



AGENDA

Henderson City Council Regular Virtual Meeting

Monday 14 September 2020, 6:00 p.m.

R. G. (Chick) Young, Jr. Council Chambers, Municipal Building

134 Rose Avenue

Henderson, North Carolina

Mayor and City Council Members

Mayor Eddie Ellington, Presiding

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

Councilmember Melissa Elliott
Councilmember Garry D. Daeke
Councilmember Jason A. Spriggs

City Officials

E. Terrell Blackmon, City Manager
D. Rix Edwards, City Attorney
Esther J. McCrackin, City Clerk

CALL TO ORDER

ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

OPENING REMARKS

In order to provide for the highest standards of ethical behavior and Transparency in Governance as well as provide for good and open government, the City Council has approved Core Values regarding Ethical Behavior¹ and Transparency in Governance². The Mayor now inquires as to whether any Council Member knows of any conflict of interest, or appearance of conflict, with respect to matters before the City Council. If any Council Members knows of a conflict of interest, or appearance of conflict, please state so at this time.

¹ **Core Value 4: Ethical Behavior:** We value the public trust and will perform our duties and responsibilities with the highest levels of integrity, honesty, trustworthiness and professionalism.

² **Core Value 10: Transparency in Governance:** We value transparency in the governance and operations of the City.

ADJUSTMENTS TO AND/OR APPROVAL OF THE AGENDA

APPROVAL OF MINUTES

10 August 2020 Regular Meeting
18 August 2020 Special Called Meeting
9 September 2020 Special Called Meeting

PUBLIC HEARING

CAF: 20-84 Rezoning Parkview Drive, Vance County Tax Parcels 0201 06001, 0210 06008, 0210 06009 and 0210 0610 from B-4 (Neighborhood Commercial) District to O-I (Office Institutional) District)

Requested by: Development Services Director Corey Williams

Explanation: Dave Richardson, of Carolina Commercial Contractors, LLC, on behalf of property owner Northpark Associates Inc., is requesting to rezone four parcels totaling six acres from B-4 (Neighborhood Commercial) to O-I (Office Institutional). The four parcels are located behind the Social Security Administration building, DaVita Dialysis and between Rural Health Group and Vance County Farmers Market. The O-I district allows for more of a mix and institutional office uses than the B-4 district. These current uses are not consistent with the 2030 Comprehensive Plan but will provide needed services to the welfare of the public.

Fiscal Note: The Northpark Associates Inc. development has provided essential services to the community previously and has provided a solid tax base for the City. The potential improvement to the properties through rezoning may enhance the area to its full potential.

Recommendation: The Planning Board met on August 17, 2020, and unanimously approved rezoning to go before City Council; therefore, staff recommends approving this rezoning.

Attachments: Ordinance 20-29
Planning Board Minutes
Rezoning Application
O-I Permitted Use Table
Proposed Rezoning Map
Land Use Map
Consistency Regulation
Adjacent Property Owners List

CAF 20-88 Authorizing the Submission of Community Development Block Grant Coronavirus (CDBG-CV) to the North Carolina Department of Commerce Rural Economic Development Division

Requested by: City Manager Terrell Blackmon

Explanation: The purpose of this hearing is to receive citizen input regarding the City's intent to apply for Community Development Block Grant Coronavirus (CDBG-CV) funds from the North Carolina Department of Commerce's Rural Economic Development Division (REDD). The North Carolina CDBG-CV Program is designed to help non-entitlement municipalities or counties to prepare, prevent, or respond to the health and economic impacts of COVID-19.

As noted by Governor Roy Cooper, "efforts to support families, small business, and economic recovery remain critical" during the COVID-19 pandemic. In support of these public health and economic recovery goals, North Carolina CDBG-CV Program projects must incorporate at least one of the following as an area of focus:

- Support families and communities through telehealth, support and other public services.
- Protect the most vulnerable and high-risk populations.
- Assist small businesses with economic recovery.
- Address testing, tracing, and trends.

