

**June 2, 2016**  
**Regular Meeting of the City Council**  
**Council Chamber – City Hall**  
**5:45 p.m.**

Present: Mayor Barbara G. Volk, Mayor Pro Tem Steve Caraker and Council Members: Ron Stephens, Jerry Smith and Jeff Miller

Staff Present: City Manager John F. Connet, City Attorney Sam Fritschner, City Clerk Tammie Drake, Police Chief Herbert Blake, Engineering Director Brent Detwiler, Development Assistance Director Susan Frady, Human Resources Director Jennifer Harrell, Senior Planner David Hazzard, Downtown Economic Development Director Lew Holloway, Public Information Officer Tara Ledbetter, Assistant to the Manager Brian Pahle, Utilities Director Lee Smith, Fire Chief Joseph Vindigni, Finance Director Lisa White, Public Works Director Tom Wooten

**1. Call to Order:** Mayor Volk called the meeting to order at 5:45 p.m. and welcomed those in attendance. A quorum was established with all five members in attendance.

**2. Invocation and Pledge of Allegiance:** A moment of silence for prayer was followed by the Pledge of Allegiance to the Flag. Mayor Volk asked those present to keep the family of retired fire Chief Phillip Cagle on his passing

**3. Public Comment Time:** *Up to 15 minutes is reserved for comments from the public for items not listed on the agenda.* The following persons addressed the Council:

Katie Breckheimer, 1393 Macedonia Road, Saluda, expressed appreciation for Phase 3 of the Oklawaha Greenway and the sidewalks along N. Main Street. She also requested a sidewalk along S. Grove Street.

**4. Consideration of Agenda:**

Deletions:

Consent Agenda:

D. Consideration of Amendments to the Bylaws of the Walk of Fame Committee

Regular Agenda:

10. Presentation by the Walk of Fame Steering Committee

12. Consideration of a Request from the Police Department to Fund Moving to a New Radio System

**Mayor Pro Tem Caraker moved City Council's approval of the agenda as amended. A unanimous vote of the Council followed. Motion carried.**

**5. Consideration of Consent Agenda:** *(Note: Consent agenda items are considered routine, non-controversial in nature and are considered and disposed of through a singular motion and vote.)*

**A. Consideration of Minutes:**

- i. May 5, 2016 Regular Meeting and
- ii. May 6, 2016 Special Meeting

**B. Consideration of Amendments to Job Description for the Assistant to the Manager:**

Mr. John Connet, City Manager, presented an amendment to the job description for the Assistant to the City Manager/Budget and Evaluation Director and reclassify the position to pay grade 23. This will be a department head level position.

**C. Consideration of Budget Amendments (6)** Mr. Pahle presented the following budget amendments for Council's consideration:

- i. General Fund: \$125,000 increase  
This is a year-end amendment to clean up the General Fund budget. The most notable changes are to revenues, local sales and use tax and telecom sales tax. Sales and use tax continues to experience substantial growth and the increase of \$125,000 is a comfortable/conservative increase. Additionally, as expected, telecom sales tax continues to decrease because people are eliminating their cable/phone service. The sales and use tax increase covers this decrease, various small expenditure adjustments in addition to dropping the City's fund balance appropriated by \$51,635 in the General Fund.
- ii. Water/Sewer Fund: \$10,410 increase  
This is a year-end budget amendment to clean up the Water/Sewer Fund budget. There are no major adjustments to highlight. Water System Development Charges came in higher than the budget and will be amended to cover the necessary increases in expenditures.
- iii. Downtown Fund: \$15,736 increase  
This is a year-end budget amendment to clean up the Downtown Fund budget. There are no major adjustments to highlight. Activity from the Bearfootin' special event came in higher than budgeted.
- iv. Water/Sewer Capital Project Ordinances, Water Sewer Fund: Revenue and Expenditure Decrease \$3,875,220  
Fund 401: Revenue and Expenditure Decrease \$2,653,020

Fund 415: Revenue and Expenditure Decrease \$97,200  
 Fund 425: Revenue and Expenditure Decrease \$1,125,000

As a result of an internal strategic priority meeting and the passage of the NC Connect Bond in the NCGA the W/S Fund recommends amending three Capital Project Ordinances (CPO). The amendments will return budget to the funds retained earnings, leave enough budget for project design, and allow flexibility when determining how the construction costs will be funded. If State grant or revolving loan funding is available the City may choose to utilize it rather than the W/S Fund's retained earnings. Additionally, the Rugby CPO will likely be included in the Fletcher project and we are recommending to dissolve its CPO, as it is no longer needed.

- v. Water/Sewer State Revolving Loan Funds, Water Sewer Fund: Revenue and Expenditure Increase \$500,920
  - Fund 473: Revenue and Expenditure Increase \$172,391
  - Fund 474: Revenue and Expenditure Increase \$124,058
  - Fund 475: Revenue and Expenditure Increase \$144,550

When the three sewer project funds, Wolfpen, Jackson, and Shepherd/Atkinson, were originally budgeted, funding for land/right of way acquisition was not included. As a result, the projects went over budget and require funds to balance before the project may be closed. This amendment will provide that funding.

