, the final design will need to be approved by DENR and incorporated into the main project. The streets listed above will eliminate areas with numerous water main repairs, which will help with reduced patching, etc.

The City Staff has currently started preliminary designs for the above streets in anticipation of replacing the water mains. It is the staff's recommendation that the additional streets are added to the project contingent on DENR and DWSRF approval and the project base contract price to the contractor be updated.

Enclosures:

1. Resolution 14-19-A
2. Resolution 14-19

RESOLUTION 14-19-A

AUTHORIZING ADDITIONAL AREAS FOR WATERMAIN AND SERVICES REPLACEMENT TO BE ADDED TO THE 2" WATER MAIN AND SERVICE REPLACEMENT PROJECT SUBJECT TO APPROVAL FROM DWSRF AND AVAILABILITY OF REMAINING FUNDS

WHEREAS, the Henderson City Council (Council) identified eight Key Strategic Objectives (KSO) at its 2014 Strategic Planning Retreat; *and*

WHEREAS, two of the Key Strategic Objectives are addressed by this request as follows: **KSO 5: To Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems; and KSO 8: To Provide Sufficient Funds for Municipal Operations and Capital Outlay Necessary to Meet the Needs of Citizens, Customers and Mandates of Regulatory Authorities; and**

WHEREAS, the Federal Safe Drinking Water Act Amendments of 1996 and the NC Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water system improvements, *and*

WHEREAS, the City received an offer and accepted the loan for a water system project (project number WIF-1694) and in the amount of \$1,726,000 per Resolution 12-62; *and*

WHEREAS the City Council approved to accept an additional loan amount to increase the overall project cost from \$1,726,000 to \$1,898,571; *and*

WHEREAS, DWSRF has approved the additional loan amount totaling \$1,898,571 for the 2-Inch Watermain & Services Project; *and*

WHEREAS, the current contractor, H.G. Reynolds Inc., is steadily working on the project with the potential for substantial savings to the project; *and*

WHEREAS, the City wants to utilize 100% of the loan amount or close thereof; *and*

WHEREAS, the City staff has reviewed additional areas that meet the original project scope for water main and service replacements that includes the following: Orchard Road; Railroad Street; Vicksboro Road; Eaton Street; Walnut Street; Mulberry Street; Montgomery Street.

NOW THEREFORE BE IT RESOLVED, BY THE HENDERSON CITY COUNCIL THAT IT HEREBY:

1. Approves adding Orchard Road, Railroad Street, Vicksboro Road, Eaton Street, Walnut Street, Mulberry Street and Montgomery Street subject to DWSRF approval and availability of remaining project funds; *and*
2. Approves to proceed with the design work for the above listed streets, including obtaining permits and other approvals, through DENR and DWSRF.

CAF 14-26-A: 9 June 2014 Work Session

3. The Mayor is authorized to sign all agreements and documents necessary to effect said Agreement.

The foregoing Resolution 14-19-A introduced by Council Member ** and seconded by Council Member ** on this the * day of *, and having been submitted to a roll call vote, was *** by the following votes: YES: . NO: . ABSTAIN: . ABSENT: .

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney
(Reference: *Minute Book 42*, p. **.)

**STATE OF NORTH CAROLINA
CITY OF HENDERSON**

I, Esther J. McCrackin, the duly appointed, qualified City Clerk of the City of Henderson, do hereby certify the foregoing is a true and exact copy of *Resolution 14-19-A*, adopted by the Henderson, City Council in Regular Session on * 2014 (*See Minute Book 43*, p. **.). This Resolution is recorded in *Resolution Book # 4*, pp. **.

Witness my hand and corporate seal of the City, this ** day of *** 2014.

Esther J. McCrackin
City Clerk
City of Henderson, North Carolina

RESOLUTION 14-19

AUTHORIZING ADDITIONAL AREAS FOR WATERMAIN AND SERVICES REPLACEMENT TO BE ADDED TO THE 2" WATER MAINS AND SERVICES REPLACEMENT PROJECT SUBJECT TO APPROVAL FROM DWSRF AND AVAILABILITY OF REMAINING FUNDS

WHEREAS, the Henderson City Council (Council) identified eight Key Strategic Objectives (KSO) at its 2014 Strategic Planning Retreat; *and*

WHEREAS, two of the Key Strategic Objectives are addressed by this request as follows: **KSO 5: To Provide Reliable, Dependable and Environmentally Compliant Infrastructure Systems; and KSO 8: To Provide Sufficient Funds for Municipal Operations and Capital Outlay Necessary to Meet the Needs of Citizens, Customers and Mandates of Regulatory Authorities; and**

WHEREAS, the Federal Safe Drinking Water Act Amendments of 1996 and the NC Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water system improvements, *and*

WHEREAS, the City received an offer and accepted the loan for a water system project (project number WIF-1694) and in the amount of \$1,726,000 per Resolution 12-62; *and*

WHEREAS the City Council approved to accept an additional loan amount to increase the overall project cost from \$1,726,000 to \$1,898,571; *and*

WHEREAS, DWSRF has approved the additional loan amount totaling \$1,898,571 for the 2-Inch Watermain & Services Project; *and*

WHEREAS, the current contractor, H.G. Reynolds Inc., is steadily working on the project with the potential for substantial savings to the project; *and*

WHEREAS, the City wants to utilize 100% of the loan amount or close thereof; *and*

WHEREAS, the City staff has reviewed additional areas that meet the original project scope for watermain and service replacements that includes Zollicoffer Avenue, Crestwood Drive, Cedarwood Drive and Lynn Avenue.

NOW THEREFORE BE IT RESOLVED, BY THE HENDERSON CITY COUNCIL THAT IT HEREBY:

4. Approves adding the streets Zollicoffer Avenue, Crestwood Drive, Cedarwood Drive and Lynn Avenue to the 2-Inch Watermain & Services Replacement Project, subject to DWSRF approval and availability of remaining project funds, *and*
5. Approves to proceed with the design work for the above listed streets, including obtaining permits and other approvals, through DENR and DWSRF.

6. The Mayor is authorized to sign all agreements and documents necessary to effect said Agreement.

The foregoing Resolution 14-19 introduced by Council Member Peace-Jenkins and seconded by Council Member Daye on this the 24th day of February 2014, and having been submitted to a roll call vote, was APPROVED by the following votes: YES: Peace-Jenkins, Daeke, Daye, Kearney and Inscoe. NO: None. ABSTAIN: None. ABSENT: Coffey and Simmons.

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney
(Reference: Minute Book 42, p. **.)

**STATE OF NORTH CAROLINA
CITY OF HENDERSON**

I, Esther J. McCrackin, the duly appointed, qualified City Clerk of the City of Henderson, do hereby certify the foregoing is a true and exact copy of *Resolution 14-19*, adopted by the Henderson, City Council in Regular Session on * 2014 (*See Minute Book 42, p. **.*). This Resolution is recorded in *Resolution Book # 3*, pp. **.

Witness my hand and corporate seal of the City, this ** day of *** 2014.

Esther J. McCrackin
City Clerk
City of Henderson, North Carolina

City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252.430.5701



Agenda Item: _____

Council Meeting: 9 June 14 Regular Meeting

28 May 2014

TO: The Honorable Mayor James D. O'Geary and Members of City Council
FR: A. Ray Griffin, Jr., City Manager
RE: **CAF: 14-67, Consideration of Approval of Ordinance 14-17, Providing for Four Additional Handicap Parking Spaces on Sunday Near the First Baptist Church**

Ladies and Gentlemen:

Council Retreat Goals Addressed By This Item:

- **Core Value 2: Citizen/Customer Friendly:** *We value our citizens and customers and will work with them in a courteous, professional manner. We value their participation and input and owe them an answer to their questions in a timely manner.*

Recommendation:

Approval of Ordinance 14-17, Relative to Handicap Parking on Wyche Street and Winder Street.

Executive Summary

The City of Henderson received a request from the First Baptist Church for four additional handicap spaces on Wyche Street and Winder Street. The proposed handicap spaces are for Sunday only. Four handicap parking spaces were approved previously in 2011.

The cost for the additional handicap signs and poles is approximately \$40 each not counting the labor involved in the placement of said poles and signs.

Enclosures:

1. Ordinance 14-17
2. Map of Wyche Street and Winder Street Intersection

ORDINANCE 14-17

AN ORDINANCE PROVIDING FOR FOUR ADDITIONAL HANDICAPPED PARKING SPACES ON SUNDAY NEAR THE FIRST BAPTIST CHURCH

The City Council of the City of Henderson, North Carolina doth ordain:

Section 1. That the following be added to the Schedule of Streets set forth in Section 7-86 (relating to loading/handicapped, etc. parking):

“Wyche Street, on the west side, beginning at a point twenty-two (22) feet south of the southern curb line of Winder Street and running in a southerly direction for a distance of one hundred thirty two (132) feet (on Sundays, to be used for parking for handicapped only).

Winder Street, on the south side, beginning at a point eighty seven (87) feet west of the western curb line of Wyche Street and running in a westerly direction for a distance of forty four (44) feet (on Sundays, to be used for parking handicapped only)

Section 2. That the following be deleted from the Schedule of Streets set forth in Section 7-86:

Wyche Street, on the west side, beginning at a point twenty-two (22) feet south of the southern curb line of Winder Street and running in a southerly direction for a distance of eighty-eight (88) feet (on Sundays, to be used for parking for handicapped only).

Section 3. The foregoing Ordinance shall be in full force and effect from and after the date of its passage.

The foregoing Ordinance 14-17 upon motion of Council member _____ and seconded by Council Member _____, and having been submitted to a roll call vote and received the following votes and was ***** on this the **th day of February, 2011: YES: . NO: . ABSTAIN: . ABSENT: .

James D. O’Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

*Reference: Minute Book 4**, p. **.*

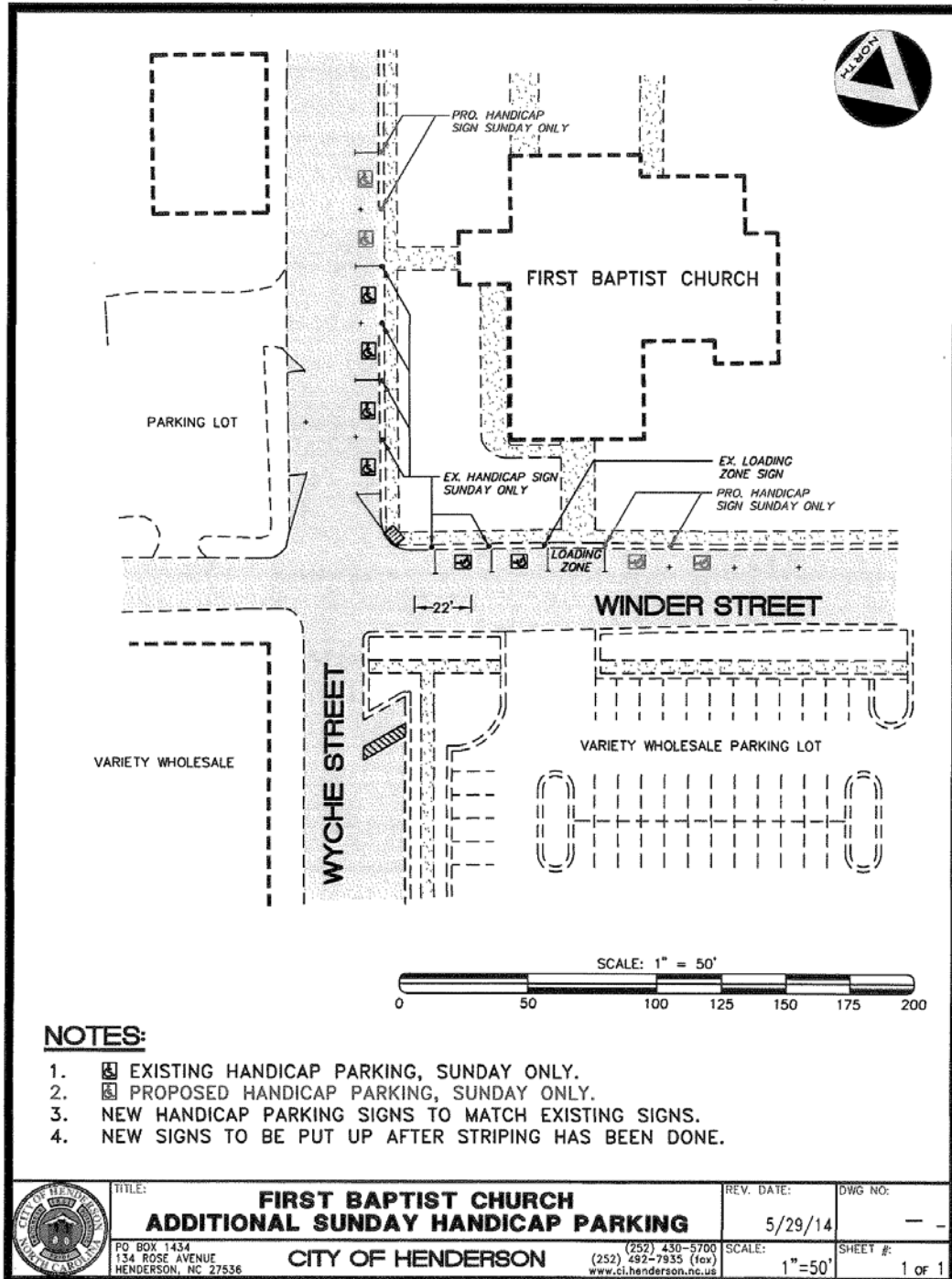
**STATE OF NORTH CAROLINA
CITY OF HENDERSON**

I, Esther J. McCrackin, the duly appointed, qualified City Clerk of the City of Henderson, do hereby certify the foregoing Ordinance is a true and exact copy of *Ordinance 14-17*, An Ordinance Providing For Four Additional Handicapped Parking Spaces On Sunday Near The First Baptist Church, adopted by the Henderson, City Council in Regular Session on ** ** 20** (See *Minute Book 4**, p. **). This Ordinance is recorded in *Ordinance Book # 9*, pp. **.

Witness my hand and corporate seal of the City, this ** day of *** 20**.

Esther J. McCrackin
City Clerk
City of Henderson, North Carolina

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City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252.430.5701



Agenda Item: _____

Council Meeting: 9 June 14 Reg. Meeting

4 June 2014

TO: The Honorable Mayor James D. O'Geary and Members of City Council

FR: A. Ray Griffin, Jr., City Manager

RE: CAF: 14-68

Consideration of Approval of Resolution 14-43, Appointments to the Henderson Community Appearance Commission, Henderson-Vance Human Relations Commission, Henderson Redevelopment Commission and the Henderson Planning Board

Ladies and Gentlemen:

Recommendation:

- Approval of Resolution 14-43, Appointments to the Henderson Community Appearance Commission, Henderson-Vance Human Relations Commission, Henderson Redevelopment Commission and the Henderson Planning Board.

Executive Summary

The Boards and Commissions' Committee (B&CC) met on 22 May 2014 and 4 June 2014 to review applications and recommends the following appointments:

Henderson Community Appearance Commission

Mr. David Carroll – Appoint to fill a vacant unexpired 2014 term and for a full three-year term expiring 30 June 2017.

Ms. Patricia Newman – Re-appoint to an additional full three-year term expiring 30 June 2017.

Henderson-Vance Human Relations Commission

Jason Spriggs – Appoint to fill a vacant seat with a full two-year term expiring 30 June 2016.

Henderson Planning Board

Mr. Keith Coffey – Appoint to fill a vacant Alternate seat with a full two-year term expiring 30 June 2016.

Henderson Redevelopment Commission

Mr. Keith Coffey – Appoint to fill a vacant seat with a full two-year term expiring 30 June 2016.

Enclosures:

1. Resolution 14-43
2. 22 May 2014 Minutes
3. 4 June 2014 Draft Minutes
4. Applications

RESOLUTION 14-43

A RESOLUTION MAKING APPOINTMENTS TO THE HENDERSON COMMUNITY APPEARANCE COMMISSION, HENDERSON-VANCE HUMAN RELATIONS COMMISSION, HENDERSON REDEVELOPMENT COMMISSION AND THE HENDERSON PLANNING BOARD

WHEREAS, the Henderson City Council (Council) has created several boards and commissions as a means to include citizen input to and participation within the governance process;
and

WHEREAS, the Council periodically appoints individuals to serve on said boards and commissions; *and*

WHEREAS, there are vacancies on the Henderson Community Appearance Commission, Henderson-Vance Human Relations Commission, Henderson Redevelopment Commission and the Planning Board; *and*

WHEREAS, applications have been received and reviewed by the Council's Boards and Commissions' Committee for available positions.

NOW THEREFORE BE IT RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY appoint the following individuals:

1. Mr. David Carroll, a city resident living at 1639 Willow Lane, to serve on the Henderson-Community Appearance Commission as a full member completing the unexpired vacant 2014 term and to serve a three-year term as a full member expiring on 30 June 2017; *and*
2. Ms. Patricia Newman, a city resident living at 925 South Chestnut Street, completing her term as a full member of the Henderson-Community Appearance Commission on 30 June 2014, to serve a three-year term on the Henderson-Community Appearance Commission expiring 30 June 2017; *and*
3. Mr. Keith Coffey, a city resident living at 339 West Young Avenue, to serve on the Henderson Redevelopment Commission as a full member filling a vacant term expiring on 30 June 2016; *and*
4. Mr. Jason Spriggs, a city resident living at 213 Booth Avenue, to serve on the Henderson-Vance Human Relations Commission as a full member filling a vacant term expiring on 30 June 2016; *and*
5. Mr. Keith Coffey, a city resident living at 339 West Young Avenue, to serve as a Alternate on the Henderson Planning Board with a full term expiring 30 June 2016.

The foregoing Resolution 14-43, upon motion of Council Member *** and second by Council Member ***, and having been submitted to a roll call vote during a regularly scheduled and open meeting, received the following votes and was APPROVED on this the *** day of *** 2014: YES:. NO: None. ABSTAIN: None. ABSENT:.

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

*Reference: Minute Book 43, p **; CAF 14-68*

Boards and Commissions Committee
Meeting Minutes
May 22, 2014

CAF 14-68
Attachment #2

Council Members Present: Garry Daeke, and Brenda Peace-Jenkins

Staff Present: Mayor O'Geary, City Manager Ray Griffin and City Clerk Esther McCrackin

Chairperson Garry Daeke called the meeting to order at 5:30 p.m.

The first order of business was to consider two applications; the first being David Carroll for the Appearance Commission.

Mr. Daeke said he had a long discussion with Mr. Carroll who is energetic and wants to get involved. Motion was made by Ms. Peace-Jenkins to recommend Mr. David Carroll to the Appearance Commission to complete the term expiring June 30, 2014 of Violet Shay and to fill a three-year term expiring in 2017. This recommendation was seconded by Mr. Daeke and unanimously approved.

The next application for consideration is Keith Coffey who is willing to serve on the Planning Board and/or the Redevelopment Commission.

There was a short discussion about the Redevelopment Commission which has not been active recently. The Boards & Commissions Committee recognized the importance of keeping the Redevelopment Commission in place for future projects and felt it would be best to keep as many seats filled as possible. Mr. Daeke recommended appointment of Mr. Coffey to the Redevelopment Commission for a three year term expiring June 30, 2016. Ms. Peace-Jenkins seconded the motion which was then unanimously approved.

Mr. Coffey's desire to serve on the Planning Board is seen as a benefit to the Planning Board. There was discussion regarding what could be perceived as a conflict of interest since Ms. Coffey serves on Council and recommended Planning Board issues are brought before Council. The Boards & Commissions Committee asked Mr. Daeke, as Chairperson, to speak with Ms. Coffey regarding this concern. Mr. Daeke said he would be happy to discuss this issue with Ms. Coffey.

There was no further discussion and Chairperson Daeke asked for a motion to adjourn.

Council Member Peace-Jenkins made a motion to adjourn. Chairperson Daeke seconded the motion and the meeting adjourned at 5:55 p.m.

Respectfully submitted,
Esther J. McCrackin
City Clerk

Council Members Present: Sara Coffey and Brenda Peace-Jenkins

Staff Present: Mayor O'Geary, and City Clerk Esther McCrackin

(Clerk's Note: Chair Person Daeke was unable to attend due to a family emergency. He asked that one of the Council Members chair this meeting. Council Member Coffey asked Council Member Peace-Jenkins to Chair the meeting as Ms. Coffey's spouse will be considered for a seat on the Planning Board)

Chairperson Peace-Jenkins called the meeting to order at 4:10 p.m.

Ms. Peace-Jenkins asked for the approval of the May 22 minutes. Motion was made by Mayor O'Geary to accept the minutes as submitted. Council Member Coffey seconded the motion which was unanimously approved.

At this time Chairperson Peace-Jenkins turned the meeting over to City Clerk McCrackin.

Ms. McCrackin said the next item was consideration of three applications:

1. Keith Coffey for the Planning Board. Ms. McCrackin said at the 22 May 2014 meeting there was a discussion regarding the possible perception that Council member Coffey's vote as a council member might be swayed by her spouse being a Planning Board Member. The Boards and Commissions Committee Chair, Garry Daeke was asked to discuss this issue with Ms. Coffey. Ms. Coffey assured the Boards and Commissions Committee that she would vote as a Council Member without any influence by Mr. Coffey.

Ms. McCrackin said she was unsure if the Committee understood the only terms/seats available on the Planning Board at this time are for Alternate positions and after a short discussion it is the recommendation of this Committee to appoint Mr. Keith Coffey to a vacant Alternate seat with a term expiring June 30, 2016.

2. Jason Spriggs for the Human Relations Commission. Ms. McCrackin said Mr. Spriggs submitted an application in March but there was some confusion as to whether he was a City resident as he stated on his application he "was appointed to the Raleigh Human Relations Commission this year..." Ms. McCrackin verified that he was appointed to the Raleigh Human Relations Commission and spoke with Mr. Spriggs who said he would be resigning from the Raleigh commission as they had recently moved to Henderson.

As the Human Relations Commission has vacant terms available, it is the recommendation of this Commission to appoint Mr. Jason Spriggs to the Human Relations Commission to fill a vacant term expiring in 2014 and to serve for a full 2 year term expiring June 30, 2016.

3. Patricia Newman for the Appearance Commission. Ms. McCrackin said Ms. Newman currently serves on this Commission and has submitted an application for re-appointment. There was no discussion and the recommendation is to re-appoint Ms. Patricia Newman for a full three year term expiring June 30, 2017.

Chair Person Peace-Jenkins called for a motion recommending appointment of the three above individuals to Council at its next meeting. Motion was made by Mayor O'Geary to bring these three appointments before the full Council. Ms. Coffey seconded the motion and the motion was approved by all present.

Ms. McCrackin said she would draft a Resolution for consideration at the 9 June 2014 Council meeting.

There was no further discussion.

Chair Person Peace-Jenkins asked for a motion to adjourn. Motion was made by Mayor O'Geary and seconded by Council Member Coffey and the meeting adjourned at 4:25 p.m.

Respectfully submitted,
Esther J. McCrackin
City Clerk

03/01/2014 03:01

#3785 P.001/002

CITY OF HENDERSON
Application for Boards/Commissions/Committees

rec'd
3/31/14

Please complete each section

Full Name Jason A. Spriggs Date of Birth 8/4/81
Home Address 213 Booth Ave., Henderson, NC 27536
Home Phone 919-630-6597 City of Henderson Resident: ☒ Yes ☐ No
Current Employers Red Roof Inns, Inc.
Job Title Auditor Years in current position 2 yrs
Business Phone 919-833-6005 Fax 919-833-4552
E-Mail Address theconsiderateusa@gmail.com
Duties Collecting data from audit reports; Preparing reports based on audit conclusions; reporting findings to management.
Other employment history Co-Owner (w/wife) Sound B Unmanned Photography

It is the City Council's goal to maintain a balance of membership on its Boards/Commissions/Committees based on race, gender and Council Ward residency.

Council Ward No. 4

Male ☒ Female ☐

White ☐ Black ☒ Hispanic ☐ Native American ☐ Asian ☐ Other ☐

Board/Commission/Committee Applying for (list only one per form)

Human Relations Commission

Generally, the Council desires to broaden participation on Boards/Commissions/Committees for as much citizen involvement as possible; therefore, the goal is to limit appointees to no more than two (2) Boards/Commissions/Committees. Please list any other Board/Commission/Committee on which you currently serve:

Why are you interested in serving on this Board/Commission/Committee? My goal is to provide the best opportunities for all citizens to engage one another in the most respectful manner.

DO NOT SUBMIT RESUMES/ATTACHMENTS
(OVER)

Please share how your Interests/Skills/Areas of Expertise/Professional Organizations/Activities will contribute to this Board/Commission.

I was appointed to the Raleigh Human Relations Commission this year, voted in by the Raleigh City Council. Although we have moved, we love our community, and I would love to serve here in the City of Henderson.

Affirmation of Eligibility:

Has any formal charge of professional misconduct, criminal misdemeanor or felony ever been filed against you in any jurisdiction?

Yes _____ No ☒ If yes, please explain disposition: _____

Are there any conflicts of interest or other matters that would create problems or prevent you from fairly and impartially discharging your duties as an appointee of the City Council? Yes _____ No ☒

If yes, please explain: _____

I understand this application is public record, and I certify that the facts contained in this application are true and correct to the best of my knowledge. I authorize and consent to background checks and to the investigation and verification of all statements contained herein as deemed appropriate. I further authorize all information concerning my qualifications to be investigated and release all parties from all liability for any damages that may result from this investigation. I understand and agree that any misstatement may be cause for my removal from any Board/Commission/Committee. I understand regular attendance to any Board/Commission/Committee is important and accordingly, I further understand that if my attendance is less than the standards established for any such body that this is cause for removal. Lacking any written standards for attendance by any Board/Commission/Committee, it is expected that I will attend at least 75% of all meetings during any one fiscal year to maintain my seat on any Board/Commission/Committee to which I may be appointed. This form will remain on file in the Office of the City Clerk and requests for updates will be sought prior to any consideration for reappointment (or future appointment) to any Board/Commission/Committee.

