

June 1, 2017
REGULAR MEETING OF THE CITY COUNCIL
COUNCIL CHAMBERS – CITY HALL
5:45 p.m.

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

Staff Present: City Manager John F. Connet, City Attorney Sam Fritschner, City Clerk Tammie Drake, Assistant to the Manager Brian Pahle, Senior Planner Matt Champion, Engineering Director Brent Detwiler, Development Assistance Director Susan Frady, Human Resources Director Jennifer Harrell, Planner Daniel Heyman, Fire Chief Joseph Vindigni, Pam Ludwig, Public Works Director Tom Wooten

1. Call to Order: Mayor Volk called the regular meeting to order at 5:45 p.m. and welcomed those in attendance. A quorum was established with 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 led by Cub Scott Pack 601 Webelos.

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

Tom Hill, 2700 Mt. Olivet Rd., Zirconia, NC, provided a document to the Council. He reviewed the events leading up to the hearing on May 4. Regarding the hearing held on May 4, he was made aware of the ex parte communications between members of the Council and Representative Chuck McGrady. Commissioner J. Michael Edney was not sworn because he came in after the meeting started, the Council members admitted bullying by Representative McGrady, and believes there were misstatements entered into the record by Mr. Miller. Regarding judicial standards of review, he asked: if there were errors of law, if the statutory procedures were followed and if the decision is within the delegated authority, if due process rights were secured, if competent, material and substantial evidence in the record supported the decision and if the decision was arbitrary. He presented specific objections including: denial of due process, presumption of neighborhood compatibility not established, neighborhood safety was not established and expert testimony by medical business owners established. He asked for corrective actions: that Council not execute the proposed findings, conclusions and decision, a limited rehearing with Representative McGrady called to testify, to strike the testimony of Chairman J. Michael Edney, disqualify Council Member Jeff Miller for lack of objectivity, and delay action pending traffic analysis by rezoning opponents.

Barbara Hughes, 315 North Main Street, invited the Council's and public participation in Chalk it Up event in July. She also commended the Public Works Department for a fabulous job at Garden Jubilee.

4. Consideration of Agenda:

Moved to July Agenda: 12. Consideration of a Memorandum of Understanding with Belmont Sayre, LLC to develop the Grey Hosiery Mill Project

Consideration of one-time allocation to Blue Ridge Humane Society – add to agenda.

Council Member Smith moved City Council's approval of the addition of the special appropriation to the Blue Ridge Humane Society. This was added as item 15a.

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

5. Consideration of Consent Agenda: *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:

May 4, 2017 Regular Meeting
May 5, 2017 Special Meeting

B. Consideration of Budget Amendments: Ms. Brian Pahle, Assistant to the City Manager, presented the following:

- i. General Fund - End of Year Adjustment; no change in bottom line. Totals in Balance: \$102,870
- ii. Water/Sewer Fund - End of Year Adjustment; no change in bottom line/ Totals in Balance: \$110,050
- iii. Environmental Services Fund - End of Year Adjustment and Establish Stormwater Fund Balance, Increase of \$80,300
Stormwater Fund - Establish Fund Balance; Increase of \$100,000

- iv. Main St. Fund - End of Year Adjustment; Increase of \$23,650
7th Ave. Fund - End of Year Adjustment; Increase of \$5,475
- v. Walk of Fame Fund - Revenues Increase of \$4,651
- vi. Fire Engine Fund - Increase for Final Cost of \$14,379
General Fund Transfer to cover any small equipment for new fire engine; no change in bottom line
- vii. Capital Project Funds - Adjust budgets to match the Capital Improvement Plan and financing strategy:
Gravity Filter Fund 4020 - Increase of \$5,100,000
Eastside Fund 4250 - Increase of \$2,465,000
WWTP Generator Fund 4260 - Increase of \$184,867
French Broad Fund 4450 - Increase of \$1,750,000

C. Consideration of a Resolution to Amend the Makeup of the Business Advisory

Committee: Mr. Connet presented the following resolution:

