CITY OF HENDERSON, NORTH CAROLINA

FY 2010-11

WORK BUDGET

Prepared by

The City Manager's Office
& Finance Department

26 April 2010

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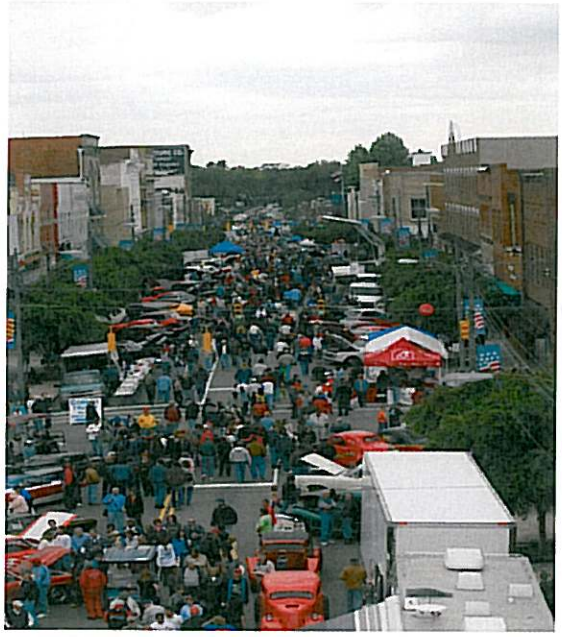
City of
Henderson, North Carolina

The objective of a community is not merely to survive, but to progress, to go forward into an ever-increasing enjoyment of the blessings conferred by the rich resources of this nation under the benefaction of the Supreme Being for the benefit of all the people of that community.

If a well governed city were to confine its governmental functions merely to the task of assuring survival, if it were to do nothing but to provide "basic services" for an animal survival, it would be a city without parks, swimming pools, zoo, baseball diamonds, football gridirons and playgrounds for children. Such a city would be a dreary city indeed. As man cannot live by bread alone, a city cannot endure on cement, asphalt and sewer pipes alone. A city must have a municipal spirit beyond its physical properties, it must be alive with an esprit de corps, its personality must be such that visitors—both business and tourist—are attracted to the city, pleased by it and wish to return to it. That personality must be one to which the population contributes by mass participation in activities identified with that city. (This quote is from the concurring opinion of Justice Musmanno in *Conrad v. City of Pittsburgh*, 218 A.2d 906, 421 Pa. 492 (1966)).



Downtown Henderson
"Show, Shine, Shag & Dine – Antique Car Show"

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City of
Henderson, North Carolina

Mayor and City Council

James D. O'Geary
Mayor

Lonnie Davis, Jr.
Sara M. Coffey
Garry D. Daeke
George M. Daye
Mary Emma Evans
Michael C. Inscoe
Brenda G. Peace
D. Michael Rainey

Leadership Team

A. Ray Griffin, Jr.
City Manager

Frank Frazier, Assistant City Manager
Cathy Brown, Human Resources Manager
Erris Dunston, Planning & Community Development Dir.
Alan Gill, Parks & Recreation Director
Pamela Glover, City Clerk
Linda Leyen, Public Works Director
Christy Lipscomb, Kerr Lake Regional Water Plant Mgr.
Andy Perkinson, Public Utilities Supervisor
Keith Sidwell, Police Chief
Tom Spain, Henderson Water Reclamation Facility Dir.
Danny Wilkerson, Fire Chief
Sandra Wilkerson, Finance Director
Corey Williams, Code Compliance Director
John H. Zollicoffer, Jr., City Attorney
Vacant, Special Projects Manager

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City of
Henderson, North Carolina

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.

MOTTO

Progress, Potential, Pride

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CITY OF HENDERSON

Updated: April 1, 2010

Mayor and City Council

Mayor James D. "Pete" O'Geary

Mary Emma Evans
Sara M. Coffey
Garry Daeke
Michael C. Inscoe
George M. Daye
Brenda G. Peace
Lonnie Davis Jr.
D. Michael Rainey

City Clerk
Pamela E. Glover

City Attorney
John H. Zollicoffer, Jr.

City Manager
Ray Griffin

Executive Assistant
Beverly Jackson

Assistant City Manager
Frank Frazier

Finance
Sandra Wilkerson
- Budget
- Rev Collection
- Customer Service
- Cash Management
- Payroll
- Accounting
- Business License

Human Resources
Cathy Brown
- Recruitment
- Orientation
- Evaluation
- Employee Relations
- Benefits Adm.
- Risk Management

Police
Keith Sidwell
- Administration
- Patrol/ Drug Enforcement

Code Compliance
Corey Williams
- Code Enforcement
- Minimum Housing
- Abandoned Structures

Planning & C.D.
Erris Dunston
- Long/Short Range Planning
- CDBG Housing
- Main Street

Water Reclamation
Tom Spain
- Treatment
- Testing
- Monitoring
- I & I

Engineering
Vacant
- Surveying
- Mapping
- Construction Mgmt/Eng services
- Public Buildings

Special Projects
Vacant

Recreation & Parks
W.Alan Gill
- Adult/Youth Activities
- Sr. Citizens Programs
- Cultural Arts
- Grounds Maintenance
- Weed & Seed
- Aquatics
- Youth Services

Fire & Rescue
Danny Wilkerson
- Suppression
- Rescue
- Training
- Fire Protection
- Inspection

Water Distribution & Sewer Collection
Andy Perkinson
- Distribution
- Collection
- Training
- Meter Reading

Regional Water
Christy Lipscomb
- Treatment
- Testing
- Monitoring

Public Works
Linda Leyen
- Fleet Maintenance
- Street
- Sanitation
- Cemetery
- Grounds Maintenance

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FY 2010—2011 BUDGET MESSAGE

26 April 2010

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

FR: Ray Griffin, City Manager

RE: Council Action Form: CAF: 10—59
Consideration of FY 10—11 Work Budget

Ladies and Gentlemen:

In accordance with the Henderson City Charter and the Statutes of the State of North Carolina, the FY 10—11 Work Budget is herewith submitted to the City Council for its review, deliberation, amendments and adjustments as deemed appropriate, and adoption prior to 1 July. The City Administration looks forward to working with the Council on the Budget over the next several weeks and helping it to achieve a spending plan that addresses the needs and aspirations of both the community and municipal organization.

OVERVIEW

I am honored to work with a progressive, forward thinking Council and organization. The recent amendments to the Strategic Plan continues to help focus the priorities of the City in order to address critical issues and opportunities. The challenges facing the City are legion as are the opportunities for growth and prosperity. While, during difficult times, it is easier to see the "glass as half-empty," it is critical that City leadership and community leadership work hard towards focusing on the "glass as half-full" and to help focus on achieving the objectives and goals of the Strategic Plan. *(Please refer to Appendix B to review the Strategic Plan)*

BASIS FOR THE BUDGET

The annual budget is arguably the single most important policy document that a governing body will deliberate and adopt in any given fiscal year. The second most important policy document is the Strategic Plan. When aligned, both combine to form a powerful public policy focus in leading the community and City forward as it addresses critical Key Strategic Objectives and operational needs and initiatives. To that end, the Work Budget has considered the Strategic Plan as a major guide in developing the budget and identifying critical gaps in funding. The extent to which the Work Budget addresses the Strategic Plan's Key Strategic Objectives and related Action Plans is addressed in *Attachment No. 2* to the Budget Message.

State law requires that 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. Thus, a balanced budget has been produced for Council's review; however, in the process of balancing, many justified and warranted initiatives and needs have not been recommended for funding due to very limited resources. In this case, the unfunded critical initiatives have been identified as *budgetary gaps* and prioritized later in this Budget Message. *(See Budgetary Gaps, Attachment No. 1* to the Budget Message.)

Without a doubt, the recommended FY10—11 Budget does not meet the needs of either the city or the municipal organization due to the extremely constrained revenues environment in which the City finds itself. It is hoped that a conversation about the merits of funding some of the most important *budgetary gaps* can be had during the several scheduled budget work sessions.

FY11: A MOST DIFFICULT RECESSIONAY BUDGET YEAR

Development of the FY11 Budget vis-à-vis the context of the ongoing Recession and the continuing negative impacts of the loss of the region's traditional economic base has been most difficult. Last year's budget was difficult enough; however, this year's budget is even worse. Key revenues are down and expenditure requirements are up, particularly in the General Fund. Henderson is no different from other communities, or the State of North Carolina, as localities struggle to develop a balanced budget.

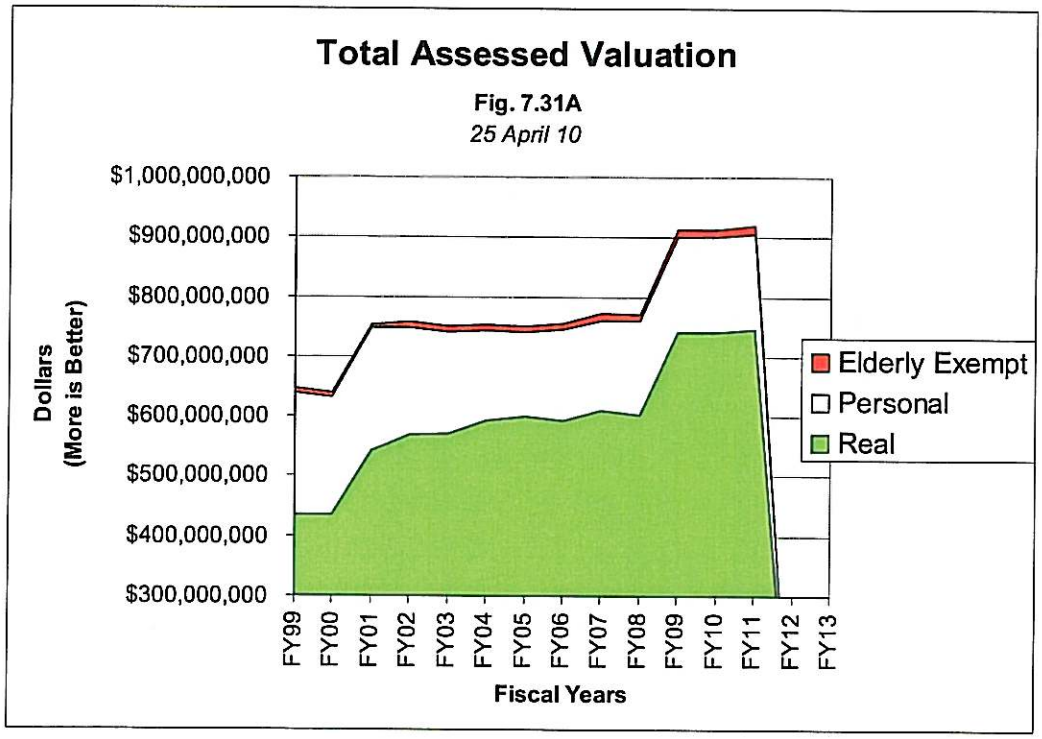
While best estimates have been utilized to forecast the revenues, there are several *wildcards* that remain in-play that could further deteriorate the FY11 budgetary situation. These *wildcards* are as follows: 1) the continuing effects of the Recession, therefore further reducing sales tax revenues, as we have noted with dismay during the current fiscal year, and continued excessive unemployment, currently in excess of 14%; and 2) the State of North Carolina, through Executive or Legislative actions, could affect distribution of State-Shared revenues. I am pleased to report; however, that Governor Perdue's Recommended FY11 Budget does not propose any reductions in State-Shared Revenues. Indeed, she has recommended that the Beer/Wine tax distributions be restored, thus providing for a positive revenue growth of approximately $46,000.

Even though recessions have the effect of reducing income available to individuals, businesses and local governments, the need to provide services does not reduce for local government. Indeed, the demand for services increases. To further exacerbate this problem, Federal and State mandates, both funded and unfunded, do not provide for time extensions to meet deadlines. For instance, the Federal Government has now mandated health insurance programs provide enhanced mental health provisions to all insured participants. This is not

optional. In a year when the City's workforce has experienced its best performance in ages with its health insurance utilization, the rate will increase by 0.07% to accommodate this new Federal mandate. In other words, the demand for services and regulatory compliance continues to increase.

The City's ability to cope with the impacts of the Recession are somewhat strained given its efforts to deal with negative financial impacts over the past several years, or as described by former Interim City Manager Ed Wyatt, *the Period of Austerity*. Upon the official entry into the Recession in Fall 2008 and hearing concerns expressed by other localities, one senior member of the Henderson City Administration commented, "Welcome to the club! We've been in the Recession mode for the past five years." In reality, Henderson has been in the recessionary mode since 2001.

Since the 2001 Recession, the City's tax base has actually shrunk in two of eight years due to the loss of the traditional business and industrial bases. The assessed value has been essentially flat for the past eight years. The assessed value actually reduced from prior year in Fiscal Years 02, 03 and 05. The increases in FY01 and FY08 reflect the octennial reevaluation. *(See Graph, below)* The tax base growth for FY11 is estimated to be essentially flat.



Henderson has essentially funded services by appropriating increasing amounts from the undesignated fund balance, increasing the sanitation fee, not funding and/or freezing positions, and not keeping the pay classification system up-to-date and competitive with surrounding jurisdictions. There is a strong correlation between the severe drawdown of the undesignated fund balance between FY00 and FY06 and the reduction in staffing levels, operational and capital expenditures since that time—FY06—FY11.

The Department Directors were requested to develop conservative, constrained budgets for FY11. I was very impressed with the manner in which their budgets were developed and requests for funding were indeed constrained. Expansion funding generally was requested for maintenance and repair of equipment, several new staff positions and/or merely funding or *un-freezing* previously authorized but un-funded positions, or new capital items. While Recessions and tough economic times do limit available resources, they do not limit the public's call for services and increased dependency upon city governmental programs.

RESPONDING TO THE BUDGET CRISIS AND PREPARING FOR THE FUTURE

There are basically three ways in which the City of Henderson can effectively affect in a positive manner the negative effects of this Recession, the loss of revenues and the loss of its traditional economic base. The first way is to embrace and fully implement Performance Excellence throughout the organization. The second way is to grow and re-develop its economic base through aggressive, focused economic development efforts. The third way is to reasonably increase revenues to keep operations at reasonable operational levels by implementing tax and rate increases.

Funding has been provided in the Work Budget for continued training of the Department Directors and staff in the High Performance Organization (HPO) and Malcom Baldrige Quality Management Criteria. The former provides the theoretical basis for systematic improvement within an organization while the latter provides the implementing tools to restructure the organizational culture to one of high performance and quality management. The effects of this training is to develop systematic approaches to achieve effective process improvements in the way the City conducts its business and delivers services.

As the City begins its Performance Excellence journey, City Administration will be focusing on efforts to identify savings, or efficiencies in the following areas:

1. Recurring savings due to changes in the processes that are used to deliver services by achieving increased productivity; and

2. One-time savings due to the improvement in processes that do not yield recurring savings, but do yield improved effectiveness of service and time efficiencies.

Performance Excellence is a multi-year journey that truly never ends. It is a cultural mind-set that utilizes systematic, data-based processes to improve efficiency, improve service to citizens and customers and creates and sustains a culture of continuous, fact-based decision making and improvement. One should not imagine that such a process can produce all of the desired results overnight or even in a few years. It is a continuous learning process that builds upon itself. The old saying that "success builds success" is absolutely true with the Performance Excellence process.

The City Council's adoption of City Mission and Purpose statements and eight (8) Key Strategic Objectives provides a strong foundation for the implementation of HPO and Performance Excellence. Two of the Key Strategic Objectives, *Implement Performance Excellence* and *Enhanced Economic Development* are supported by training and process improvements underway and continuing in the new budget year as well as re-establishing the economic development partnership with Vance County. *(See Appendix B)*

TOTAL BUDGET

The total City budget is comprised of four (4) primary funds and numerous smaller funds. The primary funds include General, Water, Wastewater and Regional Water System. The smaller supporting funds include Powell Bill, Elmwood Cemetery, LEO Separation, Public Library and capital reserve funds. Many of the smaller funds are *transferred-in* to the four primary funds and thus become inter-fund transfers.

Without a doubt, the FY11 Work Budget does not begin to meet the needs of the municipal organization needs as funded by the General Fund. As previously stated, the constriction in the local economy prior to the Recession and then current and on-going recessionary impacts have served to seriously reduce economic growth and therefore reduce the revenue stream. At the end of the Budget Message, a summary on unfunded initiatives and needs are provided in *Attachment No. 1.* The reader is encouraged to review this attachment carefully as it helps put the overall context of the Work Budget into perspective.

The General Fund was balanced with a four (4) cents property tax increase and a 50 cents monthly sanitation fee increase. Balancing was also achieved through continued un-funding, or *freezing*, of authorized positions, reduced spending for operations and capital outlay, no salary increases and appropriating from the undesignated fund balance. Please refer to the General Fund section of the Budget Message for more information.

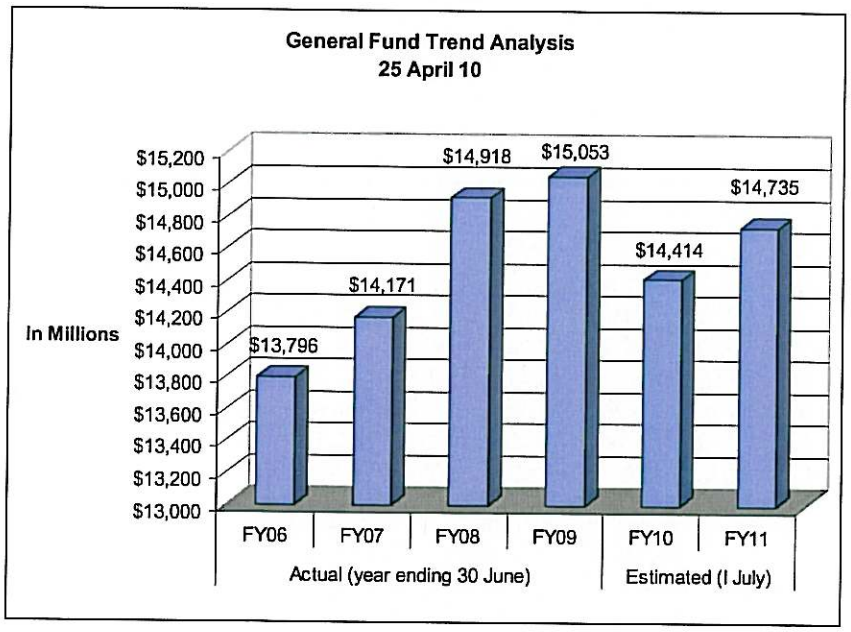
The Water and Sewer funds were balanced with rate increases of 5% and 3%; respectively. These increases are critical in order for the City to remain in compliance with environmental regulations and to pay for the increased costs of purchasing potable water from the Kerr Lake Regional Water, utilities, chemicals and supplies, and implementation of important capital improvement projects, etc. Please refer to the Water Fund and Sewer Fund sections of the Budget Message for more information.

The Regional Water Fund was balanced with a 5% rate increase. This increase is necessary to cover the increased costs of chemicals, utilities, other operational costs and funding for a capital reserve for the planned expansion of the water treatment facility. Please refer to the Regional Water Fund section of the Budget Message for more information.

The total recommended budget, not adjusted for inter-fund transfers, is $30,056,499, which is less than the FY08 Budget of $30,075,713 and slightly more than the FY10 Budget of $29,492,674. The reader is directed to review the Total Budget summary section of the budget document for additional information.

GENERAL FUND

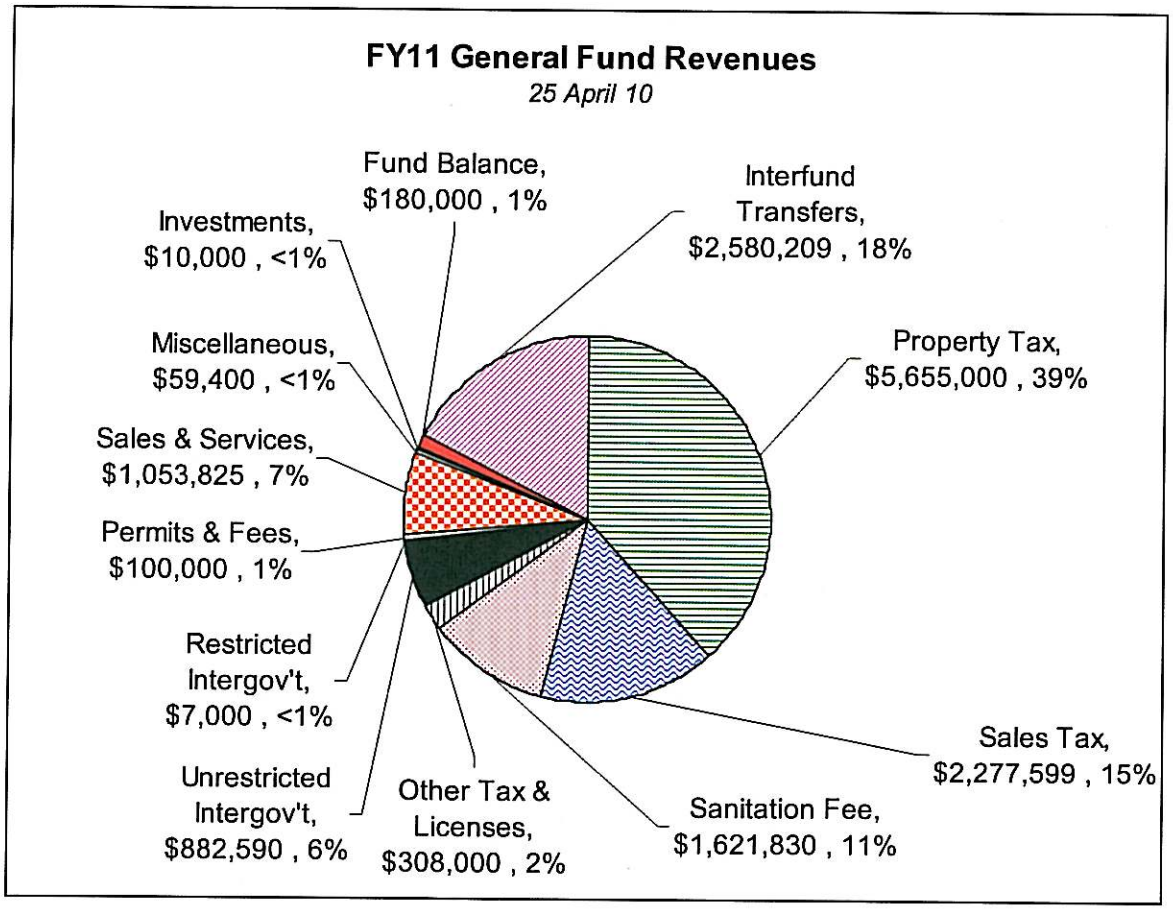
The General Fund is arguably the most difficult fund to balance because it is the workhorse fund of the municipal operations. It is the least able to pay for its own services due to the manner in which general fund revenues are historically structured and authorized. It literally provides financing for most services that touch citizens and customers on a daily basis, including public safety services of police, fire, E-911, sanitation, streets, recreation, public library, planning and zoning and general administration. The recommended General Fund budget is $14,735,652. This is less than Fiscal Years 08 and 09. *Please refer to the following graph.*



The property tax, both real and personal, is the single largest revenue source for the fund and comprises 39% of the total projected revenues. The sales tax, an extremely volatile revenue source that is totally dependent on the strength of the economy comprises 15% of the fund's budget. The Sanitation Fee, comprises 11%, undesignated Fund Balance appropriation comprises 1% and inter-fund transfers comprise 18%.

There are several driving factors which have had impacts on the FY11 Recommended Budget. Please refer to the table on the following page:

Federal/State Asset Forfeiture	Rev	$	(304,570)
Sales Tax	Rev	$	(97,013)
Tax Revenues Decrease due to Lower Collection Rate	Rev	$	(60,000)
Investments	Rev	$	(50,000)
Embassy	Rev	$	(27,550)
Old Ops Center Rental	Rev	$	(7,200)
NCDOT Mowing Contract	Rev	$	7,000
Solid Waste Tax from State	Rev	$	11,100
Tax Revenue due to Increased Tax Base	Rev	$	26,950
Sanitation Fee Increase	Rev	$	32,000
Beer/Wine from State	Rev	$	46,000
Privilege License	Rev	$	170,000
Fund Balance	Rev	$	180,000
4 cents Tax Increase	Rev	$	335,400
Revenue Variance		$	262,117
Rollins School Storm Drain	Exp	$	14,000
HR Secretary	Exp	$	16,200
EDC Grant Match	Exp	$	20,000
Legal Services	Exp	$	23,000
City Hall Debt Service	Exp	$	32,750
Assistant Finance Director	Exp	$	55,000
Economic Development Commission	Exp	$	60,000
Public Building Roof Repair	Exp	$	65,000
Retirement	Exp	$	81,380
Sanitation	Exp	$	130,000
		$	483,330
Variance		$	(221,213)

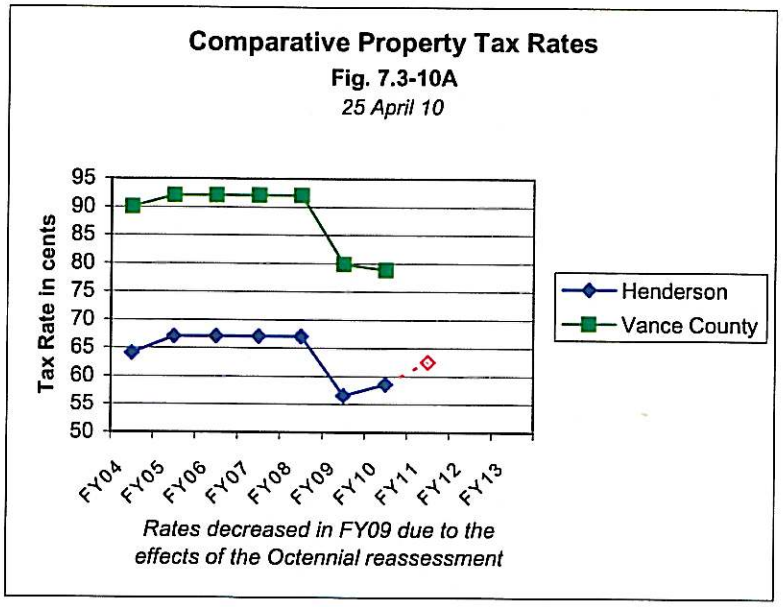


A trend analysis of the property tax, sales taxes and fund balance as a percentage of total General Fund budget reveals the following information:

- Current Year Property Tax has increased from 33.0% of budget in FY07 to 39% in FY11.
- Sales Taxes have reduced from 17.1% of budget in FY07 to 15% in FY11.
- Undesignated Fund Balance contribution as a financing source has increased from 0.00% in FY07 to 1% in FY11.

A penny on the tax rate yields $83,850. This is less than the $84,300 in FY10 due to the reduced tax collection rate dropping from 93.2% to 92.1%. State law prohibits localities from using a tax collection rate larger than the previous year's collection rate.

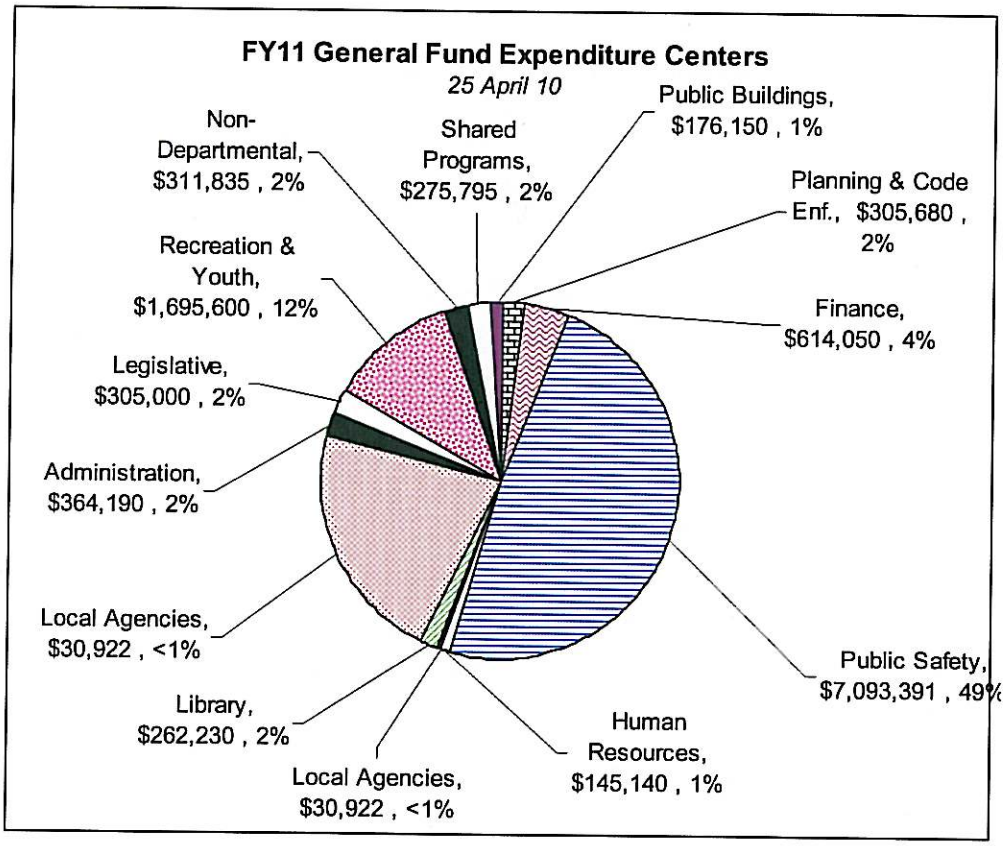
The tax rate has been fairly stable over the past number of years. The rate was reduced in FY08 year from 67 cents to 56.6 cents as a result of reevaluation. Rates are adjusted downward during the year of reevaluation of the tax base. The rate increased 2 cents in FY10 and is recommended for a 4 cents increase in FY11. The following graph shows the tax rate trend for the City.



A penny increase on the tax rate results in an increased tax burden for property owners. A matrix showing the amount of increased property tax burden based on valuations of property is provided in *Attachment No. 4 to the Budget Message.*

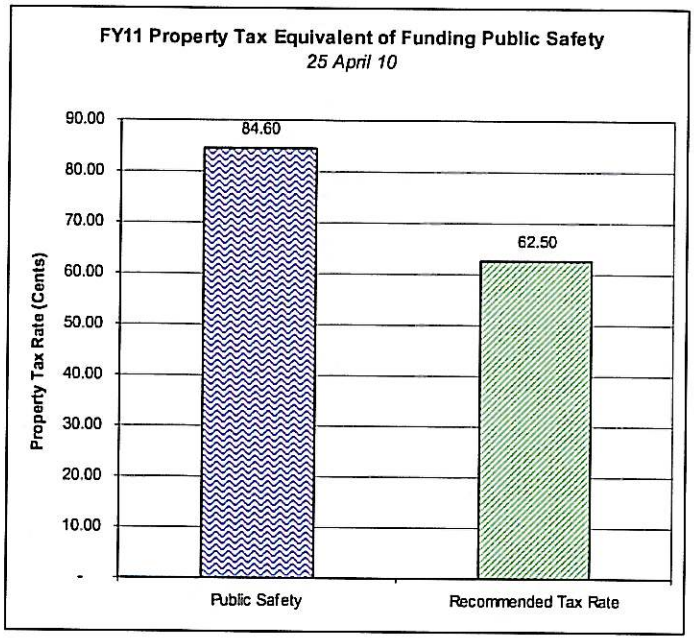
The second largest revenue producer for the City is the sanitation fee. Each one dollar ($1.00) increase in the fee yields approximately $63,400. In order to balance the sanitation services budget, an increase of 50 cents per customer per month is recommended.

The General Fund services, and their respective percentages of the whole, are described in the following pie chart.



The single largest expenditure is for public safety. Comprising 49% of total General Fund expenditures, or $7,093,391, public safety includes the Police, Fire and Emergency 911 departments. Public safety is a critical service of the City and responds to the need to reduce crime and provide for a safer city. Key Strategic Objective 2 addresses the need to reduce crime. *(See Appendix B)*

It is instructive to note that the current year property tax does not even come close to financing these basic public safety services. The following graphs reveal that the property tax will provide only $4.79M of the estimated $7.52M to provide Police, Fire and E-911 services. The property tax would have to increase from its current rate of 58.5 cents to 89.2 cents in order to completely pay for public safety services. There is a common misunderstanding that the property tax pays for all city services. The graphs on the following page reveal that this is simply not the case.

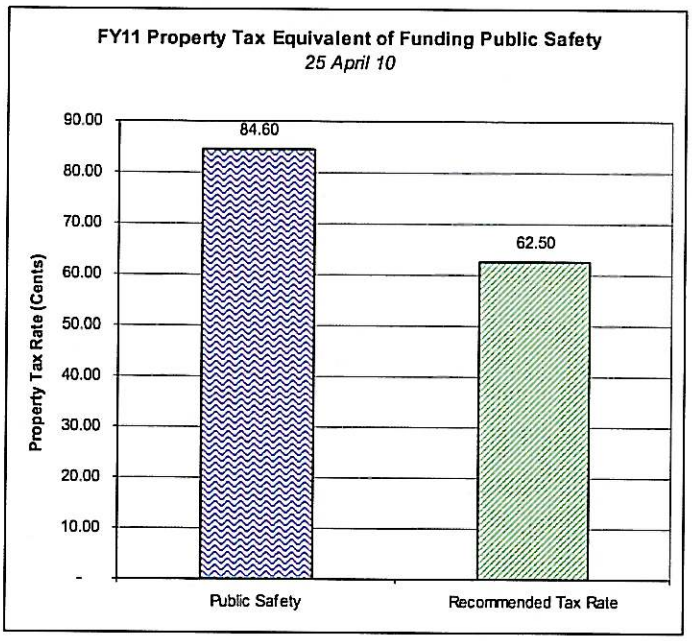


General Fund Revenues

The FY11 Work Budget is balanced with a recommended 4 cents tax increase and a 50 cents per month increase in the sanitation fee. It also draws upon the undesignated fund balance for $180,000. The FY11 revenue stream is seriously and negatively affected by several primary factors. These primary factors account for approximately $691,000 in less revenues in FY10 than in FY08. $691,000 is equivalent to about 8.2 cents on the property tax rate. These factors are summarized below and exhibited in a bar chart at the end of the following summary:

1. Property Tax Revenues are Down. The tax base is not growing due to the economic recession. The current year Property tax for FY11 is estimated to be $5,270,000. The estimated revenue is based on a reduced collection rate from 93.2% to 92.1% due to the estimated FY09 collection rate of 92.1%. The current year property tax comprises 39% of the General Fund budget. This reduction in the collection rate cost the General Fund $60,000 in revenues.

   The tax collection rate has been decreasing over the past several years. Conversations have been had with the County regarding the City's desire for increased collections efforts. The following graph reflects the property tax collection rate over the past several years:



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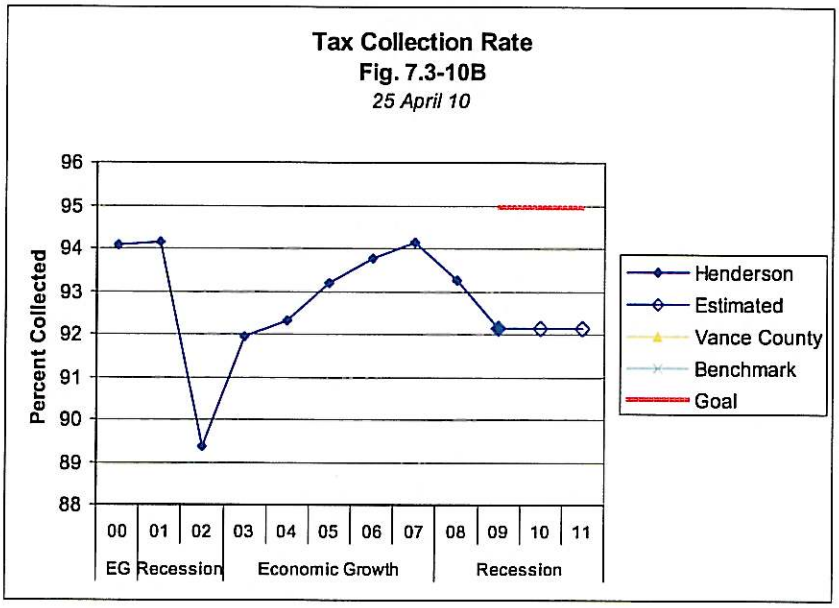
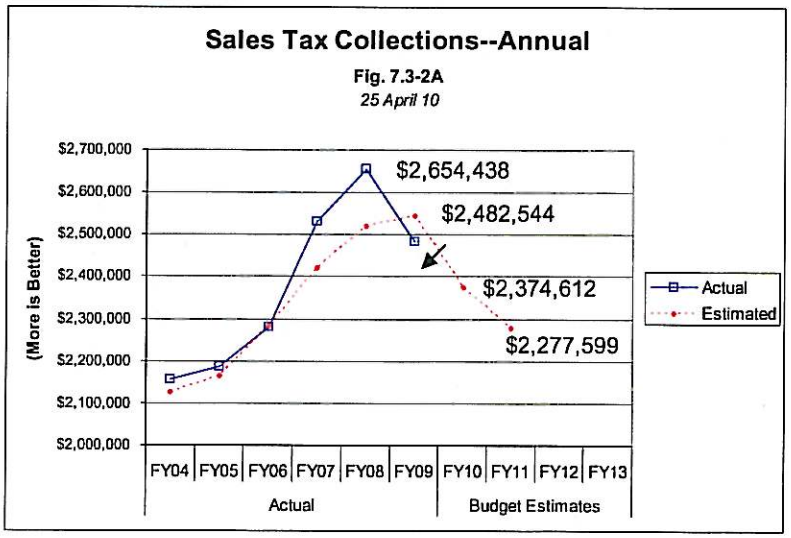


2. Sales Tax Revenues are Down. The sales taxes are estimated to be $2,277,599. The FY10 Budget estimated a collection rate of $2,374,612 which has been revised down by about $175,000. Sales tax collections are estimated to comprise about 15% of the General Fund budget, down from 16.1% last year. If the FY08 trend line had continued, the City would have approximately $400,000 to $700,000 more in revenues than it now does.



3. Investments Income is Down. The investment earnings are down significantly from prior year and reflect the volatility of the financial markets and the Recession. Revenues for FY10 are estimated to be $10,000. At the beginning of FY09, investment income was estimated to be $138,900 and the City earned $160,651 in investment income in FY08.

4. Federal & State Asset Forfeiture is Down. These highly restricted funds can only be used for certain expenditures within the Police Department. The ability to have these funds available has enabled the Department to acquire much needed equipment, supplies, vehicles, etc. Thus, these funds have been providing for things that the Department otherwise could not have received during this period of austerity. These funds are down by $304,570 in FY11.

Undesignated Fund Balance

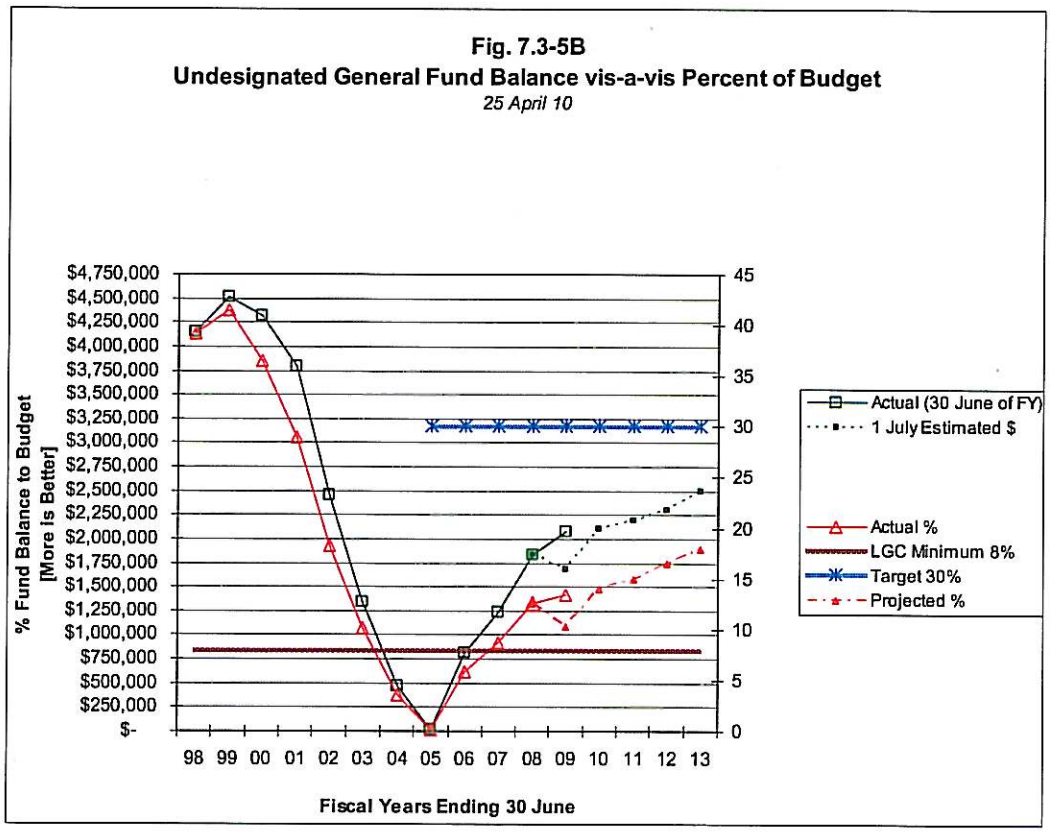
An organization's undesignated fund balance is critical for two fundamental reasons. First, it serves as a rainy day fund to provide one-time appropriations to assist with grant matches, capital needs and, as is the case with the FY11 Budget, helping fill the funding shortfall during economic downturns. 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 dropped from $4.5M, or 41.3% in FY00 to $22,268, or 0.16% in FY06. At the end of FY08, the fund balance had recovered to 13.8%, or $2.1M. City Council, in 2006, adopted a fund balance growth policy in response to a LGC letter citing the City for falling underneath the acceptable threshold. The policy calls for an increase in the fund balance by 3% per year. Most regrettably, the Work Budget reverses this growth trend in order to balance the budget and with the recessionary pressures on the general revenue stream, it is not likely that the City will experience the 3% growth as desired.

When there are more expenses than available revenues, which is generally the case year-after-year, two things must happen. Expenditure requests must be reduced and/or revenues must grow through fee and tax increases. When revenue growth cannot occur in this manner and expenditures cannot be further reduced, the only remaining source of revenue is to appropriate from the undesignated fund balance. The City has been too dependent on the undesignated fund balance as a means to balance the General Fund.

Unfortunately, the FY11 Budget is still too dependent on the undesignated fund balance. The alternative to this would be to further increase the property tax and/or *draconian cuts* in the operating budgets. The former was not recommended due to the depth of the current Recession

and the latter unacceptable since the City has already been operating below reasonable staffing and funding levels for the past five (5) budget years. Consequently, the FY11 Work Budget recommends appropriation of $180,000 from the undesignated fund balance, comprising 1% of the General Fund budget. This appropriation has a property tax rate value of 2.15 cents.



General Fund Expenditures

The General Fund expenditures, on the other hand, are strained from six years of reduced allocations resulting in insufficient funding for capital outlay and equipment, adequate staffing levels and program expansion in needed areas including recreation services, library operating hours, more aggressive code enforcement, information technology and planning.

The Department Directors were conservative in their FY11 budget requests. Their requests basically reflected flat operating expenses except where critical needs existed. Such needs generally manifested themselves in maintenance and repair of equipment and

infrastructure, funding *frozen* positions and new positions, 2009 municipal elections, and increases in the costs of utilities and supplies.

It is unclear, at this writing, what Vance County's funding levels will be for the several joint programs and how that may affect City appropriations to Recreation programming, Library and E-911, elections and Tax Office. The County Manager has requested his department directors to submit two budgets with 5% reductions. These reductions will affect the following budgets: Recreation, Library, and E-911 Emergency Services.