- vi. Special Revenue Funds, Revenue and Expenditure Decreases
  - Fund 110: \$1,396.39, Fund 115: \$11,962.64, Fund 120: \$1,959.58, Fund 130: \$15,084.80
  - Fund 140: \$3,077.43, Fund 150: \$5,284.91, Fund 160: \$3,133.94, Fund 190: \$87,548.34

These special revenue funds were set up three years ago but were not formally adopted by the City Council. When created, their budget was out of balance and erroneously put in the system as "Multi-Year" funds, however, these funds must be adopted each year. This amendment resolves past inaccuracies with the funds and balances the budgets.

**D. Consideration of Amendments to the Bylaws of the Walk of Fame Committee:**

**E. Consideration of Clerk's Certificate of Sufficiency for Voluntary Contiguous Annexation:**

**i. Glassy Mountain Partners, LLC, 117 Spartan Heights:** Mrs. Susan Frady, Development Assistance Director, presented a petition from Glassy Mountain Partners, LLC for contiguous annexation of a portion of PIN 9577-59-5432, approximately 0.36 acres. She provided the Clerk's Certificate of Sufficiency (found in File #P16-12-ANX) finding that the petition is valid. The next step in the annexation process is to accept the Clerk's certificate and set a date for the public hearing on the question of adoption of an ordinance of annexation.

**ii. Cedar Terrace NC, LLC:** Mrs. Susan Frady, Development Assistance Director, presented a petition from Cedar Terrace NC, LLC for contiguous annexation of a portion of PIN 9579-29-5777, approximately 11.13 acres. She provided the Clerk's Certificate of Sufficiency (found in File #P-16-13) finding that the petition is valid. The next step in the annexation process is to accept the Clerk's certificate and set a date for the public hearing on the question of adoption of an ordinance of annexation.

**F. Consideration of Capital Project Ordinance for a Generator at the Wastewater Treatment Plant:**

In accordance with N.C.G.S 159-13.2, Mr. Pahle recommended the City establish a capital project ordinance for the acquisition, construction, and installation of the WWTP Generator/ATS project. The initial budget will include \$100,000 transferred from the Water/Sewer Fund for design. Once a final cost is determined, the City will decide on the best course of financing and amend the following capital project ordinance budget as necessary.

Ordinance #16-0616

**CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE WASTEWATER TREATMENT PLANT GENERATOR/ATS PROJECT**

BE IT ORDAINED by the City Council of the City of Hendersonville, North Carolina that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1: The project authorized is a City infrastructure project described as the Wastewater Treatment Plant Generator/ATS Project.

Section 2: The following amounts are appropriated for the project:

Account Number	Account Name	Total Budget
4450000 519400	Prof. Services Eng.	\$ 100,000.00
<b>Total Project Appropriation</b>		<b>\$ 100,000.00</b>

Section 3: The following revenues are anticipated to be available via transfers to the aforementioned capital project for project expenses:

Account Number	Account Name	Total Budget
4450000 998060	Transfer in from W&S	\$ 100,000.00
<b>Total Project Revenue</b>		<b>\$ 100,000.00</b>

Section 4: The Finance Director is hereby directed to maintain within the capital project fund sufficient specific detailed accounting records to satisfy the disclosure requirements of all the contractual agreements, if applicable.

Section 5: Funds may be advanced from the Water & Sewer Fund as necessary for the purpose of making payments as due. Reimbursement requests shall be made in an orderly and timely manner.

Section 6: The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and Section 4.

Section 7: The Finance Director is further instructed to include a detailed analysis of past and future revenues and expenses during each annual budget submission made to the Governing Board.

Section 8: Copies of this capital project shall be furnished to the City Clerk, Finance Director and City Manager for direction in carrying out this project.

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this second day of June, 2016.

/s/Barbara G. Volk, Mayor  
 Attest: /s/Tammie K. Drake, City Clerk  
 Approved as to form: /s/Samuel H. Fritschner, City Attorney

### G. Consideration of Awarding a Contract to Trace and Company for Stormwater

**Improvements at 832 Fourth Avenue W.:** Engineering Director Brent Detwiler presented the following informal bids that were received on May 20, 2016 for the Stormwater Improvements on 832 Fourth Avenue W. project:

Trace and Company - \$23,839.00  
 Davis Grading, Inc. - \$33,098.00

The project generally consists of the replacement of approximately 140 linear feet of 24-inch corrugated metal pipe with approximately 144 linear feet of 24-inch HDPE pipe and the replacement of a junction box. The project estimate for this work was \$30,000.

Mr. Detwiler recommended awarding the project to Trace and Company of Mountain Home, NC (NC Contractor License No. 50843), the lowest responsive and responsible bidder, for \$23,839.00.

### H. Consideration of a Special Event Permits for:

**i. 2016 Sidewalk Antique and Vintage Show:** Mrs. Frady reported the Special Events Committee voted unanimously to recommend Council's approval a Special Events permit for this event to be held on June 25. This event takes place on the sidewalks of Main Street between First and Seventh Avenues. The streets are not closed for this event. The applicant proposes to block the parking spaces in the 600 block of Main Street to provide space for two food trucks.