The State has established the following funding priorities by eligible activity:

- **Public Service:** The priority in this category is subsistence payments to prevent evictions and utility disconnections. Food distribution, testing and diagnosis, and employment training for health care workers on the frontlines are also prioritized.
- **Public Facilities:** The priority in this category is broadband services and enhancing internet access that supports increased connectivity to schools, jobs and healthcare. This category also includes building rehabilitation or improvements to support activities such as repurposing buildings into patient treatment centers.
- **Economic Development:** The priority in this category is to provide financial assistance to businesses with 100 or fewer employees, including microenterprises with five or fewer employees. The focus is to support businesses that manufacture medical supplies, and to help small businesses impacted by COVID-19 create and retain jobs.

Fiscal Note: The City of Henderson has the ability to apply for up to \$900,000 in CDBG-CV funding. There is no match required by the City in order to receive this grant funding, but consideration of local funds is encouraged to enhance application competitiveness.

Recommendation: Direct staff to proceed with developing a grant request to the Department of Commerce. Further, conduct a second public hearing as required by Department of Commerce guidelines on Wednesday, September 23, 2020 at 12:00 p.m.

Attachments: Resolution 20-60

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PUBLIC COMMENT PERIOD ON AGENDA ITEMS

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NEW BUSINESS

CAF: 20-77 Authorizing an Engineering Agreement with Little Environments, PLLC in the Amount of \$25,160 for the Engineering Evaluation of Fox Pond and Rowland Pond

Requested By: City Engineer Clark Thomas

Explanation: On June 17, 2020, Henderson experienced a significant rainfall event that overtopped both Fox Pond's and Rowland Pond's dams. This rainfall was significant enough to breach Weldon's Mill Pond in the Sandy Creek Basin below Rowland Pond. The overtopping of Fox Pond Dam has led to the erosion of the earthen embankment behind Fox Pond and could potentially impact the stability of the pond. It is critical that both Fox and Rowland ponds are evaluated for stability and emergency response and maintenance plans developed for the perpetual maintenance of these facilities. It is apparent that there is a large sediment load behind each of these dams. The fact that an un-named storm overtopped the dams and eroded the embankment makes it prudent to take action before a major storm occurs.

Staff requests an engineer review the conditions created by the stormwater event to develop a stability analysis, an Emergency Action and Maintenance Plan along

³ **Citizen Comment Guidelines for Agenda Items**

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- 2) Comments should be presented in a civil manner and be non-personal in nature, fact-based and issue oriented. Except for the public hearing comment period, citizens must speak for themselves during the public comment periods;
- 3) Citizens may not yield their time to another person;
- 4) Topics requiring further investigation will be referred to the appropriate city official, Council Committee or agency and may, if in order, be scheduled for a future meeting agenda;
- 5) Individual personnel issues are confidential by law and will not be discussed. Complaints relative to specific individuals are to be directed to the City Manager;
- 6) Comments involving matters related to an on-going police investigative matter and/or the court system will not be permitted; and
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with a Breach Analysis. The results of this study could lead to additional actions including engineering design and construction.

Fiscal Note: The cost to perform the Engineering Investigations is as follows:
Fox Pond - \$12,580
Rowland Pond - \$ 12,580

Recommendation: Approve the engineering evaluation

Attachments: Resolution 20-51
Ordinance 20-27
Fox Pond Dam Proposal
Rowland Dam Proposal

CAF 20-87 Authorizing the Sale of Two Parcels of City Owned Land Located at 427-425 South Garnett Street, Recorded in Vance County Tax Deed Book 1346, Page 1154, Further Identified as PIN #0002 05008 and 0002-05008-A Respectively and to Advertise for Upset Bids Per North Carolina General Statute 160A-269

Requested By: Assistant City Manager Paylor Spruill

Explanation: The Land Planning Committee met on September 3, 2020, to consider an offer to purchase 427-425 S. Garnett Street by Nelson Hernandez, (Dez Investments Properties, LLC). Although this offer does not meet Council's requirement of 40% of the tax value, it was felt the Committee of the Whole should be appraised of the offer.

