



**CITY OF HENDERSON**

**NORTH CAROLINA**

**FY 2015-2016**

**RECOMMENDED BUDGET**

Prepared by:  
The Offices of: City Manager, Finance Director  
Human Resources & City Clerk  
May 2015



## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

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18 May 2015

**TO:** The Honorable James D. "Pete" O'Geary and Members of the City Council

**FR:** Edward A. Wyatt, Interim City Manager

**RE: CAF: 15-62**

**Presentation and Consideration of the FY 2015-16 Recommended Budget**

**Ladies and Gentlemen:**

In accordance with the Henderson City Charter and the Statutes of the State of North Carolina, the FY 2015-16 Recommended 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**

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. Many justified and warranted initiatives and needs, both capital and operating, have not been recommended for funding due to very limited resources.

Department Directors were encouraged to request the needs required to maintain their level of service in addition to wants that would help them attain goals they have set or implement new programs. While it was understood that they may not be considered for recommendation, this allowed them the opportunity to demonstrate the challenges they are facing and opportunities they wish to explore. I was very impressed with the manner in which their budgets were developed and appreciate their understanding and cooperation while working to balance the budget. Unfortunately, natural growth revenues are not keeping up with the budgetary needs of the City, thus the ever widening gap between available resources and critical un-met needs.

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.

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



## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

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important policy document is the annual Strategic Plan. To that end, the Recommended 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 by way of the Recommended Budget:

1. *KSO 4: Improve Housing Stock:* Minimal funding of \$20,000 is provided to continue demolition of dilapidated, abandoned structures. This will allow for demolition and disposal of about 3-4 minor structures.
2. *KSO 5: Reliable Infrastructure:* Minimal funding in the amount of \$627,200 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:* \$183,200 is provided for a modification of Phase 2 of the 5-Year financing plan to proceed with the implementation of the Classification and Pay Study. The modification allows all eligible employees a 4% pay increase. The increase will not apply to Sworn Law Enforcement Officers because they have a separate pay and classification plan and are currently above market.

### **TOTAL BUDGET**

The total City budget is comprised of four (4) primary operating funds and a number of smaller specialty funds. The primary funds include General, Water, Sewer and Regional Water System. The smaller supporting funds include Powell Bill and the Capital Reserve funds. Responsibilities are shared across funds, so, justifiable costs are allocated to provide support from one fund to another.

For the General Fund, I recommend an appropriation of \$325,000 in undesignated fund balance to help adhere to the City's mission, vision and purpose. Regional Water, Water and Sewer Fund budgets also include a recommendation for rate increases by 5%, 4% and 9% respectively, in order to address the forthcoming debt.

The total recommended budget, adjusted for inter-fund transfers, is \$37,942,400. The total budget is balanced once again for FY 2015-16 with serious *belt tightening efforts*, while an appropriation from the General Fund fund balance and utility rate increases are being recommended in the Water, Sewer and Regional Water System Funds, there are no recommended increases in the property tax or sanitation fee. With consideration to current spending trends, the impact on the General Fund fund balance is expected to be minimal and the estimated impact on residential customers regarding the utility rate increases are described in the following table:



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

Impacts on Residential Customers				
FY16 Recommended Budget				
	FY 15	FY16	Monthly Increase	Annual Increase
<i>Inside City</i>				
<b>Property Tax:</b> No Increase	\$ 0.62	\$ 0.62	NA	NA
<b>Sanitation Fee:</b> No Increase	\$ 29.00	\$ 29.00	NA	NA
<b>Water Rate</b> increase of 4% based on customer using 800 cubic feet of water per month.	\$ 17.50	\$ 18.20	\$ 0.70	\$ 8.40
<b>Sewer Rate</b> increase of 9% based on customer using 800 cubic feet of water per month	\$ 52.86	\$ 57.62	\$ 4.76	\$ 57.12
<b>Total Impacts</b>			\$ 5.46	\$ 65.52
<i>Outside City</i>				
<b>Water Rate</b> increase of 4% based on customer using 800 cubic feet of water per month.	\$ 43.76	\$ 45.51	\$ 1.75	\$ 21.00
<b>Sewer Rate</b> increase of 9% based on customer using 800 cubic feet of water per month	\$ 132.26	\$ 144.16	\$ 11.90	\$ 142.80
<b>Total Impacts</b>			\$ 13.65	\$ 163.80
<b>Notes:</b> 1) 800 cubic feet of water = 5,984 gallons of water. 1 cubic foot of water = 7.4805 gallons of water.				4 May 15 psp

### 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 funds, as well as cost allocations from the enterprise funds.

The recommended General Fund budget is \$15,397,900. While this budget is \$201,900 more than the FY 2015 approved budget beginning 1 July 2014, it includes an exchange of \$70,700 in lease/purchase annual payments for \$339,000 in outright purchases for vehicles and equipment. This alternative was considered in an effort to balance the budget without further impacting the requested needs of the departments.



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

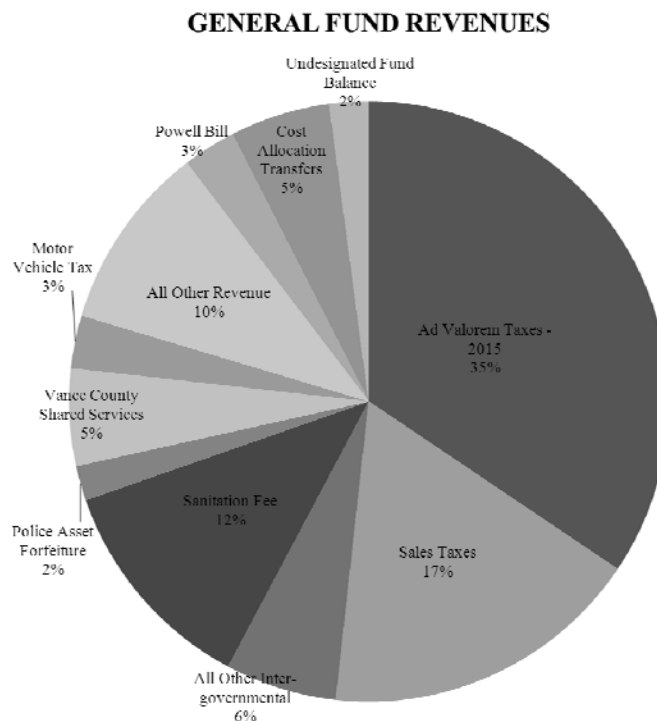
The revenue line item was also increased by this amount. The FY 2015-16 recommended budget is \$7,412 **less** than the FY 2015 amended budget, resulting in a .05% decrease.

The FY 2016 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 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.

### *General Fund Revenues*

The current year property tax, both real and personal, is the single largest revenue source for the fund and comprises 37.28% of the total projected revenues. The sales tax, an extremely volatile revenue source which is totally dependent on the strength of the economy comprises 17.34% of the fund's budget and the Sanitation Fee, comprises 11.88%. Thus, 66.5% 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.

The repeal of legislation regarding business privilege license fees result in a loss of over \$250,000 in revenue. The North Carolina General Assembly has promised to replace these types of revenue but has yet to approve any new legislation which would help the City at this time. There are several bills that have been introduced in the House or Senate which could help cities in the future.

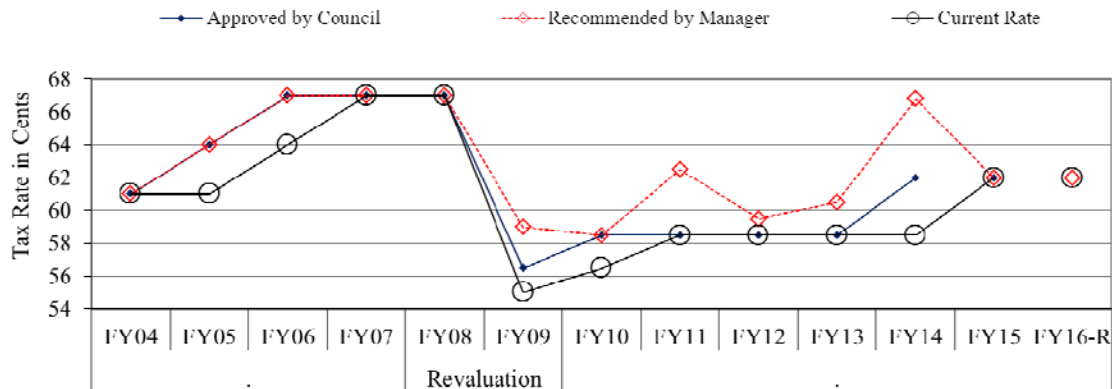




## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

The tax rate has varied over the past few years. The rate was reduced for FY 2009 from 67 cents to 56.5 cents as a result of reevaluation. The rate increased 2 cents in FY 2010 and 3.5 cents in FY 2014. There was no increase in FY 2015 and no increase is being recommended for FY 2016. Next year's reevaluation is anticipated to result in lower assessed property values; this is likely to invite additional challenges for this source of revenue.

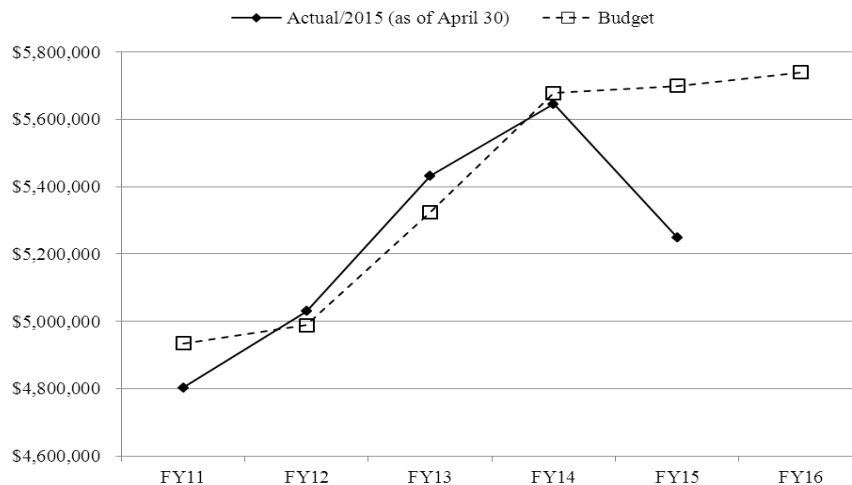
**Property Tax Rate Trend Analysis Fiscal Years 2004-2016-R**



*The FY15 property tax rate was 62 cents per \$100 valuation  
There is no tax rate increase recommended for FY16.*

The 2015 property tax revenues are estimated to be \$5,300,000. While this is lower than the \$5,700,000 budgeted for FY 2015, the NC Department of Motor Vehicles (NCDMV) now administers the Tax and Tag program, which is expected to result in \$440,000 in revenue. The total represents a very mild increase above the current year's budget. Again, there is no recommended increase in the property tax rate for FY 2016.

**Current Year Property Tax**



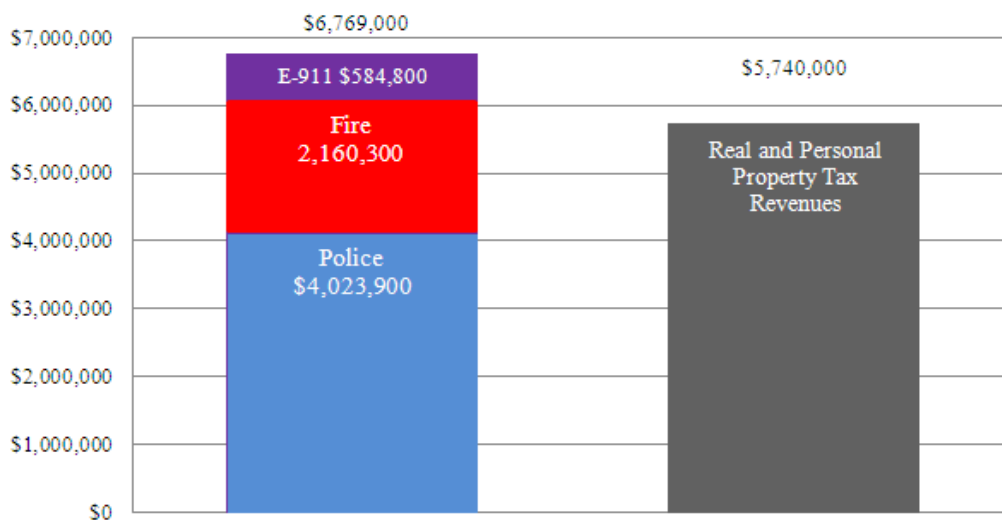
*Property Tax revenue comprises 37.28% of the General Fund's revenues.  
FY 16 tax collections (\$5,300,000) are budgeted lower than prior years due to the new  
Tax and Tag program for motor vehicles - \$440,000 is budgeted for the same.*



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

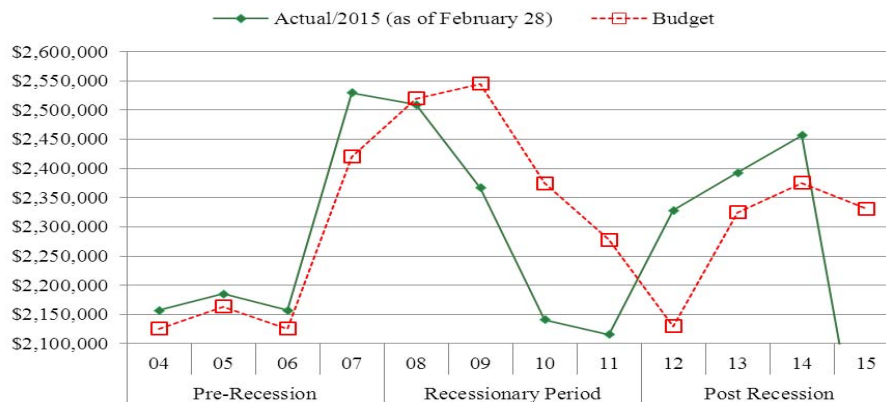
It is important to note that the current year property tax does not even come close to financing basic public safety services. The following graph reveals the revenue from the recommended property tax rate of \$0.62 cents (\$5,300,000), and the estimated motor vehicle tax revenue (\$440,000) will provide for 37.28% of the General Fund's revenues, yet public safety expenses require 43.96% of the fund's total 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.

**Public Safety Expenditures v. Current Year Property Tax Revenues**



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. It appears that sales tax collections will be more than the FY 2015 budget due to under budgeting for the Transitional Hold Harmless Tax that sunset in August 2012.

**Annual Sales Tax Receipts**



*Sales Taxes are the second largest revenue source in the General Fund, comprising 17.21% of all Fund revenues. This revenue source is unavailable immediately and the data is delayed by 1 1/2 months.*





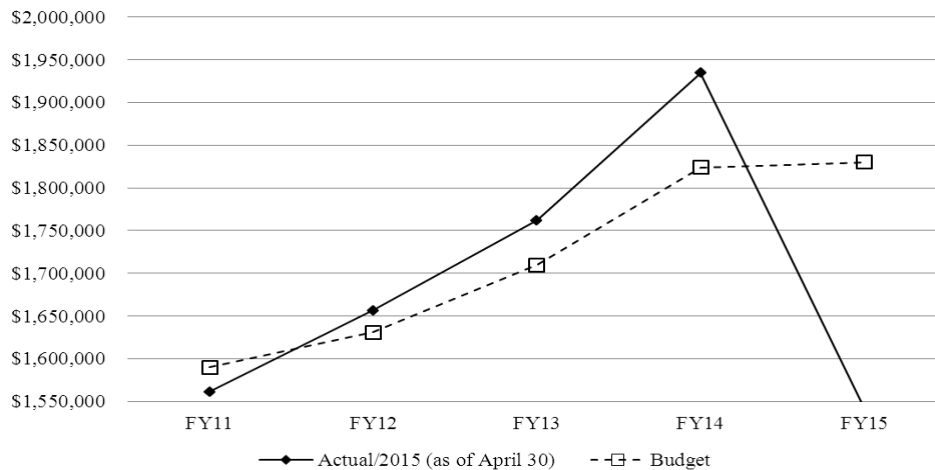
## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

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 FY 2016 Budget reflects an increase with a revenue estimate of \$2,650,000, up from \$2,331,000 in FY 2015 due to underestimating the hold-harmless sales tax in FY 2015.

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 \$63,100 in revenues. The current rate is \$29.00 per month. No increase is recommended in FY 2016. It is important to note that Henderson's housing stock is not growing, therefore we could start to see a decline in this revenue. The staff is also keeping a close watch on the expenditure side, relative to the contracts associated with solid waste collections.

### Sanitation Fee

*Data reflects revenue collected through the month of April.*



The Sanitation Fee is used to support household collection of solid waste, 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.

It is important to note that there are approximately 445 commercial and/or non-residential accounts (excluding apartments) that do not pay a sanitation fee to the city. This issue is raised due to the fact that other cost centers, such as code compliance, revenue bond repayment, etc., make up a component of this fee.

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 \$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.



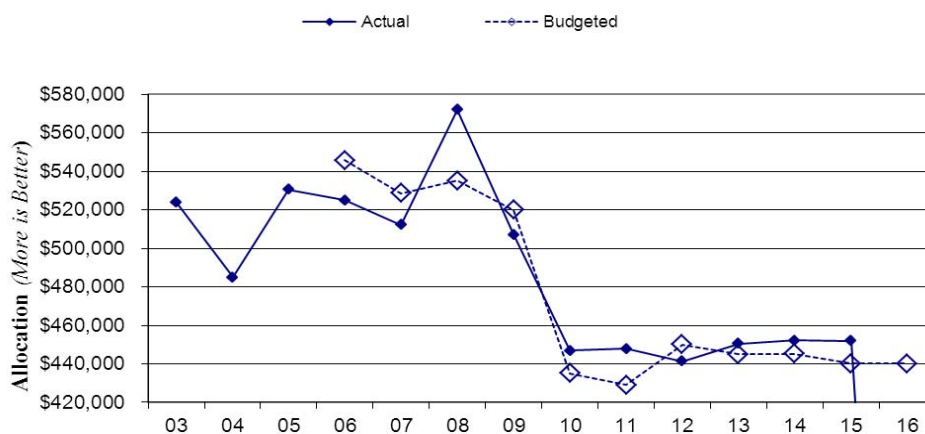


## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

Powell Bill funds, the State's distribution of the gasoline sales tax to localities, are based on a locality's lane miles and per capita 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.

In addition to the aforementioned, The General Assembly has passed a compromised Senate Bill (SB20) with an April 1, 2015 effective date. Based on an Office of State Budget and Management revenue estimate of the bill, State Aid will be roughly the same next fiscal year (an increase of 0.15%), and a decrease of 2.56% in the following fiscal year. Henderson's share of Powell Bill Revenues has not recovered to pre-recession levels.

### Powell Bill Allocation



*Powell Bill funding remains well below pre-recession levels. Henderson's population is decreasing and no local road mileage is being added to the street system. In addition, budget projections from new legislation estimates a decrease in allocations in FY*

### 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.

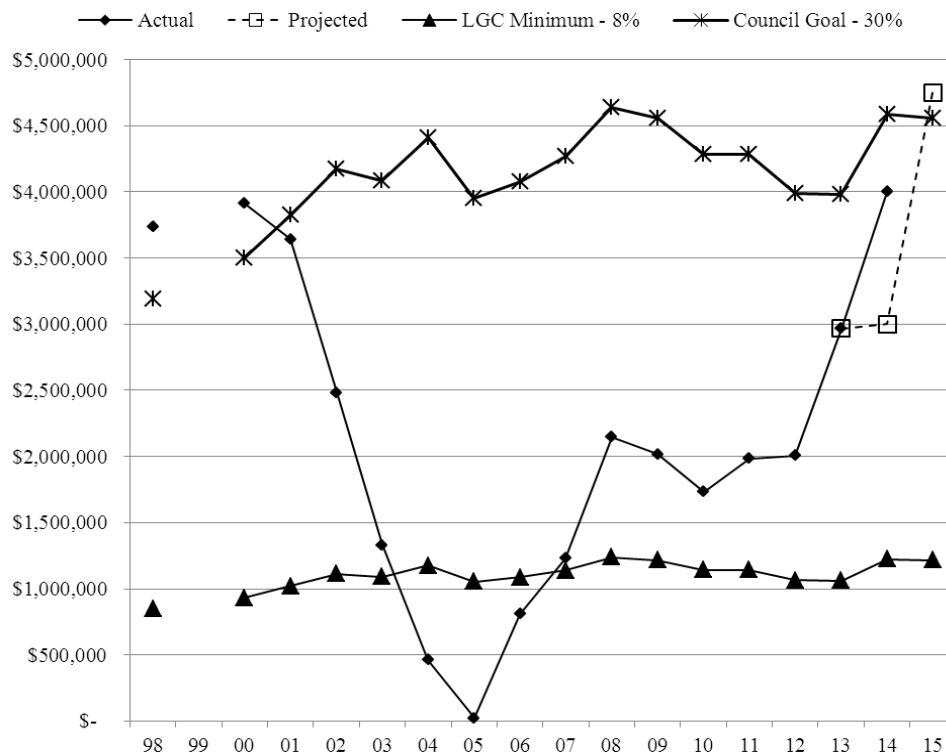
The NC Local Government Commission (LGC) requires that localities maintain at least an 8% fund balance. In 2005, Henderson's undesignated fund balance decreased from \$4.5M, or 41.3% in FY 2000 to \$22,268, or 0.0016% in FY 2006. City Council, in



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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 FY 2008, the fund balance had recovered to 13.8%, or \$2.1M. **According to the FY 2014 Audit, the unassigned (undesignated) fund balance had grown to \$4,001,351, or 29.88% of budget.** The goal is to achieve 30% of budget in unassigned funds. An appropriation of \$325,000 is recommended from the General Fund fund balance for FY 2016, which may or may not decrease the percent of budget, depending on the funds remaining at the end of the current fiscal year. Based on current spending, it is projected that fund balance will continue to grow this fiscal year.

### General Fund Unassigned Fund Balance



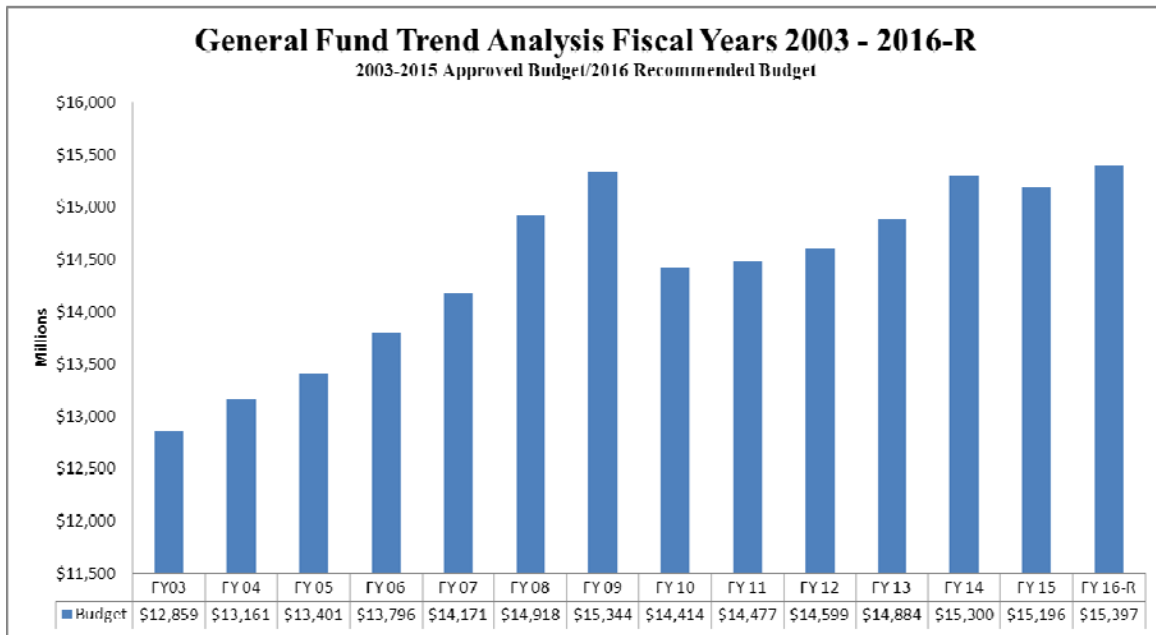
*The fund balance has attained approximately 29.88% of budget, well above the State's minimum requirement of 8%, and almost at the 30% goal.*

### 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, information technology, risk management, planning, more aggressive code enforcement and addressing dilapidated or deteriorated properties or structures.



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE



There are no new initiatives for the General Fund during FY 2016. Below is a table showing the percent increase or decrease from the current FY 2015 budget (amended by Council) and the FY 2016 Manager's Recommended budget for each department.

GENERAL FUND DEPARTMENTS				
Department	2015 Council Amended Budget	2016 Department Requested Budget	2016 Manager Recommended Budget	% Increase or Decrease
				Amended-Recommended
Governing Body	\$ 174,700	\$ 186,300	\$ 176,100	0.80%
Administration - City Attorney	\$ 69,000	\$ 77,800	\$ 62,300	-9.71%
Administrative	\$ 323,640	\$ 327,100	\$ 310,500	-4.06%
Human Resources	\$ 200,640	\$ 201,500	\$ 198,800	-0.92%
Finance	\$ 440,700	\$ 484,200	\$ 478,000	8.46%
Information Services	\$ 43,000	\$ 90,400	\$ 52,900	23.02%
Development Services*	\$ 308,200	\$ 467,800	\$ 282,400	-8.37%
Henderson-Vance DDC	\$ 10,000	\$ 90,500	\$ 10,000	0.00%
Public Buildings and Grounds	\$ 72,400	\$ 184,900	\$ 73,900	2.07%
Bennett Perry House	\$ 25,750	\$ 600	\$ 600	-97.67%
Police	\$ 4,109,386	\$ 4,296,900	\$ 4,023,900	-2.08%
Police - Asset Forfeiture	\$ 325,000	\$ 163,000	\$ 288,500	-11.23%
Fire**	\$ 2,221,056	\$ 4,158,000	\$ 2,160,300	-2.74%
Public Services Administration	\$ 139,000	\$ 195,600	\$ 144,300	3.81%
Garage**	\$ 943,000	\$ 945,900	\$ 873,500	-7.37%
Cemetery	\$ 76,000	\$ 86,500	\$ 86,500	13.82%
Street	\$ 1,178,700	\$ 1,274,900	\$ 1,127,400	-4.35%
Sanitation**	\$ 916,100	\$ 1,034,100	\$ 1,160,800	26.71%



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

GENERAL FUND DEPARTMENTS (CONT.)				
Department	2015 Council Amended Budget	2016 Department Requested Budget	2016 Manager Recommended Budget	% Increase or Decrease
				Amended-Recommended
Recreation**	\$ 895,600	\$ 943,620	\$ 907,200	1.30%
Youth Services	\$ 163,040	\$ 158,900	\$ 161,600	-0.88%
Aycock Aquatics Center	\$ 346,140	\$ 476,300	\$ 350,400	1.23%
Vance County Shared Programs	\$ 976,000	\$ 1,045,800	\$ 1,027,200	5.25%
Non-Departmental	\$ 607,745	\$ 667,300	\$ 631,600	3.93%
Contribution to Local Agencies	\$ 30,800	\$ 35,100	\$ 30,800	0.00%
Debt Service	\$ 809,715	\$ 778,400	\$ 778,400	-3.87%
<b>Total - General Fund</b>	<b>\$ 15,405,312</b>	<b>\$ 18,371,420</b>	<b>\$ 15,397,900</b>	<b>-0.05%</b>

\* Development Services was combined during the current fiscal year, further explanation is in the **FORMAT** section (pg. 22).

\*\* 2016 Manager Recommended Budget column is inflated due to the vehicle/equipment lease purchase with delayed payment. Additional information is in the GENERAL FUND section (page 4), and the **MAJOR CAPITAL OUTLAY** section (pg. 18)

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 \$20,000.
- *Storm drainage* improvements budget remains at \$35,000.
- *Public buildings' maintenance* particularly needs capital improvements and none are funded as a part of this budget. This includes a new roof for the old Police Station, Fire Department on Young Street, and painting of the mansard roof and interior walls of City Hall.
- *Demolition funding for abandoned structures* and codes compliance is funded at \$20,000, well below any figure that could meaningfully reduce the backlog of 10 structures already condemned for demolition and with an estimated cost of \$80,000. Additionally, 15 more units will be brought before Council by Winter, adding another \$70,000 funding gap. Costs per unit or group vary based on a number of factors. Beyond these 25 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.

Spending in the General Fund has seriously lagged inflation since FY 2009, 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.



## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

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### **City-County Contracts**

The chart below shows the contractual agreements with the County for the following services and indicates the method of billing for these services: Tax Collections, Board of Elections, Emergency Operations (E-911), Perry Memorial Library, Recreation and Aycock Aquatics Center.

**Tax Office:** As you will note, the County tax office budget is slightly down from the current year by <1%. It should be pointed out that the County budget for this office perhaps should have gone down more in light of the fact that this office no longer has responsibility for collection of motor vehicle taxes. This is now handled by the NCDMV through yearly registrations with their new Tax and Tag Together program.

**Board of Elections:** The County is requesting a 93.87% increase from the City to cover a Presidential primary and potential runoff elections and/or second primaries that may take place in FY 2015-16. We are only recommending an appropriation of \$59,000 based upon the highest amount the City has paid for this service since at least FY 2010.

The City is charged 17% of the operations of the Board of Elections. Additionally the City pays 100% of the direct cost for conducting Municipal elections. It is my belief that many municipalities pay only the direct costs associated with Municipal elections.

**E-911:** As expected, the budget request for E-911 has increased this year. The added cost is \$19,633. It should be noted that this department has added personnel over a period of time while the City has reduced its personnel, including police officers. This year, E-911 added a position during the year.

Please note in accordance with a contract with Vance County, the City provides, free of charge, space in the Operations Center and parking for 911 as their second location.

**Perry Memorial Library:** The appropriation for this year is the same as last year, \$187,500. Although the request is 2.95% higher, the County is recommending the same amount that was allocated for the current year, so we are doing the same. In accordance with the City's agreement with Vance County, the City pays 25% of the city/county contribution.

The City pays the Perry Memorial Library directly; however, as based on an agreement with Vance County. They receive 4 quarterly allocations throughout the year.



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

SHARED SERVICES AND PROGRAMS						
City-County Contracts for Shared Services	Method of Billing	Current City Budget FY 2014-15	County Requested FY 2015-16	\$ Increase/ Decrease Request - Current	% Increase/ Decrease Request - Current	City Budgeted FY 2015-16
Tax Office	25% - billed monthly by the county for actual expenses	\$176,000	\$174,985	-\$1,015	-0.58%	\$175,000
Elections	17% - billed monthly by the county for actual expenses	\$46,800	\$90,730	\$43,930	93.87%	\$59,000
E-911	50% - billed monthly by the county for actual expenses	\$565,100	\$584,733	\$19,633	3.47%	\$584,800
Library	25% - budgeted amount paid to the Library by the city quarterly	\$187,400	\$192,935	\$5,535	2.95%	\$187,400
City-County Contracts for Shared Services	Method of Billing	City Requested FY 2014-15	City Requested FY 2015-16	\$ Increase/ Decrease Request-Current	% Increase/ Decrease Request-Current	City Budgeted FY 2015-16
Recreation	45% - billed monthly to the county for actual expenses	\$375,100	\$377,400	\$2,300	0.61%	\$907,200
Aycock	45% - billed monthly to the county for actual expenses	\$127,000	\$126,200	-\$800	-0.63%	\$350,400
Aycock Debt Service	50% - billed annually to the county for actual expenses	\$153,700	\$139,300	-\$14,400	-9.37%	\$278,695
Youth Services	100% - billed monthly to the county for actual expenses	\$164,000	\$161,600	-\$2,400	-1.46%	\$161,600

As you will note in your budget review, most of the City departments have remained at the same level of funding for next fiscal year, which, of course, is subject to Council's approval. Overall, the Recreation budgets have decreased, requiring less of the County for their agreed-upon share as stated in the contracts. The few departments with mentionable increases are due to the fully funded Assistant Finance Director position, the critical need for updated servers to handle our information technology infrastructure, private contracts with built-in increases and the need to purchase capital equipment and delay the payment for one fiscal year.

The City is bound by contract to pay the County for its share of "contracted" services. Significant increases in funding for Elections and E-911 services have impacted the overall increase in this year's budget. In the event that their budget estimates come to fruition, it is recommended that City staff first attempt to identify available funds for transfer; if none are available, request that Council appropriate additional fund balance to assume responsibility for the agreed upon share.

It appears that, in light of the comments above, the contracts with the County should be comprehensively reviewed in order to achieve an equitable funding arrangement.



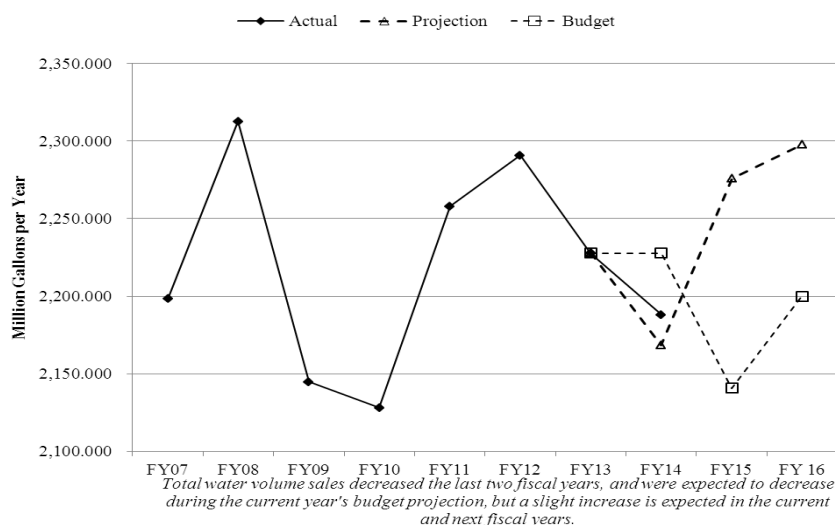
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### REGIONAL WATER SYSTEM FUND

The Regional Water System 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 FY 2009 to assist the City in pursuing the expansion of its Inter-basin Transfer (IBT) of water from 10 MGD to 14.2 MGD and is under consideration for approval. The City is considering a design-build concept for completing the 20 MGD plant expansion for which the authorization to start has been extended to December 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, Vance County, as well as residential, business and industrial customers.

There are currently two months remaining in this fiscal year, but it appears that Regional Water sales are rebounding. Based on current projections, it appears there will be an increase of approximately 1% over FY 2014-15 sales.

**KLRWS: Total Water Volume Sold by Year**



In order to meet its operational needs, provide adequate funding for capital reserves established for the planned expansion of the facility, and fund the needed replacement of the SCADA system, the Regional Water System Fund must increase its water rates by 5%, effective 1 July 2015. Each percent yields about \$39,000 in revenues. This will result in an additional \$195,000 in revenues that will continue to provide for needed capital reserves.

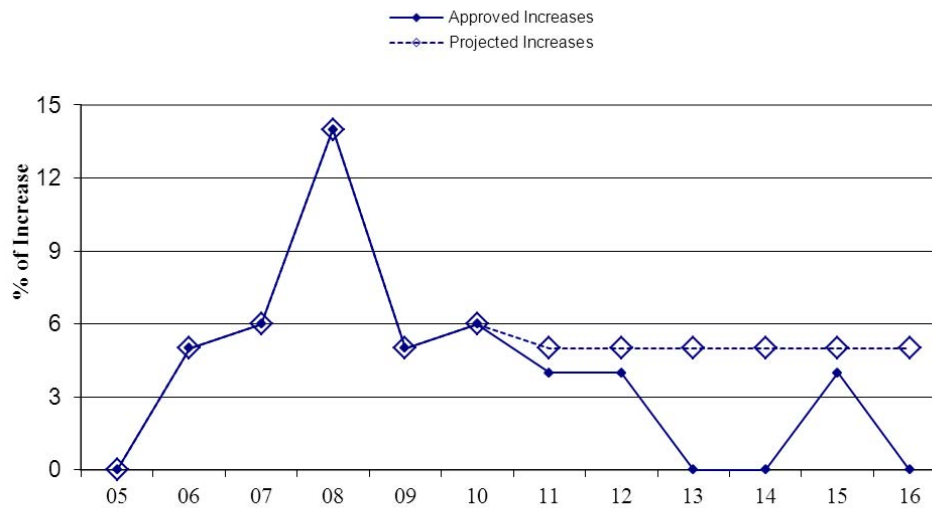




## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

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:

### Regional Water Consumption Rate Increases



*A 5% increase is recommended for FY16 and is needed to offset significantly reduced water sales to the three Regional Partners.*

The Regional Water System Fund is estimated to be \$4,499,500 as compared to \$4,280,000 approved for FY 2015. 99.79% of its revenues are generated from the sale of water to Henderson, Oxford and Warren County. 17.1% of its expenditures are dedicated for debt service and 13.6% for capital reserve. Personnel expenses make up 15% of the total budget.

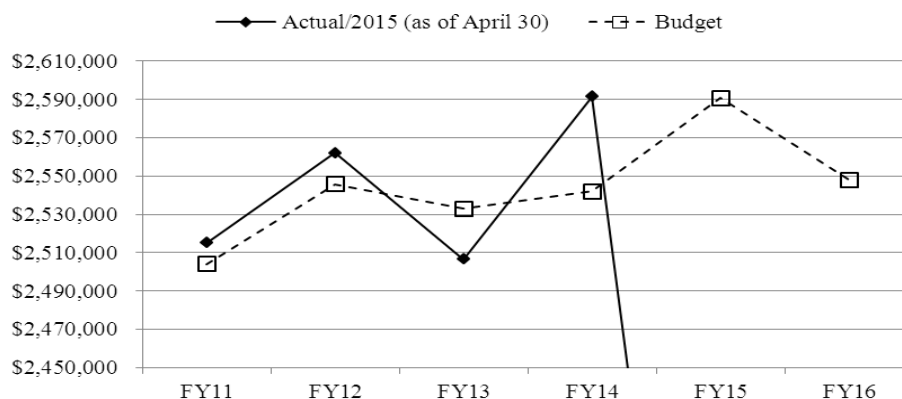
### WATER FUND

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. All three Vance County Phases are now on-line so there will be a full year of water sales to Vance County for FY 2016. 82.96% of Water Fund revenues are derived from the sale of water to retail customers and wholesale governmental customers. The Water Fund is estimated to be \$6,851,700. Using projections for the remaining two months, it appears that water sales will show a slight increase of 1% over FY 2015 sales. This is primarily due to Franklin and Vance County sales.



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

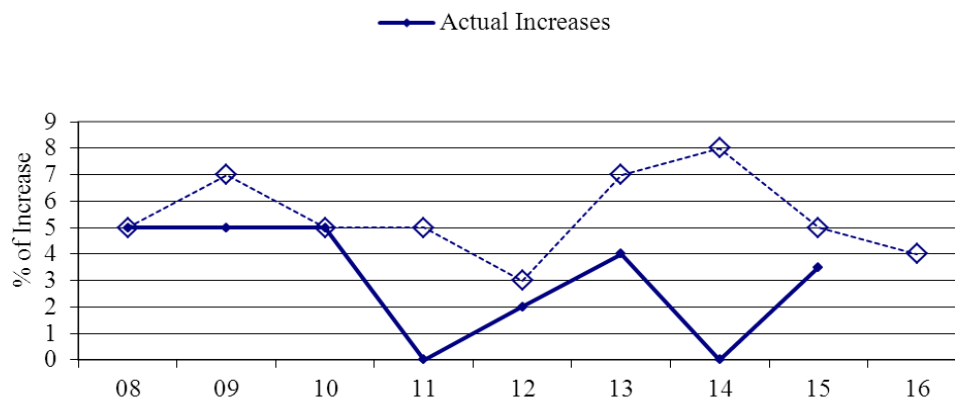
### Water Fund Revenues: Annual Water Sales



*Water sales increased last fiscal year, and are projected to increase by about 1% for the current fiscal year. Some of the increase in revenues is based on the 5% recommended rate increase.*

In order to absorb the 5% water rate increase from the Kerr Lake Regional Water System, and a limited amount of capital, it is recommended that the water rate be increased by 4%, effective with the first billing cycle in July. Each percent increase yields about \$27,000 from the City's general rate customers. The impact on a residential customer can be reviewed in the chart on page 3. A time trend analysis of water rate increases is provided in the following graph:

### Water User Rate Increases



*It is recommended rates increase by 4% to cover the 5% Regional Water purchase for resale rate increase and other capital purchases.*

## SEWER FUND

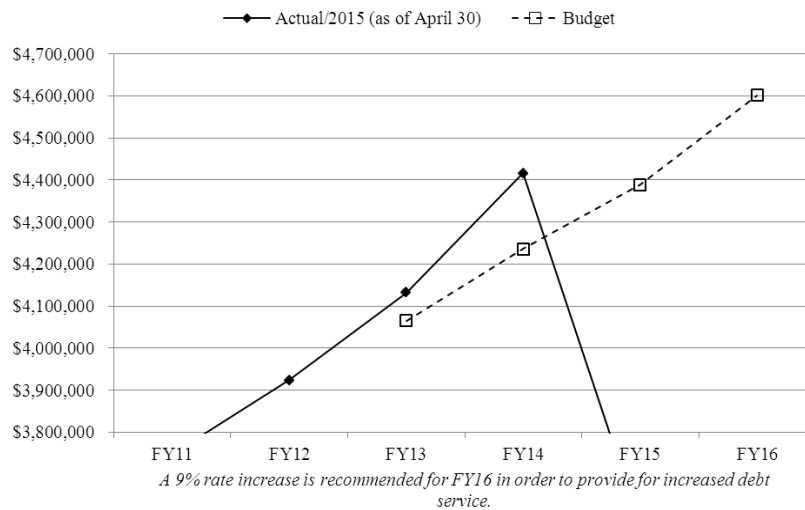
### Revenues

The Sewer Fund provides for sewer collection and treatment for the City's 7,088 customers. The Sewer Fund is expected to be \$5,032,300 in FY 2016. 91.44% of the fund's revenues are derived from the sewer user fee.