**ii. Hendersonville Historic 7th Avenue Criterium:** Mrs. Frady reported the Special Events Committee voted unanimously to recommend Council's approval of a Special Events permit for this event to be held on July 30 in the roadways on and around Historic Seventh Avenue. This is the first year for this event. This event is a series of multi-lap races of 30-60 minutes held on a closed course generally a mile or less in length. This event includes a full day of races with multiple age categories, male and female specific races and a variety of competition levels. The event is a USA Cycling sanctioned event.

### I. Consideration of Waiving the Competitive Bidding Process as provided in NCGS 143-129 to Replace Fire Engine 4, Approval of the Associated Capital Project Ordinance and a Resolution of Declaration of Official Intent to Reimburse:

Fire Chief Joseph Vindigni reported Engine 4, which is 25 years old, continues to require further repair and maintenance each year and needs to be replaced. He explained NFPA 1901 states that a front-line fire engine properly maintained should be kept in front-line status for no more than 15 years and with proper maintenance can be kept in reserve status for no more than five additional years with a total useful life of 20 years. \$700,000 will be included in fiscal year 2016-17 for the replacement.

Chief Vindigni requested the Council to waive the competitive bidding process for the replacement in accordance with NCGS 143-129. He also requested authorization to purchase the recommended replacement Fire Engine through the Houston-Galveston Area Council (H-GAC) on behalf of the City in the amount of \$644,621.00 as presented and recommended by staff, and further to adopt the capital project ordinance and reimbursement resolution as presented. He also requested authorization for the Finance Director to pay for the replacement at the time of order.

Ordinance #16-0617

#### CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE FIRE ENGINE REPLACEMENT PROJECT

BE IT ORDAINED by the City Council of the City of Hendersonville, North Carolina that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1: The project authorized is a City infrastructure project described as the Fire Engine Replacement Project.

Section 2: The following amounts are appropriated for the project:

Account Number	Account Name	Total Budget	
4500000	554000	Capital Outlay-Motor Vehicles	\$ 644,621.00
<b>Total Project Appropriation</b>		<b>\$644,621.00</b>	

Section 3: The following revenues are anticipated to be available via debt proceeds for project expenses:

Account Number	Account Name	Total Budget	
4500000	499100	Proceeds of Debt	\$ 644,621.00
<b>Total Project Revenue</b>		<b>\$644,621.00</b>	

Section 4: The Finance Director is hereby directed to maintain within the capital project fund sufficient specific detailed accounting records to satisfy the disclosure requirements of all the contractual agreements, if applicable.

Section 5: Funds may be advanced from the General Fund as necessary for the purpose of making payments as due. Reimbursement requests shall be made in an orderly and timely manner.

Section 6: The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and Section 4.

Section 7: The Finance Director is further instructed to include a detailed analysis of past and future revenues and expenses during each annual budget submission made to the Governing Board.

Section 8: Copies of this capital project shall be furnished to the City Clerk, Finance Director and City Manager for direction in carrying out this project.

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this second day of June 2016.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

Approved as to form: /s/Samuel H. Fritschner, City Attorney

Resolution #16-0618

**HENDERSONVILLE, NORTH CAROLINA  
DECLARATION OF OFFICIAL INTENT TO REIMBURSE**

BE IT RESLVED by the City Council of the City of Hendersonville, North Carolina this declaration (the "Declaration") is made pursuant to the requirements of the United States Treasury Regulations Section 1.150-2 and is intended to constitute a Declaration of Official Intent to Reimburse under such Treasury Regulations Section.

The undersigned is authorized to declare the official intent of HENDERSONVILLE, North Carolina (the "Issuer") with respect to the matters contained herein.

Expenditures to be Incurred. The Issuer anticipates incurring expenditures (the "Expenditures") for THE ACQUISITION, CONSTRUCTION, AND INSTALLATION OF THE FIRE ENGINE REPLACEMENT PROJECT, ORDINANCE #16-0617 (the "Project").

Plan of Finance. The Issuer intends to finance the costs of the Project with the proceeds of debt to be issued by the Issuer (the "Borrowing"), the interest on which is to be excluded from gross income for Federal income tax purposes.

Maximum Principal Amount of Debt to be Issued. The maximum principal amount of the Borrowing to be incurred by the Issuer to finance the Project is \$644,621.00.

Declaration of Official Intent to Reimburse. The Issuer hereby declares its official intent to reimburse itself with the proceeds of the Borrowing for any of the Expenditures incurred by it prior to the issuance of the Borrowing.

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this second day of June 2016.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

**Mayor Pro Tem Caraker moved approval of the items listed on the consent agenda as amended. A unanimous vote of the Council followed. Motion carried.**

**6. Presentation of Proclamation for Pollinator Week to the Tree Board and Environmental Sustainability Board:** Mayor Barbara Volk presented a proclamation for pollinator week to Kim Bailey.

Kim Bailey, 464 Thompson Street, received the proclamation on behalf of the Tree Board and expressed appreciation to the members of the Tree Board and the Environmental Sustainability Board for working together on pollinator week events.