Major New Initiatives

Several major new initiatives in the General fund are provided for in the new fiscal year and are summarized below:

- Cemetery Privatization: At Council's request at its meeting in March, City Administration has advertised a RFP for privatizing cemetery maintenance services. This matter will be further reviewed during the budget review sessions.

- Sanitation Privatization: In order to improve service and reduce costs, negotiations are currently underway with Waste Industries, Inc. for household sanitation services. This matter will be further reviewed during the budget review sessions.

- Fire Department 800 Mhz Radios: A lease-purchase plan has been recommended for the acquisition of 800 mhz radios for the Fire Department.

Capital Expenditures

The General Fund does not provide for a dedicated funding source for major capital improvements. Rather, a list of capital needs are traditionally provided for information purposes. Most are not funded. The severe revenue constraints of the FY11 budget prevent development of a funding source for the Capital Improvements Plan (CIP) or for very many capital and/or equipment purchases. The limited funding is provided for vehicles and other improvements as follows:

- $ 75,000 Sidewalk repairs (Powell Bill funding)
- $100,000 Street resurfacing (Powell Bill funding)

Powell Bill funds, the State's distribution of the gasoline sales tax to localities is based on lane miles and population. The gas tax is dependent on increasing gasoline sales. Henderson's

lack of population growth and road mileage growth hurts it on an annual basis vis-à-vis the growth of other cities and towns. These funds are used to provide street maintenance on the local street system, including street resurfacing. Because of the reduction in funding, there will be no street resurfacing during FY11. More information on the Powell Bill is provided later in this document.

Budgetary gaps for the General Fund are estimated to be $1,530,190. As previously stated, the largest single gap is the utilization of the undesignated fund balance. Other major gaps involve reductions in levels of service to the public at the Recreation Department, continued understaffing of operations in Public Works, Public Utilities and Administrative departments and lack of adequate maintenance and repair and capital funding. The gaps are described in *Attachment No. 1 to the Budget Message.*

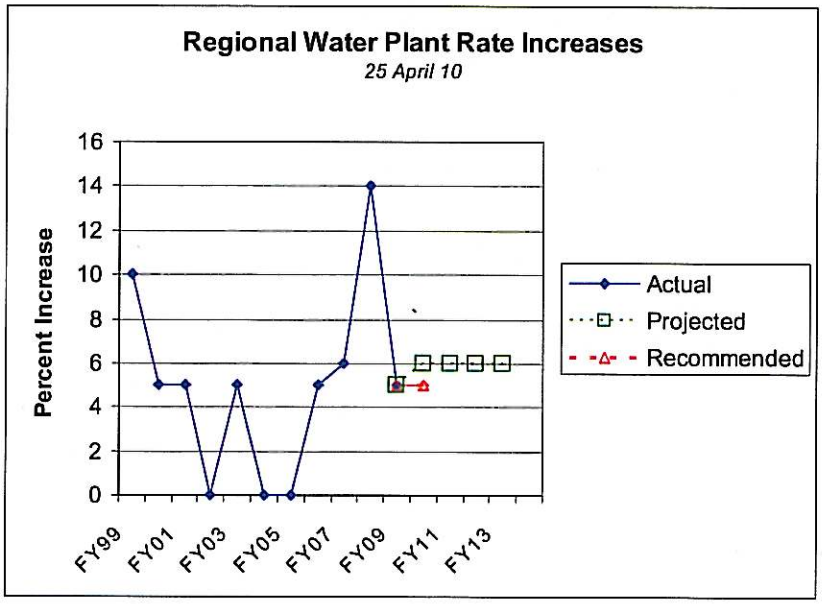
REGIONAL WATER FUND

The Regional Water Fund provides resources for the operations at the Kerr Lake Regional Water Treatment Facility. Constructed in the early 1970s, this facility provides water to Henderson, Warren County and Oxford. Henderson is the majority owner, 60%, and Warren County and Oxford each having a 20% interest. The current capacity of the facility is 13.9 mgd; however, plans are underway to expand the facility to 20 mgd. Funding for consulting engineers was provided in FY09 to assist the City in pursuing the expansion of its Inter-Basin Transfer (IBT) of water from 10 mgd to 20 mgd.

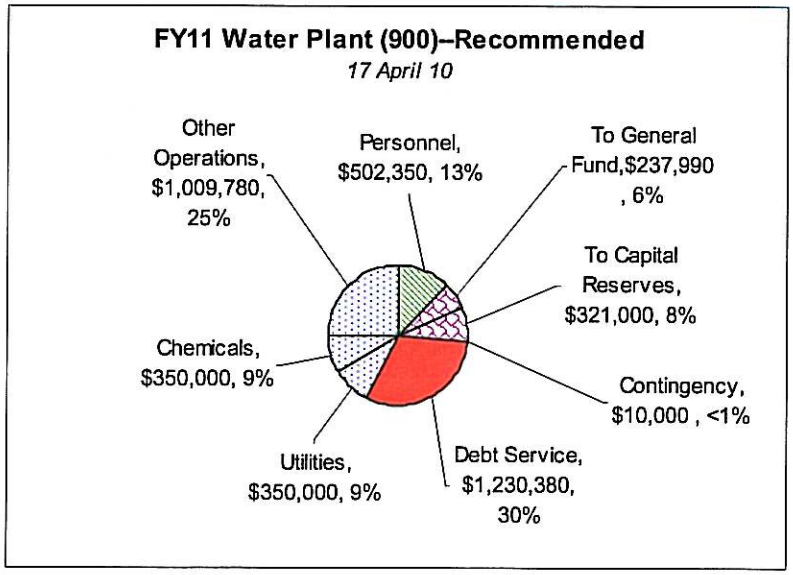
The regional partners sell water at retail to their own customers and other governmental entities. Henderson currently sells water to the Kittrell Water Association and Franklin County as well as residential, business and industrial customers. Negotiations are currently underway to sell water to Vance County. Should the sale of water to Vance County be successful, the City would benefit from increased water sales, therefore, increasing its water revenues.

In order to meet its operational needs and provide additional funding for the planned expansion of the facility, the Regional Water Fund must increase its water rates by 5%, effective 1 July 2010. This will result in an additional $190,000 in revenues that will assist in additional funding for capital reserve.

Water rate increases can be expected annually until the price of chemicals levels off and sufficient funds are provided for the water plant's expansion from 10mgd to 20mgd. A trend analysis of rate increases is provided in the following chart:



The Regional Water System Fund is estimated to be $4,011,500. 99% of its revenues are generated from the sale of water to Henderson, Oxford and Warren County. Expenditure increases are being driven by transfers to capital reserves and increased costs for chemicals and utilities. 13% of expenditures is for personnel, 30% is for debt service, 8% for capital reserves and 18% for utilities and chemicals. The following pie chart describes the major expenditure areas:

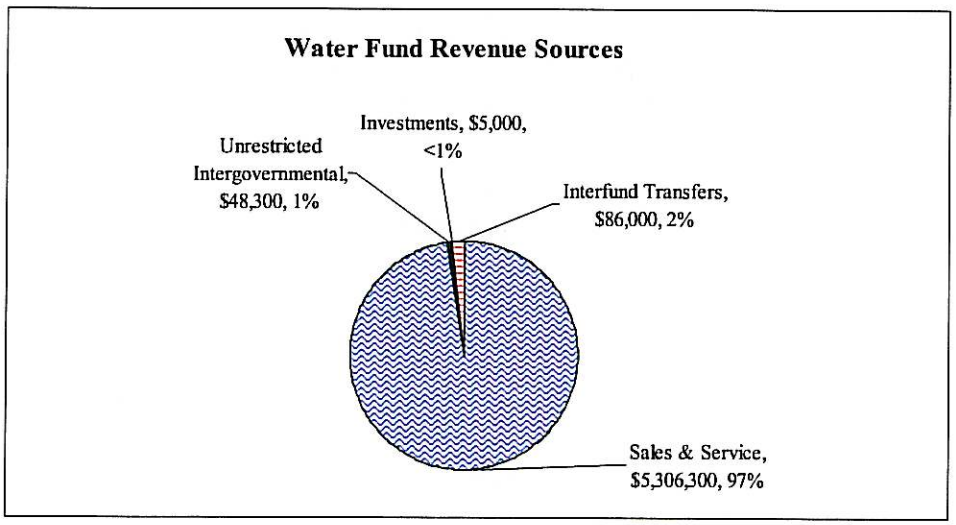


The major initiatives for the new fiscal year is to continue pursuing the Inter-Basin Transfer of water permit that would expand the 10mgd permit to 20mgd and moving towards construction of the new facility. A total of $315,000 will be allocated to capital reserve for the new facility and $125,000 for the inter-basin transfer of water permitting process. Other initiatives include Warren County meter vault relocation and partial funding for hydraulic modeling and water quality study.

WATER FUND

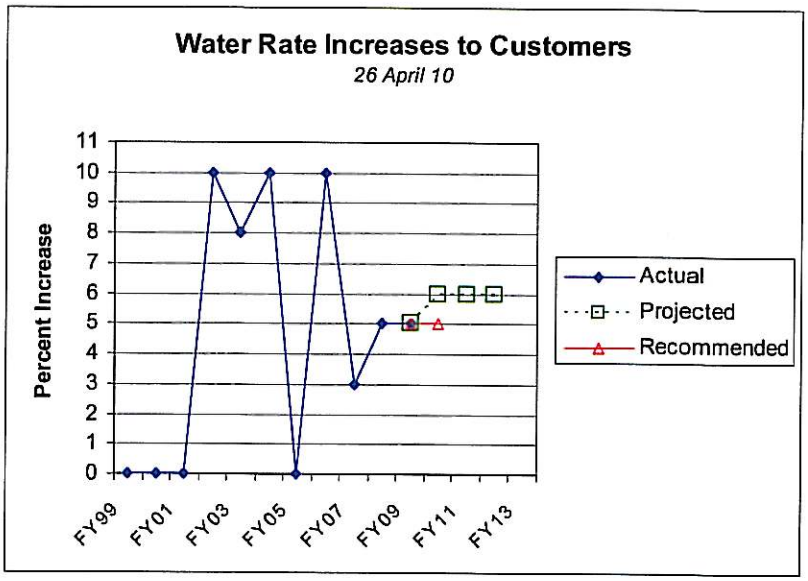
The Water Fund provides for the distribution of potable water to the City's 8,800 customers and its two governmental customers of Kittrell Water Association and Franklin County. The Water Fund is estimated to be $5,445,600 or an increase of $205,220 over FY10. The increases are driven by the increased costs of water purchased from the Regional Water System, water meter replacement program funding and transfers to capital reserve and General Fund.

97% of Water Fund revenues are derived from the sale of water. The balance of the revenue stream comes from investments, inter-fund transfers and unrestricted intergovernmental sources. The following pie chart reflects the fund's revenue sources:



In order to absorb the water rate increase from the Kerr Lake Regional Water Treatment Facility and provide for the operational needs of the fund, it is recommended that the water rate

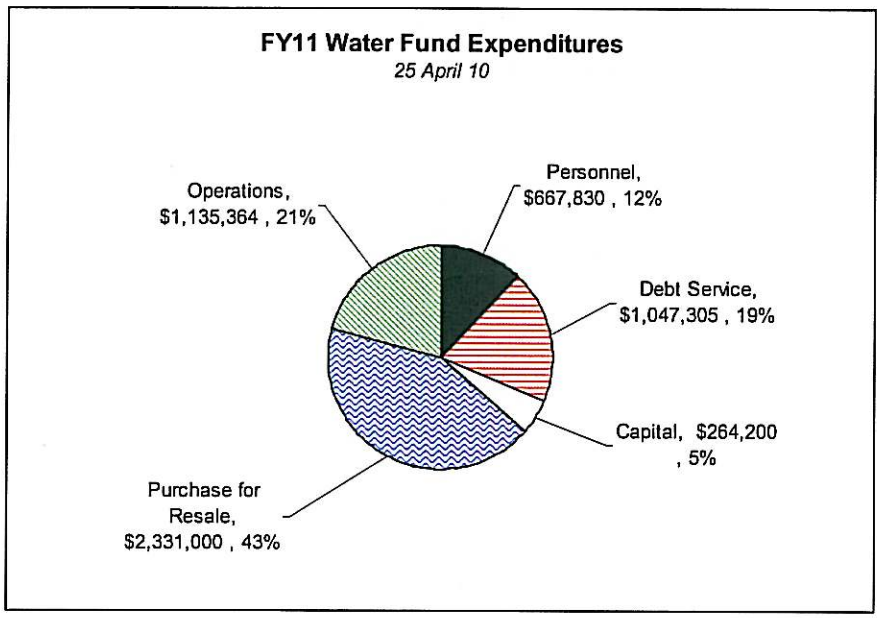
be increased by 5%, effective with the first billing cycle in July. A time trend analysis of water rate increases is provided in the following graph:



The estimated annual impacts on in-city customers would range from $5.64 for minimal residential consumption, $64.32 for small business and $1,846 for large business. (*See Attachment No. 3 for rate analysis with other water providers.)* The following table provides information on the monthly and annual increases on customers:

Water Rate Increase Impacts on Customers				
Customer	**Volume**	**Current Bill per Month**	**New Bill per Month**	**Annual Amount of Increased Cost**
Small Residential—Inside	300 cf	$9.49	$9.96	$5.64
Large Residential—Inside	800 cf	$17.22	$18.08	$10.32
Small Commercial—Inside	5,300 cf	$107.12	$112.48	$64.32
Large Commercial—Inside	286,000 cf	$3,024.20	$3175.41	$814.52
Small Residential—Outside	300 cf	$23.74	$24.93	$14.24
Large Residential—Outside	800 cf	$42.92	$45.07	$25.80
Small Commercial—Outside	1,700 cf	$91.21	$95.77	$54.73
Large Commercial—Outside	69,800 cf	$6,538.36	$6865.28	$3923.04
Source: Assistant City Manager, 25 April 10				

Water Fund expenditures are divided between two operating departments—Administrative Engineering and Water Distribution. Major expenditure categories include personnel at 11%, purchase for resale at 45% and debt service at 20%. The administrative fees paid to General fund have increased 5%. The following pie chart shows all expenditure categories:



Major operational and capital initiatives in the water fund activities include:

- Water meter replacement program. Effective replacement of old water meters will have the result of more accurate readings and increased revenues, particularly for the larger commercial meters. The recommended budget continues phase 2 of this multi-year program.

- Continued replacement of old fire hydrants. This program effort will continue to improve fire flows and enhance public safety for the fire services.

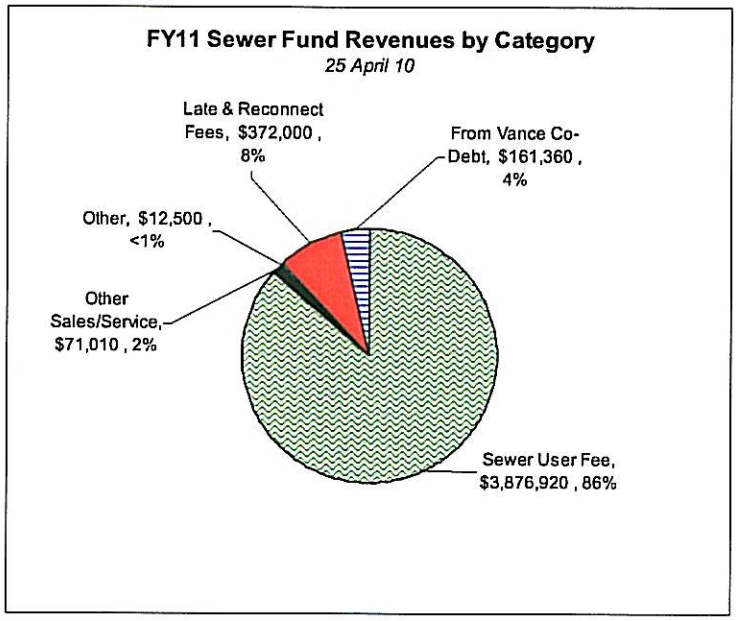
- Negotiations with Vance County for the sale of up to 750,000 gpd once the system becomes operational. Once approved, this contract would assure the City of having a new long-term water customer, therefore increasing water revenues.

- Phase 1—Asbestos Cement and Galvanized Line Replacement: This multi-year capital program begins with replacement of the water line on Harriett Street, $75,000.

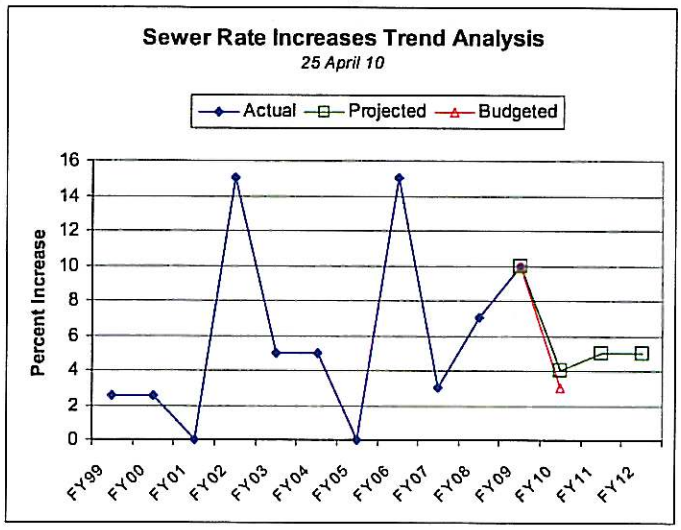
SEWER FUND

Revenues

The Sewer Fund provides for the collection of sanitary waste and treatment for the City's 6,990 customers. The Sewer Fund is expected to be $4,493,790 in FY11. FY10's budget is $4,415,245. 86% of the fund's revenues are derived from the sewer user fee. Vance County reimburses the City for several lines installed outside of the city. These reimbursements provide 4% of the total revenue stream. Late and reconnection fees account for 8% of the fund's income stream.



It is recommended that the sewer rate increase by 3% in order to meet the operational and capital needs of the system. Factors driving the rate increase include: Sandy Creek I & I capital improvements per the Special Order of Consent, cost of chemicals and electricity, general maintenance on the system and contribution to capital reserve.

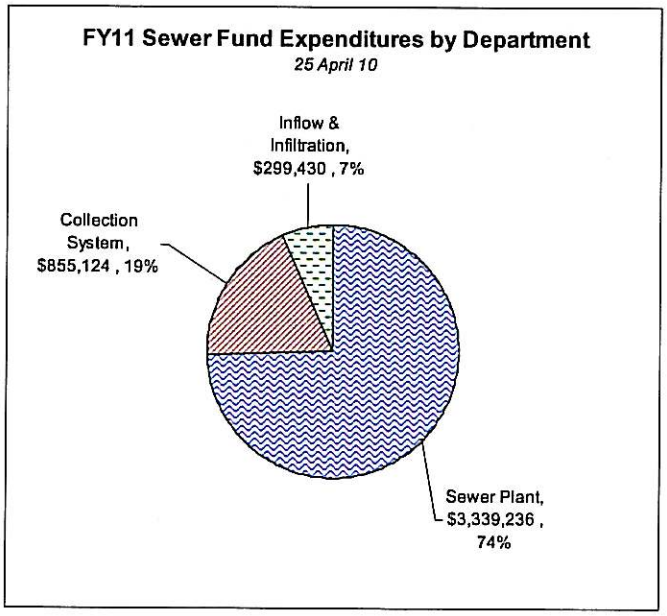


The estimated impacts of the sewer rate increase on in-city customers and out-of-city customers is provided in the following table. The City's current in-city sewer rate compares favorably to Oxford and Franklin County; however, its out-of-city rate is significantly higher than comparative providers. *(Please refer to Attachment No. 3 to the Budget Message)*

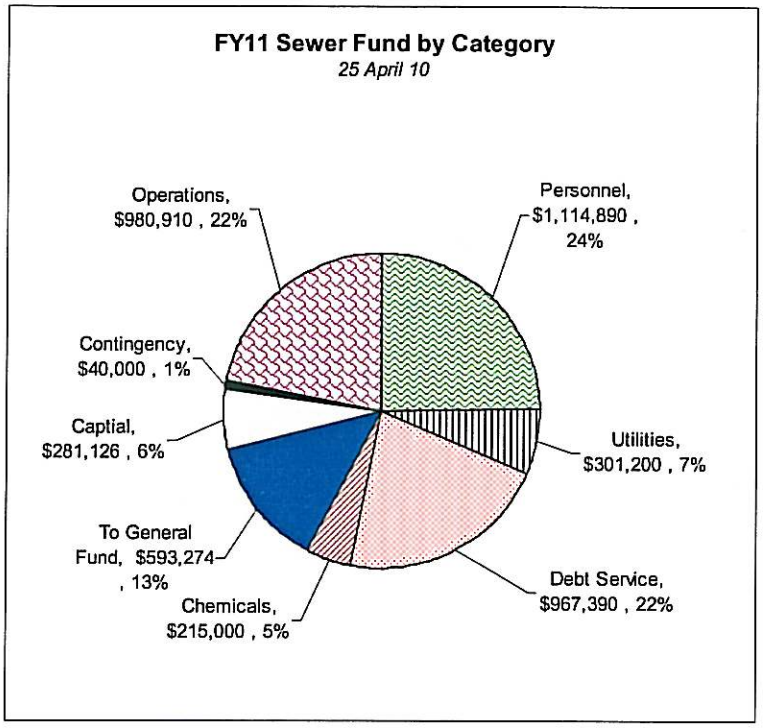
Sewer Rate Increase Impacts on Customers				
Customer	**Volume**	**Current Bill per Month**	**New Bill per Month**	**Annual Amount of Increased Cost**
Small Residential—Inside	300 cf	$24.06	$24.78	$8.64
Large Residential—Inside	800 cf	$44.75	$46.09	$16.08
Small Commercial—Inside	5,300 cf	$231.02	$237.95	$83.16
Large Commercial—Inside	286,000 cf	$8,622.84	$8,881.52	$3,104.16
Small Residential—Outside	300 cf	$60.15	$6,195.00	$21.60
Large Residential—Outside	800 cf	$111.95	$115.31	$40.32
Small Commercial—Outside	1,700 cf	$205.17	$211.32	$73.80
Large Commercial—Outside	69,800 cf	$5,520.18	$5,685.78	$987.20
Source: Assistant City Manager, 25 April 10				

Expenditures

The Sewer Fund is divided into three budgetary sections as follows: 1) Henderson Water Reclamation Facility (sewer plant); 2) sanitary sewer collection system maintenance and construction; and 3) Inflow & Infiltration (I & I). The I&I section was created in response to the Special Order of Consent with the State of North Carolina in order to ensure certain annual thresholds are met concerning upgrades to the Sandy Creek Basin sewer collection system. The largest consumer of funds is the sewer plant, comprising 74% of expenditures. The collection system and the Infiltration and Inflow sections utilize 19% and 7% of the fund's revenues; respectively.



The Sewer Fund expenditures by functional category reveal that 24% of expenditures is in personnel related expenses, 22% in debt service, 22% in operations, 13% in transfer to General Fund and the balance for operations, contingency, capital, utilities and chemicals.



As with the Water Fund, the sewer customer base is not growing. It was seriously affected by the loss of the textile industry in the early part of the decade, resulting in a loss of customer usage by over 1 mgd. Over time, the current surplus can be utilized through planned expansion of the sanitary sewer system into the surrounding county and economic development efforts.

Major initiatives in the new year include:

- UV System: Attempting to restore the $1.5M necessary to replace the UV equipment at the sewer plant.

- Lift Station Phase 2 Work: This multi-year project provides for the upgrading and replacement of some lift stations on the system. Engineering for the Newton Dairy Road Pump Station is provided in the new budget year.

- I & I: Continued work on the inflow and infiltration system work in the Sandy Creek Basin.

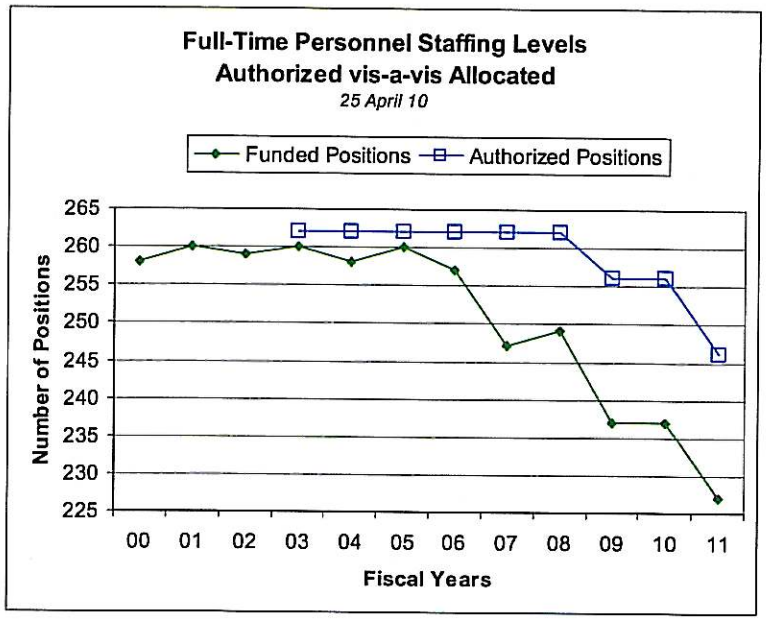
Major budgetary gaps, estimated to be $414,410, are more fully described in *Attachment No. 1 to the Budget Message*. The significant majority of the gaps reside in maintenance and repair items at the sewer plant.

EMPLOYEES

The single most important asset that the City has is its workforce—its 237 active employees. 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.

Historically speaking, the City has slipped significantly in pay competitiveness over the previous decade. The loss of the traditional economic base prior to and following the 2001 Recession, the Recession itself, the *Period of Austerity* that has occurred since 2001 and now, the current Recession have all caused resources to be diverted to other operational needs and to avoid increasing the tax rate. The budgets have, in part, been balanced by not funding up to 19 positions and not keeping the pay/classification system up-to-date.

The 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 are sustainable over a long period of time.



The following line graph shows the difference between authorized positions vis-à-vis allocated, or funded, positions. The decrease of 10 authorized positions in FY11 is the result of the budget recommending privatization for sanitation services. The budget does provide for funding to "carry" employees in Sanitation until they can be absorbed via reassignment to positions for which they qualify and/or attrition.

Entry level salaries for police officers is 15% to 20% below surrounding jurisdictions in North-Central North Carolina. These jurisdictions are all smaller than Henderson. This has resulted in the Police Department becoming a training ground for other governmental entities. The turnover rate in the Police Department is about 13.5% Exit interviews indicate that most of police employees are leaving for jobs that pay better. This story is repeated in many of the other City departments.

Unfortunately, funding is not available for a pay increase or the pay classification study. Both are critical to maintaining and recruiting for qualified employees. Until these twin issues can be addressed, the City will continue to lag significantly in pay competitiveness.

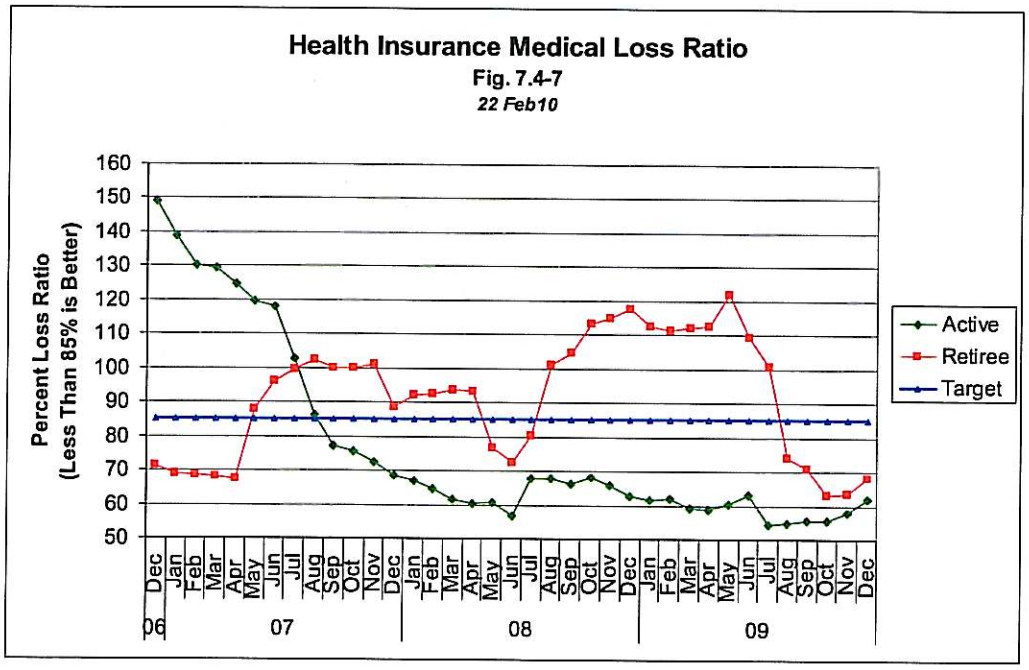
Despite the unfunded gaps within the personnel system of the City, there are several new initiatives being addressed in the FY10 Budget. These new initiatives are as follows:

1. No Dependent Health Insurance Coverage Rate Increase. The active and retired employee health insurance experience has been excellent and generally below the 85%

threshold. As a result of this good performance, the health insurance rate will not be increased for employee dependent coverage. Because of new Federally mandated mental health coverage provisions, the City's rate will increase 7 tenths of one percent.

The following graph depicts the trend lines for medical loss ratios for both the active workforce and retirees. It also provides further evidence of why it was necessary to change the post-employment health insurance benefit in January 2009.

The City is not in a position to revisit the benefits structure this fiscal year; however, the benefit for prescription glasses is expected to increase from $100 to $250. There are no other expected changes to the health insurance plan benefit structure and no changes expected for the dental plan.



2. Long Term Disability Plan. The City has not provided this type of plan for employees. It can be offered for $15,000 and will provide a basis for security for employees that have a long-term illness and will encourage employees to build annual and sick leave to meet unexpected medical needs.

MULTI-YEAR CAPITAL IMPROVEMENTS PLAN

The City's traditional approach to the development of a multi-year capital improvements plan has been to identify needs in each fund and attempt to fund the most critical items on an annual basis as determined by the fiscal strength of each fund's budget. At its Planning Retreat held in March 2009, City Council adopted as a Key Strategic Action Plan the development of a funded multi-year capital improvements plan.

The City did apply for a Rural Center Grant for assistance in developing a utilities capital improvement plan; however, the City has yet to be notified of the status of its application.

DEBT SERVICE

The City does not maintain a Debt Service Fund. All debt is allocated to and expended from the operating budgets. Debt includes General Obligation Bonds, Revenue Bonds, Certificates of Participation (COPS) and lease purchases for vehicles and equipment. There are no plans to issue bonds or COPS during FY11.

State law limits the legal debt margin to 8% of net assessed value of real estate within the corporate limits. According to the FY09 Audit, the City's legal debt margin is $66.1; however, since the City has no outstanding general obligation debt or any debt that can be defined as net debt applicable to the limit, the City could theoretically issue $66M in general obligation debt. This, of course, is not recommended.

The planned expansion of the Regional Water Facility will increase debt by about $26M once the facility is bid and contracts awarded. It is expected that this could occur in 2012 to 2015.

FUTURE POLICY FOCUS

There are several major policy issues that need discussion during the upcoming year. These include:

1. Implementation of Performance Excellence. It is through this effort that the City will ultimately realize improved processes and reduced and/or avoided costs. Additionally, service delivery will be more effective and customer friendly.

2. Privatization of Sanitation services. The need to improve the sanitation service and reduce costs is critical. Efforts are underway to secure and RFP for services. The review and decision on this matter is ongoing.

3. Developing and Implementing Strategies as they relate to reducing the crime rate and improving the housing stock and neighborhoods within the city. These two critical areas of concern need continued focus and efforts in order to be successful.

4. Expansion of the Kerr Lake Regional Water Treatment Facility. Plans have been designed and efforts are on-going to obtain an expanded Inter-Basin Transfer of water from 10mgd to 20mgd.

5. Potential sale of water to Vance County and increasing the volume of water sales to Franklin County. Approval of these contracts would increase water sales and assist the City in being able to pay for its share of the expansion of the Regional Water Treatment Facility. Discussions are on-going at this time.

6. Development of a risk management program for the City. There is currently no program and one must be developed in order to mitigate risk and provide for a safer work environment.

7. Mandatory Recycling. State law requires mandatory diversion from the traditional waste stream of certain products that currently go into the landfill. This program will add expense to the customer and require new and different service delivery systems on behalf of the City.

8. Multi-Year CIP. Development of a multi-year capital improvements plan that provides for the infrastructure and facility needs of the City. Importantly, recommendations on how to develop a funding stream for the CIP will be developed.

9. Fleet/Equipment Fund. Development of a funded fleet/equipment fund will be a major initiative for the new year.

IN CLOSING

The preparation of a City budget is a prodigious task that requires great teamwork. Many individuals spent countless hours, many after hours and on weekends, to develop and bring this budget together. I would like to thank all of the Department Directors and their staff for their hard work in preparing very conservative and constrained budget requests.

I would like to thank Administrative Secretary Wanda Ball, Executive Assistant Beverly Jackson and Administrative Secretary Pat Pearson for their good work in developing the format

of the budget and the tireless hours they spent during days, nights and weekends on generating and typing in the data that ultimately formed the Work Budget book. I would like to thank the City Council for its approval of the Strategic Plan and providing guidance and direction to the Staff as it began to develop the budget. I would like to thank the Department Directors for their hard work in developing constrained budgets and working with City Administration in a partnership manner to help develop and balance this budget. Finally, I would like to thank Finance Director Sandra Wilkerson and Assistant City Manager Frank Frazier for the untold hours they spent in reviewing the budgets with the Department Directors and the lengthy, and often times painful, process of balancing the budget.

The staff and I look forward to working with the City Council over the next several Budget Work Sessions.

Respectfully Submitted,

A. Ray Griffin, Jr.
City Manager

Enclosures:

1. Funding and Expenditure GAPS
2. Strategic Plan Implementation Summary Matrix
3. Water and Sewer Rate Comparisons with Other Providers
4. Per Penny Property Tax Increase Impact Matrix

ATTACHMENT NO. 1

BUDGETARY GAPS

No budget, even in the best of economic times, can ever fulfill all budgetary requests and needs of City Council, City Manager, Department Directors and the general public. In times such as we are now facing, the gap between funding requests and budgetary allocations becomes even more stark and pronounced. The FY11 Budget falls short of meeting many critically important needs of the City due to revenue shortfalls.

Most gaps will be found in the General Fund. The General Fund provides the most varied levels of services; however, it is least able to provide adequate funding since it is heavily reliant on property taxes and sales taxes. The purpose of this summary list is not to identify all gaps, but to identify those deemed most important. City Administration has attempted to categorize these gaps as Most Critical, Critical, High Priority, Medium Priority and Low Priority. Understanding where the gaps are will help the City Council, general public and staff understand the complexity of the issues at-hand during budget deliberations.

FY11 Budgetary Gaps

General Fund

#	Priority	Gap	Impacts	Costs
	MOST CRITICAL	Undesignated Fund Balance as percent of budget	Positive direction of re-growing fund balance is reversed, balance drops to 14.8%. Approved fund balance would have 16.1%	$180,000
	Critical	HR Risk Management program for City operations	No program exists, placing the City and its employees at-risk. This could result in costly fines and avoidable injuries.	$50,000
	Critical	Information Technology Position	Only minimal IT internal support is provided from the Planning Director. When working with IT matters, much needed planning work is not being done. The City lacks an overall IT Policy and Plan.	$55,000

	Critical	Reduced funding for demolition of structures	Less structures budgeted for than what was asked for.	$115,000
	Critical	Pay Classification Study	A Pay/Classification study has not been performed since the 1990's. The City's pay scales are generally non-competitive and lagging. A pay study is the first step to understanding the magnitude of the problem so that a plan to address this problem can be developed. Failure to address the pay issues will result in continued turnover and reduced ability to attract a qualified workforce.	$40,000
	High	Career Development Programs for several departments suspended for FY10	This primarily affects police, fire and utilities and will keep employees from being able to improve skills and earn higher salaries. This could negatively affect turnover and will assuredly negatively affect employee morale. ($35,000 City Wide)	$25,000
	High	Snow removal (contractors, overtime)	The budget does include funds for the replacement of two snow plows, but no funds for contractor assistance or overtime.	$20,000
	High	Community Development Director	Support for improved housing via CDBG grants and redevelopment are lacking because of limited staffing. Given the City's critical housing problem, a full-time effort to deal with this matter is warranted.	$46,200

	High	Street Resurfacing	Reduced funding provided due to reduced Powell Bill allocation from the State. This means that there will be limited street resurfacing for FY 11 budget.	$100,000
	High	Procurement/Budget Analyst Position	These two functions were once performed by two full-time positions. Procurement is fragmented among the departments and budget work is done by the Finance Director, City Manager and Assistant City Manager.	$60,000
	High	Replacement of firefighter gear	17 sets are needed and no funding is provided. This is an employee safety issue.	$42,500
	High	2 Leaf vacuum machines	The need to update the leaf machine equipment is critical to improve leaf removal service during leaf season.	$36,000
	High	Recreation Contracted Services Reduction	This will result in reduced programming for youth since there is less money to hire part-time staffing	$100,000
	High	Unfunded Maintenance Worker in Recreation	This will reduce maintenance of parks and facilities, therefore not meeting expectations of participants, general public and staff.	$27,700
	High	Insufficient funding for utilities and part-time staff at Recreation Center	This will result in reduced hours of operation.	$63,230

	High	Aquatics Center Funding	Reduced hours of operation due to insufficient funding for utilities and staffing. This will negatively affect participants and swim leagues.	$109,690
	High	Maintenance Worker I	Extra worker in sanitation to help with yard debris (extra floater)	$20,000
	High	Software update	No funds for updating to Microsoft 2007. Without this upgrade, the City's 2005 Microsoft users will not be able to open documents from 2010 Microsoft office users.	$19,000 (city wide)
	High	Contracted Lobbying	Funding not provided for help in securing grants and other items in regards to legislative matters	$120,000
	Medium	Code Enforcement Inspector	In the event that additional funds are received for demolition and other nuisance problems, there will be limited field inspections and follow-up	$32,000
	Medium	Planning Technician	By not having the planning technician, there is limited staff for field inspections and checking of zoning violations..	$32,000
	Medium	Four new firefighter positions and fire station	This would enable forming a third engine company, thus enhancing the City's ability to obtain ISO 3 rating as well as provide flexibility for growth by annexation.	$174,870 plus building costs

	Medium	Bike/Walking trail plan development	Lack of funding means that this program initiative will not proceed in an effective manner.	$18,000
	Medium	Operations Center Lobby renovations	Replacement of carpet with tile to be able to maintain facility better	$15,000
	Low	Accounting Tech I position	Less ability to respond to customer service needs and work with the accounting systems.	$29,000
			Total Gaps Costs for General Fund	**$1,530,190**

Water Fund

#	Priority	Gap	Impacts	Costs
	High	Career Development program suspended	This means that personnel will not be able to progress as they attain certain levels of qualification. This will negatively affect employee performance and morale. ($35,000 City Wide)	$5,000
	High	Tapping Machine	Needed to make 4" to 12" water taps.	$27,000
	Medium	Inserta Valve	This tool would be extremely helpful in reducing the need to cut off large sections of the water grid when making repairs.	$47,000
	Low	Full-time Engineering Secretary and CADD Tech	Sharing the secretary with Human Resources will work this year given the understaffing in that	$53,000

			department. This could become problematic in FY11 as the department works more in annexation and other work performed in engineering.	
			Total Gaps Costs for Water Fund	**$132,000**

Sewer Fund

#	Priority	Gap	Impacts	Costs
	MOST CRITICAL	Maintenance & Repair of Equipment (HWRF)	Various repairs at the sewer plant will have to be delayed, such as obsolete controls, SCADA repairs, concrete and other small projects.	$321,910
	High	Career Development program suspended	This means that personnel will not be able to progress as they attain certain levels of qualification. This will negatively affect employee performance and morale.	$5,000
	Medium	Full sized van (HWRF)	Current truck is in poor condition and requires a great deal of maintenance	$18,500
	Medium	Single Axle Dump Truck (HWRF)	Current truck is in bad condition and requires frequent repairs	$51,000
	Medium	GT18 Power Unit (Water Dist. / Sewer Collection)	Hydraulic power source used to operate hydraulic tools. This tool helps with the operation of various construction tools.	$18,000
			Total Gaps Costs for Sewer Fund	**$414,410**

Regional Water Fund				
#	Priority	Gap	Impacts	Costs
	High	Clearwell Rehab, High Service Pump Replacement	Will not affect the current operations but preventative maintenance and other work is needed to protect the integrity of the clearwell structure. High service pump replacement will help with energy cost and also with reliability of service in the future.	$2,200,000
			Total Gaps Costs for Regional Water Fund	**$2,200,000**

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ATTACHMENT NO. 2

STRATEGIC PLAN BUDGETARY IMPLEMENTATION
(Refer to Appendix B)

KSO 1: Implement Performance Excellence			
Action Plan 1.1	Implement Process Improvements	Yes	Process improvements underway: Compensatory/Overtime; procurement and utility collections. Privatization of sanitation and cemetery services underway.
Action Plan 1.2	Change Mayor and Council Terms for 4-Year Staggered Terms	No	No funding required for this item.
Also, in support of this KSO, funding in FY11 is provided for training in High Performance Organization and Malcom Baldrige criteria principles.			
KSO 2: Reduce Crime			
Action Plan 2.1	2010 Year of Community Watch	Yes	Does not require new appropriations. City already heavily supports this effort.
Action Plan 2.2	Collaborative efforts with local Media.	Yes	Does not require appropriations. Initial partnership with WIZS began in Spring, 2010.
Action Plan 2.3	Implement Geographic Policing.	Yes	Chief has reallocated funding within the department to provide for this. Also, funding for mobile internet access for off-site computers is provided to assist with the effort.
			Continued on Next Page

KSO 3: Enhanced Economic Development			
Action Plan 3.1	Align Economic Development Commission SP with City's SP	Yes	Funding not required. City Council approved EDC's Strategic Plan in March 2010.
Action Plan 3.2	Revise and Align Land Use and Sign Ordinance	No	No funding provided in FY11. This leaves a serious gap.
Action Plan 3.3	Locate high-speed rail station in downtown	Yes	Staff time will be provided to continue working with State and Federal officials to ensure that this project will be realized.
Action Plan 3.4	Reserved for future use.		
Action Plan 3.5	Redevelop downtown	Yes	Funding provided to support the HOPE VI grant match in the amount of $12,000; funding provided for Main Street program ($21,710) and DDC at $20,000.
Action Plan 3.6	Complete comprehensive land use plan	Yes	No appropriations required. Plan should be approved in May, 2010.
Action Plan 3.7	Develop an Annexation Plan	No	Funding is not provided for the annexation plan. Estimated to cost $40,000 and performed by the Kerr-Tar COG.
Other activities in support of this KSO include working with the Economic Development Commission on the feasibility of extending sewer along Rt. 1 South to Kittrell Job Corps site.			
KSO 4: IMPROVE CONDITION OF THE HOUSING STOCK			
Action Plan 4.1	Code Enforcement	Yes	Insufficient funding provided for both staffing and demolition. Serious financial gaps exists and will result in lagging results.
Action Plan 4.2	Redevelopment	Yes	Staff time provided for work with Redevelopment Commission re: Orange/Breckenridge; partnership developing with Gateway for home ownership.
Action Plan 4.3	Home Ownership	Yes	Grant received for Neighborhood Stabilization and implementation expected in summer, 2010.