Resolution #17-0634

A RESOLUTION AMENDING THE MAKEUP OF THE BUSINESS ADVISORY COMMITTEE

WHEREAS the City Council has determined that it is in the best interest of the City, and its businesses, to amend the makeup of the Business Advisory Committee which was established by Resolution 15-0204; and

WHEREAS the City Council has determined that the City benefits from advice from its business community, and

WHEREAS the City Council has further determined that the business community may offer its advice, among other ways, through a committee established for that purpose, and

NOW, BE IT THEREFORE RESOLVED that the City Council establish and it does by these presents establish a Business Advisory Committee as provided herein.

1. The purpose of the Committee is to advise the City Council of the particular needs of the business community in and around the City of Hendersonville, and to give such further advice as seems appropriate to the Council to receive or the Committee to give.
2. The Committee shall meet at the times established, in a place provided by the City or at such time and place as the Committee shall from time to time determine, and may meet at such other times and places at the Committee's pleasure or upon request of the City Council.
3. The Committee shall be composed of nine members, appointed to staggered two-year terms as provided in this resolution. The City Council shall designate five members to serve initial two-year terms and four to serve one-year terms. All Committee members shall be individuals, principals or other significant representatives of businesses ~~operating or owning real property within the City~~, as determined by the City Council. No member shall concurrently be a member of the Committee and hold popularly elected office with any governmental body.
4. The Committee shall from time to time designate one person to chair the Committee. Selection of the chairperson shall be by those Committee members actually appointed by the City Council. In the absence of the chair the Committee shall by majority vote select a member to preside at meetings.
5. The Committee shall at all times remain in compliance with applicable statues and ordinances, including specifically the North Carolina Public Records Act and the North Carolina Open Meetings Act.
6. The members shall be appointed as follows:
 - A. Six members shall be appointed by the City Council.
 - B. One member shall be appointed by the Henderson County Board of Commissioners.
 - C. One member shall be appointed by the Henderson County Chamber of Commerce or its successor.
 - D. One member shall be appointed by the Henderson County Partnership for Economic Development.
7. In the absence of an appointment by the appropriate body for a period of ninety days, the City Council shall appoint a person to fill the vacancy.
8. Membership on the Committee shall expire on the first day of March in the appropriate year.

[Key: Deletions are ~~struck through~~; Additions are underlined.]

Adopted this first day of June, 2017.

/s/Barbara G. Volk, Mayor

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

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

D. Consideration of Petitions for Annexation and Certificates of Sufficiency for:

i. Satellite Annexation of 12.77 acres at 1630 Old Spartanburg Highway by Mr. Robbie Allison: Mrs. Frady reported the City received a petition from Robbie Allison for a satellite annexation of 12.77 acres of the property identified as Parcel Identification Numbers 9578-51-9624 and 9578-61-2540 located at 1630 Old Spartanburg Road. This annexation request is related to a sewer service request. Mrs. Frady reported the map distance from the proposed satellite corporate limits is 365 feet from the primary corporate limits. The total area within the satellite corporate areas, including land involved in this petition, constitutes 4.0 percent of the area within the primary corporate limits.

The Clerk's Certificate of Sufficiency finding that the petition is valid was submitted. 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. The public hearing was set for July 6, 2017.

ii. Contiguous Annexation of a 1.0-acre parcel located off Chimney Rock Road by the Trustees of the Hendersonville Church of God: Mrs. Frady reported the City received a petition from the Trustees of Hendersonville Church of God for a contiguous annexation of 1.0 acre of a portion of the lot identified as 9680-02-6973 and located on Chimney Rock Road. This property is to be included as part of the Estates at Brittany Place, under special use review.

The Clerk's Certificate of Sufficiency finding that the petition is valid was submitted. 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 the ordinance of annexation. The public hearing was set for July 6, 2017.