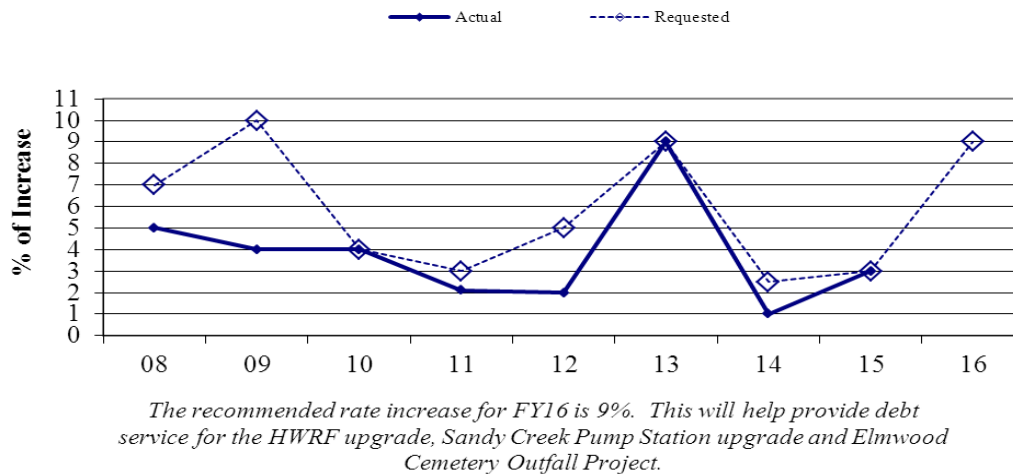
## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

### Sewer Fund Revenues: Annual Sewer Sales



It is recommended that the sewer rate increase by 9% in order to provide for increased debt service for the HWRF upgrade, Sandy Creek Pump Station upgrade and the Elmwood Cemetery Outfall project. Each percent generates \$37,000. A chart displaying the City's debt service is located on pg. 20.

### Sewer User Rate Increases



### 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).



## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

### **MAJOR CAPITAL OUTLAY**

Major capital outlay includes expenditures budgeted to purchase or add to fixed assets costing \$5,000 or more. The City strives to reduce recurring capital expenditures whenever possible by scheduling routine maintenance on existing capital. In this budget, nonrecurring capital expenditures are included in order to avoid negatively impacting service delivery within departments. The chart below shows recommended capital items by department.

<b>MAJOR CAPITAL OUTLAY</b>		
<b>FUND/Department</b>	<b>Item</b>	<b>Cost</b>
<b>GENERAL</b>		
Information Services	Server and Server Switches	\$ 15,000
Police	Dodge Chargers (2)	\$ 49,100
Police - Asset Forfeiture	Dodge Chargers (2)/Chevy Impala	\$ 72,000
Fire	Dodge Caravan	\$ 36,700
Administration - Public Services	1/3 Parking Lot Resurface/Restripe	\$ 3,000
Garage	Service Truck (L/P Delay Payment)	\$ 42,000
Street	LED Lights for Stop Lights	\$ 8,300
Street	Portion of Work Order System	\$ 3,500
Sanitation	Leaf Machine (L/P Delay Payment)	\$ 23,100
Sanitation	Garbage Truck (L/P Delay Payment)	\$ 216,000
Recreation	John Deere F-777 Mower	\$ 12,000
Recreation	Ford F-250 (L/P Delay Payment)	\$ 21,500
<b>WATER</b>		
Administration - Engineering	Survey Grade GPS	\$ 10,000
Water Distribution	Portion of Work Order System	\$ 13,500
Water Distribution	Portion of Jet Vac Truck - Lease/Purchase Payment	\$ 30,000
Water Distribution	1/3 Parking Lot Resurface/Restripe	\$ 2,250
<b>SEWER</b>		
Water Reclamation	One Ton Truck	\$ 38,000
Sewer Collection	Portion of Work Order System	\$ 13,500
Sewer Collection	Portion of Jet Vac Truck - Lease/Purchase Payment	\$ 55,500
Sewer Collection	1/3 Parking Lot Resurface/Restripe	\$ 2,250
Sewer Collection I & I	Service Truck L/P Payment	\$ 6,900
<b>REGIONAL WATER SYSTEM</b>		
Regional Water System	Scada System Replacement	\$ 508,000

Due to the challenges we faced while developing the recommended budget, alternative lease/purchase options were explored in order to balance the budget. With regard to the General Fund items, "L/P Delay Payment" allows the City to acquire a loan from the bank, purchase the vehicles or equipment in FY 2015-16 and make the first payment in FY 2016-17. Whereas the "L/P Payment" items in the Water, Sewer and



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

Regional Water System Funds, if approved, will require a payment to be made in FY 2015-16. An amendment will be brought before Council, as it has in years past, to budget for the revenue and expense when the purchase is ready to be made.

Unfortunately, this budget practice has become common for the City, but it allows employees the opportunity to maintain levels of service and avoids the possibility of taking reactive measures due to inevitable interruptions caused by vehicle and equipment failure.

### DEBT SERVICE

All debt is allocated to and expended from the operating budgets. Debt includes Revenue Bonds, State Revolving Loans, Certificates of Participation (COPS), Inter-governmental Agreements and lease purchases for vehicles and equipment. There are no plans to issue bonds or COPS during FY 2016. Total debt has decreased from \$30,126,051 in FY 2008 to \$26,069,918 at the end of FY 2014.

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. The City's legal debt margin has increased from \$51,031,966 in FY 2004 to \$78,369,468 in FY 2014.

Debt payments will increase next fiscal year with the sewer plant project as well as the Sandy Creek Pump Station and Elmwood Cemetery Outfall projects. There are no plans to add to the general fund debt in the foreseeable future. Additionally, the debt on Aycock Aquatics Center will be paid off in FY 2016. 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 \$2,530 in FY 2004 to \$1,699 in FY 2014.

<b>Debt Service Summary</b>			
<b>Fund Debt Recorded In</b>	<b>Balance of Debt (6-30-2015)</b>	<b>Description of Debt Purpose</b>	<b>Date Final Payment Scheduled to be Made</b>
General	32,750.00	DS on City Hall Building (former library)	7/1/2015
General	264,266.00	Aycock Recreation Center	6/1/2016
General	1,335,000.00	Police Station	6/1/2019
General	452,838.32	Revenue Bonds (GF Operations Center Share)	6/30/2020
<b>Total General Fund Debt</b>	<b>2,084,854.32</b>		



**FY 2015-16 BUDGET  
RECOMMENDED BUDGET MESSAGE**

<b>Debt Service Summary (Cont.)</b>			
<b>Fund Debt Recorded In</b>	<b>Balance of Debt (6-30-2015)</b>	<b>Description of Debt Purpose</b>	<b>Date Final Payment Scheduled to be Made</b>
Regional Water	509,000.00	KLRWP Priority I Improvements	4/1/2016
Regional Water	705,902.00	KLRWP Raw Water Improvements	2/1/2019
Regional Water	1,129,000.00	KLRWP High Speed Pump Project	5/1/2035
<b>Total Regional Water Fund Debt</b>	<b>2,343,902.00</b>		
Sewer	62,226.50	NVHS Sewer	5/1/2016
Sewer	230,570.60	Ruin Creek Outfall	5/1/2017
Sewer	339,628.74	Revenue Bonds (SF Operations Center Share)	6/30/2020
Sewer	1,532,436.60	Revenue Bonds (remainder of SF projects)	6/30/2020
Sewer	848,437.00	Sandy Creek Pump Station	5/1/2035
Sewer	469,391.00	Sanitary Sewer Loan	5/1/2033
Sewer	16,115,000.00	HWRF Improvements (Preliminary )	5/6/2035
Sewer	1,800,000.00	Elmwood Cemetery Outfall Project (Preliminary)	1/1/2035
<b>Total Sewer Fund Debt</b>	<b>21,397,690.44</b>		
Water	84,196.80	Overhead Storage	5/1/2017
Water	339,628.74	Revenue Bonds (WF Operations Center Share)	6/30/2020
Water	2,056,467.60	Revenue Bonds (Franklin County Water Line)	6/30/2020
Water	149,652.90	Warren County Water Line	6/1/2042
Water	279,231.60	Radio Read Water Meter Project	5/1/2034
Water	1,898,571.00	2" Water Main Replacement Project	5/1/2035
<b>Total Water Fund Debt</b>	<b>4,807,748.64</b>		
<b>Total Debt All Funds</b>	<b>30,634,195.40</b>		

\* This chart does not reflect lease/purchase payments.



## FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE

### EMPLOYEES

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.

#### *Compensation*

The *2014 Classification and Pay Study*, received by Council during its 12 May 2014 meeting, determined, on average, the City's workforce was paid about 22.67% less than peer cities and towns. When the study was finalized, the total cost to implement it as intended would have exceeded \$1.4M; consequently, \$117,000 was approved in the FY 2015 budget to complete Phase 1 of a five-year implementation plan.

Unfortunately, only \$183,200 across the four operating funds is being recommended for FY 2015-16 in order to address a modified alternative to Phase 2 of the plan, providing a 4% pay increase for most employees. This recommendation also requires a 4% increase to the minimum and maximum pay ranges for each salary grade. In addition to the inability to fund Phase 2 in its entirety, only nine months of the pay increase has been budgeted, requiring a three-month delay. This was used as a cost-saving strategy in an effort to balance the budget.

2015-16 Pay & Class Study - Phase 2 (Modified)	
FUND	4% Increase
GENERAL	\$ 107,300
WATER	\$ 27,800
SEWER	\$ 30,800
REGIONAL WATER SYSTEM	\$ 17,300
<b>TOTAL</b>	<b>\$ 183,200</b>

Neither funding, nor a proficient performance evaluation system, is available to implement the pay study as recommended. The cost to fully implement Phase 2, as opposed to the modified version outlined above, is almost \$375,000 because performance evaluation training (estimated \$20,000) is needed in addition to the anticipated pay adjustments (estimated 354,105). Again, the recommendation is a modified alternative that, if maintained, neglects the possibility of implementing the plan as intended. We are trying to develop cost-effective performance evaluation training alternatives.

Health insurance premiums will not exceed 18%. The City's past budget strategies have prepared for such an increase, however increases like this in the future will surely lead to additional challenges. Negotiations with Blue Cross/Blue Shield are on-going.





## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

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### *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 in order 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 pay and classification study was completed in 2014, was partially funded in the FY 2015 budget, and has been modified for the FY 2016 budget.

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.

### *Authorized/Unfunded Positions*

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 approximately 44 positions since FY 2001. The City currently has 9 frozen positions, 4 of which Development Services and Recreation Department Directors requested to fund for FY 2015-16; none were recommended due to the financial crisis of the City. An additional Park Maintenance/Building Custodian was requested for Aycock Aquatics Center, Main Street Manager for Henderson-Vance Downtown Development Commission, and 4 positions were requested by the Fire Department in order to equip them with a 3<sup>rd</sup> Engine Company; again, these positions were not recommended.

## **FORMAT**

During the current fiscal year, the Departments of Code Compliance and Planning and Community Development merged to become Development Services. The budgets for the two departments will also merge in order to more effectively manage expenses throughout the year.

## **SUMMARY**

The city is once again faced with its annual dilemma of many basic needs that in some cases cannot be met due to the lack of revenue for general operations; i.e. blight removal. The City's proposed general fund budget for FY 2015-16 is \$15,397,900. The



## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

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General Fund current budget (FY 2014-15) is \$15,405,312. The proposed General Fund budget for FY 2015-16 is actually \$7,412 less than the current fiscal year budget resulting in a .05% decrease.

It is hoped that with several pieces of legislation dealing with sales tax and E-911 that, if they come to pass, it would substantially provide much needed revenue and/or less financial responsibility for the City.

It should be pointed out that the General Fund will have some market relief in debt service when the city makes their portion of the last payment of the debt on the Aycock Recreation Complex (\$278,695) and City Hall (\$32,750) in 2015-16. This will be followed by the final debt payment in FY 2018-19 in the amount of \$304,036 for the debt service on the Police Station.

In order to balance the General Fund budget, which again, is slightly less than the current budget, a number of cuts were made that are less than ideal but were done as there were no resources available to fund them.

Just a little over half of the remainder of the budget deals with three utility budgets that will all be balanced as a result of appropriate rate increases which are needed to cover the cost of operations. Please note that the Sewer Fund is somewhat more difficult to balance than the other two funds in light of the fact that the City will have to pay \$800,000 of debt service over the next 20 years. Please bear in mind that the loan from the State of North Carolina is interest free and only the principal is due.

### **FUTURE**

Infrastructure is essential especially for the growth of a community including attracting industries and bringing about annexation. This is complemented with the newly renovated waste water treatment plant. Also, the future expansion of the water plant will assist with the future growth needs of the City of Henderson and surrounding area in Vance County. At this point, the present capacity of our utility services is adequate to address the present need.

Even though adequate water and sewer service is considered basic, it is essential to having a pro-active industrial and business development program.

In recent years, City Council has appointed members to the Economic Development Commission. This involvement and leadership should be most helpful towards meeting the growth needs of the community. In this regard, it is very important to especially support City representation on the Economic Development Commission (EDC) with the objective of bringing about new and expanding industries, especially within the city limits.



## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

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Additionally, a viable water resource system is a major ingredient to meeting the requirements for possible future annexation. Even though annexation legislation has been modified which has reduced the ability of cities to annex, City Council members and community leaders should consider developing a strategy and implementation program to annex areas adjacent to the city that are logical (density) to be annexed into the city.

The updated Capital Improvement Plan for City utilities from FY 2014-15 through FY 2024-25, which was submitted to the City Council on January 26, 2015 and approved February 9, 2015, is an excellent document for future utilities planning. It addresses growth needs and needed upgrading of the utilities system; City Water, Regional Water and Water Reclamation. This plan was developed by McGill Associates and City staff.

On another important note, in some areas of the City, it has been documented that much of the housing stock has become dilapidated and deteriorated. There are also many unoccupied structures in these areas that fall in the above categories. Additionally, there are a few burned out structures in neighborhoods that haven't been removed!

Besides the great need for affordable and decent housing, the condition of structures in the City, especially on the approaches to the City, make it somewhat difficult for area economic development and community leaders to attract new industries and business as well as hindering expansion of present industries.

As you know, there are inadequate funds available to address this growing community problem. Besides the removal of inadequate structures, there are little or no funds immediately available to launch an aggressive rehabilitation program. At this point in time, we can only define this as a terrible and accelerating grave community problem!

In recent years, a number of the key positions that were frozen have been filled, such as the Public Services Director and Assistant Finance Director. Filling these frozen positions has been essential to optimizing the effectiveness of this organization.

In the near future, several other key positions are needed for a City organization of our size. The Information Services Department is sorely in need of at least an IT Technician position plus having a Programmer position on staff would be most desirable.

The City currently has a contract with NCOL.NET IT, Inc. When issues arise, staff members contact the agency via telephone or e-mail to explain the problem, and then wait for a response or solution to remedy the issue. Representatives are often required to come to the site to fix the issue, which sometimes leaves staff without properly functioning equipment or even an internet connection for hours during the workday.



## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

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It would also be desirable to create a City position of Risk Manager or Safety Coordinator to supervise the City's many insurance programs, review accidents, (both vehicle and non-vehicle), related administration, and most of all establish the leadership for a viable and effective risk management program.

There is a distinct possibility that, if such a position was funded and did their job well, the position would more than pay for its self. As a point of interest, last fiscal year, the City's net premiums were almost three hundred thousand dollars (\$300,000) for workman's compensation insurance. The City will now be charged a \$500 deductible for each claim filed, due to the City's experience rating.

It is my sincere hope that the city will review its participation in the NC Retirement Systems 401(k) supplementary program that was discontinued over ten years ago for all employees except Police Officers.

The program was originally initiated by the State for Police Officers which required municipalities to pay said Officers 5% of their salary to their 401(k) account. At some point after the Police Officers were extended this benefit, the City also provided some degree of contribution for all employees; however, over ten years ago, due to the city's financial problems, this participation was terminated.

In order to treat all city employees in an equitable manner, many cities provide a varying degree of participation of 401(k) for all employees.

It is recommended that the city consider reinstating this program for all employees from an equitable and competitive employee standpoint. I would like to respectfully ask Council to consider making an initial contribution of 1% of ones salary in order to re-initiate this very important benefit for all the remaining city employees.

Certainly, we recognize the somewhat dire financial situation of the City government and the Henderson community; nevertheless, the City must have skilled and competent personnel to carry out essential public services such as public services employees, police officers, fire fighters and water and waste water plant operators. It is important to recruit and retain employees with competitive wages and benefits.

The city is fortunate to have a very good work force, who are experts in their fields and many of them possess credentials in a wide array of disciplines. In spite of their loyalty, they may have to seek employment with other municipalities and other employers due to their financial needs for themselves and their families!

### **RECOGNITION**

The preparation of a City budget is a task requiring great teamwork. Many employees spent countless hours, including after hours and weekends, to develop and bring this recommended budget together. I would like to thank all of the Department



## **FY 2015-16 BUDGET RECOMMENDED BUDGET MESSAGE**

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Directors and their staff for their hard work in preparing a very conservative and prudent budget.

I would like to especially recognize and thank the Budget Committee, which consisted of Kathy Brafford, Finance Director; Michelle Daniels, Assistant Finance Director; Frank Frazier, Assistant City Manager; Cathy Brown, Human Resources Director; and Patricia Pearson, Executive Assistant, for the many, many hours of time worked in helping to prepare the budget and the many hours the Department Directors and their staff spent with the team in preparing and working with us in the development of balancing the budget. I would also like to thank Esther McCrackin, City Clerk, for her assistance in the preparation of the final document.

In addition to the budget team, I would like to truly thank Ray Griffin for providing to the City the legacy of his budget document. We have used a great deal of his work in the preparation of the FY 2015-16 recommended budget document.

Finally, I would like to extend my appreciation to you and the Mayor for your approval of the Strategic Plan.

The staff and I look forward to working with you, Mayor O'Geary and City Council over the next week in review of the recommended budget for FY 2015-16.

Respectfully Submitted,

Edward A. Wyatt  
Interim City Manager

**FY 15-16**  
**CITY OF HENDERSON NORTH CAROLINA**  
**STRATEGIC PLAN**

2015 Strategic Plan Matrix (Open Items from Feb 2014 Planning Session)										
		Multi-Year Action Plan Scorecard	AP Time Horizon	Mar 2009 09-11 SP	Jan 2010 10-12 SP	Jan 2011 11-13 SP	Jan 2012 12-14 SP	Mid-Year 13-15	Jan 2013 13-15 SP	Status for Feb 2014 Retreat
<b>KSO 1</b>		<b>Implement Performance Excellence</b>								
	AP 1-1	Implement Process Improvement	long term	Green	Green	Green	Green	Green	Green	Green
	AP 1-4	Improve Citizen Engagement	short term				Tan	Tan	Green	Yellow
<b>KSO 2</b>		<b>Reduce Crime &amp; Safe Community</b>								
	AP 2-4	Business Watch	short term				Green	Green	Green	Green
<b>KSO 3</b>		<b>Economic Development</b>								
	AP 3-1c	Establish 1-Stop permit process	ST-2011	Green	Green	Green	Green	Green	Green	Green
	AP 3-3d	Locate HSR Passenger Station in Downtown	long term	Green	Green	Green	Green	Green	Green	Green
<b>KSO 4</b>		<b>Improve Housing Stock</b>								
	AP 4-1	Aggressive Code Enforcement	long term	Green	Green	Green	Green	Green	Green	Green
	AP 4-6	Redevelopment of Flint Hill Community	long term						Green	Yellow
	AP 4-7	Urban Homesteading	long term							
<b>KSO 5</b>		<b>Reliable Infrastructure</b>								
	AP 5-2	Expand Kerr Lake Regional Water Plant	long term	Green	Green	Green	Green	Green	Green	Green
	AP 5-4	Upgrade Sewer Plant	short term			Green	Green	Green	Green	Green
	AP 5-5	Replace 2' water lines	long term				Green	Green	Green	Green
<b>KSO 6</b>		<b>Retain Qualified Municipal Workforce</b>								
	AP 6-1	Perform Pay Classification Study	short term	Red	Red	Red	Red	Red	Green	Completed
	AP 6-2b	Update Personnel Policy/Procedures Manual	mid-term			Green	Green	Green	Green	Green
	AP 6-3	Career Development & Training Plan	short term	Green	Green	Green	Green	Green	Green	Green
	AP 6-4	Sensitivity and Diversity Training	short term						Green	Green
<b>KSO 7</b>		<b>Expand Leisure Services</b>								
	AP 7-1	Develop Walking & Bike Trails	long term	Green	Green	Green	Green	Green	Green	Green
<b>KSO 8</b>		<b>Provide Sufficient Funding for Services</b>								
	AP 8-1	Grow Undesignated Fund Balance	mid-term	Green	Green	Green	Green	Green	Green	Green
	AP 8-2	Create Fleet/Equipment IT Replacement Fund	mid-term	Red	Red	Red	Red	Red	Red	Red
<b>KEY:</b>		Blue = Completed	Yellow = Lagging	Red = Not Accomplished						
		Green = In Process	Tan = Not Yet Started	Grey = Not in Plan						7-Jan-15

**FY 15-16 BUDGET  
CITY OF HENDERSON NORTH CAROLINA  
STRATEGIC PLAN**

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**PURPOSE STATEMENT**

To improve the quality of life of citizens by providing services that provide for the community's health, safety and welfare.

**MISSION STATEMENT**

To provide value added services in a customer friendly, cost efficient and effective manner resulting in a safe and prosperous community.

**VISION STATEMENT**

To be a vibrant, safe, progressive and prosperous community in which citizens are actively engaged in governance and community activities.

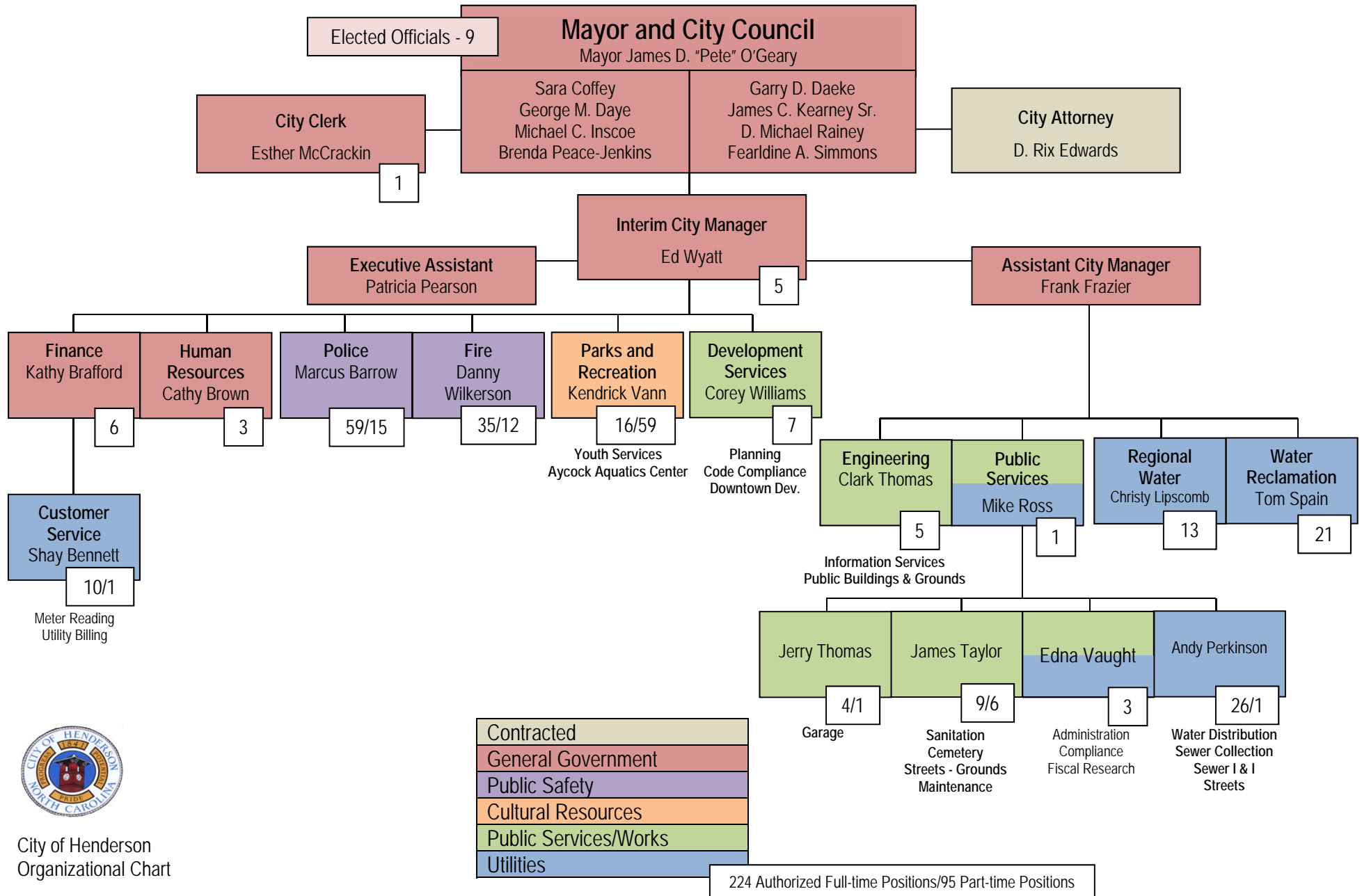
**CORE VALUES**

1. Roles and Responsibilities: We value the Agreement established by the City Council setting forth the Mayor, City Council and City Manager roles, responsibilities and expectations.
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.
3. Fairness: We Value equity and will be fair in how we work with citizens and customers and how we implement City policies, regulations and ordinances.
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.
5. Respectful of Others: We value the opinions of others and will seek to first understand before seeking to be understood, and will at all times agree to disagree in an agreeable manner.
6. Value Diversity: We value and celebrate the diversity of people in our community and municipal workforce.
7. Teamwork and Collaborative Efforts: We value teamwork and collaborative efforts with our fellow workers, stakeholders and partners, and believe through such efforts we will be better able to achieve our goals and objectives.
8. Value Employees: We value employees and the contributions they make to the City and to the citizens and customers of our community.
9. Good Working Relationship with Vance County: We value a good working relationship with the County of Vance and believe by working together in a cooperative effort we can better address the strategic challenges and opportunities facing our community.
10. Transparency in Governance: We value transparency in the governance and operations of the City.
11. Performance Excellence: We value excellence in how we govern and deliver services and believe we should always strive for continuous improvement in our work and service delivery processes.
12. Data Based Decision Making: We value the use of valid data in making our decisions.



# CITIZENS OF HENDERSON

Est. Population - 15,345 (2013)



City of Henderson  
Organizational Chart

# Classification and Pay System - Phase One (2015)

rev: 5/13/2015

Grade	Classification	Salary Range	Grade	Classification	Salary Range
5	No position assigned	\$17,640 - \$26,460	17	Police Detective Sergeant Police Sergeant	\$31,679 - \$47,519
6	Parking Enforcement Agent/Custodian	\$18,522 - \$27,783		Public Works Supervisor Street Maintenance Supervisor Recreation Program Supervisor	
7	No position assigned	\$19,448 - 29,172		Senior Instrument Technician Youth Services Prg Coordinator Zoning Administrator	
8	Maintenance Worker Meter Reader Office Assistant Parks Maintenance Worker Street Maintenance Worker	\$20,420 - \$30,630	18	Chief Treatment Plant Operator Construction Inspector Engineering Technician Laboratory Supervisor Fire Lieutenant	\$33,263 - \$49,895
9	Plant Maintenance Worker Solid Waste Equipment Operator Street Sign Technician Utility Maintenance Mechanic	\$21,441 - \$32,162	19	City Clerk Community Development Spec Main Street Program Manager	\$34,926 - \$52,389
10	Customer Service Representative Fleet Service Technician Public Works Crew Leader Senior Street Maintenance Worker	\$22,513 - \$33,770	20	Dist and Collection System Sup Police Detective Lieutenant Police Lieutenant	\$36,672 - \$55,008
11	Human Resources Technician Police Records Clerk Administrative Support Specialist	\$23,639 - \$35,459	21	Assistant Finance Director Fire Battalion Chief Youth Services Program Manager	\$38,506 - \$57,759
12	Accounts Payable Specialist Accounting Technician Plant Maintenance Mechanic Treatment Plant Operator Utility Billing Specialist	\$24,821 - \$37,232	22	Police Captain	\$40,431 - \$60,647
13	Athletics Program Specialist Firefighter Laboratory Technician Payroll Specialist Street Maintenance Crew Leader	\$26,062 - \$39,093	23	Assistant Fire Chief Public Services Operations Mgr Treatment Plant Director	\$42,453 - \$63,680
14	Executive Assistant Fleet Maintenance Mechanic Senior Firefighter Utility Maintenance Crew Leader	\$27,365 - \$41,048	24	No position assigned	\$44,576 - \$66,864
15	Code Compliance Inspector Fire Engineer Instrument Technician Laboratory Analyst Parks Maintenance Supervisor Police Officer	\$28,733 - \$43,100	25	Human Resources Director	\$46,805 - \$70,208
16	Accountant Police Detective Police Records Supervisor	\$30,170 - \$45,255	26	Parks and Recreation Director Development Services Director	\$49,145 - \$73,718
17	Administrative Services Officer Aquatics Program Supervisor Athletics Program Supervisor Community Center Supervisor Customer Services Supervisor Fleet Maintenance Supervisor GIS Technician Plant Maintenance Supervisor Planner	\$31,679 - \$47,519	27	Fire Chief	\$51,602 - \$77,043
			28	City Engineer Finance Director Police Chief Public Services Director	\$54,182 - \$81,273
			31	Assistant City Manager	\$62,723 - \$94,085

Recommended Classification and Pay System - Phase Two (2016)						rev: 5/13/2015	
Grade	Classification	Salary Range		Grade	Classification	Salary Range	
		Minimum	Maximum			Minimum	Maximum
5	No position assigned	\$18,805	\$27,519	17	Police Detective Sergeant Police Sergeant	\$33,770	\$49,420
6	Parking Enforcement Agent/Custodian	\$19,745	\$28,895		Public Works Supervisor Street Maintenance Supervisor Recreation Program Supervisor Senior Instrument Technician Youth Services Prg Coordinator Zoning Administrator		
7	No position assigned	\$20,732	\$30,339	18	Chief Treatment Plant Operator Construction Inspector Engineering Technician Laboratory Supervisor Fire Lieutenant	\$35,459	\$51,891
8	Maintenance Worker Meter Reader Office Assistant Parks Maintenance Worker Street Maintenance Worker	\$21,769	\$31,856	19	City Clerk Community Development Spec Main Street Program Manager	\$37,231	\$54,485
9	Plant Maintenance Worker Solid Waste Equipment Operator Street Sign Technician Utility Maintenance Mechanic	\$22,857	\$33,449	20	Dist and Collection System Sup Police Detective Lieutenant Police Lieutenant	\$39,093	\$57,209
10	Customer Service Representative Fleet Service Technician Public Works Crew Leader Senior Street Maintenance Worker	\$24,000	\$35,121	21	Assistant Finance Director Fire Battalion Chief Youth Services Program Manager	\$41,048	\$60,070
11	Human Resources Technician Police Records Clerk Administrative Support Specialist	\$25,200	\$36,878	22	Police Captain	\$43,100	\$63,073
12	Accounts Payable Specialist Accounting Technician Plant Maintenance Mechanic Treatment Plant Operator Utility Billing Specialist	\$26,460	\$38,722	23	Assistant Fire Chief Public Services Operations Mgr Treatment Plant Director	\$45,255	\$66,228
13	Athletics Program Specialist Firefighter Laboratory Technician Payroll Specialist Street Maintenance Crew Leader	\$27,783	\$40,657	24	No position assigned	\$47,518	\$69,539
14	Executive Assistant Fleet Maintenance Mechanic Senior Firefighter Utility Maintenance Crew Leader	\$29,171	\$42,690	25	Human Resources Director	\$49,894	\$73,017
15	Code Compliance Inspector Fire Engineer Instrument Technician Laboratory Analyst Parks Maintenance Supervisor Police Officer	\$30,630	\$44,824	26	Parks and Recreation Director Development Services Director	\$52,389	\$76,667
16	Accountant Police Detective Police Records Supervisor	\$32,161	\$47,066	27	Fire Chief	\$55,008	\$80,500
17	Administrative Services Officer Aquatics Program Supervisor Athletics Program Supervisor Community Center Supervisor Customer Services Supervisor Fleet Maintenance Supervisor GIS Technician Plant Maintenance Supervisor Planner	\$33,770	\$49,420	28	City Engineer Finance Director Police Chief Public Services Director	\$57,759	\$84,524
				31	Assistant City Manager	\$66,863	\$97,849

# City of Henderson Authorized Positions

## POSITIONS BY FUND

	FY 10-11		FY 11-12		FY 12-13		FY 13-14		FY 14-15		FY 15-16		
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Unfunded	Part-time
<b>General Fund</b>													
Governing Body	1	0	1	0	1	0	1	0	1	0	1	0	0
Admin - City Attorney	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration	5	0	4	0	4	0	4	0	3	0	3	2	0
Human Resources	2	0	2	0	2	0	2	0	3	0	3	0	0
Code Compliance	2	0	2	0	2	0	2	0	2	0	0	0	0
Finance	11	0	11	0	6	0	5	0	6	0	6	0	0
Planning & Community Development	2	0	2	0	2	0	2	0	2	0	0	0	0
Development Services	0	0	0	0	0	0	0	0	0	0	4	3	0
Downtown Development Commission	0	1	0	1	0	1	1	0	0	0	0	0	0
Public Buildings & Grounds	1	0	0	0	0	0	0	0	0	0	0	0	0
Police	68	14	60	14	60	16	60	16	59	15	59	0	15
Police - Drug Seizure	2	0	0	0	0	0	0	0	0	0	0	0	0
Fire	35	12	35	12	35	12	35	11	35	12	35	0	12
Public Services/Administration	2	0	2	0	2	0	2	0	2	0	2	0	0
Garage	4	0	4	0	4	0	3	1	3	1	3	1	1
Cemetery	3	0	0	0	0	0	0	0	0	0	0	0	0
Street	14	0	14	0	13	0	13	1	13	1	13	0	1
Sanitation	5	0	5	0	5	0	5	6	5	6	5	0	6
Recreation	9	24	9	24	11	24	9	30	9	29	9	2	29
Aycock Aquatics Center	2	10	2	10	2	8	2	30	2	30	2	0	30
Youth Services	4	0	4	0	4	0	4	0	3	0	3	0	0
<b>Total General Fund Employees</b>	<b>172</b>	<b>61</b>	<b>157</b>	<b>61</b>	<b>153</b>	<b>61</b>	<b>150</b>	<b>95</b>	<b>148</b>	<b>94</b>	<b>148</b>	<b>8</b>	<b>94</b>
<b>Water Fund</b>													
Administration	0	0	0	0	0	0	0	0	1	0	1	0	0
Customer Service	0	0	0	1	0	1	10	1	10	1	10	0	1
Engineering	3	0	3	0	3	0	4	0	4	0	4	1	0
Water Distribution	13	0	15	0	15	0	10	0	10	0	10	0	0
<b>Total Water Fund Employees</b>	<b>16</b>	<b>0</b>	<b>18</b>	<b>1</b>	<b>18</b>	<b>1</b>	<b>24</b>	<b>1</b>	<b>25</b>	<b>1</b>	<b>25</b>	<b>1</b>	<b>1</b>
<b>Sewer Fund</b>													
Water Reclamation Facility	21	0	21	0	21	0	21	0	21	0	21	0	0
Sewer Collection	5	0	5	0	5	0	5	0	5	0	5	0	0
Sewer Collection I & I	3	0	3	0	3	0	3	0	3	0	3	0	0
<b>Total Sewer Fund Employees</b>	<b>29</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>0</b>
<b>Regional Water</b>													
Regional Water	12	0	12	0	12	0	13	0	13	0	13	0	0
<b>Total Regional Water Employees</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>
<b>Weed &amp; Seed</b>													
Weed & Seed	1	1	1	1	1	1	0	0	0	0	0	0	0
<b>Total Weed &amp; Seed Employees</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EMPLOYEES</b>	<b>230</b>	<b>62</b>	<b>217</b>	<b>63</b>	<b>213</b>	<b>63</b>	<b>216</b>	<b>96</b>	<b>215</b>	<b>95</b>	<b>215</b>	<b>9</b>	<b>95</b>

# ***BUDGET GUIDE***

## **FY 15-16 BUDGET BUDGET GUIDE**

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The FY 2015-16 Budget has been prepared in a reader friendly, program oriented budget format. The following summary provides information on how the reader might best understand the budget by first explaining the format of the budget.

The budget describes recommended City services and revenue sources proposed for the fiscal year beginning 1 July 2015 and ending 30 June 2016. Adopting an annual budget is one of the most important tasks the Mayor and City Council undertake each year. Indeed, it is the single most important policy document that the Mayor and Council will approve. It is through the adoption and implementation of the budget that the interests and values of our community are translated into plans for and the service delivery of programs, projects, services, and resources intended to benefit the citizens of Henderson.

1. This book is divided into sections.
2. Read the Budget Calendar found on *page BG-8*. All budget work sessions are open to the public and the public is cordially invited to attend.
3. Read the Budget Process and Accounting Policies beginning on *page BG-2*.
4. Read the Budget Message that begins on *page 1* under the *Budget Message* tab. This document provides information on the overall budget and identifies major policy recommendations and shifts in policy direction found within the budget document.
5. Read the Program Narratives for each budget division. These narratives will provide the reader with information about the division's purpose, budget highlights.
6. Read the Glossary found in *Appendix A*. The Glossary provides definitions for various words and phrases used within the budget that may not be generally understood by the lay reader.
7. If you have any questions about the budget, please feel free to contact the Finance Director at (252) 430-5711.

### **BUDGET ADOPTION**

The City of Henderson's annual operating budget is adopted by ordinance in accordance with the North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) which states that estimated revenues and appropriated fund balances equal appropriations. The budget is developed on a cash basis, including only expenditures and revenues expected to be realized during the fiscal year. State statute also sets the fiscal year as beginning July 1 and ending June 30; therefore, the City Council must adopt a budget prior to July 1<sup>st</sup> of each year.

### **ACCOUNTING POLICIES**

#### **Summary**

The accounting policies of the City of Henderson conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

#### **Reporting Entity**

The City of Henderson is a Municipal Corporation governed by an elected mayor and an eight-member council.

**ACCOUNTING POLICIES (CONT.)**

**Fund Accounting**

The accounts of the City are organized and operate on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are not funds but are a reporting device used to account for certain assets and liabilities of the governmental funds that are not recorded directly in those funds. The City uses the following fund categories:

**Governmental Funds**

Governmental Funds are used to account for the City's governmental functions. Governmental funds include the following fund types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and State-shared revenues. The primary expenditures are for public safety, streets, sanitation, parks and recreation, and general government services.

Powell Bill Fund - The Powell Bill Fund serves as a transfer account for expenditures incurred with Powell Bill Street allocations for accounting purposes.

Grant Revenue Funds – The Grant Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has two Capital Projects funds within its governmental fund types, the General Capital Projects Fund, and the Powell Bill Capital Projects Fund.

**Proprietary Funds**

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Fund includes the Water Fund, Regional Water System Fund, Sewer Fund, Capital Reserve Utilities Fund, Capital Reserve Regional Fund, and Water, Sewer, and Regional Water Capital Project Funds.

**Fiduciary Fund**

Pension Trust Fund - The Pension Trust Fund accounts for the Law Enforcement Officers' Special Separation Allowance enacted by the State Legislature and effective January 1, 1987.



## **FY 15-16 BUDGET BUDGET GUIDE**

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### **BASIS OF BUDGETING**

In accordance with the North Carolina General Statutes, the City is required to budget and account for its funds on the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become available. Expenditures are recognized in the accounting period in which the goods and services are received (except for unmatured interest on general long-term debt, which is recognized when due). The City's accounting records for general governmental operations are reported on the modified accrual basis. Enterprise and pension trust operations are reported on the accrual basis.