If approved, this offer will go to the County as the property is City/County owned and the County Clerk will begin the upset bid process if approved by the County Commissioners.

Fiscal Note: Will add to the tax base.

Recommendation: Staff recommends selling these properties via the upset bid process.

Attachments: Resolution 20-59
Offer to Purchase
Property Deed
Tax Card

CONSENT AGENDA

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

CAF 20-86 Ratifying a Letter of Engagement between the City of Henderson and Nelson Price & Associates, P.A., for Audit Activity to Comply with Yellow Book Requirements for the Annual Audit for Fiscal Year 2019-2020.

Requested by: Finance Director Joey Fuqua

Explanation: Auditors have historically assisted most government entities in writing up their financial statements and preparing many of the year-end adjusting entries as part of the audit process. Based on the new official guide on audit standards produced by the U.S. Government Accountability Office referred to as the “Yellow Book,” auditors will not be able to provide those non-attest services. The idea around this change is that if the auditor must make significant adjustments to correct the general ledger, and then the auditor prepares the financial statements, it creates an issue in maintaining independence. It would appear to an outside party that the auditor is auditing his/her own work, and that management and finance are not taking ownership of their financial statements. Therefore, the City will need to ensure that our books are accurate, only requiring the auditor to make minimal amounts of adjustments (if any).

To address this new requirement, the City needs to establish a relationship with a 3rd party auditor who will generate the City’s financial statements and adjusting entries to satisfy the primary auditor’s independence mandate. The City of Henderson has secured an agreement with Nelson Price & Associates, P.A. of Lumberton, N.C. to comply with the Yellow Book directive as described in the attached engagement letter.

Fiscal Note: Appropriated funds have been established in the City’s FY 20-21 budget to accommodate expenses related to the 3rd party auditors named in the engagement letter. Expenses are estimated to be \$3,500.

Recommendation: Staff recommends that Council ratify the attached engagement letter in order for the City to proceed with completion of the FY 19-20 annual audit.

Attachment: Resolution 20-58
Letter of Engagement

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CAF 20-89 Approving Financing Terms between the City of Henderson and First Citizens Bank and Refinancing Terms with Benchmark Community Bank

Requested by: Finance Director Joey Fuqua

Explanation: The Finance Department received quotes from three (3) banking institutions (1 no-bid) that participated in municipal financing for the purchase of the below-referenced equipment. The City Council approved the purchase of this equipment in the FY 21 budget adopted on June 8, 2020. The projected budget amount for the equipment loan total was \$1,666,990. However, quotes received for approved equipment total \$1,568,357, providing a savings of \$98,028. The lowest bid was from First Citizens Bank at 1.38%. The quoted interest rates were as follows:

5-Year Lease/Purchase Rate

First Citizens Bank	1.38%
Benchmark Community Bank	1.99%
Touchstone Bank	2.25%
SunTrust Bank	No bid

Due to the low interest rate environment, bids were solicited as an opportunity to refinance our current capital loans. Benchmark Community Bank provided a bid at 1.99% interest which would apply to current outstanding loan principle and interest amounting to \$1,005,361 thus saving the City over \$15,000.

As approved in the FY 21 budget, the items listed for the general fund would not require a payment until after July 1, 2022.