Signature [Signature] Date: 3/31/14
Form is invalid if not signed and dated

Return Completed Form to:

Esther J. McCrackin, City Clerk
134 Rose Avenue
P O Box 1434
Henderson, NC 27536

Phone: (252) 430-5705 Fax: (252) 492-7935 Email: emccrackin@ci.henderson.nc.us

Do not submit any resumes or attachments
Applicants are required to be a resident of the City of Henderson

Form Approved by City Council on 10-23-00
Last Update: 8/2/11
CityClerk\applicantboardcom\2010\11-2-10

**APPLICATION FOR APPOINTMENT
TO A BOARD, COMMITTEE OR COMMISSION
FOR THE CITY OF HENDERSON, NC**

The City of Henderson appreciates your interest in serving on a Board, Committee or Commission and requests that you complete the following application. To serve the City, you must be a resident of the City of Henderson. This application will provide general information based on your interest in serving on a Board of Commission for the Mayor and City Council to consider in making appointments.

Applicant Name: Keith Coffey Date of Application: 5/17/2014
Home Address: 339 W Young Ave Henderson NC 27536
Street Address, City, Zip Code
Home Phone: 252 213 0192 Business/Other Phone: 252-492-3071
FAX Number: 252 430-7835 E-Mail Address: K.Coffey@H.G.Reynolds.Net

*Questions Regarding Date of Birth, Gender and Race are voluntary. The Council seeks diversity in committees/commissions that reflect the entire community.

*Date of Birth: 8/28/56 *Male: ☒ *Female: ☐ *Race: Cauc.
Occupation: Construction Superintendent Council Ward: 1
Education Background: 12 grade graduate

All members of the City of Henderson Boards, Committees and Commissions shall be appointed by the City Council.

Do you reside within the city limits of Henderson? Yes ☒ No ☐
(You must be a resident of the City of Henderson to serve on a City Board, Committee or Commission)

Length of residence in Henderson: 16 Years 0 Months

Please indicate your two preferences by number

*City of Henderson Boards, Committees and Commissions
(see attached descriptions)*

- ☐ Community Development Advisory Committee
- ☐ E-911 Advisory Board
- ☐ Fire Board of Appeals
- ☐ Flint Hill Neighborhood Advisory Committee
- ☐ Fire Board of Appeals
- ☒ Henderson Community Appearance Commission
- ☒ Henderson Planning Board
- ☐ Henderson Redevelopment Commission
- ☐ Henderson-Vance Human Relations Commission
- ☐ Henderson-Vance County Recreation & Parks Commission
- ☒ Perry Memorial Library Board of Trustees
- ☐ Henderson-Vance EDC Board
- ☐ Henderson-Zoning Board of Adjustment

Please provide a brief statement outlining why you wish to serve on a City of Henderson Board, Committee or Commission.

Very interested in being a part of development of city and county.

Why do you think you would be an asset to this Board, Committee or Commission?

My knowledge of the construction industry in all phases of development. I have been involved in the industry for 36 yrs and feel I could offer some input that would be of value.

Please list current and previous service to the community, civic clubs, activities and talents.

Volunteer fire fighter first responder Beapond FD
Weight lifting team Freedom Life Church
South Henderson Church Softball Team
Sound Room Technician Freedom Life Church

I hereby certify that this application contains no willful, false or misleading statements and that the information given by me is true and complete to the best of my knowledge and belief. I also understand that, in the event of appointment, any such false or misleading statements may result in my not serving on a board, commission or committee.

I further authorize the City of Henderson to make any investigation of my personal history, and police and court records through a background check.

I understand this application is subject to the North Carolina Public Records Law (NCGS 132-1) and may be released upon request. Meetings of the appointed boards and committees are subject to the North Carolina Open Meetings Law (NCGS 143-318.10).


Applicant's Signature Required

5-17-2014
Date

Please return completed and signed form to:
Esther J. McCrackin, City Clerk, City of Henderson, P.O. Box 1434, Henderson, NC 27536
Office: 252-430-5705.....Fax: 252-492-7935.....emccrackin@ci.henderson.nc.us

**APPLICATION FOR APPOINTMENT
TO A BOARD, COMMITTEE OR COMMISSION
FOR THE CITY OF HENDERSON, NC**

The City of Henderson appreciates your interest in serving on a Board, Committee or Commission and requests that you complete the following application. To serve the City, you must be a resident of the City of Henderson. This application will provide general information based on your interest in serving on a Board of Commission for the Mayor and City Council to consider in making appointments.

Applicant Name: Patricia Newman Date of Application: 5/30/14
Home Address: 925 S Chestnut St., Henderson, NC 27536
Street Address, City, Zip Code
Home Phone: 352 207-5515 Business/Other Phone: _____
FAX Number: _____ E-Mail Address: PANewman0001@AOL.com

*Questions Regarding Date of Birth, Gender and Race are voluntary. The Council seeks diversity in committees/commissions that reflect the entire community.

*Date of Birth: 1/1/ *Male: _____ *Female: ☒ *Race: W

Occupation: Retired Council Ward: _____

Education Background: _____

All members of the City of Henderson Boards, Committees and Commissions shall be appointed by the City Council.

Do you reside within the city limits of Henderson? Yes ☒ No _____
(You must be a resident of the City of Henderson to serve on a City Board, Committee or Commission)

Length of residence in Henderson: _____
Years Months

Please indicate your two preferences by number

*City of Henderson Boards, Committees and Commissions
(see attached descriptions)*

- ___ Community Development Advisory Committee
- ___ E-911 Advisory Board
- ___ Fire Board of Appeals
- ___ Flint Hill Neighborhood Advisory Committee
- ___ Fire Board of Appeals
- 1 Henderson Community Appearance Commission
- ___ Henderson Planning Board
- ___ Henderson Redevelopment Commission
- ___ Henderson-Vance Human Relations Commission
- ___ Henderson-Vance County Recreation & Parks Commission
- ___ Perry Memorial Library Board of Trustees
- ___ Henderson-Vance EDC Board
- ___ Henderson- Zoning Board of Adjustment

Please provide a brief statement outlining why you wish to serve on a City of Henderson Board, Committee or Commission.

Currently serving and wish to
continued serve to the Community

Why do you think you would be an asset to this Board, Committee or Commission?

Will strive to bring additional members
to current Commission and to expand
and enhance future & current
city projects.

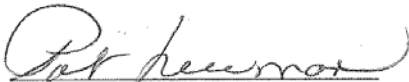
Please list current and previous service to the community, civic clubs, activities and talents.

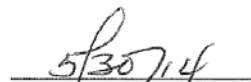
Present member of Friends of the Library
Past member of Rockledge Cemetery Preservation
Board.

I hereby certify that this application contains no willful, false or misleading statements and that the information given by me is true and complete to the best of my knowledge and belief. I also understand that, in the event of appointment, any such false or misleading statements may result in my not serving on a board, commission or committee.

I further authorize the City of Henderson to make any investigation of my personal history, and police and court records through a background check.

I understand this application is subject to the North Carolina Public Records Law (NCGS 132-1) and may be released upon request. Meetings of the appointed boards and committees are subject to the North Carolina Open Meetings Law (NCGS 143-318.10).


Applicant's Signature Required


Date

Please return completed and signed form to:
Esther J. McCrackin, City Clerk, City of Henderson, P.O. Box 1434, Henderson, NC 27536
Office: 252-430-5705.....Fax: 252-492-7935.....emccrackin@ci.henderson.nc.us

City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252.430.5701



Agenda Item: _____

Council Meeting: 9 June 14 Regular Meeting

29 May 2014

TO: The Honorable Mayor James D O'Geary and Members of City Council

FR: A. Ray Griffin, Jr., City Manager

RE: CAF: 14-70

Consideration of Approval of Resolution 14-44, Issuing Sewer Credit for Outside Watering of Lawns, Plants and Vegetation for the 1 June 2014 through 31 October 2014 Billing Statements.

Ladies and Gentlemen:

Recommendation:

- Approve Resolution 14-44, Issuing Sewer Credit for Outside Watering of Grass, Plants and Vegetation for the 1 June 2014 through 31 October 2014 Billing Statements.

Executive Summary

For the past several years the City Council has authorized the issuance of sewer credits due to outside watering of grass, plants, and vegetation.

The City Council has offered this credit in an effort to reduce the cost to the customer for such watering. If this policy is adopted, the City Council does have the discretion to discontinue the credit prior to October if it is in the City's best interest to do so due to drought and/or implementation of water conservation measures.

Enclosures

1. Resolution 14-44

RESOLUTION

14-44

A RESOLUTION PROVIDING FOR THE ISSUANCE OF SEWER CREDITS FOR OUTSIDE WATERING OF GRASS, PLANTS AND VEGETATION

WHEREAS, the City of Henderson has provided for a sewer credit to its customers for the period of June, July and August provided certain conditions are met, via adopting a “Sewer Credit Due to Outside Watering of Grass, Plants and Vegetation” on 9 June 2008; *and*

WHEREAS, in the past this credit has been extended to include the months of September and October; *and*

NOW, THEREFORE BE IT RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY APPROVE the Amended Policy, being more fully articulated in **Attachment A** to this Resolution, for Sewer Credit Due to Outside Watering of Grass, Plants and Vegetation to include the June, July, August, September and October 2014 billing statements.

The foregoing Resolution 14-44, upon motion of Council Member *** and second by Council Member ***, and having been submitted to a roll call vote received the following votes and was APPROVED on this the ** day of *** 2014: YES: . NO: None. ABSTAIN: None. ABSENT:

James D. O’Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

*Reference: Minute Book 42, pp. ***

Sewer Credit Due to Outside Watering of Grass, Plants and Vegetation Policy

Qualifications

1. A customer whose monthly water and sewer consumption is equal to or greater than 1.5 times the average water and sewer consumption of the preceding six months may request an adjustment to their sewer charges. In no instance shall a customer who has not been on the system for at least six months be eligible for an adjustment.

2. The general time frame for these credits is from the June billing statement through the October billing statement; however the City Council shall set the time frame each year prior to this period and it can be for less than or more than the stated period if circumstances due to water restrictions or any other unforeseen emergency situations that are occurring during these months arise and/or it is not in the City's best interest to allow these adjustments. The City Council also has the discretion to discontinue these "watering credits for sewer" at any time.

3. After City Council approval, the Finance Director or designee shall be authorized to adjust the customer's monthly sewer bill as follows:

- a. The customer's average monthly water and sewer consumption for the preceding six months shall be established and 1.5 times that average shall be used to determine whether or not the customer is eligible for a sewer credit.
- b. If 1.5 times the monthly average usage is less than the usage for the month in question, the customer is eligible for a sewer credit.
- c. The Director of Finance (or her designee) shall be authorized to reduce the customer's monthly sewer charge in question by a maximum of seventy-five (75) percent of the difference between the six (6) months average sewer charge and the monthly sewer charge in question.
- d. The customer must request this adjustment from the collections office after receiving the bill in question and affirm that he/she has been irrigating grass, plants and vegetation but in no case shall a credit be issued for more than the previous two months. Failure to request this adjustment within the allotted time period shall result in no adjustment.
- e. This policy shall not apply to individuals that use water to fill swimming pools or for pressure washing.
- f. This policy shall be effective for the June – October 2014 billing statements.

City Council Action Form

Office of City Manager
P. O. Box 1434
Henderson, NC 27536
252-430-5701



Agenda Item: _____

Council Meeting: 9 June 14 Reg. Meeting

16 May 2014

TO: The Honorable Mayor James D. O'Geary and Members of City Council

FR: A. Ray Griffin, Jr., City Manager

RE: CAF 14-66

Consideration of Approval of Tax Releases and Refunds from Vance County for the Month of April 2014.

Ladies and Gentlemen:

Recommendation:

- Approval of tax releases and refunds from Vance County for the month of April 2014.

Executive Summary

The Vance County Tax office submitted the following tax releases and refunds to the Finance Department for the month of April 2014. These releases and refunds are found to be in order and are being recommended for approval.

April 2014 Tax Releases & Refunds			
Name	Reason	Tax Year	Amount
Real & Personal Property			
Releases			
Manning, William & Beulah	Taxes Lost to Foreclosure	2003	15.25
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2003	15.25
Manning, William & Beulah	Taxes Lost to Foreclosure	2004	16.00
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2004	16.00
Manning, William & Beulah	Taxes Lost to Foreclosure	2005	16.75
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2005	16.75
Manning, William & Beulah	Taxes Lost to Foreclosure	2006	16.75
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2006	16.75
Manning, William & Beulah	Taxes Lost to Foreclosure	2007	16.75
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2007	16.75
Manning, William & Beulah	Taxes Lost to Foreclosure	2008	16.95
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2008	19.78

April 2014 Tax Releases & Refunds			
Name	Reason	Tax Year	Amount
Manning, William & Beulah	Taxes Lost to Foreclosure	2009	17.55
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2009	20.48
Manning, William & Beulah	Taxes Lost to Foreclosure	2010	17.55
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2010	20.48
Martinez, Jose	Personal Prop. Billed	2010	34.78
Champion, Alvin	Personal Prop. Billed	2011	34.78
Manning, William & Beulah	Taxes Lost to Foreclosure	2011	17.55
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2011	20.48
Champion, Alvin	Personal Prop. Billed	2012	34.78
Manning, William & Beulah	Taxes Lost to Foreclosure	2012	17.55
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2012	20.48
Adcox, Steven Ronald	Lot Lien Billed	2013	220.00
Champion, Alvin	Personal Prop. Billed	2013	36.86
Crue, Julio	Personal Prop. Billed	2013	50.60
Feggins, Kristal J	Lot Lien Billed	2013	220.00
Hawkins, Rose Lee Brow	Abated in error-Dec 2013	2013	(420.93)
Manning, William & Beulah	Taxes Lost to Foreclosure	2013	18.60
Marrow, Walter Heirs	Taxes Lost to Foreclosure	2013	21.70
NCDOT	State Assessed	2013	20,891.78
Peoples, Jackie Wayne, Jr.	Personal Prop. Billed	2013	9.92
Valdes, Evelin	Personal Prop. Billed	2013	50.60
Total R&P Property Releases			\$ 21,555.32
Real & Personal Property			
Refunds			
Stokes, David	Personal Prop. Billed	2012	34.78
Stokes, David	Personal Prop. Billed	2013	36.86
Total R&P Property Refunds			\$ 71.64
Total R&P Prop. Rel. & Ref.			\$ 21,626.96
Vehicle Releases			
Ayscue, Michael Kevin	Correct Situs	2010	\$ 16.03
Ayscue, Michael Kevin	Correct Situs	2012	\$ 60.30
Ayscue, Michael Kevin	Correct Situs	2013	\$ 25.74
Cash, William Allen	Pro-Rate	2013	\$ 37.66
Garcia, Perez Jose Luis	Correct Situs	2013	\$ 148.82
Peace, Tracey Latrell	Pro-Rate	2013	\$ 9.06
Seward, Matthew William	Pro-Rate	2013	\$ 12.59
Sutton, Sandra Bullock	Pro-Rate	2013	\$ 10.10
Thompson, Robert Calvin	Correct Situs	2013	\$ 23.46
Total Vehicle Releases			\$ 343.76
Vehicle Refunds			
Broadnax, Robert Wayne	Pro-Rate	2013	\$ 0.52
Gregg, Marjorie Williams	Pro-Rate	2013	\$ 4.22
Stark, William Luther	Pro-Rate	2013	\$ 11.67
Williams, Michael Anthony	Pro-Rate	2013	2.33
Total Vehicle Refunds			\$ 18.74
Tot. Veh. Rel. & Ref.			\$ 362.50
Total All Releases & Refunds			\$ 21,989.46

Meetings and Events Calendar

All Regular City Council Meetings Held 2nd & 4th Monday at 6:00 P.M.

Date	Time	Event	Location
June 9 th	9:30 AM	KLRWS Advisory Board Meeting	City Hall Large Conference Room
June 9 th	6:00 PM	City Council Regular Meeting (Budget Hearing)	City Council Chambers
June 10 th	3:00 PM	Henderson Appearance Commission Meeting	City Council Chambers
June 10 th	6:00 PM	Budget Work Session #3 if needed	City Council Chambers
June 12 th	12:00 PM	Henderson-Vance Parks & Recreation Commission	Aycock Recreation Center
June 12 th	6:00 PM	Budget Work Session #4 if needed	City Council Chambers
June 23 rd	6:00 PM	City Council Meeting Work Session to Follow	City Council Chambers
July 1 st	3:30	Henderson Zoning Board of Adjustments	City Council Chambers
July 4 th	<i>City Hall Closed</i>	 <i>Happy July 4th</i> 	<i>CITY HALL CLOSED</i>
July 7 th	3:30 PM	Henderson Planning Board	City Council Chambers
July 8 th	3:00 PM	Henderson Appearance Commission	City Council Chambers
July 12 th	12:00 PM	Henderson-Vance Parks & Recreation Commission	Aycock Recreation Center
July 14 th	5:00 PM	Library Advisory Board Meeting	Perry Memorial Library
July 14 th	6:00 PM	City Council Regular Meeting	City Council Chambers
July 17 th	7:00 PM	Human Relations Commission	City Council Chambers
July 25 th	10:00 AM	Henderson-Vance E-911 Advisory Board Meeting	E-911 Operations Center
July 28 th	6:00 PM	City Council Meeting Work Session to Follow	City Council Chambers
Aug 4 th	3:30 PM	Henderson Planning Board	City Council Chambers
Aug 5 th	3:30 PM	Henderson Zoning Board of Adjustments	City Council Chambers
Aug 11 th	9:30 AM	KLRWS Advisory Board Meeting	City Hall Large Conference Room
Aug 11 th	6:00 PM	City Council Regular Meeting	City Council Chambers
Aug 12 th	3:00 PM	Henderson Appearance Commission	City Council Chambers

Last Updated 5 June 2014

HENDERSON-VANCE COUNTY 911

NUMBER OF CALLS REPORT BY COMPLAINT (ALL UNITS)

TOTAL

5,228

TIME PERIOD:04/21/2014 09:00:00 Through 05/20/2014 23:59:59

DEPARTMENT	COMMENT	TOTAL	COUNTY	CITY	STATE	OTHER
DATA WITH NO DEPARTMENT		159				159
AFTON VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	2	2			
AMERICAN RED CROSS	Other Dispatch	0				0
BEARPOND VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	43	43			
BERTIE AMUBLANCE SERVICE	City & County Dispatch-actual	29	29			
COKEBURY VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	24	24			
CSX RAILROAD	Other Dispatch	0				0
DREWRY VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	6	6			
EMBARQ	Other Dispatch	0				0
EPSOM VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	12	12			
HENDERSON FIRE DEPARTMENT-STA 1	City Dispatch	247		247		
HENDERSON FIRE DEPARTMENT-STA 2	City Dispatch	193		193		
HENDERSON POLICE DEPARTMENT	City Dispatch	2,496		2,496		
HENDERSON STREET DEPT	City Dispatch	5		5		
HENDERSON WATER DEPARTMENT	City Dispatch	6		6		
HICKSBORO VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	23	23			
KITTRELL VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	19	19			
NORTH CAROLINA DEPT OF PARKS	State Dispatch	1			1	
NORTH CAROLINA DEPT OF TRANSPORTATION	State Dispatch	8			8	
NORTH CAROLINA DIVISION OF MOTOR VEHICLES	State Dispatch	0			0	
NORTH CAROLINA FORESTRY SERVICE	State Dispatch	10			10	
NORTH CAROLINA MAGISTRATE OFFICE	State Dispatch	0			0	
NORTH CAROLINA MEDICAL EXAMINER	State Dispatch	0			0	
NORTH CAROLINA PROBATION & PAROLE	State Dispatch	0			0	
NORTH CAROLINA STATE HIGHWAY PATROL	State Dispatch	50			50	
NORTH CAROLINA UNDERWATER RECOVERY	Other Dispatch	0			0	
NORTH CAROLINA WILDLIFE	State Dispatch	0			0	
PROGRESS ENERGY	Other Dispatch	6				6
PUBLIC SERVICE GAS	Other Dispatch	10				10
RIDGEWAY VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	0	0			
TOWNSVILLE VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	26	26			
VANCE COUNTY AMBULANCE SERVICE (EMS)	City & County Dispatch-actual	534	242	289		3
VANCE COUNTY ANIMAL CONTROL	County Dispatch	85	85			
VANCE CO DEPT OF SOCIAL SERVICES	County Dispatch	4	4			
VANCE COUNTY EMERGENCY MANAGEMENT	City & County Dispatch	3	3			
VANCE COUNTY FIRE DEPARTMENT	County Dispatch/FIRE	168	168			
VANCE COUNTY RESCUE SQUAD	County Dispatch	44	44			
VANCE COUNTY SHERIFF DEPARTMENT	County Dispatch	2,071	2,071			
WAKE ELECTRIC COOPERATIVE	Other Dispatch	0				0
WATKINS VOLUNTEER FIRE DEPARTMENT	County VFD Dispatch	27	27			
TOTALS		6,311	2,828	3,236	69	178

Signature:

Carey J. Baker

Prepared by: Carey J. Baker, 911 Database Coordinator

Signature:

Brian K. Short

Reviewed by Brian K. Short, Director

04/30/2014

HENDERSON-VANCE CO 911

Number Of Calls Report by Complaint

Jurisdiction: HEN-VAN

First Date: 04/21/2014

Last Date: 05/20/2014

Complaint		Number
911HU	911 HANG UP CALL	82
ABAND	ABANDONED OR JUNKED CARS	5
ABDOM-EMD	ABDOMINAL PAIN OR PROBLEMS	16
ABNV	ABANDONED VEHICLE	2
ACC-PD	ACCIDENT PROPERTY DAMAGE	91
ACC-PI	ACCIDENT PERSONAL INJURY	37
ALARM	ALARM RESIDENCE OR BUSINESS	282
ALARMFALSE	ALARM FALSE	93
ALARMMED	ALARM MEDICAL	7
ALLERG-EMD	ALLERGIC REACTION / ENVENOMATIC	5
ANIMAL-EMD	ANIMAL BITE / ATTACK	8
ANIM	ANIMAL COMPLAINT/VISCIOUS ANIMAL	70
ARMED SUSP	ARMED SUSPECT (MAN WITH A GUN)	9
ASAG	ASSIST OTHER AGENCY	19
ASMO	ASSIST MOTORIST	51
ASSAULT-EMD	ASSAULT OR SEXUAL ASSAULT - IN PROGRESS	5
ASSAULT-EMD	ASSAULT OR SEXUAL ASSAULT	40
BACKPAIN-EMD	BACK PAIN (NON-TRAUMATIC)	7
BE MV	BREAKING AND ENTERING TO A MOTOR VEHICLE	15
BON	BONDING	3
BREATH-EMD	BREATHING PROBLEMS	78
BURG-IP	BURGLARY/B&E IN PROGRESS	13
BURGLARY	BURGLARY	79
BURNS-EMD	BURNS (SCALDS) OR EXPLOSIONS (EXPLOSIONS)	1
CAR	CARELESS AND RECKLESS DRIVER	68
CARDIAC-EMD	CARDIAC/RESPIRATORY ARREST OR ILLNESS	6
CHASE	CHASE	7
CHESTPAI-EMD	CHEST PAIN	39
CHILD-ABU	CHILD ABUSE OR NEGLECT	1
CIVDIS	CIVIL DISPUTE	79
COMTHR	COMMUNICATING THREATS	16
CONTROLBURN	CONTROLLED BURN	1
CONVULS-EMD	CONVULSIONS / SEIZURES	25
DIABETIC-EMD	DIABETIC PROBLEMS	15
DIRTRF	DIRECTING TRAFFIC/TRAFFIC CONTROL	3
DISO	DISORDERLY PERSON	111
DOMEIP/W	DOMESTIC DISPUTE - IN PROGRESS, IN PROGRESS	9
DOM-PROB	DOMESTIC PROBLEM	98
DROWNING-EMD	DROWNING (NEAR DROWNING) / DIVING	1
DRUGALC	DRUG OR ALCOHOL COMPLAINT	33
DRUNKDRIV	DRUNK DRIVER	4
DVO	DOMESTIC VIOLENCE ORDER	15
EMERG TRANS	EMERGENCY TRANSPORT	5
ESCO	ESCORT	216
EVICTON	EVICTON CARRIED OUT	28
FALLS-EMD	FALLS (SUBJECT FALLEN)	55
FIGHT	FIGHT	24
FIGHT-IP/W	FIGHT IN PROGRESS/W-WEAPONS	1
FIRE AL	FIRE ALARM	37
FIRE BRU	BRUSH/GRASS FIRE	18
FIRE DUMP	DUMPSTER FIRE	1
FIRE ELEC	ELECTRICAL FIRE	9