**6a. Introduction:** Jennie Maybin introduced herself as Congressman Mark Meadows representative. She extended an invitation to the Council and citizens to contact their office on Federal issues and to inform them of events.

**7. Public Hearing – Consideration of an Ordinance Adopting the Budget, Capital Improvement Plan and Fee Schedule for Fiscal Year 2016-17:** City Manager John Connet presented the proposed budget for Fiscal Year and expressed his appreciation to Mr. Brian Pahle for his work on the budget.

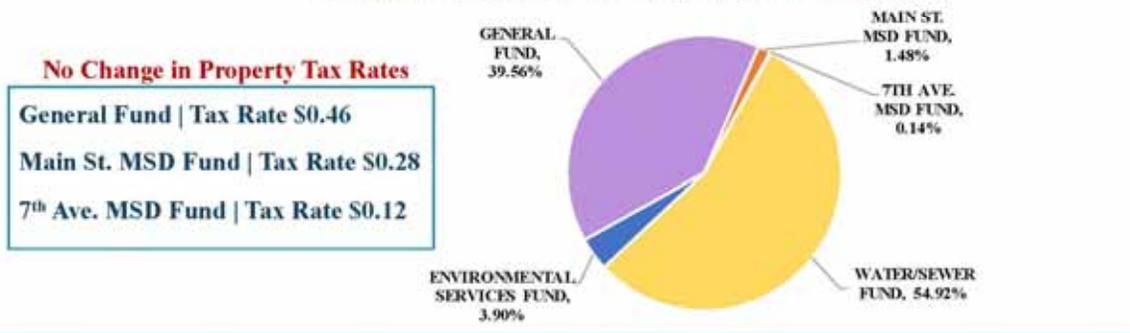
Mr. Connet stated the budget is based on the Council's vision, mission and goals. He reviewed accomplishments for the current fiscal year, most notably:

- partnership for a joint medical and education building for Blue Ridge Community College, Pardee Hospital and Wingate University,
- partnership to establish an Economic Development Investment Fund,
- began a water master plan,
- began the extension of the Oklawaha Greenway to link Patton and Berkeley Mills Parks,
- contracted with the Development Finance Initiative to pursue the idea of a downtown hotel and
- were the first governmental organization to win the First Citizens Customer Service Award presented by the Chamber.

Mr. Connet reviewed a summary of each major fund stating there are no changes or increases proposed in property tax rates for any of the tax districts. He stated the budget is balanced as required by NCGS.

**MAJOR FUND OVERVIEW FY16-17**

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROP.
GENERAL FUND	\$ 14,105,954	\$ 13,668,973	\$ 436,981
MAIN ST. MSD FUND	\$ 527,361	\$ 527,361	\$ -
7TH AVE. MSD FUND	\$ 49,328	\$ 49,328	\$ -
WATER/SEWER FUND	\$ 19,583,635	\$ 17,110,762	\$ 2,472,873
ENVIRONMENTAL SERVICES FUND	\$ 1,390,660	\$ 1,390,660	\$ -
<b>SUB-TOTAL</b>	<b>\$ 35,656,938</b>	<b>\$ 32,747,084</b>	<b>\$ 2,909,854</b>
<b>TOTALS IN BALANCE</b>	<b>\$ 35,656,938</b>	<b>\$ 35,656,938</b>	



Mr. Connet reported the City is experiencing growth in the tax base and in the sales tax. Total revenue growth is 2.91 percent. Reserves are used to balance the budget which is typical. He stated general day-to-day operating revenues are covering expenses thereby demonstrating funds are sustainable which has been a long-range goal. He reported a survey of tax rates by NCLGBA shows the City’s tax rate is the sixth lowest in the State.

**General Fund Expenditures:** Mr. Connet reported total expenditures are \$14,105,954 which reflects a decrease of .11 percent. Highlights include: the establishment of a debt service fund using existing reserves to fund future debt, the fire inspection program, enhanced downtown Wi-Fi, Development Finance Initiative for a downtown hotel, wayfinding signage, park improvements, allocate a larger portion of sales tax to the Main Street and Seventh Avenue MSDs, and a safety/security initiative.

Mr. Connet explained the most significant change is the addition of the fire inspection program/inspection fees. Fire inspections are required by the State. Business registration fees will be eliminated and a service fee for fire inspections will be added based on the square footage of the building. He estimated 85 percent of businesses will pay \$100 or less. Inspections begin January 1 and businesses will be invoiced after the inspections per address. There may need to be adjustments to the program.

**Water and Sewer Fund:** Mr. Connet reported a modest revenue growth for this fund at 2.81 percent and the total is \$19,583,635. He proposed small increases over a period of time instead of large increases that would impact customers more. The increases are based on these considerations: financial sustainability, customer equity and environmental conservation. He explained Council’s goal is not to exceed 150 percent differential rate for outside customers. Currently the City’s “declining block” rate structure charges less for higher usage which is not seen as environmentally friendly. He proposed moving toward a unified rate to encourage conservation. The customer impact is 0.5 – 3.5 percent per month.