E. Consideration of Installment Financing Agreement with Entegra for \$655,000 for a Pierce Fire Truck: Finance Director Lisa White reported in January 2017 the City issued a Request for Proposal (RFP) for Installment Financing for the purchase of the Pierce fire truck. The City requested a 15-year term. Six banks responded to the RFP. She provided the following bid summary sheet:

City of Hendersonville		Bid Summary Sheet		1-Mar-17
		Capital Financing Request for Proposals		
<u>Lender Institution Name</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Notes/Comments</u>	
1 Entegra Bank	15 yrs	2.49%	No prepayment fees ; no origination fees	
2 TD Bank	10 yrs	2.479% A	Pre-payment option subject to Yield Maintenance Fees	
TD Bank	10 yrs	2.593% B	Pre-payment option - no fees	
3 BB&T	12 yrs	2.530%	No prepayment fees ; no origination fees	
BB&T	15 yrs	2.820%	No prepayment fees ; no origination fees	
4 US bancorp	15 yrs	2.555%	No prepayment fees ; no origination fees	
5 Carter Bank & Trust	15 yrs	2.65%	No prepayment fees ; no origination fees	
6 Key Government Finance	15 yrs	3.010%	see prepayment schedule	

Ms. White reported the proposal from Entegra Bank contained the lowest interest rate at the requested term of 15 years. She stated the approval of the financing was held until near the completion of the fire truck, so the full cost of the truck, and equipment could be included in the loan amount. The City is expected to take delivery of the truck and equipment in June 2017. The City issued a Reimbursement Resolution in June 2016 (16-0618) and has pre-paid for the truck and equipment and will be reimbursed by the loan proceeds.

Ms. White requested Council's approval of the award of the Installment Financing agreement with Entegra in the amount of \$655,000. The original amount budgeted in the Capital Project fund, and included in the Financing RFP was \$644,621 however, additional equipment was needed. A budget amendment for the increase, including a transfer to cover minor amounts that may be expended above the loan amount, is also on this agenda.

F. Consideration of Capital Project Ordinance and Reimbursement Resolutions for the Grounds and Buildings Maintenance Facility Project: Mr. Pahle presented a Capital Project Ordinance and Reimbursement Resolution for the Grounds and Buildings Maintenance facility to be approved in fiscal year 2017-18 and completed in fiscal year 2019-20. The ordinance provides a multi-year fund to account for the full cost of the project. The reimbursement resolution allows the City to provide funding for this project with the ability to reimburse itself with future proceeds from debt.

Ordinance #17-0635

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE GROUNDS AND BUILDING MAINTENANCE FACILITY PROJECT

BE IT ORDAINED by the Governing Board 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 facilities project described as the Grounds and Building Maintenance Facility Project.

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

Account Number		Account Name	Total Budget
4520000	519000	Professional Services	\$ 150,000
4520000	559850	Construction Contract	\$ 1,848,000
4520000	549750	Permits, License, & Fees	\$ 2,000
Total Project Appropriation			\$ 2,000,000

Section 3: The following revenues are anticipated to be available via debt proceeds and transfers from the General Fund for project expenses:

Account Number		Account Name	Total Budget
4520000	499100	Proceeds of Debt	\$ 2,000,000
Total Project Revenue			\$ 2,000,000

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 first day of June, 2017.

/s/Barbara G. Volk, Mayor

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

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

Resolution #17-0636

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

BE IT RESOLVED 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 GROUNDS AND BUILDINGS MAINTENANCE FACILITY, ORDINANCE #17-0635 (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 \$2,000,000.00.

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 first day of June 2017.

/s/Barbara G. Volk, Mayor

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

Ordinance #17-0637

G. Consideration of Capital Project Ordinance and Reimbursement Resolutions for the

Police Headquarters Project: Mr. Pahle presented a Capital Project Ordinance and Reimbursement Resolution for the Grounds and Buildings Maintenance facility to be approved in fiscal year 2017-18 and completed in fiscal year 2019-20. The ordinance provides a multi-year fund to account for the full cost of the projects. The reimbursement resolution allows the City to provide funding for this project with the ability to reimburse itself with future proceeds from debt.