The items to be purchased are listed below:

Department	Capital Equipment	Budgeted Amount	Actual Cost	Variance	FY2021 Payments	FY2022 Payments
General Fund						
Fire Dept.	Radios, SCBA, PPE Ext., Drone	\$266,000	\$247,548	\$18,452	0	\$52,093.11
Police Dept.	6 Sedans, Radios, Guns	\$335,200	\$307,400	\$27,800	0	\$65,116.40
Street Dept.	Dump Truck, Mower, Saw, 2 Trucks	\$201,000	\$199,059	\$1,941	0	\$42,325.66
Garage Dept.	Air Lines/Hose, AC Machine	\$30,500	\$27,379	\$3,121	0	\$6,511.64
Sanitation Dept.	Garbage Truck	\$210,000	\$185,985	\$24,015	0	\$39,069.84
Aquatics	Dectron Unit	\$398,590	\$398,985	0	0	\$78,139.68
Water Fund						
Water Dept.	Excavator, Trailer, Mini Excavator, Track Loader, Saw, Dump Truck	\$225,700	\$202,001	\$23,699	0	\$42,325.66
	Totals	\$1,666,990	\$1,568,357	\$98,028	0	\$325,581.99

Fiscal Note: Capital outlay items have been approved in the FY 21 budget to be acquired through competitive bids from a variety of banks.

Recommendation: Staff recommends that Council approve the lowest bid submitted from First Citizens Bank for the purchase of the approved capital outlay and approve the refinancing bid from Benchmark Community Bank.

Attachments: Resolution 20-61

CAF: 20-82 Tax Releases and Refunds for the Month of July 2020

Requested By: Finance Director Joey Fuqua

Explanation: The Vance County Tax office submitted the following tax releases and refunds to the Finance Department for the month of July 2020. These records are found to be in order and are being recommended for approval.

Fiscal Note: (See next page)

July 2020 Tax Releases & Refunds

Name	Reason	Tax Year	Amount
Real & Personal Property Releases			
Anstead, William	Grant Exempt	2020	\$ 385.88
Ayscue, Wade	Grant Exempt	2020	\$ 444.62
Beckham, Timothy	Grant Exempt	2020	\$ 1,644.48
Bulock, David	Grant Exempt	2020	\$ 478.32
Evans, Kenneth	Grant Exempt	2020	\$ 440.55
Hernandez, Martha	Grant Exempt	2020	\$ 329.03
Leyen, Terry	Grant Exempt	2020	\$ 440.55
Moss, Kevin	Corrected Value	2020	\$ 23.96
Norwood, Teresa	Grant Exempt	2020	\$ 244.75
Sossamon Funeral Home	Corrected Value	2020	\$ 221.34
Real & Personal Property Releases - Total			\$ 4,653.48
Real & Personal Property Refunds			
			\$ -
Real & Personal Property Refunds - Total			\$ -
Audit Discoveries			
Miscellaneous	Gap Bill Discovery	2020	\$ 1,853.77
Miscellaneous	Real & Personal Discoveries	2020	\$ 3,988.65
Audit Discoveries - Total			\$ 5,842.42
Total Refunds, Releases, & Discoveries			\$ 10,495.90

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⁴ Citizen Comment Guidelines for Non-Agenda Items

REPORTS

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

OTHER

CAF 20-85 Authorizing the Appointment of _____ to Fill the Vacant Unexpired Ward 4 Ward Seat of Former City Council Member Fearldine A. Simmons

Requested By: City Manager Terrell Blackmon

Explanation: Council previously approved the protocol and procedure for filling the unexpired term of Mrs. Fearldine A. Simmons. Notice was made for those interested to submit a Letter of Interest to the City Clerk no later than 5:00 p.m. on Friday, September 4, 2020.

Council then met on Wednesday, September 9, 2020, to review the next step in filling the vacant unexpired Ward 4 Ward Seat. During that meeting, the consensus was to ask each candidate to make a brief presentation to Council during the September 14, 2020, Council Meeting. Following the presentations, Council will appoint an individual to fill the vacant Ward 4 Ward Seat. The individual selected will be sworn in during the October 12, 2020, Regularly Scheduled meeting.

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Fiscal Note: None.

Recommendation: Select a individual to fill the Ward 4 Ward Seat.

Attachments: Resolution 20-57

ADJOURNMENT