**Expenditures:** Mr. Connet reported the City is continuing to invest in the system. The budget for expenditures in the next fiscal year is \$19,583,635 which reflects a decrease of 10.05 percent. Attempts are being made to address areas that have the greatest impacts to customers: i.e., water loss, etc. A crew is being added for leak detection, a facilities maintenance technician is being added and 1.5 customer service specialist positions to address the 800+ calls per week. He reviewed upcoming capital projects.

**Environmental Services Fund:** Mr. Connet proposed a \$2/month increase per household on residential solid waste to make this fund sustainable. These funds will address stormwater infrastructure needs. The stormwater program is required by the State and Federal government. He proposed commercial entities receive a stormwater fee of \$/2month which will fund a stormwater quality specialist position to address stormwater issues. The total budget for this fund is \$1,390,660.

**Downtown MSD Funds:** This fund covers the Main Street and Seventh Avenue Municipal Service Districts. Mr. Connet proposed no tax increase with this fund. Addition sales tax will be allocated to make the fund more sustainable while providing a higher level of service.

Mr. Connet stated the proposed budget is in balance in accordance with NCGS 159-8 and attempts to address the priorities which have been set by the Council for the 2016-17 fiscal year.

Mayor Volk opened the public hearing at 6:19 p.m. in accordance with North Carolina General Statutes by notice published in the Hendersonville Lightning. No one expressed a desire to speak. The public hearing was closed.

**Mayor Pro Tem Caraker moved Council’s adoption of the Budget Ordinance for fiscal year 2016-17 as presented. A unanimous vote of the Council followed. Motion carried.**

**BUDGET ORDINANCE  
AN ORDINANCE MAKING APPROPRIATIONS FOR CERTAIN EXPENSES,  
CAPITAL IMPROVEMENTS AND INDEBTEDNESS OF  
THE CITY OF HENDERSONVILLE, NORTH CAROLINA  
FOR THE YEAR BEGINNING JULY 1, 2016 AND ENDING JUNE 30, 2017**

WHEREAS, the City of Hendersonville is coming to the conclusion of its fiscal year and will enter into a new fiscal year on July 1, 2016; and

WHEREAS, it is necessary and required that prior to entering into a new fiscal year a budget must be passed and adopted for the operation of the city government; and

WHEREAS, a public hearing and a work session have been held wherein the public has been notified and invited to be present.

**THEREFORE, BE IT ORDAINED BY THE PEOPLE OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA:**

**SECTION 1:** The following amounts are hereby appropriated for the operating budget for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2016, and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

General Fund	\$14,095,970
Downtown Tax District	\$527,361
Seventh Avenue District	\$49,328
Water/Sewer Fund	\$19,583,635
Environmental Services Fund	\$1,390,660
<b>TOTAL APPROPRIATIONS</b>	<b>\$35,656,938</b>
Less: Interfund Transfers Out	\$2,030,523
<b>TOTAL NET APPROPRIATIONS</b>	<b><u>\$33,626,415</u></b>

**SECTION 2:** That the attached detailed budget document be, and the same reflects the estimated revenues, revenue contributions, and budget appropriations of the City of Hendersonville, North Carolina, for the period beginning July 1, 2016, and ending June 30, 2017. A copy of said document will be available for inspection in the Office of the City Clerk.

**SECTION 3:** That the City Clerk has published notice of this public hearing and a summary of the proposed budget in a newspaper of local circulation.

**SECTION 4:** That no appropriations for salaries shall be changed unless authorized by the Council. Appropriations between departments or divisions within one fund, other than salaries, including contingency appropriations, may be transferred therein by the City Manager for the purpose of equalizations when necessary as long as the original total appropriated balance for the fund is not changed. Appropriations within a departments, other than salaries, may be transferred by the department head to make equalizations when necessary.

**SECTION 5:** There is hereby levied a tax at the rate of forty-six cents (\$0.46) per one hundred dollars valuation of property as listed for taxes as of March 1, 2016. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,717,287,880 and estimated collection rate of 97.5%.

A tax rate is also levied of twelve (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2016, for the Main Street Municipal Service District formed upon a petition of some of the property owners, established for the purpose of infrastructure improvements and special events in the district. This rate is based on an estimated total valuation of property for the purpose of taxation of \$84,194,402 and an estimated collection rate of 97.5%.

A tax rate is also levied of twelve (\$0.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2016, for the Seventh Avenue Municipal Service District formed upon a petition of some of the property owners, established for the purpose of infrastructure improvements and special events in the district. The rate is based on an estimated total valuation of property for the purpose of taxation of \$15,703,558 and an estimated collection rate of 97.5%.

There is hereby adopted an official *Fee Schedule* listing specific fees, business licenses, and utility rates charged by the City of Hendersonville for:

- a) the use of City facilities and equipment for the purposes of making them available to public
- b) specific utility rates the proceeds of which are for the maintenance and expansion of its water and sewer system
- c) the reproduction of public records and other miscellaneous services to cover the actual cost of producing these documents and information under the provision of NCGS §132-6.2
- d) other various fees associated with enhanced direct services provided by the City.

The *Fee Schedule* is incorporated by reference and placed on file in the Office of the City Clerk.