**CAPITAL PROJECT ORDINANCE FOR
THE ACQUISITION, CONSTRUCTION AND INSTALLATION
OF THE POLICE DEPARTMENT HEADQUARTERS PROJECT**

BE IT ORDAINED by the Governing Board 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 facilities project described as the Police Department Headquarters Project.

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

Account Number		Account Name	Total Budget
4510000	519000	Professional Services	\$ 500,000
4510000	559850	Construction Contract	\$ 3,495,000
4510000	549750	Permits, License, & Fees	\$ 5,000
Total Project Appropriation			\$ 4,000,000

Section 3: The following revenues are anticipated to be available via debt proceeds and transfers from the General Fund for project expenses:

Account Number		Account Name	Total Budget
4510000	499100	Proceeds of Debt	\$ 4,000,000
Total Project Revenue			\$ 4,000,000

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 first day of June 2017.

/s/Barbara G. Volk, Mayor

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

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

Resolution #17-0638

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

BE IT RESOLVED 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 POLICE DEPARTMENT HEADQUARTERS, ORDINANCE #17-0637 (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 \$4,000,000.00.

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 first day of June 2017.

/s/Barbara G. Volk, Mayor

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

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

H. Consideration of Findings of Fact, Conclusions of Law and Decision for the Hendersonville High School Special Use Permit: This was moved to item 12 for consideration.

I. Consideration of Waterline Extension Agreement for a proposed single-family Subdivision located off Old Haywood Road/NC Highway 191 serving nine homes: Mr. Lee Smith presented a request for an extension of the City's water system to provide service to a proposed single-family subdivision serving nine homes. This project is located within the Zoning and Planning Jurisdiction of the Town of Mills River and has received approval dated March 28, 2017.

Based on this information, Mr. Lee Smith stated the Water and Sewer Department has the capacity to support this additional infrastructure and associated connections and recommended approval of the project contingent upon final approval of construction plans and specifications by the Water and Sewer Department.

J. Consideration of a Property Purchase in South Fletcher for a Pumping Station: City Attorney Fritschner reported the Legal Department acquired property in south Fletcher for the "Northside Pumping Station" project as requested by the Engineering and Water/Sewer Department. The property is identified as PIN 9652-67-1617 and PIN 9652-67-2788 and contains approximately 0.93 acres. The purchase price agreed on is \$12,500. An agreement for the purchase was tentatively reached pending City Council approval.

K. Consideration of Adoption of Personnel Policy: Human Resources Director Jennifer Harrell explained the Personnel Policy has been revised by Piedmont Triad Regional Council to reflect best practices. Staff is requesting Council to adopt the new policy as presented with an effective date of 7/1/2017. *[The Personnel Policy is available in the office of the Human Resources Director.]*

L. Consideration of the Purchase of Trucks for the Water/Sewer Department: Ms. Lisa White reported per NCGS 143-129 and the City Purchasing Policy, purchases of equipment more than \$90,000 require City Council approval.

Ms. White reported the Water and Sewer Department obtained pricing below the State Contract price for four 2017 Ford F150 Trucks. Staff requests Council's approval to award the bid to Four Seasons Ford for a total of \$105,210.56 for four trucks.

M. Consideration of Special Event Permit for the Henderson County July 4 Celebration: Mrs. Frady reported the Special Events Committee voted unanimously to recommend Council approve the special event permit for the Henderson County July 4th Celebration. This event was previously held on the Courthouse property. This is the first year they requested the closing of Main Street and to sell beer.

The block in front of the Courthouse will be blocked from 7:00 P.M. until 11:00 P.M. The Courthouse lawn will be used for the primary event area including a stage and inflatables. The street will be used for the beer tent. At least two off-duty police officers are required for this event.