Continued on Next Page

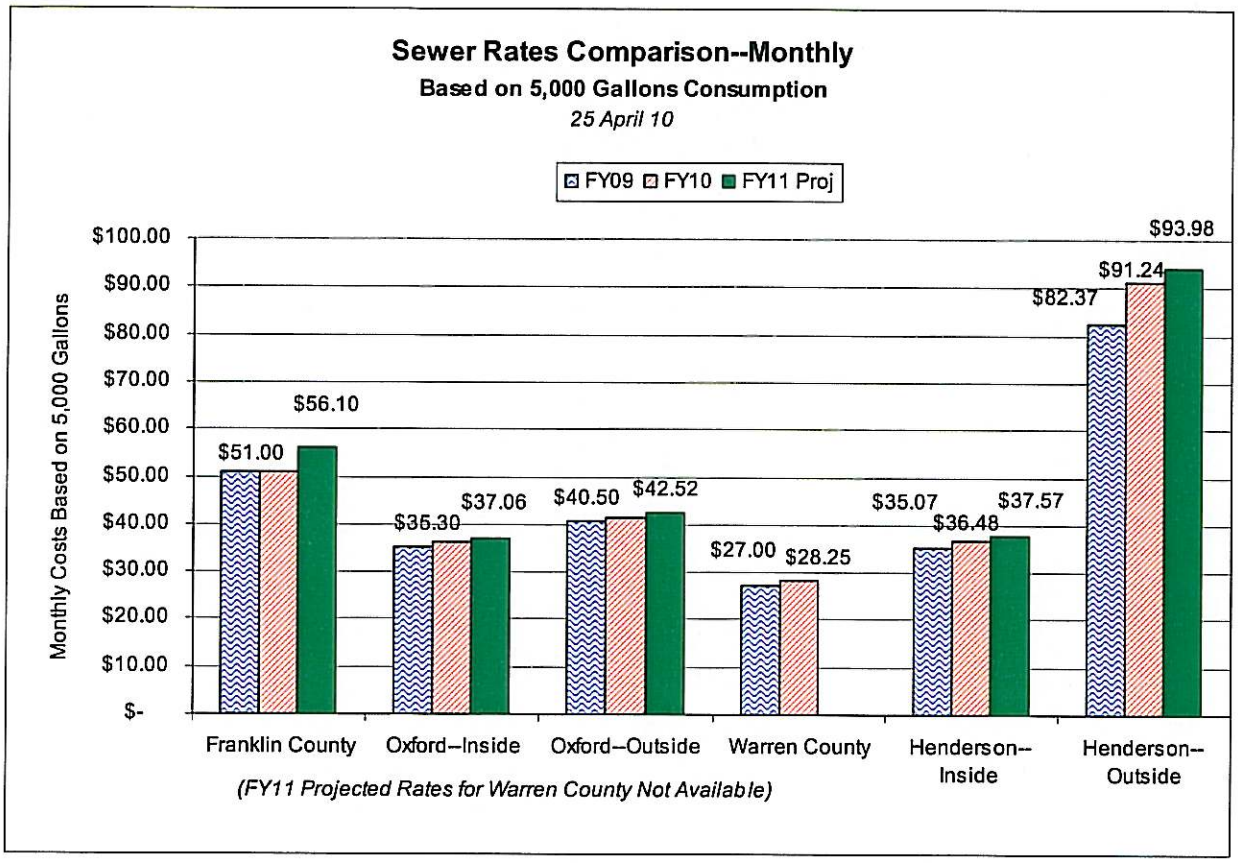
KSO 5: PROVIDE RELIABLE, DEPENDABLE INFRASTRUCTURE			
Action Plan 5.1	Develop Multi-Year Funded Capital Improvements Plan	Yes	Staff time will be allocated to development of a multi-year CIP along with a plan to fund it. Awaiting notice from Rural Center to see if funding for the utilities portion of the Plan has been approved. Match funding has been provided.
Action Plan 5.2	Expand Kerr Lake Regional Water Treatment Facility	Yes	Funding is provided to continue efforts to secure the Inter-Basin Transfer of water expansion permit. Rates increased this year, in part, to provide for increased funding in the capital reserve for plant expansion.
Also, other activities in support of this KSO include funding in the amount of $700,000 for more aggressive sidewalk repair; continued staff time coordinating and working with NCDOT to widen Beckford Drive. Additionally, funding provided to begin an annual asbestos cement and galvanized line replacement program. Funding is provided for Phase 2 of the lift station repair/replacement plan.			
KSO 6: DEVELOP AND MAINTAIN A QUALIFIED MUNICIPAL WORKFORCE			
Action Plan 6.1	Pay Classification Study	No	Funding of $40,000 is not provided to perform a much needed pay classification study.
Action Plan 6.2	Reserved for future use		
Action Plan 6.3	Career Development & Training Plan	Yes & No	The career development plans for the departments that had them are suspended during FY11 due to Recessionary impacts on the budget. Training will, however; continue and is funded throughout the budget.
Other activities in support of this KSO include: 1) negotiated health insurance rate increase reduced from 3.9% to 0.4%; 2) planning to provide long-term disability plan for employees; 3) City Academy development is well underway.			

Continued on Next Page

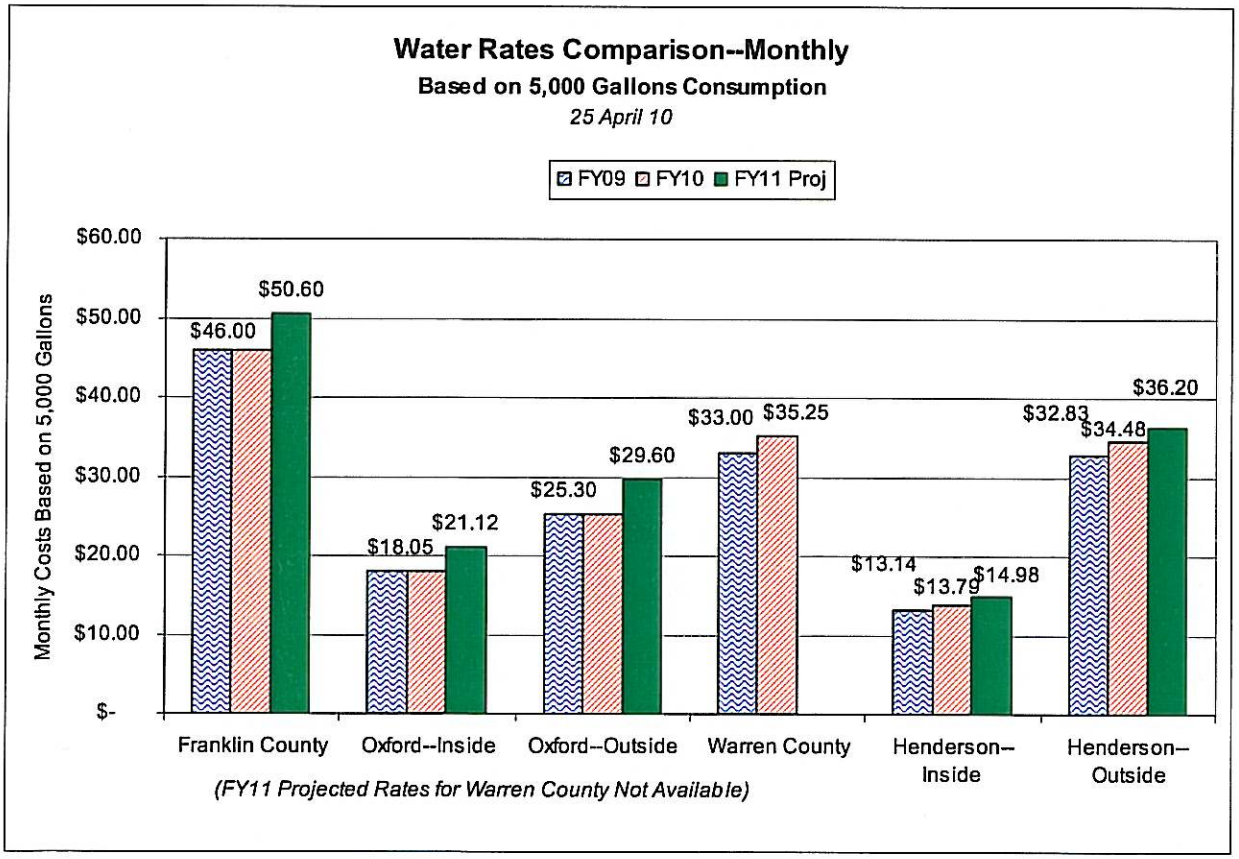
KSO 7: EXPAND LEISURE AND CULTURAL SERVICES, PROGRAMS & FACILITIES			
Action Plan 7.1	Develop Walking & Bike Trails	Yes	Staff time is provided to work with a team of State and local officials on the proposed bike/walking trail that will parallel the new high speed rail line.
Action Plan 7.2	Expand leisure services to inner city youth	Yes & No	Staff will coordinate with neighborhoods and CBO's to assist in this; however, funding is not provided.
Work is underway on proposed improvements to Fox Pond recreation site.			
KSO 8: PROVIDE FINANCIAL RESOURCING			
Action Plan 8.1	Grown undesignated fund balance	Yes	While $180,000 is recommended for utilization in FY11, the fund balance remains stable; albeit, not growing as well as desired.
Action Plan 8.2	Create a Fleet / Equipment / Information Technology Fund	No	Funding for an Information Technology study was cut from the requested budget and funding is not available in the budget to begin development of these critical central-service funds.
Action Plan 8.3	Expand the tax base	Yes	Tax base is estimated to have grown at a minimal amount during the past year. Working with newly formed EDC to help "grow business and investment."

ATTACHMENT NO. 3

WATER & SEWER RATES ANALYSIS



Henderson's inside city sewer rates compare favorably with Oxford and Franklin County. Henderson's outside city sewer rates are significantly higher than comparative communities.



Henderson's inside water rate compares favorably to comparative systems. Henderson's outside water rates compare favorably to Warren County and Franklin County.

ATTACHMENT NO. 4

PROPERTY TAX INCREASE MATRIX

Per Penny Tax Increase Annual Impacts Based on Property Value										
Assessed Value of Property	1 Cent	2 Cents	3 Cents	4 Cents	5 Cents	6 Cents	7 Cents	8 Cents	9 Cents	10 Cents
$ 50,000	$ 5	$ 10	$ 15	$ 20	$ 25	$ 30	$ 35	$ 40	$ 45	$ 50
75,000	8	15	23	30	38	45	53	60	68	75
100,000	10	20	30	40	50	60	70	80	90	100
125,000	13	25	38	50	63	75	88	100	113	125
150,000	15	30	45	60	75	90	105	120	135	150
175,000	18	35	53	70	88	105	123	140	158	175
200,000	20	40	60	80	100	120	140	160	180	200
250,000	25	50	75	100	125	150	175	200	225	250
300,000	30	60	90	120	150	180	210	240	270	300
500,000	50	100	150	200	250	300	350	400	450	500
1,000,000	100	200	300	400	500	600	700	800	900	1,000
3,000,000	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700	3,000
$5,000,000	500	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000

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The FY2010-11 work 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 work budget describes recommended City services and revenue sources proposed for the fiscal year beginning 1 July 2010 and ending 30 June 2011. 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 Statement of Mission and Values and the Strategic Implementation Plan found in *Appendix B*.
3. Read the Budget Calendar found on page 2. All budget work sessions are open to the public and the public is cordially invited to attend.
4. Read the Budget Process and Accounting Policies beginning on page 3 and *Appendix C*.
5. Read the Table of Contents starting on page xi. This will familiarize the reader with the organization and structure of the budget.
6. Read the Budget Message that begins on page xv. This document and its attachments provide information on the overall budget, and identifies major policy recommendations and shifts in policy direction found within the budget document.
7. Read the Budget & Organizational Summaries. This section will provide the reader with basic summary information on the total budget and will help him gain a global understanding of the document.
8. Read the Program Narratives for each budget division. These narratives will provide the reader with information about the division's purpose, budget highlights.
9. 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.
10. If you have any questions about the budget, please feel free to contact the Finance Director at (252)430-5711.

Budget Development Calendar

January	Budget instructions and forms distributed to Department Heads and Local Agencies Planning Retreat for City Council and Staff City Council develop goals and objectives for upcoming budget year
February	Department Heads submit budget requests to City Manager Funding requests from Local Agencies are due City Manager, Assistant Manager and Finance Director meet with individual Department Heads to begin review process
March	Year end revenue estimates and available fund balances are projected for previous budget year Revenue projections for the upcoming budget year is 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 City of Henderson/Vance County Staff Meeting concerning jointly funded projects, contracts, agreements, etc.
April 26	Budget Summary Draft prepared and presented to City Council
April 29 – June 18	Budget Work Sessions with City Council
May 10	Public Hearing
June 14 or June 28	Budget Adoption
July	New Fiscal Year begins Notification to Local Agencies/Organizations who requested appropriation of City funds of funding status. Final Budget/CIP Summary printed and distributed to City Council and Staff

Budget Process

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 be equal to 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 1st of each year.

Budget Calendar

The City of Henderson begins its budget process in November of each year with the distribution of the Capital Improvements Program (a five year planning document) instructions and forms distributed to the Department Heads. The CIP process occurs prior to the Operating Budget development so that operating impacts of the capital projects may be incorporated into the Operating Budget.

The Annual Operating Budget instructions and forms are distributed to Department Heads and Local Agencies in January. The Department Heads have approximately 4 weeks 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 departmental requests, the City Manager, Asst. City Manager and Finance Director meet with Department Heads in late February. 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 Heads.

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 May prior to 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 set meeting set for the purpose of adopting the budget.

Budget Amendment/Transfers

During the fiscal year the budget may need to be amended due to unforeseen circumstances. Any amendments to the existing budget are presented to the City Council for approval. A staff report is prepared explaining the amendment in detail as well as the reason the amendment was requested by the Finance Director or the Department Head.

Interdepartmental Budget Transfers shall be prepared by the Department Head or Finance Director requesting the transfer of appropriations between line items in a budget and presented to the City Manager for approval. The City Manager may choose to report all transfers to the Finance & Intergovernmental Committee at their next monthly meeting. The utilization of any contingency appropriation shall be accomplished only with City Council authorization.

Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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:

A. REPORTING ENTITY

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

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized and operated 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 (further divided by fund type):

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.

Special Revenue Funds - The Special 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. The City has twelve Special Revenue Funds: the Grant Project Fund-Bureau of Justice Block Grant-03, the Grant Project Fund-Bureau of Justice Block Grant-04, the Grant Project Fund-Bureau of Justice Block Grant-05, the Grant Project Fund-Bureau of Justice Block Grant-06, the Grant Project Fund-2004 COPS Technology Grant, the Grant Project Fund - Governor's Highway Safety Grant, the Grant Project Fund - 2004 Capacity Grant, the Grant Project Fund - DCA David Street Project, the Grant Project Fund - DCA Carey Chapel Crossing, Gang Violence Prevention 2007, Grant Project Fund - JAG 06 Governor's Crime and the General Capital Reserve Fund.

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 FUND

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner 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 FUNDS

Nonexpendable Trust Fund - The City maintains a nonexpendable trust fund, the Elmwood Cemetery Perpetual Care Trust to account for revenues and expenses of the nonexpendable trust.

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.

C. BASIS OF BUDGETING

Budgetary Basis refers to the basis of accounting used to estimate financing sources and uses in the budget. The North Carolina Local Government Budget and Fiscal Control Act controls how municipalities budget and spend money. The budget is prepared using the modified accrual method of accounting for all funds. This approach to budgeting recognizes revenues when they become measurable and available at the time the liability is incurred. All revenues and expenditures must be included in the annual budget ordinance or the appropriate capital project ordinance. Any operational appropriations that are not expended or encumbered shall lapse.

The Comprehensive Annual Financial Report (CAFR) presents the City's financial information on the basis of Generally Accepted Accounting Principles (GAAP). In most cases, this conforms to the way the City prepares its budget with the following exceptions:

Accounting Policies (cont.)

1) Compensated absences liabilities that are expected to be liquidated with expendable available resources are accrued as earned by employees (GAAP) as opposed to being expended when paid (Budget).

2) In converting the Utility Fund type from the modified accrual basis (Budget) to the full accrual basis (GAAP), the changes required are adjustments for depreciation, capital expenditures, payment of principal on outstanding debt and equity contributions. In addition, certain reclassifications are made where appropriate. Depreciation is recorded on a GAAP basis only.

3) GAAP also requires reporting deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them.

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/expense appropriations. The City's operating expenditures/expenses 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.

FUND

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

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

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 for the expenses incurred for these specific uses.

Public Library Fund - provides a method of accounting for fund transfers (on a quarterly basis) to the H. Leslie Perry Memorial Library. The Library is jointly owned and operated by the City of Henderson and Vance County. Total operating revenue includes not only City and County contributions, but fees and charges, private donations and State and Federal funds.

Proprietary Funds

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.

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.

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.

Fiduciary Funds

LEO Separation Allowance Pension Trust Fund - provides for the accumulation of revenues to fund future payments for the state mandated retired Law Enforcement Officers Program. The North Carolina General Assembly mandated this program in 1986.

Elmwood Cemetery Nonexpendible Trust Fund - 60% of revenues from sale of cemetery lots. This trust fund ensures that the City of Henderson will adequately maintain the Elmwood Cemetery as restricted by the North Carolina General Statutes (NCGS 160A - 347 and related sections). The remaining 40% of revenues from sale of lots along with any investment earnings in this nonexpendible trust fund are distributed in the General Fund.

Special Revenue Funds

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

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.

Capital Reserve (Regional Water COE) Fund - provides for the accumulation of revenues from the Regional Water Plant as suggested by the Corps of Engineers in the water storage contract dated March 17, 2006. This revenue should be used for any unexpected repair, rehabilitation, and/or replacement that incurs and is subject to be billed by the COE.

Capital Reserve (Regional Water 20 MGD) Fund - provides for the accumulation of revenues from the Regional Water Plant for future upgrade of Regional Water from 10 MGD to 20 MGD. Established in FY 07-08.

B. **CAPITAL IMPROVEMENT PROJECT BUDGETS** - The Capital Improvement Project 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).

Governmental Funds

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

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

Proprietary Funds

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

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

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 ordinance that are funded in full or in part by federal or state funds and have more than a one year duration. These projects are accounted for as special revenue funds.

DEPARTMENT

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. The departments in the City of Henderson are as follows:

A. **General Fund**: Governing Body, Administration, Human Resources, Finance, Code Compliance, Planning & Community Development, Henderson-Vance Downtown Development, Public Buildings, Police, Fire, Admin/Public Works, Garage, Cemetery, Street, Sanitation, Recreation, Recreation/Youth Services, Aycock Aquatics Center, Non Departmental and Contribution to Local Agencies.

B. **Water Fund** - Engineering and Water Distribution

C. **Sewer Fund** - Wastewater Treatment, Sewer Collection

D. **Regional Water Fund** - Regional Water

CATEGORY

Each department is broken down into four categories:

A. **Personnel Services** include 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 that department.

D. **Capital Outlay** includes funds for the purchase of equipment, land or other fixed assets valued at more than $1,000.

LINE ITEMS

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

BUDGET AMENDMENTS

During the fiscal year the budget may need to be amended due to unforeseen circumstances. Any amendments to the existing budget are presented to the City Council for approval. A staff report is prepared explaining the amendment in detail as well as the reason the amendment was requested by the Finance Director or the Department Head.

BUDGET TRANSFERS

Interdepartmental Budget Transfers shall be prepared by the Department Head or Finance Director requesting the transfer of appropriations between line items in a budget and presented to the City Manager for approval. The City Manager may present these transfers to the FAIR Committee at their next scheduled meeting.

CITY OF HENDERSON
2010-2011
BUDGET SUMMARY
EXPENDITURES

DEPARTMENT	FUND	2009-2010 CURRENT BUDGET	2010-2011 REQUESTED BUDGET	CITY MANAGER'S RECOMMENDED BUDGET 10-11	CITY COUNCIL'S APPROVED BUDGET 10-11
GOVERNING BODY	10	225,280	417,404	238,590	0
CITY ATTORNEY	10	44,410	66,410	66,410	0
CITY CLERK	10	0	0	0	0
ADMINISTRATIVE	10	385,630	446,765	364,190	0
CODE COMPLIANCE	10	131,936	321,670	132,930	0
HUMAN RESOURCES	10	133,420	194,998	145,140	0
FINANCE	10	559,520	691,640	614,050	0
PLANNING & CD	10	137,620	300,420	138,630	0
HVDD	10	33,310	63,480	34,120	0
PUBLIC BLDGS	10	109,020	206,100	176,150	0
POLICE	10	4,249,580	4,769,880	4,204,495	0
POLICE DRUG SEIZ.	10	560,930	226,360	256,360	0
FIRE	10	2,116,079	3,024,860	2,130,715	0
ADMIN P.W.	10	334,620	381,820	339,330	0
GARAGE	10	695,981	942,980	647,750	0
CEMETERY	10	129,857	137,790	126,910	0
SANITATION	10	754,541	2,136,090	881,500	0
STREET	10	1,151,309	1,706,540	1,159,980	0
RECREATION	10	821,325	1,213,680	829,280	0
YOUTH SERVICES	10	204,680	203,890	204,570	0
AQUATICS	10	664,450	877,030	661,750	0
VC SHARED PROGRAMS	10	960,400	1,051,750	1,039,846	0
NON-DEPARTMENTAL	10	223,198	373,500	311,835	0
CONT-LOCAL AGENCIES	10	30,922	35,322	30,922	0
TOTAL GEN FD EXP	**10**	**14,658,018**	**19,790,379**	**14,735,453**	**0**
TOTALGEN FD REV	**10**	**14,658,018**		**0**	**0**
ENGINEERING	30	205,220	216,140	189,480	0
WATER DIST.	30	5,035,160	5,568,350	5,256,120	0
TOTAL FUND EXP	**30**	**5,240,380**	**5,784,490**	**5,445,600**	**0**
TOTAL FUND REV	**30**	**5,240,380**		**0**	**0**
HWRF	31	3,191,430	4,357,030	3,339,236	0
SEWER COLLECTION	31	843,705	955,804	855,124	0
SEWER I & I	31	380,110	365,323	299,430	0
TOTAL FUND EXP	**31**	**4,415,245**	**5,678,157**	**4,493,790**	**0**
TOTAL FUND REV	**31**	**4,415,245**		**0**	**0**
REGIONAL WATER	64	3,856,000	4,185,212	4,011,500	0
TOTAL FUND EXP	**64**	**3,856,000**	4,185,212	**4,011,500**	**0**
TOTAL FUND REV	**64**	**3,856,000**		**0**	**0**
POWELL BILL	**11**	**439,900**	476,900	476,900	0
PUBLIC LIBRARY	**40**	**262,230**	262,230	262,230	0
LEO SEP ALLOW	**50**	**35,300**	3,600	3,600	0
ELMWOOD CEMETERY	**51**	**0**	0	0	0
CAP RES UTILITIES	**70**	**203,381**	200,000	254,656	0
CAP RES GENERAL	**72**	**300**	50	50	0
CAP RES REG COE	**75**	**4,580**	6,070	6,070	0
CAP RES REG	**77**	**60,000**	50,050	50,050	0
CAP RES REG 20MGD	**76**	**317,340**	346,874	316,600	0
GRAND TOTAL		**29,492,674**	**36,784,012**	**30,056,499**	**0**

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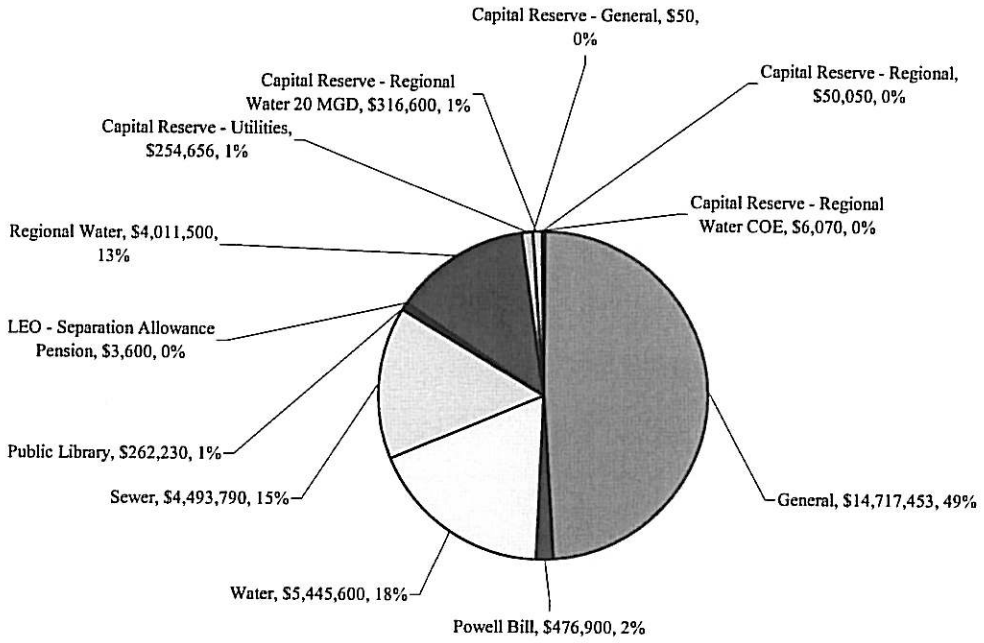
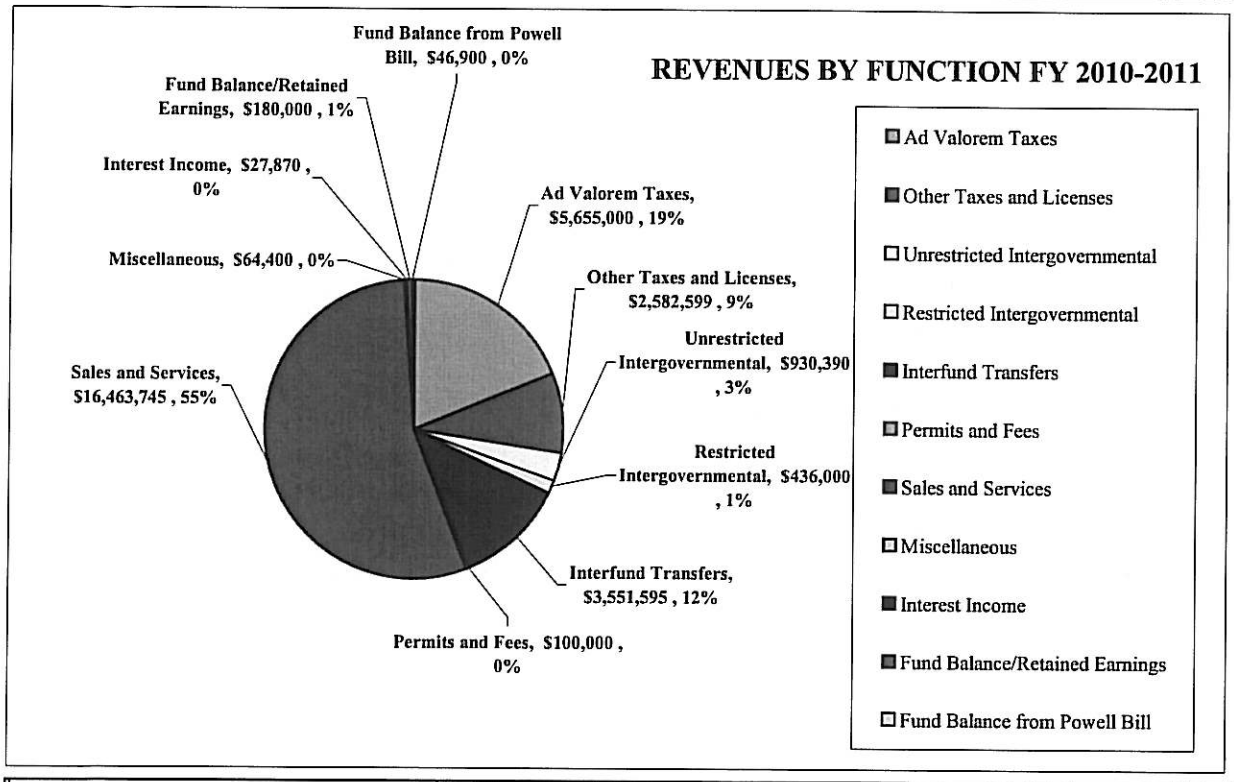
TOTAL BUDGET REVENUES BY FUND FY 2010-2011



REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
General	16,568,691	15,113,057	14,658,018	14,735,453	
Powell Bill	857,754	528,604	439,900	476,900	
Water	4,655,000	5,651,066	5,240,380	5,445,600	
Sewer	4,123,670	4,364,699	4,415,245	4,493,790	
Public Library	289,890	262,287	262,230	262,230	
LEO - Separation Allowance Pension	25,000	3,737	35,300	3,600	
Elmwood Cemetery	14,000	10,498	0	0	
Regional Water	3,552,583	3,461,099	3,856,000	4,011,500	
Capital Reserve - Utilities	65,488	5,909	203,381	254,656	
Capital Reserve - General	700	314	300	50	
Capital Reserve - Regional Water COE	4,330	4,605	4,580	6,070	
Capital Reserve - Regional Water 20 MGD	104,530	265,662	317,340	316,600	
Capital Reserve - Regional	0	0	60,000	50,050	
Total Revenues (By Fund)	**$30,261,636**	**$29,671,538**	**$29,492,674**	**$30,056,499**	**$0**

FY 10-11 BUDGET
REVENUES
TOTAL REVENUES (BY FUNCTION)



REVENUES - ALL FUNDS	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Ad Valorem Taxes					
Property Tax - Current Year	4,749,230	4,759,265	4,922,480	5,270,000	
Property Tax - Prior Years	206,770	336,148	292,000	302,000	
Debt Set Off Taxes All Other	0	12,772	12,000	12,000	
Penalties & Interest	54,000	85,349	67,000	71,000	
Total Ad Valorem Taxes	**$5,010,000**	**$5,193,534**	**$5,293,480**	**$5,655,000**	**$0**
Other Taxes and Licenses					
ABC Net Revenues	36,000	34,820	19,000	18,000	
Local Option Sales Tax	2,520,000	2,339,533	2,374,612	2,277,599	
NC Sales Tax Refund	0	1,658	0	0	
Privilege Licenses	105,000	83,630	88,000	263,000	
Solid Waste Disposal Tax	0	7,593	900	12,000	
Vehicle Rental Tax	19,000	16,969	18,000	15,000	
Total Other Taxes and Licenses	**$2,680,000**	**$2,484,204**	**$2,500,512**	**$2,585,599**	**$0**
Unrestricted Intergovernmental					
Payment in Lieu of Taxes	1,000	3,810	3,000	2,000	
Vance County ABC 5% Bottle Tax	1,500	1,897	1,900	1,900	
Utilities Franchise Tax	795,000	921,156	800,000	806,690	
Beer/Wine Tax	75,000	73,270	26,000	72,000	
Sprint PCS Site Agreement	22,500	23,692	24,000	24,300	
T-Mobile Agreement	0	15,326	24,000	24,000	
Total - Unrestricted Intergovernmental	**$895,000**	**$1,039,151**	**$878,900**	**$930,890**	**$0**

FY 10-11 BUDGET
REVENUES
TOTAL REVENUES (BY FUNCTION)

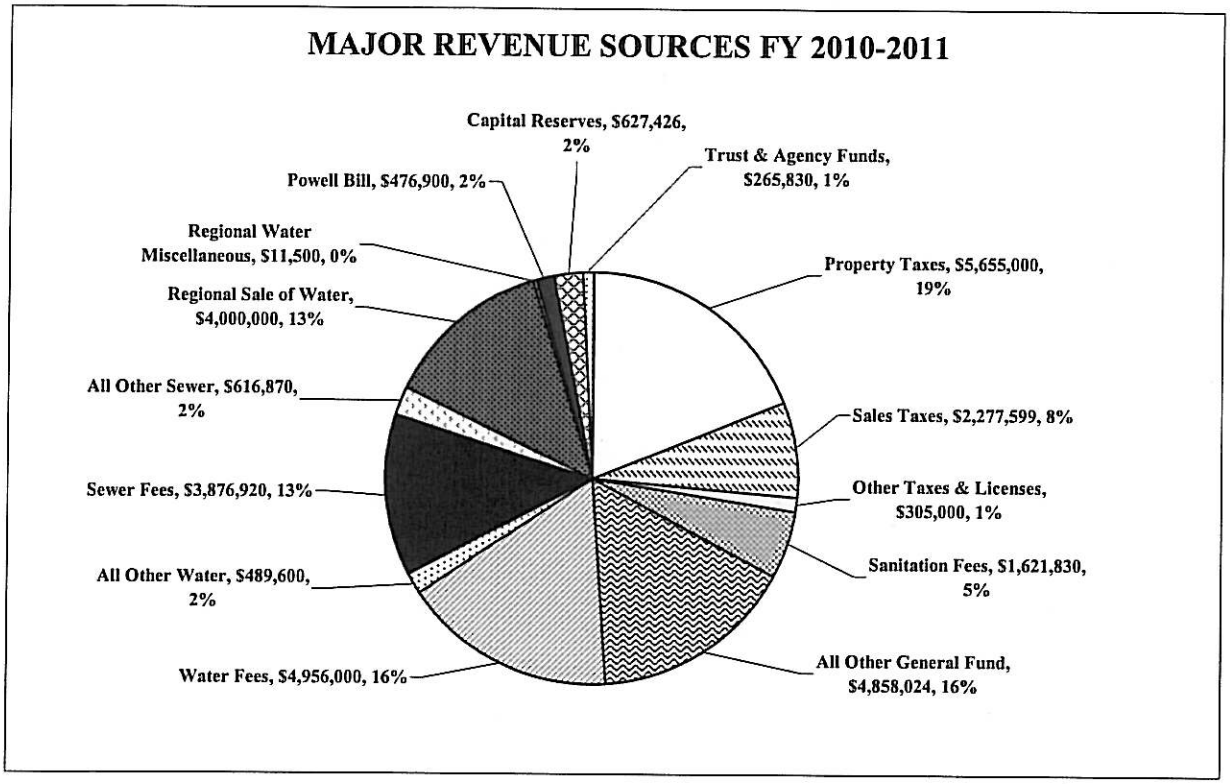
REVENUES - ALL FUNDS	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Restricted Intergovernmental					
Department of Transportation - St Maint.	31,000	20,525	0	0	
Dept. of Transportation Mowing Contract	0	6,251	0	7,000	
DOT Snow and Ice Removal	0	5,906	6,416	0	
Powell Bill Allocation	535,200	507,059	435,000	429,000	
US Customs Joint Operations	0	5,196	0	0	
Drug Tax Forfeitures - State	0	4,047	0	0	
Drug Tax Forfeitures - Federal	0	375,736	0	0	
Total - Restricted Intergovernmental	**$566,200**	**$924,719**	**$441,416**	**$436,000**	**$0**
Interfund Transfers					
Admin Support General from Water	458,860	467,900	491,295	491,295	
Admin Support General from Sewer	498,652	508,280	533,694	533,694	
Admin Support General from Regional	210,000	214,200	224,910	224,910	
Admin Support Water from Regional	70,000	70,000	70,000	70,000	
Transfer General from Powell Bill	857,754	511,703	436,500	476,900	
Transfer General from Water	26,190	23,101	33,210	27,270	
Transfer General from Sewer	26,190	23,101	33,210	27,270	
Transfer General from CIP General	0	1,397	0	0	
Transfer from Weed & Seed	16,960	0	0	0	
Transfer from WA/SW Street Repairs	20,000	38,060	35,000	0	
Transfer from W/S/REG. Retirees	0	0	54,120	44,880	
Fund Balance from Multi field Donations	55,165	0	0	0	
Fund Balance from Rec-Fox Pond Park	0	0	0	0	
Fund Balance from Rec Donations	0	0	23,765	0	
Fund Balance from Federal Seizures	1,214,791	476,216	560,930	256,360	
Fund Balance from State Seizures	4,280	0	8,380	0	
Transfer Pub Lib from General	289,890	262,260	262,230	262,230	
Transfer CR General from General	0	0	0	0	
Transfer CR Utilities from Water	26,330	0	48,740	44,600	
Transfer CR Utilities from Sewer	36,958	0	126,641	207,556	
Transfer CR Reg.COE from Regional Wa	4,330	4,330	4,330	6,000	
Transfer CR Reg 20MGD from Reg Water	104,530	262,340	315,340	315,000	
Transfer CR Reg from Regional Water	0	0	60,000	50,000	
Transfer to Fire from Water	27,325	21,774	26,700	26,700	
Transfer General from Sewer - Secretary	0	17,091	9,950	0	
Transfer General from Water - Secretary	0	0	9,950	0	
Transfer General from Engineer - Sec.	0	0	16,200	0	
Transfer Water from Regional	16,000	16,000	16,000	16,000	
Transfer from CIP Powell Bill	0	14,472	0	0	
Transfer from Gen-Bond Principal	0	130,788	0	0	
Transfer from Sewer-Bond Principal	0	540,632	0	0	
Transfer from Regional -Utilities Dir	0	0	0	0	
Transfer from JAG 2004	0	156	0	0	
Transfer from JAG 2006	0	43	0	0	
Transfer from JAG 2007	0	18	0	0	
Transfer from David St Project	0	30	0	0	
Fund Balance from Federal Treasury	0	0	11,800	0	
Transfer General from Garage Fees	525,820	551,848	520,490	470,930	
Total Interfund Transfers	**$4,540,025**	**$4,155,741**	**$3,933,385**	**$3,551,595**	**$0**

FY10-11 BUDGET
REVENUES
TOTAL REVENUES (BY FUNCTION)

REVENUES - ALL FUNDS	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Permits and Fees					
Cable TV Franchise	0	0	0	0	
Adult Business Permit	0	2,000	0	0	
Motor Vehicle Licenses	105,000	106,870	100,000	100,000	
Total Permits and Fees	**$105,000**	**$108,870**	**$100,000**	**$100,000**	**$0**
Sales and Services					
Liens Collected	0	3,078	0	0	
Civil Penalties	0	450	0	0	
Demolition & Lot Cleaning	800	8,247	1,000	2,000	
Zoning & Reclassification	9,000	16,810	13,000	13,000	
Minimum Housing Inspection Fees	15,000	0	0	0	
Refuse Collection	1,735,000	1,608,385	1,585,000	1,621,830	
Miscellaneous Refuse Fees	10,000	7,113	5,000	5,000	
Leaf Bags	0	1,602	1,000	2,000	
Cemetery Sales & Service	10,500	30,170	25,000	30,000	
Recreation	75,000	79,767	85,000	80,000	
Aquatics Center	45,000	69,948	50,000	60,000	
Bad Debt Recovery	3,000	1,962	1,000	1,500	
Debt Set Off	0	7,027	3,000	3,000	
Police Training Center Rental	1,500	0	1,000	2,000	
Fox Pond Park Rental	0	756	500	500	
Ramsey St. Rental	0	4,800	7,200	0	
Vance County Contract - Fire	101,714	114,418	28,420	0	
Vance County Contract - Recreation	334,652	353,050	342,702	334,926	
Vance County Contract - Aquatics	301,789	302,855	290,941	315,329	
Vance County Contract - Youth Services	200,850	207,058	204,680	204,570	
Vance County CSX Transportation	0	3,145	0	0	
Vance County Contract - Rec. Retirees	4,970	0	0	0	
Water Charges	2,350,000	2,334,400	2,509,500	2,630,000	
Water Charges - Franklin County	1,845,000	2,101,485	2,226,000	2,326,000	
Water Reconnections	15,000	76,424	72,000	80,000	
Water Taps	40,000	36,790	30,000	25,000	
Water Set Up Charges	12,000	11,228	12,000	12,000	
Water Late Payment Fees	102,000	129,814	99,000	100,000	
Sprinklers & Hydrants	105,000	110,142	126,880	120,000	
Water Bad Debt Recovery	7,500	6,461	4,000	3,000	
Water Debt Set Off	5,000	12,163	5,000	5,000	
Sales of Materials	1,500	2,855	1,500	1,500	
Returned Checks	0	617	0	0	
Returned Check Fees	0	7,346	4,000	3,800	
Sale of Water	3,304,160	3,428,104	3,813,000	4,003,000	
Sewer Charges	3,318,360	3,590,843	3,766,880	3,876,920	
Sewer Surcharges	40,000	20,730	20,000	16,000	
Sewer Reconnections	47,000	178,658	150,000	147,000	
Sewer Taps	6,000	7,720	6,500	7,000	
Sewer Set Up Charges	27,000	26,992	28,000	28,000	
Sewer Late Payment Fees	230,000	310,742	229,500	225,000	
Water/Sewer Capacity Fees	0	2,758	2,000	2,000	

REVENUES - ALL FUNDS	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Sales and Services Continued					
Sewer Bad Debt Recovery	13,000	11,938	12,000	10,000	
Sewer Debt Set Off	8,000	16,456	15,000	10,000	
Vance County NVHS Sewer Line	92,290	88,605	84,891	81,310	
Vance County Ruin Creek Outfall	86,700	85,002	82,774	80,060	
Vance County Satterwhite Point Rd	21,320	11,164	11,000	0	
Total Sales and Services	**$14,525,605**	**$15,430,078**	**$15,955,868**	**$16,468,245**	**$0**
Grants					
Bullet Proof Vest Grant	0	0	0	0	
NCDHHS	0	0	0	0	
Total Grants	**$0**	**$0**	**$0**	**$0**	**$0**
Miscellaneous					
Parking Violations	8,500	4,223	3,300	4,000	
Court Fees and Charges	6,000	19,770	12,000	15,000	
Recreation Donations	0	1,528	0	0	
Fire Department Donations	0	-929	0	0	
Fire Code Violations	0	650	0	500	
False Alarm Fines	0	3,400	0	0	
Sale of Land	680,508	0	0	0	
Sales of Assets	0	0	50,000	35,000	
Sale of Material	0	33	0	0	
Counteract Donations	0	100	0	0	
Returned Check Fees	0	350	400	400	
Reimbursement Embassy Foundation	66,706	18,278	27,550	0	
Insurance Proceeds	5,600	25,920	4,100	0	
Overpayment Utilities	0	2,067	0	0	
Lease Proceeds	0	72,979	0	0	
Workers Comp Reimbursements	0	16,852	0	0	
Street Cuts and Sidewalks	0	125	0	0	
Police Donations/Canine	0	0	0	0	
Recycling Rebates	0	455	400	500	
Over/Short	0	234	0	0	
Sewer Code Violations	0	4,881	2,500	2,500	
Fog Compliance Monitoring	0	1,214	0	7,500	
Miscellaneous	17,000	15,916	9,500	9,000	
Total Miscellaneous	**$784,314**	**$188,046**	**$109,750**	**$74,400**	**$0**
Total Interest Income	**$262,404**	**$127,196**	**$129,550**	**$27,870**	**$0**
Appropriated from Fund Balance	**$479,165**	**$0**	**$117,813**	**$180,000**	**$0**
Retained Earnings	**$208,000**	**$0**	**$0**	**$0**	**$0**
Fund Balance from Powell Bill		**$0**	**$0**	**$46,900**	**$0**
Fund Balance from Leo Sep Allow	**$20,000**	**$20,000**	**$32,000**	**$0**	**$0**
Total All Revenues	**$30,075,713**	**$29,671,538**	**$29,492,674**	**$30,056,499**	**$0**
Less Interfund Transfers	**$4,540,025**	**$4,156,015**	**$3,933,385**	**$3,551,595**	**$0**
Total Revenues Less Interfund Transfers	**$25,535,688**	**$25,515,523**	**$25,559,289**	**$26,504,904**	**$0**

FY 10-11 BUDGET
REVENUES
MAJOR REVENUE SOURCES - ALL FUNDS



REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Property Taxes	5,010,000	5,193,534	5,293,480	5,655,000	
Sales Taxes	2,520,000	2,339,533	2,374,612	2,277,599	
Other Taxes & Licenses	160,000	137,077	188,900	308,000	
Sanitation Fees	1,735,000	1,608,385	1,585,000	1,621,830	
All Other General Fund	6,456,526	5,834,528	5,216,026	4,873,024	
Water Fees	4,195,000	4,435,884	4,735,500	4,956,000	
All Other Water	460,000	1,215,182	504,880	489,600	
Sewer Fees	3,318,360	3,590,844	3,766,880	3,876,920	
All Other Sewer	805,310	773,855	648,365	616,870	
Regional Sale of Water	3,304,160	3,428,104	3,813,000	4,000,000	
Regional Water Miscellaneous	62,500	32,995	43,000	11,500	
Powell Bill	942,029	528,604	439,900	476,900	
Capital Reserves	175,048	276,491	585,601	627,426	
Trust & Agency Funds	328,890	276,522	297,530	265,830	
	$29,472,823	**$29,671,538**	**$29,492,674**	**$30,056,499**	**$0**