The General Statutes also provide for balanced project ordinances for the life of the projects, including both capital and grant activities, which are expected to extend beyond the end of the fiscal year. The budgeted appropriations for capital and grant projects do not lapse until the completion of the project, while appropriations for funds that adopt annual budgets lapse at the end of the fiscal year.

In keeping with state law, the budget is prepared and accounted for on a modified accrual basis for the general fund, enterprise funds, and the Powell Bill fund. All other funds, including capital project and grant funds adopt multi-year budgets.

In keeping with Generally Accepted Accounting Principles (GAAP), financial statements for proprietary funds are prepared on a full accrual basis. A reconciliation of the full accrual basis to modified accrual basis (budgetary basis) is included in the annual financial statements for enterprise funds.

### **Budget Structure**

Fund Accounting, required for governmental units, is the style of accounting used to segregate and account for restricted resources. The City of Henderson develops its source and use of funds estimates contained in the annual budget in a manner that follows general accepted accounting principles (GAAP). The budget is organized on the basis of funds, each of which is considered a separate budgetary and accounting entity. Governmental resources are accounted for in individual funds based upon the purposes for which they are to be spent.

The primary focuses of most budget documents are the revenue and expenditure appropriations. The City's operating expenditures are organized into the following hierarchy: Funds, Departments, Categories and Line Items. To better understand the budget documents, the terms in the City's financial structure should be understood.

### **FUNDS**

The budget is organized on the basis of funds, each of which is considered a separate budgetary and accounting entity. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent.

- A. OPERATING BUDGET - The City of Henderson's annual budget is adopted as required by the North Carolina General Statutes. The annual budget is divided into twelve separate funds as indicated below:

#### **Governmental Funds**

*10: General Fund* - handles the general operations of the City such as administration, police protection, fire services, planning/zoning, recreational programs, street maintenance, sanitation

Governmental Funds (cont.)

services and Elmwood Cemetery operations. Resources are provided primarily through ad valorem taxes and intergovernmental revenues and are expended for services which are not compatible with a user fee financing method.

*11: Powell Bill Fund* - serves as a transfer account to properly account for expenditures incurred with Powell Bill Street Allocations. This annual State allocation is restricted to street, sidewalk and right-of-way maintenance, resurfacing and the purchase of equipment directly related to streets and right-of-ways. Transfers are made monthly to the General Fund or Capital Improvement Project Fund for the expenses incurred for these specific uses.

Enterprise Funds

*30: Water Enterprise Fund* - accounts for the provision of water services to utility customers and the revenue associated with the distribution of this water service. This enterprise fund is operated in a manner similar to private business enterprise. This fund is fully self-supporting by user charges for its service.

*31: Sewer Enterprise Fund* - provides for the activities necessary to furnish sewer treatment, sanitary sewer collection and inflow and infiltration of sewer. This enterprise fund is operated in a manner similar to private business enterprise. This fund is fully self-supporting by user charges for its service.

*64: Regional Water System Fund* - accounts for all revenue and expenditure sources to the City's Kerr Lake Regional Water System which is under the control of Henderson (60%), Oxford (20%) and Warren County (20%). The City of Henderson as the majority and controlling partner operates the system which serves over 40,000 customers for the joint use and benefit of all three entities and their respective service areas.

Capital Reserve Funds

*70: Capital Reserve Utilities Fund* - provides for the accumulation of revenues for future expansion and/or construction of water and sewer system and related improvements.

*72: Capital Reserve General Fund* - provides for the accumulation of revenues for future large capital equipment purchases and/or construction of facilities normally funded through General Fund resources including infrastructure components such as streets, sidewalks, storm drainage systems, public buildings, etc.

*73: Capital Reserve Economic Development Fund* - provides for a small reserve for economic development grant matches and incentives. It has no fund balance since the fund is just now being established.

*78: Capital Reserve Regional Water Fund* - consolidates three Regional Capital Reserve Funds into one. 75: Capital Reserve Regional Water COE, 76: Capital Reserve Regional Water 20 MGD and 77: Capital Reserve Regional General.

*79: Capital Reserve Rate Stabilization Fund* - was established in March 2012 for the purpose of reserving money for future debt service for the 20MGD water plant expansion and major upgrades planned for the Water Reclamation Facility (Sewer Plant).

## FY 15-16 BUDGET BUDGET GUIDE

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### FUNDS (CONT.)

- B. CAPITAL IMPROVEMENT PROJECTS FUND BUDGETS - The Capital Improvement Projects fund budgets account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has two Capital Projects Funds within its governmental fund type (General and Powell Bill), and three Capital Projects Funds within its proprietary fund type (Water, Sewer & Regional Water). Capital Improvement Projects Fund projects are not considered to be part of the annual budget process since these projects remain “open” for the life of the project.

#### Governmental Funds

*41: General Capital Improvement Projects Fund* - accounts for the costs of general projects currently in the planning and/or construction stage.

*42: Powell Bill Capital Improvement Projects Fund* - accounts for the costs of Powell Bill projects currently in the planning and/or constructions stage.

#### Proprietary Funds

*43: Water Capital Improvements Projects Fund* - accounts for the costs of water projects currently in the planning and/or construction stage.

*44: Sewer Capital Improvements Projects Fund* - accounts for the costs of sewer projects currently in the planning and/or construction stage.

*46: Regional Water Improvements Projects Fund* - accounts for the costs of Regional Water projects currently in the planning and/or construction stage.

- C. GRANT PROJECT FUNDS - Grant Project Funds are projects that are set up by project ordinances that are funded in full or in part by Federal or State funds and have more than one year duration. These projects are accounted for as special revenue funds and are listed below:

**55-100** Julia Avenue Engineering Project, **55-208** BJA (Bureau of Justice Assistance) Bulletproof Vest Grant 2013, **55-209** BJA Grant 2014, **55-210** 2014 GCC (Governor's Crime Commission) Viper/MDT Upgrade Grant, **55-211** BJA Bulletproof Vest Grant 2014, **99-942** Beckford Drive Widening Project

### EXPENDITURE CLASSIFICATION

Departments are divisions of a fund that are responsible for performing specific government functions within their area of accountability. The departments represent the highest level of summarization used in the City's budget structure. Each department is divided by department budget as noted below:

#### **Fund Department**

- A. **General Fund:** Governing Body, City Attorney, Administration, Human Resources, Finance, Development Services, Henderson-Vance Downtown Development, Public Buildings, Bennett Perry House, IT Services, Police, Fire, Admin/Public Services, Garage, Cemetery, Street, Sanitation, Recreation, Recreation/Youth Services, Aycokk Aquatics Center, Non-Departmental, Vance County Shared Programs, Contribution to Local Agencies and Debt Service.

**Fund Department cont.**

- B. Water Fund:** Engineering, Water Distribution, Administrative, Customer Service, Non-Departmental and Debt Service.
- C. Sewer Fund:** Wastewater Treatment, Sewer Collection, I & I, Non-Departmental and Debt Service.
- D. Regional Water Fund:** Water Treatment, Non-Departmental and Debt Service.
- E. Capital Reserve:** Utilities, General Fund, Economic Development, Regional Water and Rate Stabilization

**DEPARTMENTAL EXPENDITURES CATEGORIES**

Each department is broken down into four categories:

- A. Personnel Services** includes salaries and wages (full-time and part-time), pensions, health insurance, merit and other fringe benefits.
- B. Operating** pertains to the daily operations that provide basic governmental services such as supplies, utilities, materials and travel.
- C. Debt Service** includes appropriated principal and interest payments for any outstanding debt within each funds department.
- D. Capital Outlay** includes funds for the purchase of equipment, land or other fixed assets valued at more than \$1,000 with a lifespan of at least 5 years.

**LINE ITEMS**

Each budget consists of individual line items which identify specific expenditures and revenues. Line items are the most detailed way to list budget information.

**BUDGET AMENDMENTS**

Throughout the fiscal year, adjustments to the original budget ordinance may become necessary to meet changing circumstances, better carry out planned programs and provide for new Council initiatives. Two types of changes can occur – budget amendments and budget transfers. Such changes are required at the line-item level of the budget underlying the budget ordinance.

A budget amendment increases or decreases the revenue and expenditures of an appropriated fund (this may involve decreases or increases in revenue and expenditures or shifting of monies between funds). Budget amendments, in accordance with North Carolina Statute 159-15, require the approval of City Council. Amendment requests are submitted to the Finance Department and approved by the City Manager prior to submittal to City Council.

**BUDGET TRANSFERS**

A budget transfer changes line-item appropriations within a particular fund without changing the fund total. Interdepartmental budget transfers are prepared by the Department Directors. All transfer actions are reviewed and approved by both the Finance Director and the City Manager.

## **FY 15-16 BUDGET BUDGET GUIDE**

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### **BUDGET CALENDAR**

The City of Henderson begins its annual budget process in October of each year, with the distribution of the Capital Improvements Program (a ten year planning document), and the annual operating budget instructions and forms to Department Directors and Local Agencies.

The Department Directors have approximately three (3) months to concentrate on developing goals and objectives, requesting expenses and justifying any capital outlay for their department for the upcoming fiscal year.

After reviewing initial development requests, the City Manager and select staff meet with Department Directors. These informal meetings allow Department Heads to fully explain their requests and respond to questions from the City Manager. After these review meetings, expenditure and revenue decisions are made and line item recommendations are put into draft form, and presented to the Mayor, City Council and Department Directors.

Several Council/Staff work sessions are held that focus on the Operating and CIP Budgets for the upcoming year. Council directives are stated during these meetings and then incorporated into each budget document.

A public hearing on the proposed budget is held in June prior to budget adoption. Citizen concerns are voiced to the Mayor and Council at this public hearing. The budget is adopted at the City Council's last regular meeting in June or at a special called meeting set for the purpose of adopting the budget subsequent to the Budget hearing.

<b>October</b>	Budget instructions and forms are distributed to Department Directors and Local Agencies
<b>January</b>	City Council develops goals and objectives during their Strategic Planning Retreat
<b>February</b>	City Manager reviews Department Budget requests with the Department Directors
<b>March</b>	Funding requests from Local Agencies are due
<b>April</b>	Year-end revenue estimates are projected for current budget year Revenue projections for the upcoming budget year are developed Adjustments to all budgets, revenue projections, etc. necessary to balance budget Follow-up with individual Department Heads as needed and subject to City Manager's discretion
<b>May</b>	Special Called Meeting - Budget Summary Draft prepared and presented to City Council Budget Work Sessions held with Department Directors and Council for budget review
<b>June</b>	Budget Hearing Budget Adoption Notification to Local Agencies/Organizations who requested appropriation of City funds of funding status
<b>July 1</b>	New Fiscal Year begins
<b>September</b>	Final Budget/CIP Summary printed and distributed to City Council, Staff and appropriate agencies

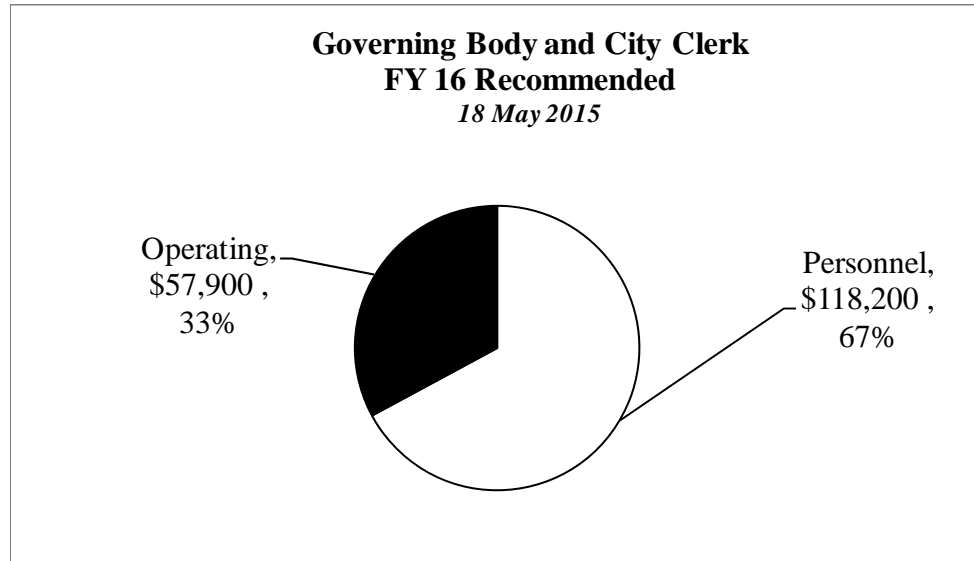
# ***GENERAL FUND***

## **GENERAL FUND DEPARTMENTS**

1. Governing Body
2. City Attorney
3. Administration
4. Code Compliance
5. Human Resources
6. Finance
7. Information Technology (IT)
8. Planning & Community Development
9. Downtown Development
10. Public Buildings & Grounds
11. Bennett Perry House
12. Police
13. Police Asset Forfeiture
14. Fire
15. Administration- Public Services
16. Garage
17. Cemetery
18. Street
19. Sanitation
20. Recreation
21. Youth Services
22. Aycock Aquatics Center
23. Vance County Shared Programs
24. Non-Departmental
25. Contributions to Local Agencies
26. Debt Service

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-410: GENERAL FUND GOVERNING BODY SUMMARY**

<b>10-410: GOVERNING BODY SUMMARY</b>							
<i>last updated 17Apr 15 psp</i>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
<b>Personnel Services</b>	\$ 128,539	\$ 130,297	\$ 117,100	\$ 117,100	\$ 118,600	\$ 118,200	
<b>Operating</b>	60,971	34,441	57,600	57,500	67,700	57,900	
<b>Total Expenditures</b>	<b>\$ 189,510</b>	<b>\$ 164,738</b>	<b>\$ 174,700</b>	<b>\$ 174,600</b>	<b>\$ 186,300</b>	<b>\$ 176,100</b>	<b>\$ -</b>



<u><b>AUTHORIZED POSITIONS</b></u>							
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>		<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>	
<i>Elected Officials</i>							
1	1	Mayor					
8	8	Council Members					
<i>Administrative Staff</i>							
1	1	City Clerk		19	\$34,926	\$52,389	
<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>						
<u><b>HISTORY OF POSITIONS</b></u>							
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Requested FY 15-16</b>	<b>Recommended FY 15-16</b>	<b>Approved FY 15-16</b>
<b>Authorized</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	
<b>New Requests</b>	0	0	0	0	0	0	
<b>Total Funded Positions</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	<b>1 FT/9 EO</b>	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-410: GENERAL FUND GOVERNING BODY SUMMARY**

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**PURPOSE**

The City of Henderson is structured as a Council-Manager form of government pursuant to the North Carolina General Statutes. The Mayor is elected at large and eight Council Members are elected to represent four (4) wards. Each ward has one council member elected by ward vote only and one council member is elected at-large. Beginning in 2013, council members and the mayor are elected for four year staggered terms.

The City Council is the legislative board of City government and sets the policies for the City. It appoints the City Manager, City Attorney and City Clerk.

**FY14 ACCOMPLISHMENTS**

- **Strategic Plan:** The 2015-2017 Strategic Plan was reviewed during the Council Retreat in January 2015.
- **Roles and Expectations:** Council re-affirmed the roles and expectations for the Mayor, Council and City Manager during the Strategic Planning Retreat.
- **Infrastructure:**
  - Work continues on completing the Henderson Water Reclamation Facility with completion expected in 2015.
  - Replacement of a High Speed Pump at the Kerr Lake Regional Water Facility and is scheduled to be completed mid-summer 2015.
- **Major Accomplishments:**
  - Inter-Basin Transfer is ongoing and set to go before the EMC for consideration on July 9, 2015.
  - Pay Classification Study was approved by Council and Phase I was funded
  - Ethics Policy for Governing Body was revised and approved by Council

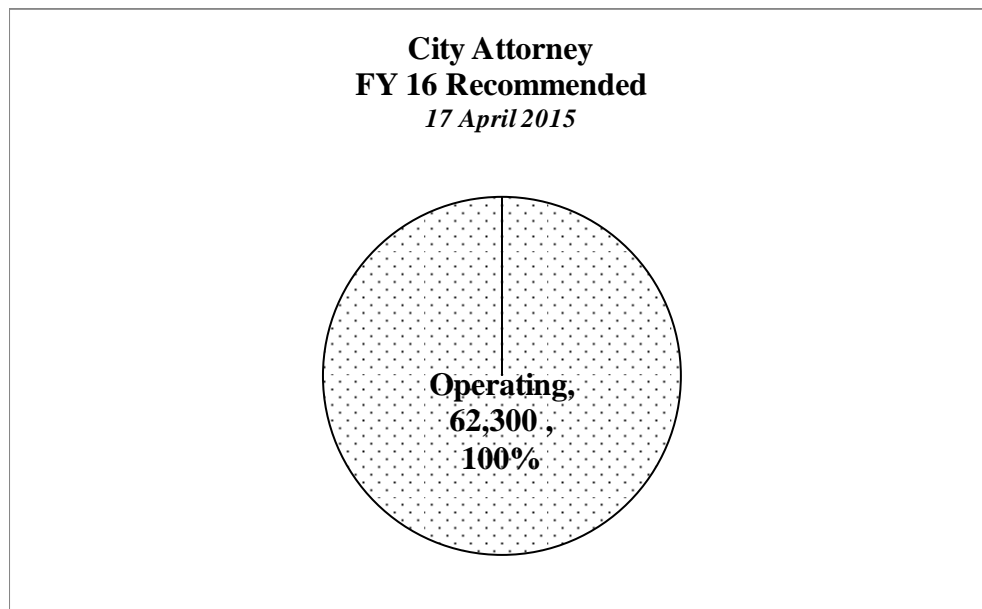
**KEY BUDGET ISSUES**

- **Travel & Meetings:** Insufficient funds for Mayor and Council to attend North Carolina League of Municipalities (NCLM) and/or National League of Cities (NLC) meetings.



**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-414: GENERAL FUND CITY ATTORNEY SUMMARY**

<b>10-414: CITY ATTORNEY SUMMARY</b>							
<i>last updated 6 May15 psp</i>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 31,080	\$ 31,323	\$ 8,830	\$ 10,300	\$ -	\$ -	
Operating	49,389	28,350	60,170	38,074	77,800	62,300	
<b>Total Expenditures</b>	<b>\$ 80,469</b>	<b>\$ 59,673</b>	<b>\$ 69,000</b>	<b>\$ 48,374</b>	<b>\$ 77,800</b>	<b>\$ 62,300</b>	<b>\$ -</b>



<u><b>AUTHORIZED POSITIONS</b></u>							
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>			<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>
1 PT	0	City Attorney (Contracted part time)					
		<b>No Salary provided</b>					
<u><b>HISTORY OF POSITIONS</b></u>							
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Requested FY 15-16</b>	<b>Recommended FY 15-16</b>	<b>Approved FY 15-16</b>
<b>Authorized Positions</b>	1 PT	1 PT	1 PT	1 PT	1 PT	0	
<b>New Requests</b>	0	0	0	0	0	0	
<b>Total Funded Positions</b>	1 PT	1 PT	1 PT	1 PT	1 PT	0	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-414: GENERAL FUND CITY ATTORNEY SUMMARY**

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**PURPOSE**

To provide legal counsel to the Mayor, City Council, City Manager and City staff; prepare Ordinances and Resolutions; review contracts and agreements; and to represent the City as needed.

In 2014 the City Attorney's position changed from a part-time salaried position to a professional service position due to the retirement of City Attorney Zollicoffer. This required the salary funding to be moved to the operating funds.

The City Attorney now provides part-time services to the City via a contract with the firm of Stainback, Satterwhite, & Zollicoffer.

**FY 15 ACCOMPLISHMENTS**

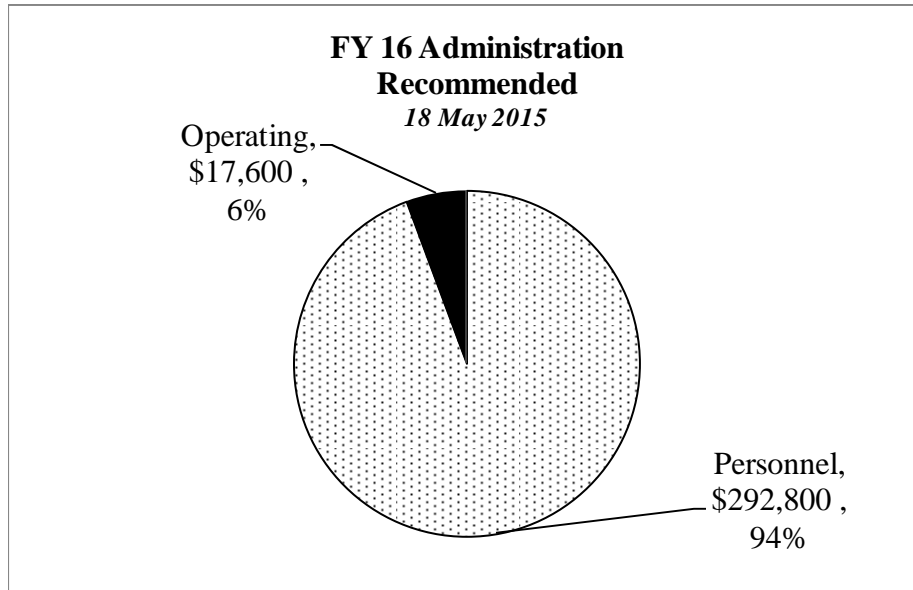
- **Ordinances:** As of 1 April 2015, the City Attorney has developed 23 Ordinances for the City of Henderson during FY 15.

**KEY BUDGET ISSUES**

- **Necessary Funding:** Insufficient funding to support use of outside legal representation when necessary.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-420: GENERAL FUND ADMINISTRATIVE SUMMARY**

<b>10-420: ADMINISTRATIVE DEPARTMENT SUMMARY</b>							
<i>last updated 6 May 15 psp</i>	Actual	Actual	Budget	Estimated	Requested	Recommended	Approved
	12-13	13-14	14-15	30 June 15	15-16	15-16	15-16
Personnel Services	\$ 316,756	\$ 312,935	\$ 289,340	\$ 302,068	\$ 304,200	\$ 292,800	
Operating	16,896	15,531	33,300	32,990	19,900	17,700	
Capital Outlay	-	-	1,000	1,000	3,000	-	
<b>Total Expenditures</b>	<b>\$ 333,652</b>	<b>\$ 328,467</b>	<b>\$ 323,640</b>	<b>\$ 336,058</b>	<b>\$ 327,100</b>	<b>\$ 310,500</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION		GRADE	MINIMUM	MAXIMUM	
1	1	City Manager					
1	1	Asst. City Manager		31	\$62,723	\$94,085	
1	1	Special Projects Manager		n/a	frozen		
1	1	Executive Assistant		14	\$27,365	\$41,048	
1	1	Administrative Secretary		11	frozen		
5	5						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	6	6	6	5	5	5	
New Requests	1	1	0	0	0	0	
Total Funded Positions	4	4	4	3	3	3	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-420: GENERAL FUND ADMINISTRATIVE SUMMARY**

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**PURPOSE**

To guide, lead and direct all City departments in administrative matters related to and necessary for implementing City Council's policy.

The Administration Department consists of the City Manager, Assistant City Manager, Executive Assistant to the City Manager, Administrative Support Specialist and Special Projects Manager. The Special Projects Manager position and the Administrative Support Specialist positions have been frozen and unfunded for years. The Assistant City Manager acts in the absence of the City Manager and provides day-to-day supervision to the Public Services Department, Engineering, Water and Wastewater Treatment Facilities.

**GOALS & OBJECTIVES**

**Goal 1: Strategic Plan**

**Objective 1:** Lead the staff in implementing the Strategic Plan.

**Goal 2: Performance Excellence**

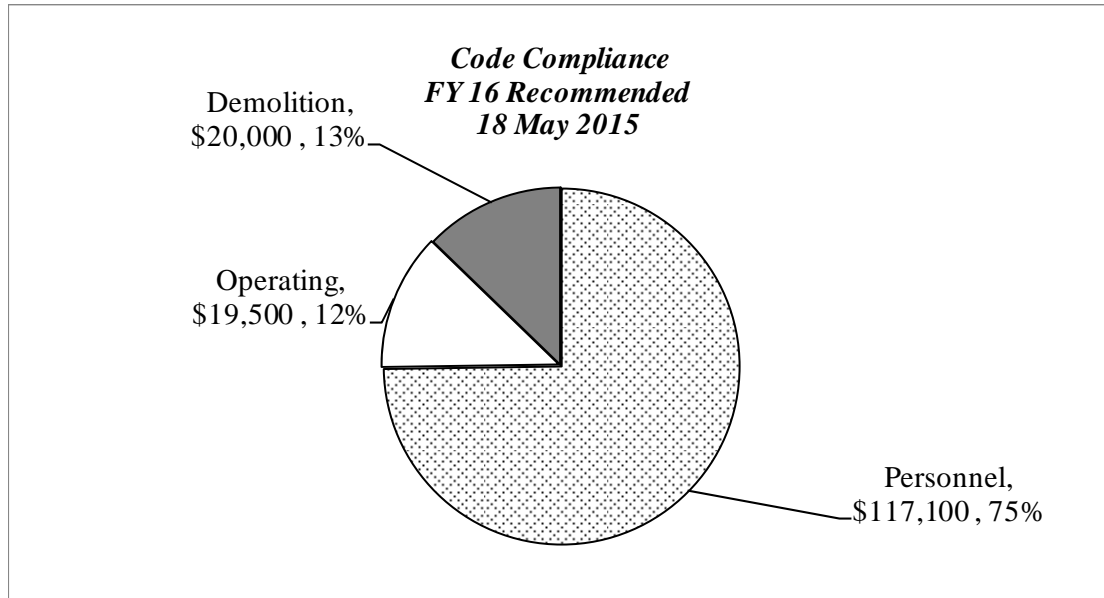
**Objective 1:** Implement process improvements throughout the organization.

**KEY BUDGET ISSUES**

- **Insufficient funds** to support municipal operational and capital needs as outlined throughout the budget document.
- **Frozen Positions:** Insufficient funds continue to keep the positions of Special Projects Manager and Administrative Assistant frozen and unfunded. This means the City does not have an effective Legislative Program.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-423: GENERAL FUND CODE COMPLIANCE SUMMARY**

<b>10-423: CODE COMPLIANCE DEPARTMENT SUMMARY</b>							
<i>last updated 6 May 15 psp</i>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 95,425	\$ 90,906	99,300	103,801	\$ 152,300	\$ 117,100	
Operating	51,351	49,842	64,900	59,899	145,500	39,500	
<b>Total Expenditures</b>	<b>\$ 146,776</b>	<b>\$ 140,749</b>	<b>\$ 164,200</b>	<b>\$ 163,700</b>	<b>\$ 297,800</b>	<b>\$ 156,600</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Development Services Director	26	\$49,145	\$73,718		
1	1	Code Compliance Inspector	15	\$28,733	\$43,100		
0	0	Code Compliance Inspector	15	frozen			
2	2						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	3	2	2	2	2	2	
New Requests	1	1	0	0	1	0	
Total Funded Positions	2	2	2	2	2	2	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-423: GENERAL FUND CODE COMPLIANCE SUMMARY**

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**PURPOSE**

To ensure that all neighborhoods are safe, decent, and a good place to live and play by enforcing the Minimum Housing, Abandoned, Weeded Lot (Nuisances) ordinances and other applicable codes.

**GOALS & OBJECTIVES**

- Goal 1:** Evaluate city neighborhoods to ensure habitable and safe housing stock.
- Objective 1:** With strategic planning, the Code Compliance Department will continue to enforce the Minimum Housing Code and Abandoned Structure Code by evaluation of each dwelling within the neighborhoods and responding to complaints of substandard dwellings. The department, under the orders of the City Council, needs to remove the abandoned structures ready for demolition.
- Goal 2:** Continue to improve the City's appearance of nuisance properties and hazards under Chapter 23 Weeded Lot (Nuisance Property) City Ordinance.
- Objective 1:** Patrol all wards and neighborhoods on a routine cycle minimum (3 wards per week). Patrolling wards on a regular cycle will reduce complaints from citizens and ensure a cleaner and more attractive city.
- Goal 3:** Henderson's housing stock has many unsafe properties, abandoned structures, and poor housing. Aggressive enforcement of abandoned structures has removed over 300 structures in the past decade; however, there are still numerous structures and dwellings that need repair or demolition.
- Objective 1:** To create and initiate a periodic housing inspection program that will address minimum housing issues prior to dwellings reaching a state of dilapidation or condemnation.

**FY 15 ACCOMPLISHMENTS**

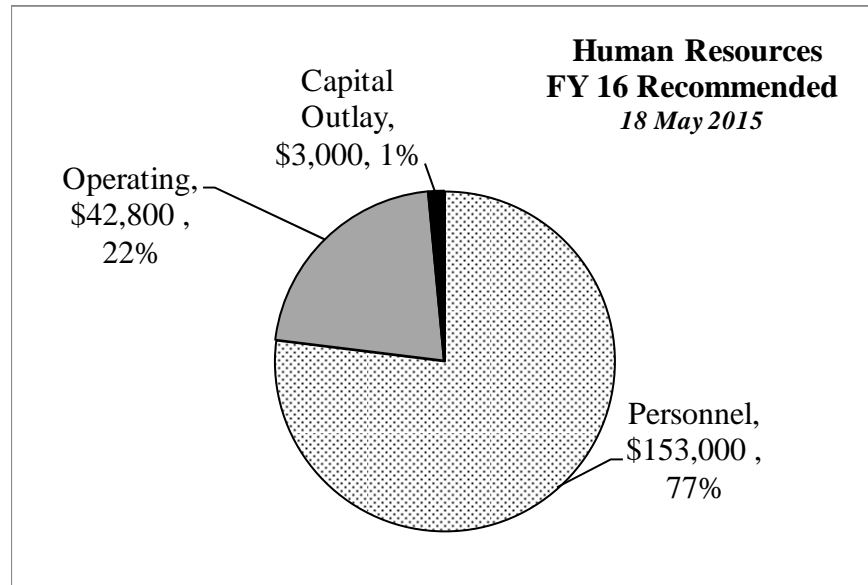
- The Code Compliance Department has experienced challenges this past fiscal year starting late summer of 2014 with key staffing issues and the retirement of the Code Compliance Inspector in October 2014. Due to other staffing issues in the Planning Department, the Development Services Department was created to stabilize staffing issues and merge departments and develop cross training to ensure services for citizens and customers. In February 2015, a Code Compliance Inspector was hired.

**KEY BUDGET ISSUES**

- Insufficient funds for effectively reducing the backlog of structures that are ready for demolition.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-425: GENERAL FUND HUMAN RESOURCES SUMMARY**

<b>10-425: HUMAN RESOURCES SUMMARY</b>							
<i>last updated 6 May 15 psp</i>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 108,757	\$ 122,073	\$ 156,340	\$ 156,700	\$ 155,700	\$ 153,000	
Operating	31,326	53,172	41,300	40,900	42,800	42,800	
Capital Outlay	-	450	3,000	3,000	\$ 3,000	3,000	
<b>Total Expenditures</b>	<b>\$ 140,084</b>	<b>\$ 175,695</b>	<b>\$ 200,640</b>	<b>\$ 200,600</b>	<b>\$ 201,500</b>	<b>\$ 198,800</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Human Resources Director	25	\$46,805	\$70,208		
1	1	Human Resources Technician	11	\$23,639	\$35,459		
1	1	Receptionist/Office Assistant	8	\$20,420	\$30,630		
Total Funded Positions							
3	3						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	2	2	2	3	3	3	
New Requests	0	0	0	0	0	0	
Total Funded Positions	2	2	2	3	3	3	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-425: GENERAL FUND HUMAN RESOURCES SUMMARY**

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**PURPOSE**

To establish plans and programs related to the recruitment, staffing, training, compensation, benefits, employee safety, and employee and labor relations functions of the City; to ensure that each function is performed in such a manner as to meet the needs of Henderson residents and customers, the well-being of each employee and in accordance with local, state and federal regulations.

**GOALS & OBJECTIVES**

- Goal 1:** Offer affordable professional training.  
**Objective 1:** To provide in-house training for employees in order to maintain a qualified workforce.
- Goal 2:** Stay abreast of “Health Care Reform” rules and regulations.  
**Objective 1:** Comply with the federal and state Health Care Reform mandates.
- Goal 3:** Complete the update of Personnel Policies and separate Procedures.  
**Objective 1:** Ensure that City policies are aligned with federal and state regulations.

**FY 15 ACCOMPLISHMENTS**

- **Health Insurance:** Recognized a 10% reduction in the City’s overall premium cost from the previous fiscal year and reduced the employee’s annual deduction amount from \$1500 to \$1000.
- **Health & Wellness:** Annual events – health fair, nutrition counseling and flu clinic. 100% of active employees completed the Health Assessment. Employees were highly motivated to participate in the City’s wellness program.
- **Pay Study Implementation:** Managed pay/class study project and the implementation of Phase One, which impacted 66 employees equaling 31.9 % of workforce at a cost of \$94,737.
- **Policy Updates/Compliance:** Update of entire Administrative Policy Manual underway. A basic generic Personnel Policy was provided by the MAPS group.
- **Employee Recognition:** Service Award banquet and Holiday luncheon.
- **Work First Intern Program:** Managed Work First Program for disadvantaged youths.
- **Training and Development:** Provided development opportunities to leadership team and city staff. Leadership Team received Diversity Training and Staff had an opportunity to participate in Anger Management training.

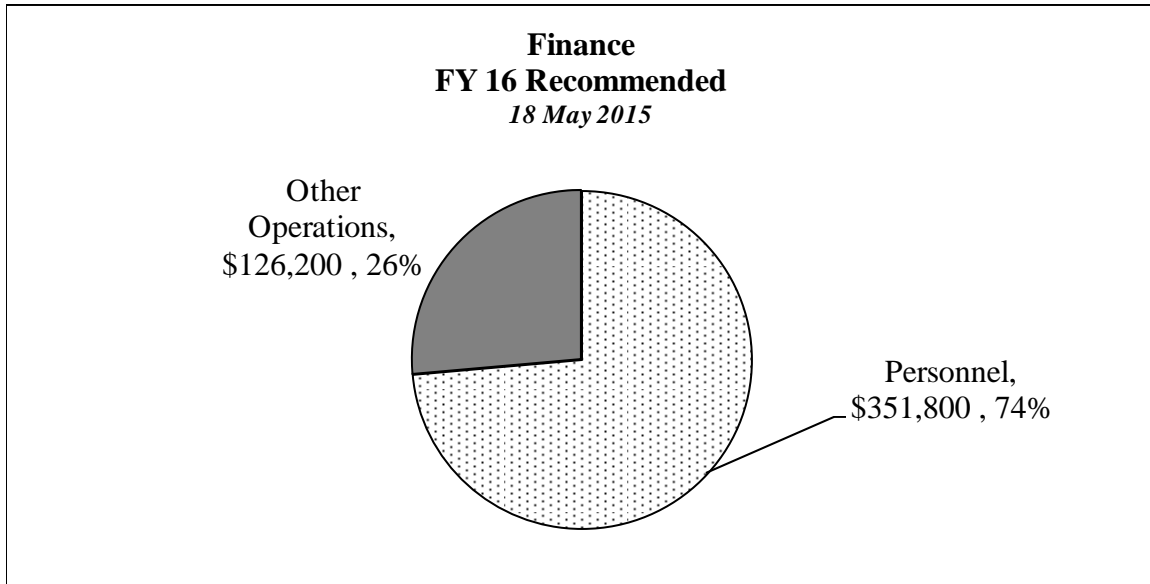
**KEY BUDGET ISSUES**

- **Training Budget:** \$5,000 to fund municipal training. This is an essential need in order to provide equal training opportunities for the staff and to maintain a qualified workforce.



**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-440: GENERAL FUND FINANCE SUMMARY**

<b>10-440: FINANCE DEPARTMENT SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
<i>last updated 6 May 15 psp</i>	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 306,177	\$ 276,205	\$ 320,600	\$ 318,300	\$ 357,500	\$ 351,800	
Operating	110,964	101,837	120,100	114,670	126,700	126,200	
<b>Total Expenditures</b>	<b>\$ 417,141</b>	<b>\$ 378,042</b>	<b>\$ 440,700</b>	<b>\$ 432,970</b>	<b>\$ 484,200</b>	<b>\$ 478,000</b>	<b>\$ -</b>



<u><b>AUTHORIZED POSITIONS</b></u>							
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>	<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>		
<i>Accounting &amp; Payroll Section</i>							
1	1	Finance Director	28	\$54,182	\$81,273		
0.5	1	Assistant Finance Director	21	\$38,506	\$57,759		
1	1	Accountant	16	\$30,170	\$45,255		
1	1	Payroll Specialist	13	\$26,062	\$39,093		
1	1	Accounts Payable Specialist	12	\$24,821	\$37,232		
1	1	Accounting Technician	12	\$24,821	\$37,232		
<b>5.5</b>	<b>6</b>						
<u><b>HISTORY OF POSITIONS</b></u>							
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Requested FY 14-15</b>	<b>Recommended FY 14-15</b>	<b>Approved FY 14-15</b>
<b>Authorized</b>	11	6	5	5.5	6	6	
<b>New Requests</b>	0	0	0	0	0	0	
<b>Total Funded Positions</b>	11	6	5	5.5	6	6	

*Assistant Finance Director was only funded for last six months of FY 14-15*

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-440: GENERAL FUND FINANCE SUMMARY**

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**PURPOSE**

To administer the fiscal affairs of the City in compliance with local, state and federal regulations and in accordance with generally accepted accounting principles of governmental accounting and the rules and regulations of the North Carolina Local Government Commission. The Finance Department's responsibilities include the collection and disbursement of funds, control of expenditures, cash and asset management, payroll and purchasing. The Department is responsible for insuring that all of the City's disbursements are in strict compliance with laws and regulations and the City's budget ordinance.

**GOALS & OBJECTIVES**

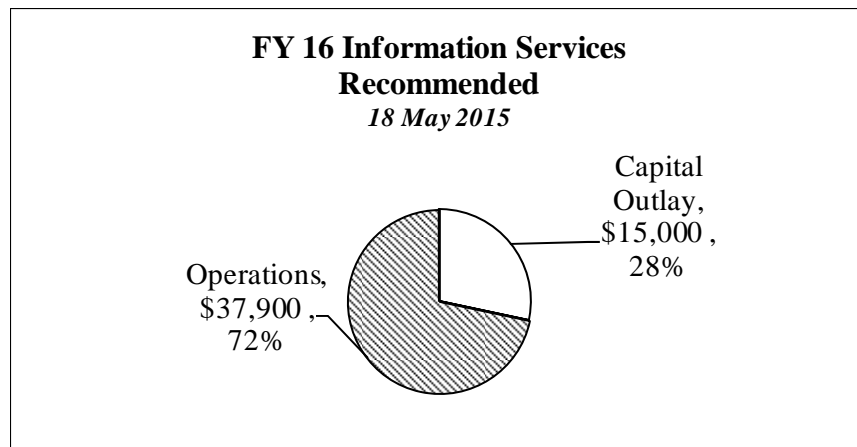
- Goal 1:** Earn the GFOA Certificate of Achievement Award for Excellence in Financial Reporting.  
**Objective 1:** Work closely with auditors to ensure that the FY15 Comprehensive Annual Financial Report meets or exceeds the requirements for the GFOA award and assist with preparation of the FY16 budget in compliance with GFOA guidelines.
- Goal 2:** To record and post financial data in a timely and efficient manner.  
**Objective 1:** To utilize and/or expand the comprehensive checklist of critical dates for various items and/or tasks including revenue receipts (sales tax, utility franchise tax, etc.), debt service payments, reporting deadlines, etc. and to continue to review and monitor this checklist on an on-going basis to insure that deadlines are met and that financial data is recorded accurately and in a timely manner in order to provide meaningful and reliable up-to-date financial information to management and department heads and submit all "outside" reports (Powell Bill, various LGC reports, NC Dept. of Revenue reports, etc.) by their required due dates.
- Goal 3:** Improve current departmental processes and procedures.  
**Objective 1:** Review current processes and procedures for potential improvements. Determine if distribution of departmental tasks and responsibilities are assigned in the most efficient manner and re-align/re-assign duties and responsibilities where efficiencies could be improved.

**FY 15 ACCOMPLISHMENTS**

- **Awards:** GFOA Certificate of Achievement for Excellence in Financial Reporting was received for the 23<sup>rd</sup> consecutive year for the FY 2013.
- **Audit:** Received a "clean," unmodified opinion on the FY 2014 financial audit report, with no "unit letter" from the NC Local Government Commission. This is the second year in a row that we have not received a letter and we feel that this is indicative of the progress that the Finance Department has made.
- **Staff:** We were able to hire a qualified Assistant Finance Director this past year and we look forward to making even further improvements within the Finance Department in the years ahead.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-450: GENERAL FUND INFORMATION SERVICES SUMMARY**

10-450: INFORMATION SERVICES DEPARTMENT SUMMARY							
<i>last updated 17 Apr 15 psp</i>	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Personnel Services			-	-		-	
Operating	20336	19,872	35,800	37,060	37,900	37,900	
Capital Outlay			7,200	7,200	52,500	15,000	
<b>Total Expenditures</b>	<b>\$ 20,336</b>	<b>\$ 19,872</b>	<b>\$ 43,000</b>	<b>\$ 44,260</b>	<b>\$ 90,400</b>	<b>\$ 52,900</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 12-13	FY 13-14	CLASSIFICATION		GRADE	MINIMUM	MAXIMUM	
HISTORY OF POSITION							
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	Requested Fy 14-15	Recommended FY 14-15	Approved FY 14-15
Authorized	0	0	0	0	0	0	
New Request	0	0	0	0	0	0	
Total Funded Positions	0	0	0	0	0	0	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-450: GENERAL FUND INFORMATION SERVICES SUMMARY**

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**PURPOSE**

To provide support and assistance to all departments in troubleshooting computers and software systems.