N. Consideration of Memorandum of Agreement with Hendersonville Rescue Mission for the provision of extreme cold weather shelter for our homeless population: Following the recent discussion between Joseph's Outreach Ministries and the Hendersonville Rescue Mission (Mission) regarding the extreme cold weather shelter, Mr. Connet presented a Memorandum of Agreement (MOA). The MOA states the Hendersonville Rescue Mission will waive certain intake policies in order to shelter individuals during extreme cold situations. This MOA clarifies the Mission will provide an extreme cold weather shelter for homeless individuals once the temperature drops below 20 degrees Fahrenheit. [The MOU is available in the office of the City Clerk.]

Council Member Smith requested item h be moved to the regular agenda for discussion. This was added as item 12 on the agenda.

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

6. Recognitions:

A. Presentation of Hendersonville Pollinator Month and Bee City USA Proclamation: Mayor Volk read a proclamation for Hendersonville Pollinator Month and presented it to Environmental Sustainability Board member Alesia Griesmyer. Ms. Griesmyer made comments on the month's events.

B. Recognition of John Buchanan being named a Certified Government Finance Officer: Ms. White explained the North Carolina Government Finance Officers Association and the NC School of Government offer a program of certification for local governmental finance officers. She reported John Buchanan, Accounting Supervisor, completed the course work, examinations and other requirements and has been named a North Carolina Certified Government Finance Officer. He was recognized and received his certificate at the Annual Meeting of the North Carolina Government Finance Officers Association.

C. Recognition of Service Excellence Quarterly MVPs: City Manager John Connet, Utilities Director Lee Smith and Ron Reid recognized the following Service Excellence MVPs from the last quarter: Jay Heatherly, Nick Galloway and Stephen Bell from Water and Sewer Department.

D. Recognition of Assistant Chief of Police Doug Jones' 28 Years of Service and Consideration of a Resolution to Recognize Distinguished Service to the City of Hendersonville and Awarding of Service Side Arm: Police Chief Herbert Blake stated the City of Hendersonville recognizes and appreciates the service provided to the citizens of our community by the commitment of sworn law enforcement officers of the Hendersonville Police Department. North Carolina General Statute (NCGS) 20-187.2 enables the City Council to award a retiring member or surviving relatives, the badge and service side arm of law enforcement officers. Mayor Volk read the following resolution to retiring Assistant Chief of Police Doug Jones with his badge and service side arm for a cost of \$1.

Resolution #17-0642

RESOLUTION TO RECOGNIZE DISTINGUISHED SERVICE TO THE CITY OF HENDERSONVILLE AND AWARDING OF SERVICE SIDE ARM

- WHEREAS, North Carolina General Statutes 20-187.2 provides that retiring members of law enforcement agencies may receive, at the time of their retirement, the badge worn or carried by them during their service; and
- WHEREAS, NCGS 20-187.2 further provides that the governing body of the governing law enforcement agency may, at its discretion, award to a retiring member their service side arm, at a price determined by such governing body, upon determining that the person receiving the weapon is not ineligible to own, possess, or receive a firearm under the provisions of State or federal law, and
- WHEREAS, the City of Hendersonville hereby recognizes 28 years and five months distinguished service as a law enforcement officer by Doug Jones for the City of Hendersonville and its residents, and

WHEREAS, the City of Hendersonville wishes to recognize Assistant Chief of Police Doug Jones's service in a manner that is customary for persons retiring from distinguished law enforcement service.

NOW THEREFORE, the City of Hendersonville hereby awards to Assistant Chief of Police Doug Jones, his service side arm, model Glock 19, serial number WSZ962, for a cost of \$1.00 as determined in the Policy for the Granting of Badges and Service Side Arms for Sworn Law Enforcement Officers, as a token of appreciation for his many years of service and dedication to the City of Hendersonville and its residents.

Adopted this first day of June 2017.

/s/Barbara G. Volk, Mayor

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

Chief Blake expressed his appreciation to Assistant Police Chief Doug Jones for his guidance, leadership, and significant contributions to the Police Department. He stated the Police Department is losing a wealth of institutional knowledge and connections.