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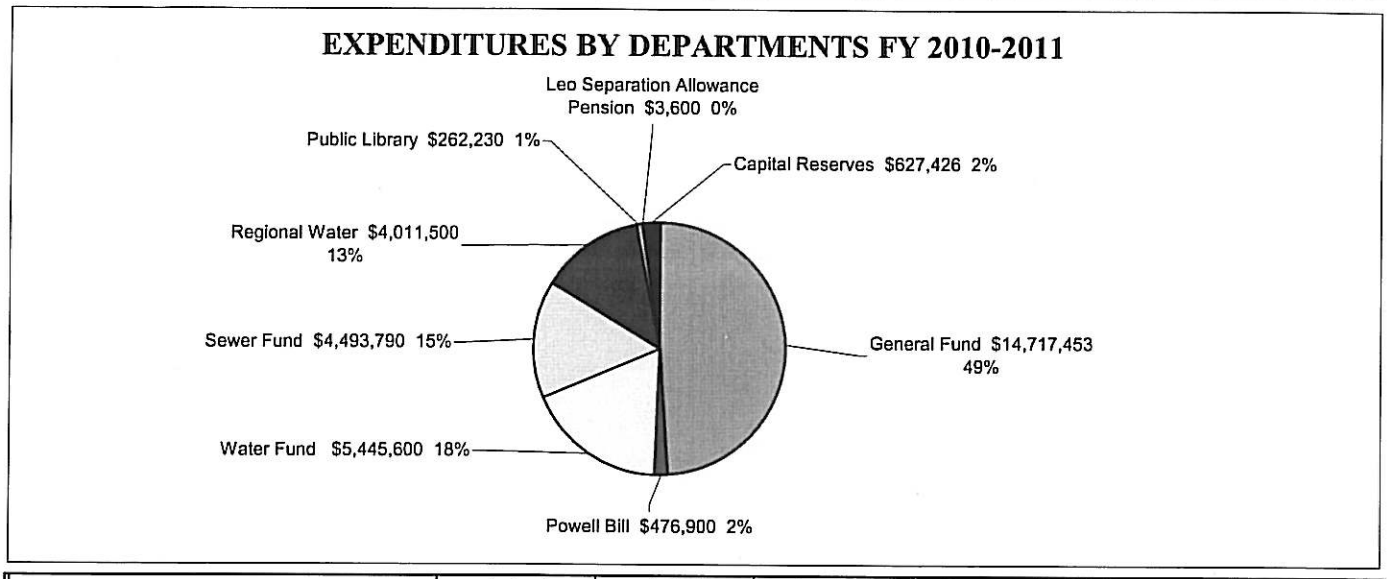
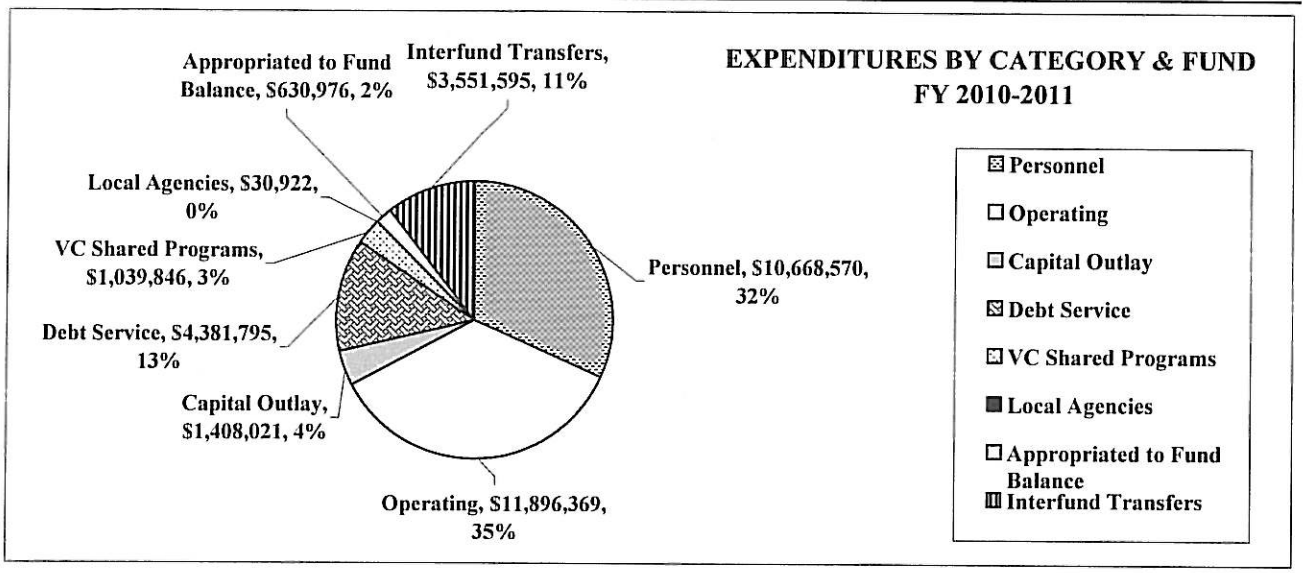
FY 10-11 BUDGET
EXPENDITURES
TOTAL EXPENDITURES (BY DEPARTMENT)



EXPENDITURES - ALL FUNDS	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Governing Body	$669,558	$527,048	225,280	$417,404	$238,590	
Admin - City Attorney	175	135,601	44,410	66,410	66,410	
Administration	324,594	352,109	385,630	446,765	364,190	
Code Compliance	188,301	179,873	131,936	321,670	132,930	
Human Resources	71,150	60,592	133,420	194,998	145,140	
Finance	493,375	518,312	559,520	691,640	614,050	
Planning & Community Development	152,710	137,693	137,620	300,420	138,630	
Henderson-Vance Downtown Dev.	49,365	58,013	33,310	63,480	34,120	
Public Buildings & Grounds	97,734	124,218	109,020	206,100	176,150	
Police	3,721,607	4,171,227	4,249,580	4,769,880	4,204,495	
Police - Drug Seizure	899,923	942,120	560,930	226,360	256,360	
Fire	2,019,990	2,116,226	2,116,079	3,024,860	2,130,715	
Public Works	328,185	345,641	334,620	381,820	339,330	
Garage	721,866	657,115	695,981	942,980	647,750	
Cemetery	141,143	131,621	129,857	137,790	126,910	
Street	1,205,062	1,011,052	1,151,309	1,706,540	1,159,980	
Sanitation	1,051,414	974,902	754,541	2,136,090	881,500	
Recreation	873,843	945,477	821,325	1,213,680	829,280	
Aycock Aquatics Center	677,377	720,224	664,450	877,030	661,750	
Recreation Youth Services	194,830	209,515	204,680	203,890	204,570	
Contributions to Local Agencies	36,228	32,722	30,922	35,322	30,922	
Vance County Shared Programs	964,557	921,604	960,400	1,051,750	1,039,846	
Non-Departmental	710,527	60,667	223,198	373,500	311,835	
Total General Fund Expenditures	**$15,593,514**	**$15,333,570**	**$14,658,018**	**$19,790,379**	**$14,735,453**	**$0**

EXPENDITURES - ALL FUNDS	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Powell Bill	**$667,619**	**$717,953**	**$439,900**	**$476,900**	**$476,900**	
Water Fund						
Admin/Engineering	179,265	133,732	205,220	216,140	189,480	
Water Distribution	4,505,644	4,594,138	5,035,160	5,568,350	5,256,120	
Total Water Fund Expenditures	**$4,684,909**	**$4,727,870**	**$5,240,380**	**$5,784,490**	**$5,445,600**	**$0**
Sewer Fund						
Henderson Water Reclamation Facility	3,087,260	2,781,162	3,191,430	4,357,030	3,339,236	
Sewer Collection	846,680	846,115	843,705	955,804	855,124	
Sewer Collection I & I	189,730	312,024	380,110	365,323	299,430	
Total Sewer Fund Expenditures	**$4,123,670**	**$3,939,301**	**$4,415,245**	**$5,678,157**	**$4,493,790**	**$0**
Public Library Expenditures	**$289,890**	**$262,260**	**$262,230**	**$262,230**	**$262,230**	
LEO - Separation Allowance Pension	**$20,000**	**$20,000**	**$35,300**	**$3,600**	**$3,600**	
Elmwood Cemetery	**$0**	**$14,000**	**$0**	**$0**	**$0**	
Regional Water Expenditures	**$3,333,825**	**$3,652,955**	**$3,856,000**	**$4,185,212**	**$4,011,500**	
Capital Reserve - Utilities	**$65,488**	**$6,000**	**$203,381**	**$200,000**	**$254,656**	
Capital Reserve - General	**$700**	**$700**	**$300**	**$50**	**$50**	
Capital Reserve - Regional COE	**$4,330**	**$4,830**	**$4,580**	**$6,070**	**$6,070**	
Capital Reserve - Regional 20MGD	**$104,530**	**$264,540**	**$317,340**	**$346,874**	**$316,600**	
Capital Reserve - Regional	**$0**	**$0**	**$60,000**	**$50,050**	**$50,050**	
Total All Expenditures	**$28,888,475**	**$28,943,979**	**$29,492,674**	**$36,784,012**	**$30,056,499**	
Less Interfund Transfers	$ 4,540,025	$ 4,308,292	$ 3,703,510	$ 3,551,595	$ 3,551,595	
All Expenditures Less Interfund Transfers	**$24,348,450**	**$24,635,687**	**$25,789,164**	**$33,232,417**	**$26,504,904**	**$0**

FY 10-11 BUDGET
EXPENDITURES
TOTAL EXPENDITURES (BY CATEGORY & FUND)



EXPENDITURES BY CATEGORY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
General Fund						
Personnel Services	$7,863,214	$8,512,697	$8,455,432	$9,526,356	$8,383,500	
Operating	4,627,683	4,163,604	3,564,049	5,774,725	3,926,070	
Debt Service	1,209,602	852,354	1,058,520	1,133,970	1,136,720	
Capital Outlay	892,230	850,590	588,695	2,280,160	218,395	
Contributions to Local Agencies	36,228	32,722	30,922	35,322	30,922	
Vance County Shared Programs	964,557	921,604	960,400	1,039,846	1,039,846	
Total General Fund	**$15,593,514**	**$15,333,570**	**$14,658,018**	**$19,790,379**	**$14,735,453**	**$0**
Powell Bill Fund						
Transfer to General Fund	$667,619	$717,953	$436,500	$476,900	$476,900	
Transfer to CIP	0		3,400	0	0	
Total Powell Bill Fund	**$667,619**	**$717,953**	**$439,900**	**$476,900**	**$476,900**	**$0**
Water Fund						
Personnel Services	$513,273	$578,573	$574,700	$676,620	$667,830	
Operating	3,106,463	3,130,394	3,549,765	3,742,320	3,466,465	
Debt Service	1,048,953	1,014,926	1,108,915	1,072,770	1,047,305	
Capital Outlay	16,220	3,977	7,000	292,780	264,000	
Total Water Fund	**$4,684,909**	**$4,727,870**	**$5,240,380**	**$5,784,490**	**$5,445,600**	**$0**

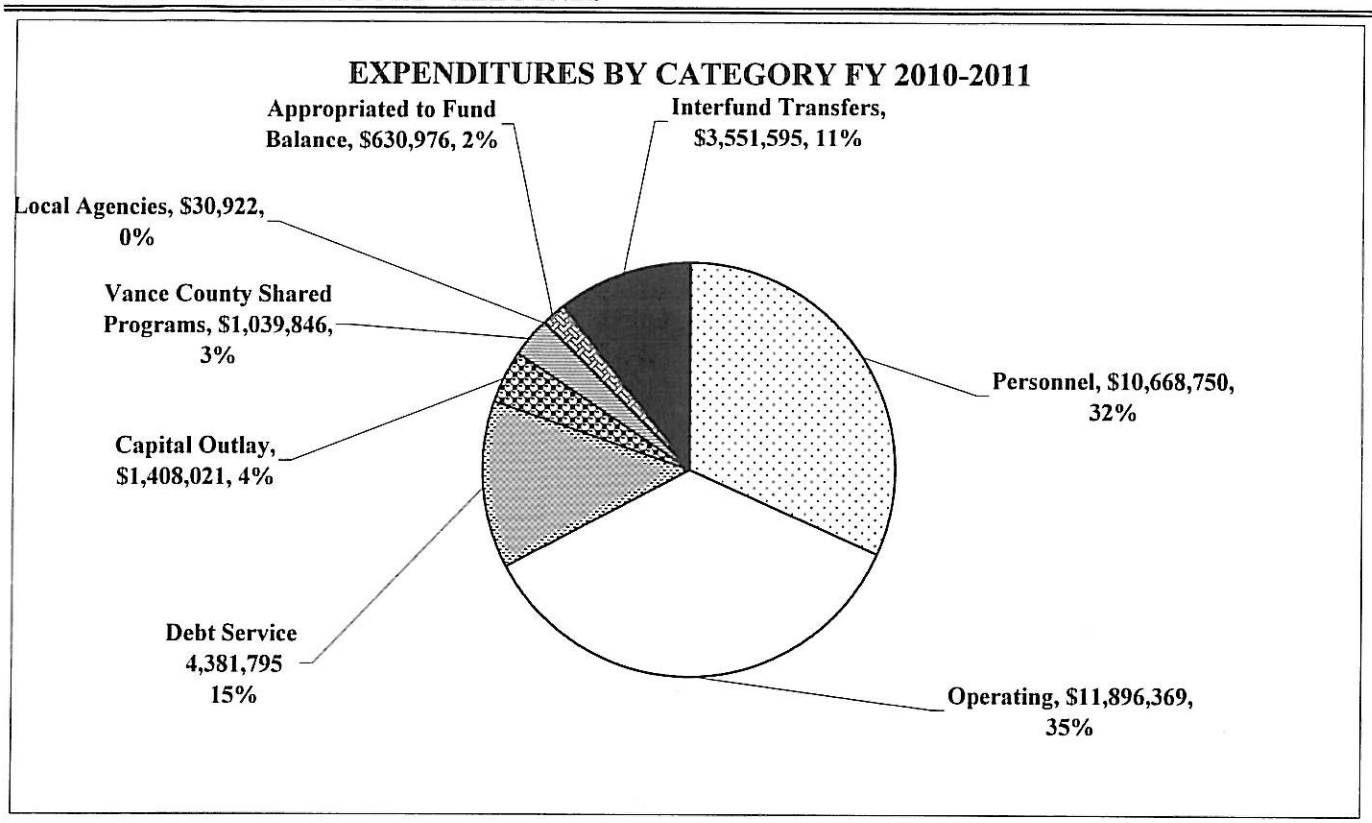
TOTAL EXPENDITURES (BY CATEGORY & FUND)

EXPENDITURES BY CATEGORY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Sewer Fund						
Personnel Services	$1,084,140	$1,101,079	1,094,690	$1,111,003	$1,114,890	
Operating	1,977,725	1,628,469	2,261,855	2,609,354	2,130,384	
Debt Service	1,030,180	1,022,753	1,004,310	967,390	967,390	
Capital Outlay	31,625	187,000	54,390	990,410	281,126	
Total Sewer Fund	**$4,123,670**	**$3,939,301**	**$4,415,245**	**$5,678,157**	**$4,493,790**	**$0**
Public Library						
Operating	$289,890	$262,260	$262,230	$262,230	$262,230	
Total Public Library	**$289,890**	**$262,260**	**$262,230**	**$262,260**	**$262,230**	
LEO Separation Allowance Pension						
Operating	$20,000	$0	$32,000	$0		
Fund Balance Appropriated	$0	$0	$3,300	$3,600	$3,600	
Total LEO Separation Allowance Pension	**$20,000**	**$0**	**$35,300**	**$3,600**	**$3,600**	
Elmwood Cemetery						
Fund Balance Appropriated	$0	$14,000	$0	$0	$0	
Total Elmwood Cemetery	**$0**	**$0**	**$0**	**$0**	**$0**	
Regional Water						
Personnel Services	$465,590	$520,192	$487,930	$559,321	$502,350	
Operating	1,344,325	968,708	2,136,880	1,821,780	1,634,270	
Debt Service	1,219,235	1,307,385	1,229,490	1,230,367	1,230,380	
Capital Outlay	304,675	856,670	1,700	573,744	644,500	
Total Regional Water	**$3,333,825**	**$3,652,955**	**$3,856,000**	**$4,185,212**	**$4,011,500**	**$0**
Capital Reserve Funds						
Capital Reserve - Utilities						
Fund Balance Appropriated	$65,488	$6,000	$203,381	$200,000	$254,656	
Total Capital Reserve - Utilities	**$0**	**$0**	**$203,381**	**$200,000**	**$254,656**	
Capital Reserve - General						
Fund Balance Appropriated	$700	$700	$300	$50	$50	
Total Capital Reserve - General	**$0**	**$0**	**$300**	**$50**	**$50**	

FY 10-11 BUDGET
EXPENDITURES
TOTAL EXPENDITURES (BY CATEGORY & FUND)

EXPENDITURES BY CATEGORY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Capital Reserve Funds Continued						
Capital Reserve - Regional Water COE						
Fund Balance Appropriated	$4,330	$4,830	$4,580	$6,070	$6,070	
Transfer from Regional Water	0		0			
Total Capital Reserve - Reg Water COE	**$4,330**	**$4,830**	**$4,580**	**$6,070**	**$6,070**	**$0**
Capital Reserve - Reg Wtr 20MGD						
Fund Balance Appropriated	$104,530	$264,540	$317,340	$346,874	$316,600	
Total Capital Res. Reg Wtr 20MGD	**$104,530**	**$264,540**	**$317,340**	**$346,874**	**$316,600**	**$0**
Capital Reserve - Regional						
Fund Balance Appropriated	$0	$0	$60,000	$50,050	$50,050	
Total Capital Reserve - Regional	**$0**	**$0**	**$60,000**	**$50,050**	**$50,050**	**$0**
Total All Expenditures	**$28,888,475**	**$28,943,979**	**$29,492,674**	**$36,784,012**	**$30,056,499**	
Less Interfund Transfers	4,540,025	4,308,292	3,703,510	3,551,595	3,551,595	
Total Less Interfund Transfers	**$24,348,450**	**$24,635,687**	**$25,789,164**	**$33,232,417**	**$26,504,904**	**$0**

FY10-11 BUDGET
EXPENDITURES
EXPENDITURES BY CATEGORY - ALL FUNDS



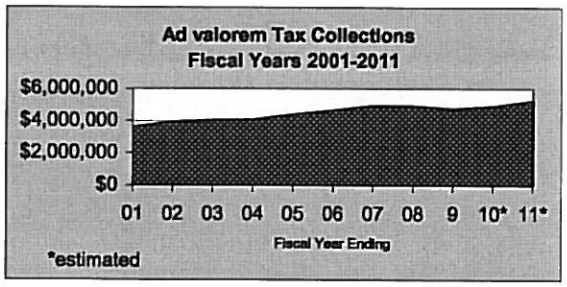
EXPENDITURES	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel	9,926,217	10,712,541	10,612,752	11,873,300	10,668,570	
Operating	12,208,753	11,181,457	11,834,179	14,210,409	11,896,369	
Debt Service	4,507,970	4,197,418	4,401,235	4,404,497	4,381,795	
Capital Outlay	1,244,750	1,898,237	651,785	4,137,094	1,408,021	
Vance County Shared Programs	964,557	921,604	960,400	1,039,846	1,039,846	
Local Agencies	36,228	32,722	30,922	35,322	30,922	
Fund Balance Appropriated			1,001,401	1,083,544	630,976	
	28,888,475	28,943,979	29,492,674	36,784,012	30,056,499	
Interfund Transfers	4,540,025	4,308,292	3,703,510	3,551,595	3,551,595	
	$24,348,450	$24,635,687	$25,789,164	$33,232,417	$26,504,904	$0

MAJOR REVENUE SOURCES

The following information regards how major sources of revenue are budgeted in the City of Henderson's Annual Budget. Revenues must fully support expenditures in a balanced budget, therefore no budget can begin without an understanding of the resources available. These assumptions have been determined using financial trends, prior years performance and projections from the N.C. League of Municipalities.

Ad Valorem Taxes

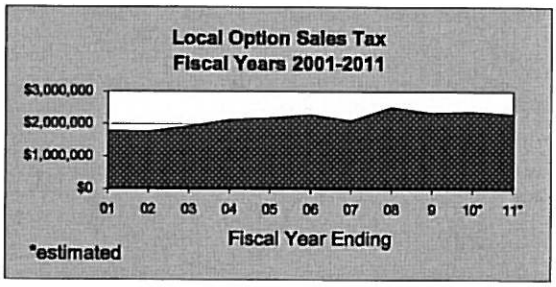
The City contracts with Vance County to assess and collect property taxes. Ad valorem income for FY 10-11 is based on a $.625 tax rate (4 cent increase from FY 09-10) per one hundred dollars ($100) of assessed valuation of taxable property as listed for taxes as of January 1, 2010. The total revenue budgeted at $5,270,969 is based on a total valuation of $915,000,000 and a tax collection rate of 92.14%. The total property valuation reflects less than a 1.3% increase from FY 09-10. Each $.01 of the tax rate produces $83,850. The property tax collection rate is 1.10% less for FY 11 due to the FY10 collection rate being down. This had a negative impact on the budget of $58,560.



Other Taxes and Licenses

Local Option Sales Tax

The State collects and distributes the proceeds from the locally levied tax on retail sales. This tax has consisted of (a) one (1) cent, (b) two half (0.5) cent taxes, (c) another one half (0.5) cent and hold harmless sources. Vance County has chosen the ad valorem distribution basis; therefore, based on previous distributions, the effects of the Recession, the City has budgeted for $97,013 in less revenue than previous years due to the continued impacts of the Recession. The total projected revenue for FY 10-11 is $2,277,599.

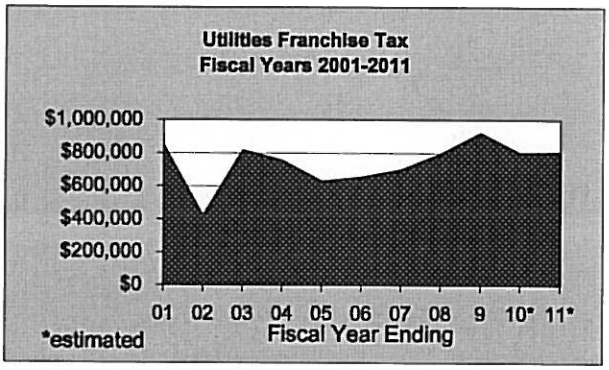


MAJOR REVENUE SOURCES (cont.)

Unrestricted Intergovernmental

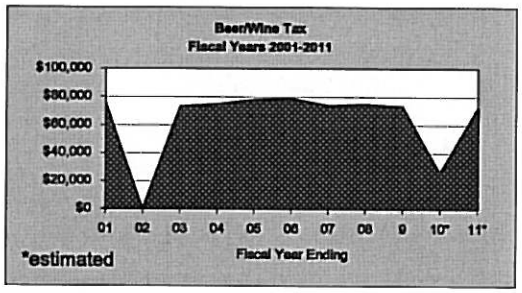
Utilities Franchise Tax

The City shares in the Utilities Franchise Tax levied by the State on various utilities. Actual receipts from these utilities within Henderson's municipal boundaries is the basis of distribution. This revenue is highly sensitive to the weather. Cool summers and mild winters can lead to a year with little or no growth in receipts from this tax. Any annexations of industrial or other facilities that are heavy users of utility services, effective this fiscal year, could justify greater growth. Considering industry closings and reductions, conservative projections from the N.C. League of Municipalities, the projected revenue for this tax in FY10-11 is projected to have less than 1% increase compared to the FY 09-10 budget. Beginning FY 07-08, Local Video Programming Revenues were included in this revenue, replacing Cable Franchise Tax.



Beer/Wine Tax

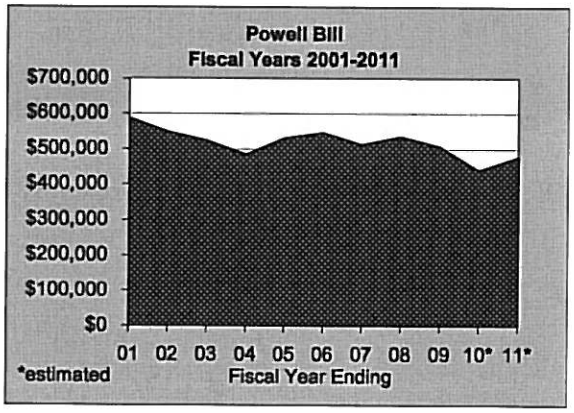
Cities share in the beer and wine tax (where sales are legal) based on their population. As part of the FY09-10 budget, the State reduced the local share of beer and wine taxes so that the FY09-10 distribution would be reduced by 2/3. In the absence of this reduction, beer & wine taxes would have declined by 1% statewide in FY09-10. The reduction was lifted by the Governor and the revenues for FY 11 reflect an increase of $46,000 which is actually less than the FY 08-09 appropriation by $1,370.



Restricted Intergovernmental

Powell Bill

Based on the latest State Budget office estimates of Powell Bill funds, given the impact of modest economic growth, higher gas prices, a slowdown in vehicle purchases and the recession, revenue estimates are $476,900, slightly up form FY10's $439,900

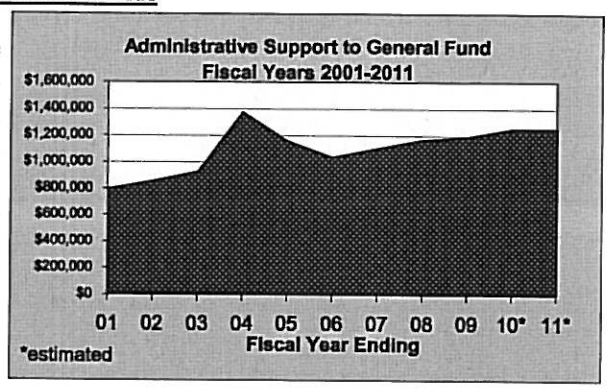


MAJOR REVENUE SOURCES (cont.)

Transfers/Administrative Support

Administrative Support from Water, Sewer and Regional Water Funds

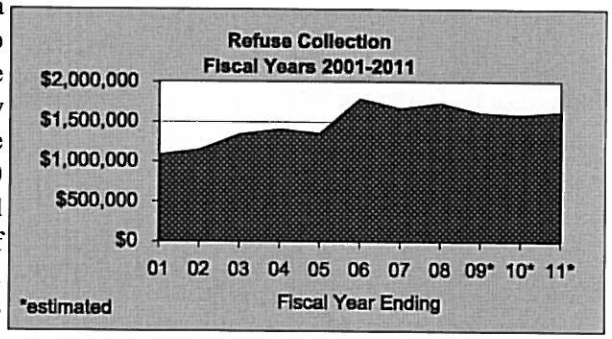
The administrative support budgeted as a revenue in the General Fund remains $1,249,899 (Water- $491,295, Sewer- $533,694, Regional- $224,910). This supplement provides means to reimburse the City for certain administrative services (i.e. accounting, management allocations, purchasing, payrolls, etc.) that are provided by the City for the benefit of the system. This support did not change from FY 09-10.



Sales and Service

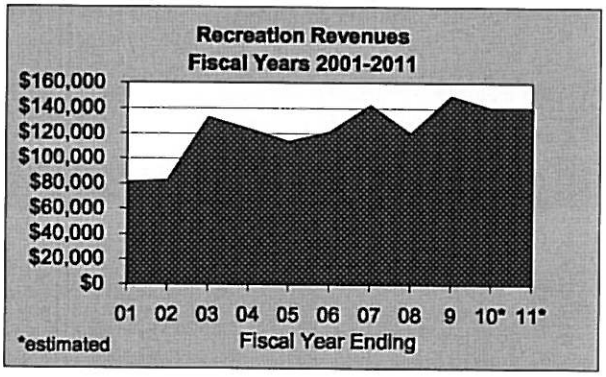
Refuse Collection

The City's monthly fee of $25 ($25.50 recommended for FY10-11) for customers inside the city limits for once a week back yard garbage collection has been restructured to include funding for privatization of sanitation services. The contract will provide once a week curbside pick-up. A fifty cent per month increase is recommended to fully cover the cost of the service. The proposed contract price is $455,000 annually but for FY10-11, a nine-month contract is budgeted (beginning October 2010) at $341,300. The amount of revenue collected is estimated to fully support this operation. Estimated revenues are $1,621,830 as compared to $1,585,000 for FY10 Budget.



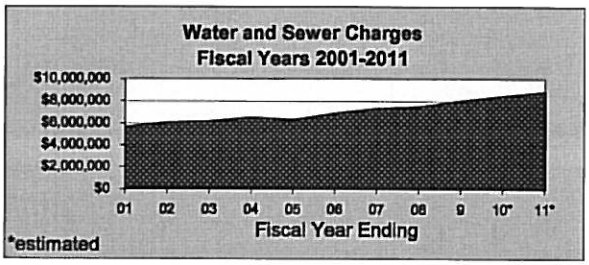
Recreation/Aquatic Center Revenues

Registration fees and rental of the Aycock Recreational Complex along with other ball fields, gymnasiums, etc. make up the budgeted revenue of $140,000 ($80,000 in Recreation and $60,000 in the Aycock Aquatics Center) for FY 10-11. These recreation facilities are jointly owned and operated by the City of Henderson and Vance County and based on a contract of 55% City and 45% County for operating and 50% cost share for the Aquatics Center debt service. The revenue does not fully support the operation, but does help to subsidize it.



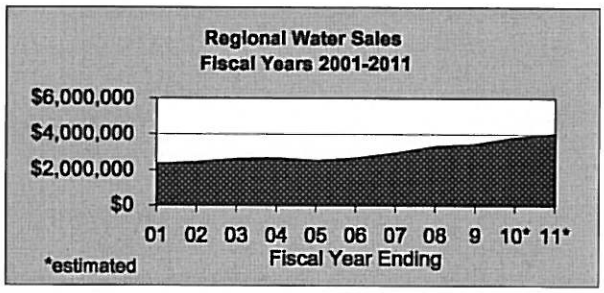
Water and Sewer Charges

The total budgeted revenue for sale of water and sewer in FY 10-11 is $8,832,920. This revenue consists of three (3) separate components (a) Water Charges for all water customers based on rates inside and outside the city limits of Henderson at $2,630,000 (5% rate increase over last year), (b) Sewer Charges for all water customers based on rates inside and outside the city limits of Henderson at $3,876,920 (3% rate increase over last year), (c) Franklin County Water Charges that includes a monthly charge to Franklin County based on metered consumption at $2,326,000 (5% rate increase over last year). A water and sewer rate analysis is budgeted for FY11.



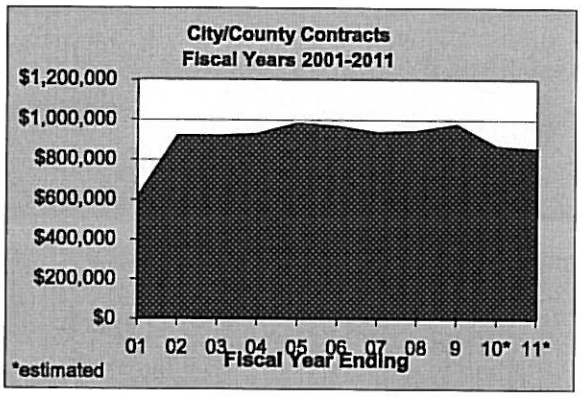
Regional Water Sales

The City is a party to a regional water agreement between the City of Henderson, the City of Oxford, and the County of Warren which formed the Kerr Lake Regional Water System (KLRWS). The KLRWS is primarily owned and operated by the City (60% rights) and provides treated water to the City and the other parties to the Regional Water Agreement. The three parties purchase water from the KLRWS at a fixed rate of $ 1152 per million gallons and a used rate of $1,802 per millon gallons (5% increase over last year) and results in a projected revenue for FY 10-11 of $4,003,000 in the Regional Water Fund Revenues.



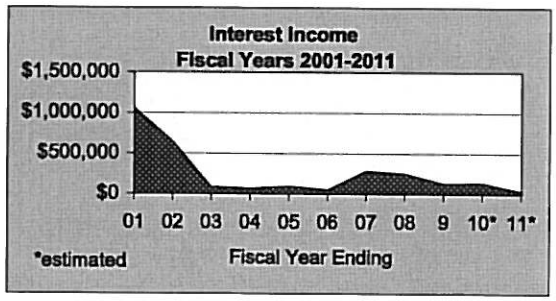
City/County Contracts

These three contracts/agreements are between the City of Henderson and Vance County with each being determined in their separate calculation method as determined by City and County Staff, City Council and County Commissioners. All three are budgeted fully in the City's budget, receiving reimbursement from Vance County. The Recreation contracts involve a 45% reimbursement for all operating Recreation costs and a 50% reimbursement for the debt service payment on the Aycock Recreation Center. The Youth Services Program that is structured under the Recreation Department is reimbursed by Vance County at 100% of all costs. The total revenue for the three contracts for FY 10-11 is $854,825.



Interest Income

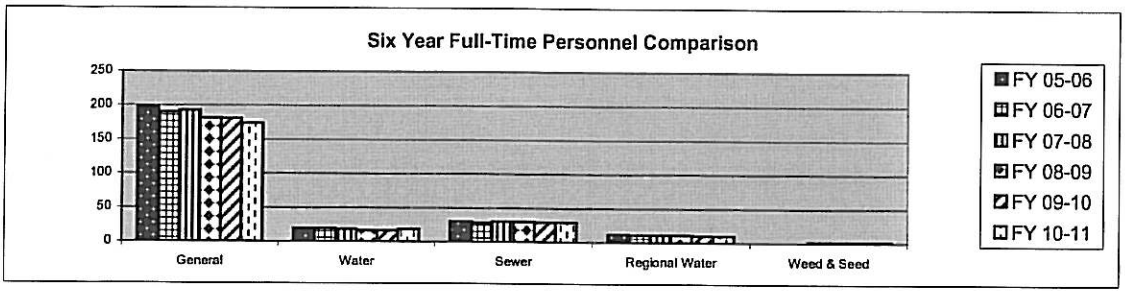
Due to the current recession, interest income is conservatively projected on the basis of average available cash balances at an anticipated 1.0% rate of return and is expected to be a total of $27,870 for FY 10-11.



City of Henderson
Budget Comparison By Department and Fund
Last Six Fiscal Years and Recommended
FY 2010-11 Budget

Fund	Department	FY 04-05 Budget	FY 05-06 Budget	FY 06-07 Budget	FY 07-08 Budget	FY 08-09 Budget	FY 09-10 Budget	FY 10-11 Budget	% Increase (Decrease) from 09-10 Budget
General	Governing Body	515,102	494,000	592,275	650,860	483,890	225,280	238,590	5.9
	Admin - City Attorney	-	-	-	-	119,020	44,410	66,410	49.5
	Admin - City Clerk	-	-	-	-	40,170	0	0	
	Admin	463,972	528,133	371,426	362,637	379,400	385,630	364,190	(5.6)
	Code Compliance	134,353	135,120	185,815	219,310	203,590	131,936	132,930	0.8
	Human Resources	65,202	57,960	73,605	78,240	81,420	133,420	145,140	8.8
	Finance	562,105	532,494	545,177	596,310	592,920	559,520	614,050	9.7
	Planning	261,942	222,180	176,066	169,830	157,120	137,620	138,630	0.7
	HVDDC	88,264	92,263	56,845	52,230	59,840	33,310	34,120	2.4
	Public Buildings	125,934	116,971	124,575	103,090	123,290	109,020	176,150	61.6
	Police	3,726,761	3,998,841	4,335,026	3,983,030	4,114,527	4,249,580	4,204,495	(1.1)
	Police - Drug Seizure	-	-	-	1,214,791	1,029,190	560,930	256,360	(54.3)
	Fire	1,892,417	1,896,705	1,982,120	2,100,070	2,129,850	2,116,079	2,130,715	0.7
	Admin/Public Works	318,656	317,232	468,346	329,590	358,892	334,620	339,330	1.4
	Garage	614,761	638,394	693,060	705,420	776,050	695,981	647,750	(6.9)
	Cemetery	137,831	139,944	141,220	129,690	128,920	129,857	126,910	(2.3)
	Street	1,082,701	1,104,646	1,166,020	1,343,610	1,112,508	1,151,309	1,159,980	0.8
	Sanitation	1,025,711	999,588	960,705	1,005,390	890,392	754,541	881,500	16.8
	Recreation	801,038	806,774	851,770	859,515	935,719	821,325	829,280	1.0
	Aquatics Center	720,410	720,475	713,935	691,850	713,520	664,450	661,750	(0.4)
	Rec Youth Services	178,860	186,057	194,550	200,850	208,300	204,680	204,570	(0.1)
	Non Departmental	5,000	301,532	155,089	721,008	81,898	223,198	311,835	39.7
	Cont Local Agencies	42,170	31,214	33,000	36,228	32,722	30,922	30,922	0.0
	V C Shared Programs	796,019	826,418	890,285	1,015,142	939,855	960,400	1,039,846	8.3
Total General		**13,559,209**	**14,146,941**	**14,710,910**	**16,568,691**	**15,693,003**	**14,658,018**	**14,735,453**	0.5
Powell Bill	**Powell Bill**	**647,466**	**661,665**	**829,727**	**857,754**	**825,770**	**439,900**	**476,900**	8.4
Water	Admin/Engineering	199,810	208,470	210,205	213,335	191,400	205,220	189,480	(7.7)
	Water Distribution	4,202,361	3,954,095	4,263,553	4,441,665	4,700,230	5,035,160	5,256,120	4.4
Total Water		**4,402,171**	**4,162,565**	**4,473,758**	**4,655,000**	**4,891,630**	**5,240,380**	**5,445,600**	3.9
Sewer	Water Reclamation	3,125,884	2,986,090	2,983,711	3,087,260	3,101,780	3,191,430	3,339,236	4.6
	Sewer Coll	760,276	787,760	907,399	846,680	833,650	843,705	855,124	1.4
	Sewer I & I	76,010	-	-	189,730	364,660	380,110	299,430	(21.2)
Total Sewer		**3,962,170**	**3,773,850**	**3,891,110**	**4,123,670**	**4,300,090**	**4,415,245**	**4,493,790**	1.8
Public Library		**277,742**	**277,742**	**300,000**	**289,890**	**262,260**	**262,230**	**262,230**	0.0
Leo Pension		**6,110**	**1,500**	**28,900**	**25,000**	**27,000**	**35,300**	**3,600**	(89.8)
Elm Cemetery		**21,000**	**13,500**	**14,000**	**14,000**	**14,000**	**0**	**0**	
Regional Water		**2,928,554**	**3,815,203**	**3,040,743**	**3,366,660**	**3,744,000**	**3,856,000**	**4,011,500**	4.0
Capital Reserve	Utilities	**232,000**	**37,712**	**58,242**	**65,488**	**6,000**	**203,381**	**254,656**	25.2
Capital Reserve	General	**100**	**100**	**300**	**700**	**700**	**300**	**50**	(83.3)
Capital Reserve	Regional Water COE	**-**	**-**	**4,330**	**4,330**	**4,830**	**4,580**	**6,070**	32.5
Capital Reserve	Regional Water 20MGD	**-**	**-**	**-**	**104,530**	**264,540**	**317,340**	**316,600**	(0.2)
Capital Reserve	Regional	**-**	**-**	**-**	**-**	**-**	**60,000**	**50,050**	(16.6)
Total City Budget		**26,036,522**	**26,890,778**	**27,352,020**	**30,075,713**	**30,033,823**	**29,492,674**	**30,056,499**	1.9

Full-Time Personnel



BUDGETED FULL TIME POSITIONS

PERSONNEL BY FUND	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
General Fund						
Governing Body	0	2	2	0	1	1
Admin - City Attorney	0	0	0	1	0	0
Admin - City Clerk	0	0	0	1	0	0
Administration	7	7	7	5	5	5
Human Resources	1	1	1	1	2	2
Code Compliance	2	3	3	3	2	2
Finance	11	11	11	11	11	12
Planning & Community Development	4	3	3	2	2	2
Henderson- Vance Downtown Development	1	0	0	0	0	0
Public Buildings & Grounds	1	1	1	1	1	1
Police	66	64	64	64	64	68
Police - Drug Seizure	0	0	2	2	2	2
Fire	36	35	36	36	35	35
Public Works/Administration	2	2	2	1.5	2	2
Garage	5	4	4	4	4	4
Cemetery	4	4	3	3	3	3
Street	12	11	11	10	14	14
Sanitation	27	25	25	19	15	5 *
Recreation	11	10	8	9	9	9
Aquatics Center	2	2	2	2	2	2
Youth Services	4	4	4	4	4	4
Total General Fund Employees	**196**	**189**	**189**	**179.5**	**178**	**168**
Water Fund						
Engineering	5	4	4	3	3	3
Water Distribution	14	15	14	13	13	15
Total Water Fund Employees	**19**	**19**	**18**	**16**	**16**	**18**
Sewer Fund						
Water Reclamation Facility	23	21	21	21	21	21
Sewer Collection	7	7	6	5.5	5	5
Sewer Collection I & I	0	0	3	3	3	3
Total Sewer Fund Employees	**30**	**28**	**30**	**29.5**	**29**	**29**
Regional Water						
Regional Water	12	11	11	11	10	11
Total Regional Water Employees	**12**	**11**	**11**	**11**	**10**	**11**
Weed & Seed						
Weed & Seed	0	0	1	1	1	1
Total Weed & Seed Employees	**0**	**0**	**1**	**1**	**1**	**1**
TOTAL FULL-TIME EMPLOYEES	**257**	**247**	**249**	**237**	**234**	**227**

**Sanitation - 4 temp positions will be eliminated after 3 months, 1 driver is retiring and 5 other positions eliminated through attrition.*