**GOALS & OBJECTIVES**

**Goal 1:** To update and maintain the City's Information Technology (IT) infrastructure.

**Objective 1:** To update and maintain the City's Information Technology (IT) infrastructure to meet and exceed the needs of the City's workforce to operate, serve, and protect the public in a timely manner.

**FY 15 ACCOMPLISHMENTS**

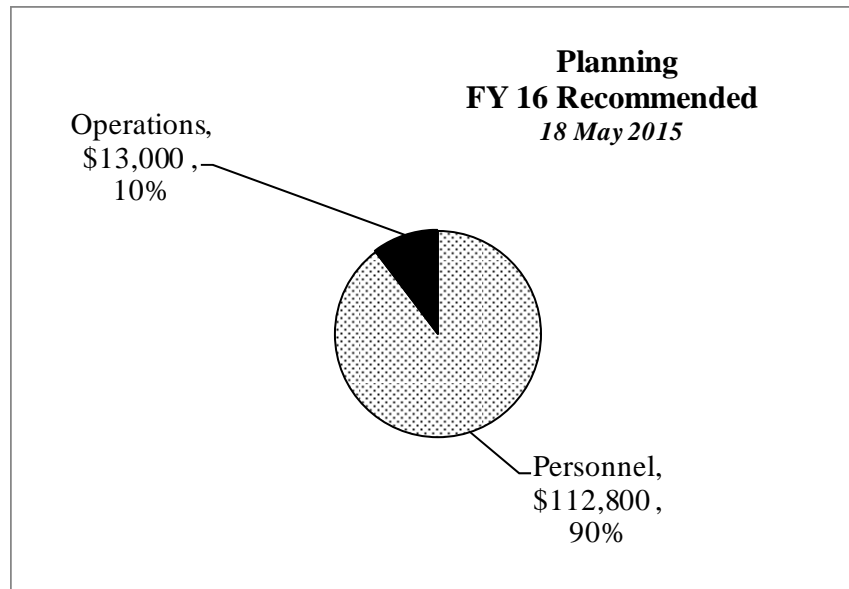
- **Police Department Records Management Server:** The Police Department has replaced their Records Management Server with utilizing General Funds and Asset Forfeiture Money.

**KEY BUDGET ISSUES**

- **Insufficient Staffing:** The City has not had an IT position for years. This task was performed to a limited capacity in the past by former staff members with limited abilities, but now must be performed by outside contractors leaving the city vulnerable to their schedule for repairs, etc. The City has developed an information technology team to review the needs and services offered by other contractors in the business.
- **Computer Replacements:** In accordance with the General CIP that was produced this fiscal year, the IT department is requesting funds to replace 25 computers (monitors included) as well as MS Office software. The existing IT infrastructure is aging and without significant funds to replace the older computers, the work force will lag in work capacity and performance as well as technical knowledge to keep abreast of current standards. Budget cuts necessary to balance the General Fund eliminated all funding.
- **IT System Replacement Plan:** The IT department, using the General CIP, is requesting funds for replacement of the City Hall's remaining servers and switches as those are significantly dated, causing connectivity issues, work stoppages, and speed degradation. The servers are the backbone of our infrastructure and cannot be allowed to fail. These switches allow for connections to the server, which are approximately 12 to 15 years old. The useful life of a switch is normally 10 years.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-495: GENERAL FUND PLANNING & COMMUNITY DEVELOPMENT SUMMARY**

<b>10-495: PLANNING &amp; CD DEPARTMENT SUMMARY</b>							
<i>last updated 7 May 15 psp</i>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 126,473	\$ 89,131	\$ 130,700	\$ 88,789	\$ 154,200	\$ 112,800	
Operating	11,128	12,527	13,300	9,055	15,800	13,000	
<b>Total Expenditures</b>	<b>\$ 137,601</b>	<b>\$ 101,657</b>	<b>\$ 144,000</b>	<b>\$ 97,844</b>	<b>\$ 170,000</b>	<b>\$ 125,800</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
		Board Members					
15	15	Board of Adjustment Members					
10	10	Planning Board Members					
		Staff					
1	0	Planning Director	26	\$49,145	\$73,718		
1	1	Zoning Administrator	17	\$31,679	\$47,519		
0	1	Planner	17	\$31,679	\$47,519		
1	1	Planning Technician		frozen			
1	1	Community Dev. Director		frozen			
1	1	Administrative Secretary		frozen			
5	5						
HISTORY OF POSITIONS							
	FY11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	5	5	5	5	5	5	
New Requests	0	0	1	0	1	0	
Total Funded Positions	2	2	2	2	2	2	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-495: GENERAL FUND PLANNING & COMMUNITY DEVELOPMENT SUMMARY**

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**PURPOSE**

Planning and Community Development along with Zoning operates under the direction of Development Services Department. Planning, Zoning, and Community Development administer land use regulations for the City of Henderson. Our overall objective is to promote smart growth and development in the City and Extraterritorial Jurisdiction.

**GOALS & OBJECTIVES**

- Goal 1:** Develop permitting process that meet the needs of all customer (external and internal)
- Objective 1:** To continue to streamline the permitting and development processes so that developers are able to construct, renovate, and make property improvements with as much up front knowledge as possible, a most comprehensive development process and the highest level of customer service. In addition, identify ways to unify codes and regulation that impact development with other departments within the City and Vance County.
- Goal 2:** Develop community planning.
- Objective 1:** To build community capacity within the distressed commercial areas and neighborhoods prioritizing the most distressed zones. Continue to develop the Community Advisory committee identify potential areas of economic development and neighborhood development. In addition, work with other partners within the city and regional area to create solution for blight.
- Goal 3:** Build and develop spatial data capacity/GIS
- Objective 1:** The spatial data is at a stage to compile and create a version of the data for examination for potential users such as state planners, grant writers, consultants, and other city staff. The data is expected to included land use zones, housing information (abandoned structures), City and County properties, and crime information (limited).

**FY 15 ACCOMPLISHMENTS**

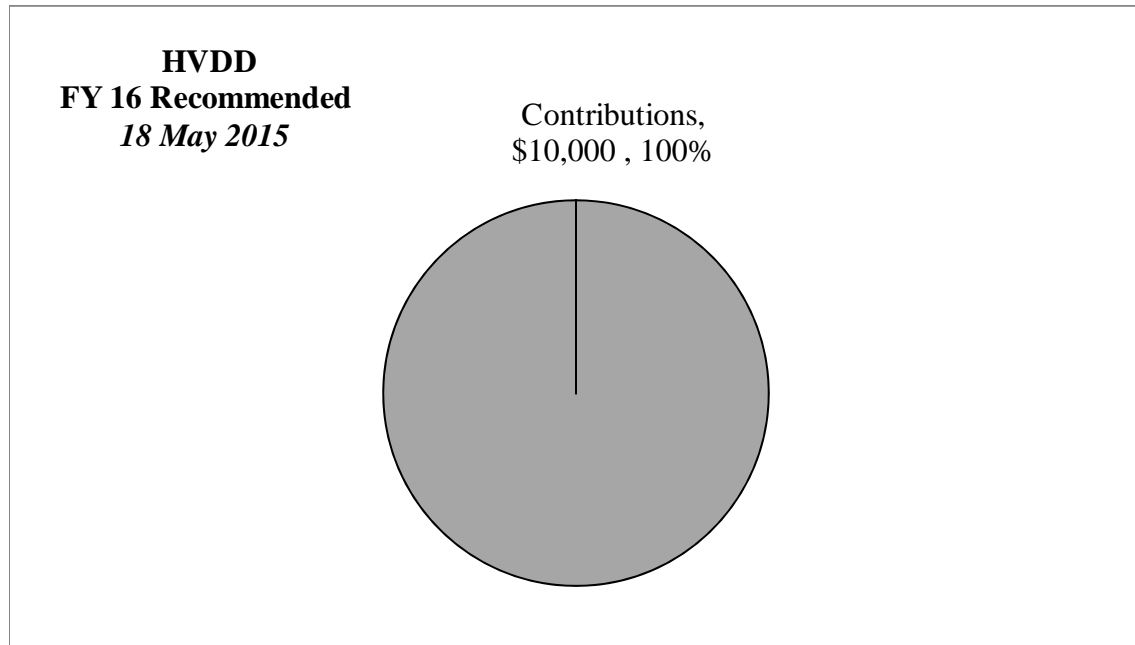
- This past year has been challenging due to 100% turn over within the Planning Department. However, the Development Services Department was created in September 2014 and a Planner and Zoning Administrator was hired in December 2014. This merger of Planning and Code Compliance has instituted relief and leadership for land use development.
- Re-establishment of Technical Review Committee on all minor and major development prior to development.
- Created system of digital communication to other departments and Vance County Planning Development for permits through direct email.

**KEY BUDGET ISSUES**

- **Updated Zoning Ordinance:** A major document the entire department uses is our Code of Land use laws. Our ordinance desperately needs an overhaul rewrite as we have not amended it since its origin in 1987. Many of the uses are antiquated and not developer friendly. There is no funding for this initiative.
- **Lack of Administrative Staff:** Lack of administrative staff prolongs processing and limits other staff's time in the field.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-496: GENERAL FUND DOWNTOWN DEVELOPMENT SUMMARY**

<b>10-496: HVDD DEPARTMENT SUMMARY</b>							
<i>last updated 17 Apr 15 psp</i>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 34,464	\$ 47,893			\$ 54,400		
Operating	15,682	13,685	10,000	10,000	36,100	10,000	
<b>Total Expenditures</b>	<b>\$50,146</b>	<b>\$ 61,578</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 90,500</b>	<b>\$ 10,000</b>	<b>\$ -</b>



<u><b>AUTHORIZED POSITIONS</b></u>							
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>	<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>		
0	0	Main St. Program Manager	19	\$34,926	\$52,389		
Position eliminated FY 15							
<b>0</b>	<b>0</b>						
<u><b>HISTORY OF POSITIONS</b></u>							
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Requested FY 15-16</b>	<b>Recommended FY 15-16</b>	<b>Approved FY 15-16</b>
<b>Authorized Positions</b>	0.5	0.5	1.0	0	0	0	
<b>New Requests</b>	0	0	0	0	1	0	
<b>Total Funded Positions</b>	0.5	0.5	1.0	0	0	0	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-496: GENERAL FUND DOWNTOWN DEVELOPMENT SUMMARY**

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**PURPOSE**

To promote, enhance, facilitate and encourage a vibrant, healthy and historically significant downtown historic central business district. To ensure the Downtown business district is being managed using the four-point approach of the Main Street program: organization, promotion, design and economic restructuring.

The Downtown Development Commission is a twenty-three (23) member group organized as a 501c3 corporation.

**GOALS & OBJECTIVES**

- Goal 1:** Build and enhance relationships with the downtown merchants  
**Objective 1:** Strive to foster relationships with the merchants in the downtown area, encouraging networking and collaborative improvement opportunities
- Goal 2:** Provide assistance and support for downtown businesses  
**Objective 1:** Use various promotional opportunities to make downtown attractive, to build the customer base for all businesses and enhance the environment in the downtown area
- Goal 3:** Develop and market a brand for Henderson  
**Objective 1:** Identify and market a selected brand for the City and possibly beyond. This will include a branding campaign and promotional opportunities.

**FY 15 ACCOMPLISHMENTS**

- **Establish Façade Grant Program Application and Process.** This incentive suggested by City Council to improve the physical appearance of downtown buildings. The DDC board has completed this task and in search of funding to provide grant opportunities.
- **Downtown Streetscape:** The downtown streetscape maintained through maintenance contract provided by the City and DDC board members have provided additional effort outside the scope of work of the maintenance contract such as additional plantings. A contract with a Landscape company provides limited maintenance to existing trees and planter areas in the downtown area.

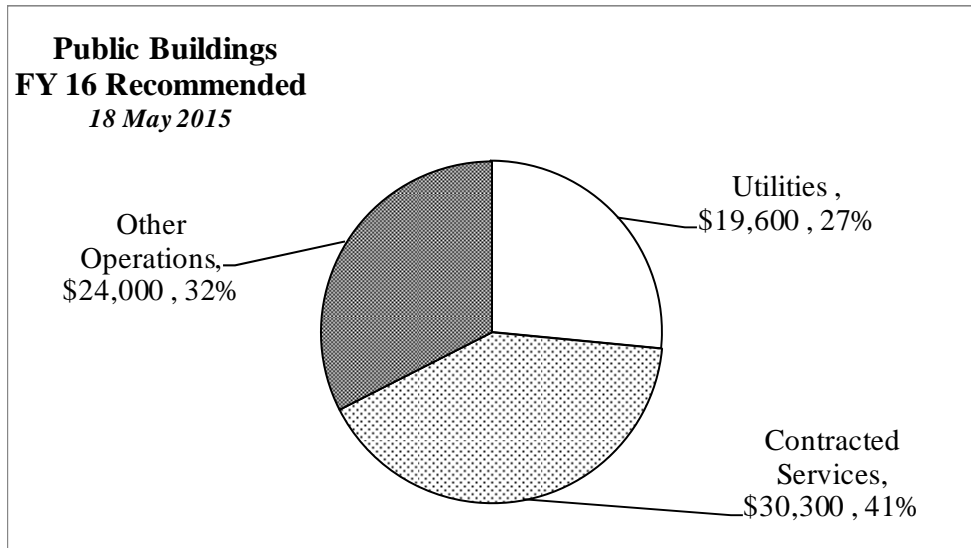
**KEY BUDGET ISSUES**

- **Façade Improvements:** There are numerous buildings downtown that need their facades improved to attract businesses and approve the overall appearance of Main Street. There are no funds for this program.
- **De-Funding Main Street:** In order to meet the needs of downtown merchants and insititute a four-point approach of the Main Street program, refunding of the Main Street Manager position is requested.



**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-500: GENERAL FUND PUBLIC BUILDINGS & GROUNDS SUMMARY**

<b>10-500: PUBLIC BLDGS DEPARTMENT SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating	67,876	62,652	72,400	68,800	74,400	73,900	
Capital Outlay	-				110,500	-	
<b>Total Expenditures</b>	<b>\$ 67,876</b>	<b>\$ 62,652</b>	<b>\$ 72,400</b>	<b>\$ 68,800</b>	<b>\$ 184,900</b>	<b>\$ 73,900</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION			GRADE	MINIMUM	MAXIMUM
0	0						
0	0						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	1	0	0	0	0	0	
New Request	0	0	0	0	0	0	
Total Fund Positions	1	0	0	0	0	0	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-500: GENERAL FUND PUBLIC BUILDINGS & GROUNDS SUMMARY**

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**PURPOSE**

To provide funds on a centralized basis for general building maintenance (City Hall, Public Safety Building, etc.) and associated insurance and utility costs for public buildings. The Engineering Department is responsible for administering this budget.

**GOALS & OBJECTIVES**

- Goal 1:** Continue to make improvements to landscaping around City Hall.
- Objective 1:** Continue to improve the look of City Hall to set the tone and encourage further beautification efforts as well as promotion of the downtown area.
- Goal 2:** Continue to maintain and improve the City Hall working environment for employees with various projects.
- Objective 1:** Increase worker safety, productivity through better working environment.

**FY 15 ACCOMPLISHMENTS**

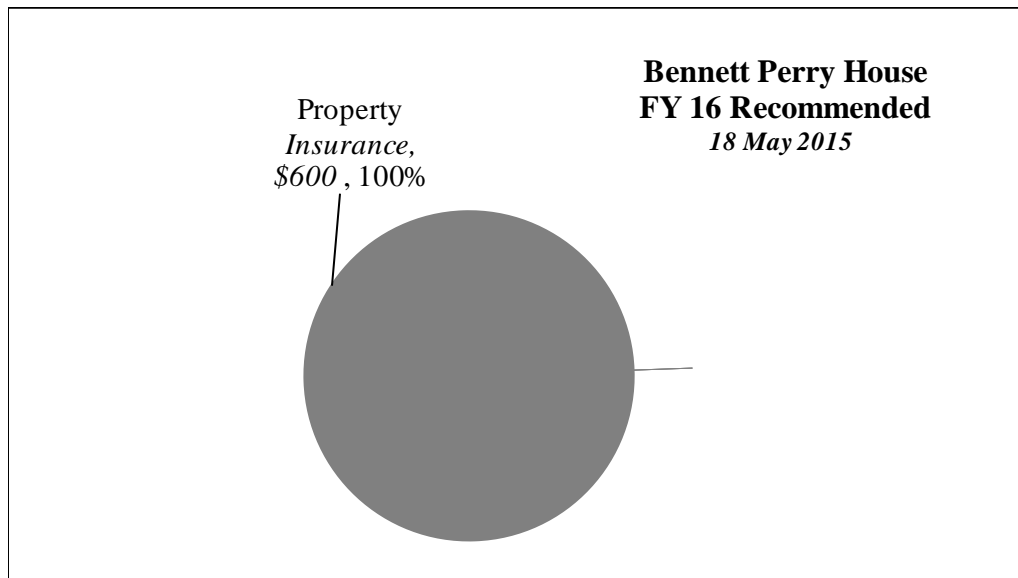
- **Interior Improvements:** Completed wall partitions and doors to create a conference room for Development Services and Council Recess at the City Hall facility. This conference room will aid all departments in the day-to-day operations as well as giving them the ability to provide more efficient customer service.

**KEY BUDGET ISSUES/REQUESTS**

- **Old Police Department Roof:** The roof on the old Police Department that is attached to Fire Station #1 is in serious need of replacement but has been removed from the budget multiple times. Once a roof starts to leak the interior of the building degrades quickly, therefore to secure the integrity of this, City building funds need to be secured for this roof.
- **Electric Door Lock System:** Insufficient funds to install new electronic door lock system for the employee entrances which would aid in protection of access, tracking access by employees and better control of access to City Hall during non-work hours. The current locking mechanisms are archaic and it requires changing whenever an employee leaves the city's employ as well as constant maintenance as the locking mechanism continues to break.
- **Maintenance and upkeep:** Insufficient funds for interior and exterior painting of the building.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-501: GENERAL FUND BENNETT PERRY HOUSE SUMMARY**

<b>10-501: BENNETT PERRY HOUSE</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating	5,407	1,236	25,750	200	600	600	
<b>Total Expenditures</b>	<b>\$ 5,407</b>	<b>\$ 1,236</b>	<b>\$ 25,750</b>	<b>\$ 200</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION		GRADE	MINIMUM	MAXIMUM	
0	0						
0	0						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
AUTHORIZED			0	0	0	0	
NEW REQUESTS			0	0	0	0	
TOTAL FUNDED POSITIONS			0	0	0	0	

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**

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**10-510: GENERAL FUND BENNETT PERRY HOUSE SUMMARY**

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**PURPOSE**

Mr. Bennett Perry donated his home, located at the corner of Church and North Chestnut streets to the City of Henderson with the intent that the City maintain it as a museum. The City Council approved the acceptance of his donation via Resolution 11-80 on 8 August 2011.

**GOALS & OBJECTIVES**

**Goal 1:** Conversion of property to a 501(c3) corporation to establish a museum.

**Objective 1:** Establishment of a museum consistent with the covenants of the transfer of property.

**Goal 2:** Effectively maintain the existing building and grounds.

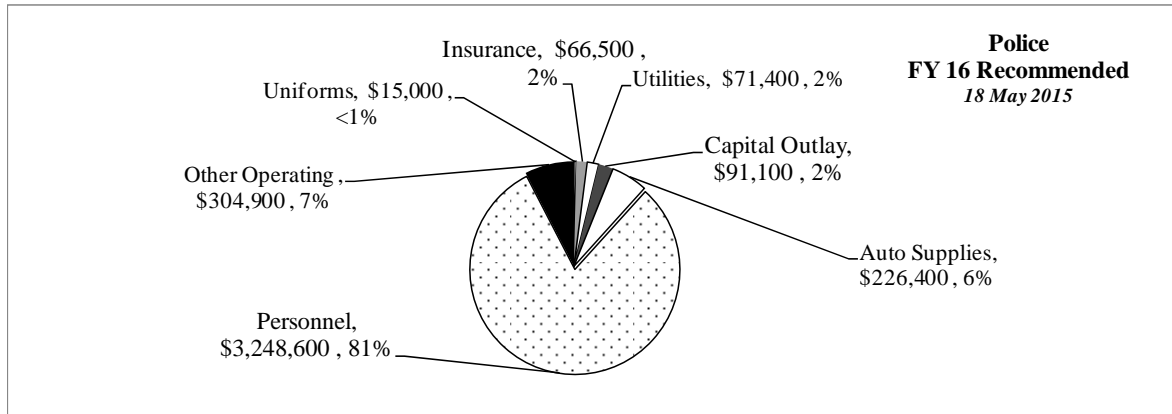
**Objective 1:** To maintain the integrity of the house as well as the aesthetics of the grounds.

**FY 15 ACCOMPLISHMENTS**

- The Bennett Perry Museum was leased in March 2015 to the Corbitt Preservation Association (a historical preservation institution). The Association will maintain and operate the Museum until 2020.
- Winterized the house to protect the integrity of the pipes, heating system, etc.
- Maintained the grounds to be aesthetically pleasing to the surrounding neighborhood.

**FY 15-16 BUDGET**  
**GENERAL BUDGET**  
**10-510: GENERAL FUND POLICE DEPARTMENT SUMMARY**

<b>10-510: POLICE DEPARTMENT SUMMARY</b>							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 2,925,889	\$ 3,105,401	\$ 3,251,440	\$3,257,871	\$ 3,310,300	\$ 3,248,600	
Operating	\$ 809,349	\$ 662,174	761,700	747,600	850,500	684,200	
Capital Outlay	\$ -		96,246	88,396	136,100	91,100	
<b>Total Expenditures</b>	<b>\$ 3,735,239</b>	<b>\$ 3,767,575</b>	<b>\$ 4,109,386</b>	<b>\$4,093,866</b>	<b>\$ 4,296,900</b>	<b>\$ 4,023,900</b>	<b>\$ -</b>



*Police Department has their own pay scale.*

AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION			GRADE	MINIMUM	MAXIMUM
Sworn Law Enforcement Officers Full Time							
1	1	Chief of Police			LE 28	\$54,182	\$81,273
2	2	Captain			LE 22	\$46,876	\$70,313
9	9	Lieutenant			LE 20	\$43,892	\$65,838
9	9	Sergeant			LE 17	\$41,094	\$61,641
4	4	Senior Police Officer			LE 15	\$35,893	\$53,840
11	11	Patrol Officer II			LE 15	\$33,546	\$50,319
16	16	Patrol Officer I			LE 15	\$31,352	\$47,029
16	52	Subtotal					
Administrative Full Time							
1	1	Case Management Coordinator			LE 5	\$23,190	\$34,656
1	1	Administrative Assistant			LE 6	\$24,906	\$37,359
1	1	Administrative Secretary			LE 5	\$23,190	\$34,656
4	3	Police Office Assistant			LE 4	\$21,592	\$32,388
1	1	Parking Enforcement			LE 2	\$18,859	\$28,288
8	7	Subtotal					
Part Time Employees							
1	1	Crime Analyst				\$14	\$14
1	1	Assistant to Administrative Services				\$14	\$14
4	0	School Crossing Guard				\$7	\$7
1	1	Police Office Assistant				\$8	\$8
9	11	Reserve Officers				\$8	\$8
0	1	Accreditation Manager				\$14	\$14
16	15	Subtotal					
60 FT- 16 PT	59 FT- 15 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
AUTHORIZED	60 FT-14PT	60 FT-14 PT	60 FT-14 PT	60 FT-16 PT	60 FT- 20 PT	59 FT-15 PT	
NEW REQUESTS	0	0	0	0	4 PT	0	
TOTAL FUNDED POSITIONS	60 FT-14 PT	60 FT-14 PT	60 FT-14 PT	60 FT-16 PT	60 FT-17PT	59 FT-15 PT	

**FY 15-16 BUDGET  
GENERAL BUDGET**

**10-510: GENERAL FUND POLICE DEPARTMENT SUMMARY**

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**PURPOSE**

The prevention of crime, the protection of life and property, and the general preservation of the public peace.

**GOALS AND OBJECTIVES**

**GOAL 1: Reduce the overall violent crime rate for Henderson and continue to reduce the overall Part 1 Crime Volume along the current three year trend.**

**Objective 1:** Continue to use the Federal Court System to remove violent and habitual felons from the City.

**Objective 2:** Reduce the number of “points of distribution” of narcotic sales in the Henderson area and submit persons arrested for Federal prosecution.

**Objective 3:** Use Crime Analysis information and resources to deploy personnel, traffic tracking equipment, surveillance equipment, etc. to continue to decrease crime within the City.

**GOAL 2: Continue to improve the relationship between the citizens and the Police Department**

**Objective 1:** Establish a Citizen’s Police Academy and review and revise the VIPS policy and program.

**Objective 2:** Continue to develop relationships between our department and internal and external stakeholders.

**Objective 3:** Work with faith based organizations and implement the program “Circle of Faith”.

**GOAL 3: Make progress in replacing inoperable in-car cameras**

**Objective 1:** Purchase at least four (4) new camera units for vehicles in the fiscal year with grant funding.

**Objective 2:** Seek additional funding to purchase four (4) additional cameras for vehicles in the fiscal year.

**GOAL 4: To maintain full sworn officer staffing.**

**Objective 1:** To hire personnel to fill all existing allocated sworn positions.

**Objective 2:** To work with the other agency divisions to maintain sworn officer loss in 2014 at less than 10%.

**GOAL 5: Continue to seek resources to address needed CIP purchases**

**Objective 1:** Continue the upgrades of workstation computers to build existing department information infrastructure.

**Objective 2:** Maintain the current level of operation, efficiency and expenditures of our individually assigned Police Department vehicle fleet program.

**FY 15 ACCOMPLISHMENTS**

- **Partnerships:** Developed and strengthened existing community partnerships by enhancing the Community Watch Program and assisting the Northern Vance High School Engineering Program in the development of a new vehicle graphic.
- **Data Analysis:** Purchased updated computers for Operation Division supervisors.
- **Use of Federal Court:** Continued partnership with ATF to produce fifteen (15) indictments of violent felons in the Federal System thus far in FY13-14.
- **Reduced Crime Levels:** Used resources to work toward a lower crime volume and higher clearance rate.

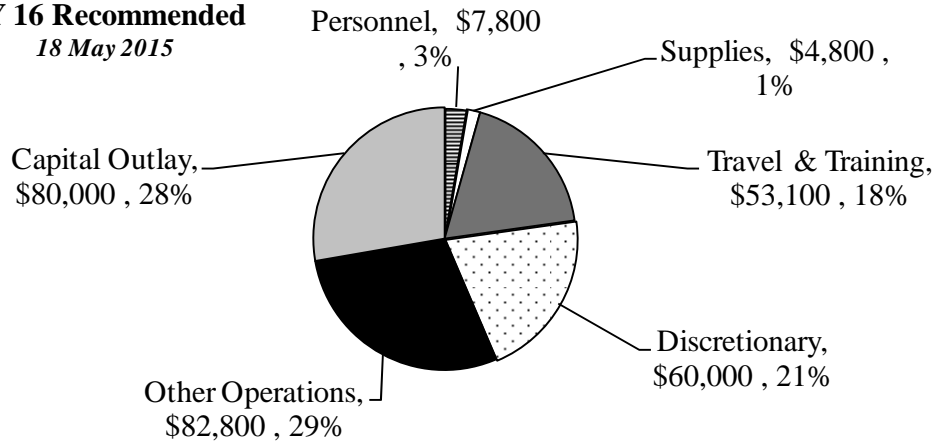
**KEY BUDGET ISSUES**

- **Larger capital items:** Includes five (5) replacement vehicles, and four (4) in-car video systems.
- **Fuel & Maintenance:** There will be a need for an increase in the Maintenance and Repair Equipment line item if replacement vehicles are not purchased.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-512: GENERAL FUND POLICE –ASSET FORFEITURE SUMMARY**

<b>10-512: POLICE FED ASSET FORFEITURE DEPARTMENT SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 14,126	\$ -	\$ 17,400	\$ -	\$ -	\$ 7,800	
Operating	111,519	73,836	183,400	5,000	83,000	155,700	
Capital Outlay	4,555	159,589	124,200	96,500	80,000	125,000	
<b>Total Expenditures</b>	<b>\$ 130,200</b>	<b>\$ 233,425</b>	<b>\$ 325,000</b>	<b>\$ 101,500</b>	<b>\$ 163,000</b>	<b>\$ 288,500</b>	<b>\$ -</b>

**Asset Forfeiture**  
**FY 16 Recommended**  
*18 May 2015*



<b>AUTHORIZED POSITIONS</b>					
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>	<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>
0	0				
There have been no positions assigned to this fund since FY 10-11					

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**

**10-512: GENERAL FUND POLICE –ASSET FORFEITURE SUMMARY**

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**PURPOSE**

To provide resources that expand the ability of the City to provide capital equipment, training and first year personnel

**GOALS & OBJECTIVES**

See Police Department on prior pages.

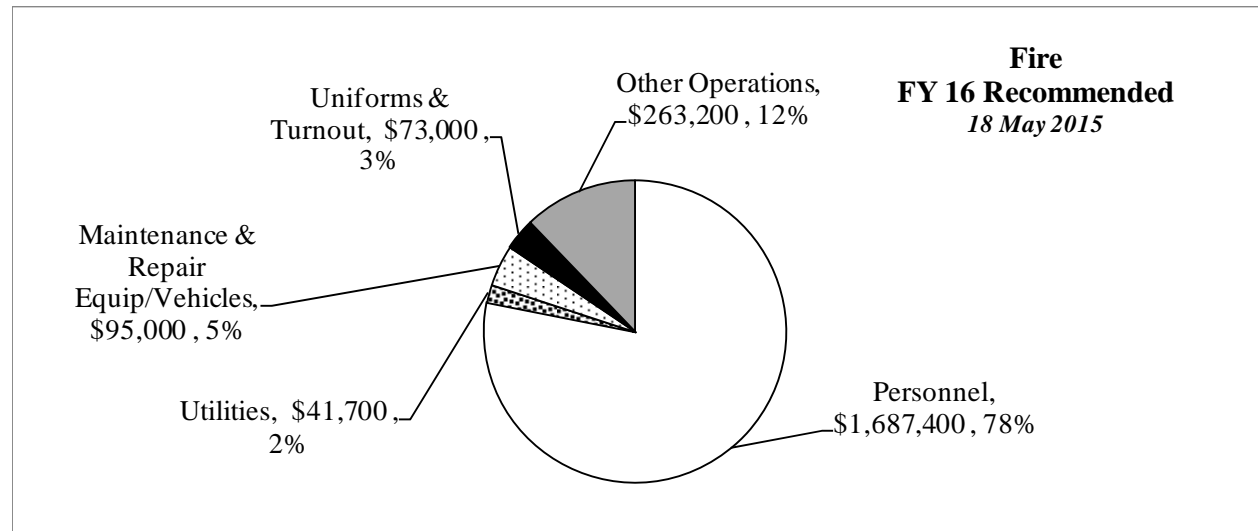
**KEY BUDGET ISSUES**

- **Use of Funds:** Funding levels of various accounts are consistent with the current availability of these funds as collected by the Police Department
- **Rate of Seizure is Down:** Seizure funds continue to decrease which will have impacts on future budgets unless interdictions increase.
- **Asset Forfeiture Funds:** The Utilization of Asset Forfeiture funds is occurring at a pace faster than funds are being received. Eventually. These funds will no longer be available at the capacity they once were. The City will need to increase financial responsibility if maintaining the status and condition of the Police Department's equipment and facility is a priority.



**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-530: GENERAL FUND FIRE DEPARTMENT SUMMARY**

<b>10-530: FIRE DEPARTMENT SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-14</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Personnel Services	\$ 1,684,365	\$ 1,522,667	\$ 1,728,600	\$ 1,759,287	\$ 1,896,000	\$ 1,687,400	
Operating	421,147	523,578	429,440	322,439	911,500	436,200	
Capital Outlay	4,537	41,375	63,016	62,086	1,350,500	36,700	
<b>Total Expenditures</b>	<b>\$ 2,110,049</b>	<b>\$ 2,087,620</b>	<b>\$ 2,221,056</b>	<b>\$ 2,143,812</b>	<b>\$ 4,158,000</b>	<b>\$ 2,160,300</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION		GRADE	MINIMUM	MAXIMUM	
1	1	Fire Chief		27	\$51,602	\$77,403	
1	1	Assistant Fire Chief		23	\$42,453	\$63,680	
1	1	Battalion Chief/Fire Inspections/Training		21	\$38,506	\$57,759	
3	3	Battalion Chief		21	\$38,506	\$57,759	
1	1	Fire Lieutenant/Fire Safety Educator		18	\$33,263	\$49,895	
6	6	Fire Lietuenant		18	\$33,263	\$49,895	
6	6	Fire Engineer		15	\$28,733	\$43,100	
5	5	Senior Firefighter		14	\$27,365	\$41,048	
10	10	Firefighter		13	\$26,062	\$39,093	
34	34	Subtotal					
		Administration					
1	1	Adminstrative Support Specialist		11	\$23,639	\$35,459	
35	35	Total Full Time					
		Part Time					
12	12	Part time/Reserve					
35 FT - 12PT	35 FT-12 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	35 FT-12 PT	35 FT-11 PT	35 FT- 11 PT	35 FT- 12PT	35 FT-12 PT	35FT-12 PT	
New Requests	4	4	0	0	4	0	
Total Funded Positions	35 FT-12 PT	35 FT-11 PT	35 FT- 11 PT	35FT- 12 PT	35 FT-12 PT	35 FT-12 PT	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-530: GENERAL FUND FIRE DEPARTMENT SUMMARY**

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**PURPOSE**

To prevent fires and fire hazards throughout the City, suppression and containment of fires, education and related initiatives in fire prevention, the provision of rescue and emergency medical services, and interpretation and enforcement of Chapter V of the State Fire Prevention Code.

**GOALS & OBJECTIVES**

- Goal 1:** Obtain a Fire Rating of “Class 3” to reduce insurance rates for our citizens.  
**Objective 1:** Continue to work toward obtaining a Fire Rating of “Class 3” for Henderson. This can be accomplished by improving fire department operations, water system improvements and improvements at the 911 Center.
- Goal 2:** Hire four (4) firefighters to staff a “Third Engine Company” for fire suppression purposes.  
**Objective 1:** This will assist the fire department in acquiring a lower Fire Protection Class Rating.
- Goal 3:** Replace Six (6) vehicles: Ford F-250 1991 Pick-up truck; 1998, 2000, 2001 & 2003 Ford Crown Victorias; 1999 Dodge Van, 1990 Grumman HME Fire Engine and 1996 KME Renegade Fire Engine.  
**Objective 1:** Secure the necessary funding to purchase the six (6) new vehicles and 2 fire engines for the fire department by 1 May 2016.
- Goal 4:** Offer Carbon Monoxide Detectors to our citizens.  
**Objective 1:** Expand the smoke detector program by purchasing and installing, at no charge to citizens, carbon monoxide detectors in residential homes meeting certain criteria by 30 June 2015.

**FY 15 ACCOMPLISHMENTS**

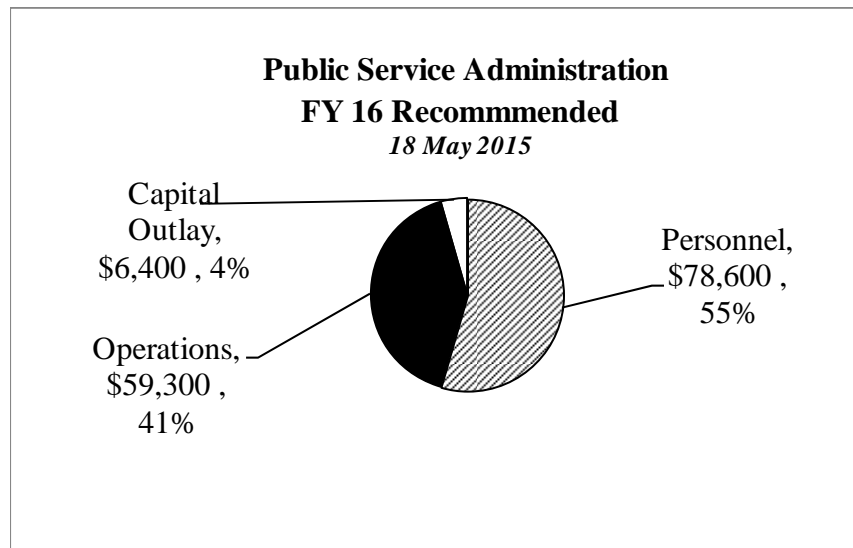
- **Training:** Fire Fighters have completed a combined total of 11,358 hours of fire training and 1,203 hours of EMS training, as well as 244 hours of special training, for a total of 12,805 training hours of training for 2014. 99% of the fire fighters have met the required 240 hours of fire training and 100% of the fire fighters have met the required 36 hours of EMS training.
- **Fire Inspections:** The Inspection Division has conducted 426 Fire Inspections and 1,122 pre-plans. We have completed 100% of 1, 2 and 3 year inspections and pre-plans.
- **Fire and Life Safety Program:** The Prevention and Education Division performed 731 training and/or seminars reaching 16,050 participants for the year FY 14-15. We had a successful year with our Home Inspection Program by visiting 6,630 homes, in which 1,788 home inspections were conducted, 105 smoke alarms installed and 250 smoke alarm batteries replaced.
- **Responses:** Responded safely to 3,074 fire and rescue calls.

**KEY BUDGET ISSUES**

- Funding needed to replace: Two (2) Fire Engines (1990 Grumman HME & 1996 KME Renegade) and Six (6) Vehicles (1998, 2000, 2001, & 2003 Ford Crown Victoria). All of these vehicles have exceeded their service life expectancy to be classified as Emergency Response Vehicles.
- Funding is needed for Hurst Extrication Tool replacement. Current extrication tools are over twenty eight (28) years old, making them ineffective.
- Funding is needed for an Emergency Backup Generator for Station No. 2. Current generator only allows for the opening of the bay doors leaving the station without HVAC during a power outage.
- Funding is needed for a Fire Service Study for the new Fire Station.
- Funding is needed for replacement of the apparatus floor at Fire Station No.1, resurfacing of the parking lot at Station No. 1, and various other improvements.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-545: GENERAL FUND ADMINISTRATION- PUBLIC SERVICES SUMMARY**

<b>10-545: PUBLIC SERVICES/ADMIN DEPARTMENT SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Personnel Services	\$ 72,215	\$ 72,584	\$ 78,800	\$ 76,900	\$ 80,200	\$ 78,600	
Operating	39,664	46,579	58,300	57,300	66,800	59,300	
Capital Outlay	-		1,900	1,900	48,600	6,400	
<b>Total Expenditures</b>	<b>\$ 111,879</b>	<b>\$ 119,163</b>	<b>\$ 139,000</b>	<b>\$ 136,100</b>	<b>\$ 195,600</b>	<b>\$ 144,300</b>	<b>\$ -</b>



<u><b>AUTHORIZED POSITIONS</b></u>							
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>	<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>		
1	1	Administrative Services Officer	17	\$31,679	\$47,519		
1	1	Administrative Support Specialist	11	\$23,639	\$35,459		
2	2						
<u><b>HISTORY OF POSITIONS</b></u>							
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Requested FY 15-16</b>	<b>Recommended FY 15-16</b>	<b>Approved FY 15-16</b>
<b>Authorized Positions</b>	2	2	2	2	2	2	
<b>New Requests</b>	0	0	0	0	0	0	
<b>Total Funded Positions</b>	2	2	2	2	2	2	

**FY 14-15 BUDGET  
GOVERNMENTAL FUNDS**

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**10-545: GENERAL FUND ADMINISTRATION- PUBLIC SERVICES SUMMARY**

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**PURPOSE**

To provide for the overall fiscal and compliance management and support functions for the Cemetery, Sanitation, Garage, and Water and Sewer Utility Operations Divisions.

This department manages the budget for the Operations and Service Center. 60% of the total cost associated with the Operations Center is reimbursed by the Water and Sewer funds. Additionally, this office (as part of Sanitation Division Management) is charged with contract compliance responsibilities, and complaint resolution, for any contract or franchise agreements with private waste haulers or collectors operating within the city, including commercial/industrial bulk container collection and monitoring customer service.