**SECTION 6:** That the capital items identified on the following schedule and forecasted for acquisition over the upcoming five-year period be adopted as the official Capital Improvement Plan of the City of Hendersonville.

The *Capital Improvement Plan* is incorporated by reference and placed on file in the office of the City Clerk.

**SECTION 7:** The City's Position Allocation to Salary Range which provides all jobs and associated pay bands be adopted as the official Pay and Classification Schedule of the City of Hendersonville.

The *Pay and Classification Schedule* is incorporated by reference and placed on file in the office of the City Clerk.

**SECTION 8:** The following amounts are hereby appropriated for the special budgets for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2016, and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

Capital Reserve Fund – GF	\$0
Capital Reserve Fund – WS	\$2,263,753
Debt Service Fund	\$1,086,718
Fire – Car Seat Fund	\$2,250
Fire – Community Fund	\$200
Health and Welfare Fund	\$299,973
Historic Preservation Commission	\$15,000
Police – DARE	\$2,000
Police – Drug Forfeitures	\$80,000
Police – Motor Unit	\$800
Police – Needy Persons	\$8,000
Police – RAD	\$1,900
Police – Youth Explorers	\$2,000

**SECTION 9:** That copies of this Budget Ordinance shall be furnished to the City Clerk, City Manager and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

**SECTION 10:** This ordinance shall become effective on and after July 1, 2016.

**SECTION 11:** That all ordinances and parts of ordinances in conflict herewith be and the same hereby repealed.

Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this second day of June 2016.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

Approved as to form: /s/Samuel H. Fritschner, City Attorney

**8. Public Hearing – Request for Certificate of Public Convenience and Necessity:** City Clerk Tammie Drake presented the request from Mr. Anthony Strickland for a Certificate of Public Convenience and Necessity to operate Advance Wheelchair Transport Services in the City of Hendersonville. She reviewed the requirements for taxicabs as set forth in Chapter 54 of the Code of Ordinances.

Mr. Anthony Strickland addressed the Council with his request to operate a cab company. He stated the services will include a wheelchair taxi for the disabled. He and his wife are nurses and they see the need for a full service for wheelchair-bound citizens. He stated they can help with non-emergency services, they will have oxygen on board for those with a prescription, a fire extinguisher, and the vehicle will be equipped with lift. He explained this service will enable the disabled to pick up the phone and request transportation service.

Mayor Volk opened the public hearing at 6:28 p.m. in accordance with North Carolina General Statutes by notice published in the Hendersonville Lightning. No one expressed a desire to speak. The public hearing was closed.

Mayor Pro Tem Caraker congratulated Mr. Strickland on his business stating he is filling a need. Council Member Smith also commented he appreciates the service offered to those who are wheelchair-bound. Council Member Miller stated he has known Mr. Strickland a long time and is sure he will throw his efforts behind it to make it successful. Council Member Stephens agreed this is a much needed service in Henderson County.

**Mayor Pro Tem Caraker moved the Council to approve the request of Mr. Anthony Strickland for a Certificate of Public Convenience and Necessity to operate a taxicab business known as Advance Wheelchair Transport Services in the City. A unanimous vote of the Council followed. Motion carried.**

**9. Public Hearing – Consideration of an Application from Interfaith Assistance Ministries for the Rezoning of Parcel Number 9568-46-3926 Located at 210 Ehringhaus Street, from R-15 Medium Density Residential to R-6 High Density Residential:** Development Assistance Director Susan Frady presented the application from Interfaith Assistance Ministries (IAM) for the rezoning of parcel 9568-46-3926 which consists of 3.34 acres. This parcel is located at 210 Ehringhaus Street. She stated the current use is an existing non-conforming use in R-15 and will also be a non-conforming use in the proposed R-6 High Density Residential District.

*Comprehensive Plan Consistency:* Ms. Frady reported NCGS160A-383 requires zoning map amendments be made in accordance with a comprehensive plan. The 2030 Comprehensive Plan's Future Land Use Map designates these parcels as Medium Intensity Neighborhood which is intended to provide a transition between High and Low Intensity Neighborhood areas. She reviewed the primary and secondary recommended land uses for the Medium Intensity Neighborhood land use categories.

*Surrounding Land Use & Zoning Classification:* Ms. Frady reported the parcel is currently developed with the offices and accessory structures used for IAM. Parcels to the north and west are zoned R-15 and have residential dwellings on them. The property to the east is zoned R-15 and there are single-family dwellings and a church located on these properties. The property to the south is zoned R-15 and is occupied by the Hendersonville Housing Authority.

*Analysis:* Ms. Frady reviewed the dimensional requirements of each of the zoning districts as well as the permitted and conditional uses.

*Planning Board Recommendation:* Ms. Frady reported the Planning Board voted four in favor and two against recommending the Council change the rezoning as requested, finding that the rezoning is consistent with the Comprehensive Plan, the rezoning is reasonable and is a public benefit.

*Zoning Ordinance Guidelines:* Ms. Frady reviewed the factors contained in Section 11-4 of the Zoning Ordinance that Council must consider prior to approving or denying an amendment to the zoning map.