HENDERSON-VANCE CO 911

Number Of Calls Report by Complaint

Jurisdiction: HEN-VAN

First Date: 04/21/2014

Last Date: 05/20/2014

Complaint		Number
FIRE GRE	GREASE FIRE	1
FIRE SMOKE	SMOKE REPORT	6
FIRE STRUC	STRUCTURE FIRE	9
FIRE VEHI	VEHICLE FIRE	6
FRAUD	FRAUD/FORGERY	25
FUELSPELL	FUEL SPILL	1
GASLEA	GAS LEAK	1
HARR	HARRASSMENT/THREATS	50
HEADACHE-EMD	HEADACHE	4
HEART-EMD	HEART PROBLEMS - AICD	4
HEMORR-EMD	HEMORRHAGE / LACERATION	16
HOMEINV	HOME INVASION	4
HRPD	HIT & RUN PD	17
HRPI	HIT & RUN PI	1
ILL-DUMP	ILLEGAL DUMPING	7
INDEXPO	INDECENT EXPOSURE	3
INSPECTION	FIRE INSPECTION	14
INTPERS	INTOXICATED PERSON	11
INVE	INVESTIGATE ----- AT	860
IPV	IMPROPERLY PARKED VEHICLE	77
JUV	JUVENILE PROBLEMS	53
KIDN	KIDNAPPING/FELONIOUS RESTRAINT	2
LARCIP	LARCENY IN PROGRESS	2
LARC	LARCENY - ALREADY OCCURRED	158
LIVEST	LIVESTOCK IN ROADWAY	3
LOIT	LOITERING COMPLAIN	6
LOST	LOST PROPERTY	6
LOUD	LOUD MUSIC	107
MEDICAL	MEDICAL	13
MEN	MENTAL SUBJECT	85
MISS	MISSING PERSON	6
OPEN	OPEN DOOR/WINDOW	15
OVERDOSE-EMD	OVERDOSE / POISONING (INGESTION)	6
PDAMG	PROPERTY DAMAGE ALREADY OCCUI	81
PREGNANT-EMD	PREGNANCY/CHILDBIRTH/MISCARRIA	6
PROW	PROWLER	23
RAPE	RAPE	1
RECFPI	RECOVERED/FOUND PROPERTY	18
ROBARM	ROBBERY ARMED	3
ROBBERY	ROBBERY	2
RUN	RUNAWAY	5
SHOP	SHOPLIFTER	14
SHOTS	SHOTS FIRED	74
SICK-EMD	SICK PERSON	101
STABBING-EMD	STABBING / GUNSHOT / PENETRATING	8
STOLV-IP	STOLEN VEHICLE IN PROGRESS	1
STOLV	STOLEN VEHICLE	8
STROKE-EMD	STROKE (CVA)	14
SUBINCUS	SUBJECT IN CUSTODY	19
SUICIDE-EMD	SUICIDE / PSYCHIATRIC / ABNORMAL I	2
SUMMONS	CIVIL / CRIMINAL SUMMONS	112
SUPSUB	SUSPICIOUS SUBJECT	62

HENDERSON-VANCE CO 911

Number Of Calls Report by Complaint

Jurisdiction: HEN-VAN

First Date: 04/21/2014

Last Date: 05/20/2014

<i>Complaint</i>		<i>Number</i>
SURR	SURRENDER	15
SUSVEH	SUSPICIOUS VEHICLE	79
TEST	TEST CALL	80
TRAFFIC STOP	VEHICLE STOP	277
TRANSPORT	TRANSPORT	1
TRAUMA-EMD	TRAUMATIC INJURY (SPECIFY IN NARI	8
TREEDWN	TREE DOWN	11
TRES	TRESPASSING SUSPECT	63
UNAUTHVEH	UNAUTHORIZED USE VEHICLE	11
UNCONC-EMD	UNCONCIOUS / FAINTING OR NEAR	24
UNKNOWN-EMD	UNKNOWN PROBLEM (MAN DOWN)	8
WARRANT	WARRANT	559
WATER	WATER RELATED PROBLEM	8
WRIT	WRIT OF EXECUTION	8
<i>Report Total:</i>		5228

HENDERSON-VANCE CO 911

Number Of Calls Report by Department (All Units)

First Date: 04/21/2014

Jurisdiction: HEN-VAN

Last Date: 05/20/2014

	<i>Department</i>	<i>Number</i>
1	Data with no Department.	155
2	data error, blank in Department	4
3	AFTO	2
4	BERT	29
5	BVFD	43
6	CVFD	24
7	DOT	8
8	DSS	4
9	DVFD	6
10	EM	3
11	EMS	534
12	EVFD	12
13	FOR	10
14	GAS	1
15	HFD1	247
16	HFD2	193
17	HPD	2496
18	HVFD	23
19	KVFD	19
20	PARK	1
21	PE	6
22	PROB	1
23	SHP	50
24	STRE	5
25	TVFD	26
26	VCAC	85
27	VCFD	168
28	VCR	44
29	VCSO	2071
30	WATE	6
31	WVFD	27

Total: 5228

A call with multiple Departments assigned will be counted in the group total for each of these Departments, therefore such calls will be counted more than once. For this reason, the total number of calls may not equal the sum of the group totals



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

5 June 2014

TO: The Honorable James D. "Pete" O'Geary and Members of the City Council

FR: Ray Griffin, City Manager

RE: CAF: 14-62-A
Conduct Budget Public Hearing and Consideration of Citizen Input;
Consideration of Ordinance 14-34, Adoption of FY14-15 Budget, and
Resolution 14-42, Adoption of May 2014 Classification and Pay Plan

Council Goals and Objectives Addressed

- *KSO 8: Provide Financial Resourcing:* To provide sufficient funds for municipal operations and capital outlay necessary to meet the needs of citizens, customers and mandates of regulatory authorities.
 - *Action Plan 8-1:* Grow undesignated fund balance
- *KSO 4: Improve Housing Stock:* To Improve the condition and expansion of the housing stock.
 - *Action Plan 4-1:* Aggressive code enforcement
- *KSO 5: Reliable Infrastructure:* To provide reliable, dependable and environmentally compliant infrastructure systems.
 - *Action Plan 5-2:* Expand the Kerr Lake Regional Water Treatment Facility
 - *Action Plan 5-4:* Upgrade sewer plant
 - *Action Plan 5-5:* 2" Water line replacement
- *KSO 6: Retain Qualified Municipal Workforce:* To provide a supportive and competitive workforce climate that facilitates and maintains a strong workforce capability and adequate staffing levels.
 - *Action Plan 6-1:* Pay classification Study

Ladies and Gentlemen:

Recommendation:

- Conduct Budget Public Hearing and Consider Comments from the Public
- Approve Ordinance 14-34, Adoption of FY14-15 Budget, *and*
- Resolution 14-42, Adoption of May 2014 Classification and Pay Plan

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



Executive Summary:

Consensus Budget Achieved

The FY14-15 Work Budget was presented to City Council during a Special Called Meeting on Monday, 19 May 2014. Subsequent to the Budget's presentation, City Council met in two budget work sessions on 20 and 22 May. A consensus of Council was achieved at the 22 May budget work session. A summary of the changes made to the Recommended Work Budget are provided below:

- **Regional Water Fund**
 - The recommended 5% rate increase was reduced to 4%.
 - A reduction in the transfer to 78: Regional Capital Reserve Fund was made to compensate for the reduced revenues.
- **Water Fund**
 - The recommended 5% rate increase was reduced to 3.5%.
 - Reductions in the 30-818: purchase for resale line item and transfer to 79: Rate Stabilization Fund Capital Reserve Fund were made to compensate for the reduced revenues.
- **Sewer Fund**
 - The recommended 3% rate increase was maintained at 3%.
 - There were no changes made to this fund.
- **General Fund**
 - There were no recommended increases in the property tax and sanitation fee rates, and Council's consensus on the Budget did not change this recommendation. The only change made to the Fund is as follows:
 - Provide an \$800 initial contribution to the Boys and Girls Club. This was achieved by transferring \$400 each from the 10-510: Police and 10-530: Fire departments' budgets.
- **All Other Funds**
 - There were no changes made to the following funds' recommended budgets:
 - 11: Powell Bill, 40: Library Trust Fund; 50: LEO Trust Fund; 51: Elmwood Cemetery Trust Fund; 70: Capital Reserve Utilities Fund; 72: Capital Reserve General Fund; and 73: Capital Reserve Economic Development Fund.

Budget Ordinance and Fee Schedule

The Budget Ordinance and its appended Fee Schedule have been prepared to reflect the Consensus Budget achieved by City Council on 22 May. Included with the utility rate increases for retail customers, rates for bulk water and governmental customers have been adjusted according to the percentages of increase authorized by Council.



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Additionally, it is recommended two tweaks to the security deposit section of the fee schedule be amended as follows:

- Reduce the out-of-city residential water-only deposit from \$200 to \$150. Experience has shown the \$200 is well above the amount needed to secure the City's interest.
- Increase the commercial deposits from 2.5 times the average bill to 2.5 times average or \$150, whichever is larger. We are finding in some cases the City's security interest is not being achieved. The \$150 minimum would ensure the City's fiduciary interests are being met.

May 2014 Classification and Pay Study

Strong Council support of the Phase 1 implementation of the Classification and Pay Study was achieved during the presentation of the Study by Ms. Veazey, President of The MAPS Group as well as during the two budget work sessions. Approval of Resolution 14-42 will have the effect of putting the new Classification and Pay plan on the books, with implementation of Phase 1 of a five-year implementation plan.

Main Street Program Concerns

The Mayor, Members of Council and City Administration have been receiving calls and letters expressing concern about the de-funding of the Main Street Program. These concerns are surely understandable and have created stress on those affected. Several members of Council and several private citizens have asked what alternatives are there for restoring funding so the program can continue. The cost to restore funding for the position is \$53,000. This figure, the amount reduced from the budget, is essentially for salary and personnel related costs and does not provide for any significant operational/programming funding. As with all things, there are options. With each option comes a new set of pros and cons.

The options to restoring funding for this program are several, including:

1. Increase Revenues:
 - a. Increase property tax rate by \$0.006, or 6/10 of one penny, or increasing the tax rate from \$0.62 to \$0.626; *or*
 - b. Increase sanitation fee by \$0.85 per month, or bringing the monthly fee to \$29.85. A \$0.40 per month increase could be easily justified given the increase in the Waste Industries contract; *or*

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



- c. A combination of increasing both the property tax and sanitation fee. Both of these sources of revenues are recurring revenues and would be used to offset a recurring expense.
- d. Increase use of undesignated general fund balance, a non-recurring revenue source, from \$0.00 to \$53,000. This goes against Policy of using this funding source to finance recurring expenses. This alternative is not recommended.

2. Living Within Our Means:

- a. This would mean changing budget expenditure priorities within the existing budget. It should be noted the General Fund is recommended at a level \$104,000 less than the budget adopted on 1 July 2013.
 - i. When adjusted for the inter-departmental transfer of one position, 19 of 26 General Fund budget departments are at lower funding levels than they were allocated on 1 July 2013.
 - ii. One is budgeted at the same level as 1 July 13 funding.
 - iii. Six (6) departmental budgets are larger than 1 July 2013 levels. Their budgets are larger because of the following:
 - 1. Police and Fire are larger due to the purchase of vehicles;
 - 2. Sanitation is larger due to the increase cost for Waste Industries contract;
 - 3. Joint Programs is larger due to increases in costs for E-911 and Tax Administration;
 - 4. Finance is larger due to two biennial audits not funded in FY13 coming due in FY14 and the addition of one-half year's funding for un-freezing the assistant finance director's position;
 - 5. Non-Departmental is larger due to funding for Phase 1 of the new Classification and Pay Plan.
- b. The several areas of budget expansion not resultant from contractual obligations, such as increased costs for County services via the Joint-Programs' contracts, the Waste Industries Sanitation Services Contract, etc., are enumerated below. Council could transfer funding in whole or part from these various expenditure accounts to provide funding for restoring the Main Street Program.



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

- i. \$19,000: Lease purchase for replacement of three police cars;
- ii. \$15,000: Lease purchase for replacement of two inoperable fire vehicles;
- iii. \$65,000: Phase 1 funding for new Classification & Pay Plan;
- iv. \$30,000: Funding for ½ year for assistant finance director position.

Sequence of Actions

Subsequent to conducting the Budget Public Hearing and considering comments made by the public, City Council has several courses of action options:

1. Subsequent to review and consideration of comments made by the public during the Budget Hearing, it may:
 - a. Adopt the Budget Ordinance based on the Consensus Budget of 22 May,
or
 - b. Delay adoption of the Budget Ordinance and at the close of the Council Meeting, recess and reconvene on Tuesday, 10 June for further discussion to either confirm the Consensus Budget of 22 May or revise said Budget and form a new Consensus Budget for Adoption.
 - i. If a new consensus Budget is developed subsequent to the Budget Hearing, for example, at the potential 10 June meeting, staff would revise the Budget accordingly and bring an amended Budget Ordinance reflecting the New Consensus Budget at the 23 June Council Meeting.
 - ii. NC General Statutes require the adoption of a balanced budget not later than 30 June. The FY14-15 Budget becomes effective on 1 July.

Enclosures:

1. Ordinance 14-34
2. Resolution 14-42
3. CAF 14-62



ORDINANCE 14—34

**APPROVAL OF
THE FY 14-15 ANNUAL OPERATING BUDGET,
ESTABLISHING THE 2014 AD VALOREM PROPERTY TAX RATE AND
APPROVING THE ANNUAL FEE SCHEDULE**

WHEREAS, pursuant to North Carolina General Statutes 159-13, the State of North Carolina requires its local governments to operate on a 1 July – 30 June fiscal year basis; *and*

WHEREAS, said State law further requires local governments adopt a balanced budget not later than 1 July; *and*

WHEREAS, the City Manager presented the FY 14-15 Recommended Budget to the City Council on Monday, 19 May 2014 and subsequent to the Budget Presentation, City Council met in several budget work sessions to discuss the budget and to make changes as it deemed appropriate and necessary for the public health, safety and welfare; *and*

WHEREAS, the City Council heard comments from the public during its duly advertised Budget Hearing on Monday, 9 June 2013; *and*

WHEREAS, the City Council, after receiving public comments throughout the budget review process and Budget Hearing, and deliberating the various budgetary issues, has achieved consensus on the FY 14-15 Budget.

NOW, THEREFORE BE IT ORDAINED by the Henderson City Council that it does hereby approve:

- The FY 14-15 Budget; *and*
- Establishes the 2014 Ad Valorem property tax rate; *and*
- Increases the Regional Water rate; *and*
- Increases the Water rate to its regular and governmental customers; *and*
- Increases the Sewer rate; *and*
- Approves the Annual Fee Schedule;

as set forth in the following sections:

*CAF 14-62-A: 9 June 2014 Council Meeting:
FY 14-15 Consensus Budget Message
BM: Page 6*



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

PART 1: ADOPTION OF FY 14—15 BUDGET

Section 1: Total FY 14-15 Total Budget Summary

FY 14-15 TOTAL COUNCIL APPROVED BUDGET SUMMARY						
		REVENUES		EXPENDITURES		
Fund		Recommended	Approved	Requested	Recommended	Approved
<i>Governmental Funds</i>						
10	General Operating	\$ 15,196,000	\$ 15,196,000	\$ 17,733,279	\$ 15,196,000	\$ 15,196,000
11	Powell Bill Operating	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000
<i>Enterprise Funds</i>						
30	Water Enterprise	\$ 7,167,000	\$ 7,126,000	\$ 7,207,767	\$ 7,167,000	\$ 7,126,000
31	Sewer Enterprise	\$ 4,842,000	\$ 4,842,000	\$ 4,601,600	\$ 4,842,000	\$ 4,842,000
64	Regional Water Enterprise	\$ 4,319,000	\$ 4,280,000	\$ 4,582,200	\$ 4,319,000	\$ 4,280,000
<i>Trust Funds</i>						
40	Library Trust	\$ -	\$ -	\$ -	\$ -	\$ -
50	LEO Pension Trust	\$ -	\$ -	\$ -	\$ -	\$ -
51	Elmwood Cemetery Trust	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Reserve Funds</i>						
70	Capital Reserve Utilities	\$ 293,000	\$ 293,000	\$ 293,000	\$ 293,000	\$ 293,000
72	Capital Reserve General	\$ -	\$ -	\$ -	\$ -	\$ -
73	Capital Reserve Economic Development	\$ 15,800	\$ 15,800	\$ 15,800	\$ 15,800	\$ 15,800
78	Capital Reserve Regional	\$ 3,842,000	\$ 3,803,000	\$ 3,934,653	\$ 3,842,000	\$ 3,803,000
79	Capital Reserve Rate Stabilization	\$ 5,036,400	\$ 5,022,800	\$ 5,036,400	\$ 5,036,400	\$ 5,022,800
Subtotal		\$ 41,151,200	\$ 41,018,600	\$ 43,844,699	\$ 41,151,200	\$ 41,018,600
<i>Less Inter-Fund Transfers--Revenues</i>				<i>Less Inter-Fund Transfers--Expenditures</i>		
FR 11 Powell Bill to 10 General		\$ 440,000	\$ 440,000	TO: 10 from 11		\$ 440,000
FR 30 Water to 10 General		\$ 361,300	\$ 361,300	TO: 10 from 30		\$ 361,300
FR 31 Sewer CA to 10 General		\$ 402,800	\$ 402,800	TO: 10 from 31		\$ 402,800
FR 51 Elmwood to 10 General		\$ -	\$ -	TO: 10 from 51		\$ -
FR 64 Regional CA to 10 General		\$ 225,000	\$ 225,000	TO: 10 from 64 CA		\$ 225,000
FR 31 Sewer CA to 30 Water		\$ 205,400	\$ 205,400	TO: 30 from 31 CA		\$ 205,400
FR 64 Regional CA to 30 Water		\$ 80,000	\$ 80,000	TO: 30 from 64 CA		\$ 80,000
FR: 64 Regional to 30 Water		\$ 16,000	\$ 16,000	TO: 30 from 64		\$ 16,000
FR: 79 Rate Stabilization to 31 Sewer		\$ -	\$ -	TO: 31 from 79		\$ -
FR: 78: CR Regional to 64 Water		\$ -	\$ -	TO: 64 from 78		\$ -
FR: 31 Sewer to 70: CR Utilities		\$ 77,800	\$ 77,800	TO: 70 from 31		\$ 77,800
FR: 30 Water to 70 CR Utilities		\$ 50,100	\$ 50,100	TO: 70 from 30		\$ 50,100
FR: 10 General to 73 CR Econ Dev		\$ -	\$ -	TO: 73 from 10		\$ -
FR 64 Regional to 78 Regional Reserve		\$ 800,000	\$ 761,000	TO: 78 from 64		\$ 800,000
FR: 30 Water to 79 CR Rates		\$ 1,003,400	\$ 989,800	TO: 79 from 30		\$ 1,003,400
FR 31: Sewer Fund to 79 CRRates		\$ 436,000	\$ 436,000	TO: 79 from 31		\$ 436,000
Total: Inter-Fund Transfers		\$ 4,097,800	\$ 4,045,200			
<i>Revenue Summary</i>				<i>Expenditures Summary</i>		
Operating Budgets' Total		\$ 41,151,200	\$ 41,018,600			
Less Inter-Fund Transfers' Total		\$ 4,097,800	\$ 4,045,200			
TOTAL FY 15		\$ 37,053,400	\$ 36,973,400			
<i>Last Updated: 29 May 2014, rg</i>		REVENUES		EXPENDITURES		

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



Section 2: 10: General Governmental Fund

10 GENERAL GOVERNMENTAL FUND			FY15	
Revenues			City Manager	City Council
Operating Revenues			Recommend	Approved
Ad Valorem Taxes				
10-100-400-400	Ad Valorem-All Prior Years	\$ 4,900	\$ 4,900	
10-100-400-308	Ad Valorem-2008	\$ -	\$ -	
10-100-400-309	Ad Valorem-2009	\$ 8,000	\$ 8,000	
10-100-400-310	Ad Valorem-2010	\$ 15,000	\$ 15,000	
10-100-400-311	Ad Valorem-2011	\$ 30,000	\$ 30,000	
10-100-400-312	Ad Valorem-2012	\$ 60,000	\$ 60,000	
10-100-400-313	Ad Valorem-2013	\$ 150,000	\$ 150,000	
10-100-400-314	Ad Valorem-2014	\$ 5,700,000	\$ 5,700,000	
10-100-400-401	Debt Set-Off Ad Valorem	\$ -	\$ -	
10-100-400-450	Tax Penalties & Interest	\$ 65,000	\$ 65,000	
	Subtotal-Ad Valorem Taxes All Years	\$ 6,032,900	\$ 6,032,900	
Other Local Taxes & Licenses				
10-100-400-500	ABC Net Revenues	\$ 500	\$ 500	
10-100-400-520	1% Local Option Sales Tax (LOST)	\$ 955,000	\$ 955,000	
10-100-400-521	Two 1/2% LOST	\$ 1,001,000	\$ 1,001,000	
10-100-400-530	1/4 % LOST Hold-Harmless	\$ 375,000	\$ 375,000	
10-100-400-535	Solid Waste Disposal Tax	\$ 6,000	\$ 6,000	
10-100-400-540	Business Privilege License (BPL)	\$ 211,000	\$ 211,000	
10-100-400-550	Motor Vehicle Licenses	\$ 300,000	\$ 300,000	
10-100-400-555	Vehicle Rental Tax	\$ 13,000	\$ 13,000	
	Subtotal-Other Taxes & Licenses	\$ 2,861,500	\$ 2,861,500	
Inter-Governmental Unrestricted				
10-100-400-570	Payment in Lieu of Tax: Vance Co PHA	\$ 1,500	\$ 1,500	
10-100-400-560	Vance County ABC Bottle Tax 5%	\$ 1,100	\$ 1,100	
10-100-411-010	State Beer and Wine Tax	\$ 60,000	\$ 60,000	
10-100-411-020	State Utility Franchise Tax	\$ 850,000	\$ 850,000	
	Subtotal-Inter-Governmental Unrestricted	\$ 912,600	\$ 912,600	
Inter-Governmental Restricted				
10-100-455-072	Bulletproof Vest Grant-Police	\$ -	\$ -	
10-100-455-800	NCDOT Mowing Contract	\$ 4,000	\$ 4,000	
	Subtotal-Inter-Governmental Restricted	\$ 4,000	\$ 4,000	
Sales & Services				
<i>Garage Internal Service</i>				
10-100-433-100	Garage Sales	\$ 783,500	\$ 783,500	
	Subtotal-Garage Sales	\$ 783,500	\$ 783,500	
<i>Sanitation Sales & Services</i>				
10-100-455-400	Refuse Collection	\$ 1,830,000	\$ 1,830,000	
10-100-455-402	Rubbish Pick-Up	\$ 3,000	\$ 3,000	
10-100-455-500	Bad Debt Recovery Sanitation	\$ 1,000	\$ 1,000	
10-100-455-501	Bad Debt Recovery-Debt Set-Off	\$ 1,000	\$ 1,000	
10-100-455-035	Sale of Leaf Bags	\$ 1,000	\$ 1,000	
10-100-455-200	Demolition & Lot Cleaning Fees Paid	\$ 1,000	\$ 1,000	
10-100-400-452	Demolition & Lot Liens Collected	\$ -	\$ -	
	Subtotal-Sanitation Sales & Services	\$ 1,837,000	\$ 1,837,000	
<i>Recreation Programs & Services</i>				
10-100-433-200	Recreation Fees & Revenues	\$ 55,000	\$ 55,000	
10-100-433-201	Aycock-Aquatic Center Revenues	\$ 66,000	\$ 66,000	
10-100-433-300	Rental-Fox Pond Park	\$ 1,000	\$ 1,000	
10-100-477-020	Vance County-45% Operations	\$ 375,100	\$ 375,100	
10-100-477-040	Vance County Youth Services	\$ 164,000	\$ 164,000	
10-100-477-021	Vance County-45% Aycock Operations	\$ 127,000	\$ 127,000	
10-100-477-022	Vance County-50% Aycock Debt Service	\$ 153,700	\$ 153,700	
	Subtotal-Recreation Program & Services	\$ 941,800	\$ 941,800	
<i>Miscellaneous Sales & Services</i>				
10-100-455-300	Zoning & BOA Permits	\$ 15,000	\$ 15,000	
10-100-455-600	Cemetery Lot Sales & Services	\$ 7,000	\$ 7,000	
10-100-422-220	Rental-Police Training Center	\$ -	\$ -	
	Subtotal-Miscellaneous Sales & Services	\$ 22,000	\$ 22,000	
	Subtotal for All Sales and Services	\$ 3,584,300	\$ 3,584,300	
	Subtotal All Categories for this Page	\$ 13,395,300	\$ 13,395,300	



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Section 2: 10: General Governmental Fund (continued)

10 GENERAL GOVERNMENTAL FUND			FY15	
			City Manager	City Council
Revenues (continued)			Recommend	Approved
Total- All Categories From Prior Page			\$ 13,395,300	\$ 13,395,300
Miscellaneous				
	10-100-422-110	Court Cost Fees	\$ 6,000	\$ 6,000
	10-100-422-210	Parking Violations	\$ -	\$ -
	10-100-422-211	Fire Inspection Fee	\$ 15,000	\$ 15,000
	10-100-457-000	Sale of Assets & Material	\$ 8,000	\$ 8,000
	10-100-444-010	Investments	\$ 4,000	\$ 4,000
	10-100-455-010	Miscellaneous	\$ 8,600	\$ 8,600
		Subtotal-Miscellaneous	\$ 41,600	\$ 41,600
Budgetary Appropriations				
<i>Inter-Fund Transfers</i>				
	10-980-461-011	Transfer from: 11 Powell Bill Fund	\$ 440,000	\$ 440,000
	10-985-471-030	Transfer from 30: Water-Cost Allocation	\$ 361,300	\$ 361,300
	10-985-471-031	Transfer from 31: Sewer-Cost Allocation	\$ 402,800	\$ 402,800
	10-985-471-064	Transfer from 64: Regional-Cost Allocation	\$ 225,000	\$ 225,000
		Subtotal-Inter-Fund Transfers	\$ 1,429,100	\$ 1,429,100
<i>Fund Balance Appropriations</i>				
	10-990-490-999	Fund Balance Appropriated	\$ -	\$ -
	10-995-490-999	Asset Forfeiture Fund Balance Appropriated	\$ 325,000	\$ 325,000
		Subtotal-Fund Balance Appropriations	\$ 325,000	\$ 325,000
		Subtotal-Budgetary Appropriations	\$ 1,754,100	\$ 1,754,100
		Total-This Page	\$ 15,191,000	\$ 15,191,000
<i>Total Fund Revenue Summary</i>				
		Subtotal-Ad Valorem Taxes All Years	\$ 6,032,900	\$ 6,032,900
		Subtotal-Other Taxes & Licenses	\$ 2,861,500	\$ 2,861,500
		Subtotal-Inter-Governmental Unrestricted	\$ 912,600	\$ 912,600
		Subtotal-Inter-Governmental Restricted	\$ 4,000	\$ 4,000
		Subtotal-Sales & Services	\$ 3,584,300	\$ 3,584,300
		Subtotal-Miscellaneous	\$ 46,600	\$ 46,600
		Subtotal-Budgetary Appropriations	\$ 1,754,100	\$ 1,754,100
		Total Revenues	\$ 15,196,000	\$ 15,196,000