**GOALS & OBJECTIVES**

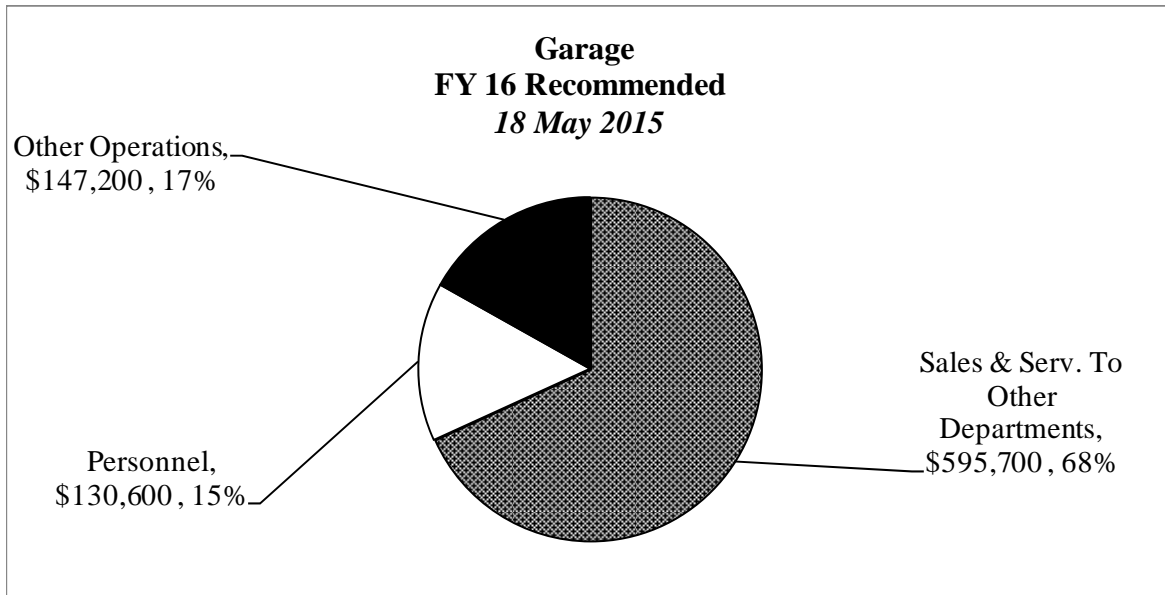
- Goal 1:** Provide overall management of contracts and other fiscal matters.
- Objective 1:** Track spending, checking for compliance with contracts and customer service and collecting and analyzing data to improve efficiency and track customer service issues.
- Goal 2:** Further development of graphs and other data relative to revenues.
- Objective 2:** Consistent monitoring of revenues to ensure budget projections are met.

**FY 15 ACCOMPLISHMENTS**

- **Initiated Safety Committee** which has identified potential safety problems and eliminated potential safety hazards or concerns.
- **Monitored** Preventative maintenance measures on equipment.
- **Continued to utilize more data** to track expenditures and monitor contracts for compliance.
- **Customer service survey** was good as it related to sanitation and also provided excellent customer service relative to the public need and Elmwood cemetery. The most recent survey indicates 89.25% percent customers were satisfied or very satisfied with the sanitation service.

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-555: GENERAL FUND GARAGE SUMMARY**

<b>10-555: GARAGE DEPARTMENT SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Personnel Services	\$ 117,821	\$ 118,264	\$ 125,000	\$ 123,800	\$ 133,700	\$ 130,600	
Operating	163,422	23,237	34,500	80,180	120,300	105,200	
Sales & Services to other Depts.	442,150	620,303	783,500	670,200	691,900	595,700	
Capital Outlay	-	2,288	-	-	9,000	42,000	
<b>Total Expenditures</b>	<b>\$ 723,393</b>	<b>\$ 764,092</b>	<b>\$ 943,000</b>	<b>\$ 874,180</b>	<b>\$ 954,900</b>	<b>\$ 873,500</b>	<b>\$ -</b>



*For More Information regarding Sales & Services to other Departments see Total Budget Summary*

<u>AUTHORIZED POSITIONS</u>							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Fleet Service Technician	10	\$22,513	\$33,770		
1	1	Fleet Maintenance Mechanic	14	\$27,365	\$41,048		
1	1	Fleet Maintenance Supervisor	17	\$31,679	\$47,519		
0	0	Auto Mechanic		frozen			
		<i>Part Time Employees</i>					
1	1	Part Time					
3 FT/ 1 PT	3FT/1PT						
<u>HISTORY OF POSITIONS</u>							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	4 FT/ 1 PT	4 FT/1PT	4 FT/1PT	4 FT/1PT	4 FT/1PT	3 FT/1PT	
New Requests	0	0	0	0	0	0	
Total Funded Positions	3 FT/ 1 PT	3 FT/1PT	3 FT/1PT	3 FT/1PT	3 FT/1PT	3 FT/1PT	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-555: GENERAL FUND GARAGE SUMMARY**

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**PURPOSE**

To provide maintenance and repair services and dispense fuel, oil and other parts and supplies to the City's 176 vehicle fleet.

Departmental expenses are "charged back" to the appropriate operations, included (for the most part) in the individual expenditure accounts of Maintenance and Repair – Equipment (5016-05), Maintenance and Repair – Auto Repair and Maintenance (5031-05) and Motor Fuels (5031-06). This has the effect of artificially increasing the size of the General Fund Reserves including the Garage.

**GOALS & OBJECTIVES**

- Goal 1:** Provide timely preventative maintenance to vehicles and equipment.  
**Objective 1:** Documentation of time and materials associated with repairs and maintenance performed to reduce major repairs and extend the longevity of the equipment.
- Goal 2:** Obtain fleet maintenance software.  
**Objective 2:** Provide better analysis of repairs and downtime of vehicles and equipment.

**FY 15 ACCOMPLISHMENTS**

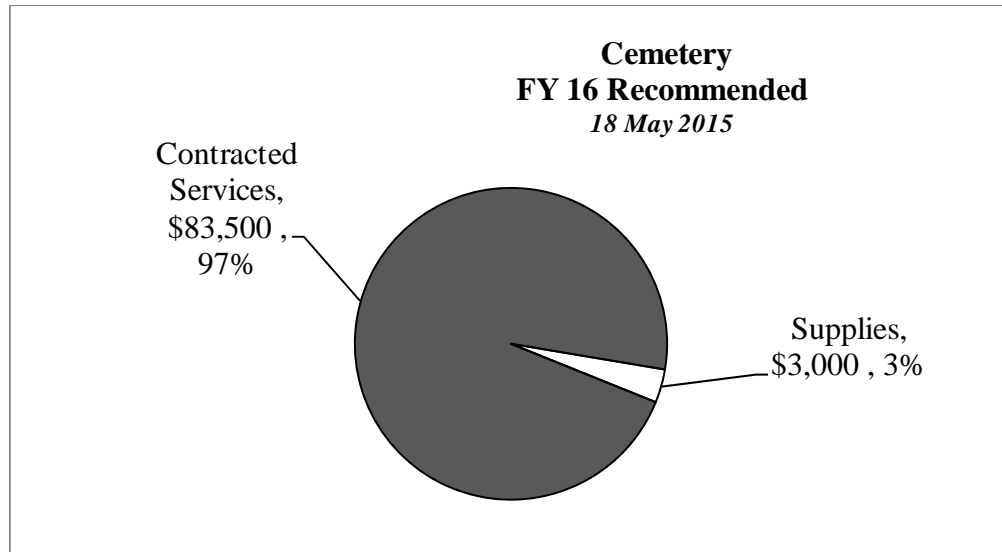
- **Prevention Maintenance:** Continued to improve preventative maintenance on equipment, which has helped reduce downtime and cost of repairing the equipment. This data is being analyzed on a consistent basis when considering equipment replacement needs and/or major repairs.
- **Maintained** and repaired leaf machines without use of outside help.

**KEY BUDGET ISSUES**

- **Motor Fuels Costs:** Unleaded and Diesel fuel costs remain volatile and unpredictable. The City tracks fuel cost with two different vendors to ensure we receive the best price.
- **Aging Fleet:** Maintenance and repair costs are increasing as the fleet ages particularly in the general fund.

**FY 14-15 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-560: GENERAL FUND CEMETERY SUMMARY**

<b>10-560: CEMETERY DEPARTMENT SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating	69,352	70,485	76,000	74,000	86,500	86,500	
Debt Service	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 69,352</b>	<b>\$ 70,485</b>	<b>\$ 76,000</b>	<b>\$ 74,000</b>	<b>\$ 86,500</b>	<b>\$ 86,500</b>	<b>\$ -</b>



<u>AUTHORIZED POSITIONS</u>							
FY 13-14	FY 14-15	CLASSIFICATION		GRADE	MINIMUM	MAXIMUM	
0	0						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	4	0	0	0	0	0	
New Requests	0	0	0	0	0	0	
Total Funded Positions	3	0	0	0	0	0	

*Cemetery maintenance was contracted out beginning FY 11-12. There are no employees assigned for this function.*

**FY 14-15 BUDGET  
GOVERNMENTAL FUNDS  
10-560: GENERAL FUND CEMETERY SUMMARY**

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**PURPOSE**

To provide for the perpetual care and maintenance of Elmwood and Blacknall Cemeteries, as well as the coordination of funeral services and burials in Elmwood Cemetery.

**GOALS & OBJECTIVES**

- Goal 1:** Improve signage at the entrance to Elmwood Cemetery and having remote accessibility to cemetery records for citizens.
- Objective 1:** Further enhance the beauty of the cemetery as well as providing better accessibility for citizens searching for a deceased family member or friend.

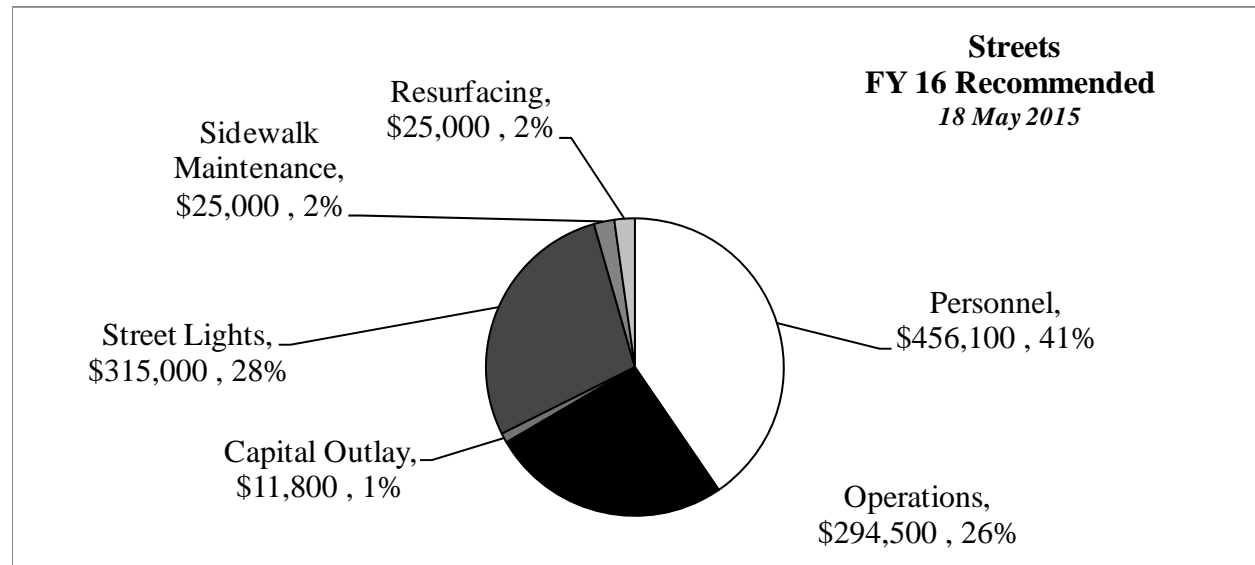
**KEY BUDGET ISSUES**

- **Privatization Funding:** Continue funding for contracted services for lawn care services at Elmwood and Blacknall Cemetery. Contract is subject to annual Consumer Price Index increases. Current Contractor has expressed concerns about the need for a significant increase to the contract for properly carrying out their duties while making a reasonable profit. Staff has taken informal bids, and based on preliminary review, these contract services for Elmwood and Blacknall Cemeteries can be done within the existing proposed budget. The current contract expires in August.
- **Cemetery Lot Sales:** Revenues have continued to remain steady due to the sale of cemetery plots.



**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-570: GENERAL FUND STREET SUMMARY**

<b>10-570: STREET DEPARTMENT SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Personnel Services	\$ 425,331	\$ 367,195	\$ 437,200	\$ 420,700	\$ 465,300	\$ 456,100	
Operating	606,961	665,674	730,000	728,800	758,700	659,500	
Capital Outlay	29,461	7,346	11,500	11,500	50,900	11,800	
<b>Total Expenditures</b>	<b>\$ 1,061,753</b>	<b>\$ 1,040,215</b>	<b>\$ 1,178,700</b>	<b>\$ 1,161,000</b>	<b>\$ 1,274,900</b>	<b>\$ 1,127,400</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION		GRADE	MINIMUM	MAXIMUM	
		Full Time					
8	4	Street Maintenance Worker		8	\$20,420	\$30,630	
0	1	Street Sign Technician		9	\$21,441	\$32,162	
2	5	Senior Street Maintenance Worker		10	\$22,513	\$33,770	
1	1	Street Maintenance Crew Leader		13	\$26,062	\$39,093	
1	1	Street Maintenance Supervisor		17	\$31,679	\$47,519	
1	1	Public Works Supervisor		17	\$31,679	\$47,519	
1	1	Part Time		1			
13 FT- 1 PT	13 FT-1 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	14	13	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT	
New Requests	0	0	0	0	0	0	
Total Funded Positions	14	13	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT	13 FT - 1 PT	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-570: GENERAL FUND STREET SUMMARY**

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**PURPOSE**

To provide for the general maintenance of streets, curbs, gutters, sidewalks, storm drains and ditches throughout the city including snow removal as needed.

The City has about 80 miles of City-maintained streets and approximately 17 miles of State-maintained/owned roadways.

**GOALS & OBJECTIVES**

- Goal 1:** Provide further extensive training to all Street Division employees.  
**Objective 1:** To ensure that employees perform their job in a safe and high quality manner to professional standards.
- Goal 2:** Identify a comprehensive list of needed storm drain repairs.  
**Objective 1:** Insure problems are prioritized so that the integrity of the streets is not compromised and remain safe for travel.
- Goal 3:** Identify and prioritize sidewalk repair/replacement.  
**Objective 1:** To encourage pedestrian traffic by improving the appearance and safety of sidewalks.
- Goal 4:** Improve appearance of city streets.  
**Objective 1:** To foster a sense of pride in the community as well as encourage citizens to maintain their homes and surroundings in a well-kept manner.

**FY 15 ACCOMPLISHMENTS**

- **Sidewalk Repair:** Completed repairs on Andrews Avenue as well as other areas throughout the City.
- **Sign Replacement:** Replaced 73 Stop signs in 2014-2015 (through February 2015).
- **Completed** signage and striping in Downtown.
- **The Replacement of Major Storm Drain Culverts:** The major storm drain replacements were on Lakeview Drive, Marrow Drive and Roanoke Avenue as well as Mason Street in the near future.
- **Community Watch Groups:** Worked in conjunction with Community Watch Groups to install new Community Watch signs to help reduce crime. This is an ongoing process.
- **Street Department,** along with the help of utilities and sanitation, successfully carried out removal of snow and ice from city and state streets during the winter storms.

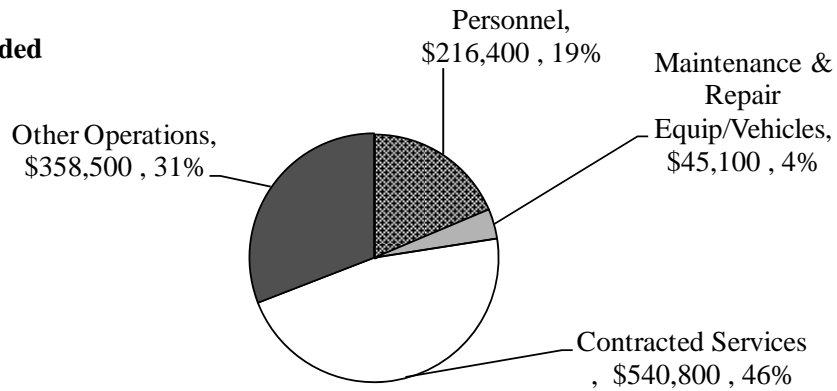
**KEY BUDGET ISSUES**

- **Sidewalk Repairs:** More funding is needed for more sidewalk repairs; however, the budget cannot support this amount.
- **Resurfacing Funds:** Funding for resurfacing is needed for FY15; however, the budget cannot provide for same. There has been no significant resurfacing in several years.
- **Street Sweeper and other Right of-way mowing Equipment:** The equipment is aging and less reliable. As it ages, the maintenance and repair costs increase.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-580: GENERAL FUND SANITATION SUMMARY**

<b>10-580: SANITATION DEPARTMENT SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 197,538	\$ 188,927	\$ 217,200	\$ 203,900	\$ 223,100	\$ 216,400	
Operating	615,097	664,510	698,900	681,300	719,100	705,300	
Capital Outlay	-	-	-	-	91,900	239,100	
<b>Total Expenditures</b>	<b>\$ 812,635</b>	<b>\$ 853,438</b>	<b>\$ 916,100</b>	<b>\$ 885,200</b>	<b>\$1,034,100</b>	<b>\$ 1,160,800</b>	<b>\$ -</b>

**Sanitation**  
**FY 16 Recommended**  
*18 May 2015*



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION			GRADE	MINIMUM	MAXIMUM
		Full Time Employees					
4	4	Solid Waste Equipment Operator			9	\$21,441	\$32,162
1	1	Public Service Supervisor			17	\$31,679	\$47,519
		Part Time Employees					
6	6	Seasonal, Leaf Crew			1		
5 FT/ 6 PT	5 FT/ 6 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	5	5	5 FT/6FT	5 FT/6FT	5 FT/ 6 PT	5 FT/ 6 PT	
New Requests	0	0	0	0	0	0	
Total Funded Positions	5	5	5 FT/6FT	5 FT/6FT	5 FT/ 6 PT	5 FT/ 6 PT	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-580: GENERAL FUND SANITATION SUMMARY**

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**PURPOSE**

To provide solid waste collection and management for 6,500 plus residential customers; loose leaf collection (at curbside) during the fall and early winter months, recycling waste and the bulk item collection program.

**GOALS & OBJECTIVES**

**Goal 1:** Improve efficiency of fleet by studying existing routes and movement of fleet for collection of recyclables and bulky waste, etc.

**Objective 1:** Improved Customer Service and reducing and/or maintaining existing cost.

**Goal 2:** Improve Communication with Citizens relative to garbage collection procedures.

**Objective 2:** Education of citizens to help with the efficiency of collection of yard debris and recyclables as well as items no longer allowed by state law such as electronics, collection times and to continue to improve the overall appearance of the city.

**FY 15 ACCOMPLISHMENTS**

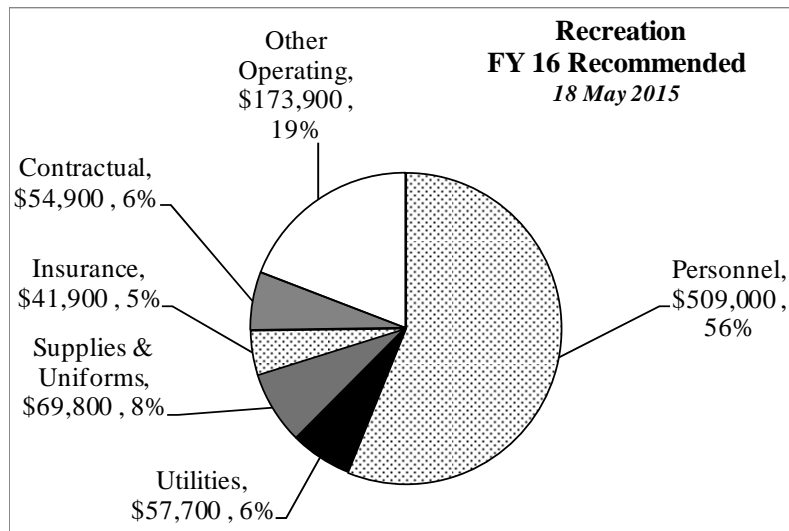
- **Leaf Collection:** Provided loose-leaf collection throughout the city in a timely manner and was extended by two weeks. Collected over 800 tons of leaves by the end of December 31, 2014.
- **Yard Debris and Recyclables:** Collected 650 tons of yard debris and 170 tons of recyclable material thru the first six months of the year.
- **Consistency of Services:** Continued to improve overall service regarding yard debris, recycling, and bulky waste pickup. There were very few customer complaints.
- **Audit:** Audit of existing charges and services provided by Waste Industries to insure revenues and expenditures are in compliance.

**KEY BUDGET ISSUES**

- **Contract Cost Increase:** The contract for Waste Industries includes a 5% increase based on the Consumer Price Index (excluding fuel) for sanitation.
- **Aging Fleet:** Existing garbage trucks are getting older as well as leaf vacuum equipment and trucks utilized for hauling. There is no funding recommended for this fiscal year to address this issue.
- **Vance County Landfill Rates:** Potential added cost due to Vance County charging for disposal at the landfill.

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-620: GENERAL FUND RECREATION SUMMARY**

<b>10-620: RECREATION DEPARTMENT SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Personnel Services	\$ 496,315	\$ 490,125	\$ 514,100	\$ 551,144	\$ 622,000	\$ 509,000	
Operating	345,741	\$ 340,502	361,700	392,476	484,800	364,700	
Capital Outlay	5,695	\$ -	19,800	-	78,000	33,500	
<b>Total Expenditures</b>	<b>\$ 847,752</b>	<b>\$ 830,627</b>	<b>\$ 895,600</b>	<b>\$ 943,620</b>	<b>\$ 1,184,800</b>	<b>\$ 907,200</b>	<b>\$ -</b>



<u><b>AUTHORIZED POSITIONS</b></u>							
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>	<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>		
1	1	Park & Recreations Director	26	\$49,145	\$73,718		
1	1	Recreation Program Supervisor	17	\$31,679	\$47,519		
1	1	Athletics Program Supervisor	17	\$31,679	\$47,519		
1	1	Park Maintenance Supervisor	15	\$28,733	\$43,100		
1	1	Athletics Program Specialist	13	\$26,062	\$39,093		
1	1	Administrative Support Specialist	11	\$23,639	\$35,459		
1	1	Maintenance Worker	8	\$20,420	\$30,630		
1	1	Maintenance Worker	8	frozen	frozen		
1	1	Recreation Program Specialist	13	frozen	frozen		
9	9	<i>Subtotal</i>					
		<i>Regular Part Time Employees</i>					
11	11	Facility Supervisor - RPT					
1	1	Athletic Program Assistant - RPT					
16	11	Various Part-Time - TSPT					
1	1	Maintenance Assistant - RPT					
	5	Various Part-Time - RPT					
29	29	<i>Subtotal</i>					
<b>8 FT - 30 PT</b>	<b>8 FT- 29 PT</b>						
<u><b>HISTORY OF POSITIONS</b></u>							
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Requested FY 15-16</b>	<b>Recommended FY 15-16</b>	<b>Approved FY 15-16</b>
<b>Authorized Positions</b>	9 FT-24 PT	9 FT-24 PT	9 FT-24 PT	9 FT - 29 PT	9 FT - 29 PT	9 FT - 29 PT	
<b>New Requests</b>	0	0	0	0	0	0	
<b>Total Funded Positions</b>	9 FT-24 PT	9 FT-24 PT	9 FT-24 PT	9 FT - 29 PT	9 FT - 29 PT	9 FT - 29 PT	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-620: GENERAL FUND RECREATION SUMMARY**

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**PURPOSE**

To provide a variety of recreational opportunities for all segments of the community in addition to providing management oversight for the Youth Services/Community Service and Restitution Program. Staff support is also provided to (and policy direction is obtained from) the Recreation and Parks Commission. All costs are funded by the City of Henderson (55%) and Vance County (45%).

**GOALS & OBJECTIVES**

- Goal 1:** Begin to develop action plans to implement the recommendations outlined in the Comprehensive System-Wide Master Plan scheduled to be completed in June 2014.
- Objective 1:** Establish program and facility needs for the future.
- Goal 2:** Expand existing youth athletic programs and implement new youth and adult athletic programs.
- Objective 2:** Request funding to advertise/operate/reinstate the adult athletic programs that were previously cut from the budget, and funding to implement new youth athletic programs.
- Goal 3:** Provide increased maintenance and repair efforts at park and facilities
- Objective 3:** Request funding to unfreeze a frozen maintenance worker position that has been frozen since 2006, and increase funding for maintenance and repair efforts to help provide desired level of upkeep.

**FY 15 ACCOMPLISHMENTS**

- **Youth Athletic programs** had a total of 948 participants ranging in age from 5-16 who participated in the sports of basketball, baseball, softball, soccer, football and volleyball. There were 593 games played and 1350 practices for a total of 63,978 participant hours of activity. This resulted in 44,673 spectators attending youth athletic programs.
- **Continued Customer Service** initiatives.
- **Special Olympics** Coordinator conducted the second annual Polar Plunge, a fundraiser for the Vance County Special Olympics program, raised \$2,847.80.
- **Produced three shows** for the Henderson Rec. Players 42<sup>nd</sup> season, including a special Valentines Dinner Theatre Fund Raiser in order to raise funds for future capital needs for the theatre program.
- **Continued monthly support group meetings**, monthly activities such as bingo and bowling, and monthly field trips for the Vance County Visually Impaired Person group and the Golden Age group.
- **Comprehensive System-Wide Master Plan** has been developed by the Kerr-Tar Council of Government for the Department. The Department will utilize this plan as guidance in future program/facility development.

**KEY BUDGET ISSUES**

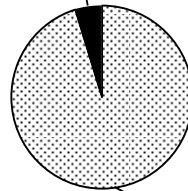
- **\$135,800** needed for improvements and repairs in parks including funding to complete Phase II improvements at Fox Pond Park. No improvements were funded by the City in FY 13-14 or FY 14-15. \$50,000 grant from Triangle North Healthcare was awarded toward the completion of Phase II at Fox Pond Park Trail.
- **No Funding** for adult athletic programs, or to provide expanded youth athletic programs that citizens and/or Recreation Commission members have expressed interest in seeing provided for the citizens.
- **Need Positions Unfrozen** – Maintenance worker position is needed to provide for a full time employee at Fox Pond, and Recreation Superintendent is needed to help provide better program supervision and organization of the Recreation Division.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-622: GENERAL FUND YOUTH SERVICES SUMMARY**

<b>10-622: YOUTH SERVICES DEPARTMENT SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 175,681	\$ 140,960	\$ 156,140	\$ 152,100	\$ 155,200	\$ 154,000	
Operating	3,220	5,278	6,900	6,800	8,600	7,600	
Capital Outlay	-	-					
<b>Total Expenditures</b>	<b>\$ 178,901</b>	<b>\$ 146,238</b>	<b>\$ 163,040</b>	<b>\$ 158,900</b>	<b>\$ 163,800</b>	<b>\$ 161,600</b>	<b>\$ -</b>

**Youth Service**  
**FY 16 Recommended**  
*18 May 2015*

Operations, \$7,600  
, 5%



Personnel,  
\$154,000 , 95%

<u><b>AUTHORIZED POSITIONS</b></u>							
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>	<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>		
1	1	Youth Services Program Manager	21	\$38,506	\$57,759		
2	2	Youth Services Program Coordinator	17	\$31,679	\$47,519		
3	3						
<u><b>HISTORY OF POSITIONS</b></u>							
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Requested FY 15-16</b>	<b>Recommended FY 15-16</b>	<b>Approved FY 15-16</b>
<b>Authorized Positions</b>	4	4	4	3	3	3	
<b>New Requests</b>	0	0	0	0	0	0	
<b>Total Funded Positions</b>	4	4	4	3	3	3	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-622: GENERAL FUND YOUTH SERVICES SUMMARY**

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**PURPOSE**

To provide the following array of services for referred youth to prevent and reduce juvenile crime and deter commitments to Youth Development Centers.

- Community Service/Restitution provides a means where adjudicated delinquents can demonstrate responsibility by completing Juvenile Court mandated community service/restitution hours at assigned work sites to compensate the community and/or victims of their offenses.
- Project Youth Outreach promotes interpersonal skills addressing conflict resolution, character education, informal counseling, bullying, school drop-out prevention, healthy choices and recreational outings for at risk school and Juvenile Court referred youth.
- Vance County Teen Court is a diversion program for the first time juvenile offenders who admit responsibility for committing minor misdemeanor offenses. By complying with the sanctions of Teen Court imposed by a jury of their peers, juveniles bypass Juvenile Court and have no juvenile record.
- Conflict Management Services offers anger management classes for Juvenile Court and Teen Court referred youth completing mandated sanctions of Teen Court and fulfilling Juvenile Services diversion or probation plans. Upon request staff do Conflict Resolution workshops for schools and human service agencies.

**GOALS & OBJECTIVES**

- Goal 1:** Continue to offer Community Service/Restitution, Project Youth Outreach, Teen Court and Conflict Management Services for referred youth and their families in Vance County.
- Objective 1:** Submit program proposals to the NC Department of Public Safety – Division of Adult Correction and Juvenile Justice and Vance County to secure funding to sustain services offered through Youth Services.
- Goal 2:** Serve Juvenile Court referred (top priority) and those youth at risk for delinquent and undisciplined behaviors through an array of services under Youth Services.
- Objective 1:** Give priority placement for juvenile court referrals through juvenile court counselors and program staff consensus and admit other at risk youth through school and law enforcement referrals.
- Goal 3:** Enhance professional and personal development of staff.
- Objective 1:** Division staff will explore training options to obtain at least 40 hours of training for professional and personal development.
- Goal 4:** Explore becoming the host agency to bring the 2016 NC Teen Court Summit to Vance County through Youth Services Teen Court Program
- Objective 1:** Youth Services Teen Court will host the statewide NC Teen Court Summit in the spring of 2016.

**FY 15 ACCOMPLISHMENTS**

- **Continued funding:** Youth Services was awarded funding by NC Department of Public Safety – Division of Adult Corrections and Juvenile Justice, Vance County and United Way for FY 2014-15 to offer Youth Services programs.
- **Priority Placement** Services were offered to top priority Juvenile Court referred youth and those at risk youth for delinquent and undisciplined behaviors.
- **Training:** All division staff exceeded the 40 hours of professional training and attended a National Symposium on Juvenile Services in Greensboro (National Conference).

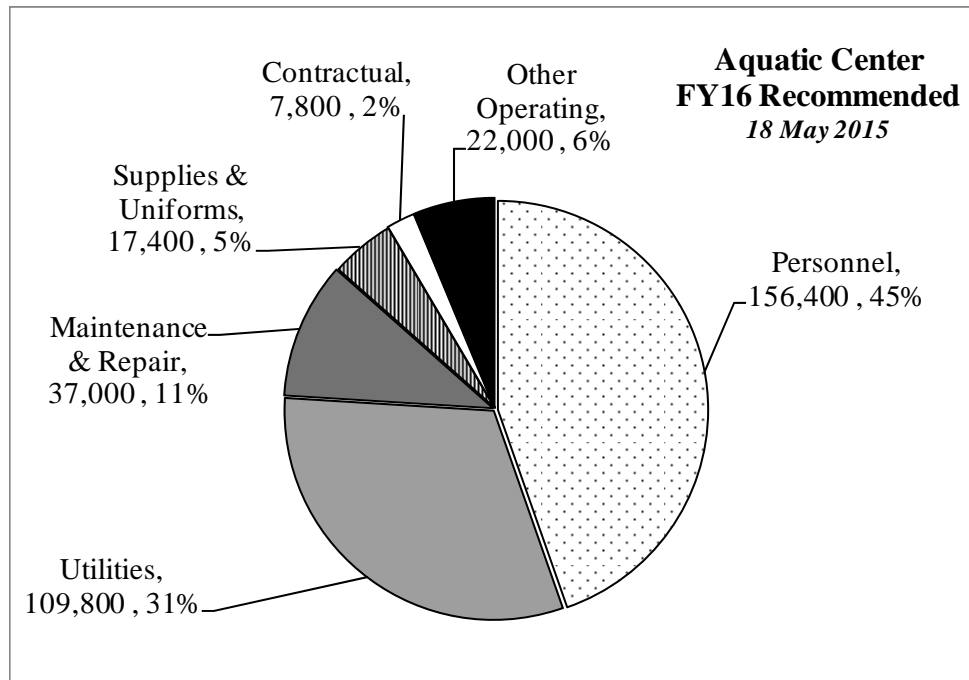
**KEY BUDGET ISSUES**

- **State funds controlled by General Assembly and NC General Statute:** 100% reimbursable by Vance County via State allocations and county's matching funds.



**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-623: GENERAL FUND AYCOCK AQUATICS CENTER SUMMARY**

<b>10-623: AYCOCK AQUATICS DEPARTMENT SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 142,432	\$ 144,956	\$ 151,440	\$ 151,440	\$ 189,800	\$ 156,400	
Operating	168,524	176,398	188,700	188,700	222,100	194,000	
Capital Outlay	12,000	1,086	6,000	6,000	64,400	-	
<b>Total Expenditures</b>	<b>\$ 322,956</b>	<b>\$ 322,440</b>	<b>\$ 346,140</b>	<b>\$ 346,140</b>	<b>\$ 476,300</b>	<b>\$ 350,400</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Community Center Supervisor	17	\$32,471	\$47,519		
1	1	Aquatics Program Supervisor	17	\$32,471	\$47,519		
1	1	Acquatics Director	9	\$30,509	\$45,765		
3	3	Subtotal					
		Regular Part Time					
1	1	Head Lifeguard					
1	1	Instructor					
14	8	Facility Supervisor					
14	8	Lifeguard					
30	18	Subtotal					
		Temporary Seasonal Part Time					
0	6	Facility Supervisors (TSPT)					
0	6	Lifeguard (TSPT)					
0	12	Subtotal					
3 FT- 30 PT	3 FT- 30 PT	Total					
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	2 FT-10 PT	2 FT-8 PT	2 FT-30PT	3 FT-30 PT	3 FT-30 PT	3 FT-30 PT	
New Requests	0	0	0	0	0	0	
Total Funded Positions	2 FT-10 PT	2 FT-8 PT	2 FT-30PT	3 FT-30 PT	3 FT-30 PT	3 FT-30 PT	

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-623: GENERAL FUND AYCOCK AQUATICS CENTER SUMMARY**

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**PURPOSE**

To provide a variety of educational, recreational and athletic programs including indoor swimming, indoor volleyball, indoor basketball, indoor walking track, multi-purpose rooms and restroom/dressing room facilities.

This recreational facility is a joint City of Henderson-Vance County project that began in 1996 with the construction of the Aycock Multi-field Complex. The County pays 50% of the debt service and 45% of the operations cost.

**GOALS & OBJECTIVES**

- Goal 1:** Provide a safe environment for swimmers.
- Objective 1:** Conduct in service training for life guards and meet all health department guidelines for swimming pool operation.
- Goal 2:** Reinstate the hours of operation and staffing levels for both the pool and the Center in general that have been reduced due to budget cuts in previous years, in order to give the citizens adequate access to the Center.
- Objective 1:** Request funding to operate and staff the Center at the level of operation established when it was originally opened, including morning hours, Saturday evenings, and Sunday afternoons. Since 2005 the Center hours of availability have been reduced by 18.5 hours, while the pool hours of availability have been reduced by 34.5 hours, resulting in less service and usage to the general public.
- Goal 3:** Expand the program base offered and increase participation in existing programs.
- Objective 1:** Continue to offer existing popular programs while researching and implementing new programs based on customer requests, as well as reviewing current programs to make improvements or adjustments as needed and increase program marketing and promotion.

**FY 15 ACCOMPLISHMENTS**

- **Conducted annual “Cookies & Milk with Santa”** with over 250 participants.
- **Conducted annual “Fall Festival”** with over 750 participants.
- **Conducted annual “Easter Egg Hunt”** with over 220 participants. Department added an additional site for this program.
- **Conducted Save Our Students** water safety program with 290 second graders from Carver, Pinkston, E.O. Young, Aycock, and Clarke Elementary schools to teach water safety and survival skills in the water.
- **Facilitated CPR re-certification** for 100% of lifeguard staff and Recreation professional staff.
- **Operated the pool in a safe manner** with no major accidents or injuries.
- **Aycock Recreation Center** total of 19,282 registered users for the year and scheduled 145 facility rentals for a total of 351 usage hours and a total of 5,995 participants. There were 118 community meetings scheduled for a total of 330 usage hours and a total of 3,745 participants. The Aycock Recreation Center was open for a total of 3,022 hours in 2014.

**KEY BUDGET ISSUES**

- **Aging facility, mechanical systems and roof** need additional maintenance/repair/replacement to provide a proper level of maintenance and upkeep.
- **Aycock Recreation Center desperately needs a full-time custodian** to take care of daily cleaning/minor upkeep issues of a heavily utilized public facility of over 43,000 square feet, and to handle facility set up and take down now split between the limited maintenance staff and the full time program staff that work at the Center.
- **Reinstate hours of operation and staffing levels** that have been cut due to prior year’s budget reductions.
- **Need increased advertising** funding to properly promote programs and services to the citizens.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-650: VANCE COUNTY SHARED PROGRAMS**

<b>10-650: VANCE COUNTY SHARED PROGRAM SUMMARY</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Board of Elections	44,369	45,072	46,800	49,140	59,000	
Tax Office	165,540	170,631	176,000	184,800	175,000	
911	524,656	513,596	565,100	593,355	584,800	
Old SNB Building	-	-	700	735	0	
NCDMV Tax & Fees	-	15,089	0	21,000	21,000	
Perry Memorial Library	187,315	187,400	187,400	196,770	187,400	
<b>Total Expenditures</b>	<b>\$ 921,880</b>	<b>\$ 931,787</b>	<b>\$ 976,000</b>	<b>\$ 1,045,800</b>	<b>\$ 1,027,200</b>	<b>\$ -</b>

**PURPOSE**

This budget is designed to account for the appropriation and transfer of funds directly from the City to Vance County and the Perry Memorial Library for jointly fund programs that benefit both the citizens of Vance County and the City of Henderson.

**KEY BUDGET ISSUES**

- **Tax Office:** \$174,985 provides for the contract with Vance County to bill and collect city taxes. This figure is based on 25% of the budget that is managed by Vance County.
- **911 Emergency Services:** The City provides 50% of the funding of this County managed joint operation.
- **Perry Memorial Library:** \$187,400 is provided on a 75% County and 25% City financial sharing.
- **Board of Elections:** Provides 17% of the annual operating budget and 100% of City elections to Vance County. This increase is due to the 2015 City elections.

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS**

**10-660: GENERAL FUND NON-DEPARTMENT & LOCAL AGENCIES SUMMARY**

**10-660:NON-DEPARTMENTAL SUMMARY**

<b>10-660: NON-DEPARTMENTAL SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Personnel Services	\$ 318,491	\$ 331,568	\$ 389,200	\$ 331,000	\$ 523,200	\$ 487,500	
Operating	916,037	224,668	218,545	206,370	144,100	144,100	
Transfer to Debt Service	917,200	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 2,151,728</b>	<b>\$ 556,236</b>	<b>\$ 607,745</b>	<b>\$ 537,370</b>	<b>\$ 667,300</b>	<b>\$ 631,600</b>	<b>\$ -</b>

**PURPOSE**

The purpose of the Non-Departmental Budget is to provide a system to account for items of a general nature that apply to all General Fund Departments, but which can not be easily assignable into specific cost components for particular operations.

The City's retiree insurance is budgeted in Non-Departmental and includes total cost City-wide. The cost for Enterprise Fund retiree insurance is made by a transfer from those funds to the General Fund. The 4% pay increase for General Fund employees is budgeted in Non-Departmental.

**10-670: CONTRIBUTIONS TO LOCAL AGENCIES SUMMARY**

<b>10-670: CONTRIBUTIONS - LOCAL AGENCIES - SUMMARY</b>						
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Airport	\$28,750	\$ 28,750	\$28,800	\$ 28,800	\$ 28,800	
Human Relations	800	400	-	-	-	-
Appearance Commission	4,000	4,000	-	-	-	-
Roanoke River Basin	400	400	300	2,500	300	
Crime Stoppers	500	1,000	600	2,000	600	
Boys & Girls Club	-	-	800	800	800	
Arts Council	800	500	300	1,000	300	
<b>Total Expenditures</b>	<b>\$35,250</b>	<b>\$ 35,050</b>	<b>\$30,800</b>	<b>\$ 35,100</b>	<b>\$ 30,800</b>	<b>\$ -</b>

**PURPOSE**

This Budget is designed to account for the appropriation and transfer of funds directly from the City to various affiliated agencies. Each of these organizations/agencies supplement the services and programs provided by the City. Their funding meets the “public purpose” definition as outlined in the North Carolina General Statutes and their continuing eligibility is periodically reviewed by the City Attorney and/or an independent Auditor. Most are also supported, to some extent either by contractual arrangement with the City or through general practice, by Vance County.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-680: GENERAL FUND DEBT SERVICE SUMMARY**

<b>10-680: DEBT SERVICE SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Debt Service Principal		\$ 647,016	\$ 647,070	\$ 647,100	\$ 647,100	\$ 647,100	
Debt Service Interest		141,781	110,415	110,500	79,100	79,100	
Lease Purchase Payment		53,612	52,230	52,200	52,200	52,200	
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 842,409</b>	<b>\$ 809,715</b>	<b>\$ 809,800</b>	<b>\$ 778,400</b>	<b>\$ 778,400</b>	<b>\$ -</b>

The variance between the debt schedule and the presentation number is a combination of rounding up and the transfer from the General Fund to the Water Fund (\$97,100) for the General Fund's portion of the revenue bonds that were refunding in 2011. The bonds covered projects in the General, Water and Sewer Funds. The entire debt for this refunding is recorded in the Water Fund; therefore, the General Fund and the Sewer Fund transfer their portion of this debt to the Water Fund so that the debt payment can be made directly from the Water Fund.