Mr. Luther Smith, landscape architect, 129 Third Avenue West, Hendersonville, addressed the Council on behalf of IAM. He distributed information including a map. He explained IAM is in the process of constructing a new facility to better serve the community they have served over the past 22 years and need to sell the current facility/property. He stated the IAM board is aware of the need for cost effective affordable housing for the community and are requesting to rezone the property from R-15 to R-6. He stated IAM sees the rezoning of their property as a starting point for bringing affordable housing back into the City and restore the original character of this lost neighborhood. He stated the rezoning is more conducive to the original plan for the development of this area and reviewed the zoning of the area and old surveys.

Mr. Luther Smith reported a concern was voiced at the Planning Board about an increase in traffic if the rezoning is approved. He reported traffic engineers performed counts on the existing facility and found 338 vehicles per day using standard study perimeters. The density of single-family homes would generate 315 trips per day. He stated a study shows a development of apartments or condominiums would reduce the projected number of trips by two-thirds. He stated the rezoning can be a catalyst to restore the west side community while addressing the shortage of affordable housing. He respectfully requested approval of the rezoning.

There was discussion of the maximum number of dwellings in R-6 versus R-15, which is 27.5 units versus 12.5 units respectively.

Mayor Volk reminded those present that Council may not consider specific proposals under this traditional rezoning because any allowed or conditional use in that classification is possible.

Mayor Volk opened the public hearing at 6:59 p.m. in accordance with North Carolina General Statutes by noticed published in the Hendersonville Lightning. The following addressed the Council in favor of the rezoning request:

Lynn Pope, 136 Appleola Road, requested Council's approval of the rezoning.

Sherry Metzger, 30 Keswell Court, board member and past president of IAM, voiced support of the request for rezoning.

The following voiced opposition to the rezoning request:

Tom Bullman, 1009 Third Ave. W., expressed concerns that the rezoning is to increase the value of IAM's property at the expense of the neighbors.

Rhonda Hawkins, 1004 Third Ave. W., expressed concerned about low-income housing, safety and IAM has been sending letters to since 2005 in attempts to purchase her property and wanted the right of first refusal. The rezoning will not help the neighborhood.

Lee Linhart, 319 Valley Street, owns 10-12 properties in the west side district and has significant investment in the district. The rezoning doubles the value of the property and it appears to be spot zoning. He expressed concerns about increased traffic and opposed the rezoning request.

Edward Jackson, Jr., 902 Third W., stated he thought he was buying more property when he purchased there. He expressed concerns that a housing project would cause property values to decline and he will not feel safe. He further expressed concerns about littering, traffic and people cutting through his property. Rezoning of the property has been considered numerous times. He voiced opposition to the request.

There was discussion of what is currently allowed in the zoning district by right.

Melford Campbell, 1109 Third Ave. W., opposed the rezoning request and stated concerns about a decline in property values and safety. He would like the zoning to stay at R-15 with the neighborhood as it is.

Yolanna McGee, 217 N. Whitted Street, recently purchased her home. She has met all of her neighbors and all of them know each other. All the properties on that side of the street are zoned R-15 and are single-family homes. There can be multiple dwellings in the existing zoning. Leaving the property zoned R-15 would not shock the neighborhood. She considers this spot zoning. She would be concerned with people walking through her property.

Matt Henderly, 8 Hillpark Drive, expressed concerns about high-density zoning and favors keeping the zoning as is.

Cynthia Van Deusen, 7 Hillpark Drive, asked the Council to maintain the integrity of the neighborhood that exists and see the value it provides. She asked the Council to continue what is there.

Don Harris, 113 Ewarts Pond Road, asked if IAM has a buyer and if there are plans. Mayor Volk explained Council may not consider that. She stated the Council may only consider the rezoning.

Rhonda Hawkins asked if IAM is selling their property under false pretenses. Mayor Volk explained Council may only consider whether or not to rezone the property.

Kathleen Walsh, 317 Ehringhaus, voiced concerns about traffic and an increase in the number of residents.

Kristine Barbour, 206 N. Whitted St., expressed this is an unreasonable request for intense density so they can make a higher profit on the property.

David Cook, Director of IAM, stated a right of first refusal was presented to Ms. Hawkins to allow IAM or their successors, the right to make an offer, which she could refuse, if she decides to sell her property.

Elle Hasty, board member of IAM, stated there has never been discussions about a low-income housing project to her knowledge. She asked if the developer of low-income housing have to come for special permission from the Council. Mayor Volk explained if the request is for a special use district the developer would have to come before the City Council with specific plans. She stated if rezoned, it is possible to have 27 individual or duplex units. If the proposal is for more units, it would come before the Council for approval. Mrs. Frady explained under current zoning, a minor planned residential development, if more than nine units, the plan must be reviewed and approved by the Planning Board. Discussion followed of the maximum number of units allowed under the current zoning.

Mr. Connet commented on affordable housing versus workforce housing and the conversation occurring in the community. Workers in the 80 to 120 percent range of the median income, have difficulty finding housing in the community. He explained one way to address the issue is to increase density because it cuts down the price of the property. He stated the conditions of the old public housing projects is not the conversation. He commented on the number of homes for sale for less than \$150,000.