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



Section 2: 10: General Governmental Fund (continued)

10 GENERAL GOVERNMENTAL FUND			FY15	
Expenditures			City Manager Recommend	City Council Approved
Departmental Expenditures				
<i>Legislative</i>				
	10-410	Governing Body	\$ 175,000	\$ 175,000
	10-414	City Attorney	\$ 69,000	\$ 69,000
		Subtotal-Legislative	\$ 244,000	\$ 244,000
<i>Administrative</i>				
	10-420	Administration	\$ 302,000	\$ 302,000
	10-425	Human Resources	\$ 202,000	\$ 202,000
	10-440	Finance	\$ 441,000	\$ 441,000
	10-450	Information Services	\$ 37,000	\$ 37,000
		Subtotal-Administrative	\$ 982,000	\$ 982,000
<i>Planning & Community Development</i>				
	10-423	Code Compliance	\$ 164,000	\$ 164,000
	10-495	Planning & Community Development	\$ 144,000	\$ 144,000
	10-496	Main Street-Downtown Development	\$ 10,000	\$ 10,000
		Subtotal-Planning & Community Development	\$ 318,000	\$ 318,000
<i>Public Safety</i>				
	10-510	Police	\$ 4,050,000	\$ 4,049,600
	10-512	Police-Asset Forfeiture	\$ 325,000	\$ 325,000
	10-530	Fire	\$ 2,175,000	\$ 2,174,600
		Subtotal-Public Safety	\$ 6,550,000	\$ 6,549,200
<i>Public Services</i>				
	10-500	Public Buildings	\$ 73,000	\$ 73,000
	10-501	Bennett Perry House	\$ 500	\$ 500
	10-545	Public Services Administration	\$ 140,000	\$ 140,000
	10-555	Garage	\$ 944,000	\$ 944,000
	10-560	Cemetery	\$ 76,000	\$ 76,000
	10-570	Street Maintenance	\$ 1,182,000	\$ 1,182,000
	10-580	Sanitation	\$ 921,000	\$ 921,000
		Subtotal-Public Services	\$ 3,336,500	\$ 3,336,500
<i>Recreation & Parks</i>				
	10-620	Recreation Services	\$ 891,000	\$ 891,000
	10-622	Youth Services	\$ 164,000	\$ 164,000
	10-623	Aycock/Aquatics Center	\$ 348,000	\$ 348,000
		Subtotal-Recreation & Parks	\$ 1,403,000	\$ 1,403,000
<i>Non-Departmental</i>				
	10-650	City & County Shared Programs	\$ 976,000	\$ 976,000
	10-660	Non-Departmental	\$ 481,000	\$ 481,000
	10-670	Local Agencies	\$ 30,000	\$ 30,800
	10-680	Debt Service	\$ 875,500	\$ 875,500
		Subtotal-Non-Departmental	\$ 2,362,500	\$ 2,363,300
		Subtotal-All Departments	\$ 15,196,000	\$ 15,196,000
Total Fund Expenditure Summary				
		Subtotal-Legislative	\$ 244,000	\$ 244,000
		Subtotal-Administrative	\$ 982,000	\$ 982,000
		Subtotal-Planning & Community Development	\$ 318,000	\$ 318,000
		Subtotal-Public Safety	\$ 6,550,000	\$ 6,549,200
		Subtotal-Public Services	\$ 3,336,500	\$ 3,336,500
		Subtotal-Recreation & Parks	\$ 1,403,000	\$ 1,403,000
		Subtotal-Non-Departmental	\$ 2,362,500	\$ 2,363,300
		Total Expenditures	\$ 15,196,000	\$ 15,196,000
		Total General Fund Revenues	\$ 15,196,000	\$ 15,196,000
		Total General Fund Expenditures	\$ 15,196,000	\$ 15,196,000
		Variance of Revenues to Expenditures	\$ -	\$ -



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Section 3: 11: Powell Bill Governmental Fund

11 POWELL BILL GOVERNMENTAL FUND			FY15	
			City Manager	City Council
Revenues			Recommend	Approved
<i>Inter-Governmental Restricted Revenues</i>				
	11-110-411-120	Powell Bill Allocation	\$ 440,000	\$ 440,000
		<i>Subtotal</i>	\$ 440,000	\$ 440,000
<i>Miscellaneous Revenues</i>				
	11-110-444-010	Investments	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
<i>Budgetary Appropriations</i>				
	11-990-490-999	Fund Balance Appropriated	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		Total Revenues	\$ 440,000	\$ 440,000
Expenditures				
<i>Departmental Expenditures</i>				
	11-690-561-010	Powell Bill	\$ 440,000	\$ 440,000
		Total Expenditures	\$ 440,000	\$ 440,000
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



Section 4: 30: Water Enterprise Fund

30 WATER ENTERPRISE FUND			FY15	
			City Manager	City Council
Revenues			Recommend	Approved
Operating Revenues				
	30-300-433-420	Account Set Up Fee	\$ 12,000	\$ 12,000
	30-300-433-430	Water Taps	\$ 35,000	\$ 35,000
	30-300-433-410	Water User Revenues	\$ 2,631,700	\$ 2,590,700
	30-300-433-416	Water Charges-Franklin County	\$ 2,800,000	\$ 2,800,000
	30-300-433-418	Water Reservation Fee-Granville	\$ 951,100	\$ 951,100
	30-300-433-421	Water Reservation Fee Vance 1A	\$ 9,100	\$ 9,100
	30-300-433-427	Water Reservaton Fee Vance 2A/B	\$ 43,700	\$ 43,700
	30-300-433-425	Water Charges-Kittrell WA	\$ 73,000	\$ 73,000
	30-300-433-426	Water Charges-Vance Co 1A	\$ 45,000	\$ 45,000
	30-300-433-427	Water Charges-Vance Co 2A&B	\$ -	\$ -
	30-300-433-450	Sprinkler/Hydrant Fees	\$ 100,000	\$ 100,000
	30-300-433-440	Late Fee Charges	\$ 71,000	\$ 71,000
	30-300-433-460	Reconnect Service Fee	\$ 20,000	\$ 20,000
	30-300-433-407	Returned Check Fee	\$ 4,000	\$ 4,000
	30-300-455-010	Miscellaneous	\$ 5,000	\$ 5,000
	30-300-455-500	Bad Debt Recovery	\$ 5,000	\$ 5,000
	30-300-455-501	Bad Debt Rec-Debt Set Off	\$ 5,000	\$ 5,000
		<i>Subtotal</i>	\$ 6,810,600	\$ 6,769,600
Non-Operating Revenues				
	30-300-444-010	Investments	\$ 3,000	\$ 3,000
	30-300-433-470	Sale of Materials	\$ 2,000	\$ 2,000
	30-300-457-000	Sale of Assets	\$ -	\$ -
	30-300-455-025	Sprint PCS Agreement	\$ 25,000	\$ 25,000
	30-300-455-030	T-Mobile Agreement	\$ 25,000	\$ 25,000
		<i>Subtotal</i>	\$ 55,000	\$ 55,000
Budgetary Appropriations				
	30-980-461-064	Transfer from 64: Regional Fund	\$ 16,000	\$ 16,000
	30-985-471-031	Transfrom 31: Sewer Cost Alloc	\$ 205,400	\$ 205,400
	30-985-471-064	Trans from 64 Regional Cost Alloc	\$ 80,000	\$ 80,000
		<i>Subtotal</i>	\$ 301,400	\$ 301,400
		Total Revenues	\$ 7,167,000	\$ 7,126,000
Expenditures				
Departmental Expenditures				
	30-660	Non-Departmental	\$ 1,589,600	\$ 1,575,600
	30-680	Debt Service	\$ 618,800	\$ 618,800
	30-715	Public Services Administration	\$ 110,100	\$ 110,100
	30-720	Engineering	\$ 266,800	\$ 266,800
	30-725	Customer Service	\$ 524,600	\$ 524,600
	30-818	Water Distribution Operations	\$ 4,057,100	\$ 4,030,100
		Total Expenditures	\$ 7,167,000	\$ 7,126,000
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Section 5: 31: Sewer Enterprise Fund

31 SEWER ENTERPRISE FUND			FY15	
			City Manager	City Council
Revenues			Recommend	Approved
Operating Revenues				
	31-310-433-420	Account Set Up Fee	\$ 25,000	\$ 25,000
	31-310-433-435	Sewer Taps	\$ 5,000	\$ 5,000
	31-310-433-485	Sewer User Revenues	\$ 4,389,000	\$ 4,389,000
	31-310-433-480	Sewer Surcharges	\$ 16,000	\$ 16,000
	31-310-433-440	Late Fee Charges	\$ 165,000	\$ 165,000
	31-310-433-460	Reconnect Service Fee	\$ 51,000	\$ 51,000
	31-310-433-495	FOG Monitoring Inspection Fee	\$ 8,000	\$ 8,000
	31-310-433-485	Sewer Code Violations	\$ 5,000	\$ 5,000
	31-310-455-010	Miscellaneous	\$ 1,000	\$ 1,000
	31-310-455-500	Bad Debt Recovery	\$ 10,000	\$ 10,000
	31-310-455-501	Bad Debt Rec-Debt Set Off	\$ 10,400	\$ 10,400
		<i>Subtotal</i>	\$ 4,685,400	\$ 4,685,400
Non-Operating Revenues				
	31-310-444-010	Investments	\$ 1,000	\$ 1,000
	31-310-461-230	Vance Co DS NVHS Sewer	\$ 77,800	\$ 77,800
	31-310-477-052	Vance Co DS Ruin Ck Sewer	\$ 77,800	\$ 77,800
		<i>Subtotal</i>	\$ 156,600	\$ 156,600
Budgetary Appropriations				
	31-980-461-079	Transfer from: 79 Rate Stabilization	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		Total Revenues	\$ 4,842,000	\$ 4,842,000
Expenditures				
Departmental Expenditures				
	31-660	Non-Departmental	\$ 1,298,700	\$ 1,298,700
	31-680	Debt Service	\$ 705,500	\$ 705,500
	31-822	Water Reclamation Facility	\$ 2,212,300	\$ 2,212,300
	31-828	Sewer Collection Operations	\$ 431,300	\$ 431,300
	31-829	Sewer I & I Operations	\$ 194,200	\$ 194,200
		Total Expenditures	\$ 4,842,000	\$ 4,842,000
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



Section 6: 64: Regional Water Enterprise Fund

64 REGIONAL WATER ENTERPRISE FUND			FY15	
			City Manager	City Council
Revenues			Recommend	Approved
Operating Revenues				
	64-640-433-415	Sale of Water	\$ 4,309,000	\$ 4,270,000
		<i>Subtotal</i>	\$ 4,309,000	\$ 4,270,000
Non-Operating Revenues				
	64-640-444-010	Investment Income	\$ 3,000	\$ 3,000
	64-640-455-010	Miscellaneous	\$ 7,000	\$ 7,000
		<i>Subtotal</i>	\$ 10,000	\$ 10,000
Budgetary Appropriations				
	64-640-461-078	Trans from 78: Capital Reserve	\$ -	\$ -
	64-990-490-999	Fund Balance Appropriation	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		Total Revenues	\$ 4,319,000	\$ 4,280,000
Expenditures				
Departmental Expenditures				
	64-660	Non-Departmental	\$ 1,233,700	\$ 1,194,700
	64-680	Debt Service	\$ 765,500	\$ 765,500
	64-900	Regional Water Plant	\$ 2,319,800	\$ 2,319,800
		Total Expenditures	\$ 4,319,000	\$ 4,280,000
<i>Variance of Revenues to Expenditures</i>			\$ -	\$ -

Section 7: 40: Public Library Trust Fund

40 PUBLIC LIBRARY TRUST FUND			FY15	
			City Manager	City Council
Revenues			Recommend	Approved
Budgetary Appropriations				
	40-400-461-020	Transfer from 10: General Fund	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		Total Revenues	\$ -	\$ -
Expenditures				
Departmental Expenditures				
	40-850	Library	\$ -	\$ -
		Total Expenditures	\$ -	\$ -
<i>Variance of Revenues to Expenditures</i>			\$ -	\$ -



**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**

Section 8: 50: Law Enforcement Officers' Retirement Trust Fund

50 LAW ENFORCEMENT OFFICERS' RETIREMENT TRUST FUND			FY15	
			City Manager	City Council
			Recommend	Approved
Revenues				
Budgetary Appropriations				
	50-550-491-000	Fund Balance Appropriation	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		Total Revenues	\$ -	\$ -
Expenditures				
Departmental Expenditures				
	50-860	Non-Departmental	\$ -	\$ -
		Total Expenditures	\$ -	\$ -
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

Section 9: 51: Elmwood Cemetery Trust Fund

51 ELMWOOD CEMETERY TRUST FUND			FY15	
			City Manager	City Council
			Recommend	Approved
Revenues				
Budgetary Appropriations				
	51-480-444-010	Investments	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		Total Revenues	\$ -	\$ -
Expenditures				
Departmental Expenditures				
	51-855	Cemetery	\$ -	\$ -
		Total Expenditures	\$ -	\$ -
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



Section 10: 70: Utilities Capital Reserve Fund

70 UTILITIES CAPITAL RESERVE FUND			FY15	
			City Manager	City Council
Revenues			Recommend	Approved
<i>Miscellaneous Revenues</i>				
	70-851-444-010	Investments	\$ 56	\$ 56
	70-801-444-010	Investments	\$ 100	\$ 100
		<i>Subtotal</i>	\$ 156	\$ 156
<i>Budgetary Appropriations</i>				
	70-801-491-000	Fund Balance Appropriated	\$ 55,600	\$ 55,600
	70-801-461-030	Trans from 30: Water Fund	\$ 50,100	\$ 50,100
	70-851-461-031	Trans from 31: Sewer Fund	\$ 77,800	\$ 77,800
	70-700-491-000	Fund Balance Appropriated	\$ 109,344	\$ 109,344
		<i>Subtotal</i>	\$ 292,844	\$ 292,844
		Total Revenues	\$ 293,000	\$ 293,000
Expenditures				
<i>Departmental Expenditures</i>				
	70-801-509-850	Water Reserve	\$ 105,800	\$ 105,800
	70-851-509-850	Sewer Reserve	\$ 187,200	\$ 187,200
		Total Expenditures	\$ 293,000	\$ 293,000
<i>Last Updated: 26 March 2014, rg</i>				
<i>Variance of Revenues to Expenditures</i>			\$ -	\$ -

Section 11: 72: General Capital Reserve Fund

72 GENERAL CAPITAL RESERVE FUND			FY15	
			City Manager	City Council
Revenues			Recommend	Approved
<i>Miscellaneous Revenues</i>				
	72-722-444-010	Investments	\$ -	\$ -
		<i>Subtotal</i>	\$ -	\$ -
		Total Revenues	\$ -	\$ -
Expenditures				
<i>Departmental Expenditures</i>				
	72-875-509-800	Capital Reserve	\$ -	\$ -
		Total Expenditures	\$ -	\$ -
<i>Variance of Revenues to Expenditures</i>			\$ -	\$ -



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Section 12: 73: Economic Development Capital Reserve Fund

73 ECONOMIC DEVELOPMENT CAPITAL RESERVE FUND			FY15	
			City Manager	City Council
			Recommend	Approved
Revenues				
Budgetary Appropriations				
	73-990-491-000	Fund Balance Appropriated	\$ 15,800	\$ 15,800
	73-980-461-010	Transfer from 10: General Fund	\$ -	\$ -
		<i>Subtotal</i>	\$ 15,800	\$ 15,800
		Total Revenues	\$ 15,800	\$ 15,800
Expenditures				
Departmental Expenditures				
	73-660-509-850	Capital Reserve	\$ 15,800	\$ 15,800
		Total Expenditures	\$ 15,800	\$ 15,800
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

Section 13: 78: Regional Water Capital Reserve Fund

78 REGIONAL WATER CAPITAL RESERVE FUND			FY15	
			City Manager	City Council
			Recommend	Approved
Revenues				
<i>Revenues by Project</i>				
Corps of Engineers	78-911-461-064	Transfer from Regional Fund 64	\$ 5,000	\$ 5,000
Corps of Engineers	78-911-491-000	Fund Balance Appropriation	\$ 54,000	\$ 54,000
Corps of Engineers	78-911-444-010	Investment Income	\$ -	\$ -
		<i>Subtotal</i>	\$ 59,000	\$ 59,000
20 MGD	78-922-461-064	Transfer from Regional Fund 64	\$ 795,000	\$ 756,000
20 MGD	78-922-491-000	Fund Balance Appropriation	\$ 2,763,000	\$ 2,763,000
20 MGD	78-922-444-010	Investment Income	\$ -	\$ -
		<i>Subtotal</i>	\$ 3,558,000	\$ 3,519,000
Regional CR	78-865-461-064	Transfer from Regional Fund 64	\$ -	\$ -
Regional CR	78-865-491-000	Fund Balance Appropriation	\$ 225,000	\$ 225,000
Regional CR	78-865-444-010	Investment Income	\$ -	\$ -
		<i>Subtotal</i>	\$ 225,000	\$ 225,000
		Total Revenues	\$ 3,842,000	\$ 3,803,000
Expenditures				
Departmental Expenditures				
	78-911-509-850	Corp of Engineers Reserve	\$ 59,000	\$ 59,000
	78-922-509-850	20 MGD Reserve	\$ 3,558,000	\$ 3,519,000
	78-865-509-850	Regional Capital Reserve	\$ 225,000	\$ 225,000
		Total Expenditures	\$ 3,842,000	\$ 3,803,000
		<i>Variance of Revenues to Expenditures</i>	\$ -	\$ -

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



Section 14: 79: Rate Stabilization Capital Reserve Fund

79 RATE STABILIZATION CAPITAL RESERVE FUND				FY15	
				City Manager Recommend	City Council Approved
Revenues					
Revenues by Project					
Water Plant	79-641-461-030	Transfer from 30: Water Fund		\$ 1,003,400	\$ 989,800
Water Plant	79-641-444-010	Investments		\$ 12,000	\$ 12,000
Water Plant	79-641-433-430	Vance Tap Fee Ph 2A&2B		\$ -	\$ -
Water Plant	79-641-491-000	Fund Balance Appropriation		\$ 3,046,000	\$ 3,046,000
		Subtotal		\$ 4,061,400	\$ 4,047,800
HWRF	79-652-461-031	Transfer from 31: Sewer Fund		\$ 436,000	\$ 436,000
HWRF	79-652-444-010	Investments		\$ 1,000	\$ 1,000
	79-652-491-000	Fund Balance Appropriation		\$ 538,000	\$ 538,000
		Subtotal		\$ 975,000	\$ 975,000
		Total Revenues		\$ 5,036,400	\$ 5,022,800
Expenditures					
Departmental Expenditures					
Water Plant	79-641-535-750	20 MGD Rate Stabilization		\$ 4,061,400	\$ 4,047,800
HWRF	79-652-535-750	HWRF Rate Stabilization		\$ 975,000	\$ 975,000
		Total Expenditures		\$ 5,036,400	\$ 5,022,800
		Variance of Revenues to Expenditures		\$ -	\$ -

PART 2: ESTABLISHING THE FY 14—15 PROPERTY TAX RATE

Section 15: Ad Valorem Property Tax Rate Established

There is hereby levied an Ad Valorem property tax rate of \$0.62 on each one hundred dollars (\$100) valuation of taxable property, both real and personal, as listed for taxes as of 1 January 2014 for the purpose of raising the revenue set forth in the 10: General Fund budget estimates in order to finance its authorized appropriations necessary for the proper running of the government and delivery of its services to citizens and customers. The 2014 Ad Valorem property tax revenue is based on an estimated overall valuation of \$990,000,000 at a collection rate of 93.5%.



PART 3: AUTHORIZING INCREASES IN FEES AND RATES

Section 16: Regional Water Rate Increased

The Regional Water Rate shall be increased by 4% on all customers for all bills rendered on or after 1 July 2014 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Regional Potable Water Rate	
Rate Tier	Per 1M Gallons
Fixed Rate	\$ 2,008.00
Used Rate	\$ 1,284.00
M = Million	

Section 17: Water Rate Increased

The City Water Rate shall be increased by 3.5% on all customers for all bills rendered on or after 1 July 2014 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Water Rates FY14-15				
Non-Large Water Quantity Customers <100,000 CF				
Average Monthly Use				
Location	Minimum Charge 0 to 499 CF	Plus	500 to 4,000 CF per 100 CF	> 4,000 CF per 100 CF
In-City	\$ 10.42	Plus	\$ 2.36	\$ 1.78
Out-of-City	\$ 26.06	Plus	\$ 5.90	\$ 4.45
Large Water Quantity Customers >100,000 CF				
Average Monthly Use				
Location	Minimum Charge	Plus	0 to 100,000 CF per 100 CF	> 100,000 CF per 100 CF
In-City	\$ 10.42	Plus	\$ 1.34	\$ 1.07
Out-of-City	\$ 26.06	Plus	\$ 3.30	\$ 2.66
Bulk Water Rate				
Location	Minimum Charge 0 to 500 Gallons	Plus	> 500 Gallons per One Gallon	
In-City	\$ 8.24	Plus	\$ 0.007	
Out-of-City	\$ 14.27	Plus	\$ 0.010	
CF = Cubic Feet; > = Greater Than				



Section 18: Governmental Water and Sewer Sales Contracts' Rates Increased

- **18-1: Kittrell Water Association:** Pursuant to the Water Sales Agreement, the rate shall be increased by 3.5%, effective 1 July 2014; *and*
- **18-2: Franklin County:** Pursuant to the Water Sales Agreement, the rate shall be increased by 4%, effective 1 July 2014; *and*
- **18-3: Granville County:** Pursuant to the Water and Sewer Sales Agreement, the rates shall be increased as follows: Water shall be increased by 3.5%, effective 1 July 2014, and Sewer shall be increased by 3%, effective 1 July 2014; *and*
- **18-4: Vance County Phase 1A:** Pursuant to the Water Sales Agreement, the rate shall be increased by 3.5%, effective 1 April 2015; *and*
- **18-5: Vance County Phases 2A&2B:** Pursuant to the Water Sales Agreement, the rate shall be increased by 3.5%, effective 1 April 2015.

Section 19: Sewer Rate Increased

The Sewer Rate shall be increased by 3% on all customers for all bills rendered on or after 1 July 2014 as reflected in the following Table, and said rates shall be included in the Annual Fee Schedule.

Sewer Rates FY14-15				
Location	Minimum Charge	Plus	0 - 10,000 CF per 100 CF	Over 10,000 CF per 100 CF
In-City	\$ 13.74	<i>Plus</i>	\$ 4.89	\$ 3.50
Out-of-City	\$ 34.34	<i>Plus</i>	\$ 12.24	\$ 8.80

CF = Cubic Feet

PART 4: SPECIAL AUTHORIZATIONS

Section 20: Special Authorizations

The City Manager shall be authorized to re-allocate departmental appropriations among the various objects of expenditures within any budget department as he deems appropriate and necessary. Additionally, he shall be authorized to re-allocate departmental appropriations among other departments within the same fund via an intra-fund transfer as he deems appropriate and necessary. Notation of such appropriations shall be made to the City Council on the next financial report. All intra-fund transfers must also be approved in advance by the Finance Director.



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Section 21: Restrictions

- The inter-fund transfer of funds shall be made only with the prior consent of City Council via a formal Budget Ordinance Amendment.
- Contingency funds shall only be appropriated with the prior consent of City Council via a formal Budget Ordinance Amendment.
- Funds may only be appropriated from the Capital Reserve funds 70: Utilities Capital Reserve Fund; 72: General Capital Reserve Fund; 73: Economic Development Capital Reserve Fund; 78: Regional Water Capital Reserve Fund; and 79: Rate Stabilization Capital Reserve Fund; with the prior consent of the City Council via a formal Budget Ordinance Amendment.

Section 22: Capital Project and Grant Project Funds

- The City Manager may recommend to the City Council the establishment of any new capital project and or grant project, or recommend amendments to existing capital project and/or grant project via a formal Budget Ordinance Amendment.
- Capital projects and grant projects are considered to be open for the life of the project, or grant, and shall be reported to City Council in the same manner in which regular financial reports are provided.
- Once a capital and/or grant project is authorized by City Council, the City Manager may treat said project as though it were any other operating fund provided if such actions are consistent with project and/or grant restrictions and guidelines.

Section 23: Utilization of Budget and Budget Ordinance

This Ordinance, 14-34, adopts the FY14-15 Budget and said Budget shall be the basis of the financial plan for the City of Henderson for the period beginning 1 July 2014 and ending 30 June 2015. The City Manager shall administer guidance and direction to the Department Directors and/or other duly authorized staff to implement their appropriate portion of the Budget. Copies of the Budget Ordinance and its appropriate detail shall be provided to the Finance Director and all Department Directors. The Finance Director shall establish records consistent with the Budget and its authorizing Ordinance and in

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



compliance with the North Carolina General Statutes and rules and regulations as may exist or be promulgated in the future by the North Carolina Local Government Commission.

PART 5: FEE SCHEDULE AFFIRMED, AMENDED AND ADOPTED

Section 24: Fee Schedule Affirmed, Amended and Adopted

The Annual Fee Schedule incorporates the rates and fees associated with the various charges for services and penalties for violations of City Codes. The Annual Fee Schedule is more fully articulated in *Attachment A* to this Ordinance and is hereby reaffirmed and adopted as part of this Ordinance.

PART 6: APPROVAL OF CAPITAL IMPROVEMENTS PLANS

Section 25: Utilities Multi-Year Capital Improvements Plan

The Utilities Multi-Year Capital Improvements Plan (CIP) for the period 2012 – 2021, and initially approved on 13 June 2011 via Resolution 11-59 is hereby reaffirmed and readopted as the City of Henderson's multi-year capital improvements plan for its Regional Water, Water and Sewer systems. Said CIP is on permanent file in the Office of the City Clerk and is incorporated herein as part of this Ordinance by reference.