Part-Time Personnel

PART TIME FUNDED POSITIONS

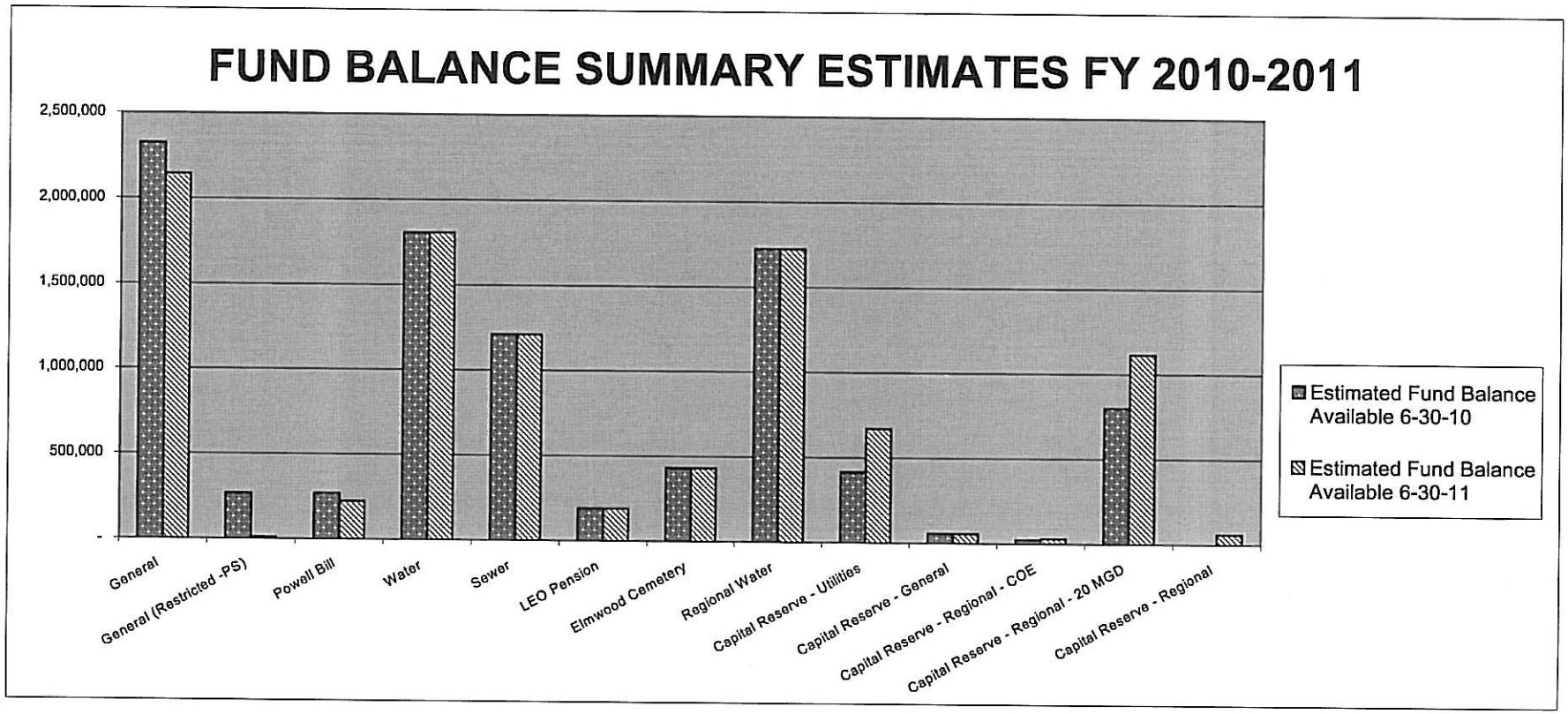
PERSONNEL BY FUND	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
General Fund						
Henderson-Vance Downtown Development	0	1	1	1	1	1
Police	15	15	14	14	14	14
Fire	14	14	14	14	12	12
Aycock Aquatics	10	10	10	10	10	10
Recreation	28	24	24	24	24	24
Weed & Seed	0	0	0	0	0	1
Total General Fund Employees	**67**	**64**	**63**	**63**	**61**	**62**
TOTAL PART-TIME EMPLOYEES	**67**	**64**	**63**	**63**	**61**	**62**

Classification and Pay System - 4/23/2010

Grade	Classification	Salary Range
1	No position assigned	$17,279 - $25,918
2	Maintenance Worker I Receptionist Parking Enforcement Officer	$18,489 - 27,733
3	Maintenance Worker II Police Communications Clerk (IA) Auto Service Worker	$19,783 - $29,676
4	Maintenance Worker III Police Office Assistant Accounting Technician I Police Records Clerk (IA) Meter Reader Receptionist/Clerk Typist	$21,169 - $31,753
5	Administrative Secretary Treatment Plant Operator I Project Safe Neighborhood Coord.	$22,735 - $33,976
6	Drafting/CADD Technician Maintenance Crew Leader Lab Technician Treatment Plant Operator II Plant Maintenance Mechanic Auto Mechanic Probationary Fire Fighter	$24,418 - 36,626
7	Planning Technician Code Compliance Inspector Fire Fighter I Police Officer I Treatment Plant Operator III Executive Assistant	$26,127 - $39,189
8	Engineering Inspector Planner Accounting Technician III Police Officer II Assistant Chemist Fire Fighter II Engineering Technician Recreation Program Specialist Treatment Plant Operator IV Parks Maintenance Supervisor	$27,955 - $41,933
9	Maintenance Supervisor Recreation Program Supervisor Fleet Maintenance Supervisor Police Officer III Chemist Fire Fighter III	$29,911 - $44,868
10	Public Works Maintenance Supervisor Utilities Maintenance Supervisor Plant Maintenance Supervisor Senior Instrumentation Technician Pretreatment Coordinator Chief Plant Operator Police Sergeant City Clerk Information Systems Technician (IA) Planner I Budget Analyst (IA) Senior Police Officer Fire Engineer Accounting Supervisor Billing & Collections Supervisor Weed & Seed Coordinator	$32,005 - $48,009
11	Fire Lieutenant Main Street Program Manager Community Dev Program Manager Planning/Zoning Administrator Recreation Program Superintendent Youth Services Director Police Sergeant Crime Analyst	$34,245 - $51,367
12	Assistant Finance Director Battalion Chief Fire Captain Police Lieutenant	$36,577 - $54,862
13	Assistant Fire Chief Police Captain Special Projects Manager	$39, 063 - $58,593
14	Director of Public Works Director of Utilities Operations Director of KLRWP Director of HWRF Director of Code Compliance	$40,504 - $60,754
15	Director of Parks and Recreation	$44,556 - $66,833
16	Director of Planning/Comm. Dev Director of Finance Fire Chief Police Chief Director of Engineering Utilities Director Director of Human Resources	$48,566 - $73,081
17	Assistant City Manager	$53,419 - $80,133
18	City Attorney	$68,413 - $83,933

FUND BALANCE SUMMARY ESTIMATES
FY 2010-2011

Fund	Fund Balance Per Audit 6/30/2009	Estimated Appropriations FY 09-10	Est. Available Fund Balance 6/30/2010	Amended FY 2009-2010 Budget	FY 2010-2011 Budgeted Appropriations	*Estimated Fund Balance 6/30/2011	Estimated Fund Balance as % of 09-10 Budget
General	2,073,596	250,000	2,323,596	14,441,888	(180,000)	2,143,596	14.8%
General (Restricted -PS)	791,870	(526,141)	265,729	14,441,888	(256,360)	9,369	0.1%
Powell Bill	259,709	7,650	267,359	439,900	(46,900)	220,459	50.1%
Water	1,577,020	227,471	1,804,491	5,240,380	-	1,804,491	34.4%
Sewer	1,158,665	51,587	1,210,252	4,415,245	-	1,210,252	27.4%
LEO Pension	217,047	(28,500)	188,547	35,300	-	188,547	534.1%
Elmwood Cemetery	429,610	-	429,610	-	-	429,610	0.0%
Regional Water	1,681,272	40,319	1,721,591	3,586,000	-	1,721,591	48.0%
Capital Reserve - Utilities	201,265	213,381	414,646	203,381	254,656	669,302	329.1%
Capital Reserve - General	56,364	50	56,414	300	50	56,464	18821.3%
Capital Reserve - Regional (COE)	18,495	4,380	22,875	4,580	6,070	28,945	632.0%
Capital Reserve - Regional - 20 MGD	480,000	316,740	796,740	317,340	316,600	1,113,340	350.8%
Capital Reserve Regional	-	60,030	60,030	60,000	50,050	110,080	183.5%
Total	**8,944,913**	**616,967**	**9,561,880**	**28,744,314**	**144,166**	**9,706,046**	**33.8%**



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Debt Service

Like most municipalities, the City of Henderson utilizes debt as a means to finance long-term capital projects. Debt is regulated not only by Council policy, but also by North Carolina Statutes. The Debt Service section examines the specifics of the City's debt, including the requirements projected to service debt for the next five years.

Long-term debt for water and sewer purposes is carried in the Utility Fund rather than in the General Fund. The debt service requirements are being met by water and sewer revenues, but the taxing power of the City is pledged to make these payments if water and sewer revenues should ever be insufficient. Long-term debt for other purposes is included in the General Fund. The debt service requirements for all debt carried in the General Fund are appropriated annually in the General Fund and are paid using ad valorem taxes and other revenue sources from the General Fund.

The City of Henderson's bond rating for the 9th consecutive year is A2 from Moody's, A from Standard & Poor's and A+ from Fitch.

The City of Henderson's long-term debt obligations as of FY 09-10 totals $27,581,702 and is divided into 3 categories consisting of the following:

* Revenue Bonds..... $11,500,000
* Capital Leases .....$ 899,581
* Notes Payable .....$ 15,182,121

Note: The breakdown of each category is shown on the following pages

Audit Calculations (ending June 30, 2009)
Computation of Legal Debt Margin

Net Assessed Value - June 30, 2009	$	899,951,258
	X	.08
Debt Limit - 8% of Assessed Value	$	71,996,101
Gross Total Debt	$	27,581,702
Total Amount of Debt Applicable to Debt Limit (Net Debt)	$	(5,876,299)
Legal Debt Margin (June 30, 2008)	$	66,119,802
Ratio of Bonded Debt to Assessed Value	$	-
Population		15,850
Debt Per Capita	$	1,740
General Obligation Bonded Debt	$	-
Debt Per Capita	$	-

DEBT SERVICE

Description		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Revenue Bonds						
2001 Series **3.60% interest for FY 05-06, issued 4/1/01** **semi annual interest and annual principal** **payments ending FY 2020-2021**						
Franklin County Water Line outstanding principal $4,715,000 100% Franklin County participation	Principal	$ 315,000	$ 325,000	$ 340,000	$ 360,000	$ 375,000
	Interest	$ 222,763	$ 209,375	$ 195,075	$ 177,225	$ 158,325
Operations and Service Center Debt Service Payment - 30% Water Fund outstanding principal $2,823,923 (total project)	Principal	$ 57,362	$ 59,275	$ 61,824	$ 65,648	$ 68,835
	Interest	$ 40,719	$ 38,282	$ 35,673	$ 32,428	$ 28,980
Operations and Service Center Debt Service Payment - 30% Sewer Fund outstanding principal $2,823,923 (total project)	Principal	$ 57,362	$ 59,275	$ 61,824	$ 65,648	$ 68,835
	Interest	$ 40,719	$ 38,282	$ 35,673	$ 32,428	$ 28,980
Operations and Service Center Debt Service Payment - 40% General Fund outstanding principal $2,823,923 total project)	Principal	$ 76,484	$ 79,033	$ 82,432	$ 87,531	$ 91,780
	Interest	$ 54,292	$ 51,042	$ 47,564	$ 43,237	$ 38,641
Redbud Pump Station outstanding principal $3,004,309	Principal	$ 213,072	$ 220,174	$ 229,644	$ 243,849	$ 255,686
	Interest	$ 151,250	$ 142,195	$ 132,507	$ 120,451	$ 107,650
WWTP Study outstanding principal $60,792	Principal	$ 4,397	$ 4,543	$ 4,739	$ 5,031	$ 5,276
	Interest	$ 3,120	$ 2,934	$ 2,734	$ 2,486	$ 2,221
Oxford Road Sewer Upgrade outstanding principal $582,679	Principal	$ 41,325	$ 42,703	$ 44,539	$ 47,294	$ 49,590
	Interest	$ 29,335	$ 27,579	$ 25,700	$ 23,361	$ 20,819
	Principal	**$ 765,002**	**$ 790,003**	**$ 825,002**	**$ 875,001**	**$ 915,002**
Subtotal (Revenue Bonds)	**Interest**	**$ 542,198**	**$ 509,689**	**$ 474,926**	**$ 431,616**	**$ 385,616**
State Revolving Loan						
Water						
Overhead Storage Loan 3.43% interest; issued 4/1/98 (20 year) semi annual interest payments, annual principal ending FY 2016-2017 outstanding principal $294,690	Principal	$ 42,098	$ 42,098	$ 42,097	$ 42,098	$ 42,098
	Interest	$ 10,108	$ 8,664	$ 7,220	$ 5,776	$ 4,332
2" Water Line Replacement - H-SRF-T-97-0436 2.55% interest; issued 1/10/01 (10 year) semi annual interest payments, annual principal ending FY 2011-2012 outstanding principal $591,540	Principal	$ 295,770	$ 295,770	$ -	$ -	$ -
	Interest	$ 15,084	$ 7,542	$ -	$ -	$ -

DEBT SERVICE

Description		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Sewer						
Sanitary Sewer - E-SRF-T-92-OR25 3.385% interest; issued 3/25/94 (20 year) semi annual interest payments, annual principal ending FY 2013-2014 outstanding principal $549,467	Principal	$ 137,393	$ 137,393	$ 137,393	$ 137,287	$ -
	Interest	$ 18,600	$ 13,949	$ 9,298	$ 4,648	$ -
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 $806,997 56% Vance County participation	Principal	$ 115,286	$ 115,286	$ 115,286	$ 115,286	$ 115,286
	Interest	$ 27,680	$ 23,726	$ 19,772	$ 15,817	$ 11,864
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 $373,359 100% Vance County participation	Principal	$ 62,227	$ 62,227	$ 62,227	$ 62,227	$ 62,227
	Interest	$ 19,083	$ 15,534	$ 11,737	$ 8,128	$ 4,543
Intergovernmental Agreements						
Warren County District II Water Line Financed by Warren County annual payments ending FY 2040-2041 (40 yr) outstanding principal $159,252	Principal	$ 2,092	$ 2,199	$ 2,312	$ 2,431	$ 2,556
	Interest	$ 8,264	$ 8,156	$ 8,044	$ 7,925	$ 7,801
Subtotal (State Revolving Loans)	**Principal**	**$ 654,866**	**$ 654,973**	**$ 359,315**	**$ 359,329**	**$ 222,167**
	Interest	**$ 98,819**	**$ 77,571**	**$ 56,071**	**$ 42,294**	**$ 28,540**
Installment - Improvements						
Aycock Aquatics Center 5.46% interest; issued 12/20-00 (15 year) semi annual interest payments, annual principal ending FY 2015-2016 outstanding principal $1,585,597	Principal	$ 264,267	$ 264,266	$ 264,266	$ 264,266	$ 264,266
	Interest	$ 86,574	$ 72,145	$ 57,716	$ 43,287	$ 28,858
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 $3,040,000	Principal	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000
	Interest	$ 149,314	$ 132,374	$ 115,434	$ 98,494	$ 81,554
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 $4,471,000	Principal	$ 839,000	$ 861,000	$ 898,500	$ 474,500	$ 489,500
	Interest	$ 120,340	$ 94,354	$ 67,536	$ 43,061	$ 27,837
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 $1,453,142	Principal	$ 138,583	$ 143,814	$ 149,243	$ 154,877	$ 166,791
	Interest	$ 53,084	$ 47,833	$ 42,403	$ 36,770	$ 24,856
Subtotal (Installment Loans - Improvements)	**Principal**	**$ 1,591,850**	**$ 1,619,080**	**$ 1,662,009**	**$ 1,243,643**	**$ 1,270,557**
	Interest	**$ 409,312**	**$ 346,706**	**$ 283,089**	**$ 221,612**	**$ 163,105**

DEBT SERVICE

Description		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Installment - Equipment						
2005 Ladder Fire Truck 2.93% interest; issued 10/08/04 (6 year) First payment in FY 2005-2006 annual payments ending FY 2010-2011 outstanding principal & Interest $61,780		$ 61,780	$ -	$ -	$ -	$ -
Garbage Truck (Sanitation) 2.93% interest; issued 10/08/04 (6 year) First payment in FY 2005-2006 annual payments ending FY 2010-2011 outstanding principal & Interest $18,049		$ 18,049	$ -	$ -	$ -	$ -
Generator (Regional Water) 3.96% interest, issued 12/3/04 (8 year) annual payments ending FY 2012-2013 outstanding principal & Interest $169,044		$ 56,348	$ 56,348	$ 56,348	$ -	$ -
Backhoe (Water Distribution) 3.51% interest, issued 8-11-05 (6 year) annual payments ending FY 10-11 Outstanding principal & Interest $13,603		$ 13,603	$ -	$ -	$ -	$ -
Knuckle Boom (Sanitation) 07-08 4.07 % issued 8/16/07 (6 years) annual payments ending FY 12-13 outstanding principal & Interest $53,007		$ 17,669	$ 17,669	$ 17,669	$ -	$ -
Backhoe/Mower (Regional Water) 07-08 4.01 % issued 8/16/07 (4 years) annual payments ending FY 10-11 outstanding principal & Interest $7,025		$ 7,025	$ -	$ -	$ -	$ -
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 will be budgeted FY 09-10 3.26% issued 10-29-08(5years) annual payments ending FY 12-13 outstanding principal & Interest $97,812		$ 32,604	$ 32,604	$ 32,604	$ -	$ -
4 dr Sedan (Fire) 08-09 3.12% issued 10-29-08 (3 years) annual payments ending FY 11-12 outstanding principal & interest $16,240		$ 8,120	$ 8,120	$ -	$ -	$ -
4 dr SUV (Recreation) 08-09 3.12% issued 10-29-08 (3 years) annual payments ending FY 11-12 outstanding principal & interest $14,888		$ 7,444	$ 7,444	$ -	$ -	$ -
Pick-up truck (Water Dist) 08-09 3.12% issued 10-29-08 (3 years) annual payments ending FY 11-12 outstanding principal & interest $9,834		$ 4,917	$ 4,917	$ -	$ -	$ -
Excavator (Water Distribution, Sewer Collections & Sewer Collections I&I) FY 08-09 3.26% issued 10-29-08 (5 years) annual payments ending FY 12-13 outstanding principal & Interest $53,088 These payments are split to 3rds between 3 departments.		$ 17,696	$ 17,696	$ 17,696	$ -	$ -

DEBT SERVICE

Description		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Video Inspection Camera (Sewer Coll I&I) 08-09 3.26% issued 10-29-08 (5 years) annual payments ending FY 12-13 outstanding principal & Interest $51,006		$ 17,002	$ 17,002	$ 17,002	$ -	$ -
Pick up truck (HWRF) 08-09 3.12% issued 10-29-08 (3 years) annual payments ending FY 11-12 outstanding principal & Interest $14,570		$ 7,285	$ 7,285	$ -	$ -	$ -
Pick up truck (Street Dept) 08-09 (approved after budget adoption) 3.12% issued 10-29-08 (3 years) annual payments ending FY 11-12 outstanding principal & Interest $13,986		$ 6,993	$ 6,993	$ -	$ -	$ -
800 MGZ radios (Fire Dept.) 10-11 estimated - $100,000 - 4.75% interest (6 years)- issued—— annual payments ending FY 15-16		$ 19,544	$ 19,544	$ 19,544	$ 19,544	$ 19,544
Pick-up truck (Fire Dept) 10-11 estimated - $24,000 - 5% interest (3 years) - issued ——— annual payments ending FY 12-13		$ 8,813	$ 8,813	$ 8,813		
Subtotal (Installments - Equipment)		**$ 304,892**	**$ 204,435**	**$ 169,676**	**$ 19,544**	**$ 19,544**
Grand Total		**$ 4,366,939**	**$ 4,202,457**	**$ 3,830,088**	**$ 3,193,039**	**$ 3,004,531**

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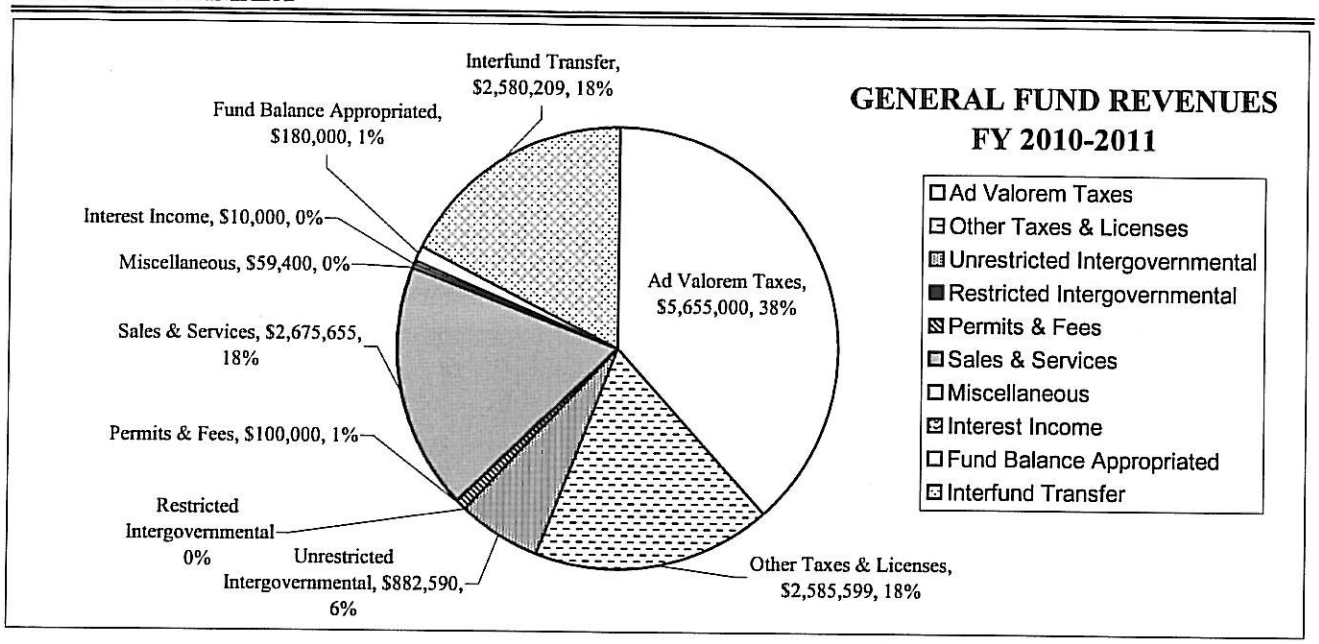
FY 10-11 BUDGET
GENERAL FUND
REVENUE SUMMARY



REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Ad Valorem Taxes					
Property Tax Current Yr	4749230	4759265	4,922,480	5,270,000	
Property Tax Prior Years	206,770	336,148	292,000	302,000	
Debt Set Off Taxes All Other	0	12,772	12,000	12,000	
Penalties & Interest	54,000	85,349	67,000	71,000	
Total Ad Valorem Taxes	**$5,010,000**	**$5,193,534**	**$5,293,480**	**$5,655,000**	**$0**
Other Taxes and Licenses					
ABC Net Revenues	36,000	34,820	19,000	18,000	
Local Option Sales Tax	2,520,000	2,339,533	2,374,612	2,277,599	
NC Sales Tax Refund	0	1,658	0	0	
Privilege Licenses	105,000	83,630	88,000	263,000	
Solid Waste Disposal Tax	0	7,593	900	12,000	
Vehicle Rental Tax	19,000	16,969	18,000	15,000	
Total Other Taxes & Licenses	**$2,680,000**	**$2,484,203**	**$2,500,512**	**$2,585,599**	**$0**
Unrestricted Intergovernmental					
Payment in Lieu of Taxes	1,000	3,810	3,000	2,000	
Vance County ABC 5%	1,500	1,897	1,900	1,900	
Utilities Franchise Tax	795,000	921,156	800,000	806,690	
Beer/Wine Tax	75,000	73,270	26,000	72,000	
Total Unrestricted Intergovernmental	**$872,500**	**$1,000,133**	**$830,900**	**$882,590**	**$0**

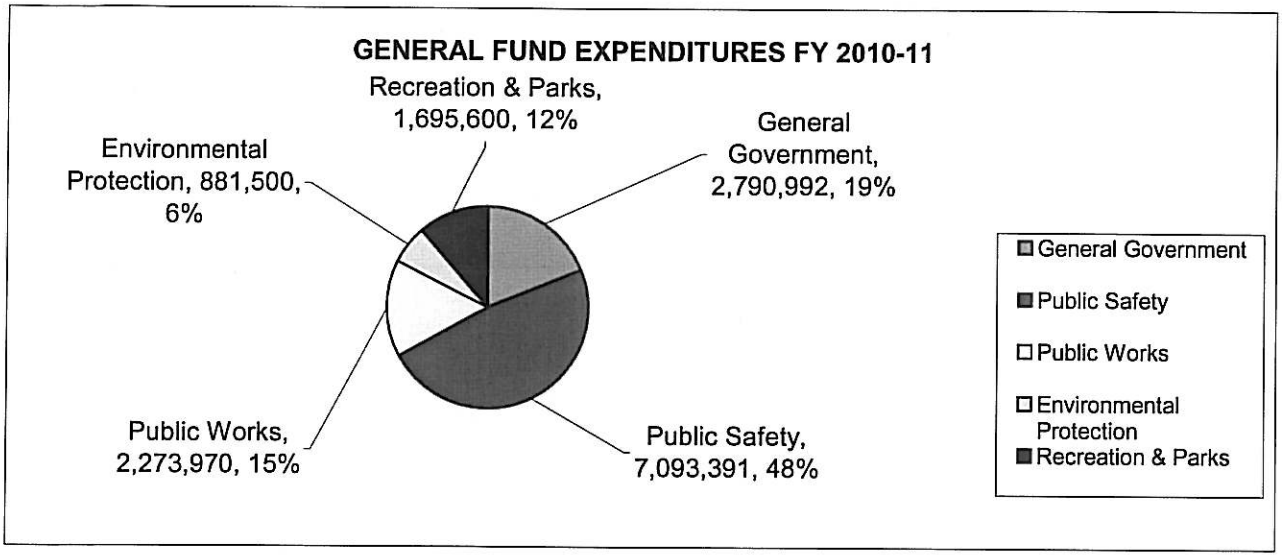
REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Restricted Intergovernmental					
Dept. of Transportation St. Maintenance	31,000	20,525	0	0	
Dept. of Transportation Mowing Contract	0	6,251	0	7,000	
Dept. of Transportation Snow & Ice Removal	0	5,906	6,416	0	
US Customs Joint Operations	0	5,196	0	0	
Drug Tax Forfeitures State	0	4,047	0	0	
Drug Tax Forfeitures Federal	0	375,736	0	0	
Total Restricted Intergovernmental	**$31,000**	**$417,661**	**$6,416**	**$7,000**	**$0**
Permits and Fees					
Cable TV Franchise	0	0	0	0	
Adult Business Permit	0	2,000	0	0	
Motor Vehicle Licenses	105,000	106,870	100,000	100,000	
Total Permits and Fees	**$105,000**	**$108,870**	**$100,000**	**$100,000**	**$0**
General Fund Grants					
Bullet Proof Vest Grant	0	0	0	0	
NCDHHS Grant	0	0	0	0	
Total General Fund Grants	**$0**	**$0**	**$0**	**$0**	**$0**

FY 10-11 BUDGET
GENERAL FUND
REVENUE SUMMARY

REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Sales and Service					
Liens Collected	0	3,078	0	0	
Civil Penalties	0	450	0	0	
Demolition & Lot Cleaning	800	8,247	1,000	2,000	
Zoning & Reclassification	9,000	16,810	13,000	13,000	
Minimum Housing Inspection Fees	15,000	0	0	0	
Refuse Collection	1,735,000	1,608,385	1,585,000	1,621,830	
Miscellaneous Refuse Fees	10,000	7,113	5,000	5,000	
Leaf Bags	0	1,602	1,000	2,000	
Cemetery Sales & Service	10,500	19,672	25,000	30,000	
Recreation	75,000	79,767	85,000	80,000	
Aquatics Center	45,000	69,948	50,000	60,000	
Bad Debt Recovery	3,000	1,962	1,000	1,500	
Debt Set Off	0	7,027	3,000	3,000	
Police Training Center Rental	1,500	0	1,000	2,000	
Fox Pond Park Rental	0	756	500	500	
Ramsey St. Rental	0	4,800	7,200	0	
Vance County Contract - Fire	101,714	114,418	28,420	0	
Vance County Contract - Recreation	334,652	353,050	342,702	334,926	
Vance County Contract - Aquatics	301,789	302,855	290,941	315,329	
Vance County Contract - Youth Services	200,850	207,058	204,680	204,570	
Vance County CSX Transportation	0	3,145	0	0	
Cont from Vance County	0	0	0	0	
Vance County Contract - Rec. Retirees	4,970	0	0	0	
Total Sales and Service	**$2,848,775**	**$2,810,143**	**$2,644,443**	**$2,675,655**	**$0**
Miscellaneous					
Parking Violations	8,500	4,223	3,300	4,000	
Court Fees and Charges	6,000	19,770	12,000	15,000	
Recreation Donations	0	1,528	0	0	
Fire Department Donations	0	-929	0	0	
Fire Code Violations	0	650	0	500	
False Alarm Fines	0	3,400	0	0	
Sale of Land	680,508	0	0	0	
Sale of Assets	0	0	50,000	35,000	
Sale of Material	0	33	0	0	
Counteract Donations	0	100	0	0	
Returned Check Fees	0	350	400	400	
Reimbursement Embassy Foundation	66,706	18,278	27,550	0	
Insurance Proceeds	5,600	17,623	4,100	0	
Lease Proceeds	0	72,979	0	0	
Workers Comp Reimbursement	0	16,667	0	0	
Street Cuts and Sidewalks	0	125	0	0	

REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Miscellaneous (Continued)					
Police Donations/Canine	0	0	0	0	
Recycling Rebates	0	455	400	500	
Miscellaneous	5,000	5,336	4,000	4,000	
Total Miscellaneous	**$772,314**	**$160,588**	**$101,750**	**$59,400**	**$0**
Interest Income	**130,504**	**63,006**	**60,000**	**10,000**	
Appropriated from General Fund Balance	**156,611**	**0**	**58,413**	**180,000**	
Fund Balance from Leo Sep Allow Fd	**20,000**	**20,000**	**32,000**	**0**	
Subtotal	**$12,626,704**	**$12,258,138**	**$11,627,914**	**$12,155,244**	**$0**
Interfund Transfers					
Admin Support General from Water	458,860	467,900	491,295	491,295	
Admin Support General from Sewer	498,652	508,280	533,694	533,694	
Admin Support General from Regional	210,000	214,200	224,910	224,910	
Transfer General from Powell Bill	942,029	511,703	436,500	476,900	
Transfer General from Water	26,190	23,101	33,210	27,270	
Transfer General from Sewer	26,190	23,101	33,210	27,270	
Transfer General from CIP General	0	1,397	0	0	
Transfer from Weed & Seed	16,960	0	0	0	
Transfer from K-9 Donations	0	0	0	0	
Transfer from JAG 2004	0	156	0	0	
Transfer from JAG 2006	0	43	0	0	
Transfer from JAG 2007	0	18	0	0	
Transfer from David St Project	0	30	0	0	
Transfer from WA/SW Street Repairs	20,000	38,060	35,000	0	
Fund Balance from Federal Seizures	1,214,791	476,216	560,930	256,360	
Fund Balance from State Seizures	4,280	0	8,380	0	
Transfer to Fire from Water	27,325	21,774	26,700	26,700	
Transfer General from Sewer - Secretary	0	17,091	9,950	0	
Transfer General from Water - Secretary	0	0	9,950	0	
Transfer General from Engineer Sec.	0	0	16,200	0	
Fund Balance from Multifield Donations	55,165	0	0	0	
Fund Balance from Federal Treasury	0	0	11,800	0	
Fund Balance from Rec Fox Pond Pk	0	0	0	0	
Fund Balance from Rec. Donations	0	0	23,765	0	
Transfer from Water/Sewer/Reg Retirees	0	0	54,120	44,880	
Transfer General from Garage Fees	525,820	551,848	520,490	470,930	
Total Interfund Transfers	**$3,941,987**	**$2,854,917**	**$3,030,104**	**$2,580,209**	**$0**
Total General Fund Revenues	**$16,568,691**	**$15,113,055**	**$14,658,018**	**$14,735,453**	**$0**

FY 10-11 BUDGET
GENERAL FUND
EXPENDITURE SUMMARY



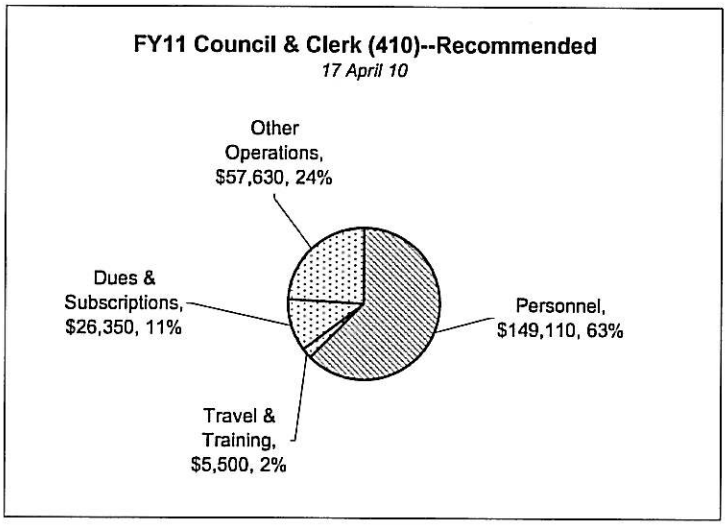
EXPENDITURES	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Governing Body	$669,558	$527,048	225,280	$417,404	$238,590	
Admin - City Attorney	175	135,601	44,410	66,410	66,410	
Administration	324,594	352,109	385,630	446,765	364,190	
Code Compliance	188,301	179,873	131,936	321,670	132,930	
Human Resources	71,150	60,592	133,420	194,998	145,140	
Finance	493,375	518,312	559,520	691,640	614,050	
Planning & Community Development	152,710	137,693	137,620	300,420	138,630	
Henderson-Vance Downtown Dev.	49,365	58,013	33,310	63,480	34,120	
Public Buildings & Grounds	97,734	124,218	109,020	206,100	176,150	
Contributions to Local Agencies	36,228	32,722	30,922	35,322	30,922	
Vance County Shared Programs	522,872	433,039	458,579	549,929	538,025	
Non-Departmental	710,527	60,667	223,198	373,500	311,835	
Total General Government	**$3,316,589**	**$2,619,886**	**$2,472,845**	**$3,667,638**	**$2,790,992**	**$0**
Police	3,721,607	4,171,227	4,249,580	4,769,880	4,204,495	
Police - Drug Seizure	899,923	942,120	560,930	226,360	256,360	
Fire	2,019,990	2,116,226	2,116,079	3,024,860	2,130,715	
911	441,685	488,565	501,821	501,821	501,821	
Total Public Safety	**$7,083,205**	**$7,718,137**	**$7,428,410**	**$8,522,921**	**$7,093,391**	**$0**

EXPENDITURES	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Public Works	328,185	345,641	334,620	381,820	339,330	
Garage	721,866	657,115	695,981	942,980	647,750	
Cemetery	141,143	131,621	129,857	137,790	126,910	
Street	1,205,062	1,011,052	1,151,309	1,706,540	1,159,980	
Total Public Works	**$2,396,256**	**$2,145,430**	**$2,311,767**	**$3,169,130**	**$2,273,970**	**$ -**
Sanitation	1,051,414	974,902	754,541	2,136,090	881,500	
Total Environmental Protection	**$1,051,414**	**$974,902**	**$754,541**	**$2,136,090**	**$881,500**	**$0**
Recreation	873,843	945,477	821,325	1,213,680	829,280	
Aycock Aquatics Center	677,377	720,224	664,450	887,030	661,750	
Recreation Youth Services	194,830	209,515	204,680	203,890	204,570	
Total Recreation & Parks	**$1,746,050**	**$1,875,215**	**$1,690,455**	**$2,304,600**	**$1,695,600**	**$0**
Total General Fund Expenditures	**$15,593,514**	**$15,333,570**	**$14,658,018**	**$19,800,379**	**$14,735,453**	**$0**

FY 10-11 BUDGET
GENERAL FUND - GOVERNING BODY - 10-410
SUMMARY

GOVERNING BODY SUMMARY

	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 545,180	$ 425,794	$ 142,090	$ 179,211	$ 149,110	
Operating	140,680	101,254	83,190	238,193	89,480	
Debt Service	-	-		-	-	
Capital Outlay	-	-		-	-	
Total Expenditures	**$ 685,860**	**$ 527,048**	**$ 225,280**	**$ 417,404**	**$ 238,590**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	79%	81%	63%	43%	62%	#DIV/0!



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Mayor (1) Council Members (8) City Clerk	10	$32,005	$48,009
1	**1**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	0	0	0	1	1	1	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	0	0	0	1	1	1	

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 for two-year 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.

GOALS & OBJECTIVES

The City Council approved a Strategic Plan setting forth its goals and objectives. Please refer to Appendix "B" for more information.

KEY BUDGET ISSUES

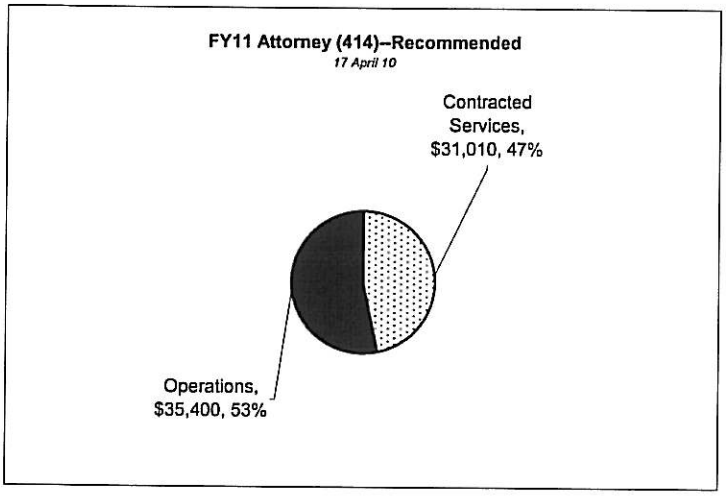
- Reduction in total amount of budget in FY 09-10 due to the insurance for retirees moved to non-departmental
- Funds for website contracted services moved to non-departmental: Information Technology (IT)
- Includes funds for actuarial study – Other Post Employee Benefits (OPEB)
- No capital outlay funds recommended for Agenda Management System or computer lap tops, estimated to be $38,000
- Funding for lobbying services has not been provided

FY 10-11 BUDGET
GENERAL FUND - CITY ATTORNEY - 10-414
SUMMARY

CITY ATTORNEY SUMMARY						
	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ -	$ 116,137	$ 31,010	$ 31,010	$ 31,010	
Operating	-	19,464	13,400	35,400	35,400	
Debt Service	-	-		-	-	
Capital Outlay	-	-		-	-	
Total Expenditures	**$ -**	**$ 135,601**	**$ 44,410**	**$ 66,410**	**$ 66,410**	**$ -**

Personnel related expenses as a percent of budget

% of Budget		70%	47%	47%	#DIV/0!



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
		City Attorney (Contracted)			
0	0				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	0	0	1	0	0	0	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	0	0	1	0	0	0	

PURPOSE

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

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

KEY BUDGET ISSUES

- Includes funding necessary for services related to Ordinance preparation, contract review and other Resolutions as necessary to protect the interest of the City.

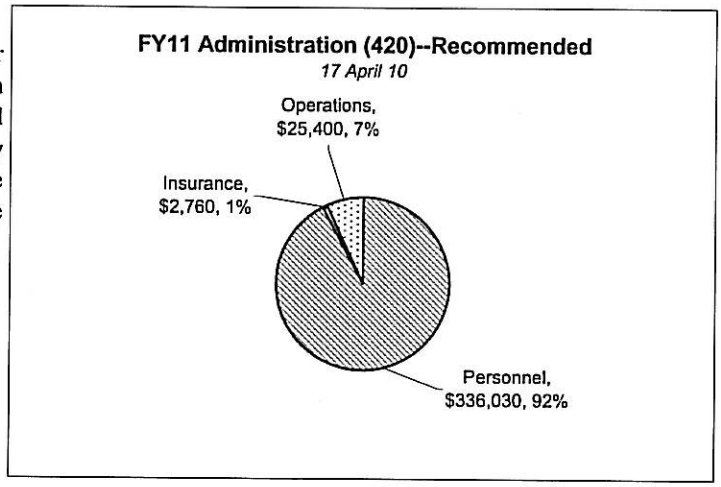
FY 10-11 BUDGET
GENERAL FUND - ADMINISTRATIVE - 10-420
SUMMARY

ADMINISTRATIVE DEPARTMENT SUMMARY

	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 344,557	$ 329,646	$ 357,360	$ 407,565	$ 336,030	
Operating	18,080	22,463	28,270	37,700	28,160	
Debt Service	-			-	-	
Capital Outlay	-			1,500	-	
Total Expenditures	**$ 362,637**	**$ 352,109**	**$ 385,630**	**$ 446,765**	**$ 364,190**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	95%	94%	93%	91%	92%	#DIV/0!

PERSONNEL ISSUES:

There is no funding recommended again this year for the Special Projects Manager position. The position of Administrative Secretary position has been filled to have proper coverage and support to the City Manager and Assistant City Manager and provide partial clerical support for the Planning and Code Compliance Departments.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	City Manager			
1	1	Asst. City Manager	17	$53,419	$80,133
1	1	Special Projects Manager	13	unfunded	
1	1	Executive Assistant	7	$26,127	$39,189
1	1	Administrative Secretary	5	$22,735	$33,976
1	1	Receptionist/Clerk Typist	4	$21,169	$31,753
6	**6**				

HISTORY OF POSITIONS

	FY 06-05	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	6	6	6	5	6	6	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	5	5	5	5	5	5	

PURPOSE

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

The Administration Department consists of the City Manager, Assistant City Manager, Executive Assistant to the City Manager, Administrative Secretary, Receptionist/Clerk Typist and Special Projects Manager. The Special Projects Manager position is unfunded. The Assistant City Manager acts in the absence of the City Manager and provides day-to-day supervision to the Public Works and Utilities Departments, including Engineering and Public Buildings.

GOALS & OBJECTIVES

Goal 1: Lead the staff in implementing the Strategic Plan

Goal 2: Implement process improvements throughout the organization

KEY BUDGET ISSUES

- Insufficient funds to support municipal operational and capital needs as outlined throughout the budget document
- Unfunded authorized position of Special Projects Manager.
- Reduced funding in travel and schools relative to additional leadership training as well as several management conferences

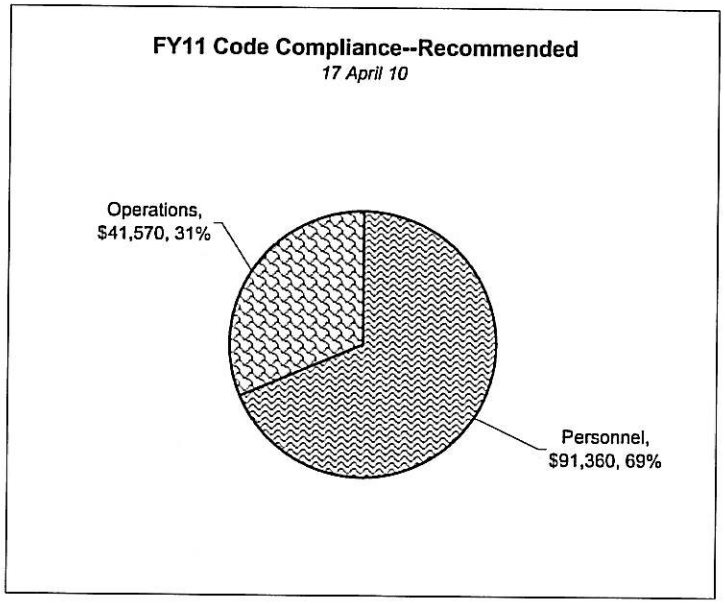
FY 10-11 BUDGET
GENERAL FUND - CODE COMPLIANCE DEPARTMENT - 10-423
SUMMARY

CODE COMPLIANCE DEPARTMENT SUMMARY

	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 134,040	$ 119,483	$ 90,106	$ 133,450	$ 91,360	
Operating	85,270	60,391	41,830	171,080	41,570	
Debt Service	-		-	-	-	
Capital Outlay	-		-	-	-	
Total Expenditures	**$ 219,310**	**$ 179,874**	**$ 131,936**	**$ 304,530**	**$ 132,930**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	61%	66%	68%	44%	69%	#DIV/0!