Debt service comprised approximately 5.5% of the total General Fund expenditures. If the transfer out for the General Fund's portion of the revenue bonds is subtracted, that percentage is reduced to 5%.

10: General Fund Debt Service Schedule										
Type of Debt		Actual	Scheduled						Six Year Total	
Revenue Bond: Funds	P/I	FY 12-13	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	By Total	By Total
10: Operations and Service Center--DS Payment - 40% General Fund (\$452,838)Outstanding Principal \$1,342,161 (total project)	P	\$ 82,683	\$ 84,026	\$ 86,232	\$ 88,726	\$ 90,549	\$ 92,659	\$ 94,673	\$ 536,865	\$ 582,853
	I	\$ 14,858	\$ 12,884	\$ 10,868	\$ 8,799	\$ 6,669	\$ 4,496	\$ 2,272	\$ 45,988	
Certificates of Participation										
Aycock Aquatics Center: 5.46% interest; issued 12/2000, (15 year) semi-annual interest payments, annual principal ending FY 2015-2016. Outstanding Principal \$528,532	P	\$ 264,266	\$ 264,266	\$ 264,266	\$ -	\$ -	\$ -	\$ -	\$ 528,532	\$ 571,819
	I	\$ 43,287	\$ 28,858	\$ 14,429	\$ -	\$ -	\$ -	\$ -	\$ 43,287	
Embassy Block - Police Station: 4.84% interest; issued 1/18/02 (17 year) semi-annual interest payments, annual principal ending FY 2018-2019. Outstanding Principal \$1,685,000.	P	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 345,000	\$ 290,000	\$ -	\$ 1,685,000	\$ 1,923,612
	I	\$ 98,494	\$ 81,554	\$ 64,614	\$ 47,674	\$ 30,734	\$ 14,036	\$ -	\$ 238,612	
Inter-Governmental Agreements										
City Hall: Created 2008, total project \$163,750; 0 % interest; payments began FY12 and end FY 16. Outstanding Principal \$65,500. Financed by Vance Co.	P	\$ 32,750	\$ 32,750	\$ 32,750	\$ -	\$ -	\$ -	\$ -	\$ 65,500	\$ 65,500
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Lease-Purchase										
1 Ford Explorer and 2 Dodge Chargers (Police Dept.): 14-15 - 1.98% interest (5 years) issued 10-10-2014- annual payments ending FY 18-19. Outstanding Principal & Interest \$90,270		\$ -	\$ 18,054	\$ 18,054	\$ 18,054	\$ 18,054	\$ 18,054	\$ -	\$ -	\$ 90,270
2 Ford Explorers (Fire Dept.): 14-15 - 1.98% interest (5 years) issued 10-10-2014- annual payments ending FY 18-19. Outstanding Principal & Interest \$65,370		\$ -	\$ 13,074	\$ 13,074	\$ 13,074	\$ 13,074	\$ 13,074	\$ -	\$ -	\$ 65,370
15 GPM Pumper and Equipment (Fire): (total cost \$424,000-\$275,000 FEMA Grant) \$149,000 cost to city bid accepted FY 08-09 however first lease payment was budgeted FY 09-10, 3.26% issued 10-29-08(5years) annual payments ending FY 13-14 Outstanding Principal & Interest \$-0-		\$ 32,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
800 MGZ radios (Fire Dept.): 10-11 - 2.37% interest (5 years) issued 9-22-10- annual payments ending FY 15-16. Outstanding Principal & Interest \$42,018		\$ 21,009	\$ 21,009	\$ 21,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,018
Long Term Principal:		\$ 729,699	\$ 731,042	\$ 733,248	\$ 438,726	\$ 435,549	\$ 382,659	\$ 94,673	\$ 2,815,897	\$ 3,143,784
Long Term Interest:		\$ 156,639	\$ 123,296	\$ 89,911	\$ 56,473	\$ 37,403	\$ 18,532	\$ 2,272	\$ 327,887	
Total Long Term Debt Service:		\$ 886,338	\$ 854,338	\$ 823,159	\$ 495,199	\$ 472,952	\$ 401,191	\$ 96,945	\$ 3,143,784	
Total Lease Purchase (P & I) Debt Service:		\$ 53,613	\$ 52,137	\$ 52,137	\$ 31,128	\$ 31,128	\$ 31,128	\$ -	\$ -	220,143
Total Fund Debt Service:		\$ 939,951	\$ 906,475	\$ 875,296	\$ 526,327	\$ 504,080	\$ 432,319	\$ 96,945	\$ 3,363,927	\$ 3,143,784

**FY 15-16 BUDGET  
GOVERNMENTAL FUNDS  
10-680: GENERAL FUND DEBT SERVICE**

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**PURPOSE**

The purpose of the debt service budget department is: 1) to provide for the payment of the Fund's long-term and short-term debt interest and principal payments; and 2) to provide long-term information and understanding as to the Fund's debt service requirements and how that might impact utility rates as well as day-to-day operations.

**KEY BUDGET ISSUES**

- **Scheduled Debt Service** will decrease from FY14 level of \$939,951 to \$96,945 in FY 2020. This is primarily due to the final debt payment on the Aycock Center being made in FY 2016 and the final debt payment on the Police Station being made in FY 2019.
- **The Ability to Support New Debt Service** in the General Fund is quite limited given the severe revenues issue facing the fund. Under the current circumstances, a tax rate increase would be required to support any new long-term debt service.

**FY 15-16 BUDGET**  
**GOVERNMENTAL FUNDS**  
**10-680: GENERAL FUND DEBT SERVICE SUMMARY**

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# ***POWELL BILL***



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# ***POWELL BILL***

**FY 15-16 BUDGET**  
**OPERATING BUDGETS**  
**11: POWELL BILL FUND SUMMARY**

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**Key Fund Issues**

There are several key issues facing the Powell Bill Fund that serve to impact not only FY16, but the next several fiscal years as well. A brief summary of these key issues is provided below:

- **Revenues are Flat and/or Declining** over time. Revenues fell during the Recession years of 2008—2010 and have not recovered. Revenues are about \$100,000 less per year than they were just six years ago.
- **Powell Bill Allocation Formula** is based on three major factors as follows: 1) amount of State gasoline tax collected, 2) number of lane miles within a locality and 3) the locality's population. These latter two elements are especially a concern to the city due to declining population and no additional lane miles. Since Henderson has lost population over the past decade, is not adding additional lane mileage and State gas tax receipts are not keeping pace due to more fuel efficient cars and people driving less due to terribly high gasoline prices, the allocation is going to be less than prior years. As a result, the City should expect its share of the Powell Bill allocation to continue to decline. Ultimately, this means less money for street operations, maintenance and capital improvements.
- **Legislation has been passed** that adjusts the gasoline tax in a way that further impacts our allocation in FY 2016-17. The flat tax will eventually stabilize the revenue source, but if we continue to see declining population and sustained lane miles, we can expect this allocation to decline as a result.

**Basic Fund Information**

The Powell Bill fund is used as a transfer mechanism to properly account for revenues received from the State and expenditures incurred by the Street Division of the Public Service Department related to street, sidewalk and right-of-way maintenance, resurfacing and the purchase of equipment directly related to streets and right-of-ways authorized by "Powell Bill" legislation. In addition, funds are transferred from this fund on a monthly basis to the City's General Fund, 10-570: Street Powell Bill, related to maintenance of streets, sidewalks and right-of-ways.

**Financial Summary**

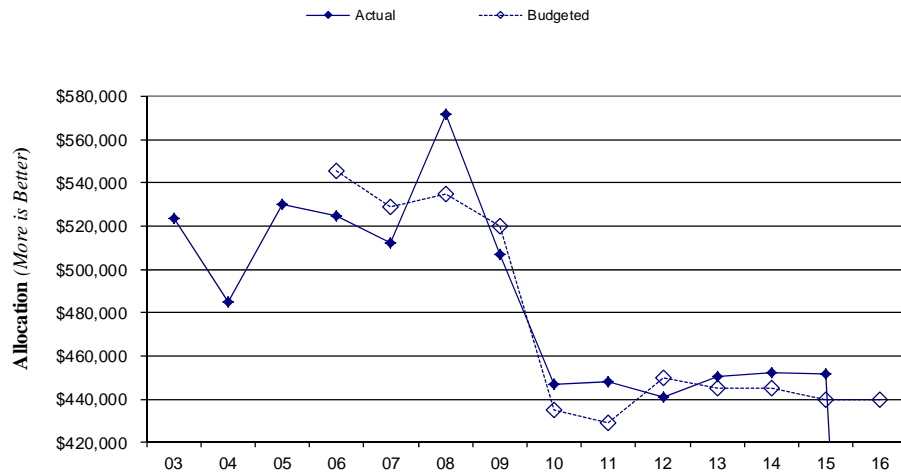
A financial summary of the Powell Bill fund is provided on the following page.

**FY 15-16 BUDGET  
OPERATING BUDGETS  
11: POWELL BILL FUND SUMMARY**

POWELL BILL OPERATING FUND SUMMARY									
Estimated Status as of 1 July 2015									
11 POWELL BILL OPERATING FUND			FY13	FY14	FY15			FY16	
			Prior Year	Prior Year	Current Year	Estimated	Dept.	Manager	Council
Revenues	Code	Line Item	Actual	Actual	as Amended	30 June 15	Requested	Recommend	Approved
Revenues	11-110-411-120	Powell Bill Allocation	\$ 450,566	\$ 452,189	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	
Revenues	11-110-444-010	Investments	\$ 263	\$ 68					
Revenues	11-110-491-100	Fund Balance Appropriated	\$ -	\$ -					
Revenues	11-990-490-999	Fund Balance Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Revenues	11-110-461-042	Trans from 42: CIP Powell Bill	\$ -	\$ -			\$ -	\$ -	\$ -
<b>Total Revenues</b>			<b>\$ 450,829</b>	<b>\$ 452,257</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>	<b>\$ -</b>
Expenditures									
Non-Dept.	11-690-561-042	Transfer to 42: CIP Powell Bill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Dept.	11-690-561-090	Transfer to 90: A. L. Harris Grant	\$ 395,238	\$ -			\$ -	\$ -	
Non-Dept.	11-690-561-010	Transfer to 10: General Fund	\$ -	\$ 309,347	\$ 440,000	\$ 440,000	\$ 439,900	\$ 440,000	
<b>Total Expenditures</b>			<b>\$ 395,238</b>	<b>\$ 309,347</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>	<b>\$ 439,900</b>	<b>\$ 440,000</b>	<b>\$ -</b>
<i>Variance of Revenues to Expenditures</i>			<i>\$ 55,591</i>	<i>\$ 142,910</i>	<i>\$ -</i>	<i>\$ -</i>		<i>\$ -</i>	<i>\$ -</i>
<b>Fund Balance Information</b>									
as 30 June 13			\$ 267,609						
Appropriated forward to FY14			\$ -						
as of 1 July 13			\$ 267,609						
Appropriated during FY14									
Growth During FY14				\$ 142,910					
as of 1 July 14				\$ 410,519	\$ 410,519				
Appropriated during FY15					\$ -				
Estimated Growth During FY15					\$ -				
Estimated at 30 June 15					\$ 410,519		\$ 410,519		
Estimated Growth During FY16							\$ -		
Estimated at 30 June 16							\$ 410,519		

**Key Powell Bill Fund Financial Metrics**

**Powell Bill Allocation**



*Budget projections from new legislation estimates a decrease in allocations in FY 2017.*

**FY 15-16 BUDGET  
OPERATING BUDGETS  
11: POWELL BILL FUND SUMMARY**

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# ***WATER FUND***

## **WATER FUND DEPARTMENTS**

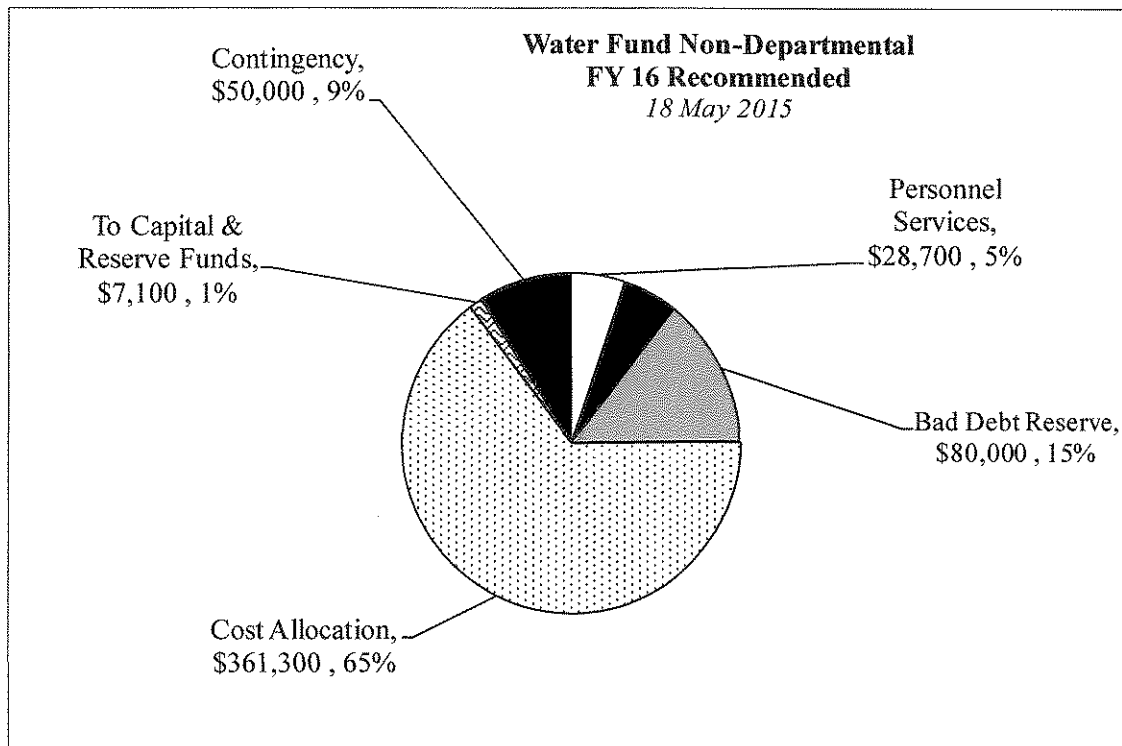
1. Non-Departmental
2. Debt Service
3. Administration
4. Engineering
5. Customer Service
6. Distribution System

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**FY 15-16 BUDGET  
ENTERPRISE FUNDS  
30-660: WATER FUND NON-DEPARTMENTAL**

**30-660: NON-DEPARTMENTAL SUMMARY**

	Actual 12-13	Actual 13-14	Budget 14-15	Through 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 18,077	\$ 20,179	\$ 32,300	\$ 18,000	\$ 28,700	\$ 28,700	
Operating	202,860	8,212,964	14,560	13,600	3,900	29,800	
Bad Debt Reserve	1,674	66,010	80,000	80,000	80,000	80,000	
To Debt Service	556,500						
To Cost Allocation	361,300	361,300	361,300	361,300	361,300	361,300	
To Rate Stabilization		1,955,114	989,800				
To Capital & Reserve Funds	62,296	44,600	50,100	50,100	50,100	7,100	
Contingency	-		50,100		50,000	50,000	
<b>Total Expenditures</b>	<b>\$ 1,202,707</b>	<b>\$ 10,660,167</b>	<b>\$ 1,578,160</b>	<b>\$ 523,000</b>	<b>\$ 574,000</b>	<b>\$ 556,900</b>	<b>\$ -</b>



The Non-Departmental Budget group was established for this fund, as well as others, during FY 11-12 in order to better account for inter-fund transfers and other expenditures that should not be located in an operating budget group. No personnel are assigned to the Non-Departmental budget group; however, some personnel related expenditures, such as retiree health insurance and reserves for incumbent liabilities for accrued vacation and compensatory time, are accounted for in this budget department. Additionally, the Fund's share of the recommended Pay & Classification Study is included in this budget.

The largest expenditure center for the non-departmental budget is the inter-fund transfer. The transfer provides for "sending" money from Sewer Fund to the Capital Reserve and CIP funds as well as to the General and Water funds for cost allocation.



**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**30-680: WATER FUND DEBT SERVICE**

**30-680: DEBT SERVICE SUMMARY**

	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Long-Term Debt Service- P&I		\$ 165,635	\$ 1,081,955	\$ 1,081,850	\$ 1,177,400	\$ 1,177,400	
Lease Purchase Debt Service- P&I		2,948	34,400	34,400	34,400	34,400	
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 168,582</b>	<b>\$ 1,116,355</b>	<b>\$ 1,116,250</b>	<b>\$ 1,211,800</b>	<b>\$ 1,211,800</b>	<b>\$ -</b>

The Debt Service budget was established as part of the FY 14 Budget process. The variance between the debt schedule and the presentation number is a combination of rounding up and the transfers in from the General Fund (\$97,100) and the Sewer Fund (\$401,500) for those funds portion of the revenue bonds that were refunded in 2011. The bonds covered projects in all three funds. The entire debt for this refunding is recorded in the Water Fund; therefore, the debt payment is made directly from the Water Fund.

Debt Service comprises approximately 18% of the total fund budget. If the transfers in for the General Fund and Sewer Fund' portion of the debt is subtracted, that percentage is reduced by 10%

**30: Water Fund Debt Service Schedule**

30: Water Fund		Actual	Scheduled							Six Year Total	
Revenue Bond: Funds 10, 30 & 31	P / I	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	By P & I	By Total	
30: Franklin County Water Line--Outstanding Principal \$2,438,053; 100% Franklin County participation	P	\$ 375,487	\$ 381,586	\$ 391,604	\$ 402,930	\$ 411,207	\$ 420,789	\$ 429,937	\$ 2,438,053	\$ 2,646,900	
	I	\$ 67,478	\$ 58,513	\$ 49,356	\$ 39,957	\$ 30,286	\$ 20,417	\$ 10,318	\$ 208,847		
30: Operations and Service Center-- DS Payment - 30% Water Fund (\$339,629); Outstanding Principal \$1,342,161 (total project)	P	\$ 62,012	\$ 63,019	\$ 64,674	\$ 66,545	\$ 67,911	\$ 69,494	\$ 71,005	\$ 402,648	\$ 437,140	
	I	\$ 11,144	\$ 9,664	\$ 8,151	\$ 6,599	\$ 5,002	\$ 3,372	\$ 1,704	\$ 34,492		
State Revolving Loan											
Overhead Storage Tank-Water Share: 3.43% interest; issued 4/1/98 (20 year)semi annual interest payments, annual principal ending FY 2016-2017. Outstanding Principal \$126,295	P	\$ 42,098	\$ 42,098	\$ 42,098	\$ 42,098				\$ 126,294	\$ 134,958	
	I	\$ 4,811	\$ 4,332	\$ 2,888	\$ 1,444				\$ 8,664		
2" Water Line Replacement: \$1,898,571 Zero % interest, 20 years, beginning FY16 and ending FY35 (Res 12-62 & Ord 12-50); Outstanding Principal \$1,898,571.	P		\$ -	\$ 94,929	\$ 94,929	\$ 94,929	\$ 94,929	\$ 94,929	\$ 474,645	\$ 474,645	
	I		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Radio Read Meters: \$294,000; issued July 2012; 20 years at Zero % interest; Beginning FY15 and ending FY34 ( Res 12-63 and Ord 12-51); Outstanding principal \$293,928.	P		\$ 14,697	\$ 14,697	\$ 14,697	\$ 14,697	\$ 14,697	\$ 14,697	\$ 88,182	\$ 88,182	
	I		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Inter-Governmental Agreement											
Warren County District II Water Line: Financed by Warren County annual payments ending FY 2041-2042 (40 years) Outstanding Principal \$152,209	P	\$ 2,431	\$ 2,555	\$ 2,686	\$ 2,824	\$ 2,969	\$ 3,121	\$ 3,281	\$ 17,436	\$ 62,137	
	I	\$ 7,926	\$ 7,801	\$ 7,670	\$ 7,532	\$ 7,387	\$ 7,235	\$ 7,076	\$ 44,701		
Lease-Purchase											
Pick-up truck (Water Dist): 12-13 , 1.527% issued FY 2013 (3 years) annual payments ending FY 15-16 . Outstanding Principal & Interest \$20,614		\$ 10,307	\$ 10,307							20,614	
Backhoe (Water Dist): 12-13 , 1.527%, issued FY 2013 (5 years) annual payments ending FY 17-18 . Outstanding Principal & Interest \$96,256		\$ 24,064	\$ 24,064	\$ 24,064	\$ 24,064	\$ -	\$ -	\$ -		96,257	
Excavator (Water Distribution, Sewer Collections & Sewer Collections I&I): FY 08-09, 3.26% issued 10-29-08 (5 years), annual payments ending FY 13-14 . Outstanding Principal & Interest \$-0-. These payments are allocated among three		\$ 17,696								-	
Long Term Principal:		\$ 482,028	\$ 503,955	\$ 610,688	\$ 624,023	\$ 591,713	\$ 603,030	\$ 613,849	\$ 2,330,379	\$ 2,576,961	
Long Term Interest:		\$ 91,559	\$ 80,310	\$ 68,065	\$ 55,532	\$ 42,675	\$ 31,024	\$ 19,098	\$ 246,582		
Total Long Term Debt Service:		\$ 573,587	\$ 584,265	\$ 678,753	\$ 679,555	\$ 634,388	\$ 634,054	\$ 632,947	\$ 2,576,961		
Total Lease Purchase (P & I) Debt Service:		\$ 52,067	\$ 34,371	\$ 34,371	\$ 24,064	\$ 24,064	\$ -	\$ -	\$ -		
Total Fund Debt Service:		\$ 625,454	\$ 618,636	\$ 713,124	\$ 703,619	\$ 658,452	\$ 634,054	\$ 632,947	\$ 2,693,832	\$ 2,693,832	

**FY 15-16 BUDGET  
ENTERPRISE FUNDS  
30-680: WATER FUND DEBT SERVICE**

**PURPOSE**

The purpose of the debt service budget department is: 1) to provide for the payment of the Fund's long-term and short-term debt interest and principal; and 2) to provide long-term information and understanding as to the Fund's debt service requirements and how that might impact utility rates as well as day-to-day operations.

**KEY BUDGET ISSUES**

- **Scheduled Debt Service is Relatively Flat** until FY21. During FY20, the City will retire the Revenue Bonds, thus 'freeing' approximately \$512,000 for re-appropriation. This windfall offers the City a wonderful opportunity to reinvest in the water system infrastructure for replacement of old lines and provide for new extensions within the City's un-served utility service area, such as Industry Drive and in the US 158 West Corridor.
- **State Revolving Loan for Beckford Dr. and US 158** has been initially approved for approximately \$795,000 over a twenty-year period of time. Should this project proceed with the State and ultimately be accepted by City Council, it is anticipated that approximately a 1% rate increase will be necessary to provide for the debt service. Another option to consider for this project would be to use funds from the Rate Stabilization Fund.

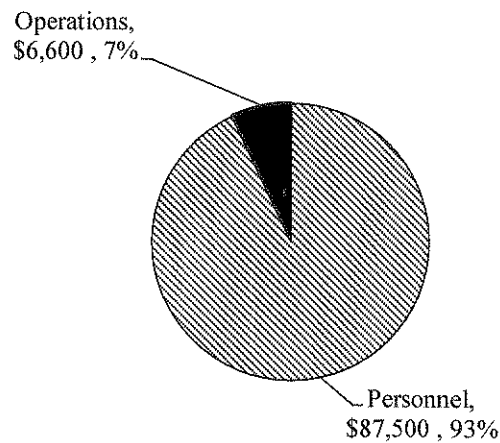
30: Water Fund Debt Service Potential New Debt Service										
30: Water Fund		Actual		Scheduled					Six Year Total	
State Revolving Loan	P / I	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	By P & I	By Total
Beckford Dr/Rt. 158 Business Water Line Extension. Estimated project costs = \$795,000 and assuming 2.5% interest over 20 years.	P			\$ -	\$ 31,122	\$ 31,900	\$ 32,698	\$ 33,515	\$ 129,235	\$ 203,988
	I			\$ -	\$ 19,875	\$ 19,097	\$ 18,299	\$ 17,482	\$ 74,753	
Total Estimated Potential New Debt Service		\$ -	\$ -	\$ -	\$ 50,997	\$ 50,997	\$ 50,997	\$ 50,997	\$ 203,988	

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**30-715: WATER FUND ADMINISTRATION**

**30-715: WATER ADMINISTRATION FUND SUMMARY**

<i>Last updated 14 April 14</i>	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
<b>Personnel Services</b>	\$ -	\$ -	\$ 69,900	\$ 49,500	\$ 88,300	\$ 87,500	
<b>Operating</b>	15,501	-	10,400	6,300	6,600	6,600	
<b>Capital Outlay</b>	5,427.00	-	30,000	-	-	-	
<b>Total Expenditures</b>	\$ 20,928	\$ -	\$ 110,300	\$ 55,800	\$ 94,900	\$ 94,100	\$ -

**Public Services Administration**  
**FY 16 Recommended**  
*18 May 2015*



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Public Services Director	28	\$54,182	\$81,273		
1	1						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	0	0	0	1	1	1	
New Requests	0	0	0	0	0	0	
Total Funded Positions	0	0	0	1	1	1	

**PURPOSE**

To provide overall leadership and supervision of the Public Service Department to insure that the City Council's goal of providing reliable and dependable infrastructure is met.

**GOALS & OBJECTIVES**

**Goal 1:** Evaluating existing services and provide improvements and/or changes as needed.

**Objective 1:** To provide the best service in a safe and most efficient manner.

**Goal 2:** Full Implementation of Career Development Plan.

**Objective 2:** To insure a well trained work force.

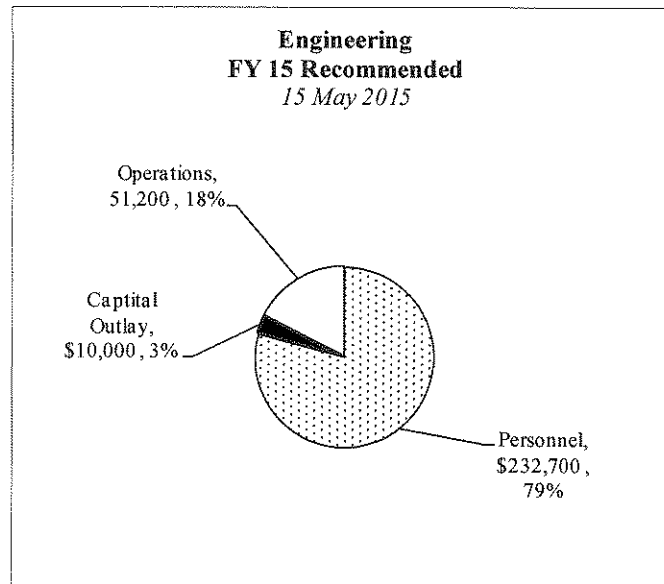
**FY 15 ACCOMPLISHMENTS**

- Hiring of Public Services Director.
- Worked in conjunction with McGill Associates in obtaining CDBG infrastructure grant worth over \$1.5 Million dollars.

**FY 15-16 BUDGET  
ENTERPRISE FUNDS  
30-720: WATER FUND ENGINEERING**

**30-720: ENGINEERING DEPARTMENT SUMMARY**

	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 198,425	\$ 176,883	\$ 225,240	\$ 225,200	\$ 231,000	\$ 232,700	
Operating	24,121	58,672	33,900	34,400	47,200	51,200	
Capital Outlay	-	1,171	7,700	11,500	14,000	10,000	
<b>Total Expenditures</b>	<b>\$ 222,546</b>	<b>\$ 236,726</b>	<b>\$ 266,840</b>	<b>\$ 271,100</b>	<b>\$ 292,200</b>	<b>\$ 293,900</b>	<b>\$ -</b>



**30-720: ENGINEERING DEPARTMENT SUMMARY**

	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 198,425	\$ 176,883	\$ 225,240	\$ 225,200	\$ 231,000	\$ 232,700	
Operating	24,121	58,672	33,900	34,400	47,200	51,200	
Capital Outlay	-	1,171	7,700	11,500	14,000	10,000	
<b>Total Expenditures</b>	<b>\$ 222,546</b>	<b>\$ 236,726</b>	<b>\$ 266,840</b>	<b>\$ 271,100</b>	<b>\$ 292,200</b>	<b>\$ 293,900</b>	<b>\$ -</b>

**AUTHORIZED POSITIONS**

FY 13-14	FY 14-15	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	City Engineer	28	\$54,182	\$81,273
1	1	Engineering Technician	18	\$33,263	\$49,895
1	1	Engineering Construction/Inspector	18	\$33,263	\$49,895
1	1	GIS Technician	17	\$31,679	\$47,519
		<i>Part Time (TSPT)</i>			
1	1	Intern to assist with Data Entry(TSPT)			
<b>4 FT/ 1 PT</b>	<b>4FT/ 1 PT</b>				

**HISTORY OF POSITIONS**

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
<b>Authorized Positions</b>	5	5	5	4 FT/1PT	4 FT/ 1 PT	4FT/ 1 PT	
<b>Frozen Positions</b>	2	1	1	1	0	0	
<b>New Requests</b>	0	1	1	1	0	0	
<b>Total Funded Positions</b>	3	4	4	4 FT/1PT	4 FT/1PT	4 FT/1PT	

## **PURPOSE**

To provide overall engineering design, as well as planning, project management and inspection services to utility (water distribution, sewer collections, streets, waste water and water treatment) and general governmental operations. In addition, this division provides extensive technical support and assistance to the CDBG project staff, the City Manager's office, and other City departments upon request. The planning and administrative responsibilities for the Public Buildings and Grounds Budget are managed by this department as well.

## **GOALS & OBJECTIVES**

- Goal 1:** Continued implementation of our Geographical Information System (GIS) mapping to include additional storm water lines and other water and sewer details
- Objective 1:** The objective of this is to have the best available mapping to insure that valuable information on existing utilities is recorded on GIS and easily available to staff. It is also desirable to have the technological information immediately available to serve trucks and other field personnel to increase response times and repairs.
- Goal 2:** Completion of various projects in the proposed CIP.
- Objective 1:** Continue to monitor and facilitate the completion of the Beckford Drive Widening project, DWSRF water funded projects to completion and other sewer collection improvement projects.
- Goal 3:** Work on Engineering Design and Construction standards for Water/Sewer Storm water Utility installations.
- Objective 1:** This is to ensure proper and consistent installation methods for utilities.

## **FY 15 ACCOMPLISHMENTS**

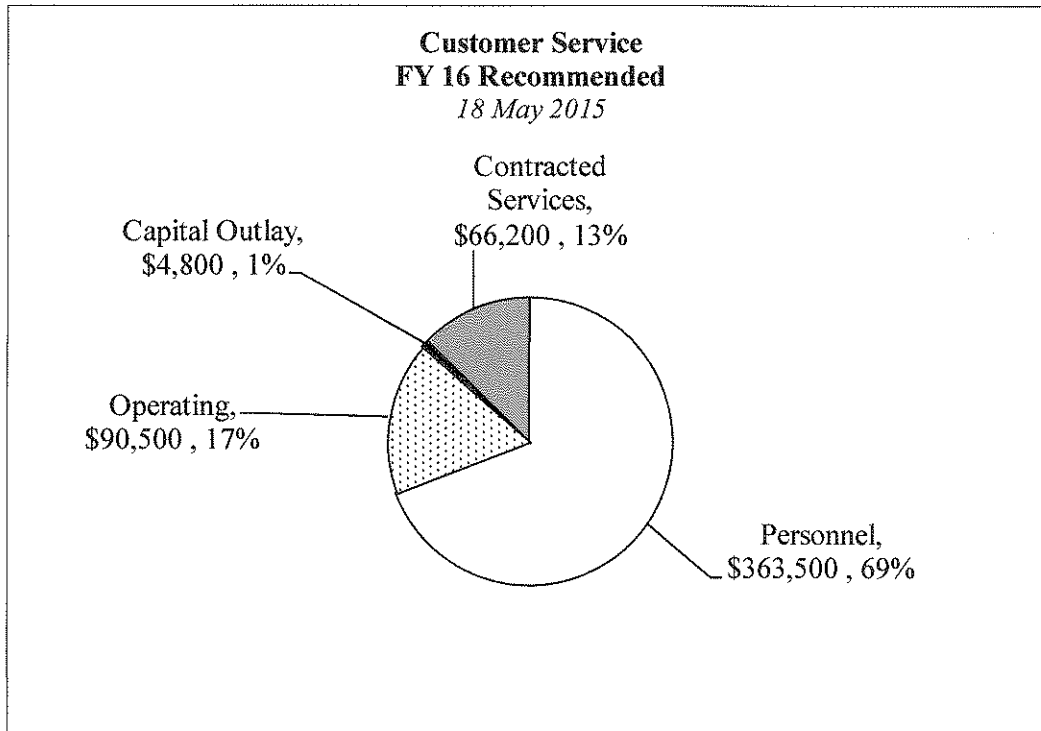
- **2-Inch Watermain & Services Replacement Project.** Bid and released the project for construction, have increased the project scope 2 times as project savings were realized during construction.
- **Water Meter Replacement Project.** This project was released, all the meters and materials ordered, and meter replacement installed and completed by in house staff.
- **Various Storm Water Projects.** Worked on various storm water designs and projects to correct or improve drainage, including the David Avenue storm sewer replacement project which will be completed within FY14.
- **Warren County Meter Vault.** Helped with design/construction of the new meter vault.
- **Project Reviews.** Provided engineering project reviews on various projects throughout the year for new developments.
- **GIS Technician.** GIS Technician hired and is increasing the accuracy and mapping of utilities and storm drainage. Working actively on impervious surface calculations to develop master storm water plan.
- **CAD Program** has been brought up to date and standards being developed.

## **KEY BUDGET ISSUES**

- Engineering 1996 Explorer is old and needs to be replaced. The truck has continuous maintenance issues.
- Limited amount of survey equipment to permit staff to identify issues and develop a design to resolve the issue.

**FY 15-16 BUDGET  
ENTERPRISE FUNDS  
30-725: WATER FUND CUSTOMER SERVICE**

30-725: WATER FUND CUSTOMER SERVICE SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
Personnel Services	\$ 303,113	\$ 338,544	\$ 357,100	\$ 349,712	\$ 382,000	\$ 363,500	
Operating	27,149	\$ 55,912	85,000	63,973	90,000	90,500	
Contracted Services	49,188	\$ 52,542	66,700	66,000	66,200	66,200	
Capital Outlay	17,921	\$ -	17,800	17,550	4,800	4,800	
<b>Total Expenditures</b>	<b>\$ 397,371</b>	<b>\$ 446,998</b>	<b>\$ 526,600</b>	<b>\$ 497,234</b>	<b>\$ 543,000</b>	<b>\$ 525,000</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
		Full Time Employees					
1	1	Customer Service Supervisor	18	\$34,095	\$49,895		
2	2	Utility Billing Specialist	12	\$25,442	\$37,232		
3	3	Customer Service Representative	10	\$23,076	\$33,770		
4	4	Meter Reader	8	\$20,931	\$30,630		
		Part Time Employees					
1	1	RPT Customer Service Rep. I	10	\$23,076	\$33,770		
1	1	RPT Meter Reader	8	\$20,420	\$30,630		
10 FT/2 PT	10 FT/2 PT						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	10	10 FT/ 1 PT	10 FT 1 PT	10 FT 2 PT	10 FT 2 PT	10 FT 2 PT	
New Requests	1 PT	0	0	0	0	0	
Total Funded Positions	10 FT/ 1 PT	10 FT/ 1 PT	10 FT 1 PT	10 FT 2 PT	10 FT 2 PT	10 FT 2 PT	

### PURPOSE

To provide excellent customer service to the City's approximate 8,600 utility customers through the reading of water meters, billing and collections and working with customers if they have special needs.

### GOALS & OBJECTIVES

- Goal 1:** To continue to provide excellent customer service to customers.  
**Objective 1:** Implement on-line bill pay as an added convenience to customers.
- Goal 2:** Collect unpaid account balances.  
**Objective 1:** Continue to add unpaid account balances to Debt Setoff Program, which will take customers State Tax Refunds and State Lottery winnings to pay off unpaid accounts.
- Goal 3:** Continue with Radio Read Meter replacements.  
**Objective 1:** Replace existing manual read meters with Radio Read meters, which will reduce read time for billing cycles. This goal has already reduced the cost to retrieving reading data.

### FY15 ACCOMPLISHMENTS

- **Radio Read Meters** are now providing an economy of scale in that the work is being done with 4.5 meter readers rather than five (5). This efficiency will continue to improve as additional water meters are replaced in the future. Being able to provide customers with data logging reports generated from the meter that services their address. Other reports generated by the radio read meters also allow the department the tools necessary to make customer's aware if they have an intermittent or continuous leak or any sort of back flow issue.
- **Security Deposits** are now required for customers who fail to keep their accounts in good standing. The City required no security deposits prior to 1 November 2011. Since this date the City has collected a total of \$388,357.89 in deposits. From this total \$53,132.58 have been applied to account balances and \$688.36 has been refunded to customers. As of 29 January 2015, the City has \$334,536.95 of security deposits on file. These funds will help mitigate bad debt write-offs in the future.
- **NC Debt Setoff** program allowed the City to collect \$86,456.23 on delinquent utility accounts and Privilege License fees over the 2014 calendar year.

### KEY BUDGET ISSUES

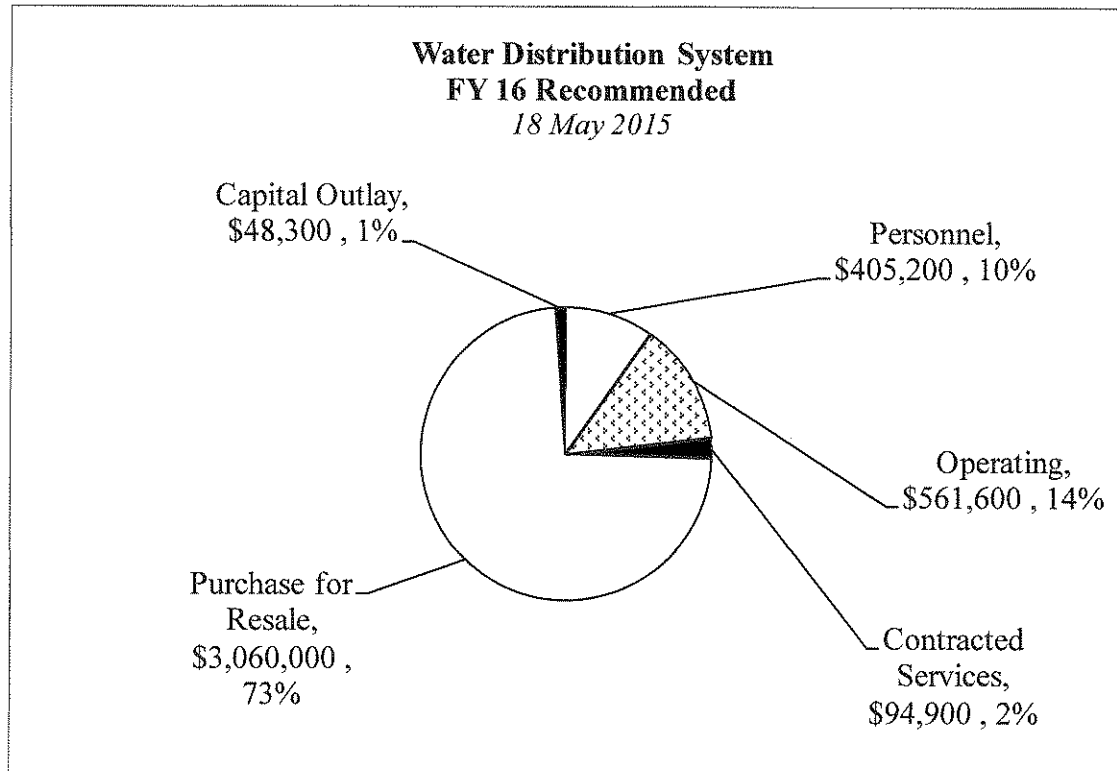
- Funds are being requested for software and services needed for the implementation of on-line bill pay. Customers continue to request that the City upgrade to online bill pay. The department staff receives complaints frequently from customers that the City's utility bill is the only bill which they are unable to pay online. The department currently takes phone payments with the caller using a debit or credit card. This is very time consuming.
- Currently the City pays all service fees associated with credit/debit card payments. The department is asking for consideration on charging customers a flat convenience fee to make credit card payments via phone or online bill pays. Revenue from this fee will offset the service fees associated with credit card payments currently paid by the City to Merchant Services.