Section 26: General Fund Multi-Year Capital Improvements Plan

The General Fund Multi-Year Capital Improvements Plan (Plan) for the period 2014-2018 is hereby adopted as the City of Henderson's multi-year general improvements plan. Said Plan is on permanent file in the Office of the City Clerk and is incorporated herein as part of this Ordinance by reference.

**PART 7: ADOPTION OF BUDGET AND RELATED
AUTHORIZING INSTRUMENTS**

Section 27: Effective Dates

All sections of this Ordinance shall become effective on 1 July 2014, except for Sections 18-1 and 18-2, which shall become effective 1 April 2015.



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Section 28: Adoption

The foregoing Ordinance 14-34, upon motion of Council Member **** and second by Council Member *****, and having been submitted to a roll call vote and received the following votes and was APPROVED on this the **^h day of June 2014: YES: *****, NO: *****, ABSTAIN: *****, ABSENT: *****.

James D. O'Geary, Mayor

ATTEST:

Esther McCrackin, City Clerk

*Reference: Minute Book 43, p. ****

STATE OF NORTH CAROLINA - CITY OF HENDERSON

I, Esther McCrackin, the duly appointed, qualified City Clerk of the City of Henderson, do hereby certify the attached is a true and exact copy of Ordinance 14-34 adopted by the Henderson City Council in Regular Session on **** June 2014. This Ordinance is recorded in *Ordinance Book 9*, p.****.

Witness my hand and corporate seal of the City, this ****th day of June 2014.

Esther McCrackin
City Clerk
City of Henderson, North Carolina

Reviewed by: _____ Date: _____
Katherine C. Brafford, Finance Director

Reviewed by: _____ Date: _____
A. Ray Griffin, Jr., City Manager

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



**Annual Fee Schedule
FY 14-15**

**Ordinance 14-34
Attachment A**

Cemetery¹

Grave Plot\$750.00

Engineering

Soil Erosion & Sedimentation Control Permit
 Plan Review Fee (.50 - .999 Acres)\$75.00
 Plan Review Fee (1- 3 acres)\$100.00
 Plan Review Fee (more than 3 Acres plus \$20.00 per Acre)\$125.00
 Soil Erosion & Sedimentation Control Permit
 Permit Inspection Fee (.50 - .999 Acres)\$125.00
 Permit Inspection Fee (1 – 3 Acres)\$225.00
 Permit Inspection Fee (more than 3 Acres plus \$25.00 per Acre)\$325.00
 Stormwater Permit Review Fee\$400.00
 Maps\$1.00 to \$20.00
 Petition to Close Street\$900.00

Finance

Late Fee (One Time Waiver within a rolling 12 month period with Good Standing History)\$12.00
 Privilege Licenses (See Privilege Licenses)
 Reconnection Fee\$13.00
 Returned Check Fees\$25.00
 Security Deposits (see below)

Water and Sewer Security Deposits' Schedule				
Approved Ordinance 13-10 March 11, 2013				
Residential In-City		Current	R-Tier 1 Deposit	R-Tier 2 Deposit
	Water, Sewer & Sanitation		\$150.00	2.5 times average monthly bill
	Water & Sewer Only (for those living in apartment complexes providing commercial green boxes)		\$150.00	2.5 times average monthly bill
	Water or Sewer & Sanitation		\$150.00	2.5 times average monthly bill
Residential Out-of-City				
	Water & Sewer		\$200.00	2.5 times average monthly bill
	Water Only		\$150.00	2.5 times average monthly bill
	Sewer Only		\$200.00	2.5 times average monthly bill
	R-Tier 1 Deposit is the deposit required by any new residential customer establishing an account and not able to provide a satisfactory letter of good payment history from his/her most recent water/sewer utility provider. Additionally, any existing residential customer as of the effective date of this Ordinance (1 April 2013) whose service is subject to disconnection because of non-payment will be required to increase his/her security deposit to the R-Tier 1 Deposit rate in order to re-establish service.			

¹ City stopped opening/closing graves in 2011



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Commercial/Non-Profit & Industrial In-City			
	Based on Total Consumption	Current	CNI-Tier Deposit
	Water, Sewer & Sanitation (for downtown businesses not able to use commercial green box services)		2.5 times average monthly bill, or \$150, whichever is larger
	Water & Sewer Only		2.5 times average monthly bill, or \$150, whichever is larger
Commercial/Non-Profit & Industrial Out-of-City			
	Based on Total Consumption		
	Water & Sewer		2.5 times average monthly bill, or \$150, whichever is larger
	Water Only		2.5 times average monthly bill, or \$150, whichever is larger
CNI-Tier Deposit is the deposit required by any new commercial, non-profit or industrial customer applying for service with the City and cannot provide a satisfactory letter of good payment from his/her most recent water/sewer utility provider. Existing customers whose service is subject to disconnection due to non-payment will be required to increase his/her security deposits to 2.5 times their average monthly bill in order to re-establish service."			

Fire

Fire Reports.....	\$1.00
Fire Code Violation Citations	
Approved Fire Evacuation Plan Required and Posted.....	\$50.00
Street Address not Posted.....	\$50.00
Street Address not Visible.....	\$50.00
Key Boxes.....	\$50.00
Breach in Fire Wall/Fire Stops.....	\$50.00
Fire/Exit Door Inoperative.....	\$200.00
Fire Alarm Needs Testing.....	\$50.00
Sprinkler or Fire Alarm Inoperable.....	\$200.00
Sprinkler/Standpipe not Complying with Code.....	\$50.00
Sprinkler Heads Blocked/Covered (immediate).....	\$500.00
Standpipe System not Complying with Code.....	\$50.00
Portable Fire Extinguisher.....	\$50.00
Fire Alarm and Detection Systems.....	\$50.00
Overcrowding (immediate).....	\$500.00
Maximum Occupancy Load Certificate not Posted.....	\$50.00
Storage in or on Fire Escape (immediate).....	\$500.00
Blocked Stairwells or Stairways.....	\$500.00
No Required Exit Directional Signs.....	\$50.00
Exit Illuminated and Markings.....	\$50.00
Locked Exit Door (immediate).....	\$500.00
Exit or Egress Door Needs Repair.....	\$50.00
Fire Exit or Aisle Blocked.....	\$500.00
Spray Booth Not Complying to Code.....	\$50.00
All Other Code Violations.....	\$50.00
State Mandated Fire Inspections	
Initial Inspection	
Up to 50,000 sf.....	\$55.00
50,001 to 500,000 sf.....	\$105.00
Greater than 500,000 sf.....	\$120.00
Re-Inspections	
1 st Re-inspection.....	\$0.00
2 nd Re-inspection.....	\$55.00
3 rd Re-inspection.....	\$110.00
4 th Re-inspection.....	\$225.00

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



Planning

Rezoning Application	
Zoning Map Amendment to Residential District	\$350.00 plus \$50 per acre or part thereof
Zoning Map Amendment – Other	\$350.00 plus \$100.00 per acre or part thereof
Review by Technical Review Committee	\$200.00
Sign Permit	
0-50 sq. ft.	\$25.00
51 – 100 sq. ft.	\$50.00
101 – 200 sq. ft.	\$75.00
201 sq ft. and larger	\$100.00
Subdivision Plat Approval	
Major	\$250.00 plus \$10.00 per lot
Minor	\$150.00
Minor Residential	\$100.00
Exempt	\$50.00
Special Use Permit	\$350.00
Text Amendment	
Change affecting only one subsection of Ordinance	\$100.00
Other	\$150.00
Variances	\$350.00
Zoning Permit	
Residential	\$100.00
Commercial	\$100.00
Name Change/Change of Ownership	\$100.00
Home Occupation Permit	\$100.00
Certificate of Zoning Compliance	\$50.00
Zoning Ordinance	\$25.00
Subdivision Regulations	\$25.00
Exempt Plat	\$60.00

Police

Handicapped/Fire Lane Parking	\$75.00
Fire Hydrant, Loading Zone, Blocking Driveway, No Parking Zone, Parking on Wrong Side of Street, Parking on Sidewalk, Blocking Sidewalk/Crosswalk, Double Parking	\$20.00
Overtime Parking, Parking too Close to Corner, Other	\$8.00

Privilege Fees

Code/Category	Fee
1 Advertisement	\$35.00
2 Amusements (Entertainments, Dances, Traveling, Banquet Room Rental)	\$25.00
3 Adult Entertainment Sales (Annual Fee)	\$800.00
4 Antique Furniture	\$50.00
5 Auto Service Station	\$12.50
6 Automobile Dealer (New & Used)	\$25.00
7 Bakery Products	\$50.00
8 Balloons, Novelties, Souvenirs	\$10.00



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Privilege Fees (Con't)

9	Barber Shops (Per Chair)	\$2.50
10	Beauty Shops (Per Chair)	\$2.50
11	Beer Off Premises	\$5.00
12	Beer On Premises	\$15.00
13	Bicycle Dealer	\$25.00
14	Billiard Tables	\$25.00
15	Book Store	\$20.00
16	Bowling Alleys (Per Lane)	\$10.00
17	Brick Dealers and Manufacturers	\$20.00
18	Brokers & Commission Merchants	\$50.00
19	Building Materials	\$50.00
20	Cabinet & Carpenter Shops (1 Emp)	\$20.00
21	Cabinet & Carpenter Shops (2 Or More Emp)	\$50.00
22	Car Wash	\$12.50
23	Carnival Companies	300.00
24	Chain Stores	\$50.00
25	Check Cashing Business	\$100.00
26	Cigarette, Cigar, Tobacco	\$4.00
27	Circus & Animal Shows (Per Day)	\$25.00
28	Clothing Stores	\$50.00
29	Cold Storage & Freezer Locker	\$100.00
30	Collection and Claim Agencies	\$50.00
31	Confectionery & Fruit Stands	\$30.00
32	Contractor – Electrical	\$50.00
33	Contractor – General	\$10.00
34	Contractor – Heating / Air	\$50.00
35	Contractor – Plumbing	\$50.00
36	Contractor – Sprinkler System	\$100.00
37	Contractor – Wallpaper Hanging	\$20.00
38	Contractor - Roofing	\$50.00
39	Contractor – Painting	\$10.00
40	Cotton Warehouse	\$100.00
41	Creameries or Dairies	\$50.00
42	Day Cares	\$50.00
43	Dealer of Firearms	\$50.00
44	Dealer of Other Weapons	\$200.00
45	Drugstores	\$3.00
46	Dry Cleaners	\$50.00
47	Electric Company	\$100.00
48	Electronic Gaming Operations – (Per Terminal)	\$1,000.00
49	Electronic Gaming Operations – Annual Fee	\$2,000.00
50	Employment Agencies	\$100.00
51	Express Companies	\$100.00
52	Feed or Grain Stores	\$50.00
53	Fertilizer Dealers	\$50.00
54	Gas Company	\$100.00
55	Gas, Benzene, Lube, Oil & Grease	\$100.00
56	Grocery Stores	\$30.00
57	Hardware Stores	\$50.00

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



Privilege Fees (Con't)

Code/Category	Fee
58 Harvesting & Agricultural Machine.....	\$50.00
59 Health Facilities, Spas, Gyms, etc.....	\$50.00
60 Hotels Per Room (\$25.00 Minimum).....	\$1.00
61 Ice Cream Mfg. & Dealer – Retail.....	\$2.50
62 Ice Cream Mfg. & Dealer – Wholesale.....	\$25.00
63 Ice Dealers.....	\$50.00
64 Itinerant Merchants & Salesman.....	\$100.00
65 Jewelry Repair.....	\$20.00
66 Jewelry Stores.....	\$50.00
67 Juke Box (Each).....	\$5.00
68 Junk Dealers.....	\$75.00
69 Knitting Mills.....	\$50.00
70 Laundries/Laundrettes.....	\$30.00
71 Lawn Care & Mowing.....	\$50.00
72 Loan Agencies.....	\$100.00
73 Locksmiths.....	\$50.00
74 Lunch Stands.....	\$5.00
75 Manufacturers.....	\$10.00
76 Meat Retailers.....	\$50.00
77 Meat Wholesale.....	\$100.00
78 Merry-Go-Round, Etc. (Arcade Games).....	\$50.00
79 Metal & Machine Shop.....	\$50.00
80 Mills, Corn, Flour or Feed.....	\$60.00
81 Miscellaneous.....	\$50.00
82 Monument Erecting & Sales.....	\$80.00
83 Motorcycle/ATV/Scooter Dealer.....	\$12.50
84 Movie Theaters.....	\$200.00
85 Musical Instrument Sales.....	\$10.00
86 Nail Salon (per chair).....	\$2.50
87 Newspaper Sales.....	\$50.00
88 Office Supplies & Servicing.....	\$50.00
89 Operators of Vending Machines.....	\$20.00
90 Outdoor Theaters.....	\$100.00
91 Pawnbroker.....	\$100.00
92 Peddler (Cart or Vehicle).....	\$25.00
93 Peddler (on foot).....	\$10.00
94 Photo Engravers.....	\$20.00
95 Piano Repairers & Tuners.....	\$5.00
96 Printing Establishments.....	\$20.00
97 Rags, Hides, Wastepaper Dealers.....	\$20.00
98 Repair Shop.....	\$20.00
99 Restaurants (0-4 Seats).....	\$25.00
100 Restaurants (5 or More Seats).....	\$42.50
101 Retail Merchants.....	\$50.00
102 Secondhand Dealers.....	\$40.00
103 Security Dealers.....	\$100.00
104 Service Merchant.....	\$50.00
105 Shoe Shop.....	\$20.00
106 Sporting Goods.....	\$50.00
107 Storage Warehouse/ Mini Storage.....	\$100.00



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Privilege Fees (Con't)

Code/Category	Fee
108 Sundries.....	\$4.00
109 Tailors.....	\$30.00
110 Tanning Salon (Per Unit).....	\$5.00
111 Tattoo or Body Piercing (Per Emp).....	\$100.00
112 Taxicab (Per Vehicle).....	\$30.00
113 Telegraph Companies.....	\$50.00
114 Tobacco Leaf Dealers.....	\$50.00
115 Tobacco Warehouses.....	\$50.00
116 Undertakers & Coffin Retailers.....	\$50.00
117 Upholstery Shops.....	\$20.00
118 Video Games (Each).....	\$5.00
119 Video Rental.....	\$25.00
120 Wholesale Auto, Equipment/Supplies.....	\$37.50
121 Wholesale Dealers.....	\$100.00
122 Wine On Premises.....	\$15.00
123 Wine Off Premises.....	\$10.00
124 Wood & Coal Dealer – Retail.....	\$50.00
125 Wood & Coal Dealer – Wholesale.....	\$150.00
126 Wood Dealers.....	\$20.00
127 Wrestling & Boxing.....	\$100.00
128 Fish & Oyster Dealer – Retail.....	\$50.00
129 Florist.....	\$30.00

Regional Water

Bacteria Analysis (Contractors).....	\$50.00
Bacteria Analysis (Partners).....	\$35.00
Potable Water (Used Rate).....	\$2,008.00
Potable Water (Fixed Rate).....	\$1,284.00

Sanitation

Sanitation Charge – Monthly	
1 Pickup per week per dwelling (includes one 96 gallon roll-out).....	\$29.00
Additional 96 gallon roll-out container.....	\$3.87
2 Pickups per week per business.....	\$52.00
3 Pickups per week per business.....	\$78.00
4 Pickups per week per business.....	\$104.00
5 Pickups per week per business.....	\$130.00
Roll-out Container Replacement Fee.....	\$75.00
Large Trash Collection Fee.....	\$75.00 per hr (min. \$75.00)
Appliance Collection Fee.....	\$15.00 per item
Commercial Recycle Monthly (ABC License only)	
Weekly pickup.....	\$30.00
Construction Materials.....	\$350.00 per hr (min. \$350.00)
Landfill Fee (Business Customers only).....	\$5.50

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



Sewer Collection

Sewer Rates²

10,000 cubic ft or less (inside city).....	\$13.74 minimum plus \$4.89 per 100 cu. ft., <i>plus</i>
<i>For the next utilization tier</i>	
Over 10,000 cubic ft (inside city).....	\$3.50 per 100 cu. ft.
10,000 cubic ft or less (outside city).....	\$34.34 minimum plus \$12.24 per 100 cu. ft., <i>plus</i>
<i>For the next utilization tier</i>	
Over 10,000 cubic ft (outside city).....	\$8.80 per cu. ft.
Sewer Taps	
4" Sewer Tap.....	\$1,000
6" Sewer Tap (within manhole).....	\$1,200
Above 6" Sewer Tap.....	Actual cost of labor, equipment & material plus 10%
Capacity Usage Fee.....	\$0.80/gallon (gallons determined by type of establishment)
Rentals	
Jet Vac Machine.....	\$300.00 per hour

Sewer Collection I&I

Rentals

TV Camera Truck.....	\$200.00 per hour
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Street

Street Cuts

Asphalt Street (20'0" wide).....	\$150.00
Concrete Base Street (more than 4").....	\$350.00
Concrete Base Street (less than 4").....	\$320.00
Unpaved Street.....	\$100.00

Sidewalk Cuts

Concrete Sidewalk (except Garnett St. from Spring St. to Church St.).....	\$100.00
Garnett Street (from Church St. to Spring St.).....	\$150.00
Curb and Gutter Cut (3 ft. minimum charge).....	\$15.00/ft
Encroachment Fee.....	\$20.00

Water Distribution

Water Rates

0 – 499 cubic ft. (minimum fee – inside city).....	\$10.42, <i>plus</i>
500 – 4,000 cubic ft. (additional fee - inside city).....	\$2.36 per 100 cubic ft., <i>plus</i>
Consumption exceeding 1 st 4,000 cubic ft. (additional fee - inside city).....	\$1.78 per 100 cubic ft.
0 – 499 cubic ft. (minimum fee - outside city).....	\$26.06, <i>plus</i>
500 – 4,000 cubic ft. (additional fee - outside city).....	\$5.90 per 100 cubic ft., <i>plus</i>
Consumption exceeding 1 st 4,000 cubic ft. (additional fee - outside city).....	\$4.45 per 100 cubic ft.

Large Quantity Water Rates

First 100,000 cubic ft. (inside city).....	minimum of \$10.42 plus \$1.34 per 100 cubic ft., <i>plus</i>
Consumption exceeding 100,000 cubic ft. (inside city).....	\$1.07 per 100 cubic ft.
First 100,000 cubic ft. (outside city).....	minimum of \$26.06 plus \$3.30 per 100 cubic ft., <i>plus</i>
Consumption exceeding 100,000 cubic ft. (outside city).....	\$2.66 per 100 cubic ft.

² CF = Cubic Feet of water consumed or sewer metered through a sewer measuring device.



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Water Taps

¾" Water Tap	\$1,235.00
1" Water Tap	\$1,340.00
1" Water Tap w/ two ¾" Branch Meters	\$1,590.00
Above 1" Taps	Actual cost of labor, equipment & materials plus 10%

Bulk Water

Inside Rate	\$8.24 service connection (includes first 500 gallons) .007/gallons for any amount over 500
Outside Rate	\$14.27 service connection (includes first 500 gallons) .010/gallon for any amount over 500

Capacity Usage Fee	\$0.52/gallon (gallons are determined by type of establishment)
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Set Meter Fee

¾" Taps already in place	\$300.00
1" Taps already in place	\$400.00

Fire Protection Sprinkler Fee	based on sq. footage
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Fire Hydrant Meter Deposit Fee (95% refundable if returned in good condition)	\$1,000.00
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Fire Hydrant – Category A

Inside Rate - charge for floor space w/only a private fire line & fire hydrants(s) - no inside sprinkler	
Per 10,000 sq. feet - Minimum (A1)	\$2.93
300,000 – 1,000,000 sq. feet (A1 + A2)	\$1.61
1,000,000 sq. feet and above (A1 + A2 + A3)	\$0.70
Outside Rate - charge for floor space w/only a private fire line & fire hydrants(s) - no inside sprinkler	
Per 10,000 sq. feet - Minimum (B1)	\$5.98
300,000 – 1,000,000 sq. feet (B1 + B2)	\$3.24
1,000,000 sq. feet and above (B1 + B2 + B3)	\$2.27

Fire Hydrant – Category B

Inside Rate - charge for floor space protected w/ fire line, fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (A1)	\$5.36
300,000 – 1,000,000 sq. feet (A1 + A2)	\$2.23
1,000,000 sq. feet and above (A1 + A2 + A3)	\$1.16
Outside Rate - charge for floor space protected w/ fire line, fire hydrant(s) and inside sprinkler	
300,000 – 1,000,000 sq. feet (B1 + B2)	\$4.45
1,000,000 sq. feet and above (B1 + B2 + B3)	\$2.23

Fire Hydrant – Category C

Inside Rate - charge for floor space w/ fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (A1)	\$8.29
300,000 – 1,000,000 sq. feet (A1 + A2)	\$3.84
1,000,000 sq. feet and above (A1 + A2 + A3)	\$1.81
Outside Rate - charge for floor space w/ fire hydrant(s) and inside sprinkler	
Per 10,000 sq. feet - Minimum (B1)	\$16.93
300,000 – 1,000,000 sq. feet (B1 + B2)	\$7.71
1,000,000 sq. feet and above (B1 + B2 + B3)	\$4.49

Fire Hydrant – Subdivision outside of City limits (to be charged per lot when service is made)	\$1.76
--	--------

Water Distribution/Sewer Collection

Utility Reconnection Fee	\$13.00
Account Set-up Fee	\$20.00
Late Payment Penalty	\$12.00

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



Meter Tampering Fee

Rental Fees (Add Personnel/Supervision/Materials fees below to rental fee)	
Pickup Trucks (3/4 and 1 Ton)	\$25.00 per hour
Backhoe	\$60.00 per hour
Dump Truck	\$40.00 per hour
Tamp. Concrete Saw	\$20.00 per hour
Air Compressor	\$20.00 per hour
Personnel	Employee wage plus 10%
Supervision Charge	\$100.00 per hour
Materials	Material Cost plus 10%

Water Reclamation

Sewer Surcharges	
Biochemical Oxygen Demand	\$0.1941 lb.
Chemical Oxygen Demand	\$0.0968 lb.
Total Suspended Solids	\$0.0989 lb.
Total Kjeldahl Nitrogen	\$1.4845 lb.
Sampling Fee	\$9.06 to \$62.63
Priority Pollutant Scan – Sampling Fees	\$1,661.04
Mercury Clean Sampling Fee	\$377.52
Compliance Inspection – Pretreatment	\$754.98
Toxicity: Mini Chronic/Full Range	\$490.73 - \$1,094.79
Permit Fee for Discharge (based on gallons per day)	\$305.95 – \$758.49
Permit Fee for Discharge of Groundwater Remediation Project	\$605.52
FOG Compliance Inspection and Monitoring	\$7.64 per mo.
FOG Permit Fee	\$153.00

Recreation

Registration Fees – Youth	
Youth Athletics Registration Fee (County Resident)	
Football, Volleyball, Soccer & Basketball	\$25.00
Youth Athletics Registration Fee (Non-Resident)	
Football, Volleyball, Soccer & Basketball	\$45.00
Babe Ruth Baseball & Softball	\$30.00
All Star	\$20.00
Youth Sponsorship Fees	
T-Ball League Baseball	\$550.00
Rookie League Baseball	\$750.00
Cal Ripken League Minor Baseball	\$350.00
Cal Ripken League Major Baseball	\$375.00
Babe Ruth League Baseball	\$400.00
Babe Ruth League 8-Under Softball	\$750.00
Babe Ruth League 10-Under Softball	\$350.00
Babe Ruth League 12-Under Softball	\$350.00
Babe Ruth League 16-Under Softball	\$350.00
Youth Basketball, Soccer & Volleyball	\$250.00
Recreation Insurance	\$10.00
Registration Fees - Adult	
Team Registration Fee (Non-County Resident – add \$10.00 per person to fees below)	



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Industrial League Basketball, Softball	\$420.00
Open League Basketball	\$420.00
Women's Open Softball	\$300.00
Men's Open Softball	\$420.00

Rentals (See *Rentals – For- Profit* or *Rentals – Non-Profit* also)

Batting Cage per hour (County)	\$10.00
Batting Cage per hour (Non-County)	\$15.00
Aycock Ballfield per field per hour (County)	\$10.00
Aycock Ballfield per field – lighted per hour (County)	\$20.00
All other Ballfields per field per hour (County)	\$10.00
All other Ballfields per field – lighted per hour (County)	\$15.00
Aycock Ballfield per field per hour (Non-County)	\$20.00
Aycock Ballfield per field – lighted per hour (Non-County)	\$40.00
All other Ballfields per field per hour (Non-County)	\$20.00
All other Ballfields per field – lighted per hour (Non-County)	\$30.00
Ballfield Weekend (Friday, Saturday & Sunday) (County)	\$200.00
Ballfield Weekend (Friday, Saturday & Sunday) (Non-County)	\$350.00

Rentals – Non-Profit

Aycock Ballfield per field per hour (County)	\$10.00
Aycock Ballfield per field – lighted per hour (County)	\$20.00
Aycock Ballfield one day / all four fields (County)	\$200.00
All other Ballfields per field per hour (County)	\$10.00
All other Ballfields per field – lighted per hour (County)	\$15.00
Ballfield Weekend (Friday, Saturday & Sunday) (County)	\$500.00
Lights per field per hour (County)	\$20.00
Old Aycock Gym per hour (County)	\$30.00
Aycock Ballfield per field per hour (Non-County)	\$20.00
Aycock Ballfield per field – lighted per hour (Non-County)	\$40.00
Aycock Ballfield one day / all four fields (Non-County)	\$350.00
All other Ballfields per field per hour (Non-County)	\$20.00

Rentals – Non-Profit (Con't)

All other Ballfields per field – lighted per hour (Non-County)	\$30.00
Ballfield Weekend (Friday, Saturday & Sunday) (Non-County)	\$750.00
Lights per field per hour (Non-County)	\$30.00
Old Aycock Gym per hour (Non-County)	\$45.00