PERSONNEL ISSUES:

Planning and Code Compliance will share some clerical support with Administration. A third Code Compliance Inspector was requested but not recommended for funding. Without adding this position, inspections will be limited and could possibly delay demolition in the event funding is replaced.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Director of Code Compliance	14	$41,719	$62,577
2	2	Code Compliance Inspector (1 Inspector position is unfunded)	7	$26,127	$39,189
3	3				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	3	3	3	3	3	3	
NEW REQUESTS					1	0	
TOTAL FUNDED POSITIONS	3	3	3	2	4	2	

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 by evaluation of each dwelling within the neighborhoods of target areas. Major concentration will be in the areas of Wards 3 and 4. The boundary will be Williams Street, Montgomery Street, Pinkston Street and Alexander Avenue. During this evaluation, it is forecasted to evaluate 800 dwellings and potentially inspect a third for minimum housing violations (approximately 250 additional cases). The department will continue to work on compliant base minimum housing cases.

Goal 2: Continue to improve the city appearance of nuisance properties and hazards under Chapter 23 Weeded Lot (Nuisance Property) Ordinance.

Objective 2: Patrol all wards and neighborhoods on a routine cycle minimum (2 wards per week). Patrolling wards on a regular cycle will reduce complaints from citizens and ensure a cleaner and more attractive city.

FY 10 ACCOMPLISHMENTS

- Beacon Light Order of Demolition (108 units) and 18 other structures
- Enforcement of additional 123 minimum housing cases increase the number of cases to over 200
- 560 nuisance properties identified and 440 cases were brought into compliance

KEY BUDGET ISSUES

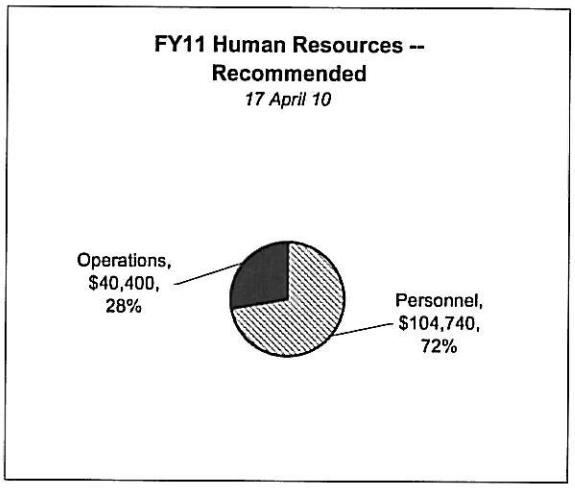
- Only $25,000 is being recommended in FY 11 to demolish houses due to budget constraints. This decreases the number of houses that can be demolished; therefore, slowing down momentum. Staff had requested $140,500.
- Requested secretarial position and additional code inspector was not funded

FY 10-11 BUDGET
GENERAL FUND - HUMAN RESOURCES DEPARTMENT - 10-425
SUMMARY

HUMAN RESOURCES DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 50,171	$ 36,371	$ 99,500	$ 106,300	$ 104,740	
Operating	28,069	24,221	33,920	88,698	40,400	
Debt Service	-			-	-	
Capital Outlay				-	-	
Total Expenditures	**$ 78,240**	**$ 60,592**	**$ 133,420**	**$ 194,998**	**$ 145,140**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	64%	60%	75%	55%	72%	#DIV/0!

PERSONNEL ISSUES:

There is no Risk Management Program and it is estimated that $50,000 would be needed to initially staff and begin implementing the program. The absence of a Risk Management Program represents a gap in HR Management.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Human Resources Director	16	$48,566	$73,081
1	1	Administrative Secretary	5	$22,735	$33,976
2	**2**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	1	1	2	2	2	2	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	1	1	2	2	2	2	

PURPOSE

To establish plans and programs related to the recruitment, staffing, training, compensation, benefits, and 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: Achieve data integration with Payroll – HRIS system
Objective 1: Improve data entry efficiency. Payroll and HR data to be shared via an integrated system. More efficient; save time and money.

Goal 2: Institute Safety Training and Awareness City-wide along with the Safety Committee
Objective 2: Identify potential problems, reduce exposure and risk of injury by accident and provide for early resolution.

Goal 3: Reduce the number and severity of absences due to communicable illnesses such as colds and flu as well as provide health screening opportunity.
Objective 3: Continue to provide the Health Fair to serve as an early detection and prevention program for certain serious illness through blood screening, PSA's, vital signs, eye exams, and vaccinations.

FY 10 ACCOMPLISHMENTS

- Employee spring luncheon
- Health Fair
- Blood Drive
- Regular Flu Clinic
- Holiday luncheon
- Standardized processes
- Defibrillation and First Aid Training

KEY BUDGET ISSUES

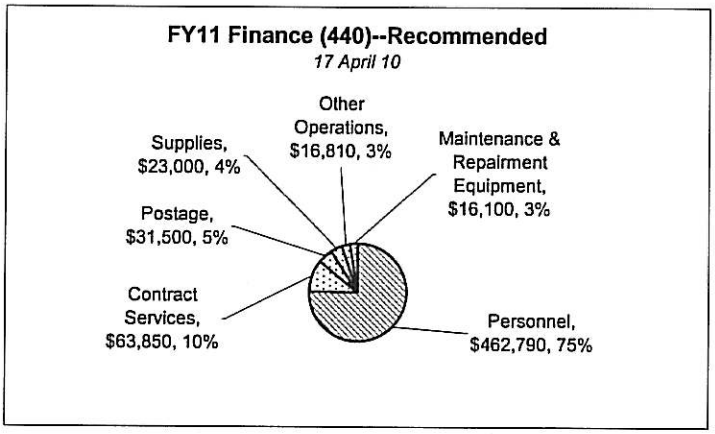
- $42,000 removed from the budget to fund a pay and classification study
- No Risk Management Program in effect and no resourcing to provide for same. It is estimated that $50,000 would be needed to effectively staff and operate a Risk Management Program.

FY 10-11 BUDGET
GENERAL FUND - FINANCE DEPARTMENT - 10-440
SUMMARY

FINANCE DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 430,010	$ 399,347	$ 407,060	$ 521,650	$ 462,790	
Operating	156,300	118,965	152,460	169,990	151,260	
Debt Service	-			-	-	
Capital Outlay	10,000			-	-	
Total Expenditures	**$ 596,310**	**$ 518,312**	**$ 559,520**	**$ 691,640**	**$ 614,050**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	72%	77%	73%	75%	75%	#DIV/0!

PERSONNEL ISSUES:

The Procurement/ Budget Analyst and IT positions are severely needed, but due to economic conditions, not recommended to be funded. The filling of the Assistant Finance Director in FY 11 will address the need for proper grants management, as cited in the previous audit and enforce a structured debt collection program. This position will also add depth in the Finance Department. Addressing these needs will enhance the overall City organization.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Finance Director	16	$48,566	$73,081
1	1	Assistant Finance Director	12	$36,577	$54,862
1	1	Accounting Supervisor	10	$32,005	$48,009
0	1	Billing Collections Supervisor	10	$32,005	$48,009
3	2	Accounting Technician III	8	$27,955	$41,933
1	1	Accounting Technician II	6	$24,418	$36,626
1	1	Administrative Assistant	5	$22,735	$33,976
3	3	Accounting Technician I	4	$21,169	$31,753
1	1	Procurement/Budget Analyst		unfunded	
1	1	IT Support Tech		unfunded	
1	1	Customer Serv./Accounting Technician I		unfunded	
14	**14**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	14	14	14	14	14	14	
NEW REQUESTS							
TOTAL FUNDED POSITIONS	10	10	10	10	11	11	

PURPOSE

To provide financial and related functions for all departments of the City as well as preparation of the annual budget; including revenue collection and disbursement, accounts payable/receivable, accounting, purchasing, etc. Many functions within this department are covered by the Local Government Budget and Fiscal Control Act and related Federal, State and local laws and administrative regulations, including those of the North Carolina Local Government Commission.

GOALS & OBJECTIVES

Goal 1: Improve Customer Service in the Utility Billing and Collections Office

Objective 1: Request Customer Service Representative (Accounting Technician I) to be hired to work with customers who need assistance; provide training to improve customer service; continue to cross-train employees; fully implement credit card payment service and establish better fiscal control by providing mail-in service at a higher and more secure level.

Goal 2: Earn the GFOA Certificate of Achievement Award for Excellence in Financial Reporting and the GFOA Distinguished Budget Award

Objective 2: Work closely with auditors to ensure that the Comprehensive Annual Financial Report meet or exceed the requirements for the award and prepare the FY11 budget in compliance with GFOA guidelines.

Goal 3: Provide broader training for employees

Objective 3: Provide classes regarding customer service, mainframe, Microsoft office Suite, etc.

Goal 4: To manage grants in the proper manner in accordance with the City's Policies and Procedures and upgrade Budget and Financial documents.

Objective 4: The Assistant Finance Director will have a primary responsibility to properly maintain records for all grant awards. The need for this was pointed out during our Audit Report and during the Federal Audit.

Goal 5: To improve the utility Billing Collections Rate; decrease receivables rate; and reduce the uncollectible rate.

Objective 5: Provide more aggressive enforcement of the ordinances and collection efforts.

KEY BUDGET ISSUES

- The positions of Procurement/Budget Analyst and Accounting Technician I/Customer Service were not funded again this year. This will not allow for enhanced customer service and the effort to put proper procedures in place for City-wide procurement

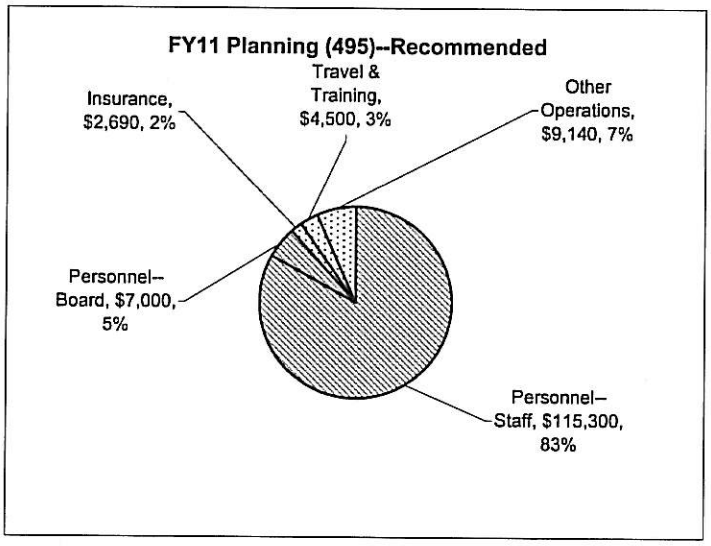
- Travel and schools is reduced; therefore, not allowing finance employees to attend updates and conferences that could contribute to the City's financial procedures, especially during this time of economic hardship

FY 10-11 BUDGET
GENERAL FUND - PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT - 10-495
SUMMARY

PLANNING & CD DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 155,350	$ 119,178	$ 121,090	$ 177,090	$ 122,300	
Operating	14,480	18,515	16,530	123,330	16,330	
Debt Service	-		-	-	-	
Capital Outlay			-	-	-	
Total Expenditures	**$ 169,830**	**$ 137,693**	**$ 137,620**	**$ 300,420**	**$ 138,630**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	91%	87%	88%	59%	88%	#DIV/0!

PERSONNEL ISSUES:

Since 2005, the Planning Department has lost four (4) positions as follows: Community Dev. Director, Planning Technician, Secretary and full-time Main Street Manager. This critical loss of staff, in addition to the Planning Director assuming responsibilities of Information Technology, means the department cannot keep up with work demands, perform field enforcement, and further several Council Key Strategic Objectives and related Action Plans. The Admin. Secretary in Administration can help with some clerical support for this department.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Director of Planning	16	$48,566	$73,081
1	1	Zoning Administrator	11	$34,245	$51,367
1	1	Planning Technician		unfunded	
1	1	Community Dev. Director		unfunded	
1	1	Administrative Secretary		unfunded	
5	**5**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	5	5	5	5	5	5	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	3	3	2	2	2	2	

PURPOSE

To provide for the administration of zoning, subdivision and other development regulations; including minimum housing, administration of both the CDBG and Mainstreet Programs; and staff support for the Planning Board, Zoning Board of Adjustment, Downtown Development Commission, and other "Ad Hoc" committees, dealing with Henderson's physical development.

GOALS & OBJECTIVES

Goal 1: Adopt the Comprehensive Land Use Plan & overhaul the zoning ordinance
Objective 1: The Comprehensive Land Use Plan serves as a planning guide to land use and future development throughout the city. Following the adoption of a new Comprehensive Land Use Plan, the City needs to begin reconstruction of our zoning ordinance including a unified development Ordinance. The current ordinance often requires amending to accommodate current uses.

Goal 2: Concentrate more on field enforcement
Objective 2: This is something desperately needed to keep the integrity of the city to the standard spelled out in our zoning ordinance

Goal 3: Continue construction of HOPE VI Phase I & begin pre-development of Phase II
Objective 3: The HOPE VI Phase I & II will provide 24 apartments on the second floors of main street businesses along Garnett Street.

Goal 4: Continue with "Master Plan" of the Redevelopment Commission for the Orange Breckenridge Street Project
Objective 4: The Orange Breckenridge Street Redevelopment Project is being administered under the City's Redevelopment Commission.

FY 10 ACCOMPLISHMENTS

- HOPE VI Main Street Revitalization started
- Completed Comprehensive Land Use Plan Draft
- A.L. Harris Infrastructure completed
- 3 homes completed in Carey Chapel Subdivision

KEY BUDGET ISSUES

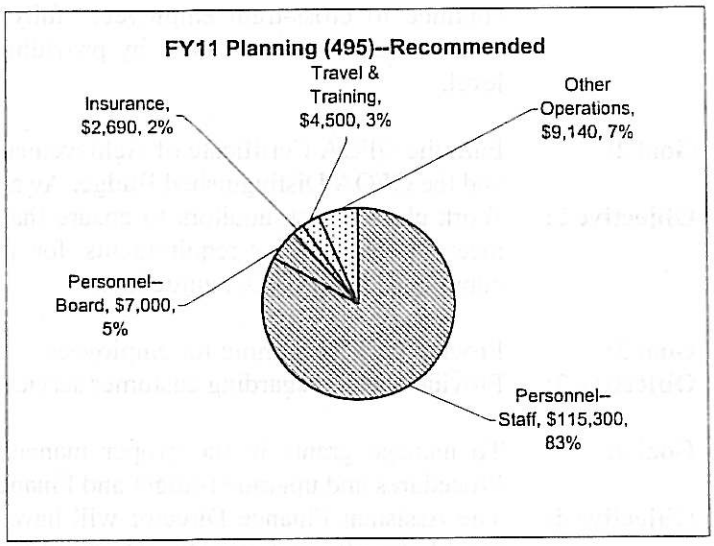
- The lack of adequate staffing precludes effective enforcement of the zoning ordinance in the field
- The lack of adequate funding precludes the City's ability to perform the Annexation Study
- The Planning Technician position is not funded for this fiscal year
- Funds to obtain services from the Regional Council of Governments (COG) are not included as a part of this budget
- No funding provided for update to Zoning Ordinance

FY 10-11 BUDGET
GENERAL FUND - PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT - 10-495
SUMMARY

PLANNING & CD DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 155,350	$ 119,178	$ 121,090	$ 177,090	$ 122,300	
Operating	14,480	18,515	16,530	123,330	16,330	
Debt Service	-		-	-	-	
Capital Outlay			-	-	-	
Total Expenditures	**$ 169,830**	**$ 137,693**	**$ 137,620**	**$ 300,420**	**$ 138,630**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	91%	87%	88%	59%	88%	#DIV/0!

PERSONNEL ISSUES:

Since 2005, the Planning Department has lost four (4) positions as follows: Community Dev. Director, Planning Technician, Secretary and full-time Main Street Manager. This critical loss of staff, in addition to the Planning Director assuming responsibilities of Information Technology, means the department cannot keep up with work demands, perform field enforcement, and further several Council Key Strategic Objectives and related Action Plans. The Admin. Secretary in Administration can help with some clerical support for this department.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Director of Planning	16	$48,566	$73,081
1	1	Zoning Administrator	11	$34,245	$51,367
1	1	Planning Technician		unfunded	
1	1	Community Dev. Director		unfunded	
1	1	Administrative Secretary		unfunded	
5	5				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	5	5	5	5	5	5	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	3	3	2	2	2	2	

PURPOSE

To provide for the administration of zoning, subdivision and other development regulations; including minimum housing, administration of both the CDBG and Mainstreet Programs; and staff support for the Planning Board, Zoning Board of Adjustment, Downtown Development Commission, and other "Ad Hoc" committees, dealing with Henderson's physical development.

GOALS & OBJECTIVES

Goal 1: Adopt the Comprehensive Land Use Plan & overhaul the zoning ordinance
Objective 1: The Comprehensive Land Use Plan serves as a planning guide to land use and future development throughout the city. Following the adoption of a new Comprehensive Land Use Plan, the City needs to begin reconstruction of our zoning ordinance including a unified development Ordinance. The current ordinance often requires amending to accommodate current uses.

Goal 2: Concentrate more on field enforcement
Objective 2: This is something desperately needed to keep the integrity of the city to the standard spelled out in our zoning ordinance

Goal 3: Continue construction of HOPE VI Phase I & begin pre-development of Phase II
Objective 3: The HOPE VI Phase I & II will provide 24 apartments on the second floors of main street businesses along Garnett Street.

Goal 4: Continue with "Master Plan" of the Redevelopment Commission for the Orange Breckenridge Street Project
Objective 4: The Orange Breckenridge Street Redevelopment Project is being administered under the City's Redevelopment Commission.

FY 10 ACCOMPLISHMENTS

- HOPE VI Main Street Revitalization started
- Completed Comprehensive Land Use Plan Draft
- A.L. Harris Infrastructure completed
- 3 homes completed in Carey Chapel Subdivision

KEY BUDGET ISSUES

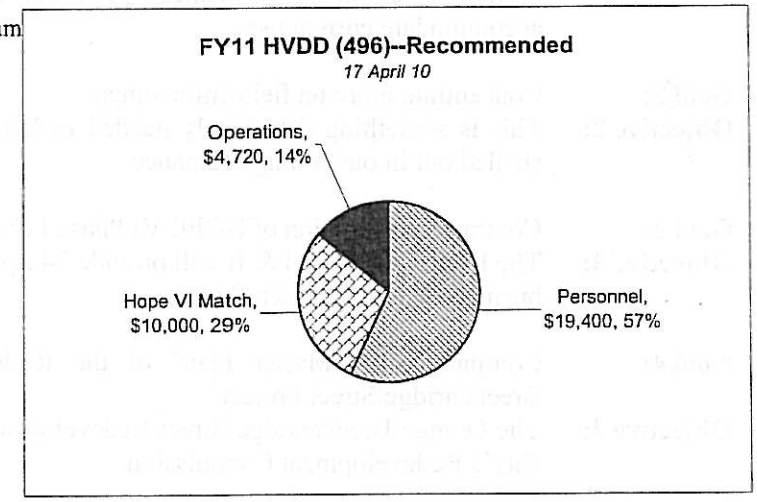
- The lack of adequate staffing precludes effective enforcement of the zoning ordinance in the field
- The lack of adequate funding precludes the City's ability to perform the Annexation Study
- The Planning Technician position is not funded for this fiscal year
- Funds to obtain services from the Regional Council of Governments (COG) are not included as a part of this budget
- No funding provided for update to Zoning Ordinance

FY 10-11 BUDGET
GENERAL FUND HENDERSON-VANCE DOWNTOWN DEVELOPMENT 10-496
SUMMARY

HVDD DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 19,620	$ 18,940	$ 19,400	$ 19,400	$ 19,400	
Operating	32,610	39,073	13,910	44,080	14,720	
Debt Service	-					
Capital Outlay				-	-	
Total Expenditures	**$ 52,230**	**$ 58,013**	**$ 33,310**	**$ 63,480**	**$ 34,120**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	38%	33%	58%	31%	57%	#DIV/0!

PERSONNEL ISSUES:

Continuation of part-time Mainstreet Program Manager.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
0.5	0.5	Main St. Program Manager - Part-time	11	$34,245 only 50% funded	$51,367
0.5	**0.5**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	1.0	0.5	0.5	0.5	0.5	0.5	
NEW REQUESTS					0.0	0.0	
TOTAL FUNDED POSITIONS	1.0	0.5	0.5	0.5	0.5	0.5	

PURPOSE

To promote, enhance, facilitate and encourage a vibrant, healthy and historically significant downtown historic central business district.

The Downtown Development Commission is supported from an organizational and staffing standpoint by the Mainstreet Program Manager (a member of the City's Planning and Community Development Department). The Downtown Development Commission is a twenty-three (23) member group organized as a 501c3 corporation.

GOALS & OBJECTIVES

Goal 1: To make Downtown aesthetically appealing
Objective 1: Address eyesores by contacting owners, use of Code Enforcement and partnerships; plan of upkeep of Mural Projects; offer Incentive Grants specific to rear walls of buildings and façade development; and identify areas and seek funding for building & street improvements.

Goal 2: Make Downtown commercially successful
Objective 2: Maintain current business database and up-to-date available Property Listing; use all marketing tools to attract new businesses; continue efforts for upper floor development; work toward completing Hope VI apartments & apply for 3rd year grant; and work with the Chamber of Commerce & new area EDC on economic development.

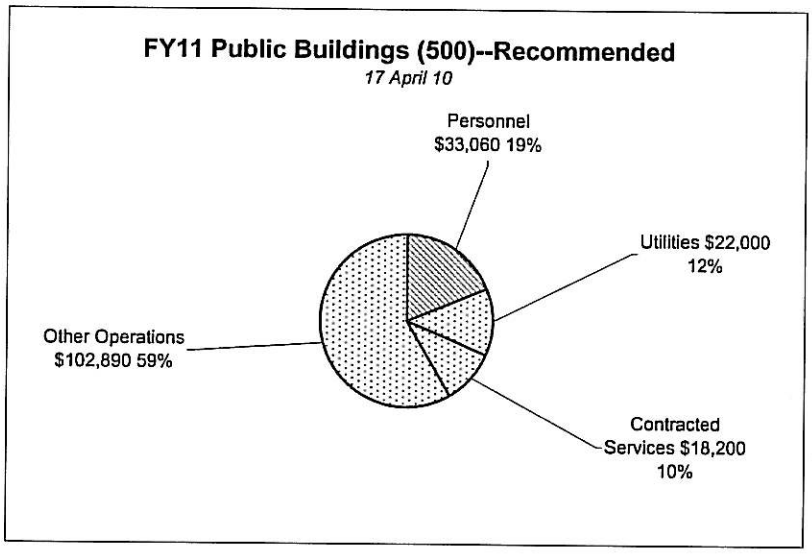
Goal 3: Hold Downtown community events
Objective 3: Hold at least three annual Downtown events encouraging public downtown presence; and Seek public art presence by partnering with the Vance County Arts Council to plan art show events.

Goal 4: Resource Development
Objective 4: Continue efforts to develop and build the REEF Project on Zene Street; continue private development of apartments above storefronts; work with City Planner on a 3rd year Hope VI grant application; develop an annual fundraising campaign; and continue Christmas decorations fund raising and re-light the new Christmas fixtures.

FY 10-11 BUDGET
GENERAL FUND - PUBLIC BUILDINGS DEPARTMENT - 10-500
SUMMARY

PUBLIC BLDGS DEPARTMENT SUMMARY

	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 31,480	$ 34,202	$ 32,680	$ 33,390	$ 33,060	
Operating	71,610	76,079	76,340	90,990	78,090	
Debt Service	-	-		-	-	
Capital Outlay	-	13,937		81,720	65,000	
Total Expenditures	**$ 103,090**	**$ 124,218**	**$ 109,020**	**$ 206,100**	**$ 176,150**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	31%	28%	30%	16%	19%	#DIV/0!



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Maintenance Worker I	2	$18,489	$27,733
1	1				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-098	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	1	1	1	1	1	1	
NEW REQUESTS							
TOTAL FUNDED POSITIONS	1	1	1	1	1	1	

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: Provide additional landscaping around City Hall and make improvements to streetscape along Rose Avenue

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 research grants and other funding opportunities for upgrade of the former Police Station and Fire Department #2 on Garnett Street

Objective 2: In conjunction with the study that was performed and paid for through the NC Rural Center Building Reuse and Restoration Grants Program, it is desirous to find additional funds through grants and other programs to renovate the above mentioned facility. The Fire Department living quarters are in definite need of considerable upgrade. As stated in the study performed by Entasis Design, "Over all, the atmosphere is dingy and depressing." The staff will work with the Fire Chief in finding ways to fund the renovation of this facility through grants and other funding. This is a continuing goal from FY08-09.

FY 10 ACCOMPLISHMENTS

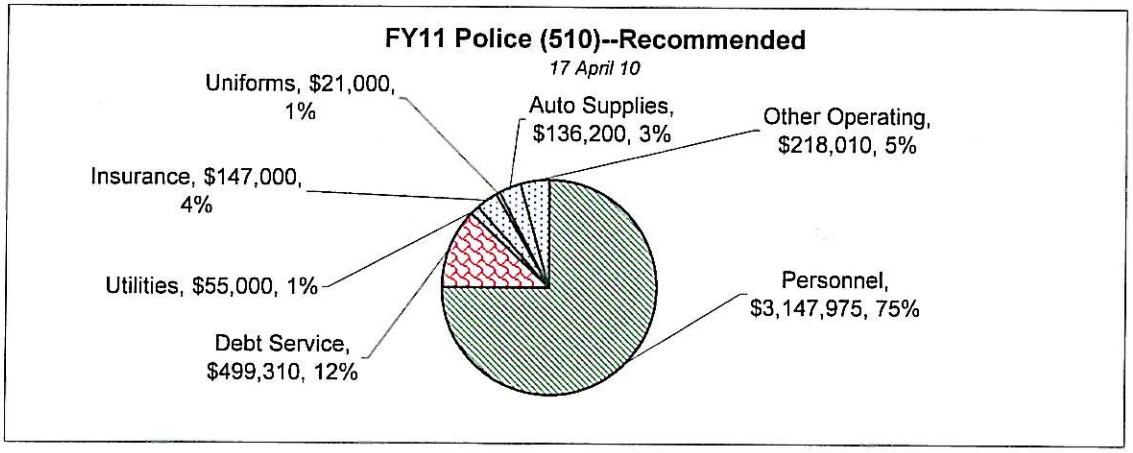
- The sidewalk improvements in front of City Hall have been completed, resulting in better accessibility and safety in entering the building.
- Completed other interior improvements to the City Hall facility in various offices and storage areas to aid the departments in the day to day operations as well as giving them the ability to provide more efficient customer service.

KEY BUDGET ISSUES

- Includes funding for replacement of the roof for City Hall. The City Council approved an application for submission of a Main Street Energy grant which could possibly help in the cost of this improvement.
- No funding included for capital outlay equipment to provide further improvement to the grounds at City Hall.

FY 10-11 BUDGET
GENERAL FUND - POLICE DEPARTMENT - 10-510
SUMMARY

POLICE DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$2,885,975	$3,120,923	$3,190,820	$3,355,530	$ 3,147,975	
Operating	552,465	576,445	551,110	763,130	557,210	
Debt Service	505,310	-	505,770	499,310	499,310	
Capital Outlay	4,280	473,858	1,880	151,910	-	
Total Expenditures	**$3,948,030**	**$4,171,227**	**$4,249,580**	**$4,769,880**	**$ 4,204,495**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	73%	75%	75%	70%	75%	#DIV/0!



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Police Chief	16	$48,566	$73,081
2	2	Police Captain	13	$39,063	$58,593
9	9	Police Lieutenant	12	$36,577	$54,862
10	10	Police Sergeant	11	$34,245	$51,367
1	1	Crime Analyst	11	$34,245	$51,367
11	11	Senior Police Officer	10	$32,005	$48,009
4	4	Police Officer III	9	$29,911	$44,868
4	4	Police Officer II	8	$27,955	$41,933
16	20	Police Officer I	7	$26,127	$39,189
2	2	Administrative Secretary	5	$22,735	$33,976
5	5	Police Office Assistant	4	$21,169	$31,753
1	1	Parking Enforcement Officer	2	$18,489	$27,733
66	**70**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	64	64	64	64	70	70	
NEW REQUESTS					0		
TOTAL FUNDED POSITIONS	64	64	64	64	70	70	

* 2 positions funded in Police Federal Asset Forfeiture budget for the first year. Total # of Police positions is 70.
* 3 positons are added due to 2009 COPS Hiring Grant (funded in grant budget for three years).

PURPOSE

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

GOALS & OBJECTIVES

Goal 1: Cultivate the public's growing support for the department's efforts to reduce crime and enhance the quality of life for our citizens.

Objective 1a: Develop and strengthen our existing community partnerships including Community Revitalization Initiative and Community Watch Meeting attendance (Staff/Supervisors and District/Zone Officers).

Objective 1b: Introduce the department's Geographic Policing Initiative (its philosophy and the desired impacts/outcomes) to the community:

- Community Watch Group meeting announcements/discussions
- Media information campaign
- Internal implementation

Goal 2: Use the resources of the department's Crime Analyst to aid in the tactical deployment of personnel for enforcement and preventative objectives.

Objective 2: Use the Crime Analyst to locate "hot spots" for various crimes and areas where tactical deployment of personnel can be used to possibly prevent crimes from occurring by having a stronger police presence.

Goal 3: Schedule training for at least half of the Operations Division Officers to be radar certified by the end of the year.

Objective 3a: Increase arrest and citation issuance in high crime areas. Ensure speeding complaints are handled promptly in each district.

Objective 3b: Identify one officer that is already an instructor, and send that officer to radar training to receive specialized radar certification.

FY 10 ACCOMPLISHMENTS

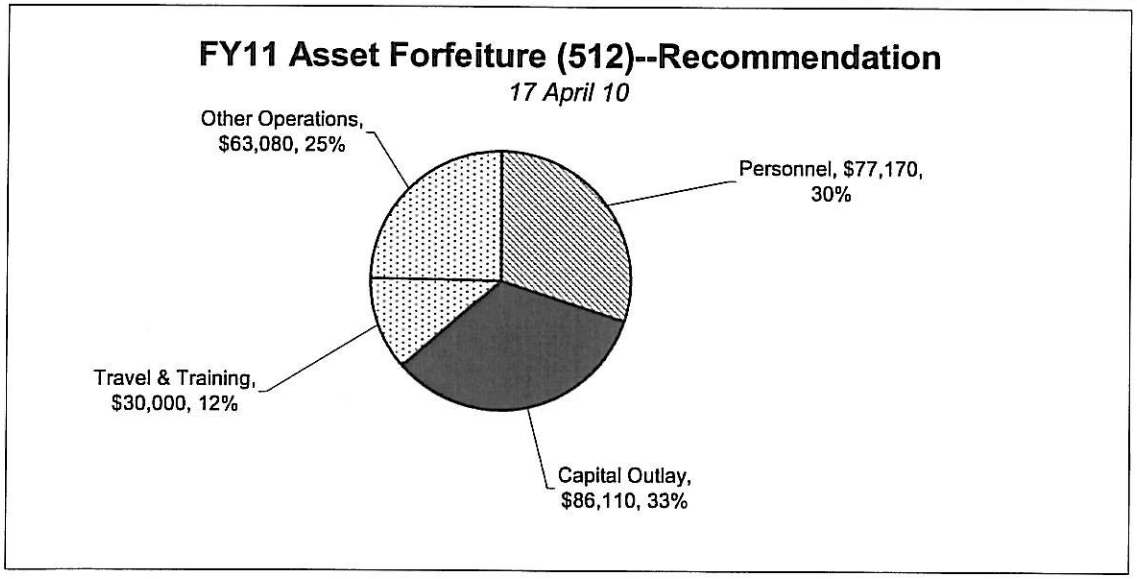
- Phase II implementation of the Henderson Police Department VIPER Radio System was met and exceeded
- Phase II implementation of the Henderson Police Department's Mobile Data Terminal (MDT) Upgrade Project – Purchased 15 new MDT from the Regular or Asset Forfeiture budgets.
- Phase III implementation of the Henderson Police Department's Digital In-Car Camera Program – Purchased 7 additional In-Car Video Cameras

KEY BUDGET ISSUES

- Career development plan is "on hold" for FY10 due to budgetary constraints
- Reduced funding in departmental supplies, uniforms and part-time salaries
- No capital outlay for either equipment over or under 5,000 as requested. Items included: lightbars and 13 replacement computers. Larger capital items included six (6) Project Lifesaver Emergency Locator Systems and five (5) replacement vehicles (including insurance)

FY 10-11 BUDGET
GENERAL FUND - POLICE FEDERAL ASSET FORFEITURE DEPARTMENT - 10-512
SUMMARY

POLICE FED ASSET FORFEITURE DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 95,860	$ 57,584	$ 88,870	$ 77,170	$ 77,170	
Operating	229,662	255,257	98,940	93,080	93,080	
Debt Service	-	629,279	-	-	-	
Capital Outlay	889,269		373,120	86,110	86,110	
Total Expenditures	**$ 1,214,791**	**$ 942,120**	**$ 560,930**	**$ 256,360**	**$ 256,360**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget		6%	16%	30%	30%	#DIV/0!



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
2	2	Police Officer I	7	$26,127	$39,189
2	2				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	0	2	2	2	2	2	
NEW REQUESTS							
TOTAL FUNDED POSITIONS	0	0	0	2	2	2	

* Total # of authorized positions in Police is 70 (2 are budgeted in this budget for the 1st year of funding and 65 in the Police budget and 3 in a grant project budget)

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.

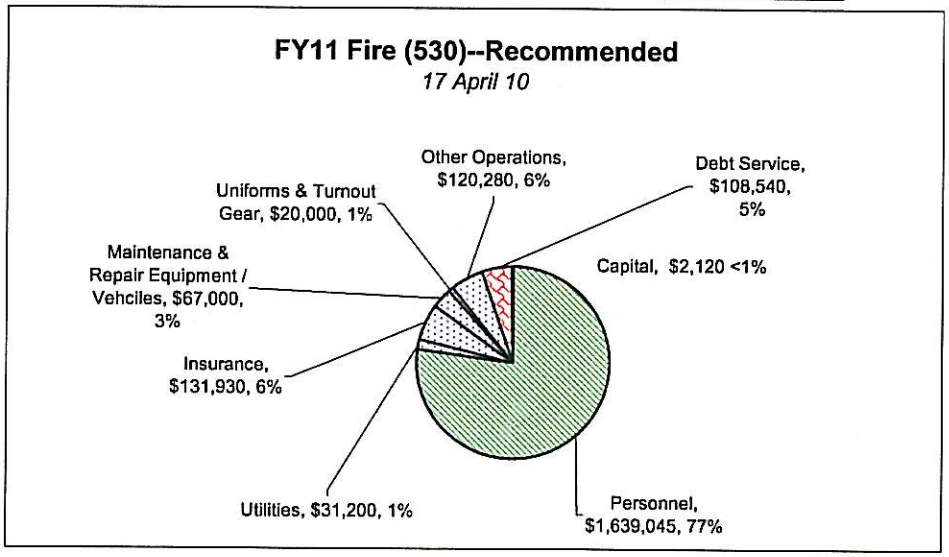
KEY BUDGET ISSUES

- Funding levels of various accounts are consistent with the current availability of these funds as collected by the Police Department
- Seizure funds are down as compared to previous years.

FY 10-11 BUDGET
GENERAL FUND - FIRE DEPARTMENT - 10-530
SUMMARY

FIRE DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 1,611,680	$ 1,657,394	$ 1,647,390	$ 1,874,740	$ 1,639,045	
Operating	360,530	430,598	359,679	779,780	358,670	
Debt Service	126,860	-	102,510	102,510	130,880	
Capital Outlay	1,000	28,234	6,500	267,830	2,120	
Total Expenditures	**$ 2,100,070**	**$ 2,116,226**	**$ 2,116,079**	**$ 3,024,860**	**$ 2,130,715**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	77%	78%	78%	62%	77%	#DIV/0!

PERSONNEL ISSUES:
One unfunded firefighter position



FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Fire Chief	16	$48,566	$73,081
1	1	Assistant Fire Chief	13	$39,063	$58,593
4	4	Battalion Chief	12	$36,577	$54,862
1	1	Fire Captain Training Inspector	12	$36,577	$54,862
7	7	Fire Lieutenant	11	$34,245	$51,367
6	6	Fire Engineer	10	$32,005	$48,009
4	4	Fire Fighter III	9	$29,911	$44,868
2	2	Fire Fighter II	8	$27,955	$41,933
3	3	Fire Fighter I	7	$26,127	$39,189
5	5	Prob. Fire Fighter	6	$24,418	$36,626
		(One unfunded Fire Fighter position)			
1	1	Administrative Secretary	5	$22,735	$33,976
1	1	Maintenance Worker II	3	$19,783	$29,676
36	**36**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	35	36	36	36	36	36	
NEW REQUESTS					4	0	
TOTAL FUNDED POSITIONS	35	36	36	35	40	35	

PURPOSE

The prevention of 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" which would 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 and train new Firefighters by December 2011. This is subject to City Council approval.
Objective 2: Start staffing for a "Third Engine Company" by hiring four (4) Firefighters for fire suppression purposes. This will assist the fire department in acquiring a lower Fire Class Rating.

Goal 3: Offer Carbon Monoxide Detectors to our Citizens
Objective 3: The Fire Department will purchase and install by June 30, 2010, at no charge, carbon monoxide detectors in residential homes that meet certain criteria. This would be an expansion of the smoke detector program. This is subject to City Council approval.

Goal 4: To have "Front Line" Fire Officers certified as NC Fire Officer I.
Objective 4: To have all "Front Line" Fire Officers meet the objectives set forth by the NC Office of State Fire Marshall to be certified by June 30, 2010.

FY 10 ACCOMPLISHMENTS

- Fire Department has on average a turnout time of 58 seconds.
- Average arrival time of 210 seconds or less.
- Average arrival time with first responder of 240 seconds or less.

KEY BUDGET ISSUES

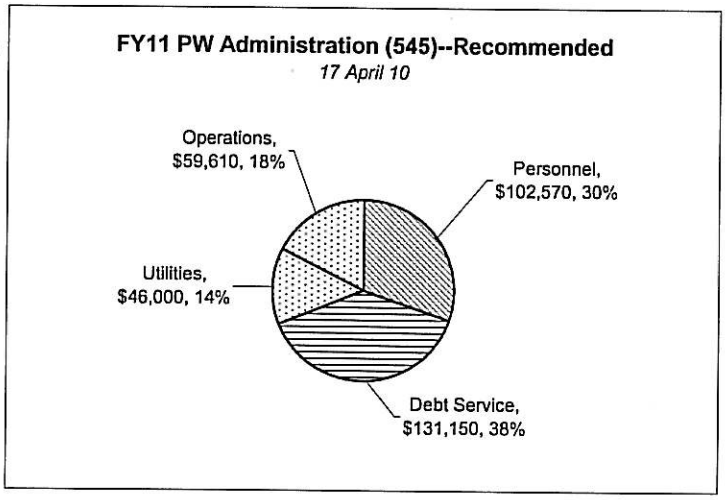
- One unfunded Firefighter position.
- Career Development Program is "on hold" for FY 11 due to budgetary constraints
- Funding not included for replacement of the apparatus floor at Fire Station No. 1 or resurfacing of the parking lot at Station No. 1 and various other improvements.
- No funding of capital outlay equipment such as a new Hurst Extrication Tool System, emergency generator at Station No. 2, compact truck or high rise deck gun.
- Includes replacement of 10 year old vehicle for battalion chief with 4 x 4 truck.

FY 10-11 BUDGET
GENERAL FUND - PUBLIC WORKS/ADMIN DEPARTMENT - 10-545
SUMMARY

PUBLIC WORKS/ADMIN DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 94,800	$ 107,627	$ 103,730	$ 106,220	$ 102,570	
Operating	104,710	238,013	100,070	129,820	105,610	
Debt Service	130,080	-	130,820	131,150	131,150	
Capital Outlay	-		-	14,630	-	-
Total Expenditures	**$ 329,590**	**$ 345,641**	**$ 334,620**	**$ 381,820**	**$ 339,330**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	29%	31%	31%	28%	30%	#DIV/0!

PERSONNEL ISSUES:

Full-time secretary is included; however, does still share some some time with Public Utilities as necessary.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Director of Public Works	14	$41,719	$62,577
1	1	Administrative Secretary	5	$22,735	$33,976
2	2				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	2	2	2	2	2	2	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	2	2	2	2	2	2	

PURPOSE

To provide for the overall management and support functions for the Public Works Divisions of Street Maintenance and Repair, Cemetery, Sanitation and Garage.

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.

GOALS & OBJECTIVES

Goal 1: Provide overall management and leadership of the Public Works Department
Objective 1: Control spending, checking behind crews and follow-up on complaints utilizing supervisors and crew leaders in the field

Goal 2: Provide improved services to our citizens
Objective 2: Follow up on all complaints to ensure they have been handled. Check behind crews to ensure they are performing their duties in the expected manner

Goal 3: Have all cemetery records on computer.
Objective 3: Provide easier access to cemetery records and also improving efficiency in locating and maintaining burial records.

FY 10 ACCOMPLISHMENTS

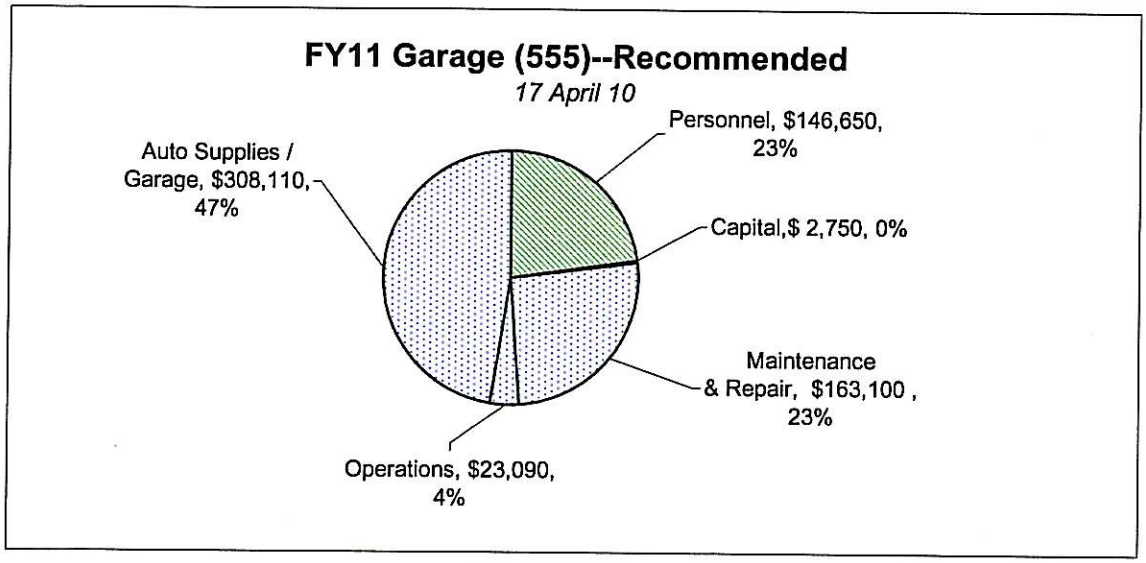
- Kept overall budget within authorized funds
- Provided overall management for the Public Works Department
- Worked closely with the Clean Up Henderson Committee in providing help with clean up programs.
- Held weekly meetings with Supervisors and Assistant City Manager to discuss operations within the department and improve efficiency, operations and customer service within the Divisions of Street and Sanitation
- Fifty percent complete on updating cemetery records.
- Completed study on RFP process for privatization of sanitation, and is currently under consideration.

KEY BUDGET ISSUES

- No funds are recommended for part-time janitorial service to perform routine cleaning. Work is predominantly done through employees on light duty work or pulled from another function
- No funding for scissors lift, which could be used by various departments for performing maintenance items requiring a lift.

FY 10-11 BUDGET
GENERAL FUND - GARAGE DEPARTMENT - 10-555
SUMMARY

GARAGE DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 144,100	$ 157,490	$ 152,161	$ 146,810	$ 146,650	
Operating	551,450	499,625	543,820	769,310	498,350	
Debt Service	-	-	-	-	-	
Capital Outlay	9,870	-	-	26,860	2,750	
Total Expenditures	**$ 705,420**	**$ 657,115**	**$ 695,981**	**$ 942,980**	**$ 647,750**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	20%	24%	22%	16%	23%	#DIV/0!