**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**30-818: WATER FUND WATER DISTRIBUTION SYSTEM**

**30-818: WATER DISTRIBUTION SYSTEM SUMMARY**

	Actual 12-13	Actual 13-14	Budget 14-15	Estimate 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
<b>Personnel Services</b>	\$ 379,998	\$ 387,714	\$ 389,900	\$ 383,600	\$ 414,200	\$ 405,200	
<b>Operating</b>	770,163	910,340	565,500	524,200	565,100	561,600	
<b>Contracted Services</b>	66,823	63,205	114,300	118,600	113,900	94,900	
<b>Purchase for Resale</b>	2,603,861	2,588,916	2,939,000	2,900,000	3,060,000	3,060,000	
<b>Capital Outlay</b>	62,726	-	19,500	19,500	27,000	48,300	
<b>Total Expenditures</b>	\$ 3,883,571	\$ 3,950,175	\$ 4,028,200	\$ 3,945,900	\$ 4,180,200	\$ 4,170,000	\$ -



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
1	1	Public Services Operations Manager	23	\$42,453	\$63,680		
1	1	Distribution and Collection System Supervisor	19	\$36,672	\$55,008		
8	7	Utility Maintenance Mechanic	9	\$21,441	\$32,162		
0	1	Water Quality Technician	8	\$20,420	\$30,630		
10	10						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended F 15-16	Approved FY 15-16
Authorized	15	10	10	10	10	10	
New Requests	0	0	0	0	1 PT	0	
Total Funded Positions	13	10	10	10	10	10	

**FY 15-16 BUDGET  
ENTERPRISE FUNDS**

**30-818: WATER FUND WATER DISTRIBUTION SYSTEM**

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**PURPOSE**

To provide maintenance on water transmission and distribution mains throughout the City's service area (as part of the Regional System); and to install water taps, providing force labor and management for improvements and extensions to the water system. The City owns and maintains over 140 miles of water lines and roughly 600 hydrants.

**GOALS & OBJECTIVES**

- Goal 1:** Continue to identify and provide improvements to areas with water quality issues (dead-end mains, small lines operating at minimum pressure).  
**Objective 1:** Provide better water quality and service to our citizens.
- Goal 2:** Complete change out of older style fire hydrants which do not conform to NCDENR standards.  
**Objective 1:** Provide better fire protection and consistence of service as it relates to flushing and fire protection services.
- Goal 3:** Meet Stage II Disinfection by products regulations.  
**Objective 1:** Provide the best water for our citizens as well as maintain compliance.
- Goal 4:** Continue mapping improvements of water and sewer locations.  
**Objective 1:** Update on a regular basis and as projects are being completed. This includes in house improvements performed and including utilities contractors. This is done on an on a going basis.

**FY 15 ACCOMPLISHMENTS**

- Completion of 1000 plus water meter replacement to radio read meters.
- Major distribution mains of the city have been identified and priorities set for the identification and working of valves. This will aid in the response time relative to shutting the main down in the event of rupture to the main and reducing the amount of water loss.
- Completion of 2" water main replacement in conjunction with Engineering.
- Worked with the Engineering Department in providing locates to existing water mains in conjunction with construction of 2" water main replacement service change over project. Project will be complete by midsummer.
- Workplace training and safety continue to improve.
- Replaced water Main on Gholson Place.
- Installed new main on Deerwood Trail.

**KEY BUDGET ISSUES**

- Increased costs for purchase of water for resale from the Kerr Lake Regional Water System.
- Repayment of loans relative to funding received for radio read meters and 2" water main replacement projects.
- Funding of patching/pavement restoration due to leaks.

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**30-818: WATER FUND WATER DISTRIBUTION SYSTEM**

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# ***SEWER FUND***

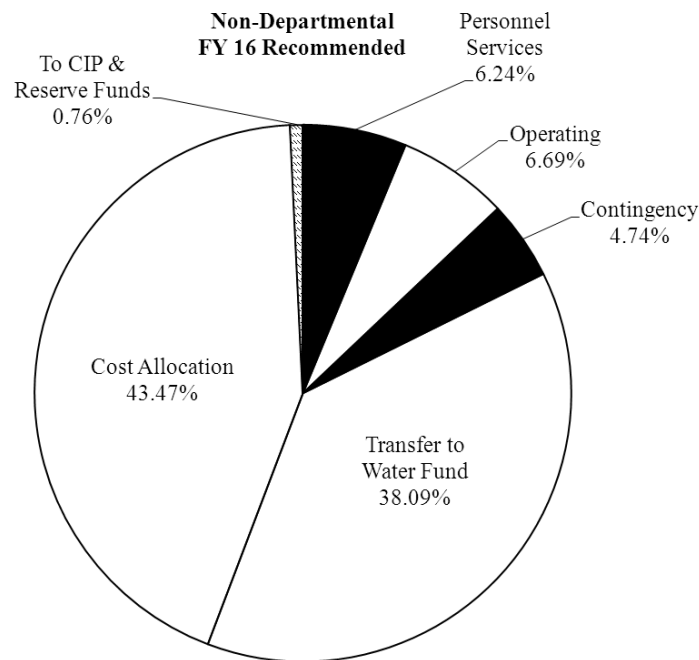
## **SEWER FUND DEPARTMENTS**

1. Non-Departmental
2. Debt Service
3. Water Reclamation
4. Collection
5. Inflow & Infiltration (I & I)

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**FY 15-16 BUDGET  
ENTERPRISE FUNDS  
31-660: SEWER FUND NON-DEPARTMENTAL**

<b>31-660: NON-DEPARTMENTAL SUMMARY</b>							
	<b>Actual Expended</b>		<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
	<b>12-13</b>	<b>13-14</b>					
<b>Personnel Services</b>	\$ 23,425	\$ 22,686	\$ 37,300	\$ 23,000	\$ 76,000	\$ 65,800	
<b>Operating</b>	-	\$ 526,590	532,900	486,000	70,500	70,500	
<b>Contingency</b>	-	\$ -	26,700	-	50,000	50,000	
<b>Debt Service</b>	795,282	\$ -	-	-	-	-	
<b>Cost Allocation</b>	305,300	\$ 397,700	608,200	458,200	458,200	458,200	
<b>Transfer to Water Fund</b>	-	\$ 403,288	400,640	400,700	401,500	401,500	
<b>Capital Reserve</b>	357,173	\$ 342,000	513,800	513,800	-	8,000	
<b>Total Expenditures</b>	<b>\$ 1,481,179</b>	<b>\$ 1,692,264</b>	<b>\$ 2,119,540</b>	<b>\$ 1,881,700</b>	<b>\$ 1,056,200</b>	<b>\$ 1,054,000</b>	<b>\$ -</b>



The Non-Departmental Budget group was established for this fund, as well as others, during FY 11-12 in order to better account for inter-fund transfers and other expenditures that should not be located in an operating budget group. No personnel are assigned to the Non-Departmental budget group; however, some personnel related expenditures such as retiree health insurance and reserves for incumbent liabilities for accrued vacation and compensatory time are accounted for in this budget department. Debt service is no longer accounted for in this budget and may be found in budget department 31:680 Debt Service.

The largest expenditure center for the non-departmental budget is the inter-fund transfer. The transfer provides for “sending” money from Sewer Fund to the Capital Reserve and CIP funds as well as the General and Water funds for cost allocations.

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**31-680: SEWER FUND DEBT SERVICE**

<b>31-680: DEBT SERVICE SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Debt Service Principal	\$ -	\$ -	\$ 247,530	\$ 202,000	\$ 1,120,900	\$ 1,120,900	
Debt Service Interest	-	37,964	25,930	25,900	62,700	62,700	
Lease Purchase Payments	-	2,653	31,400	31,400	31,400	31,400	
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 40,617</b>	<b>\$ 304,860</b>	<b>\$ 259,300</b>	<b>\$ 1,215,000</b>	<b>\$ 1,215,000</b>	<b>\$ -</b>

The variance between the debt schedule and the presentation number is a combination of rounding up and the transfer from the Sewer Fund to the Water fund (\$401,500) for the Sewer Fund's portion of the revenue bonds that were refunding in 2011. The bonds covered projects in the General, Water and Sewer Funds. The entire debt for this refunding is recorded in the Water Fund; therefore, the General Fund and the Sewer Fund transfer their portion of this debt to the Water Fund so that the debt payment can be made directly from the Water Fund.

Debt service comprised approximately 32% of the total fund budget. The majority of this is due to the debt on the renovations at the Henderson Water Reclamation Facility (HWRP). If the transfer out for the Sewer Fund's portion of the revenue bonds is subtracted, that percentage is reduced to 24%.

<b>31: Sewer Fund Debt Service Schedule</b>										
<b>Type of Debt</b>		<b>Actual</b>	<b>Scheduled</b>						<b>Six Year Total</b>	
<b>Revenue Bonds: Funds 10, 30 &amp; 31</b>	<b>P/I</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>By P &amp; I</b>	<b>By Total</b>
31: Operations and Service Center--DS Payment 30% Sewer Fund (\$339,629); Outstanding Principal \$1,342,161 (total project)	P	\$ 62,012	\$ 63,019	\$ 64,674	\$ 66,545	\$ 67,911	\$ 69,494	\$ 71,005	\$ 402,648	\$ 437,140
	I	\$ 11,144	\$ 9,664	\$ 8,151	\$ 6,599	\$ 5,002	\$ 3,372	\$ 1,704	\$ 34,492	
31: Redbud Pump Station	P	\$ 230,413	\$ 234,155	\$ 240,303	\$ 247,252	\$ 252,331	\$ 258,212	\$ 263,825	\$ 1,496,078	\$ 1,624,235
Outstanding Principal \$1,496,078	I	\$ 41,406	\$ 35,906	\$ 30,286	\$ 24,519	\$ 18,585	\$ 12,529	\$ 6,332	\$ 128,157	
31: WWTP Study	P	\$ 4,741	\$ 4,818	\$ 4,945	\$ 5,087	\$ 5,192	\$ 5,313	\$ 5,428	\$ 30,783	\$ 33,420
Outstanding Principal \$30,783	I	\$ 851	\$ 739	\$ 623	\$ 504	\$ 382	\$ 258	\$ 131	\$ 2,637	
31: Oxford Road Sewer Upgrade	P	\$ 44,652	\$ 45,377	\$ 46,568	\$ 47,915	\$ 48,899	\$ 50,039	\$ 51,127	\$ 289,925	\$ 314,760
Outstanding Principal \$289,925	I	\$ 8,024	\$ 6,958	\$ 5,869	\$ 4,751	\$ 3,602	\$ 2,428	\$ 1,227	\$ 24,835	
<b>State Revolving Loans</b>										
HWRP: E-SRF-T-92-OR25: 385% interest; issued 3/25/94 (20 year) semi-annual interest payments, annual principal ending FY 2013-2014; Outstanding Principal \$-0-	P	\$ 137,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	I	\$ 4,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ruin Creek Outfall - E-SBF-T-95-0024: 3.43% interest; issued 5/1/97 (20 year) semi annual interest payments, annual principal ending FY 2016-2017 Outstanding Principal \$345,856; 56% Vance County participation	P	\$ 115,286	\$ 115,286	\$ 115,286	\$ 115,286	\$ -	\$ -	\$ -	\$ 345,858	\$ 369,584
	I	\$ 15,817	\$ 11,863	\$ 7,909	\$ 3,954	\$ -	\$ -	\$ -	\$ 23,726	
NVHS Sewer Line - E-SBF-T-94-0004: 5.85% interest; issued 11/1/96 (20 year) semi annual interest payments, annual principal ending FY 2015-2016 Outstanding Principal \$124,453; 100% Vance County participation	P	\$ 62,227	\$ 62,227	\$ 62,227	\$ -	\$ -	\$ -	\$ -	\$ 124,454	\$ 129,853
	I	\$ 8,129	\$ 4,543	\$ 856	\$ -	\$ -	\$ -	\$ -	\$ 5,399	
Sandy Creek Pump Station Improvements: 0.00% interest; approved FY 2013, (20 years) annual principal payments ending FY 2034-2035; Total Project = \$1,696,694; Principal Forgiveness: \$848,437; Outstanding Principal:	P	\$ -	\$ -	\$ 42,422	\$ 42,422	\$ 42,422	\$ 42,422	\$ 42,422	\$ 212,109	\$ 212,109
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sewer Rehab Project--E-SRF-T-12-O3002: 2.0% interest; issued 5/1/2013 (20 years); semi-annual interest payments, annual principal payments ending FY 2032-2033; Total Project \$988,782. Principal Forgiveness: \$494,391. Outstanding Principal: \$469,391	P	\$ 25,000	\$ 24,439	\$ 24,720	\$ 24,720	\$ 24,720	\$ 24,720	\$ 24,720	\$ 148,038	\$ 196,987
	I	\$ 9,836	\$ 9,398	\$ 8,899	\$ 8,405	\$ 7,910	\$ 7,416	\$ 6,922	\$ 48,950	
HWRP Improvements: 0.00% interest; approved FY 2013 (20 years) annual principal payments ending 5/06/2035. Outstanding Principal: \$16,115,000	P	\$ -	\$ -	\$ 805,750	\$ 805,750	\$ 805,750	\$ 805,750	\$ 805,750	\$ 4,028,750	\$ 4,028,750
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Potential Project: Elmwood Interceptor. Initial paperwork underway, Estimated Project cost = \$1.8M. Assuming 2.5% interest. Payments initially due in FY16-17.	P	\$ -	\$ -	\$ 70,465	\$ 72,227	\$ 74,033	\$ 75,883	\$ 77,780	\$ 370,388	\$ 607,327
	I	\$ -	\$ -	\$ 45,000	\$ 43,239	\$ 41,433	\$ 39,582	\$ 37,685	\$ 236,939	
<b>Lease Purchase</b>										
Video Inspection Camera (Sewer Coll 1&1): 08-09 3.26% issued 10-29-08 (5 years) annual payments ending FY 13-14. Outstanding Principal & Interest \$17,002		\$ 17,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dump Truck (Sewer Coll): 12-13; 3.12% issued FY 2013 (5 years); annual payments ending FY 17-18 . Outstanding Principal & Interest \$79,516		\$ 19,879	\$ 19,879	\$ 19,879	\$ 19,879	\$ 19,879	\$ -	\$ -	\$ 79,517	\$ 125,553
Tractor/Bushhog (Sewer Coll): 12-13; 1.527% issued FY 2013 (5 years); annual payments ending FY 17-18 . Outstanding Principal & Interest \$46,036		\$ 11,509	\$ 11,509	\$ 11,509	\$ 11,509	\$ 11,509	\$ -	\$ -	\$ 46,036	
Long Term Principal:		\$ 681,618	\$ 549,321	\$ 1,477,359	\$ 1,427,203	\$ 1,321,257	\$ 1,331,832	\$ 1,342,057	\$ 7,449,031	
Long Term Interest:		\$ 99,854	\$ 79,071	\$ 107,593	\$ 91,971	\$ 76,914	\$ 65,585	\$ 84,001	\$ 505,135	\$ 7,954,166
Total Long Term Debt Service:		\$ 781,472	\$ 628,392	\$ 1,584,952	\$ 1,519,174	\$ 1,398,172	\$ 1,397,417	\$ 1,426,058	\$ 7,954,166	
Total Lease Purchase (P & I) Debt Service:		\$ 48,390	\$ 31,388	\$ 31,388	\$ 31,388	\$ 31,388	\$ -	\$ -	\$ 125,553	
<b>Total Fund Debt Service:</b>		<b>\$ 829,862</b>	<b>\$ 659,780</b>	<b>\$ 1,616,341</b>	<b>\$ 1,550,562</b>	<b>\$ 1,429,560</b>	<b>\$ 1,397,417</b>	<b>\$ 1,426,058</b>	<b>\$ 8,079,718</b>	<b>\$ 8,079,718</b>

**FY 15-16 BUDGET  
ENTERPRISE FUNDS  
31-680: SEWER FUND DEBT SERVICE**

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**PURPOSE**

The purpose of the debt service budget department is: 1) to provide for the payment of the Fund's long-term and short-term debt interest and principal; and 2) to provide long-term information and understanding as to the Fund's debt service requirements and how that might impact utility rates as well as day-to-day operations.

**KEY BUDGET ISSUES**

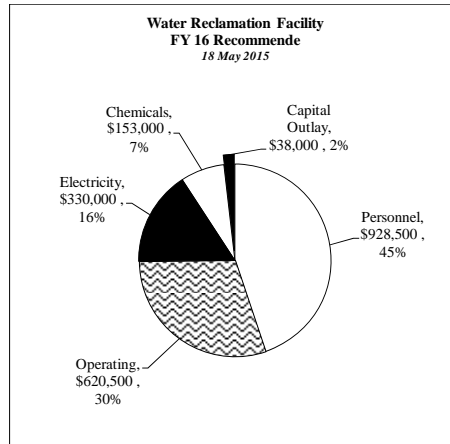
- **Scheduled Debt Service will increase** from FY15 level of \$659,780 to \$1,616,341 in FY16. This significant increase is due to the debt for the following projects scheduled for the initial payment in FY 16: HWRP Improvements (\$805,750); Sandy Creek Pump Station Improvements (\$42,422) and the Elmwood Cemetery Outfall Project (\$115,465).



**FY 15-16 BUDGET  
ENTERPRISE FUNDS**

**31-822: SEWER FUND WATER RECLAMATION FACILITY**

<b>31-822: WATER RECLAMATION FACILITY SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
<b>Personnel</b>	\$ 897,109	\$ 839,642	\$ 916,540	\$ 908,475	\$ 946,300	\$ 928,500	
<b>Operating</b>	590,294	\$ 1,430,999	658,500	655,927	619,000	620,500	
<b>Electricity</b>	316,656	\$ 303,698	320,000	291,000	330,000	330,000	
<b>Chemicals</b>	226,393	\$ 262,808	273,000	256,000	153,000	153,000	
<b>Debt Service</b>	707,498						
<b>Capital Outlay</b>	54,391	\$ 523	30,900	30,900	214,000	38,000	
<b>Total Expenditures</b>	<b>\$ 2,792,340</b>	<b>\$ 2,837,670</b>	<b>\$ 2,198,940</b>	<b>\$ 2,142,302</b>	<b>\$ 2,262,300</b>	<b>\$ 2,070,000</b>	<b>\$ -</b>



<b>AUTHORIZED POSITIONS</b>					
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>	<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>
<i>Special Certified or Sworn Employees (i.e., police officers, firefighters, treatment operators, etc.)</i>					
1	1	Director of HWRF	23	\$42,453	\$63,680
1	1	Chief Plant Operator	18	\$33,263	\$49,895
1	1	Laboratory Supervisor	18	\$33,263	\$49,895
5	5	Treatment Plant Operator	12	\$24,821	\$37,232
<b>8</b>	<b>8</b>				
<i>All Other Full Time, both exempt and non-exempt</i>					
1	1	Plant Maintenance Supervisor	17	\$31,679	\$47,519
1	1	Senior Instrumentation Tech	17	\$31,679	\$47,519
1	1	Laboratory Analyst	15	\$28,733	\$4,310
1	1	Instrument Technician Assistant	13	\$26,062	\$39,093
4	4	Plant Maintenance Mechanic	12	\$24,821	\$37,232
2	2	Lab Technician	13	\$26,062	\$39,093
1	1	Administrative Support Specialist	11	\$23,639	\$35,459
1	1	Maintenance Worker	9	\$21,441	\$32,162
<b>12</b>	<b>12</b>				

<b>HISTORY OF POSITIONS</b>							
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Requested FY 15-16</b>	<b>Recommended FY 15-16</b>	<b>Approved FY 15-16</b>
<b>Authorized</b>	21	21	21	20	20	20	
<b>New Requests</b>	0	0	0	0	0	0	
<b>Total Funded Positions</b>	21	21	21	20	20	20	

**FY 15-16 BUDGET  
ENTERPRISE FUNDS**

**31-822: SEWER FUND WATER RECLAMATION FACILITY**

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**PURPOSE**

To provide adequate treatment of wastewater to meet the effluent limits set forth in the City's National Pollutant Discharge Elimination System (NPDES) permit; to provide adequate management and maintenance of the City's pump station facilities (5 major and 8 minor stations) and sludge disposal program; and to make available adequate capacity for continued residential, commercial and industrial growth within Henderson's corporate limits and throughout the service area.

**GOALS & OBJECTIVES**

- Goal 1:** Operate the HWRF, pump stations, laboratory, SCADA, storm water, odor control and land application of sludge efficiently and maintain compliance with all NPDES, laboratory, land application of sludge and storm water permit limits including the Environmental Protection Agency (EPA)/Division of Water (DWQ) regulations in a cost effective manner.
- Objective 1:** Coordinate with the lab, operations, maintenance and instrumentation staff to make needed adjustments to the plant and other processes to maintain compliance with all regulations. Study the operational parameters of the new plant and train the staff in its operation so the transition from the old to the new plant goes as smooth as possible and the plant stays in compliance with the NPDES limits.
- Goal 2:** Continue to improve and maintain the safety record at the HWRF.
- Objective 1:** Continue plant safety inspections and staff training as we transition to new plant.
- Goal 3:** Clean and restore the first 500 feet of creek bank at the HWRF.
- Objective 1:** Flood prevention and prevent damage to highway. No longer need to clean the entire creek, just the head-works. New equipment located out of flood plain.
- Goal 4:** Inspect the construction of the new plant daily while keeping the old one in compliance.
- Objective 1:** Coordinate my schedule with McGill's and my staff's schedules. Allocate my time where needed the most. Plant is 80% complete.
- Goal 5:** Inspect and assist contractor and McGill Associates in construction of Sandy Creek Pump Station upgrade. Station is 30% complete.
- Objective 1:** Allocate my time to this project while considering the needs of the project to upgrade the plant and my staff's needs.

**FY 15 ACCOMPLISHMENTS**

**We had one overflow** at Sandy Creek from I&I rainfall and one fecal violation from toxic dump in plant. All were unavoidable circumstance. All other permit and lab parameters were within limits this year.

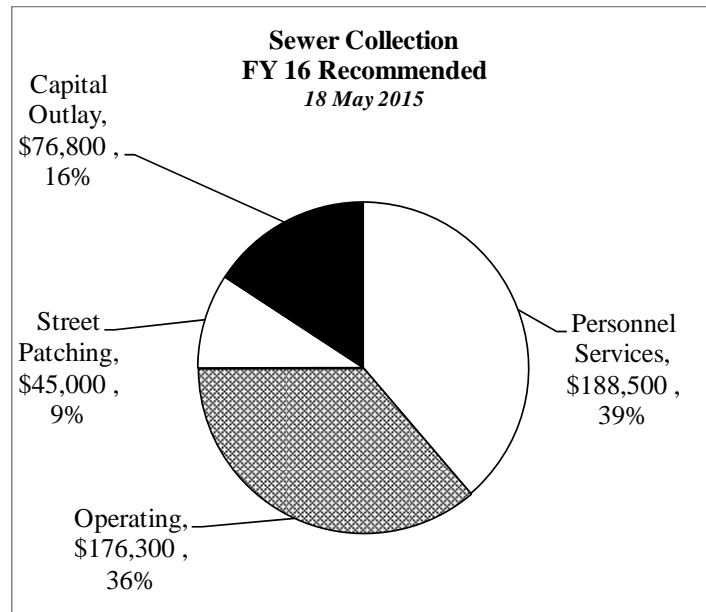
- **Grants Awarded:** Awarded in 2013-14. Draw-down in progress because projects not finished. State Revolving Loan Funds for sanitary sewer collection replacement/rehab and SRF and CWMTF Grant at the Water Reclamation Facility. Able to help obtain SRL to upgrade Sandy Creek Pump Station.
- **Construction Administration:** Inspected construction at the treatment plant (80% complete). Recommended change orders, paid bills and filed loans/grants for reimbursements. Inspected construction at Sandy Creek Pump Station (30% complete). Pumps have been delivered with construction to resume the 1<sup>st</sup> of June 2015.

**KEY BUDGET ISSUES**

- Chemical costs will definitely go down when the new plant begins operation. It is not known at this time whether or not further savings will be possible until full operational costs are determined.
- Goal 3 is very important but will need City funds to accomplish. Would not qualify for a loan or grant.

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**31-828: SEWER FUND COLLECTION**

31-828: SEWER COLLECTION SUMMARY							
	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
<b>Personnel Services</b>	\$ 145,543	\$ 172,729	\$ 192,100	\$ 186,500	\$ 193,100	\$ 188,500	
<b>Operating</b>	105,916	101,659	165,300	161,500	175,300	176,300	
<b>Street Patching</b>	27,755	19,820	45,000	45,000	45,000	45,000	
<b>Capital Outlay</b>	3,000	11,022	25,500	25,500	183,400	76,800	
<b>Total Expenditures</b>	<b>\$ 282,214</b>	<b>\$ 305,230</b>	<b>\$ 427,900</b>	<b>\$ 418,500</b>	<b>\$ 596,800</b>	<b>\$ 486,600</b>	<b>\$ -</b>



AUTHORIZED POSITIONS							
FY 14-15	FY 15-16	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM		
2	2	Maintenance Crew Leader	13	\$26,062	\$39,093		
1	3	Maintenance Worker	9	\$21,441	\$32,162		
3	5						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized Positions	5	5	5	5	5	5	
New Requests	0	0	0	0	0	0	
Total Funded Positions	5	5	5	5	5	5	

### **PURPOSE**

To perform both scheduled and emergency maintenance on more than 150 miles of sanitary sewer lines (both gravity and force mains); to install sewer taps; to provide force account labor for some capital improvement projects to the system; and manage the Sewer Collection and I & I Division.

### **GOALS & OBJECTIVES**

- Goal 1:** Continue to reduce the number of spills/overflows that took place in previous years.
- Objective 1:** To be in compliance with sanitary sewer collections permits and avoid potential fines.
- Goal 2:** Monitor projects performed in Sandy Creek and other basins to reduce I and I.
- Objective 2:** Further reduce infiltration/inflow to maximize capacity within the collection system.

### **FY 15 ACCOMPLISHMENTS**

- **Line Rehabilitation.** Successfully completed foam injection to existing sewer mains to eliminate root problems which can cause spills.
- **Right of Way Clearing.** Continued right of way clearing on Sanitary Sewer outfalls.
- **State Report.** Received a good inspection report from the State relative to the operation of the Sanitary Sewer Collection System.
- **Line Cleaning.** Crews have exceeded the 83,000 linear feet that is required by State mandate by cleaning 117,482 linear feet as of December 31, 2014.
- **Sanitary Sewer Rehab Project.** Project was completed and has increased reliability of service in these areas.
- **Elmwood Cemetery Outfall.** Design has been completed and approved by the State with bidding to take place upon completion of Right-of-way acquisition

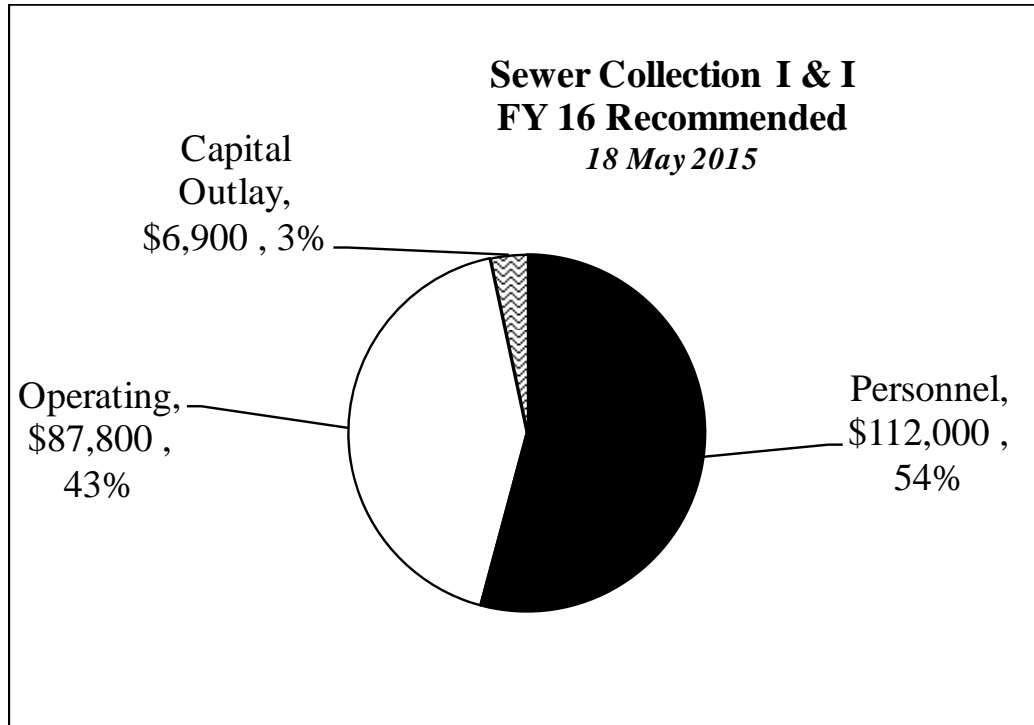
### **KEY BUDGET ISSUES**

- **Funding Needed** for projects relative to capital improvement projects as well as other sewer improvement projects.

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**31-829: SEWER FUND I & I OPERATIONS**

**31-829: SEWER COLLECTION I & I SUMMARY**

	Actual 12-13	Actual 13-14	Budget 14-15	Estimated 30-Jun-15	Requested 15-16	Recommended 15-16	Approved 15-16
<b>Personnel Services</b>	\$ 95,555	\$ 102,528	\$ 110,000	\$ 108,500	\$ 113,600	\$ 112,000	
<b>Operating</b>	44,809	53,813	76,700	76,400	88,500	87,800	
<b>Debt Service</b>	1,057						
<b>Capital Outlay</b>	3,100		4,700	4,700	21,900	6,900	
<b>Total Expenditures</b>	\$ 144,521	\$ 156,341	\$ 191,400	\$ 189,600	\$ 224,000	\$ 206,700	\$ -



AUTHORIZED POSITIONS							
FY 13-14	FY 14-15	CLASSIFICATION			GRADE	MINIMUM	MAXIMUM
1	1	Crew Leader			13	\$26,062	\$39,093
2	2	Maintenance Worker			8	\$20,420	\$30,630
3	3						
HISTORY OF POSITIONS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Requested FY 15-16	Recommended FY 15-16	Approved FY 15-16
Authorized	3	3	3	3	3	3	
New Requests	0	0	0	0	0	0	
Total Funded Positions	3	3	3	3	3	3	

### **PURPOSE**

To perform scheduled maintenance of sanitary sewer mains relative to the identification and reduction of storm and groundwater inflow/infiltration (I&I) into the sanitary sewer system.

### **GOALS & OBJECTIVES**

**Goal 1:** Inflow & Infiltration Reduction and Identification.

**Objective 1:** Continue smoke testing and performing visual inspections of the collection system in order to keep as much rain and storm water flow as possible out of the sanitary sewer system.

**Goal 2:** Perform repairs identified by smoke testing and visual inspection and other means. Perform day-to-day I&I preventive maintenance as required of this system.

**Objective 2:** Record and document flow reduction from outside sources. Dedicate 70% of time to use of Jet-Vac, camera truck, sewer rodder, I&I elimination and mapping assistance with engineering. Dedicate 30% of time to manhole inspections and high priority line inspections as required by state law and NCDENR.

### **FY 15 ACCOMPLISHMENTS**

- **I&I Work:** Continued to work toward strengthening the City's efforts in reducing inflow/infiltration (I&I) particularly in the Sandy Creek Basin and therefore minimizing sanitary sewer overflows and bypasses.
- **TV and Visual Monitoring:** Identified various areas with open cleanouts and or discontinued services which contributed to I&I.
- **Fats, Oils & Grease Compliance:** The Sewer Collection I&I Division worked in conjunction with the pretreatment staff of the HWRF in identifying accumulation of grease build-up within the mains and helped to identify potential businesses which may be depositing excessive amounts of fats, oils and grease.
- **Sandy Creek Pump Station:** The upgrade project was awarded by the City Council with construction starting in the Spring of 2014.

### **KEY BUDGET ISSUES**

- **Contract Services:** Includes a minimal amount of funds related to smaller sewer construction repairs that cannot be performed by the city.
- **Funding for key** equipment and additional I&I sewer line work included in the budget.

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**31-829: SEWER FUND I & I OPERATIONS**

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# ***REGIONAL WATER FUND***

## **REGIONAL WATER FUND DEPARTMENTS**

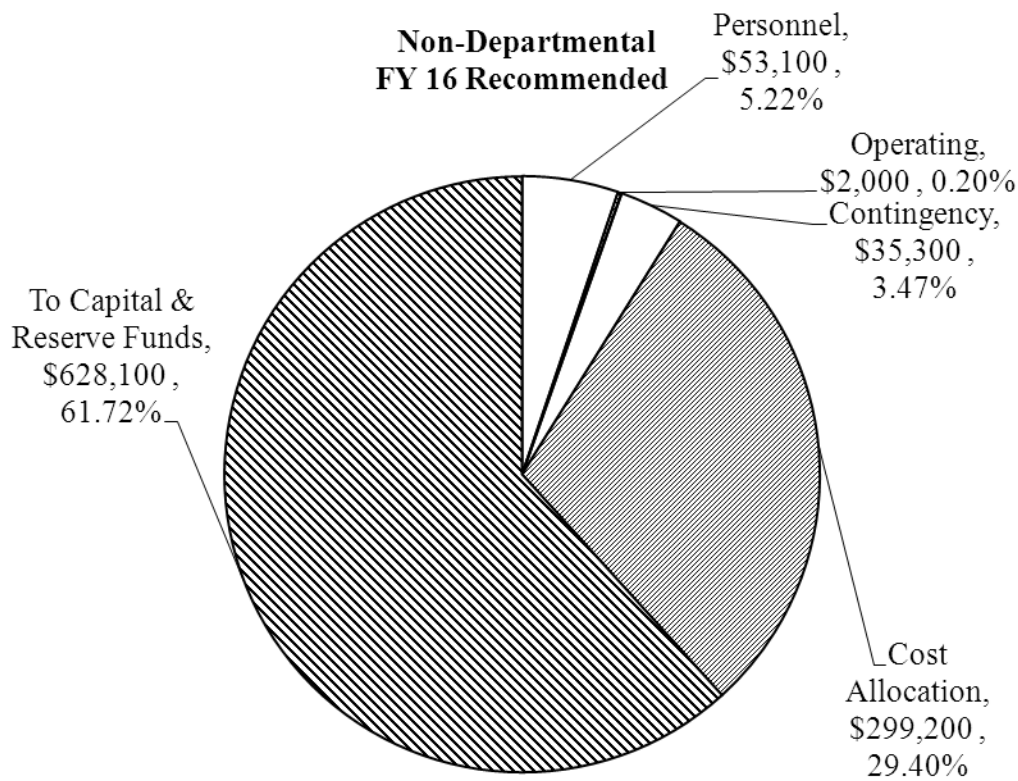
1. Non-Departmental
2. Debt Service
3. Water Plant



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**FY 15-16 BUDGET  
ENTERPRISE FUNDS  
64-660: REGIONAL WATER FUND NON-DEPARTMENTAL**

<b>64-660: NON-DEPARTMENTAL SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Personnel	\$ 23,722	\$ 24,230	\$ 38,700	\$ 20,500	\$ 58,800	\$ 53,100	
Operating	-	-	1,660	1,600	2,000	2,000	
Debt Service	1,273,993						
Contingency	-	-	30,000	-	30,000	35,300	
Cost Allocation	305,000	497,200	359,000	353,200	299,200	\$ 299,200	
To Capital & Reserves	713,100	618,750	769,300	767,000	777,000	628,100	
<b>Total Expenditures</b>	<b>\$ 2,315,815</b>	<b>\$ 1,140,180</b>	<b>\$ 1,198,660</b>	<b>\$ 1,142,300</b>	<b>\$ 1,167,000</b>	<b>\$ 1,017,700</b>	<b>\$ -</b>



The Non-Departmental Budget group provides for a better accounting for inter-fund transfers and other expenditures that should not be located in an operating budget group. No personnel are assigned to the Non-Departmental budget group; however, some personnel related expenditures such as retiree health insurance and the fund's share of the recommended pay and classification study are accounted for in this budget department.

The largest expenditure center for the non-departmental budget is the transfer to the Capital Reserve Fund.

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**64-680: REGIONAL WATER DEBT SERVICE**

<b>64-680: DEBT SERVICE SUMMARY</b>							
	<b>Actual 12-13</b>	<b>Actual 13-14</b>	<b>Budget 14-15</b>	<b>Estimated 30-Jun-15</b>	<b>Requested 15-16</b>	<b>Recommended 15-16</b>	<b>Approved 15-16</b>
Long-Term Debt Service P&I		\$ -	\$ 706,700	\$ 650,300	\$ 732,300	\$ 732,300	
Lease Purchase Debt Service P&I		174,989	58,800	58,800	37,000	37,000	
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 174,989</b>	<b>\$ 765,500</b>	<b>\$ 709,100</b>	<b>\$ 769,300</b>	<b>\$ 769,300</b>	<b>\$ -</b>

The Debt Service budget department was established as part of the FY14 Budget process. The variance between the debt schedule and the presentation number is due to rounding-up. The matrix presented below is for currently authorized debt service and does not include the proposal for the 20MGD water plant expansion project. The 20MGD project's impact on debt service is discussed later in this presentation in the Rate Stabilization Plan section.

Debt service comprises approximately 17% of total fund budget.

64: Regional Water Fund Debt Service Schedule											
64: Regional Water Fund		Actual	Scheduled							Six Year Total	
State Revolving Loan	P / I	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	By P & I	By Total	
High Speed Pump: 20 years at Zero % interest. Initial project \$1,129,000 with annual principal payments of \$56,450. (Res 12-59 and Ord 12-48). Payments begin FY16 and end FY35. Outstanding principal: \$1,129,000.	P	\$ -	\$ -	\$ 56,450	\$ 56,450	\$ 56,450	\$ 56,450	\$ 56,450	\$ 282,250	\$ 282,250	
	I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Certificates of Participation											
Regional Water Loop Line/Filter Upgrade: 3.04% interest (weighted avg); issued 8/12/03 (13 year) semi-annual payments ending FY 2015-2016. Outstanding Principal \$998,500.	P	\$ 474,500	\$ 489,500	\$ 509,000	\$ -	\$ -	\$ -	\$ -	\$ 998,500	\$ 1,038,473	
	I	\$ 42,877	\$ 27,837	\$ 12,136	\$ -	\$ -	\$ -	\$ -	\$ 39,973		
Regional Water Raw Water Facilities Phase I: 3.74% interest; issued 02/26/04 (15 year) semi-annual payments ending FY 2018-2019. Outstanding Principal \$866,625	P	\$ 154,877	\$ 160,723	\$ 166,791	\$ 173,087	\$ 179,622	\$ 186,402	\$ -	\$ 866,625	\$ 958,235	
	I	\$ 36,762	\$ 30,923	\$ 24,856	\$ 18,560	\$ 12,026	\$ 5,245	\$ -	\$ 91,610		
Lease Purchase											
Generator: 3.96% interest, issued 3 Dec 04, 8 year annual payments ending FY13. Outstanding Principal & Interest = \$0.00.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
Long Term Principal:		\$ 629,377	\$ 650,223	\$ 732,241	\$ 229,537	\$ 236,072	\$ 242,852	\$ 56,450	\$ 1,848,073	\$ 1,974,411	
Long Term Interest:		\$ 79,639	\$ 58,760	\$ 36,992	\$ 18,560	\$ 12,026	\$ 5,245	\$ -	\$ 126,338		
Total Long Term Debt Service:		\$ 709,016	\$ 708,983	\$ 769,233	\$ 248,097	\$ 248,098	\$ 248,097	\$ 56,450	\$ 1,974,411		
Total Lease Purchase (P & I) Debt Service:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Fund Debt Service:		\$ 709,016	\$ 708,983	\$ 769,233	\$ 248,097	\$ 248,098	\$ 248,097	\$ 56,450	\$ 1,974,411	\$ 1,974,411	

**FY 15-16 BUDGET  
ENTERPRISE FUNDS  
64-680: REGIONAL WATER DEBT SERVICE**

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**PURPOSE**

The purpose of the debt service budget department is: 1) to provide for the payment of the Fund's long-term and short-term debt interest and principal; and 2) to provide long-term information and understanding as to the Fund's debt service requirements and how that might impact utility rates as well as day-to-day operations.