Melinda Lowrance also addressed the Council stating she sees the need for affordable housing. She would support the rezoning if the homes are being built for the working class. She stated the patrol car in her back yard makes a difference.

Ms. McGee further commented that medium density is allowed as it is zoned now. She asked the Council not to set a precedent by allowing spot zoning. She stated she also struggled to find a home in the area but suggested a gradual increase in the density in the neighborhood.

No one else expressed a desire to speak. The public hearing was closed at 7:44 p.m.

Mayor Pro Tem Caraker commented he has been a neighbor for 20 years and helped get the historic district put in place. He is responsible for two of the stop signs; traffic used to be worse. He stated he has done all of the work on his home and has a lot invested in the area. He stated he has never been afraid but calls the Police when needed, bought an alarm system and takes pride in his property. He does not think traffic will increase as a result of the rezoning. He agreed there is not enough affordable housing. He stated there are some valid concerns.

Council Member Miller commented it is disturbing when emotions run so high on issues. He stated all of the neighbors want to maintain their property and feel safe. The existing use has been nonconforming for years. The number of units allowed in the two zoning classifications are drastically different; 12 to 27 units. He stated he doesn't fear low income or affordable housing. He stated everyone who spoke for it does not live there. He stated the Council has been active in seeking/approving affordable housing. He expressed a concern about spot zoning. He expressed the higher density does not fit and it is not Council's job to increase someone's property value. He stated IAM provides a wonderful, needed service but he does not support the rezoning. He stated with the current zoning, 12 or more units may be built.

Council Member Smith thanked those who spoke because Council cannot do their job unless they hear from residents and applicants. He also expressed concerns on the number of units allowed in R-6. He stated it appears the residents are happy with the R-15 zoning and there is angst about creating that many additional units. He stated he understands their desire for some degree of certainty about the property. While he supports affordable housing for new teachers and others, he is unsure about adding 14 more units. He respects the neighborhood and their care for each other. He supported leaving the zoning as it is.

There was addition discussion about the number of units allowed and the special use process. Council Member Stephens commented many people categorize affordable housing as “Federal” housing where, in some instances, there were a lot of problems. He stated he may support more than 12 units but would like to know what the plan is. He also supported leaving the zoning as it is.

Mayor Volk expressed concerns about carving out a small section of R-6, surrounded by R-15, even though R-6 is close. She stated this would not be considered spot zoning but she has a problem with making the change in the middle of this odd-shaped property. She stated the purchaser has the opportunity to request a planned residential development. She also prefers to see a proposal with specifics and it would ease the minds of the neighbors..

Mayor Pro Tem Caraker agreed he would like to see specifics of a plan. Council Member Miller agreed stating it would also involve the public which allows some controls but does not condemn the property.

**Council Member Smith moved Council not adopt the ordinance rezoning parcel number 9568-46-3926. A unanimous vote of the Council followed. Motion carried.**

There was a brief recess.

#### **~~10. Presentation by the Walk of Fame Steering Committee~~**

**11. Consideration of Waiver of System Development Charges for the Health Sciences Center (Wingate Project):** Mr. Connet requested the waiving of the System Development Charges for the Wingate Project. He explained the System Development Fee Policy allows the waiving of the fees by the City Council, if the project provides demonstrated economic development benefits to the City, etc. He recommended waiving the fees provided the following justification for the waiver of the fees:

1. The project has definitive long-term economic development benefits for this area and the City of Hendersonville.
2. The project provides a tangible benefit in the creation of a one-of-a-kind joint health education facility that will educate our citizens well into the future.
3. The project provides a tangible benefit in the establishment of a state-of-the-art cancer treatment center in our community.
4. The project provides a tangible benefit in signifying the commitment of the City of Hendersonville to develop partnerships to improve the quality of life of our citizens.

Council Member Smith commented with this waiver, the City has done their part in the project and have invested more than \$1 million.

**Mayor Pro Tem Caraker moved that the City Council approve the waiving of the system development fees for the Health Sciences Center Project. A unanimous vote of the Council followed. Motion carried.**

#### **~~12. Consideration of a Request from the Police Department to Fund Moving to a new Radio System~~**

**13. Comments from Mayor and City Council Members:** There was none.

**14. Reports from Staff:** There was none.

**15. Consideration of Appointments to Boards and Commissions:** City Clerk Tammie Drake reminded the Council of the vacancies on the Board of Adjustment, Environmental Sustainability Board, and the Planning Board.

**16. New Business:** There was none.

**17. Staff Request for closed session:** At 8:16 p.m., Mayor Pro Tem Caraker moved City Council enter closed session in accordance with NCGS 143-318.11 (a)(4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the City Council and in accordance with NCGS 143-318 (a) (6) to consider the qualifications, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. A unanimous vote of the Council followed. Motion carried.

The Council discussed a personnel action, an economic development project and performed the annual evaluation of the City Manager.

**20. Adjournment:** The meeting adjourned at 9:25 p.m. upon unanimous assent of the Council.