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Fleet Maintenance Supervisor	9	$29,911	$44,868
2	2	Auto Mechanic	6	$24,418	$36,626
1	1	Auto Service Worker	3	$19,783	$29,676
1	1	Auto Mechanic		unfunded	
5	5				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-109	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	5	5	5	5	5	5	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITONS	4	4	4	4	4	4	

PURPOSE

To provide maintenance and repair services and dispensing fuel, oil and other parts and supplies to the City's 100+ 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 (5017-05) and Automotive Supplies (5031-05).

GOALS & OBJECTIVES

Goal 1: Provide timely repair service to all departments
Objective 1: A repair sheet will be completed when a piece of equipment/vehicle is delivered to the City Garage. Repairs will be made according to severity and available parts. Repairs will be assigned to mechanics when they have completed their previous work sheet/repairs. A preliminary inspection to determine repairs needed will be made by the Fleet Maintenance Supervisor prior to work being assigned to mechanic. Departments are completing a work order for the Fleet Maintenance Supervisor when a vehicle is delivered to garage.

Goal 2: To have all of our mechanics Automotive Service Excellence (ASE) Certified
Objective 2: Provide on-the-job training and provide the necessary funds for mechanics to attend training classes through the City's educational reimbursement program

Goal 3: Improve communication between garage and departments
Objective 3: Notify department heads when a vehicle is going to be out of service for more than a reasonable time for repair

FY 11 ACCOMPLISHMENTS

- Now have enough space to continue to repair vehicles/equipment while we wait for parts
- Continued to repair rather than replace vehicle and parts; thus, saving money
- Worked toward getting mechanics ASE Certified

KEY BUDGET ISSUES

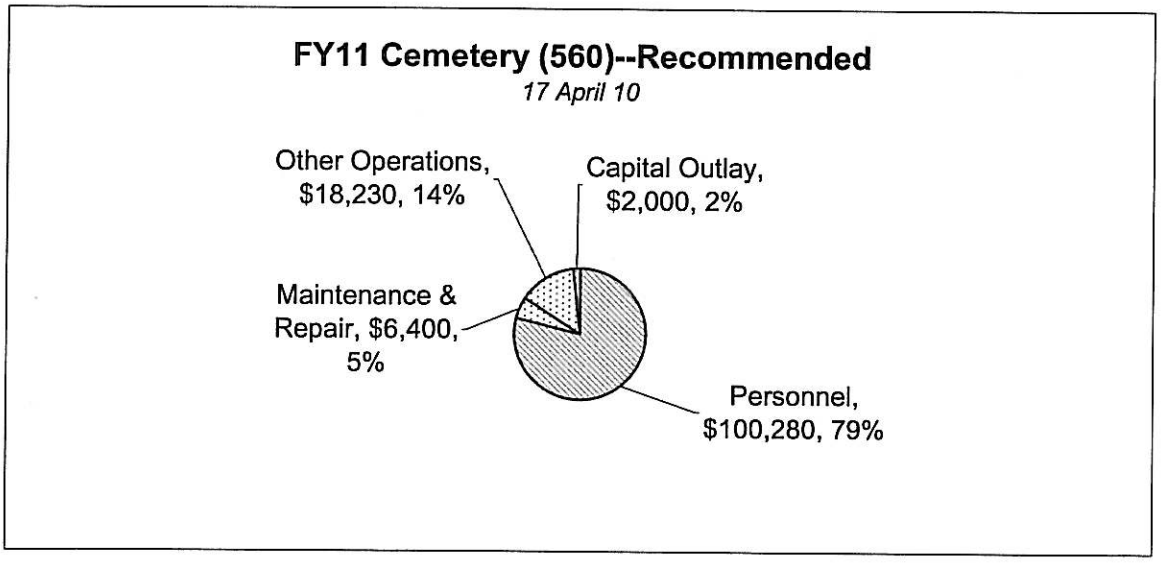
- Career development funding is not included. This will delay implementation of plan to work toward mechanics receiving ASE certification

- No funding provided for one-ton service vehicle.

- No funding provided Capital Outlay equipment under $5,000 such as a compressor and floor jack.

FY 10-11 BUDGET
GENERAL FUND - CEMETERY DEPARTMENT - 10-560
SUMMARY

CEMETERY DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 98,450	$ 105,305	$ 99,957	$ 101,650	$ 100,280	
Operating	24,010	26,316	26,400	32,140	24,630	
Debt Service	7,230	-		-	-	
Capital Outlay	-	-	3,500	4,000	2,000	
Total Expenditures	**$ 129,690**	**$ 131,621**	**$ 129,857**	**$ 137,790**	**$ 126,910**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	76%	80%	77%	74%	79%	#DIV/0!



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Maintenance Crew Leader	6	$24,418	$36,626
2	2	Maintenance Worker II	3	$19,783	$29,676
1	1	Maintenance Worker II		unfunded	
4	4				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	4	4	4	4	4	4	
NEW REQUESTS				0	0	0	
TOTAL FUNDED POSITONS	4	3	3	3	4	3	

PURPOSE

To provide for the perpetual care and maintenance of Elmwood Cemetery and providing the necessary equipment and manpower for coordinating burials with funeral homes and other related activities.

GOALS & OBJECTIVES

Goal 1: Provide all necessary maintenance for Elmwood Cemetery

Objective 1: All equipment will be serviced and ready to be put to work when spring arrives. Mowers will be serviced, blades sharpened or replaced, mower decks repaired or replaced as needed. All hand tools will be repaired or replaced as needed. Grass will be cut weekly during the growing season.

Goal 2: Raise all footstones within the cemetery

Objective 2: Raise all footstones in the cemetery to ground level. Footstones will be raised one section at a time until the work in the entire cemetery has been completed. This work will be done as time permits during the growing season with the majority of the work performed during the winter months.

FY 10 ACCOMPLISHMENTS

- Improved the appearance of Elmwood Cemetery
- Raised footstones during the fall and winter months
- Handled in excess of one hundred (80) funerals in a professional manner
- Repaired grave markers when possible
- Provided better service to funeral homes and citizens as well as recordkeeping in house for future use

KEY BUDGET ISSUES

- Reduced funding for Maintenance and Repair of Equipment used in the maintenance of the cemetery

- Funds are not available for repair/replacement of the existing utility building located at the entrance of Elmwood Cemetery Funds are allocated for new trailer in hauling equipment or mower.

- No funding for leaf collector attachment to aid in removing leaves in the fall and cutting grass.

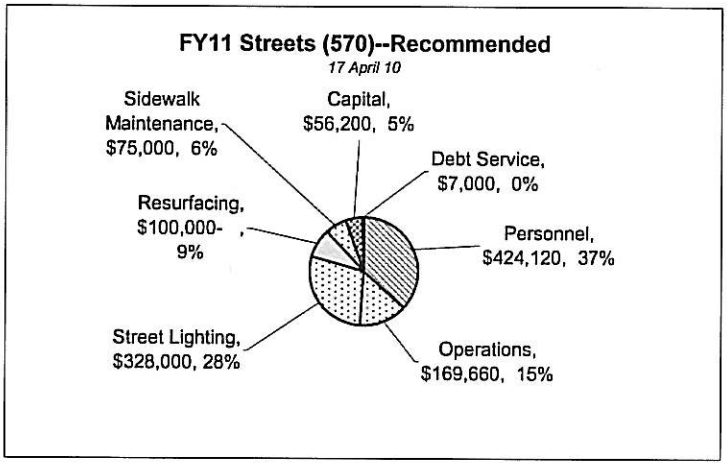
- The Cemetery service is currently being reviewed for privatization. Results of the RFP will be available for discussion during the budget review process.

FY 10-11 BUDGET
GENERAL FUND - STREET DEPARTMENT - 10-570
SUMMARY

STREET DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 322,800	$ 276,367	$ 425,047	$ 461,360	$ 424,120	
Operating	984,040	734,686	635,842	971,060	672,660	
Debt Service	34,400		7,000	7,000	7,000	
Capital Outlay	2,370		83,420	267,150	56,200	
Total Expenditures	**$1,343,610**	**$1,011,052**	**$1,151,309**	**$1,706,570**	**$ 1,159,980**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	24%	27%	37%	27%	37%	#DIV/0!

PERSONNEL ISSUES:

Frequent use of Street Division personnel to fill gaps in Sanitation, however privatization of household wastes will help with this. One additional maintenance worker II to assist with concrete crew was requested; however, this is not funded.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Maintenance Supervisor	10	$32,005	$48,009
2	2	Maintenance Crew Leader	6	$24,418	$36,626
6	6	Maintenance Worker III	4	$21,169	$31,753
3	3	Maintenance Worker II	3	$19,783	$29,676
2	2	Maintenance Worker I	2	$18,489	$27,733
14	**14**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	11	11	14	14	14	14	
NEW REQUESTS				0	1	0	
TOTAL FUNDED POSITONS	11	11	14	14	15	14	

PURPOSE

To provide for the general maintenance of streets, curbs, gutters, sidewalks, storm drains and ditches throughout the city.

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

GOALS & OBJECTIVES

Goal 1: Provide heavy equipment training to all Street Division employees
Objective 1: Provide on-the-job training with the Supervisor in charge of training; and provide training at Wilson Technical College. After training, all Street Division employees will be able to perform their duties using all the department equipment.

Goal 2: Improve roadside mowing program and carry out PIT Report recommendations.
Objective 2: Cross train employees to operate the roadside mower to ensure roadside mowing will continue when the employee responsible for this work is out of work for any reason.

Goal 3: Repair the storm drain system
Objective 3: Identify problems with the storm drain system and schedule repairs. Repairs will be made according to the severity and budget constraints.

Goal 4: Identify sidewalk problem areas and prioritize
Objective 4: Complete a sidewalk survey and make a master list of all damaged sidewalks, curbing and gutters and prioritize. Complete as many as possible within the available funds.

Goal 5: Keep our city streets as clean as possible
Objective 5: Have both the street sweeper and tractor/broom on a definite schedule

Goal 6: Continue with sign replacement program
Objective 6: Begin to replace regulatory signs on city streets to meet Federal Highway Administration Rules of Reflectivity.

FY 10 ACCOMPLISHMENTS

- Repaired and replaced 3190 SF of sidewalk thus far, and made other concrete repairs.
- City and contractor patched a large number of utility cuts due to water main breaks.
- Sweeping and flushing of city streets is being done according to the sweeping schedule
- Grounds maintenance crew is now fully established and continuing to provide better maintenance on grounds and right of ways.
- Boom mower and tractor were purchased. to help with cutting of right of ways.
- Repaired a number of storm drains.

KEY BUDGET ISSUES

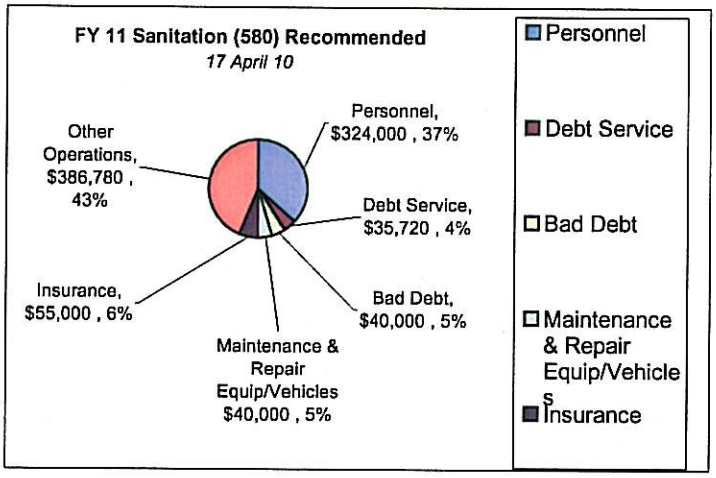
- Funds are included for more sidewalk repairs of $75,000.
- Resurfacing funds of $100,000 included for FY 11.
- No additional funds for snow removal, including contractor assistance and overtime.

FY 10-11 BUDGET
GENERAL FUND - SANITATION DEPARTMENT - 10-580
SUMMARY

SANITATION DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 671,344	$ 585,373	$ 473,601	$ 535,040	$ 324,000	
Operating	278,286	387,971	245,220	278,120	521,780	
Debt Service	54,760	-	35,720	35,720	35,720	
Capital Outlay	1,000	1,559		1,287,210	-	
Total Expenditures	**$1,005,390**	**$ 974,902**	**$ 754,541**	**$2,136,090**	**$ 881,500**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	67%	60%	63%	25%	37%	#DIV/0!

PERSONNEL ISSUES:

Frequent absenteeism requiring employees to be pulled from Street, Grounds Maintenance or Cemetery. The privatization of sanitation household waste will mean the elimation of 10 positions. The remaining positions will continue to perform recycling pick up as well as bulky waste and yard debris pick up.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Public Works Maintenance Supervisor	10	$32,005	$48,009
5	2	Maintenance Worker III	4	$21,169	$31,753
9	2	Maintenance Worker II	3	$19,783	$29,676
15	**5**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	25	25	19	15	15	5	
NEW REQUESTS				0	0		
TOTAL FUNDED POSITIONS	25	25	19	15	15	5	

* 4 Temp positions will be eliminated after 3 months, one driver is retiring and 5 other positions eliminated through attrition.

PURPOSE

To provide solid waste collection and management for 5,400+ residential customers and collections of solid waste from approximately 192+ hand pick-up commercial customers; loose leaf collection (at curbside) during the fall and early winter months, and the bulk item collection program

GOALS & OBJECTIVES

Goal 1: Provide improved and efficient sanitation and recycling services to our citizens including providing useful information relative to the service.
Objective 1: Improving Customer Service.

Goal 2: Improve image of staff with citizens and other City staff
Objective 2: Raise morale within the department.

Goal 3: Evaluate privatization of household and recycling services
Objective 3: Provide efficient sanitation pick-up and implement new program in October – if approved.

FY 10 ACCOMPLISHMENTS

- Provided loose-leaf collection throughout the city in a timely manner. We collected 2,169,475 lbs. (1,085 tons) of loose leaves.
- Increased efforts in performing preventative maintenance on equipment.
- Secured funding and provided promotional items for recycling.
- Collected 1,048 tons of yard debris and 242 tons of recyclable materials.
- Collected 4,399 tons of household waste.

KEY BUDGET ISSUES

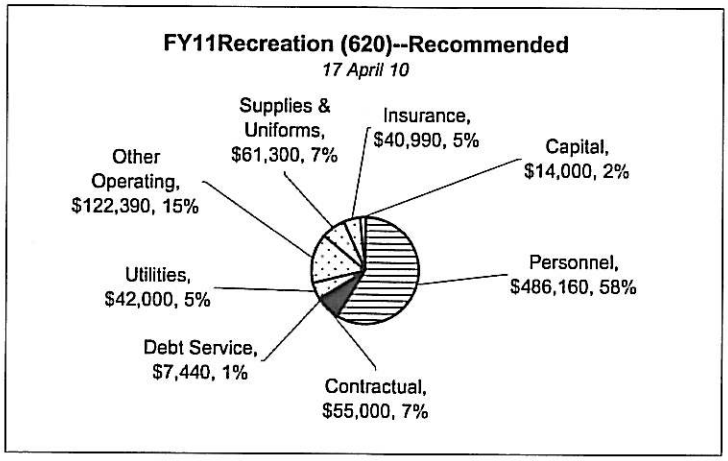
- Includes privatization of sanitation and conversion to curbside pickup. The City will continue to pick up recyclables.
- Career Development: No funds are budgeted for career development
- No capital funding for purchase of new garbage trucks. Recycling and yard debris pick up use newest trucks in the fleet.
- No funds recommended for purchase of new leaf machines There has been extensive repairs made to the existing machines, however there is insufficient back up in the event of break downs..
- Reduced funding from department request for part-time help used during the leaf collection season
- Includes funding for contracted services in household garbage collection and city continuing to perform collection of recyclables. Figure included in the budget is for collection at the curb for both household waste and recycling.
- Proposed increase of 50 cents per month per household to account for remaining salaries that the city will still incur and will eventually lose through attrition. Includes funding for temporary workers for 3 months, two drivers for 4 months and pullers for 9 months.

FY 10-11 BUDGET
GENERAL FUND - RECREATION DEPARTMENT - 10-620
SUMMARY

RECREATION DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 460,540	$ 492,476	$ 475,060	$ 555,950	$ 486,160	
Operating	341,959	376,910	325,060	598,510	321,680	
Debt Service	21,300	-	7,440	7,440	7,440	
Capital Outlay	35,716	76,091	13,765	51,780	14,000	
Total Expenditures	**$ 859,515**	**$ 945,477**	**$ 821,325**	**$1,213,680**	**$ 829,280**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	54%	52%	58%	46%	59%	#DIV/0!

PERSONNEL ISSUES:

Unfunded Maintenance Worker II position and Asst. Parks & Recreation Director position for entire year.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Director of Parks & Recreation	15	$44,556	$66,833
2	2	Recreation Program Supervisor	9	$29,911	$44,868
1	1	Recreation Program Specialist	8	$27,955	$41,933
1	1	Park Maintenance Supervisor	8	$27,955	$41,933
1	1	Administrative Secretary	5	$22,735	$33,976
3	3	Maintenance Worker III	4	$21,169	$31,753
1	1	Maintenance Worker II		unfunded	
1	1	Asst. Parks & Rec. Director		unfunded	
11	**11**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	11	11	11	11	11	11	
NEW REQUESTS				0	0		
TOTAL FUNDED POSITIONS	10	10	8	9	9	9	

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: Conduct background checks on all youth coaches, volunteers and instructors
Objective 1: Establish policies and procedures to govern background checks and determine where background checks will be conducted

Goal 2: Increase the number of programs offered and the number of participants in each program
Objective 2: Send out fliers, postcards, posters to student, schools and local businesses, direct mail all participants from last season, and coordinate with the Vance County Senior Center to increase awareness of senior events.

Goal 3: Continue to renovate/upgrade/replace park facilities, structures and equipment
Objective 3: Identify high priority projects and complete as available funds will allow

FY 10 ACCOMPLISHMENTS

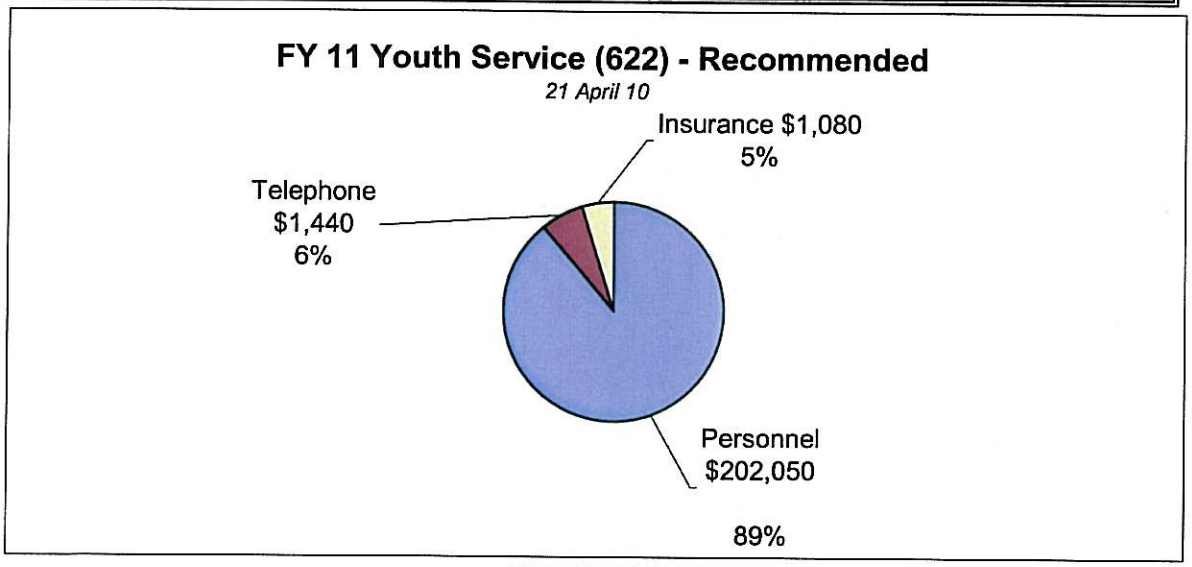
- Completed two Process Improvement reviews – program evaluation/ participant surveys and facility usage/reservations – in an effort to determine program effectiveness and provide improved customer service.
- Hosted the Eastern North Carolina Babe Ruth Baseball State Tournament for 13 year olds. Eight teams participated in this tournament. These teams spent nights in local hotels/motels and ate at local restaurants which contributed to the overall economy of the city.
- The Babe Ruth 16 and under girls softball team won their district, state and finished runner-up in the southeast regional tournament which was held in Andalusia, Alabama.
- Produced two show for the Henderson Rec. Players.
- Continued monthly support group meetings, monthly activities such as bingo and bowling, and monthly field trips for the Vance County Visually Impaired Person group.
- Worked with the Mid-East Resource Conservation and Development Council and the Four Rivers Resource Conservation and Development Council to develop plans for improvements to Fox Pond Park and Aycock Recreation Complex including; refurbishing nature trails and bridges, completing a connector trail between the facilities, conversion of the amphitheatre to an observation platform, and related work. The group also developed and submitted a grant application to the N.C. Recreational Trails Program for $75,000 in grant funds to help Phase I of the project.

KEY BUDGET ISSUES

- Reduced funding in contractual services. This could reduce participation in youth athletic programs by either setting sign-up limit or eliminating entire leagues. Adult athletics were eliminated from the budget in a prior fiscal year and the funding never restored
- Maintenance worker position continues to be frozen for the entire year and further cuts in Repair and Maintenance could lead to curtailing basic maintenance activities in the parks that are under developed.
- Grant for walking trail and includes funding for storm drain repairs at Rollins/Jaycee Park.
- No funding for capital outlay equipment.

FY 10-11 BUDGET
GENERAL FUND - YOUTH SERVICES DEPARTMENT - 10-622
SUMMARY

YOUTH SERVICES DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 193,880	$ 207,285	$ 199,490	$ 201,370	$ 202,050	
Operating	6,970	2,230	5,190	2,520	2,520	
Debt Service	-					
Capital Outlay				-	-	
Total Expenditures	**$ 200,850**	**$ 209,514**	**$ 204,680**	**$ 203,890**	**$ 204,570**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	97%	99%	97%	99%	99%	#DIV/0!



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Director of Youth Services	11	$34,245	$51,367
1	1	Youth Supervisor/Finance Manager	10	$32,005	$48,009
1	1	Recreation Program Supervisor	9	$29,911	$44,868
1	1	Recreation Program Specialist	8	$27,955	$41,933
4	4				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	4	4	4	4	4	4	
NEW REQUESTS				0	0	0	
TOTAL FUNDED POSITIONS	4	4	4	4	4	4	

PURPOSE

To provide a non-residential counseling program directed toward "at risk" or "early stage" convicted youthful offenders. The program design incorporates the use and care of minibikes, camping and community service projects to help youth (both male and female) develop personal self worth and deter juvenile crime in Vance County; thereby providing a viable alternative to training school.

The Vance County Community Service/Restitution Program provides a structure for placing such delinquents at work sites to perform hours of community service and/or to earn wages to be paid from the program to the Clerk of Court for restitution payments to the victim. All assignments are made by the Juvenile Court System and/or law enforcement agencies.

Periodic programmatic reviews are conducted by the State of North Carolina Community Based Alternatives (CBA) branch of the Department of Human Resources, Division of Youth Services.

GOALS & OBJECTIVES

Goal 1: Continue to offer Conflict Management Services.
Objective 1: Submit multi-county grant to NC Department of Juvenile Justice & Delinquency Prevention to sustain services offered through Conflict Management Services.

Goal 2: Serve Juvenile Court referred (top priority) and those youth at risk for delinquent and undisciplined behaviors.
Objective 2: 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: Increase school attendance by 60% in youth having truancy problems.
Objective 4: Offer incentives, such as recreational outings, to promote school attendance in youth having truancy problems.

FY 10 ACCOMPLISHMENTS

- Division sustained grant funding for Conflict Management Services.
- Division staff served on numerous boards for collaboration and networking to promote continuum of services for youth.
- Donna Stearns received the NC Juvenile Services outstanding Service Award.

KEY BUDGET ISSUES

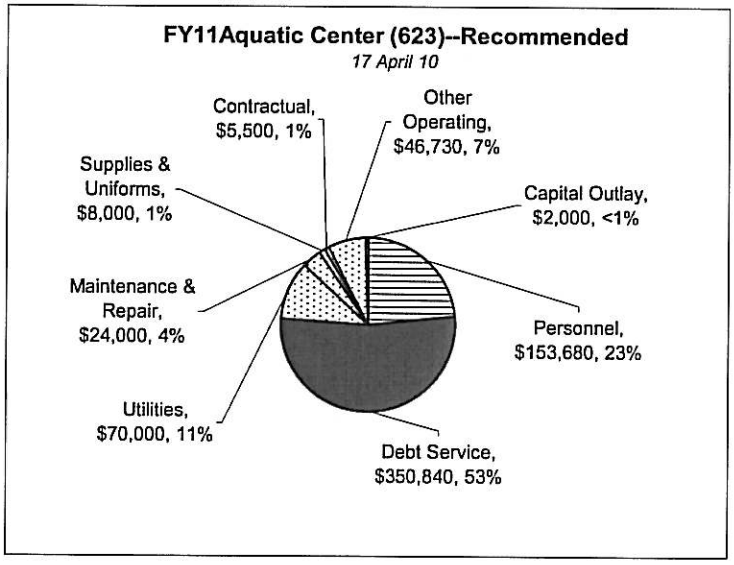
- 100% Reimbursable by Vance County

FY 10-11 BUDGET
GENERAL FUND - AYCOCK AQUATICS CENTER DEPARTMENT - 10-623
SUMMARY

AYCOCK AQUATICS DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 143,380	$ 145,773	$ 147,110	$ 271,450	$ 153,680	
Operating	131,270	155,130	141,570	215,280	154,230	
Debt Service	394,130	378,496	365,270	350,840	350,840	
Capital Outlay	23,070	40,824	10,500	39,460	3,000	
Total Expenditures	**$ 691,850**	**$ 720,224**	**$ 664,450**	**$ 877,030**	**$ 661,750**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	21%	20%	22%	31%	23%	#DIV/0!

PERSONNEL ISSUES:

The Aquatics Center operated with only one employee for a couple of years due to the other being frozen. There is a total of 2 full-time positions filled and several part-time positions but it does not allow full-time hours of operation.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
2	2	Recreation Program Supervisor	9	$29,911	$44,868
2	**2**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	2	2	2	2	2	2	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	2	2	2	2	2	2	

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: Continue to operate a Summer Day Camp
Objective 1: Advertise through Vance County Schools, promote through internal customers, distribute information in the community and to all mailing lists.

Goal 2: Establish an After School Program at the Recreation Center
Objective 2: Prepare flyers, post pictures, news articles, information to schools

Goal 3: Increase Recreation Center rentals
Objective 3: Create rental packages, use brochures to advertise, distribute information through Chamber mailing list and other local businesses

FY 10 ACCOMPLISHMENTS

- Held annual "Cookies & Milk with Santa" with over 200 participants
- Held annual "Fall Festival" with over 700 participants
- Held annual "Easter Egg Hunt" with over 175 participants
- Held pre-school classes throughout the summer from 174 to 454
- Held a Summer Day Camp for ages 8-13, with 20 participants per day for 7 weeks
- Increased participation in number of swimmers of all ages from 174 to 454
- Facilitated CPR re-certification for 100% of lifeguard staff
- Operated the pool in a safe manner with no major accidents or injuries
- Held three 5-7 year old basketball camps.
- Updated the Center's camera surveillance system.

KEY BUDGET ISSUES

- Level funding from previous years.
- Prices for heating oil/gas could fluctuate leaving insufficient funds to actually cover costs
- Reduced funding in part-time staff could lead to a reduction in the hours of operation
- Reduction in the Maintenance & Repair – Buildings Account could lead to postponement of various maintenance items such as replacing damaged ceiling tiles, replacing aging gym lights, etc.
- Includes funding of $3,000 for capital items < $5,000.

FY 10-11 BUDGET
GENERAL FUND - VANCE COUNTY SHARED PROGRAM - 10-650
SUMMARY

VANCE COUNTY SHARED PROGRAM SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Armory	$ 1,376	$ 494	$ 2,000	$ 2,000	$ 2,000	
Tax Office	115,486	117,837	124,045	124,045	124,045	
911	441,685	488,565	501,821	501,821	501,821	
H. Leslie Perry Library	289,890	262,260	262,230	262,230	262,230	
NC Vehicle Registration Tax	5,817	5,971	6,000	6,000	6,000	
Board of Elections	53,860	46,476	63,304	50,000	50,000	
Old SNB Property	-	-	1,000	1,000	1,000	
Economic Development	-	-	-	60,000	60,000	
City Hall Debt Payment	-	-	-	32,750	32,750	
Total Expenditures	**$ 908,115**	**$ 921,604**	**$ 960,400**	**$ 1,039,846**	**$ 1,039,846**	**$ -**

PURPOSE

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

KEY BUDGET ISSUES

- Armory: $2,000 is for any unknown expense that could occur during the year
- Tax Office: $124,045 provides for the contract with Vance County to bill and collect city taxes. The 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
- Library: $262,230 is provided on a 65% County and 35% City financial sharing
- Vehicle Registration Tax: per House Bill 1779 (Session Law 2005-294) developing a combined motor vehicle registration renewal and motor vehicle property tax
- Board of Elections: provides 22% of the annual operating budget and 100% of City elections to Vance County.
- SNB Property (jointly owned by City and County): for insurance coverage cost
- Economic Development: $60,000 represents 25% of the Economic Development Commission budget and would be the amount required for the reforming of the joint City-County partnership.
- Payment 1 of 5 - debt on City Hall to Vance County

NON-DEPARTMENTAL SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ -	$ -	$ 209,000	$ 230,000	$ 230,000	
Operating	86,400	60,667	70,398	143,500	108,500	
Debt Service	-		-	-	-	
Capital Outlay	-		-	-	-	
Negative Salary Appropriation			(56,200)	-	(26,665)	
Total Expenditures	**$ 86,400**	**$ 60,667**	**$ 223,198**	**$ 373,500**	**$ 311,835**	**$ -**

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.

KEY BUDGET ISSUES

- The City's retiree insurance ($230,000) 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.
- $40,000 Contingency
- Unable to budget for a City-wide Information Technology (IT) study ($10,000) or Microsoft Office upgrade from 2003 to 2007 ($13,000). Without this upgrade, City computers will not be able to communicate with 2010 Microsoft Office users.

FY 10-11 BUDGET
GENERAL FUND - CONTRIBUTIONS TO LOCAL AGENCIES - 10-670
SUMMARY

CONTRIBUTIONS - LOCAL AGENCIES - SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Airport	$ 29,793	$ 26,022	$ 26,022	$ 26,022	$ 26,022	
Human Relations	725	800	-	800	-	
Appearance Commission	3,870	4,000	4,000	5,000	4,000	
Roanoke River Basin	400	400	400	1,000	400	
Crime Stoppers	480	500	500	1,000	500	
Arts Council	960	1,000	-	1,500	-	
Total Expenditures	**$ 36,228**	**$ 32,722**	**$ 30,922**	**$ 35,322**	**$ 30,922**	**$ -**

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.

POWELL BILL - SUMMARY EXPENDITURES	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Transfer to General Fund	$ 667,619	$ 511,703	$ 436,500	$ 476,900	$ 476,900	
Transfer to CIP	0	206,250	3,400	0	0	
Total Expenditures	**$ 667,619**	**$ 717,953**	**$ 439,900**	**$ 476,900**	**$ 476,900**	**$ -**

REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Interest Income	$ 20,800	$ 7,074	$ 1,500	$ 1,000	$ 1,000	
Powell Bill Allocation	572,013	507,059	$ 435,000	429,000	429,000	
Fund Balance Appropriated	74,806	0	3400	46,900	46,900	
Transfer from CIP Powell Bill	0	14,472	0	0	0	
Total Revenues	**$ 667,619**	**$ 528,604**	**$ 439,900**	**$ 476,900**	**$ 476,900**	**$ -**

PURPOSE

This budget is used as a transfer account to properly account for expenditures incurred by the Street Division of the Public Works 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. Funds will also be transferred from this account to be used for the construction, widening and curb and gutter work on new streets and/or sidewalks proposed in the CIP. In addition, funds are transferred from this fund on a monthly basis to the City's General Fund related to maintenance of streets, sidewalks and right-of-ways. There are no personnel assigned to the fund.

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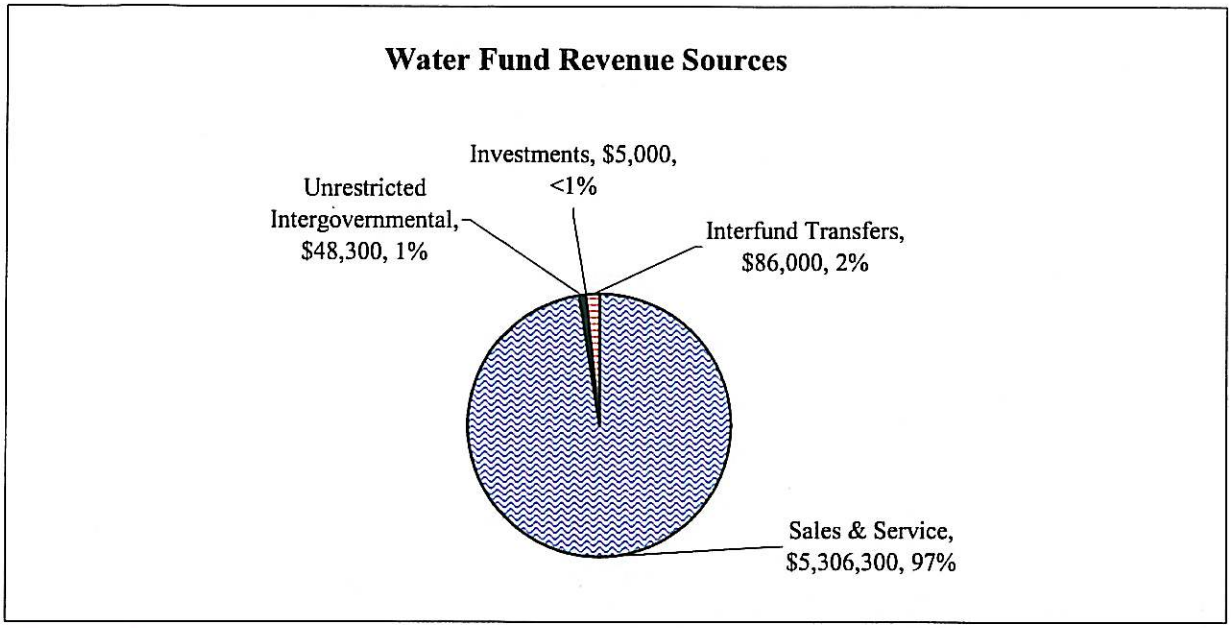
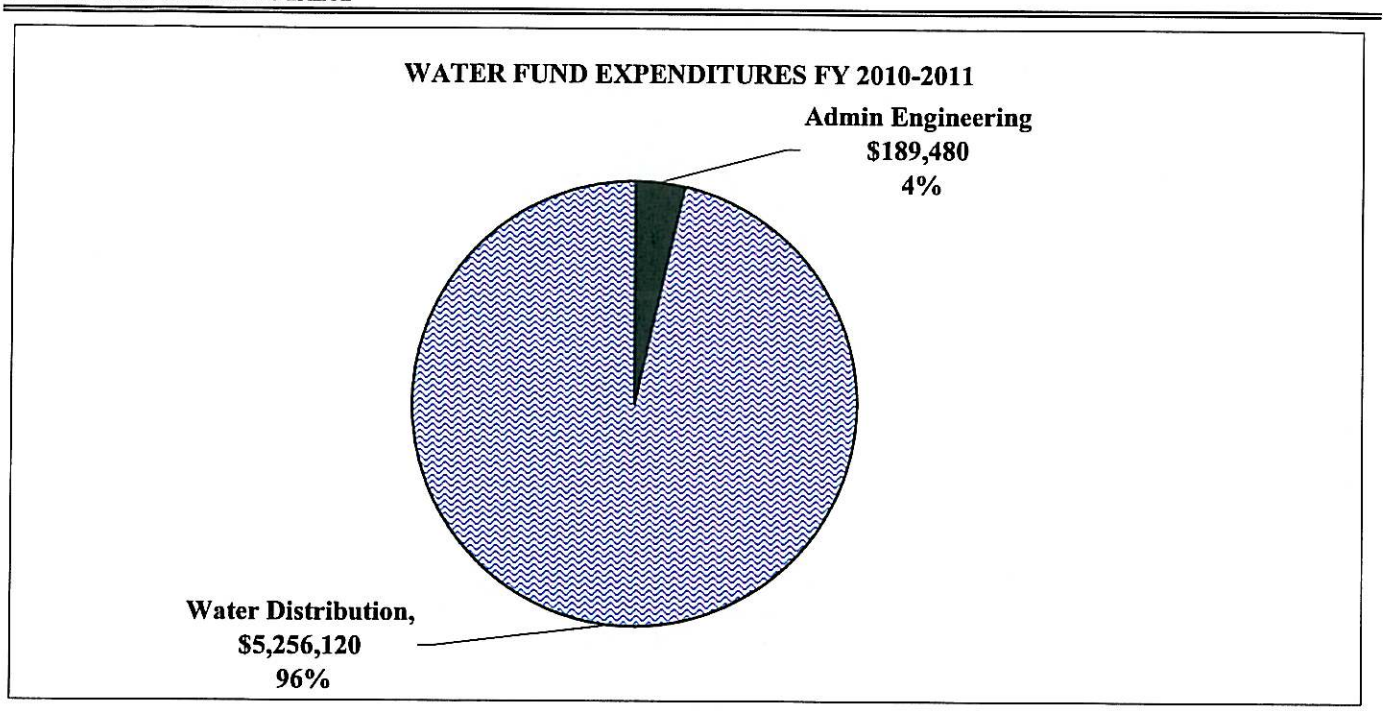
FY 10-11 BUDGET
WATER FUND
REVENUE SUMMARY



REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Sales and Service					
Water Charges	2,294,146	2,334,400	2,509,500	2,630,000	
Water Charges - Franklin County	1,987,827	2,101,485	2,226,000	2,326,000	
Reconnection	66,586	76,424	72,000	80,000	
Taps	38,388	36,790	30,000	25,000	
Set Up Charges	11,814	11,228	12,000	12,000	
Late Payment Fees	92,836	129,814	99,000	100,000	
Sprinklers & Hydrants	109,105	110,142	126,880	120,000	
Bad Debt Recovery	7,049	6,461	4,000	3,000	
Debt Set Off	13,692	12,163	5,000	5,000	
Sales of Materials	1,590	2,855	1,500	1,500	
Returned Checks	0	617	0	0	
Returned Check Fees	7,075	7,346	4,000	3,800	
Total Sales and Services	**$4,630,108**	**$4,829,725**	**$5,089,880**	**$5,306,300**	**$0**
Unrestricted Intergovernmental					
Sprint PCS Site Agreement	22,496	23,692	24,000	24,300	
T-Mobile Agreement	0	15,326	24,000	24,000	
Total Unrestricted Intergovernmental	**$22,496**	**$39,018**	**$48,000**	**$48,300**	**$0**
Miscellaneous					
Miscellaneous	1,032	231	500	0	
Over/Short	26	234	0	0	
Overpayment Utilities	0	2,067	0	0	
Insurance Proceeds	5,133	8,297	0	0	
Workers Comp Reimbursement	566	0	0	0	
Total Miscellaneous	**$6,757**	**$10,829**	**$500**	**$0**	**$0**

REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Interest Income	**$42,746**	**$14,076**	**$16,000**	**$5,000**	
Retained Earnings	**$0**	**$0**	**$0**	**$0**	
Subtotal	**$4,519,000**	**$4,893,648**	**$5,154,380**	**$5,359,600**	
Interfund Transfers					
Admin Support Water from Regional	70,000	70,000	70,000	70,000	
Transfer Water from Regional Water	16,000	16,000	16,000	16,000	
Transfer from Gen - Bond Principal	0	130,788	0	0	
Transfer from Sewer - Bond Principal	0	540,632	0	0	
Transfer from Regional - Utilities Dir	0	0	0	0	
Total Interfund Transfers	**$86,000**	**$757,420**	**$86,000**	**$86,000**	**$0**
Total Water Fund Revenues	**$4,788,107**	**$5,651,068**	**$5,240,380**	**$5,445,600**	**$0**

FY 10-11 BUDGET
WATER FUND
EXPENDITURE SUMMARY



EXPENDITURES	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Water Fund						
Admin Engineering	179,265	133,732	205,220	216,140	189,480	
Water Distribution	4,505,644	4,543,144	5,035,160	5,568,350	5,256,120	
Total Water Fund Expenditures	**$4,684,909**	**$4,676,876**	**$5,240,380**	**$5,784,490**	**$5,445,600**	**$0**

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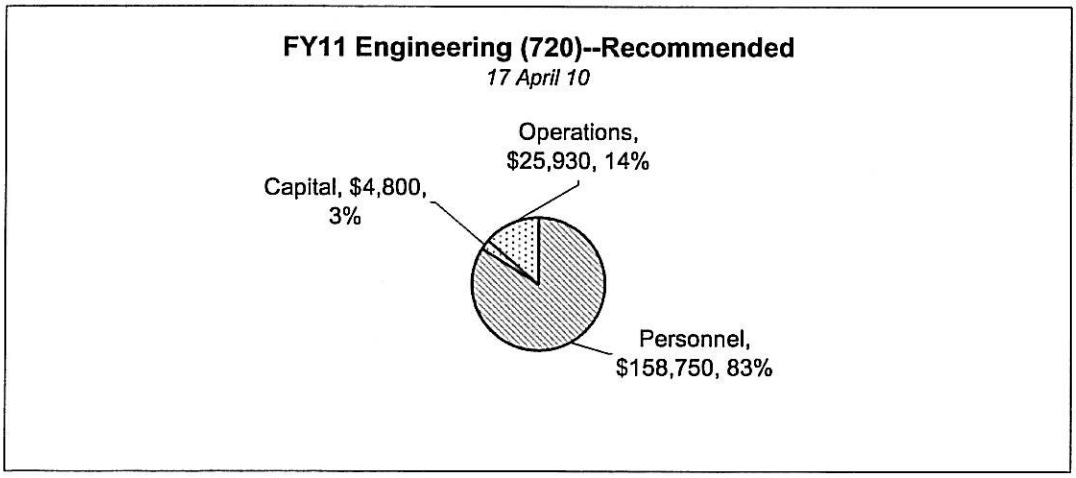
FY 10-11 BUDGET
WATER FUND - ENGINEERING DEPARTMENT - 30-720
SUMMARY

ENGINEERING DEPARTMENT SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 158,377	$ 115,659	$ 156,550	$ 160,340	$ 158,750	
Operating	16,755	18,073	46,670	51,000	25,930	
Debt Service	4,133		-	-	-	
Capital Outlay	-		2,000	4,800	4,800	
Total Expenditures	**$ 179,265**	**$ 133,732**	**$ 205,220**	**$ 216,140**	**$ 189,480**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	88%	86%	76%	74%	84%	#DIV/0!

PERSONNEL ISSUES:

Loss of full-time Administrative Secretary as well as CADD/Technician position.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Director of Engineering	16	$48,566	$73,081
1	1	Engineering Technician	8	$27,955	$41,933
1	1	Engineering Inspector	8	$27,955	$41,933
1	1	CADD/Technician		unfunded	
1	1	Administrative Secretary		unfunded	
5	**5**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	5	5	5	5	5	5	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	4	4	3	3	3	3	

PURPOSE

To provide overall engineering and surveying as well as planning, project management an inspection services to utility (water distribution, sewer collections, wastewater 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: Staffing throughout the year of Director
Objective 1: Provide overall supervision and leadership within the department to help carry out goals and objectives.