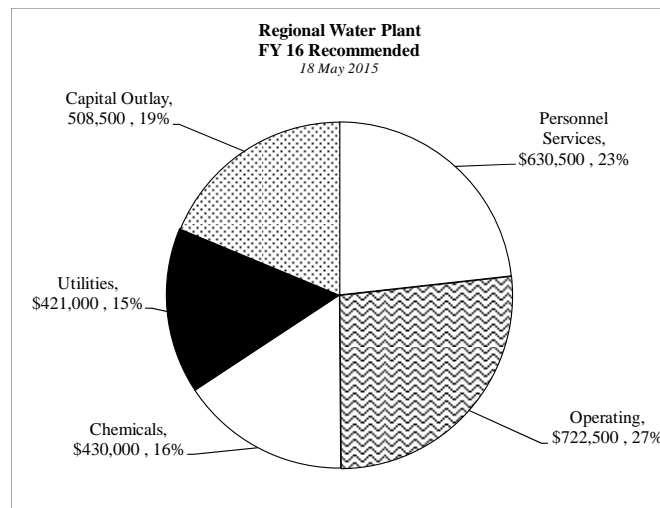
**KEY BUDGET ISSUES**

- **Scheduled Debt Service is increasing** by \$56450 due to the high speed pump coming on-line for payment in FY16 rather than FY15.
- **Rate Stabilization Plan Development** is critical to being able to finance a 20-year debt instrument for the construction of the 20MGD plant expansion project. The estimated cost for the project is \$24M, with anticipated debt issue in FY16 with the first of twenty payments being due in FY17. Reaffirmation of this Plan is recommended as part of the FY15 Budget Adoption.

The reduced contribution to be made from Regional Water to 78: 20MGD Reserve is \$612,100, down from FY 2015's contribution of \$761,000. This reduction was made in order to help balance Regional Water's budget. This reduction, together with the reduction made in FY 2015's contribution will have impacts on the long-term debt management plan for the project. Increasing rates to compensate for this during FY 16 is not feasible given the recommended 5% rate increase needed to cover operating expenses. The FY 17 contribution will require an adjustment to make up for the reduced contributions for FY 15 and FY 16.

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**64-900: REGIONAL WATER FUND WATER PLANT**

<b>64-900: REGIONAL WATER PLANT SUMMARY</b>							
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
<i>27 April 2015</i> psp	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>30-Jun-15</b>	<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
Personnel Services	\$ 583,086	\$ 607,128	\$ 639,840	\$ 634,340	\$ 636,100	\$ 630,500	
Operating	\$ 1,048,247	\$ 1,003,472	708,000	702,770	722,000	722,500	
Chemicals	\$ 452,039	\$ 383,542	469,000	400,000	430,000	430,000	
Utilities	\$ 379,415	\$ 385,730	421,000	396,077	421,000	421,000	
Debt Service	\$ -	\$ -	-	-			
Capital Outlay	\$ 52,659	\$ 9,748	78,000	78,000	408,500	508,500	
<b>Total Expenditures</b>	<b>\$2,515,446</b>	<b>\$ 2,389,620</b>	<b>\$2,315,840</b>	<b>\$2,211,187</b>	<b>\$ 2,617,600</b>	<b>\$ 2,712,500</b>	<b>\$ -</b>



<u><b>AUTHORIZED POSITIONS</b></u>							
<b>FY 14-15</b>	<b>FY 15-16</b>	<b>CLASSIFICATION</b>	<b>GRADE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>		
1	1	Director	23	\$42,453	\$63,680		
1	1	Chief Operator	18	\$33,263	\$49,895		
2	2	Plant Maintenance Mechanic	12	\$24,821	\$37,232		
7	7	Treatment Plant Operator	12	\$24,821	\$37,232		
1	1	Lab Analyst	15	\$28,733	\$43,100		
1	1	Administrative Support	11	\$23,639	\$35,459		
<b>13</b>	<b>13</b>						
<u><b>HISTORY OF POSITIONS</b></u>							
	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>Requested</b>	<b>Recommended</b>	<b>Approved</b>
	<b>11-12</b>	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
					<b>15-16</b>	<b>15-16</b>	<b>15-16</b>
<b>Authorized Positions</b>	12	12	13	13	13	13	
<b>New Requests</b>	0	1	0	0	0	0	
<b>Total Funded Positions</b>	12	13	13	13	13	13	

**FY 15-16 BUDGET  
ENTERPRISE FUNDS**

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**64-900: REGIONAL WATER FUND WATER PLANT**

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**PURPOSE**

To provide safe and aesthetically pleasing water to the cities of Henderson, Oxford and the County of Warren's, approximate 55,000 + customers, by continuously meeting all state and federal regulations.

**GOALS & OBJECTIVES**

- Goal 1:** Continue with Duke Energy Time-of-Use Program.  
**Objective 1:** The high service pumps at the plant are operated during off-peak times as established by the Time-of-Use Program. KLRWS is looking at further ways to reduce power cost.
- Goal 2:** Meet and exceed EPA regulations.  
**Objective 1:** Meet all state and federal regulations throughout the year thus providing high quality water to all customers.
- Goal 3:** Reinstate the efforts to advance the 20MGD upgrade.  
**Objective 1:** Meet future growth projections and demands of the regional water partners and customers.
- Goal 4:** Devise a consumer education plan.  
**Objective 1:** Meet state mandates and keep the public informed and educated about conservation and water regulations.

**FY 15 ACCOMPLISHMENTS**

- Saved approximately \$54,167 on the electric bill by participating in the Time-of-Use Program.
- Continuously provided a supply of safe, clean drinking water to all customers of KLRWS.
- Met or exceeded regulations as they were promulgated and became law.
- IBT process is well underway and anticipation of completion is expected in July 2015.
- KLRWS is continuing to work with water distribution in a flushing program to help the partners in assuring the best water quality, which has led to substantial improvements in the TTHM levels for the KLRWS, as well as its customers.
- High Service Pump Replacement Project was started and anticipated to be finished in May 2015.

**FY 16 KEY BUDGET ISSUES**

- Continued reduction in water sales to Partners, thus resulting in significantly less revenues for operations, capital improvements and capital reserves.
- Continued funding relative to 20MGD expansion of the KLRWS.
- Chemical costs and fuel remain volatile and unstable which will lead to higher costs during the year.
- Capital Improvements in this year's budget involves on project, to replace the SCADA system that runs the plant and outlying stations.

**FY 15-16 BUDGET**  
**ENTERPRISE FUNDS**  
**64-900: REGIONAL WATER FUND WATER PLANT**

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# ***CAPITAL RESERVE FUNDS***



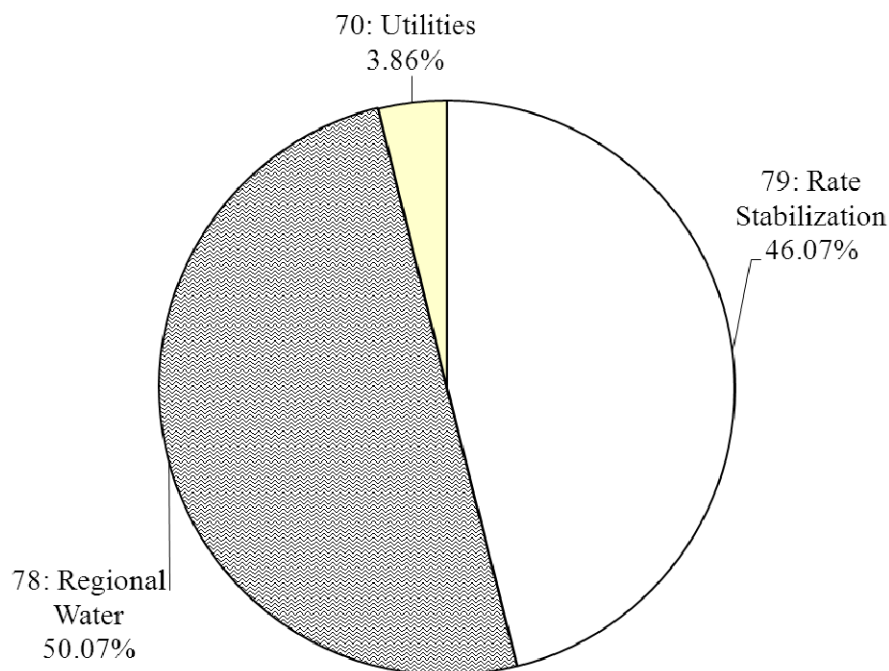
**FY 15-16 BUDGET**  
**CAPITAL RESERVE FUNDS**  
**ALL FUNDS SUMMARY**

**SUMMARY**

The Capital Reserve Funds are considered to be part of the annual fiscal budget and operate on a fiscal year basis. This summary reveals the FY16 Recommended Budget is \$8,096,300 in total capital reserve allocations. More detailed information on each capital reserve fund can be found in the following pages.

SUMMARY OF CAPITAL FUNDS							
ALL FUNDS		FY13 Prior Year Actual	FY14 Prior Year Actual	FY15 Current Year as amended		FY16 Manager Recommended	
Revenues				Estimated 30 June 14		Council Approved	
70	Capital Reserve Utilities Fund	\$ 556,187	\$ 123,582	\$ 293,000	\$ 127,900	\$ 324,500	
73	Capital Reserve Economic Development Fund	\$ 10,000	\$ -	\$ 15,800	\$ -	\$ 15,800	
78	Capital Reserve Regional Water Fund	\$ 669,508	\$ 618,845	\$ 3,803,000	\$ 761,000	\$ 4,208,900	
79	Capital Reserve Rate Stabilization Fund	\$ 404,272	\$ 2,219,338	\$ 5,022,800	\$ -	\$ 3,872,300	
<b>Total Revenues</b>		<b>\$ 1,639,967</b>	<b>\$ 2,961,765</b>	<b>\$ 9,134,600</b>	<b>\$ 888,900</b>	<b>\$ 8,421,500</b>	<b>\$ -</b>
Expenditures							
70	Capital Reserve Utilities Fund	\$ 515,780	\$ 36,000	\$ 293,000	\$ -	\$ 324,500	
73	Capital Reserve Economic Development Fund	\$ 350	\$ 2,222	\$ 15,800	\$ -	\$ 15,800	
78	Capital Reserve Regional Water Fund	\$ -	\$ -	\$ 3,803,000	\$ 3,576,700	\$ 4,208,900	
79	Capital Reserve Rate Stabilization Fund	\$ 103,360	\$ 200,000	\$ 5,022,800	\$ -	\$ 3,872,300	
<b>Total Expenditures</b>		<b>\$ 619,490</b>	<b>\$ 238,222</b>	<b>\$ 9,134,600</b>	<b>\$ 3,576,700</b>	<b>\$ 8,421,500</b>	<b>\$ -</b>
<i>Variance of Revenues to Expenditures</i>		<i>\$ 1,020,477</i>	<i>\$ 2,723,543</i>	<i>\$ -</i>	<i>\$ (2,687,800)</i>	<i>\$ -</i>	<i>\$ -</i>

## Capital Reserve Funds



## **70: Capital Reserve Utilities Fund**

The basic purpose of the Capital Reserve Utilities Fund is to accumulate revenues and hold them in reserve for future expansion and/or construction of the water distribution and sewer collection systems improvements and related improvements. The City's original Capital Reserve Funds were established in 1970 for the purpose of reserving revenue to construct or assist in the financing of major improvements to the City's utility system or to purchase major capital equipment for other operating departments/divisions. During the intervening years, the fund has served the purpose for which it was intended by providing resources for construction of major water and sewer projects at the Council's discretion following specific authorization.

In FY13, the fund was restructured to provide for separate accounting of water and sewer revenues to be held in reserve for future water and sewer projects. Prior to FY13, the funds had been comingled.

The revenue sources for this fund are the inter-fund transfers from the parent funds—30: Water and 31: Sewer, investments and periodic transfers of project reversions from the capital projects funds 43: Water and 44: Sewer. In short, the primary revenue source is from the water and sewer user rates.

A tremendous amount of work has been funded from this fund during the past several years, including the Perry Avenue water line replacement, Shirley Drive water line replacement and partial funding for the local share of expenses for the Henderson Water Reclamation Facility renovation project. As a result of the focus on these major utility projects, the fund's fund balance had been drawn down from \$443,629 as of July 1, 2011 to \$45,825 as of June 30, 2012. We have been able to build it up slightly over the past couple of years, bringing the fund balance to \$173,815 as of June 30, 2014. The FY 15 Budget estimates the fund growing to approximately \$309,400 by June 30, 2015.

## **72: Capital Reserve General Fund**

The Capital Reserve General Fund accumulates revenues and holds them in reserve for future large capital equipment purchases, such as fire trucks, sanitation vehicles, etc. and for the purchase and/or construction of facilities normally funded through General Fund resources, including infrastructure components, such as streets, sidewalks, storm drainage systems, public buildings, etc. This fund has been inactive for several years and no activity is planned for FY16. A small fund balance of \$56,432 exists and is recommended to remain in the fund to keep it open.

## **73: Capital Reserve Economic Development Fund**

This fund was established in FY12 as a means to 'house' funding for future economic development incentive grant matches, such as funding from the Rural Center. Funding is provided via inter-fund transfer from the General Fund's general revenues. The budget is divided into two main expenditure categories: capital reserve for future allocation by City Council and economic incentives allocated by Council for specific projects. All funds not utilized roll over

**FY 15-16 BUDGET**  
**CAPITAL RESERVE FUNDS**  
**ALL FUNDS SUMMARY**

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into the fund balance. The undesignated fund balance for 30 June 2014 is \$15,828. Since no transfers from General Fund are budgeted for FY16, no growth is expected in the Fund.

**78: Capital Reserve Regional Water Fund**

This fund was created in March 2012 in order to consolidate three Regional Capital Reserve Funds into one. 75: Capital Reserve Regional Water COE, 76: Capital Reserve Regional Water 20 MGD and 77: Capital Reserve Regional General, were merged to form 78: Capital Reserve Regional Water System Fund. Reserves are established for these Regional Water system needs: 911: Corp of Engineer Reserve; 922: 20 MGD Plant Expansion Reserve and 865: General Capital Reserve.

The funding source for this fund is the inter-fund transfer from the 64: Regional Water Fund. Revenues are derived from charges for water to the Regional Partners of Oxford, Warren County and Henderson. All funds are held in reserve until needed. When needed, the funds are transferred to a capital project established in 46: CIP Regional Water Fund.

The fund balance at the end of FY13 was \$2,217,072 and increased to \$2,835,916 by the end of FY14. Fund balance is expected to increase to \$3,596,916 by the end of FY 15. The significant majority of the reserve is dedicated to the planned expansion of the Regional Water Treatment Plant and future needs relative to transmission and replacement.

Due to declining revenues from water sales to Partners, the contribution to this Fund is less than previously planned. As in FY 15, there will be no contribution to 865: Regional Reserve. The contribution to 911: COE Reserve will again be only \$5,000; and the contribution to 922: 20MGC is will be less than current year, decreasing from \$756,000 to \$607,100.

**79: Capital Reserve Rate Stabilization Fund**

This fund was established in March 2012 for the purpose of reserving money for future debt service for the 20MGD water plant expansion and/or other major water system infrastructure needs, and major upgrades planned for the Water Reclamation Facility (Sewer Plant).

The funding source for the sewer plant rate stabilization reserve is the sewer rate transferred from 31: Sewer Fund. The initial transfer to establish this fund was made from 70: Capital Reserve Utilities Fund during FY12.

The 30: Water Fund has several sources of income to fund its rate stabilization reserve as follows: Vance County Phase 1A, Vance County Phases 2A & 2B, investments and transfers of other revenue sources from 30: Water Fund. With the termination of the water sales agreement with Granville County, the majority of the water reservation fees received from the County for the first three years of the contract will be refunded to the County once the agreement is finalized and signed by all parties. This represents a significant loss that would have helped fund major capital projects.

TABLE 4  
CITY OF HENDERSON  
CAPITAL IMPROVEMENTS PLAN - WATER FUND

PROJECT NAME		TOTAL COST	2014-15	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25	YEARS 11-15
MAJOR CAPITAL IMPROVEMENTS														
1	Elevated Water Storage Tank (1.0 MG)	2,900,000									2,900,000			
2	Water Meter Replacement project	800,000					400,000					400,000		
3	158 Business Loop-DWSRF	660,000		660,000										
4	Beckford Drive-DWSRF	215,000		215,000										
5	Railroad Street WL Replacement	315,000		315,000										
6	Thomas Lane Area WL Replacement	775,000		775,000										
7	Mobile Radio System	15,000	15,000											
8	Water System Tie-Ins: One (1) 8", and Two (2) 2" Lines	5,000		5,000										
9	Vance Academy Rd to Old County Home Rd - 8" Loop	598,000			598,000									
10	Martin Luther King Jr Blvd - 8" Loop	343,000						343,000						
RECURRING														
11	New Water Mains	1,195,000		106,000	109,000	112,000	115,000	118,000	121,000	124,000	127,000	130,000	133,000	
12	Annual Water Line Replacement Program	2,469,000		221,000	226,000	232,000	238,000	244,000	250,000	256,000	262,000	270,000	270,000	
13	Annual Water Meter Replacement Program	1,008,000	78,000	84,000	86,000	88,000	90,000	92,000	94,000	96,000	98,000	100,000	102,000	
14	Water Tank Maintenance Program	637,400	46,400	54,000	55,000	56,000	57,000	58,000	59,000	60,000	62,000	64,000	66,000	
15	Vehicles													
	3/4-ton Truck	215,000		33,000	34,000	35,000	36,000		37,000		40,000			
	Service Truck	162,500		17,500	17,500	17,500				110,000				
	Truck	22,100		22,100										
	Backhoe (lease/purchase over 5 years)	63,000		21,000	21,000	21,000								
16	Equipment	315,000		27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	
Water Fund Subtotal		12,713,000	139,400	2,555,600	1,174,500	590,500	966,000	886,000	593,000	679,000	3,523,000	999,000	607,000	0

↑  
DEBTS 1&2

↑  
DEBT 3

DEBT PACKAGES

DEBT PACKAGES

Water Fund - Annual Debt

Water Fund - Annual Capital Outlay

	875,000							3,300,000		
	1,688,000									
	1,965,000	598,000						2,900,000	400,000	0
	139,400	590,600	576,500	590,500	966,000	886,000	593,000	679,000	623,000	607,000

## CAPITAL IMPROVEMENTS PLAN - REGIONAL WATER FUND

8	Vehicles - 3/4 ton Truck	94,000		28,000		31,000				35,000				
9	Equipment	710,000	20,000	60,000	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000	78,000	
	<b>Regional Water Fund Subtotal</b>	<b>45,100,000</b>	<b>184,000</b>	<b>688,000</b>	<b>33,832,000</b>	<b>207,000</b>	<b>6,016,000</b>	<b>68,000</b>	<b>3,770,000</b>	<b>72,000</b>	<b>109,000</b>	<b>76,000</b>	<b>78,000</b>	<b>0</b>

### DEBT 3

		34,482,000		5,950,000		3,700,000				
	600,000	33,770,000	112,000	5,950,000		3,700,000				
184,000	88,000	62,000	95,000	66,000	68,000	70,000	72,000	109,000	76,000	78,000
			123,010	126,885	130,880	161,994	167,100	172,362	237,048	244,520

TABLE 6-1  
CITY OF HENDERSON  
CAPITAL IMPROVEMENTS PLAN - SEWER FUND / WATER RECLAMATION

PROJECT NAME		TOTAL COST	2014-15	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25	YEARS 11-15
<b>MAJOR</b>														
1	Stream Restoration / Enhancement for WRF Access Road	320,000		320,000										
2	Phase 2 Expansion to 6 MGD													
	Oxidation Ditches And Anoxic Basins (3rd Train)													3,960,000
	Headworks/Influent Pump Station Upgrade													710,000
	Site Piping													570,000
	Clarifier (3rd Train)													1,410,000
	New Tertiary Filters													4,950,000
	Demolition Of Basins													510,000
3	Country Club Pump Station (2014) - SCADA	25,000		25,000										
4	Harris Street Pump Station (1993) - SCADA	25,000		25,000										
5	Huntstone Pump Station (2000) - SCADA	25,000		25,000										
6	Industrial Park Pump Station (1987) - SCADA/Generator Replacement	130,000		25,000		105,000								
7	Julia Avenue Pump Station (1990) - SCADA/Generator	80,000		25,000		55,000								
8	Martin Creek Pump Station (1978) - SCADA/Generator Replacement	155,000		25,000		130,000								
9	Partin Street Pump Station (1960) - SCADA/Generator	65,000		25,000		40,000								
10	Sunnyview Pump Station (1990) - SCADA/Fencing/Generator	75,000		25,000	10,000	40,000								
11	Wortham Court Pump Station (2002) - SCADA	25,000		25,000										
12	Zeb Robinson Pump Station (1997) - SCADA/Generator	105,000		25,000		80,000								
<b>RECURRING</b>														
13	Vehicles													
	3/4-ton Truck	177,000	31,000		33,000		35,000		38,000		40,000			
	1-ton Truck	78,000		38,000						40,000				
	Van / SUV	32,000				32,000								
	Dump Truck	174,000		84,000							90,000			
14	Equipment	798,000	108,000	60,000	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000	78,000	
	<b>Sewer Fund WRF Subtotal</b>	<b>2,289,000</b>	<b>139,000</b>	<b>752,000</b>	<b>105,000</b>	<b>546,000</b>	<b>101,000</b>	<b>68,000</b>	<b>108,000</b>	<b>112,000</b>	<b>204,000</b>	<b>76,000</b>	<b>78,000</b>	<b>12,110,000</b>
<b>NEW SEWER GENERATORS OPERATING COSTS</b>							25,000	25,750	26,523	27,318	28,138	28,982	29,851	



TABLE 6-2  
CITY OF HENDERSON  
CAPITAL IMPROVEMENTS PLAN - SEWER FUND / COLLECTION

PROJECT NAME	TOTAL COST	2014-15	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25	YEARS 11-15
MAJOR													
15 Elmwood Sewer Replacement	1,836,000	36,000	1,800,000										
16 Newton Dairy Road Gravity Sewer (100% CDB Grant)	685,000	685,000											
17 Sewer Replacement (10 inch) East Ave. to Montgomery St.	900,000						900,000						
18 Sandy Creek Force Main Upgrade (14" section to 20")	800,000		800,000										
19 Bobbitt and Birch Street Sewer Service, Harris PS Generator (100% CDB Grant)	850,000	850,000											
20 Mobile Radio System	15,000	15,000											
RECURRING													
21 Collection System I/I Repairs	1,334,000	20,000	105,000	110,000	116,000	122,000	128,000	134,000	141,000	148,000	155,000	155,000	
22 Collection System Extensions	555,000		51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000	60,000	
23 Vehicles (Sewer Collection) - No. of vehicles req'd													
3/4-ton Truck	36,000					36,000							
Dump Truck	91,000			91,000									
Backhoe	186,000		86,000					100,000					
Jet-Vac Truck (lease/purchase over 5 years)	220,000		220,000										
24 Vehicles (Sewer I&I) - No. of vehicles req'd													
3/4-ton Truck	140,000		32,000		34,000		36,000		38,000				
25 Equipment	150,000		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Sewer Fund - Sewer Collection Subtotal	7,798,000	1,606,000	3,109,000	268,000	218,000	227,000	1,134,000	305,000	251,000	221,000	229,000	230,000	
Sewer Fund Subtotal	10,087,000	1,745,000	3,861,000	373,000	764,000	328,000	1,202,000	413,000	363,000	425,000	305,000	308,000	
DEBT PACKAGES													
DEBT PACKAGES													
DEBT PACKAGES													
Sewer Fund - Annual Debt													
Sewer Fund - Annual Capital Outlay													
	108,000	3,070,000											
	1,637,000	791,000	373,000	764,000	328,000	1,202,000	413,000	363,000	425,000	305,000	308,000		

# **APPENDIX A**

## **GLOSSARY OF TERMS**

**ABC:** Alcoholic Beverage Control Commission.

**Account Number:** A system of numbering or otherwise designating accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used quickly reveals certain required and/or desired information. This is also referred to as the Budget/Accounting Line Item.

**Accounts Payable:** A liability account reflecting amounts of open accounts owing to private persons or organizations for goods and services received.

**Accounts Receivable:** An asset account reflecting amounts owing on open accounts from private persons or organizations for goods and services provided.

**Accrual Basis:** A basis of accounting in which revenues are recognized when they are earned rather than received and expenses are recognized when incurred rather than paid.

**Activity Classification:** A grouping of expenditures based on specific lines of work performed by organizational units, i.e., public safety.

**Actuals:** The actual expenditures, which are historically verifiable in the City's Accounting System.

**ADA:** Americans with Disabilities Act.

**Adaptability:** The flexibility of the system or process to handle future changing customer expectations to meet today's special needs and future requirement changes.

**Ad Valorem Taxes:** A tax based on the assessed value of real estate or personal property and the tax rate. Property ad valorem taxes are the major source of revenue for state and municipal governments.

**Administrative Support:** A calculated amount of money transferred from one fund to another to offset administrative or related support.

**Adopted Budget:** A budget that has been prepared and reviewed in accordance with State law and has been duly adopted by the City Council.

**Allocate:** To set aside portions of budgeted expenditures that are specifically designated to organizations, departments, etc.

**Allowance for Doubtful Accounts:** A contra account, related to accounts receivable, that holds the estimated amount of collection losses.

**Annual Budget:** A budget covering a single fiscal year (1 July – 30 June).

**Annual Routine Debt:** Bond debt issued on an annual basis to fund routine needed capital improvements such as street improvements, storm drainage, facilities renovation, etc.



**Appendices:** Supplemental material.

**Appropriations:** An authorization made by the City Council permitting the City to incur obligations and make expenditures.

**Appropriation Ordinance:** An official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

**Assessed Valuation:** The value of real estate and/or personal property and equipment as determined by tax assessors and used as a basis for levying property taxes.

**Assessment:** The process for determining values of real and personal property for taxation purposes.

**Agency Fund:** A fund consisting of resources received and held by the governmental unit as an agent for others.

**Audit:** A methodical examination of the utilization of resources it concludes in a written report of its findings to the governing body. An audit is a test of management's accounting system to determine the extent to which the internal accounting controls are both available and being used. In Henderson, an independent auditor is hired to examine the City's financial records.

**Austerity:** Rigorous, self-disciplined life; life without excess.

**Authorized Positions:** These are employee positions which are authorized in the adopted budget to be filled during the fiscal year.

**BALI:** Budget/Accounting Line Item.

**Balanced Budget:** A budget in which anticipated revenues are equal to planned expenditures.

**Bond:** A long-term promise to pay a specified amount of money on a particular date. Bonds are used primarily to finance capital projects.

**Bonds Issued:** Bonds that have been sold.

**Budget/Accounting Line Item:** A system of numbering or otherwise designating accounts, entries, invoices, voucher, etc., in such a manner that the symbol used quickly reveals certain required and/or desired information. This is also referred to as the Account Number.

**Budget Amendment:** A procedure used by the City staff and the City Council to revise a budget appropriation.

**Budget Document:** A financial plan containing projected expenditures and resources covering a fiscal year prepared by the City Manager and his staff and enacted by the City Council.

**Budget Calendar:** The schedule of key dates, which a government follows in the preparation, and adoption of its budget.

**Budget Message:** An overview of the recommended budget, written by the City Manager to the City Council that discusses the major budget items and the City's present and future financial condition.

**Budget Ordinance:** The official enactment by the City Council to establish legal authority for City staff to obligate and expend resources.

**Capital Expenses:** Appropriations for the purpose of satisfying one-time expenses for new value added projects such as new roads, buildings, utility lines and facilities, recreation facilities, etc., and large capital maintenance expenses such as street milling and resurfacing, re-roofing and new windows for buildings, repairs to major facilities. Capital expenses are generally financed in one of two methods: annual cash appropriations or bonded indebtedness. The former is generally associated with routine projects such as street milling and resurfacing, facility maintenance such as roofing, etc. The latter is generally associated with very large projects such as renovation of 134 Rose Avenue (new City Hall), construction of a major new road, etc.

**Capital Improvement Budget (CIP):** A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget, which includes both operating and capital outlays.

**Capital Outlay:** Expenditures that result in the acquisition of or addition to fixed assets.

**Capital Reserve:** An account used to indicate that a portion of fund balance is legally restricted for a specific capital purchase and is therefore not available for general appropriation.

**Capitalized Interest:** An equity account reflecting the accumulated earnings from bonds/loans while in escrow.

**Cash Basis:** A basis of accounting in which revenue is recorded only when cash is received and expenses are recorded when the cash is paid.

**Cash Management:** The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships.

**CBO:** Community Based Organization.

**CIP:** Capital Improvements Plan.

**CDBG:** Community Development Block Grant, a federal entitlement program designed to benefit low and moderate-income persons, specifically in the areas of housing and quality of life.

**City Manager:** The chief executive officer of the City of Henderson, appointed by the City Council.

**CMO:** City Manager's Office.

**COE:** Corps of Engineers.

**COG:** Council of Governments.

**COLA:** Cost of living adjustment.

**Commodities:** Supplies; anything bought and sold.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Contractual Services:** Services rendered to a government by private firms, individuals, or other government entities. Examples include utilities, rent and consulting services.

**COPS:** Certificate of Participation.

**Crime Clearance Rate:** The percentage of crimes cleared/solved compared to those reported.

**Data Response Time:** The time it takes to respond to a call for service from the time it is received until a response has been made, i.e., the time it takes to dispatch a fire engine from the station to a house fire after the call has been received.

**DCA:** Department of Community Assistance.

**DDC:** Downtown Development Commission.

**Debt Ceiling:** See debt limit.

**Debt Limit:** The maximum amount of gross or net debt that is legally permitted. In Henderson, the legal debt limit for tax-supported debt (General Fund) is 8% of assessed value of property.

**Debt Management Policy:** A policy dealing with the issues of debt, how it is managed, and the manner in which debt is issued.

**Debt Reduction Plan:** A strategic plan and policy designed to eliminate the need for annual bond issues for annual capital projects while, at the same time, increasing the amount of annual cash appropriations for capital projects.

**Debt Service:** The City's obligation to pay principal and interest on bonds and other debt instruments according to a pre-determined payment schedule.

**Debt Service Fund:** Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Debt Service Ratio:** The ratio of total liabilities to total assets. This tells the proportion of a government's assets that it has financed with debt.

**Deficit:** An excess of expenditures over revenues or expense over income.

**Department:** The highest levels of operation in the structural organization of the City, which indicates overall management responsibility for a division or a group of related operational divisions.

**Depreciation:** A decrease in value of property through wear, deterioration, or obsolescence.

**Dillon's Rule:** A rule of judicial interpretation of the legal powers of local government

**Discretionary General Funds:** Funds that the City Council has full control over and authority to appropriate in support of general fund activities.

**Distinguished Budget Presentation Awards Program:** A voluntary program administered by the Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

**Diverse:** In addition to race, nationality, gender, culture, what part of the United States one may be from and the like, this concept has to do with the way we think, the respect we have for each other's opinions turning differences into advantages and similar concepts.

**Draconian:** unusually severe or cruel.

**Efficiency:** The extent to which resources are minimized and waste is eliminated in the pursuit of effectiveness. Productivity is a measure of efficiency. Efficiency is not customer driven but rather controlled by the process – resources are minimized and waste eliminated.

**Effectiveness:** The extent to which the outputs of the system or process meet the needs and expectations of the customers (A synonym for effectiveness is quality). Effectiveness influences the customer. The individuals who receive the output (internal and external customers) should set the effectiveness standards.

**Encumbrance:** The commitment of appropriated funds for future expenditures of specified goods or services.

**Enterprise Funds:** A governmental accounting fund in which the services provided are financed and operated similarly to those of private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures.

**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year.

**Expenditure:** The outflow of funds paid or to be paid for an asset obtained or goods and services. Regardless of when the expense is actually paid, this term applies to all funds.

**External Customer:** People that live within the City of Henderson, citizens, people that receive services from the City but live outside of the City and people that live outside of the City but work here, shop and trade here, and use the City for recreational and cultural activities.

**Fiscal Year (FY):** The time period signifying the beginning and ending period for the recording of financial transactions. The City of Henderson's Fiscal Year begins July 1 and ends June 30, of the following year.

**Fixed Assets:** Assets of a long-term character intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

**Fund:** An accounting entity which has a set of self-balancing accounts and where all financial transactions for specific activities or governmental functions are recorded.

**Fund Balance:** Refers to the excess of assets over liabilities and is therefore also known as a surplus fund. The portion of Fund Equity which is available for appropriation.

**GAAP:** Generally Accepted Accounting Principles; uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

**General Fund:** One of five governmental fund types. The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

**General Ledger:** An accounting file which is a grouping of accounts in which the activities of the City are recorded.

**General Obligation Bonds:** Bonds issued by a government that are backed by the full faith and credit of its taxing authority.

**GFOA:** The acronym used for Government Finance Officers Association of the United States and Canada.

**GIS:** Geographical Information System.

**GO Debt:** General obligation debt.

**Goal:** A broad/general statement of direction based on the needs of the community and government.

**Governmental Funds:** A generic classification adopted by the National Council on Governmental Accounting to refer to all funds other than proprietary and fiduciary funds.

**GPD:** Gallons per day.

**Grants:** A contribution or gift in cash or other assets from other government units to be used for a specific purpose.

**High Performance Organization:** An organization that seeks continuous improvement, strong customer service, and best practices in the delivery of public services.

**Impacts:** The effects which would exist as a result of making one decision or another.

**Infrastructure:** Streets, bridges, water and sewer lines and treatment facilities, storm drainage, traffic signals, etc.

**Interest and Penalties Receivable on Taxes:** Uncollected interest and penalties on property taxes.

**Interest Income:** Revenue earned on investments with a third party. The City uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then allocated back to the individual funds by average cash balance in that fund.

**Inter-fund Accounts:** Accounts in which transactions between funds are reflected.

**Inter-fund Recoveries:** Charges from the General Fund to enterprise funds to recover the cost of general government's support of the enterprise funds. Examples would be financial accounting management, data processing services, purchasing, legal and general government management, etc.

**Interfund Transfers:** Flows of assets (such as cash or goods) between funds of the governmental unit without equivalent flows of assets in return and without a requirement for repayment.

**Inter-governmental Revenues:** Revenues from other governments that can be in the form of grants, entitlements, or shared revenues.

**Internal Customers:** Employees and agencies of the City of Henderson that seek services and assistance from other parts of the City and its agencies.

**Internal Service Fund:** A proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government.

**Investments:** Securities held for the production of revenues in the form of interest, dividends, and rentals or lease payments.

**ISO:** International Organization for Standardization.

**Justifications:** A defensible explanation for making one decision or another.

**Lease Purchase Agreements:** A contractual agreement by which capital outlay, usually equipment, may be purchased over a period not exceeding 60 months through annual lease payments.

**Legal Debt Margin:** Excess of the amount of debt legally authorized over the amount of debt outstanding.

**LEO:** Law Enforcement Officer.

**Levy:** The amount of tax, service charges and assessments imposed by a government.

**Local Government Budget and Fiscal Control Act:** An act which governs all agencies of local government in the State of North Carolina. It spells out how all monies received or expended by local governments must be budgeted, disbursed, and accounted for. It requires that certain types of funds be maintained depending on the functions and activities performed by local governments and how those functions and activities are financed.

**Metric:** Performance measures and indicators – numerical information that quantifies input, output, and performance dimensions of processes, products, programs, projects, services, and the overall organization (outcomes).

**Long-term Debt:** Debt with a maturity of more than one year after the date of issuance

**Mandate:** A requirement imposed upon a local government by the federal and/or state governments to provide certain levels of service.

**Merit Pay System:** See Performance Pay System.

**MGD:** Million gallons per day.

**Modified Accrual Basis of Accounting:** Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis in accounting in two important ways 1) revenues are not recognized until they are measurable and available, and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

**Municipal Bonds:** A bond issued by a unit of local government.

**NCDOT:** North Carolina Department of Transportation.

**Non-Departmental:** Items of expenditure essential to the operation of the City government that do not fall within the function of any department, or which provide for expenditures related to more than one department.

**Non-Operating Expenses:** Expenses that are not directly related to the provision of services such as debt service.

**Non-Operating Revenues:** Revenues that are generated from other sources, such as interest income, and are not directly related to service activities.

**Objective:** A specific statement about that which is to be accomplished or achieved for a particular program during the fiscal year.

**Object/Element Codes:** An expenditure category, such as salaries, supplies, or professional services.

**Obligations:** Amounts that a government may be required legally to meet from its resources; i.e., liabilities and encumbrances.

**Operating Expenses:** Appropriations for the purpose of satisfying recurring annual expenses. Examples of such expenses include salaries and wages, fringe benefits, vehicle maintenance and supplies, utilities, insurance, facility maintenance and supplies, contractual services, annual appropriation to capital improvements plan, etc. Such expenses are routine expenses associated with the operations of the business. Capital expenditures can impact the operating budget in the form of debt service payments and maintenance expenses for infrastructure additions. Additionally, some capital projects can have the effect of lowering annual operating expenses.

**Operating Budget:** The expenditure plan for continuing everyday service programs and activities. Generally, operating expenditures are made in a single fiscal year. Expenditures include personnel services, contractual services, commodities, minor capital outlay, and debt service requirements.

**Operating Transfers:** Legally authorized interfund transfers from a fund receiving revenue to the fund that is to make the expenditures.

**O & M:** Operation and Maintenance of the Water and Waste Water Systems.

**OP Ratio:** The Operating Ratio is determined by comparing the cost of the goods sold and other operating expenses with net sales. The formula used to calculate the operating ratio is  $[(\text{Cost of goods sold plus operating expenses divided by net sales})] \times 100$ . This ratio is a test of the efficiency of management in their business operation.

**Ordinance:** A formal legislative action enacted by a majority vote by the City Council. It has the effect of law within the community and it must not conflict with federal and/or state law.

**Overtime:** Extra time worked beyond an employee's normal work schedule. This can be affected by holidays, sick and annual leave.

**People:** A demographically balanced population in which all of its segments that comprise the whole are valued for their contributions, diversity, and strengths.

**Performance Pay System:** An established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

**Personnel Services:** Expenditures for salaries, wages, and fringe benefits of a government's employees.

**PIT:** Process Improvement Team.

**Planned:** Forward-thinking, innovative, and dynamic actions resulting in a sustainable, well-balanced community where the natural environment, businesses, and residential developments work in harmony resulting in an exceptionally high quality of life.

**Postemployment healthcare benefits:** Medical, dental, vision, and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

**Powell Bill Street Allocation:** Funding from state-shared gasoline tax made to incorporated municipalities which establish their eligibility and qualify as provided by General Statutes. These funds shall be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets that are the responsibility of the municipalities or for planning, construction, and maintenance of bikeways or sidewalks along public streets and highways.

**Premise:** An assumption that is a foundation or basis for submission.

**Prodigious:** Enormous, beyond capacity.

**Program:** A distinct, clearly identifiable activity, function, cost center or organizational unit.

**Property Tax:** A tax levied on the assessed value of real and personal property.

**Proprietary Funds:** Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**Public Hearing:** An open meeting of the City Council specifically for the purpose of obtaining public comment and input on a particular issue.

**Rate Stabilization Fund:** A fund created to set aside reserves in order to help smooth out anticipated annual increases in service rates.



**Regional Center:** A well planned community whose economic, cultural, and demographic strengths are such that it attracts people and business opportunities well beyond its geo-political boundaries to take advantage of its health care services, tourism, diversified employment, and entrepreneurial opportunities, and leisure and cultural offerings.

**Reserve:** An account designated for a portion of the fund balance that is to be used for a specific purpose.

**Resources:** Resources are the people, buildings, equipment, and funds required to produce a product and/or perform services.

**Retained Earnings:** An equity account reflecting the accumulated earnings of an enterprise or internal service fund

**Revenues:** Funds the government receives as income. It includes items such as tax payments, fees from certain services, fines and forfeitures, grants, shared revenue, and interest income.

**Risk Management:** An organized effort to protect a government's assets against accidental loss by the most economic method.

**SCADA:** Supervisory Control and Data Acquisition.

**Service Area:** A generic title for the grouping of departments according to common areas of service; i.e., information services.

**Special Assessments:** A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be a general benefit to the public and of special benefit to such properties.

**Special Revenue Fund:** Governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

**State Shared Revenue:** Revenues levied and collected by the State of North Carolina but shared with its localities on a predetermined method.

**Strategic Plan:** A Strategic Plan is the product of an organization's strategic planning process that defines its strategy, or direction, and making decisions on allocating resources to pursue this strategy, including its capital and people. Strategic planning is the formal consideration of an organization's future course. All strategic planning deals with at least one of three key questions: 1) what do we do?, 2) for who do we do it?, and 3) how do we excel?.

**Tax Base:** The assessed valuation of all taxable real and personal property within the City's corporate limits.

**Tax Levy:** The total amount of revenue to be raised by property (ad valorem) taxes.

**Transfers:** Amounts transferred from one fund to another fund to assist in financing the services of the recipient fund.

**Trust and Agency Fund:** Fiduciary funds which are used to account for many of the more significant amounts of resources that a government receives and holds in a trust or agency capacity for the benefit of others. Trust Funds are used if the government is acting in the capacity of a trustee. Agency funds are used to account for assets received and held by a government in an agency relationship for the benefit of others.

**Un-audited:** Accounts or numbers that have not been verified for their accuracy.

**Unencumbered Balance:** The amount of an appropriation that is neither expended nor encumbered. It is the amount of money still available for future purposes.

**Vibrant:** Robust, energetic, alive, enthusiastic, vitality.

**Work Budget:** A balanced budget prepared by the City Manager's Office and Finance Department and presented to the governing body.

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