Rentals – For Profit

Aycock Ballfield – per field per hour (County)	\$20.00
All other Ballfields per hour (County)	\$15.00
Aycock Ballfield – per field – lighted per hour (County)	\$30.00
All other Ballfields – lighted per hour (County)	\$20.00
Aycock one day / all four fields (County)	\$300.00
Old Aycock Gym per hour - 2 hour minimum (County)	\$50.00
Aycock one day / all four fields (Non-County)	\$500.00
Aycock Weekend / all four fields (Friday, Saturday & Sunday) (County)	\$650.00
Aycock Ballfield per field per hour (Non-County)	\$30.00
All other Ballfields per hour (Non-County)	\$25.00
Aycock Ballfield – per field – lighted per hour (Non-County)	\$40.00
All other Ballfields – lighted per hour (Non-County)	\$30.00
Aycock Weekend / all four fields (Friday, Saturday & Sunday) (Non- County)	\$800.00

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



	Old Aycock Gym per hour – 2 hour	
minimum (Non-County).....		\$75.00
Lights per field per hour		\$25.00
Additional Services		
Drag/Mark fields between each game per field (County).....		\$20.00
Drag/Mark fields after 2 games per field (County).....		\$15.00
Drag/Mark fields halfway through each day per field (County).....		\$10.00
Supply ice water in coolers w/cups per dugout per game (County).....		\$10.00
Drag/Mark fields between each game per field (Non-County).....		\$30.00
Drag/Mark fields after 2 games per field (Non-County).....		\$25.00
Drag/Mark fields halfway through each day per field (Non-County).....		\$20.00
Supply ice water in coolers w/cups per dugout per game (Non-County).....		\$15.00
Henderson Rec Players Tickets.....		\$7.00
Special Events (Athletic)		
District Tournament Daily Pass for Students.....		\$2.00
District Tournament Daily Pass for Adults.....		\$4.00
District Tournament Pass for entire Tournament.....		\$10.00
State Tournament Daily Pass for Students.....		\$2.00
State Tournament Daily Pass for Adults.....		\$5.00
State Tournament Pass for Entire Tournament.....		\$15.00
Athletic Event Daily Pass.....		\$3.00
Athletic Event Tournament Pass.....		\$6.00
Special Events (Non-Athletic).....	not to exceed	\$8.00
Aycock Center		
Rental		
Aquatics –		
Pool Non-Profit - County (per hour).....		\$70.00
Pool Non-Profit – Non-County (per hour)		\$75.00
Pool For-Profit – County (per hour).....		\$125.00
Pool For Profit – Non-County (per hour).....		\$175.00
Swim Teams & Clubs – Private County (per lane, per hour).....		\$6.00
Swim Teams & Clubs – Private Non-County (per lane, per hour).....		\$12.00
Swim Teams & Clubs – County (per lane/per hour).....		\$0.00
Swim Teams & Clubs – Non-County (per lane, per hour).....		\$9.00
Swim Lessons		\$5.00
Water Aerobics (per class – 5 per week).....		\$2.00
Gymnasium		
Aycock Recreation Complex Non-Profit per hour – County.....		\$70.00
Aycock Recreation Complex Non-Profit per hour – Non-County.....		\$85.00
Aycock Recreation Complex - Non-Profit Private Team - County (per practice/game).....		\$22.00
Aycock Recreation Complex - Non-Profit Private Team – Non-County (per practice/game).....		N/A
Aycock Recreation Complex For- Profit per hour – County.....		\$100.00
Aycock Recreation Complex For-Profit per hour – Non-County.....		\$150.00
Multi-purpose Room Non-Profit per hour – County.....		\$70.00
Multi-purpose Room Non-Profit per hour – Non-County		\$75.00



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Multi-purpose Room For-Profit per hour – County.....	\$125.00
Multi-purpose Room For-Profit per hour – Non-County.....	\$175.00

Fees

Aycock Recreation Center

Resident – Daily	
Adult Single Admission.....	\$5.00
Teen 18 and under.....	\$2.00
Senior 55 and over.....	\$2.00
Resident – Monthly	
Adult Single Admission.....	\$30.00
18 and under.....	\$25.00
Senior 55 and over.....	\$25.00
Non-Resident – Daily	
Adult Single Admission.....	\$10.00
18 and under.....	\$5.00
Senior 55 and over.....	\$5.00
Non-Resident – Monthly	
Adult Single Admission.....	\$50.00
18 and Under.....	\$45.00
Senior 55 and Over.....	\$45.00
Resident Family Pass – Monthly	
Family Pass.....	\$35.00
Seniors 55 and Over.....	\$25.00
Non-Resident Family Pass – Monthly	
Family.....	\$65.00
Seniors 55 and Over.....	\$50.00
City/County/State Employee – Monthly	
Family Pass.....	\$17.00
Adult.....	\$15.00
Senior 55 and Over.....	\$12.00

Classes/Programs

Preschool per class.....	\$3.00
Walking Program per month (Adult/Senior).....	\$15.00
Swim Group.....	\$2.00

Camps

Summer Day Camp – per week (8-11 year olds).....	\$30.00
Swim Camp.....	\$10.00



RESOLUTION 14-42

A RESOLUTION APPROVING THE MAY 2014 POSITION AND CLASSIFICATION & PAY PLAN FOR THE CITY OF HENDERSON

WHEREAS, the City Council conducted its Annual Strategic Planning Retreat (Retreat) on 19 and 20 February 2014; *and*

WHEREAS, this Resolution addresses one (1) Core Value and one (1) Key Strategic Objective as follows: *Core Value 8: Values Employees: We value our employees and the contributions they make to the City and to the citizens and customers of our community; and Key Strategic Objective 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; Action Plan 6-1, Pay Classification Study; and*

WHEREAS, pursuant to North Carolina Statutes and the Code of the City of Henderson, Section 2-23, the City of Henderson is an employment "At Will" organization; *and*

WHEREAS, a formal, comprehensive Classification and Pay Plan was last conducted for the City in 1993, and therefore out-of-date and no longer competitive with peer communities; *and*

WHEREAS, funding was appropriated by the City Council in the FY14 Budget for conducting an up-to-date Classification and Pay Study (Study); *and*

WHEREAS, the City utilized The MAPS Group through a contract with the North Carolina League of Municipalities to conduct the Study; *and*

WHEREAS, the Study was presented to the City Council at its regular meeting held on 12 May 2014; *and*

WHEREAS, the Study includes an overall Personnel Policy review and update; however, said Personnel Policy amendments will be presented to Council later this summer for approval once they have been completely formatted; *and*

WHEREAS, the Recommended FY14-15 Budget includes funding for Phase 1 of a Five (5) Year implementation plan to adopt and utilize the Position Classification and Pay Plan recommended by The MAPS Group; *and*



**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**

WHEREAS, during its budget work sessions, the City Council has voiced strong support for the adoption of the recommended May 2014 Position Classification and Pay Plan and Phase 1 implementation of same as part of its 22 May 2014 Consensus Budget.

NOW, THEREFORE BE IT RESOLVED BY THE HENDERSON CITY COUNCIL THAT IT DOES HEREBY REVOKE the Classification and Pay Plan currently in use **AND APPROVES** the *May 2014 Classification and Pay Plan for the City of Henderson* performed by The MAPS Group, said complete Classification and Pay Plan (Plan) being on permanent file in the Office of the City Clerk and in the City's Official Records Vault; however, a more complete summary of said Plan is provided as **Attachment A** to this Resolution.

AND BE IT FURTHER RESOLVED BY THE HENDERSON CITY COUNCIL THAT the City Manager and his designees are authorized to implement the *May 2014 Position Classification and Pay Plan* in a manner consistent with the Personnel Policy, Position Classification and Pay Plan recommendations and within budgetary appropriations.

AND BE IT FURTHER RESOLVED BY THE HENDERSON CITY COUNCIL THAT this Resolution shall become effective on 1 July 2014.

The foregoing Resolution, introduced by Councilmember ***** and seconded by Councilmember ***** on this the ***** day of June 2014, and having been submitted to a roll call vote, was approved by the following votes: YES: NO: ABSTAIN: ABSENT:

James D. O'Geary, Mayor

ATTEST:

Esther J. McCrackin, City Clerk
Approved to Legal Form:

John H. Zollicoffer, Jr., City Attorney

Reference: Minute Book 43, p **

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



PAY PLAN IMPLEMENTATION

Overview

We conducted a market survey of minimum and maximum salaries for the selected jobs. Range percentages (the difference between the minimum and maximum of the range) varied as follows:

Albemarle	48%
Clayton	48%
Creedmoor	50%
Garner	55%
Hillsborough	60%
Oxford	50%
Smithfield	53%
Roxboro	48%
Wake Forest	98%
Vance County	55%
South Granville W & S	48%
Average	57%
Henderson Recommended	50%

The salary ranges in the recommended pay table are approximately 50% from starting to maximum salary. Grades 5% apart have been established. An open range salary schedule has been recommended to provide flexibility in providing in-range salary increases. These ranges provide for employee advancement as a result of increased value to the City because of increased experience, and as an incentive and reward for increased performance. When annual market adjustments (cost of living adjustments) are made to pay ranges to account for inflation and local labor market changes, the whole table should reflect the adjustment, thus maintaining competitive entry level rates of pay.

Compression. Normally, given the seniority of some City employees, one would expect to find half of the City's employees below Midpoint and half above Midpoint. As can be seen on page 33, that is not the case currently or in the recommended implementation options. There are two primary disadvantages to this compressed distribution. The first, long term, high performance employees are making the same or nearly the same as employees with less tenure. There are often morale problems associated with this and it can lead to turnover. The second problem is that when the City has the opportunity to hire highly qualified candidates; it is very difficult to offer such prospects salaries above entry level when employees with a number of years of service are compensated near those entry levels.



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

Implementation

Employee salaries are adjusted to at least the Hiring Rate of the new range and at least at the Minimum of the range if the employee has passed probation, consistent with the personnel policy recommendation. In addition, employees are moved into the range based on 1% per year of service above the Minimum of the range.

Initial annual cost to implement	\$1,443,999
Cost as a percentage of payroll	20.39%

This is a very conservative implementation strategy because using this approach it would take 45 years for an employee to reach the top of the salary range.

Study Phase – In

The City requested that we prepare a five year study phase-in plan. If the goal is to be at market in five years, the City will need to add market adjustments to the ranges periodically. The costs are estimates and are subject to change based on any market adjustments the City provides, turnover, etc. We have not taken into account compounding that will occur over time. We have added a performance pay component that will reduce overall costs slightly.

Year 1. July 1, 2014 **Cost: \$ 116,565** **Percentage of Payroll: 1.65%**

Reduce the recommended salary ranges by 18%; use a Minimum Rate (probationary completion step) that is 2.5% instead of 5% above the Hiring Rate; and place employees 0.33 percent per year of service above the Minimum Rate and cap increases at the Midpoint Rate.

Year 2. July 1, 2015 **Cost: \$ 354,105** **Percentage of Payroll: 4.5%**

Increase the salary ranges by 4% over the previous year and move employees whose performance is rated at the "exceeds expectations" level to 0.5% per year of service.

Year 3. July 1, 2016 **Cost: \$ 389,516** **Percentage of Payroll: 5.5%**

Increase the salary ranges by 5% over the previous year and move employees whose performance is rated at the "exceeds expectations" level to 0.75% per year of service and employees whose performance is rated at the "meets expectations" level to 0.5% per year of service.

Year 4. July 1, 2017 **Cost: \$ 389,516** **Percentage of Payroll: 5.5%**

Increase the salary ranges by 5% over the previous year and move employees whose

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



performance is rated at the "exceeds expectations" level to 1% per year of service and employees whose performance is rated at the "meets expectations" level to 0.75% per year of service.

Year 5. July 1, 2018

Cost: \$ 460,337

Percentage of Payroll: 6.5%

Increase the salary ranges by 4%, move the Minimum Rate to 5% above the Hiring Rate and move employees whose performance is rated at the "exceeds expectations" level to 1% per year of service and employees whose performance is rated at the "meets expectations" level to 0.75% per year of service.

Important Notes:

1. The costs reflected above represent salary cost only and do not reflect the cost of benefits associated with salaries.
2. If there are employees who have recent documented disciplinary action and who are not currently fully performing duties as needed by the City, the Manager may delay implementation of any increases that employee would receive until such time as the employee is fully meeting job requirements. Otherwise, all employees should be treated consistently in the implementation to avoid legal liabilities.
3. These recommendations are based on salary data effective September 2013. In July 2014, many of these same organizations will update their ranges based on cost of living.



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

City of Henderson Recommended Salary Schedule 2013-2014

GRADE	HIRING RATE	MINIMUM	MID POINT	MAXIMUM	GRADE
3	19,425	20,396	24,282	29,138	3
4	20,396	21,416	25,495	30,594	4
5	21,416	22,487	26,770	32,124	5
6	22,487	23,611	28,109	33,731	6
7	23,611	24,792	29,514	35,417	7
8	24,792	26,032	30,990	37,188	8
9	26,032	27,334	32,540	39,048	9
10	27,334	28,701	34,168	41,001	10
11	28,701	30,136	35,877	43,052	11
12	30,136	31,643	37,670	45,204	12
13	31,643	33,225	39,554	47,465	13
14	33,225	34,886	41,532	49,838	14
15	34,886	36,630	43,608	52,329	15
16	36,630	38,462	45,788	54,945	16
17	38,462	40,385	48,078	57,693	17
18	40,385	42,404	50,482	60,578	18
19	42,404	44,524	53,005	63,606	19
20	44,524	46,750	55,655	66,786	20
21	46,750	49,088	58,438	70,125	21
22	49,088	51,542	61,360	73,632	22
23	51,542	54,119	64,428	77,313	23
24	54,119	56,825	67,649	81,179	24
25	56,825	59,666	71,032	85,238	25
26	59,666	62,649	74,583	89,499	26
27	62,649	65,781	78,312	93,974	27
28	65,781	69,070	82,227	98,672	28
29	69,070	72,524	86,338	103,605	29
30	72,524	76,150	90,655	108,786	30
31	76,150	79,958	95,188	114,225	31
32	79,958	83,956	99,948	119,937	32
33	83,956	88,154	104,945	125,934	33
34	88,154	92,562	110,193	132,231	34
35	92,562	97,190	115,703	138,843	35

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



**City of Henderson
Salary Schedule
2013-2014
with 18% reduction**

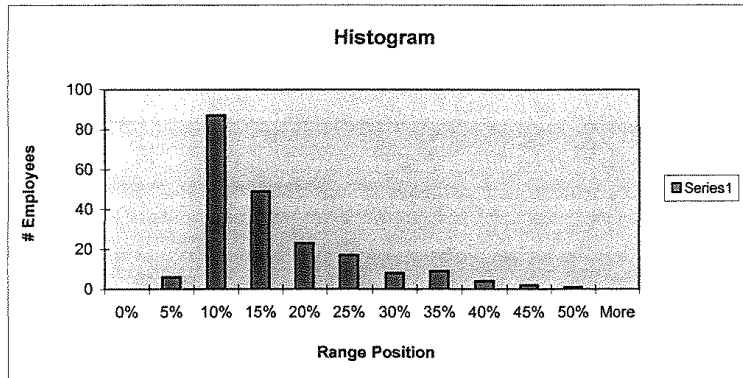
GRADE	HIRING RATE	MINIMUM	MID POINT	MAXIMUM	GRADE
3	16,000	16,400	20,000	24,000	3
4	16,800	17,220	21,000	25,200	4
5	17,640	18,081	22,050	26,460	5
6	18,522	18,985	23,153	27,783	6
7	19,448	19,934	24,310	29,172	7
8	20,420	20,931	25,525	30,630	8
9	21,441	21,977	26,802	32,162	9
10	22,513	23,076	28,142	33,770	10
11	23,639	24,230	29,549	35,459	11
12	24,821	25,442	31,027	37,232	12
13	26,062	26,714	32,578	39,093	13
14	27,365	28,049	34,207	41,048	14
15	28,733	29,451	35,917	43,100	15
16	30,170	30,924	37,713	45,255	16
17	31,679	32,471	39,599	47,519	17
18	33,263	34,095	41,579	49,895	18
19	34,926	35,799	43,658	52,389	19
20	36,672	37,589	45,840	55,008	20
21	38,506	39,469	48,133	57,759	21
22	40,431	41,442	50,539	60,647	22
23	42,453	43,514	53,067	63,680	23
24	44,576	45,690	55,720	66,864	24
25	46,805	47,975	58,507	70,208	25
26	49,145	50,374	61,432	73,718	26
27	51,602	52,892	64,503	77,403	27
28	54,182	55,537	67,728	81,273	28
29	56,891	58,313	71,114	85,337	29
30	59,736	61,229	74,670	89,604	30
31	62,723	64,291	78,404	94,085	31
32	65,859	67,505	82,324	98,789	32
33	69,152	70,881	86,440	103,728	33
34	72,610	74,425	90,763	108,915	34
35	76,241	78,147	95,302	114,362	35



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

CITY OF HENDERSON EMPLOYEE RANGE DISTRIBUTION

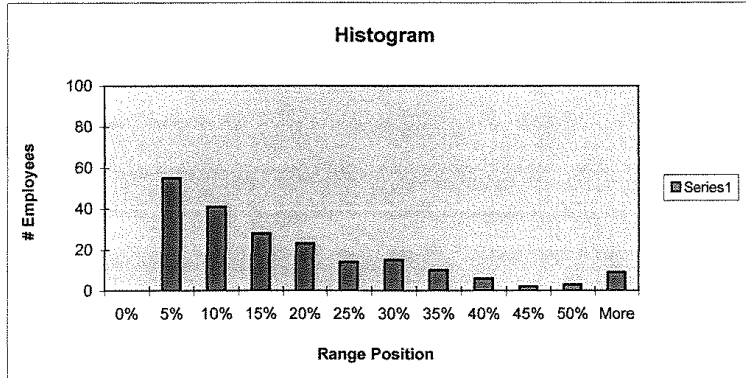
Range Pos	# Emp
0%	0
5%	6
10%	87
15%	49
20%	23
25%	17
30%	8
35%	9
40%	4
45%	2
50%	1
More	0



SALARY SCHEDULE A

To 5% Probationary Step Plus 1% Per Full Year of service

Range Pos	# Emp
0%	0
5%	55
10%	41
15%	28
20%	23
25%	14
30%	15
35%	10
40%	6
45%	2
50%	3
More	9



SALARY SCHEDULE B

To 2.5% Probationary Step Plus 1/3% Per Full Year of service
Increases Capped at Midpoint of the Range
Reduce recommended range by 18%

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



City of Henderson List of Classes Arranged by Grade

GRADE	CLASSIFICATION	FLSA STATUS	HIRING RATE	MAXIMUM
5			21,416	32,124
6	Parking Enforcement Agent/Custodian		22,487	33,731
7			23,611	35,417
8	Hydrant Maintenance Technician Maintenance Worker Meter Reader Office Assistant Parks Maintenance Worker Street Maintenance Worker		24,792	37,188
9	Plant Maintenance Worker Solid Waste Equipment Operator Street Sign Technician Utility Maintenance Mechanic		26,032	39,048
10	Customer Services Representative Fleet Service Technician Public Works Crew Leader Senior Street Maintenance Worker		27,334	41,001
11	Administrative Support Specialist Human Resources Technician Police Records Clerk		28,701	43,052
12	Accounting Technician Accounts Payable Specialist Plant Maintenance Mechanic Senior Police Records Clerk Treatment Plant Operator Utility Billing Specialist		30,136	45,204
13	Athletics Program Specialist Firefighter Laboratory Technician Payroll Specialist Street Maintenance Crew Leader		31,643	47,465
14	Executive Assistant Fleet Maintenance Mechanic Laboratory Analyst Senior Firefighter Utility Maintenance Crew Leader		33,225	49,838



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

City of Henderson List of Classes Arranged by Grade

GRADE	CLASSIFICATION	FLSA STATUS	HIRING RATE	MAXIMUM
15	Codes Compliance Inspector Fire Engineer Instrument Technician Parks Maintenance Supervisor Police Detective * Police Officer Police Records Supervisor		34,886	52,329
16	Accountant Chemist		36,630	54,945
17	Administrative Services Officer Aquatics Program Supervisor Athletics Program Supervisor Fleet Maintenance Supervisor GIS Technician Plant Maintenance Supervisor Public Works Supervisor Recreation Center Supervisor Recreation Program Supervisor Senior Instrument Technician Street Maintenance Supervisor Youth Services Program Coordinator Zoning Administrator		38,462	57,693
18	Chief Treatment Plant Operator Construction Inspector Customer Services Supervisor Engineering Technician Fire Lieutenant Laboratory Supervisor Police Detective Sergeant Police Sergeant		40,385	60,578
19	City Clerk Community Development Specialist Main Street Program Manager		42,404	63,606
20	Distribution and Collection System Supervisor Police Detective Lieutenant Police Lieutenant		44,524	66,786
		E		
21	Accounting Services Manager Fire Battalion Chief Youth Services Program Manager	E E	46,750	70,125

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



City of Henderson
List of Classes Arranged by Grade

GRADE	CLASSIFICATION	FLSA STATUS	HIRING RATE	MAXIMUM
22	Code Compliance Director	E	49,088	73,632
	Police Captain	E		
23	Assistant Fire Chief	E	51,542	77,313
	Public Services Operations Manager	E		
	Treatment Plant Director	E		
24			54,119	81,179
25	Human Resources Director	E	56,825	85,238
26	Parks and Recreation Director	E	59,666	89,499
	Planning and Community Development Director	E		
27	Fire Chief	E	62,649	93,974
28	City Engineer	E	65,781	98,672
	Finance Director	E		
	Police Chief	E		
	Public Services Director	E		
29			69,070	103,605
30			72,524	108,786
31	Assistant City Manager	E	76,150	114,225
32			79,958	119,937

E = Exempt from the Wage and Hour Provisions
of the Fair Labor Standards Act (FLSA)



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

City of Henderson List of Classes Arranged by Title

GRADE	CLASSIFICATION	HIRING	
		RATE	MAXIMUM
16	Accountant	36,630	54,945
21	Accounting Services Manager	46,750	70,125
12	Accounting Technician	30,136	45,204
12	Accounts Payable Specialist	30,136	45,204
17	Administrative Services Officer	38,462	57,693
11	Administrative Support Specialist	28,701	43,052
17	Aquatics Program Supervisor	38,462	57,693
31	Assistant City Manager	76,150	114,225
23	Assistant Fire Chief	51,542	77,313
13	Athletics Program Specialist	31,643	47,465
17	Athletics Program Supervisor	38,462	57,693
16	Chemist	36,630	54,945
18	Chief Treatment Plant Operator	40,385	60,578
19	City Clerk	42,404	63,606
28	City Engineer	65,781	98,672
22	Code Compliance Director	49,088	73,632
15	Codes Compliance Inspector	34,886	52,329
19	Community Development Specialist	42,404	63,606
18	Construction Inspector	40,385	60,578
10	Customer Services Representative	27,334	41,001
18	Customer Services Supervisor	40,385	60,578
20	Distribution and Collection System Supervisor	44,524	66,786
18	Engineering Technician	40,385	60,578
14	Executive Assistant	33,225	49,838
28	Finance Director	65,781	98,672
21	Fire Battalion Chief	46,750	70,125
27	Fire Chief	62,649	93,974
15	Fire Engineer	34,886	52,329
18	Fire Lieutenant	40,385	60,578
13	Firefighter	31,643	47,465
14	Fleet Maintenance Mechanic	33,225	49,838
17	Fleet Maintenance Supervisor	38,462	57,693
10	Fleet Service Technician	27,334	41,001
17	GIS Technician	38,462	57,693
25	Human Resources Director	56,825	85,238
11	Human Resources Technician	28,701	43,052
8	Hydrant Maintenance Technician	24,792	37,188
15	Instrument Technician	34,886	52,329

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



City of Henderson
List of Classes Arranged by Title

GRADE	CLASSIFICATION	HIRING RATE	MAXIMUM
14	Laboratory Analyst	33,225	49,838
18	Laboratory Supervisor	40,385	60,578
13	Laboratory Technician	31,643	47,465
19	Main Street Program Manager	42,404	63,606
8	Maintenance Worker	24,792	37,188
8	Meter Reader	24,792	37,188
8	Office Assistant	24,792	37,188
6	Parking Enforcement Agent/Custodian	22,487	33,731
26	Parks and Recreation Director	59,666	89,499
15	Parks Maintenance Supervisor	34,886	52,329
8	Parks Maintenance Worker	24,792	37,188
13	Payroll Specialist	31,643	47,465
26	Planning and Community Development Director	59,666	89,499
12	Plant Maintenance Mechanic	30,136	45,204
17	Plant Maintenance Supervisor	38,462	57,693
9	Plant Maintenance Worker	26,032	39,048
22	Police Captain	49,088	73,632
28	Police Chief	65,781	98,672
15	Police Detective *	34,886	52,329
20	Police Detective Lieutenant	44,524	66,786
18	Police Detective Sergeant	40,385	60,578
20	Police Lieutenant	44,524	66,786
15	Police Officer	34,886	52,329
10	Police Records Clerk	27,334	41,001
15	Police Records Supervisor	34,886	52,329
18	Police Sergeant	40,385	60,578
28	Public Services Director	65,781	98,672
23	Public Services Operations Manager	51,542	77,313
10	Public Works Crew Leader	27,334	41,001
17	Public Works Supervisor	38,462	57,693
17	RecreationCenter Supervisor	38,462	57,693
17	Recreation Program Supervisor	38,462	57,693
14	Senior Firefighter	33,225	49,838
17	Senior Instrument Technician	38,462	57,693
11	Senior Police Records Clerk	28,701	43,052
10	Senior Street Maintenance Worker	27,334	41,001
9	Solid Waste Equipment Operator	26,032	39,048
13	Street Maintenance Crew Leader	31,643	47,465
17	Street Maintenance Supervisor	38,462	57,693



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

City of Henderson List of Classes Arranged by Title

GRADE	CLASSIFICATION	HIRING	
		RATE	MAXIMUM
8	Street Maintenance Worker	24,792	37,188
9	Street Sign Technician	26,032	39,048
23	Treatment Plant Director	51,542	77,313
12	Treatment Plant Operator	30,136	45,204
12	Utility Billing Specialist	30,136	45,204
14	Utility Maintenance Crew Leader	33,225	49,838
9	Utility Maintenance Mechanic	26,032	39,048
17	Youth Services Program Coordinator	38,462	57,693
21	Youth Services Program Manager	46,750	70,125
17	Zoning Administrator	38,462	57,693

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



19 May 2014

TO: The Honorable James D. “Pete” O’Geary and Members of the City Council

FR: Ray Griffin, City Manager

**RE: CAF: 14—62
Presentation and Consideration of the FY 14-15 Work Budget**

Ladies and Gentlemen:

In accordance with the Henderson City Charter and the Statutes of the State of North Carolina, the FY 14—15 Work Budget is herewith submitted to the City Council for its review, deliberation, amendments and adjustments as deemed appropriate, and adoption prior to 1 July. The City Administration looks forward to working with the Mayor and members of City Council on the Budget during the next several weeks, and helping it achieve a spending plan which addresses the needs and aspirations of both the community and municipal organization.