Goal 2: Continued implementation of our Geographical Information System (GIS) mapping to include additional storm water lines and other water and sewer details
Objective 2: 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 3: Completion of projects
Objective 3: Continue to monitor and facilitate the completion of the Brookhaven Village mobile home Park waterline project as well as the Beckford Drive Widening project, and other sewer collection improvement projects.

FY 10 ACCOMPLISHMENTS

- Consulting Engineer selected and design underway for Beckford Drive widening project.
- Assisted with various sidewalk improvements.
- Coordinated and assisted with a number of continued improvements to City Hall.
- Performed a number of traffic studies and placement of speed humps within the city upon approval by the City Council
- Assisted in a number of grant applications relative to energy management savings and planning.
- Worked with HWRF and sewer collection I/I in completing requirements relative to the Special Order of Consent.

KEY BUDGET ISSUES

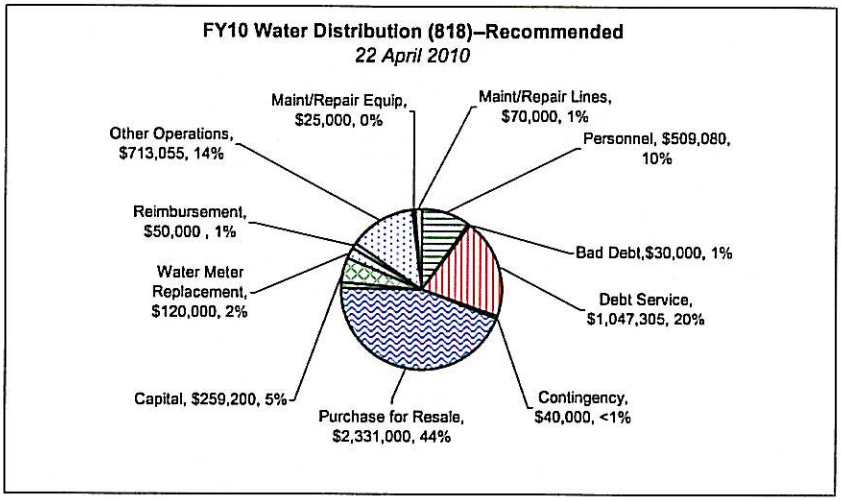
- Includes funding for professional services related to training and adding to GIS mapping
- No contingency funds.

FY 10-11 BUDGET
WATER FUND - WATER DISTRIBUTION - 30-818
SUMMARY

WATER DISTRIBUTION SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 354,896	$ 462,914	$ 418,150	$ 516,280	$ 509,080	
Operating	3,089,708	3,112,321	3,503,095	3,691,320	3,440,535	
Debt Service	1,044,820	1,014,926	1,108,915	1,072,770	1,047,305	
Capital Outlay	16,220	3,977	5,000	287,980	259,200	
Total Expenditures	**$ 4,505,644**	**$ 4,594,138**	**$ 5,035,160**	**$ 5,568,350**	**$ 5,256,120**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	8%	10%	8%	9%	10%	#DIV/0!

PERSONNEL ISSUES:

Sharing of Administrative support with Kerr Lake Regional Water Plant (30% Water, 30% Sewer, 40% Regional Water).



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Utilities Director	14	$41,719	$62,577
1	1	Utilities Maintenance Supervisor	10	$32,005	$48,009
1	1	Maintenance Crew Leader	6	$24,418	$36,626
5	5	Meter Reader	4	$21,169	$31,753
1	1	Maintenance Worker III	4	$21,169	$31,753
5	5	Maintenance Worker II	3	$19,783	$29,676
1	1	Administrative Secretary	5	$22,735	$33,976
15	**15**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	15	15	15	15	15	15	
NEW REQUESTS				0			
TOTAL FUNDED POSITIONS	15	14	12	13	15	15	

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: Upgrade 2" and smaller lines to 6" or 8" lines
Objective 1: Replace lines as needed to enhance water quality, increase water pressure, deter leaks, provide better fire protection and decrease the amount of street repairs and utility cuts. The staff will explore grant money that may be available for these projects and also provide a priority listing of these replacements.

Goal 2: Continue Radio Read Meter Program
Objective 2: Replace existing meters with remote read meters that will reduce time taken to read entire distribution system, increase efficiency and reduce vehicle maintenance costs. Compile and review data to monitor increase in revenues and efficiency.

Goal 3: Update hydraulic study of water system.
Objective 1: Identify potential problems relative to pressure as well as water quality problems relative to THMS.

FY 10 ACCOMPLISHMENTS

- 63 Fire hydrants repaired or replaced
- Replaced four large meters to radio read and 316 smaller meters.

KEY BUDGET ISSUES

- FY 10-11 Budget includes funding for the previously frozen Utilities Director position.
- Includes $120,000 for water meter replacements to radio read
- Includes funding CIP project for water main replacement – Harriett St, Hydraulic modeling update and water quality, and match for sewer, water and planning grant if received. Also includes $40,000 to capital reserve utilities.
- Budget does not include funds for tapping machine utilized for making 4" – 12" water taps or inserta valve.
- Career development funding has been removed. This hurts the City's ability to properly train and allow advancement within the department for recruiting and retaining employees upon receiving certifications that will enhance the City's efforts in maintaining and operating a first class water distribution system.

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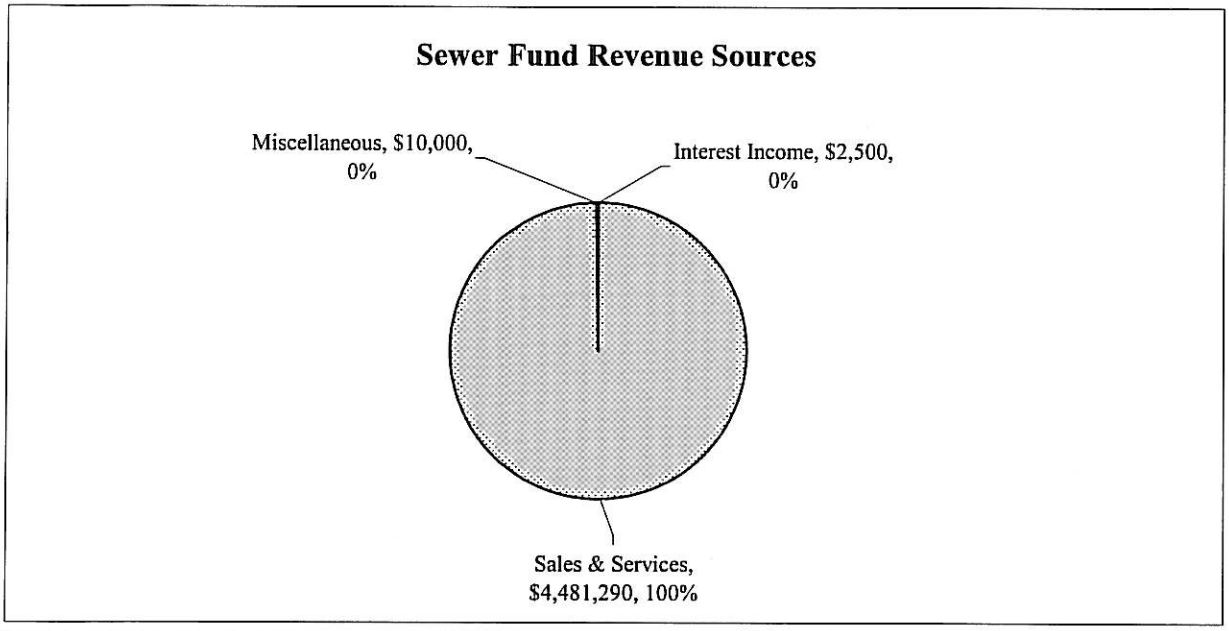
FY 10-11 BUDGET
SEWER FUND
REVENUE SUMMARY

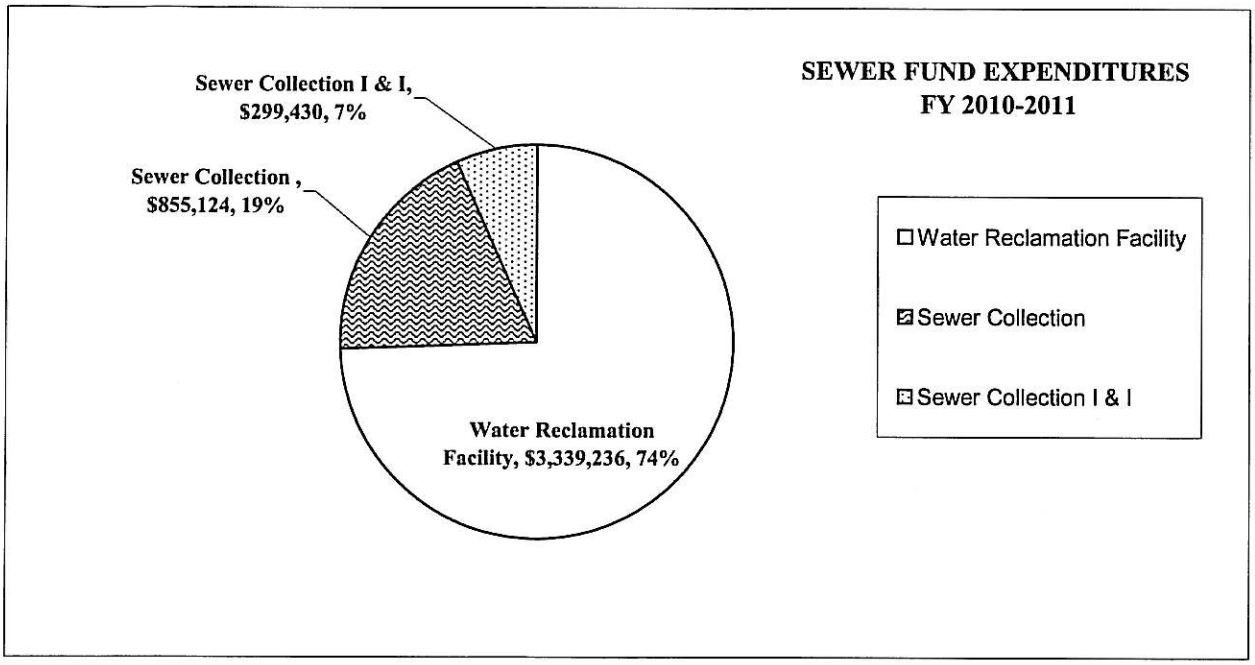


REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Sales and Service					
Sewer Charges	3,341,554	3,590,843	3,766,880	3,876,920	
Sewer Surcharges	19,560	20,730	20,000	16,000	
Reconnection	155,367	178,658	150,000	147,000	
Taps	12,781	7,720	6,500	7,000	
Set Up Charges	27,566	26,992	28,000	28,000	
Late Payment Fees	216,619	310,742	229,500	225,000	
Bad Debt Recovery	12,954	11,938	12,000	10,000	
Debt Set Off	26,660	16,456	15,000	10,000	
Vance County NVHS Sewer Line	92,292	88,605	84,891	81,310	
Vance County Ruin Creek Outfall	87,230	85,002	82,774	80,060	
Vance County Satterwhite Point Rd	21,377	11,164	11,000	0	
Total Sales and Services	**$4,013,960**	**$4,348,850**	**$4,406,545**	**$4,481,290**	**$0**
Miscellaneous					
Miscellaneous	$13,916	$3,375	$0	$0	
Sale of Assets	1,417	0	0	0	
Insurance Proceeds	14,831	0	0	0	
Workers Comp Reimbursement	3,312	185	0	0	
Sewer Code Violations	0	4,881	2,500	2,500	
Fog Compliance Monitoring	0	1,214	0	7,500	
Total Miscellaneous	**$33,476**	**$9,655**	**$2,500**	**$10,000**	**$0**

FY 10-11 BUDGET
SEWER FUND
REVENUE SUMMARY

REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Interest Income	$18,442	$6,193	$6,200	$2,500	
Retained Earnings	$0	$0	$0	$0	
Interfund Transfers	$0	$0	$0	$0	
Total Sewer Fund Revenues	$4,065,878	$4,364,699	$4,415,245	$4,493,790	

FY 10-11 BUDGET
SEWER FUND
EXPENDITURE SUMMARY



EXPENDITURES	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Sewer Fund						
Henderson Water Reclamation Facility	3,087,260	2,781,162	3,191,430	4,357,030	3,339,236	
Sewer Collection	846,680	846,115	843,705	955,804	855,124	
Sewer Collection I & I	189,730	312,024	380,110	365,323	299,430	
Total Sewer Fund Expenditures	**$4,123,670**	**$3,939,301**	**$4,415,245**	**$5,678,157**	**$4,493,790**	**$0**

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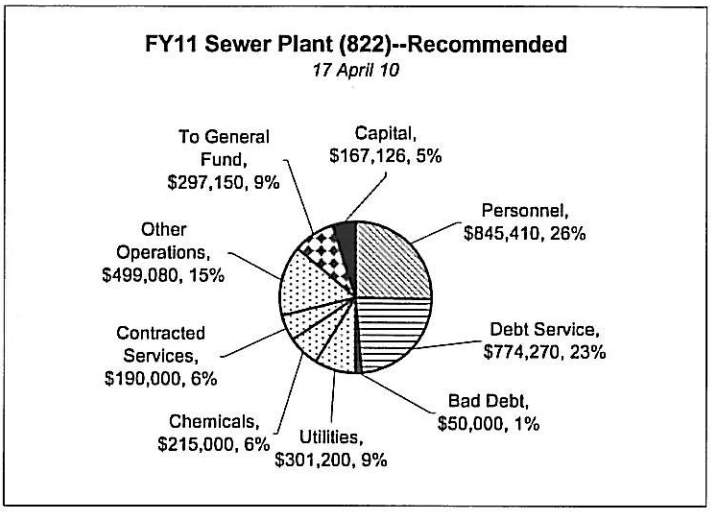
FY 10-11 BUDGET
SEWER FUND - WATER RECLAMATION FACILITY - 31-822
SUMMARY

WATER RECLAMATION SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 818,430	$ 842,833	$ 838,510	$ 844,980	$ 845,410	
Operating	1,449,930	1,137,916	1,544,120	1,951,310	1,552,430	
Debt Service	800,180	800,413	798,800	774,270	774,270	
Capital Outlay	18,720	-	10,000	786,470	167,126	
Total Expenditures	**$ 3,087,260**	**$ 2,781,162**	**$ 3,191,430**	**$ 4,357,030**	**$ 3,339,236**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	27%	30%	26%	19%	25%	#DIV/0!

PERSONNEL ISSUES:

HWRF Director continuing to work with Sewer Collections and Engineering Department in identifying future CIP projects relative to I and I reduction.



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Director of HWRF	14	$41,719	$62,577
1	1	Chief Operator	10	$32,005	$48,009
1	1	Plant Maintenance Supervisor	10	$32,005	$48,009
1	1	Pretreatment Coordinator	10	$32,005	$48,009
1	1	Sr. Instrumentation Tech	10	$32,005	$48,009
1	1	Chemist	9	$29,911	$44,868
3	3	Plant Operator II	6	$24,418	$36,626
4	4	Plant Maintenance Mechanic	6	$24,418	$36,626
1	1	Instrumentation Technician	6	$24,418	$36,626
2	2	Lab Technician	6	$24,418	$36,626
3	3	Plant Operator I	5	$22,735	$33,976
1	1	Administrative Secretary	5	$22,735	$33,976
1	1	Maintenance Worker III	4	$21,169	$31,753
2	2	Mainteance Worker III		unfunded	
23	**23**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	23	23	23	23	23	23	
NEW REQUESTS				0			
TOTAL FUNDED POSITIONS	21	21	20	21	21	21	

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 13 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 Henderson Water Reclamation Facility (HWRF) efficiently and maintain compliance with all NPDES Permit Limits including Environmental Protection Agency (EPA)/Division of Water (DWQ) regulations in a cost effective manner

Objective 1: Coordinate with the lab, operations and maintenance staffs to make needed adjustments to the plant processes.

Goal 2: Improve and maintain the safety record at the HWRF

Objective 2: Continue plant safety inspections and staff training and include the newly formed safety committee to directly involve key staff members in improving safety

Goal 3: Replace the UV disinfection system. Clean and Restore the creek at the HWRF

Objective 3: The UV system is scheduled this coming FY depending on funding.

FY 10 ACCOMPLISHMENTS

- Operated the HWRF efficiently and maintained compliance with all effluent limits and monitoring requirements including the Sludge Land Application Program as well as the DWQ lab inspection with no deficiencies noted
- Operated the Water Reclamation Facility as efficiently as possible and maintained compliance with all effluent limits and monitoring requirements.
- The laboratory was operated in compliance with all DWQ regulations this year. We passed all state certification samples for the lab. The DWQ lab inspection indicated no deficiencies
- Worked with sewer collection and other departments in meeting deadline required by the SOC.

KEY BUDGET ISSUES

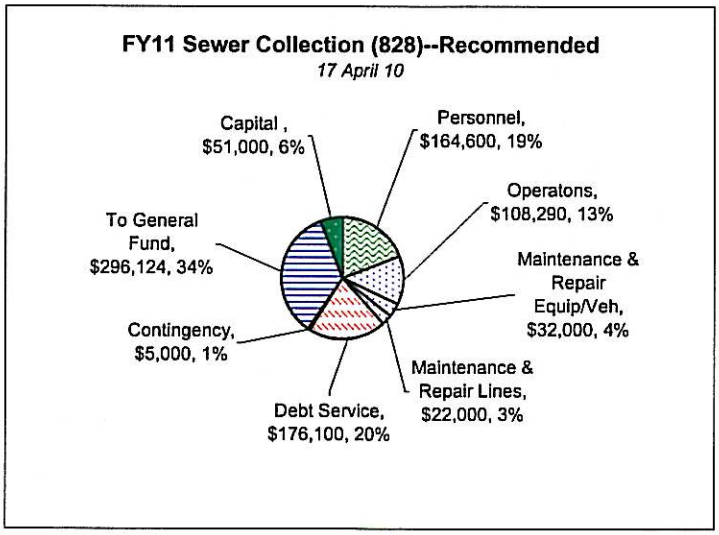
- Possible funding for the UV Replacement project if the CWMTF money is not restored.
- Significant reduction in the Maintenance & Repair Equipment line item.
- Chemical cost for items such as lime, liquid oxygen, and odophos are still volatile.
- Partial funding of capital outlay equip & $5,000 for items such as submersible pumps and samplers.
- No funds allocated for the purchase of a full-sized van replacement or the replacement of a 1982 single axle dump truck, Van for the lab or new storage building.
- Funding includes one new vehicle.
- Includes funding of $137,556 to capital reserve utilities to help with UV Replacement Project in the event NC Rural Center funding is not received.
- $10,000 Contingency

FY 10-11 BUDGET
SEWER FUND - SEWER COLLECTION - 31-828
SUMMARY

SEWER COLLECTION SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 174,690	$ 165,021	$ 160,830	$ 160,990	$ 164,600	
Operating	451,895	458,754	490,795	526,064	463,414	
Debt Service	215,310	222,340	175,690	176,110	176,110	
Capital Outlay	4,785	-	16,390	92,640	51,000	
Total Expenditures	**$ 846,680**	**$ 846,115**	**$ 843,705**	**$ 955,804**	**$ 855,124**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	21%	20%	19%	17%	19%	#DIV/0!

PERSONNEL ISSUES:

Sharing of Administrative support with Kerr Lake Regional Water Plant (30% Water, 30% Sewer, 40% Regional Water).



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
2	2	Maintenance Crew Leader	6	$24,418	$36,626
1	1	Maintenance Worker III	4	$21,169	$31,753
2	2	Maintenance Worker II	3	$19,783	$29,676
5	5				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	7	6	5	5	5	5	
NEW REQUESTS				0			
TOTAL FUNDED POSITIONS	7	6	5	5	5	5	

PURPOSE

To perform both scheduled and emergency maintenance on 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 Departments.

The City owns and maintains over 125 miles of sanitary sewer lines.

GOALS & OBJECTIVES

Goal 1: Prevention of sewer main blockages and bypasses
Objective 1: Replace and or clean damaged and blocked lines when they are found; and monitor food serving establishments for any violations of grease trap cleaning or servicing

Goal 2: Continue to work with I and I Department to eliminate overflows in the Sandy Creek Basin as well as other basins
Objective 2: Continue to smoke test the entire basin including all outfall lines; utilize the Jet-Vac to clean as much of the basin as possible and follow this with inspection and flow monitoring to quantify the effectiveness. Trouble spots will be monitored and repairs made by in-house personnel or contractor as needed.

Goal 3: Meet or exceed state mandated 10% Sanitary Sewer line cleaning rule
Objective 3: Have a three-man crew dedicated to cleaning and performing preventive maintenance work

FY 10 ACCOMPLISHMENTS

- Completed several small sewer collection improvement projects in conjunction with I and I removal and other maintenance issues.
- State inspection was performed on collection system including pump stations and went well with only a couple of minor adjustments/corrections to be done or added
- Performed root removal in various sanitary sewer mains using a foaming agent.

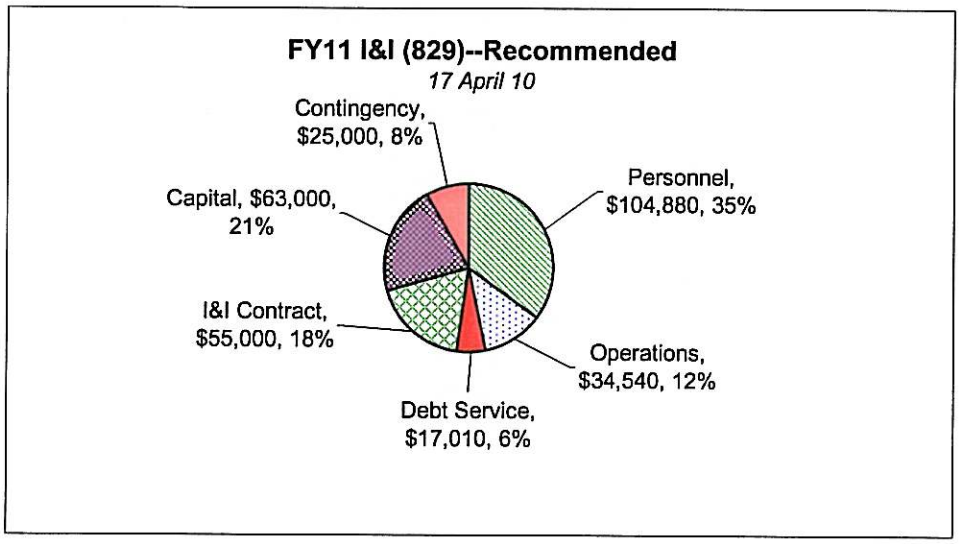
KEY BUDGET ISSUES

- Includes $10,000 for Capital Reserve utilities and $5,000 for contingency
- No funds included which will enhance the department's ability to recruit and retain employees upon receiving certifications that will enhance the City's effort in operating the sewer collection system
- Includes funding for engineering relative to CIP utilities project for the Newton Dairy Road Pump Station Elimination Project ($35,000).

FY 10-11 BUDGET
SEWER FUND - SEWER COLLECTION I & I - 31-829
SUMMARY

SEWER COLLECTION I & I SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 91,020	$ 93,225	$ 95,350	$ 105,033	$ 104,880	
Operating	75,900	31,799	226,940	131,980	114,540	
Debt Service	14,690	-	29,820	17,010	17,010	
Capital Outlay	8,120	187,000	28,000	111,300	63,000	
Total Expenditures	**$ 189,730**	**$ 312,024**	**$ 380,110**	**$ 365,323**	**$ 299,430**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	48%	30%	25%	29%	35%	#DIV/0!

PERSONNEL ISSUES:



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Crew Leader	6	$24,418	$36,626
2	2	Maintenance Worker II	3	$19,783	$29,676
3	**3**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	0	3	3	3	3	3	
NEW REQUESTS					0	0	
TOTAL FUNDED POSITIONS	0	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 day-to-day I & I preventive maintenance as required of this system
Objective 2: 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 NCDENER.

Goal 3: Meet or exceed state mandated 10% Sanitary Sewer line cleaning rule
Objective 3: Have a three-man crew dedicated to cleaning and performing preventive maintenance work

FY 10 ACCOMPLISHMENTS

- Worked with sewer collection and other departments to meet deadlines as set forth in the city's special order of consent.
- Worked with sewer collections and property owners on Lowry Street in identifying I and I issues with service taps and converted services over to newer main.
- Worked to further identify and rectify sewer clean-out problems.
- Identified and corrected areas within the sewer system for root intrusion, blocked mains, etc.

KEY BUDGET ISSUES

- Includes further funding of contracted services for smaller sewer construction repairs that cannot be performed by the city.

- Reduced funding of Capital reserves utilities by $48,300 from previous year.

- Includes funding of laptop computer for crew leader trucks for immediate access to work orders and water and sewer system maps.

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PUBLIC LIBRARY SUMMARY						
EXPENDITURES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**	**Requested 10-11**	**Recommended 10-11**	**Approved 10-11**
H. Leslie Perry Library	$ 289,890	$ 262,260	$ 262,230	$ 262,230	$ 262,230	
Fund Balance Appropriated	0	0	0	0	0	
Total Expenditures	**$ 289,890**	**$ 262,260**	**$ 262,230**	**$ 262,230**	**$ 262,230**	**$ -**
REVENUES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**		**Recommended 10-11**	**Approved 10-11**
Transfer from General Fund	$ 289,890	$ 262,260	$ 262,230		$ 262,230	
Investment Income	0	0	0		0	
Total Revenues	**$ 289,890**	**$ 262,260**	**$ 262,230**		**$ 262,230**	**$ -**

PURPOSE

This fund is designed to provide a method of accounting for fund transfers on a quarterly basis to the H. Leslie Perry Memorial Library. The Library is jointly owned and operated by the City of Henderson and Vance County. Total operating revenue includes not only City and County contributions, but fees and charges, private donations and State and Federal funds.

KEY BUDGET ISSUES

- City's share 35% - County's share 65% for FY10-11
- The Library's hours of operation are limited due to limited funding

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FY 10-11 BUDGET
LEO SEPARATION ALLOWANCE PENSION - 50-860
SUMMARY

LEO SEPARATION ALLOWANCE PENSION SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Transfer to General Fund	20,000	20,000	32,000	0	0	
Fund Balance Appropriated	5,000	0	3,300	3,600	3,600	
Total Expenditures	**$ 25,000**	**$ 20,000**	**$ 35,300**	**$ 3,600**	**$ 3,600**	**$ -**

	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Interest Income	5,000	3,737	3,300	3,600	3,600	
Transfer from General Fund	-	-	-	-	-	
Fund Balance Appropriated	20,000	-	32,000	-	-	
Total Revenues	**$ 25,000**	**$ 3,737**	**$ 35,300**	**$ 3,600**	**$ 3,600**	**$ -**

PURPOSE

This fund was specifically established to accumulate revenues, and hold them in reserve to fund future payments to retired Law Enforcement Officers who become eligible to draw a "Separation Allowance" from the City of Henderson in accordance with state statute and retirement system requirements, as mandated by the North Carolina General Assembly in 1986.

ELMWOOD CEMETERY SUMMARY						
EXPENDITURES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**	**Requested 10-11**	**Recommended 10-11**	**Approved 10-11**
Fund Balance Appropriated	$ 14,000	$ -	$ -	$ -	$ -	
Total Expenditures	**$ 14,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$0**
REVENUES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**	**Requested 10-11**	**Recommended 10-11**	**Approved 10-11**
Cemetery Revenues	$ 14,000	$ 19,672	$ -	$ -	$ -	
Total Revenues	**$ 14,000**	**$ 19,672**	**$ -**	**$ -**	**$ -**	**$0**

PURPOSE

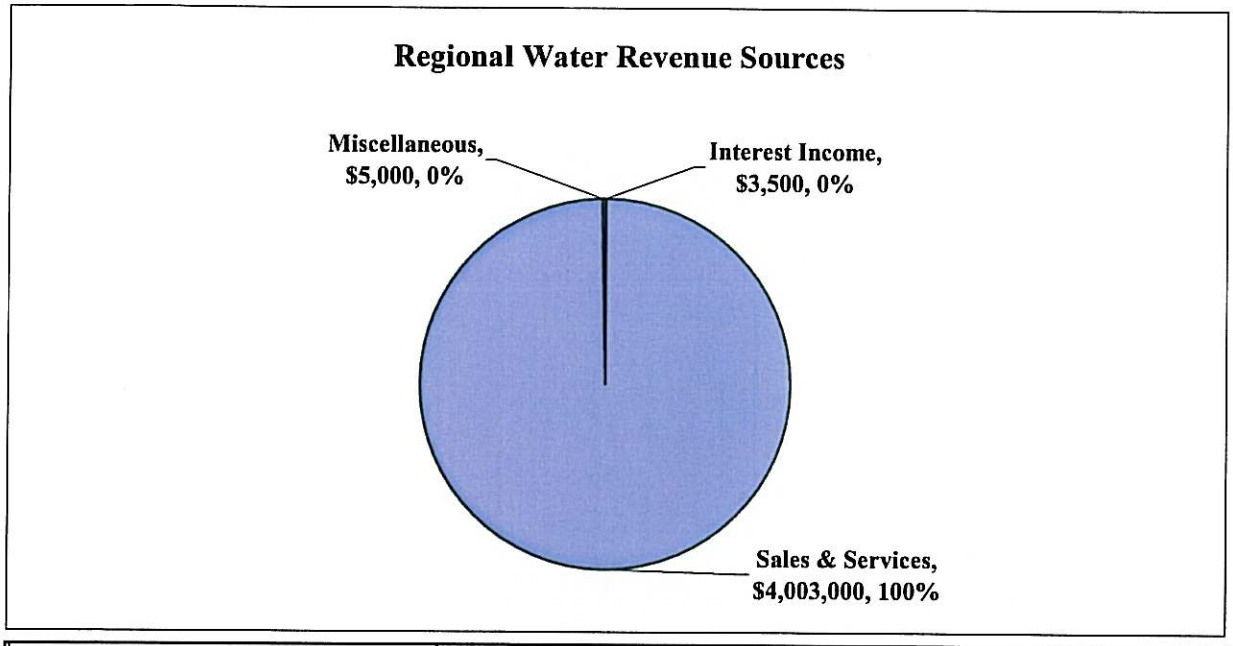
Use of Cemetery Perpetual Care Fund, including Henderson's, is restricted by the North Carolina General Statutes (NCGS 160A - 347 and related sections). Effective FY 09-10, City Attorney advised that 100% of sale of lots could be appropriated to the General Fund.

1. Cost of cemetery lot - $750.
2. Opening & closing costs are as follows:

	Cost During Work Hours	**Cost After Hours, Weekends & Holidays**
Grave opening for adults (over 12 yrs of age)	$250.00	$350.00
Grave opening for persons under 12	$400.00	$400.00
Cremations	$100.00	$180.00

Late notice fee - $100.00

FY 10-11 BUDGET
REGIONAL WATER FUND
REVENUE SUMMARY



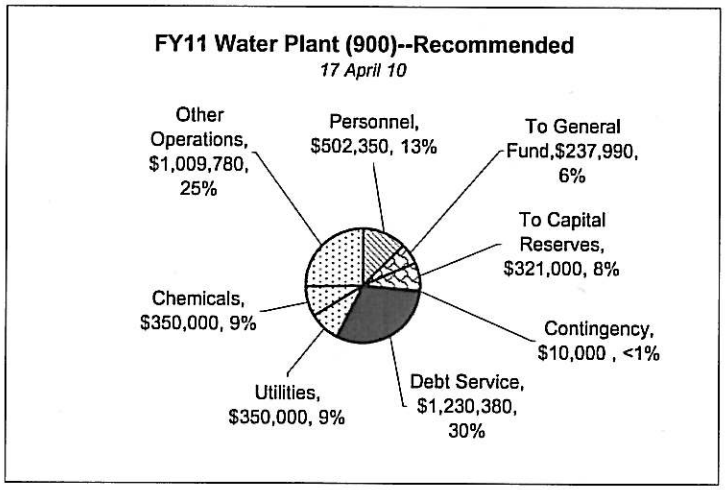
REVENUES	Actual 07-08	Actual 08-09	Budget 09-10	Recommended 10-11	Approved 10-11
Sales and Service					
Sale of Water	3,475,588	3,428,104	3,813,000	4,003,000	
Total Sales and Services	**$3,475,588**	**$3,428,104**	**$3,813,000**	**$4,003,000**	**$0**
Miscellaneous					
Miscellaneous	5,319	6,974	5,000	5,000	
Insurance Proceeds	0	0	0	0	
Workers Comp Reimbursement	613	0	0	0	
Total Miscellaneous	**$5,932**	**$6,974**	**$5,000**	**$5,000**	**$0**
Interest Income	**$71,063**	**$26,021**	**$38,000**	**$3,500**	
Retained Earnings	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal	**$3,552,583**	**$3,461,099**	**$3,856,000**	**$4,011,500**	**$0**
Interfund Transfers	**$0**	**$0**	**$0**	**$0**	**$0**
Total Regional Water Fund Revenues	**$3,552,583**	**$3,461,099**	**$3,856,000**	**$4,011,500**	**$0**

FY 10-11 BUDGET
REGIONAL WATER SYSTEM FUND - REGIONAL WATER - 64-900
SUMMARY

REGIONAL WATER SUMMARY	Actual 07-08	Actual 08-09	Budget 09-10	Requested 10-11	Recommended 10-11	Approved 10-11
Personnel Services	$ 465,590	$ 520,192	$ 487,930	$ 559,321	$ 502,350	
Operating	1,344,325	968,708	2,136,880	1,821,780	1,634,270	
Debt Service	1,219,235	1,307,385	1,229,490	1,230,367	1,230,380	
Capital Outlay	304,675	856,670	1,700	573,744	644,500	
Total Expenditures	**$3,333,825**	**$3,652,955**	**$3,856,000**	**$4,185,212**	**$ 4,011,500**	**$ -**
Personnel related expenses as a percent of budget						
% of Budget	14%	14%	13%	13%	13%	#DIV/0!

PERSONNEL ISSUES:

Sharing of Administrative Secretary with Public Utilities (30% Water, 30% Sewer and 40% Regional Water)



AUTHORIZED POSITIONS

FY 09-10	FY 10-11	CLASSIFICATION	GRADE	MINIMUM	MAXIMUM
1	1	Plant Manager	14	$41,719	$62,577
1	1	Chief Plant Operator	10	$32,005	$48,009
1	1	Chemist	9	$29,911	$44,868
3	3	Plant Operator IV	8	$27,955	$41,933
1	1	Plant Operator III	7	$26,127	$39,189
1	1	Plant Operator II	6	$24,418	$36,626
1	1	Plant Maintenance Mechanic	6	$24,418	$36,626
1	1	Plant Operator I	5	$22,735	$33,976
1	1	Administrative Secretary	5	$22,735	$33,976
11	**11**				

HISTORY OF POSITIONS

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Requested FY 10-11	Recommended FY 10-11	Approved FY 10-11
AUTHORIZED	11	11	11	11	11	11	
NEW REQUESTS							
TOTAL FUNDED POSITIONS	11	10	10	10	11	11	

PURPOSE

To provide safe and aesthetically pleasing water to the cities of Henderson, Oxford and Warren County by meeting all state and federal regulations throughout the year.

This department accounts for all revenue and expenditure sources to the City's Kerr Lake Regional Water System (KLRWS), 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 for the joint use and benefit of all three entities and their respective service areas. Over 50,000 customers are served by the system.

GOALS & OBJECTIVES

Goal 1: Continue with Progress 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. KLRW is looking at further ways to reduce power cost.

Goal 2: Meet and exceed EPA regulations
Objective 2: To meet all state and federal regulations throughout the year thus providing high quality water to all customers.

Goal 3: Movement of meter/vault
Objective 3: Move Soul City meter vault to the Warren/Vance line. This will result in an increased customer base as well as a more efficient means of reading the meter.

Goal 4: Continue advancement of IBT project.
Objective 4: Ability to meet future growth projections and demands of the regional water partners and customers.

FY 10 ACCOMPLISHMENTS

- Saved approximately $58,000 on our 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
- Contact was made and negotiations started regarding property in Soul City
- IBT process is well underway and working with water distribution in flushing program to help partners in assuring the best water quality.
- Obtained updated cost estimate for 20 MGD expansion.

KEY BUDGET ISSUES

- Continued funding for interbasin transfer process ($125,000)
- Continued funding relative to 20 MGD expansion of the KLRWS ($315,000)
- Chemical costs remain volatile and unstable which could lead to higher cost during the year
- No immediate funding for various capital improvements in the event that the 20.0 MGD expansion is not carried forth in a timely manner
- Includes funding for Regional Water Capital Reserve $50,000, Warren County meter vault relocation $100,000, portion of funds for hydraulic modeling and water quality study $39,000, and contingency $10,000.

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FY 10-11 BUDGET
CAPITAL RESERVE - UTILITIES FUND - 70
SUMMARY

CAPITAL RESERVE - UTILITIES SUMMARY						
EXPENDITURES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**	**Requested 10-11**	**Recommended 10-11**	**Approved 10-11**
Appropriation to Fund Bal	$ 65,488	$ 5,909	$ 203,381	$ 200,000	$ 254,656	$ -
Total Expenditures	**$ 65,488**	**$ 5,909**	**$ 203,381**	**$ 200,000**	**$ 254,656**	**$ -**

REVENUES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**		**Recommended 10-11**	**Approved 10-11**
Water/Sewer Capacity Fee	$ -	$ 2,758	$ 2,000.00		$ 2,000	
Investment Income	2,200	3,152	2,000		500	
Transfer from Water Fund	26,330	0	48,740		44,600	
Transfer from Sewer Fund	36,958	0	126,641		207,556	
Fund Bal Appropriated	0	0	24,000		0	
Transfer from CIP-Sewer	0	0	0		0	
Total Revenues	**$ 65,488**	**$ 5,909**	**$ 203,381**		**$ 254,656**	**$ -**

PURPOSE

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 water and sewer system improvements and related improvements. The City's original Capital Reserve Funds was 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 of the City. 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.

FY 10-11 BUDGET
CAPITAL RESERVE - GENERAL FUND - 72
SUMMARY

CAPITAL RESERVE - GENERAL SUMMARY						
EXPENDITURES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**	**Requested 10-11**	**Recommended 10-11**	**Approved 10-11**
Appropriation to Fund Bal	$ 700	$ -	$ 300	$ 50	$ 50	
Total Expenditures	**$ 700**	**$ -**	**$ 300**	**$ 50**	**$ 50**	**$ -**
REVENUES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**		**Recommended 10-11**	**Approved 10-11**
Investment Income	$ 700	$ 314	$ 300		$ 50	
Total Revenues	**$ 700**	**$ 314**	**$ 300**		**$ 50**	**$ -**

PURPOSE

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.

FY 10-11 BUDGET
CAPITAL RESERVE - REGIONAL
SUMMARY

CAPITAL RESERVE - REGIONAL						
EXPENDITURES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**	**Requested 10-11**	**Recommended 10-11**	**Approved 10-11**
Appropriation to Fund Bal	$ -	$ -	$ 60,000	$ 60,000	$ 50,050	
Total Expenditures	**$ -**	**$ -**	**$ 60,000**	**$ 60,000**	**$ 50,050**	
REVENUES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**		**Recommended 10-11**	**Approved 10-11**
Investment Income	$ -	$ -	$ -		$ 50	$ -
Transfer from Regional Water	0	0	60,000		50,000	
Total Revenues	**$ -**	**$ -**	**$ 60,000**		**$ 50,050**	**$ -**

PURPOSE

The Capital Reserve - Regional Water Fund accumulates revenues, and holds them in reserve, for future large capital equipment purchaes and/or for the purchase and/or construction of facilities normally funded through Regional Water Fund resources.

FY 10-11 BUDGET
CAPITAL RESERVE - REGIONAL WATER CORPS OF ENGINEERS (COE) FUND - 75
SUMMARY

CAPITAL RESERVE - REGIONAL WATER COE SUMMARY						
EXPENDITURES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**	**Requested 10-11**	**Recommended 10-11**	**Approved 10-11**
Appropriation to Fund Bal	$ 4,330	$ 4,605	$ 4,580	$ 6,000	$ 6,070	$ -
Total Expenditures	**$ 4,330**	**$ 4,605**	**$ 4,580**	**$ 6,000**	**$ 6,070**	**$ -**
REVENUES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**		**Recommended 10-11**	**Approved 10-11**
Investment Income	$ -	$ 275	$ 250		$ 70	$ -
Transfer from Regional Water	4,330	4,330	4,330		6,000	$ -
Total Revenues	**$ 4,330**	**$ 4,605**	**$ 4,580**		**$ 6,070**	**$ -**

PURPOSE

The Capital Reserve - Regional Water Fund accumulates revenues, and holds them in reserve, as suggested in the water storage contract between the Corps of Engineers (COE) and the City of Henderson dated March 17, 2006. An annual amount of at least $4,326 will be appropriated to this Reserve Account beginning in the FY 05-06 budget to be used for repair, rehabilitation and replacement that might incur and is subject to be billed by the COE to the City of Henderson.

FY 10-11 BUDGET
CAPITAL RESERVE - REGIONAL WATER 20MGD FUND - 76
SUMMARY

CAPITAL RESERVE - REGIONAL WATER 20MGD SUMMARY						
EXPENDITURES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**	**Requested 10-11**	**Recommended 10-11**	**Approved 10-11**
Appropriation to Fund Bal	$ 104,530	$ 265,662	$ 317,340	$ 346,874	$ 316,600	$ -
Total Expenditures	**$ 104,530**	**$ 265,662**	**$ 317,340**	**$ 346,874**	**$ 316,600**	**$ -**
REVENUES	**Actual 07-08**	**Actual 08-09**	**Budget 09-10**		**Recommended 10-11**	**Approved 10-11**
Investment Income	$ -	$ 3,322	$ 2,000		$ 1,600	$ -
Transfer from Regional Water	104,530	262,340	315,340		315,000	0
Total Revenues	**$ 104,530**	**$ 265,662**	**$ 317,340**		**$ 316,600**	**$ -**

PURPOSE

The Capital Reserve - 20 Million Gallons per Day (MGD) - Regional Water Fund accumulates revenues, and holds them in reserve, for future costs of increasing the Regional Water Plant to 20 MGD. This capital reserve fund was created in FY 07-08.

KEY BUDGET ISSUES

Continued funding to this Reserve Fund will help with financing of the future 20 MGD expansion.

GLOSSARY OF TERMS

APPENDIX A

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 transactions are recognized when they are incurred, as opposed to when cash is received or spent

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: This is also referred to as property taxes, which are levied on both real and personal property according to the property's valuation and the tax rate

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: To recognize the loss from receivables that are uncollectible by debiting an expense account and crediting the accounts receivable at the time it is determined an account cannot be collected

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 transactions are recognized only when cash is received or disbursed.

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: Established for the purpose of accumulating resources for the payment of principal and interest on long-term general obligation debt other than that payable from Enterprise Funds and Special Assessment Funds

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. Fiscal Year 2010 or FY 10, begins July 1 2009 and ends June 30, 2010.

Fixed Assets: Assets of a long-term character that are 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.

GAPP: 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: The General Fund is used to account for all revenues and expenditures not accounted for in a special fund. Expenditures from this fund are authorized in the operation budget.

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: 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.

Inter-fund Transfers: Amounts transferred from one fund to another

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 fund that accounts for the provision of services to City departments by other City departments on a cost reimbursement basis; i.e., risk management fund

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

LEO: Law Enforcement Officer

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

Local Government Budget and Fiscal Control Act: This act governs all financial activities of local governments within the State of North Carolina

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: Revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority

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

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

Powell Bill Street Allocation: Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads

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 established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services which are self-supporting by user charges, such as 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

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: Used to account for specific revenues that are legally restricted to expenditure for particular 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: Trust Funds are used to account for assets held by the City in the a trustee capacity

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