OVERVIEW

I am honored to work with a progressive, forward thinking Council and organization. The Strategic Plan continues to help focus the priorities of the City in order to address critical issues and opportunities. The challenges facing the City are legion as are the opportunities for growth and prosperity. While, during difficult times, it is easier to see the “glass as half-empty,” it is critical for City and community leadership to work hard towards focusing on the “glass as half-full” mind-set, and to help focus on achieving the objectives and goals of the Strategic Plan.

The annual budget is arguably the single most important policy document that the City Council will deliberate and adopt in any given fiscal year. The second most important policy document is the annual Strategic Plan. When aligned, both combine to form a powerful public policy focus in providing guidance and focus for the community and City forward as it addresses critical Key Strategic Objectives and operational needs and initiatives. To that end, the Work Budget has considered the Strategic Plan as a major guide in developing the budget and identifying critical gaps in funding.

While all aspects of the budget help to support the Strategic Plan in one form or another, I would like to highlight several Strategic Initiatives vis-à-vis the Recommended Budget:

1. *KSO 4: Improve Housing Stock:* Minimal funding of \$48,300 is provided to continue demolition of dilapidated, abandoned structures. This will allow for demolition and disposal of about 9 structures.

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2. *KSO 5: Reliable Infrastructure:* Significant funding in the amount of \$2,383,300 for continued contributions to the water and sewer plants' capital reserve plans is provided, as appropriate, in the Water, Sewer and Regional Water funds.
3. *KSO 6: Retain Qualified Municipal Workforce:* Initial funding of about \$117,000 is provided to begin Phase 1 of a 5-Year financing plan to implement the new Classification and Pay Study's recommendations as a means to begin addressing the City's 22.67% average compensation lag in the marketplace.

State law requires localities adopt and operate within a balanced budget at all times. To that end, revenues have been projected in a conservative manner and expenditures have been developed from a very constrained perspective. Recurring expenses have not been 'balanced' by using non-recurring revenue sources, such as undesignated fund balance. Unlike the Federal government, the operating budget is not capitalized. Many justified and warranted initiatives and needs, both capital and operating, have not been recommended for funding due to very limited resources. Thus, a relatively austere, albeit balanced budget has been produced for Council's review, consideration and adoption as it deems appropriate.

The Department Directors were requested to develop conservative, constrained operating budgets for FY15. I was very impressed with the manner in which their budgets were developed and requests for funding were indeed constrained given the significant amount of need existing for incremental replacement of the fleet and equipment, building maintenance, information technology updating, staff expansion and compensation, and budgetary needs in day-to-day operating expenses. Unfortunately, natural growth revenues are not keeping up the budgetary needs of the City, thus the ever widening gap between available resources and critical un-met needs.

TOTAL BUDGET

The total City budget is comprised of four (4) primary, operating funds and numerous smaller, specialty funds. The primary funds include General, Water, Wastewater and Regional Water System. The smaller supporting funds include Powell Bill and the Capital Reserve funds. Many of the smaller funds are *transferred* to or from the four primary funds and thus become inter-fund transfers.

The total recommended budget, adjusted for inter-fund transfers, is \$37,053,200. The total budget is balanced with serious *belt tightening efforts*, utility rate increases in the Water, Sewer and Regional Water funds; however, there is no recommended increase in the property tax and sanitation fee. The reader is directed to review the individual Budget Summary sections for each fund for additional information. The estimated impacts of these recommended increases are described in the following table:

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



Impacts on Residential Customers				
FY15 Recommended Budget				
	FY14	FY15	Monthly Increase	Annual Increase
<i>Inside City</i>				
Property Tax: No Increase	\$ 0.62	\$ 0.62	NA	NA
Sanitation Fee: No Increase	\$ 29.00	\$ 29.00	NA	NA
Water Rate increase of 5% based on customer using 800 cubic feet of water per month.	\$ 13.70	\$ 14.39	\$ 0.69	\$ 8.28
Sewer Rate increase of 3% based on customer using 800 cubic feet of water per month	\$ 34.15	\$ 35.80	\$ 1.65	\$ 19.80
Total Impacts			\$ 2.34	\$ 28.08
<i>Outside City</i>				
Water Rate increase of 5% based on customer using 800 cubic feet of water per month.	\$ 41.84	\$ 43.08	\$ 1.24	\$ 14.88
Sewer Rate increase of 3% based on customer using 800 cubic feet of water per month	\$ 104.61	\$ 107.77	\$ 3.16	\$ 37.92
Total Impacts			\$ 4.40	\$ 52.80
Notes: 1) 800 cubic feet of water = 5,984 gallons of water. 1 cubic foot of water = 7.4805 gallons of water.				5 May 2014, rq

GENERAL FUND

The General Fund is arguably the most difficult fund to balance because it is the workhorse fund of municipal operations. It is the least able to pay for services it must provide due to the manner in which general fund revenues are legislatively structured and authorized. It is heavily dependent on the archaic property tax, sanitation fee, State Inter-Governmental Revenues such as Sales Taxes, Utility Franchise Taxes and Powell Bill, as well as Inter-Fund transfers from the enterprise funds for cost allocation. The recommended General Fund budget is \$15,196,000. This is \$104,000 less than the FY14 approved budget beginning 1 July 2013.

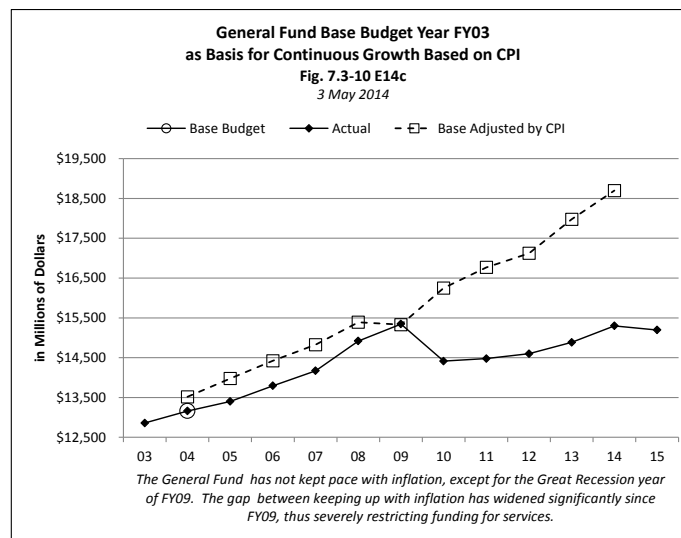
Without a doubt, the FY15 General Fund budget does not begin to meet either the current or future business needs of the municipal organization and the services it must provide. Even in the best of times, a municipal budget cannot possibly meet all of the



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

needs and expectations of its citizens and/or departments. A budget crafted in the midst of continuing austerity surely cannot meet such needs and desires.

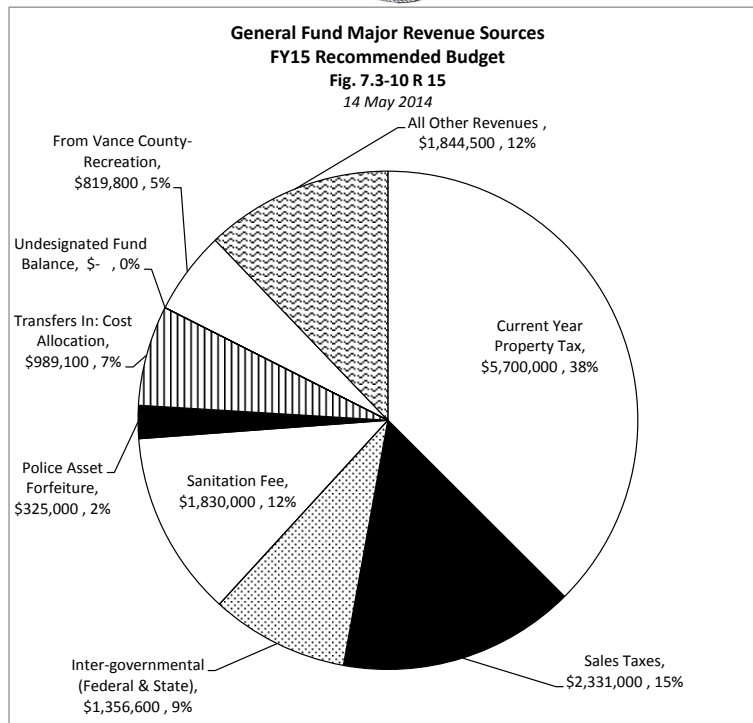
The City's General Fund budget has trailed the inflation rate from 2003-2009; however, in the post Great Recession year of FY09, the gap between what budget growth would be if it kept up with inflation has seriously lagged. This gap, as evidenced by information presented in *Figure 7.3-10 E14c, General Fund Base Budget Year FY03 as Basis for Continuous Growth Based on CPI*, copied below. Put simply, the General Fund's inability to reasonably keep up with inflation, as was the case prior to FY09 is resulting in less dollars for critical issues such as infrastructure maintenance via street resurfacing and storm drainage, vehicle and equipment replacement in a timely manner, competitive compensation for employees and expansion projects that might add to the quality of life, such as recreation, downtown economic development and community appearance.



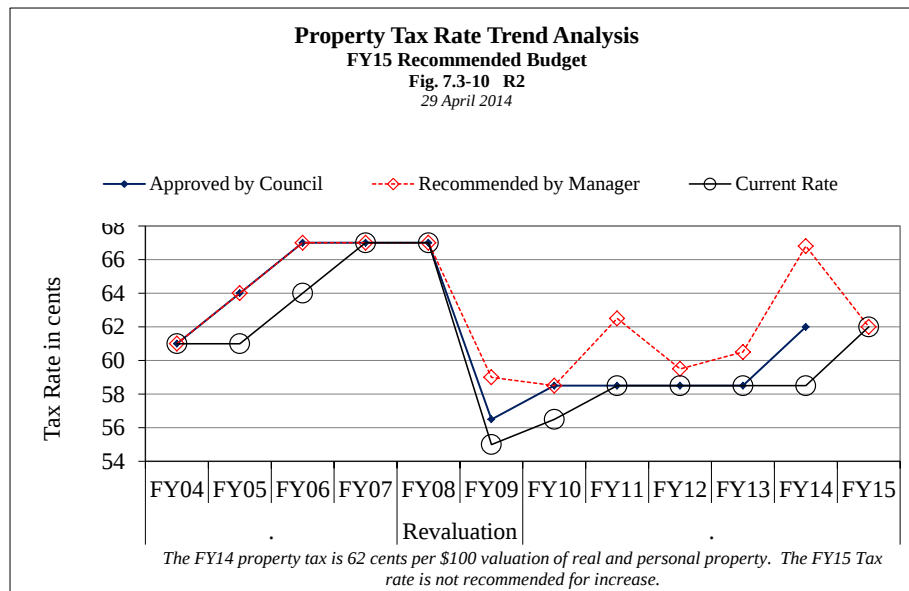
General Fund Revenues

The current year property tax, both real and personal, is the single largest revenue source for the fund and comprises 38% of the total projected revenues. The sales tax, an extremely volatile revenue source which is totally dependent on the strength of the economy comprises 15% of the fund's budget and the Sanitation Fee, comprises 12%. Thus, 65% of the fund's revenue sources come from only three major sources. Of these three sources, only two are controlled by City Council—property taxes and sanitation fee, and the other source, sales taxes, is under the control of the State.

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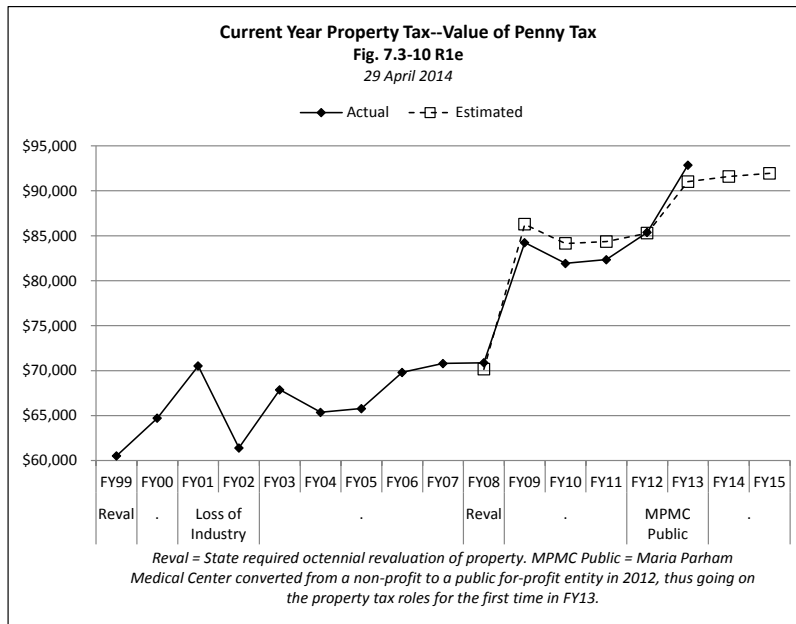


The tax rate has been fairly stable over the past number of years. The rate was reduced in FY08 year from 67 cents to 56.6 cents as a result of reevaluation. The rate increased 2 cents in FY10 and 3.5 cents in FY14. No increase is recommended for FY15. A penny on the tax rate is worth about \$91,000.

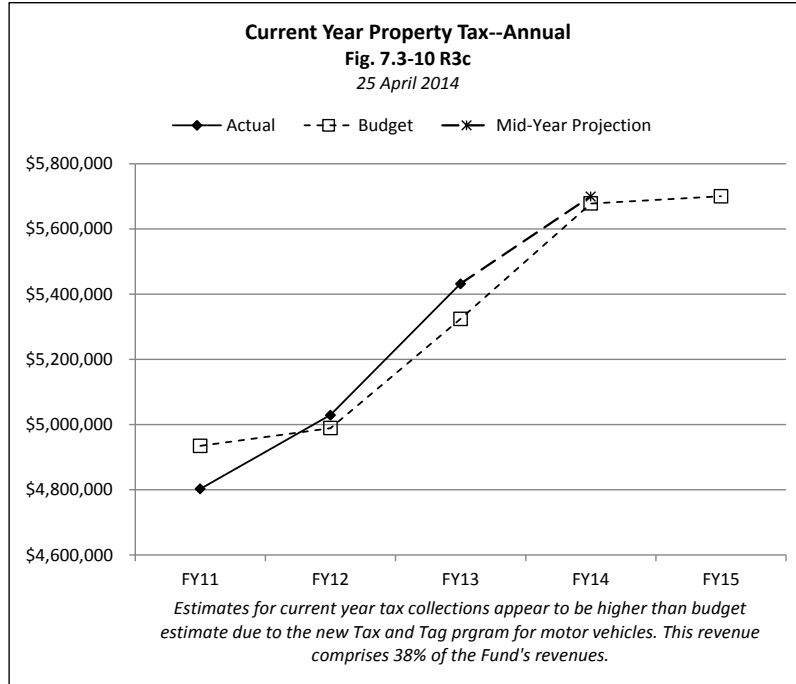




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The 2014 property tax revenues are estimated to be \$5,700,000. This is slightly higher than the \$5,677,900 budgeted for FY14. Again, there is no recommended increase in the property tax rate for FY15.



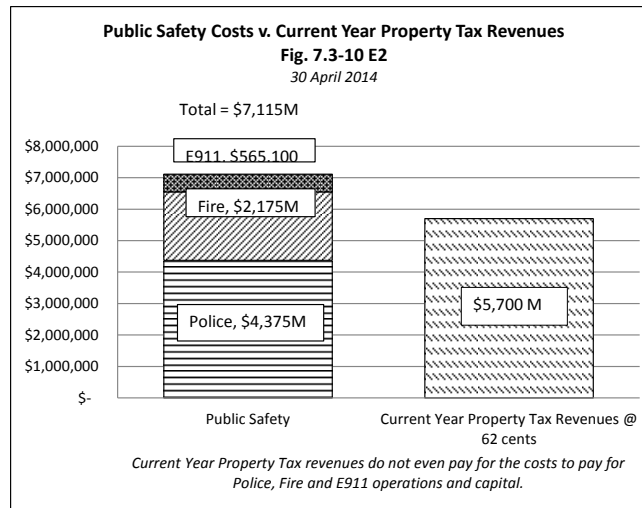
It is instructive to note that the current year property tax does not even come close to financing basic public safety services. The following graph reveals the recommended property tax rate of \$0.62 cents will provide for 38% of the General Fund's revenues, yet

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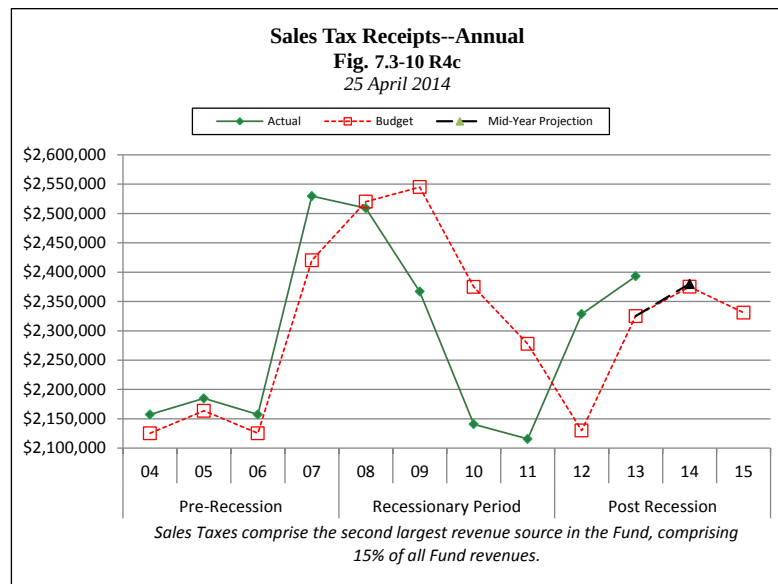
public safety operating expenses require 47% of total fund expenditures. There is a common misunderstanding among property tax payers that the property tax pays for all city services, when indeed it does not even generate enough revenue to pay for police, fire and emergency E-911 services.



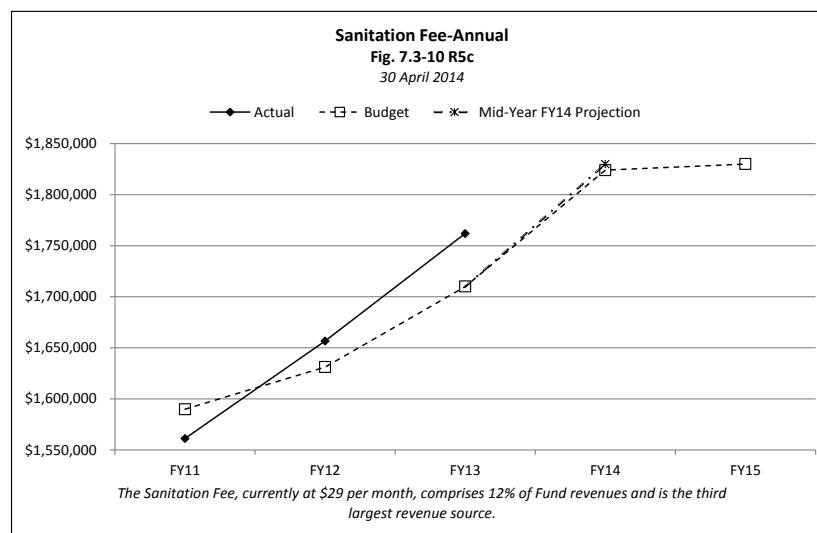
The second largest revenue producer for the City's General Fund is the local option sales tax. This critical revenue source is extremely volatile and has not yet recovered to its pre-Recession levels. Indeed, sales tax revenues are projected to decline due to the State phasing out its Hold-Harmless sales tax payments. It is estimated this will cost the City \$50,000 next year. Natural growth in sales tax collections for the first eight months of FY14 is essentially flat, with collections just about \$11,000 over budget estimate. Henderson and Vance County also find themselves competing for disposable income spending with the newer and more varied commercial retail centers in the Raleigh-Durham-Chapel Hill areas. The FY15 Budget reflects a modest reduction with a revenue estimate of \$2,331,000, down from \$2,375,000 in FY14.



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



The third largest revenue producer for the City's General Fund is the sanitation fee. Each one dollar (\$1.00) of the sanitation fee yields approximately \$60,000 in revenues. The current rate is \$29.00 per month. No increase is recommended in FY15.

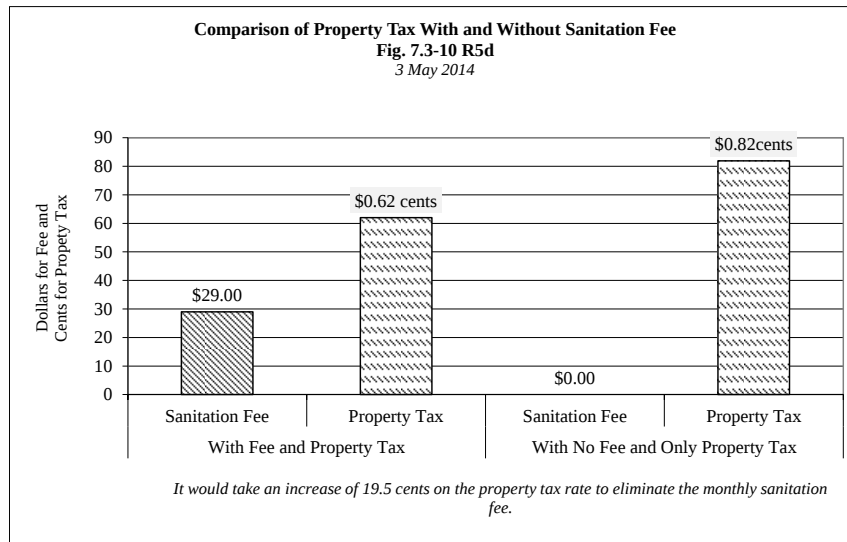


Often times City Administration is asked why the Sanitation Fee is so high. The fee is used to support household collection of solid waste, now via the Waste Industries contract, curbside collection of yard debris, bulk debris, recycling and Fall leaf collection. It also supports the cost for any capital equipment needed to support the Sanitation services. Additionally, it has been a conscious decision of Council for many years to increase the sanitation fee in order to provide operating revenues in lieu of a property tax increase. Consequently, a significant part of the monthly fee is used to support general services. The property tax equivalent of the sanitation fee revenues of \$1,830,000 is

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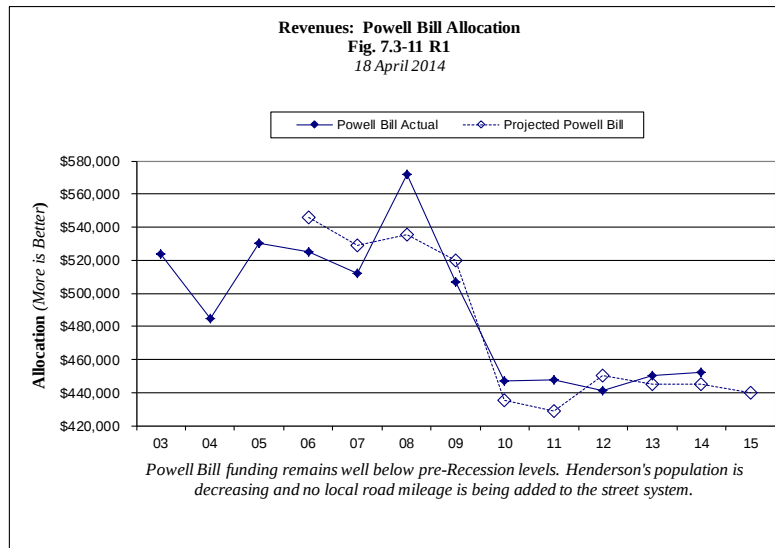
\$0.20 cents. Consequently, if the City did not levy sanitation fee, property taxes would have to be \$0.82 cents instead of \$0.62 cents.



Powell Bill funds, the State's distribution of the gasoline sales tax to localities, is based on a locality's lane miles and population. The State gas tax revenues are dependent on increasing state-wide gasoline sales. Fuel efficiency in motor vehicles and the Recession have impacted gas sales and thus the amount of Powell Bill revenues which can be distributed to localities. When constrained State gas tax revenues are combined with Henderson's continued population decline and static road mileage growth, one begins to understand why this important revenue source is not growing in the City's Budget. In other words, the City's allocation of the Powell Bill distributions is decreasing while cities and towns with growing populations and lane miles are increasing. Henderson's share of Powell Bill Revenues have not recovered to pre-Recession levels.



FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

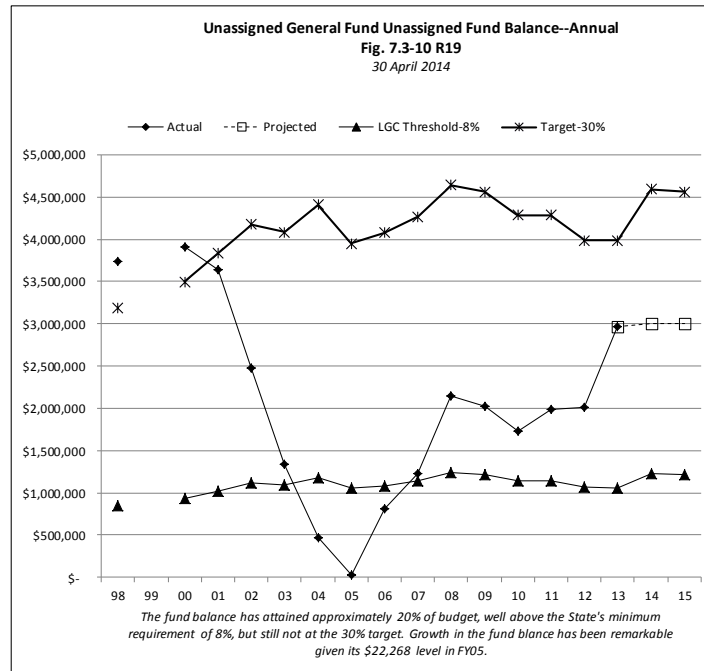


Undesignated Fund Balance

The City's undesignated fund balance is critical for two fundamental reasons. First, it serves as a rainy day fund to provide one-time appropriations to assist with grant matches and one-time capital needs. Secondly, and perhaps most importantly, it serves to provide enough cash in the bank for cash flow purposes during the fiscal year.

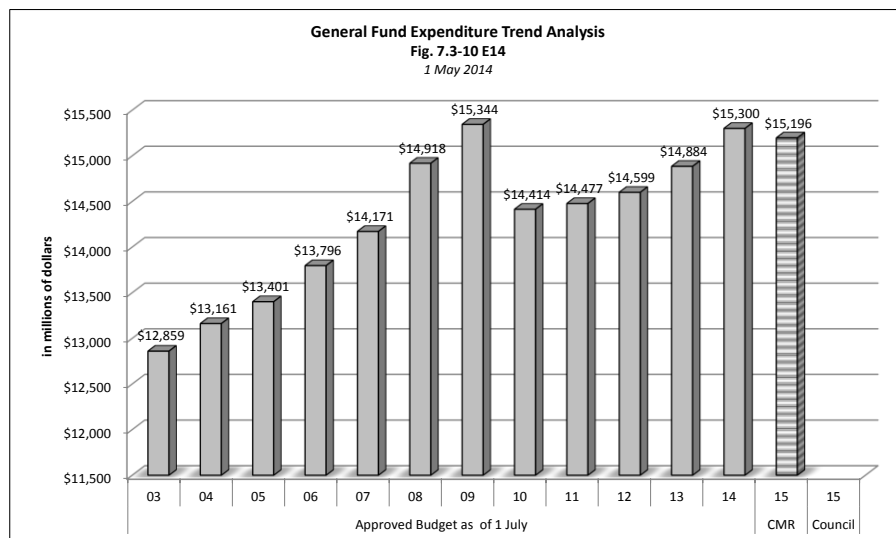
The NC Local Government Commission (LGC) requires that localities maintain at least an 8% fund balance. In 2005, Henderson's undesignated fund balance decreased from \$4.5M, or 41.3% in FY00 to \$22,268, or 0.0016% in FY06. City Council, in 2006, adopted a fund balance growth policy in response to a LGC letter citing the City for falling underneath the acceptable threshold. At the end of FY08, the fund balance had recovered to 13.8%, or \$2.1M. According to the FY13 Audit, the unassigned (undesignated) fund balance had grown to \$2,966,287, or 22.3% of budget. The goal is to achieve 30% of budget in unassigned funds. No unassigned fund balance is recommended for appropriation in FY15.

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



General Fund Expenditures

The General Fund expenditures, on the other hand, are seriously limited from many years of constrained allocations resulting in insufficient funding for capital outlay and equipment, adequate staffing levels and compensation, and program expansion in needed areas including recreation services, library operating hours, more aggressive code enforcement, information technology and planning.





FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

There are no major new initiatives in the operations and very limited capital expenditures for the General Fund during FY15. Of the 26 General Fund budget sections:

- **18 are budgeted for less money than allocated on 1 July 2013** for the FY14 Budget. These budget sections are:
 - 1) City Clerk & Governing Body, 2) City Attorney, 3) Administration, 4) Code Compliance, 5) Debt Service, 6) Planning and Community Development, 7) Downtown Development, 8) Asset Forfeiture, 9) Information Technology, 10) Bennett Perry House, 11) Public Services Administration, 12) Garage, 13) Cemetery, 14) Streets, 15) Parks & Recreation, 16) Youth Services, 17) Aycock Recreation Center, and 18) Local Agencies.
- **One (1) is budgeted for more money than allocated on 1 July 2013** for the FY14 Budget, but that is because of the transfer of the receptionist position from Administration to Human Resources. If the transfer of the position from Administration had not been made, the Human Resources budget as well as the Administration would both be less than 1 July 2013 levels. **Thus 19 of the 26 budget sections are budgeted at less than was allocated by City Council for the 1 July 2013 FY14 Budget.** This budget section is:
 - 19) Human Resources.
- **One (1) is budgeted for exactly the same allocation as 1 July 2013 funding** for the FY14 Budget. This budget section is:
 - Public Buildings.
- **Six (6) are budgeted more money than was allocated on 1 July 2013** for the FY14 Budget. These budget sections are:
 - Finance—funding was provided for unfreezing the Assistant Finance Director position and funding two actuarial studies required by law on an every-other-year basis, therefore such funding was not provided in the FY14 Budget.
 - Police—funding was provided for the purchase of three (3) vehicles, otherwise, the operating budget is less than appropriated on 1 July 2013.
 - Fire—funding was provided for the purchase of two (2) vehicles, otherwise, the operating budget is less than appropriated on 1 July 2013.
 - Sanitation—the annual increase in the cost for household sanitation services has increased, thus making the budget larger than last year.
 - Non-Departmental—funding was provided for Phase 1 of the Classification and Pay Study implementation, otherwise this budget would have been less than FY14 levels.

FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE



- Joint Programs—this is larger than last year due to increased funding for tax and E-911 services. The City is bound by contract to pay the County for its share of these ‘contracted’ services.

It is often said local government must also tighten its belt when financial times are difficult. No one would disagree with this sentiment; however, one must realize the City of Henderson has been tightening its belt since the late 1990s as this protracted and exasperating period of austerity continues. The total workforce has been reduced by about 42 positions since FY01, and spending in the fund has seriously lagged inflation since FY09, thus eliminating flexibility within departmental operations and funding for needed capital expenses and employee compensation. Despite these reductions in spending and/or holding the line on other expenses, the City faces increases in the items it procures in order to provide services. For example, increased costs for materials and supplies, increased costs for asphalt and concrete, chemicals, electricity, fluctuations in the prices of motor fuels and natural gas, etc.; all serve to impact the bottom line.

While the General Fund operating budgets are very tight, there are several areas of impact which should be mentioned as follows:

- *Street resurfacing* budget is only \$40,000.
- *Storm drainage* improvements budget is only \$35,000.
- *Public buildings’ maintenance* is basically zero. There is no funding for the Bennett Perry House, Old National Bank Building, Old City Hall/Police Station attached to and part of the historic Fire Station on Garnett and Young Streets. Additionally, there are no funds for the painting of City Hall’s now faded mansard roof and interior walls which are now showing six (6) years of wear and tear. It is probably time for the City to have a discussion on the efficacy of keeping the Bennett Perry House and the significant cost issues surrounding its renovation vis-à-vis priority for other municipal buildings.
- *Demolition funding for abandoned structures* and codes compliance is funded at \$48,300, well below any figure that could meaningfully reduce the backlog of 14 structures already condemned for demolition and with an estimated cost of \$90,500. Additionally, 15 more units will be brought before Council by Fall, adding another \$70,000 funding gap. Beyond these 29 structures, 260 lie in wait for the condemnation process to begin. It is estimated the cost to remove all 289 abandoned structures would be about \$1,250,500.
- *Reduction-in-Force* of two (2) full-time and four (4) part-time positions as follows:
 - Main Street Director, full-time—essentially closing out this operation except for the \$10,000 annual contribution to the DDC.

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Human Resources will work with this individual to find employment elsewhere within the City.

- Police Office Assistant, full-time—civilian position which is currently vacant.
- Four (4) School Crossing Guards.
- *Classification and Pay Plan-Phase 1 Implementation*, \$65,000, is recommended.

While the aforementioned budget data are sobering, there are a couple of bright spots in terms of expenditures and revenues.

- Health insurance premiums will be reduced between 6% and 10%, thus adding some relief to the budget balancing. Negotiations with Blue Cross/Blue Shield are on-going.
- The State's Tax and Tag program is generating about \$150,000 to \$200,000 more property tax revenues than received last year. This accrued to the budget balancing and eliminated the need to use any of the undesignated fund balance.

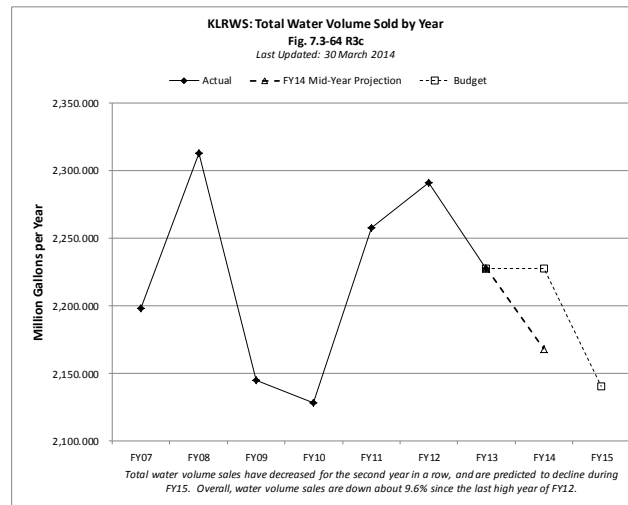
REGIONAL WATER FUND

The Regional Water Fund provides resources for the operations at the Kerr Lake Regional Water Treatment Facility. Constructed in the early 1970s, this facility provides water to Henderson, Warren County and Oxford. Henderson is the majority owner and managing partner, 60%, with Warren County and Oxford each having a 20% interest. The current capacity of the facility is 10 MGD; however, plans are underway to expand the facility to 20 MGD. Funding for consulting engineers was provided in FY09 to assist the City in pursuing the expansion of its Inter-basin Transfer (IBT) of water from 10 MGD to 20 MGD. It is expected this project will be "put-to-bid" in late 2015 or early 2016.

The regional partners sell water at retail to their own customers and other governmental entities. Henderson currently sells water to the Kittrell Water Association, Franklin County as well as residential, business and industrial customers. Additionally, the City has water sales contracts with Vance County and Granville County.

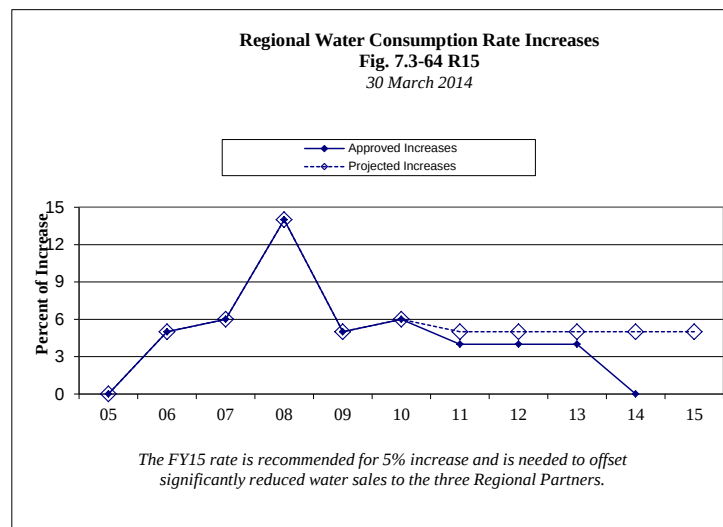
Regional water sales have decreased over the past 18 months, and this trend is expected to continue. It is expected water volume sales will decrease another 4.1% in FY15 over FY14 levels. Overall, water sales are expected to drop by 9.6% since FY12. This, of course, means lower revenues for the Regional Water Plant and capital reserves.

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Given the reduction in sales of water and in order to meet its operational needs and provide adequate funding for capital reserves established for the planned expansion of the facility, the Regional Water Fund must increase its water rates by 5%, effective 1 July 2014. Each percent increase results in about \$39,000. This will result in an additional \$195,000 in revenues that will continue to provide for needed capital reserves.

Water rate increases can be expected annually until sufficient funds are provided for the water plant's expansion project. A trend analysis of rate increases is provided in the following chart:





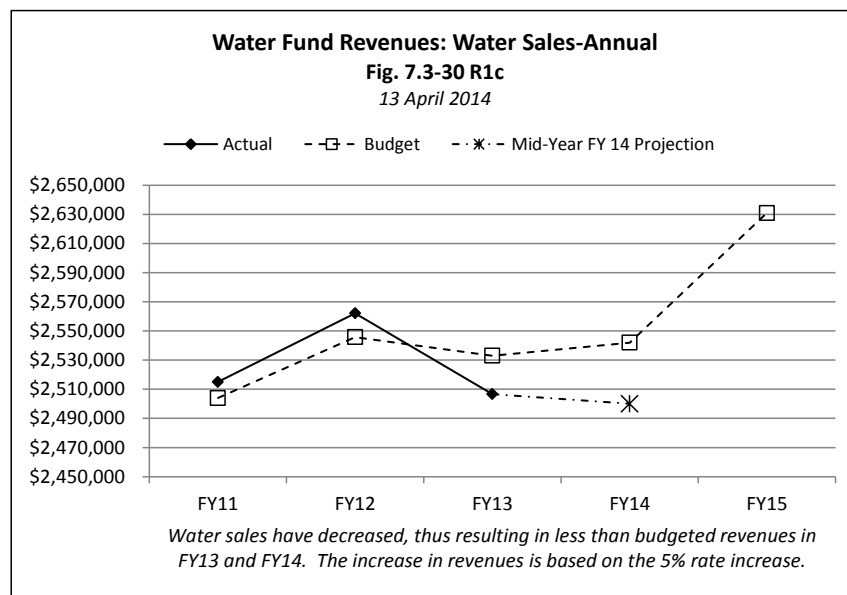
FY 14-15 BUDGET CONSENSUS BUDGET MESSAGE

The Regional Water System Fund is estimated to be \$4,319,000 as compared to \$4,430,000 approved for FY14. 99% of its revenues are generated from the sale of water to Henderson, Oxford and Warren County. 18% of its expenditures are dedicated for debt service and 19% for capital reserve. Personnel expenses make up 16% of total budget.

WATER FUND

The Water Fund provides for the distribution of potable water to the City's 8,800 customers and its three governmental customers of Kittrell Water Association, Franklin County and Vance County. Vance County Phase 1A is now on-line and it is expected Phases 2A&B will be on-line in the third or fourth quarter of FY15. The Water Fund is estimated to be \$7,167,000.

78% of Water Fund revenues are derived from the sale of water to retail customers and wholesale governmental customers of Kittrell Water Association and Franklin County. Water reservation fees from Granville and Vance counties make up 14% of revenues. Water sales are down, and is part of the overall driver for the reduced water sales from the Regional Water Plant. Warren County and Oxford also report reduced sales. At current levels, it appears total sales may be about \$42,000 less than budgeted in FY14.

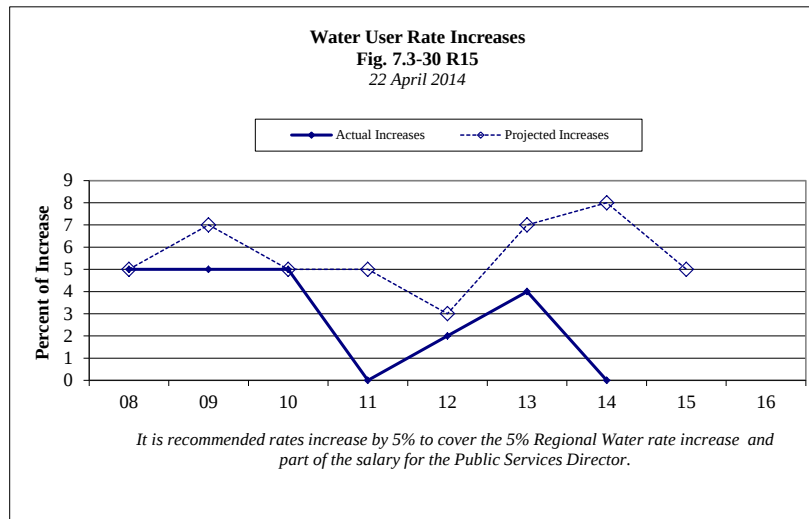


In order to absorb the 5% water rate increase from the Kerr Lake Regional Water Treatment Facility, pay for one-half of the costs for unfreezing the Public Utilities Director position and reduced consumption, it is recommended that the water rate be increased by 5%, effective with the first billing cycle in July. Each percent increases yields about \$27,000 from the City's general rate customers. The impact on a residential customer using 5,000 gallons per month would be \$0.69 and \$1.71 for inside and outside

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customers; respectively. A time trend analysis of water rate increases is provided in the following graph:



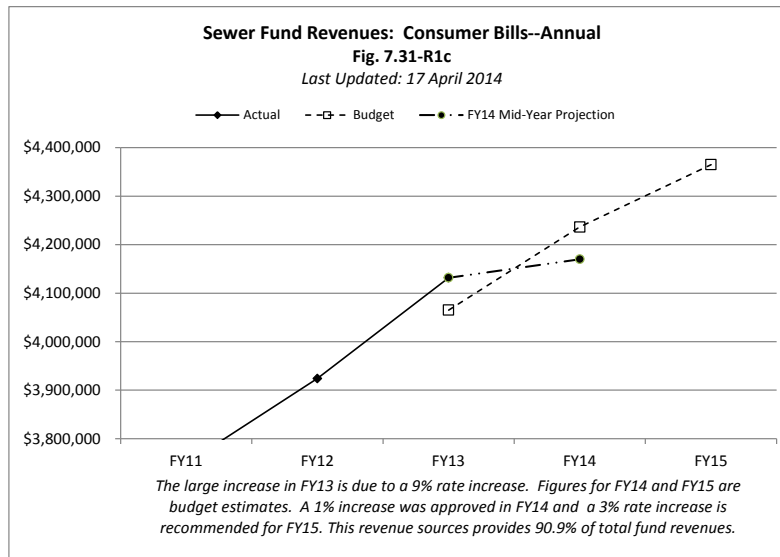
SEWER FUND

Revenues

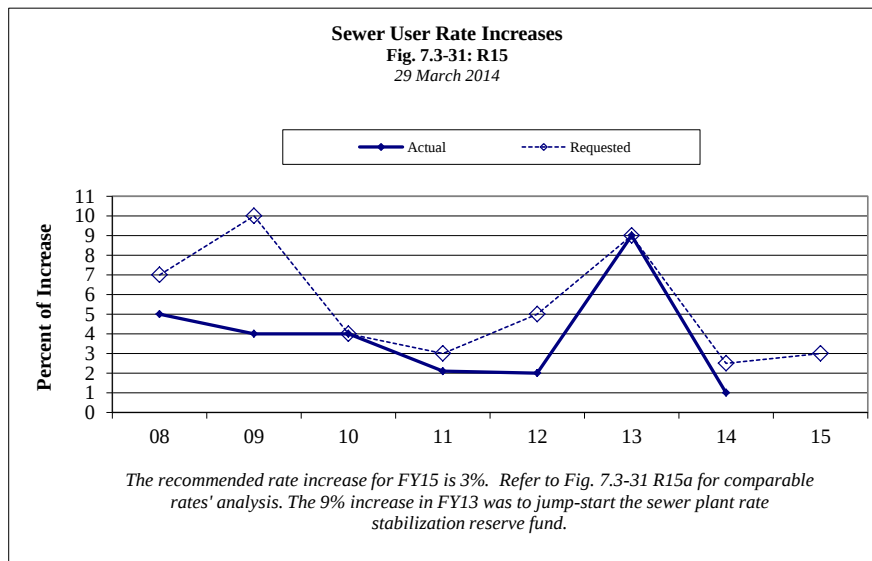
The Sewer Fund provides for the collection of sanitary waste and treatment for the City's 6,990 customers. The Sewer Fund is expected to be \$4,842,000 in FY15. 91% of the fund's revenues are derived from the sewer user fee. Revenues are estimated to be lower in FY14 than budgeted by about \$66,000 due to reduction in water sales.



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It is recommended that the sewer rate increase by 3% in order to provide for increased operational costs and paying for one-half of the costs to unfreeze the Public Utilities Director position. Each percent generates \$37,000.



Expenditures

The Sewer Fund is divided into three budgetary sections as follows: 1) Henderson Water Reclamation Facility (sewer plant); 2) sanitary sewer collection system maintenance and construction; and 3) Inflow & Infiltration (I & I). The major capital initiative is the reservation of \$436,000 for sewer plant improvements' rate stabilization reserve.



The single most important asset that the City has is its workforce. In the City Council's recently adopted Strategic Plan, Key Strategic Objective 6 acknowledges the value of the employees and the need to address several critical workforce related issues including competitive pay, cost of living adjustment and retention of qualified employees.

Staff Capacity and Staff Capability Issues

Historically speaking, the City has slipped significantly in pay competitiveness over the previous decade. The prolonged budgetary crisis that has existed since 2001 and now, the current Recession have caused resources to be diverted to other operational needs and to avoid increasing the tax rate. The budgets have, in part, been balanced by not funding up to 19 positions and not keeping the pay/classification system up-to-date. The last pay and classification study commissioned by the City was in 1992.

The end result of this practice has been to reduce *staff capacity* to perform work. The long-term outcomes of this include staff burnout, reduced effectiveness in the performance of work and *things falling between the cracks*. Many FLSA exempt employees are working in excess of 60 to 70 hours per week. They are paid for 40 hours

per week. Many FLSA non-exempt employees are working significant hours of overtime in order to keep up with work demands. This results in a high compensatory time ratio to hours worked. Neither is sustainable over a long period of time.

The recently completed *2014 Classification and Pay Study*, received by Council during its 12 May 2014 meeting, has determined, on average, the City's workforce is paid about 22.67% less than peer cities and towns. The cost to fully implement the Study's recommendations would exceed \$1.4M; consequently, a minimal amount of funding has been set aside in the budget to begin Phase 1 of a five-year implementation plan. Thus, about \$117,000 has been budgeted across the four operating funds in order to start addressing this issue.

DEBT SERVICE

All debt is allocated to and expended from the operating budgets. Debt includes General Obligation Bonds, Revenue Bonds, Certificates of Participation (COPS) and lease purchases for vehicles and equipment. There are no plans to issue bonds or COPS during FY15. Total debt has been reduced from \$30,126,051 in FY08 to \$15,162,440 at the end of FY13.

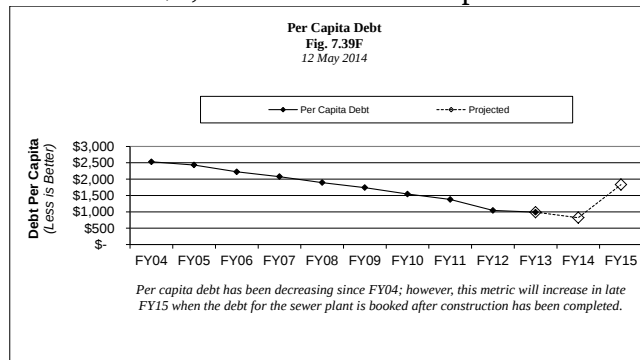
State law limits the legal debt margin to 8% of net assessed value of real estate within the corporate limits. The City is well below this margin and its total debt is trending



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downward. The City's legal debt margin has increased from \$59,435,698 in FY04 to \$79,101,708 in FY13.

Long term debt is not expected to increase until FY15 when the sewer plant project becomes due. There are no plans to add to the general fund debt in the foreseeable future. Additionally, the debt on Aycock Recreation Center will be paid off in FY16. A good deal of information on this subject matter is provided in the Debt Service Fund sections of each of the operating funds. As the overall debt limit has decreased, so too has the per capita debt. It has reduced from a high of \$2,500 in FY04 to a low of \$990 in FY13. This is estimated to increase to \$1,831 when the sewer plant debt is due.



BUDGET REVIEW PROCESS

The Budgetary Review process begins its legislative phase this evening with the presentation of the Budget to the Mayor and City Council. The budgets are increasingly difficult to balance at the staff level and to review and approve at the Council level. The continuing *Period of Austerity* that began in the late 1990s continues to this day.

I am very proud of the City's work force and the good work they provide to the City and its residents each day. I am very proud of the hard work given to the budgetary process this year by the department directors and their good spirit in doing so while, at the same time, knowing many needed initiatives and funding streams for operations are not being met.

IN CLOSING

The preparation of a City budget is a prodigious task requiring great teamwork. Many individuals spent countless hours, many after hours and weekends, to develop and bring this budget together. I would like to thank all of the Department Directors and their staff for their hard work in preparing very conservative and constrained budget.

**FY 14-15 BUDGET
CONSENSUS BUDGET MESSAGE**



I would like to recognize and thank Executive Assistant Patricia Pearson for her excellent work in helping edit and produce the Work Budget book. This document would not have been possible without her.

I would like to thank Finance Director Kathy Brafford, Assistant City Manager Frank Frazier and City Clerk McCrackin for the many, many hours they worked in helping me prepare the budget and the many hours the Department Directors and their staff spent in preparing and working with me in the development balancing of the budget.

Finally, I would like to thank the City Council for its approval of the Strategic Plan and providing guidance and direction to the Staff as it began to develop the budget.

The staff and I look forward to working with the City Council over the next several Budget Work Sessions.

Respectfully Submitted,

A. Ray Griffin, Jr.
City Manager