7. Report on Compassionate Cities: The Council heard a report from Pam and Charlie Rogers on activities during the past year. Mayor Volk expressed appreciation for their work. **No action was required or taken.**

8. Presentation by Medical Loan Closet: Mayor Pro Tem Caraker reported he serves on the Board for the Medical Loan Closet. He explained the mission of the Medical Loan Closet and stated their activities have increased approximately 30 percent and funding is important. He stated the organization has purchased their own facility. **No action was required or taken.**

9. Public Hearing – Consideration of Ordinance Adopting the Budget for Fiscal Year 2017-18:

Mr. Connet presented the recommended budget for fiscal year 2017-18 that is built upon the City Council's adopted vision, mission and goals. He provided the following:

The total budget is \$38,714,277. He proposed a one-cent tax increase resulting in .47-cent tax rate. The Main Street MSD tax rate will remain at .28 and Seventh Avenue MSD will remain at .12.

General Fund Revenues total \$15,389,143. It includes an operating revenue increase of 4.3 percent or \$609,152. He said the one cent added to the property tax results in \$309,828 and sale tax revenue is estimated to increase by 4.4 percent or \$209,844. This will help fund the items in the budget. He estimated a fund balance appropriation for year end is \$197,702 which is less than budgeted. The net increase in revenues is 3.71 percent or \$538,396.

He provided a comparison of the City's tax rates that are similar in size and service provisions.

General Fund Expenditures: An increase of 3.92 percent or \$580,013 for total operating expenditures is estimated. Significant increases are included in the personnel/benefits and debt service funds. This includes implementation of the pay and classification plan, a 25 percent increase in health insurance premiums. This resulted in a 12.27 percent in this line item.

Debt service increased 13.45 percent because of the purchase of fire truck. The street paving program will continue. One cent is included to the Powell Bill funding to ensure streets are resurfaced in a proper manner. Expenditures also include improvements to Patton Park, Sullivan Park playground and basketball courts, gateway signage, three additional firefighters, two animal control officers, and one police telecommunicator.

Health Plan Adjustment: Mr. Connet explained there was a high premium increase for health insurance. Council directed staff to present some ways to curtail the increases or bring them under control. He provided a proposal that will be formally considered by the Council at a future date. The proposal includes the City continue paying 100 percent of premiums for employees if: employees join and participate in the City's Wellness Program, have an annual physical, attend two wellness classes per year and comply with the Medcost criteria for age-appropriate screenings and become tobacco-free by December 2018.

Mr. Connet proposed increasing the deductible from \$500 to \$1,000 but because the City shares that cost, the total out of pocket for employees will be \$3,700 instead of \$3,350. Staff is continuing to investigate cost-saving measures including an on-site nurse/clinic to prevent emergency room visits and urgent care. Staff chose not to recommend a fully self-insured plan because of increased risk but this may be a long-term option.

General Fund - Major Projects:

Police Headquarters: Staff is continuing to explore locations considering the proximity to downtown, compatibility with existing neighborhoods, and explore efficiencies including partnering for other public space, parking deck, etc. Estimated cost is \$3 - \$5 million.

Grounds/Buildings Maintenance Facility: This new facility will address safety concerns. Estimated cost is \$1 - \$2 million.

Debt Service: Mr. Connet stated debt service drops dramatically over the next several years which shows the capacity to fund these two major projects.

Water and Sewer Fund Revenues: Revenues of \$21,040,194 are expected. The total operating revenue is 3.37 percent or \$498,158. The majority of the increase is a result of natural growth. He proposed a water rate increase of 1.5 percent for outside-City customers and 2 percent for City residents. Staff has begun a rate study to determine future revenue needs, indirect costs shared with the General Fund and the Utility Fund as well as the rate philosophy going forward.

Fund Balance Appropriations are estimated at \$3,754,424. These funds are being transferred for major capital projects that will expand and improve the operations of the system countywide.

Rate Study Considerations: Key areas in the rate study include: financial sustainability, customer equity and environmental conservation. The customer impact resulting from the proposed increase is .42 - \$1.14 per month.

Inside Rate vs. Outside Rate: The City's current goal is that outside rates are no higher than 150 percent of the inside rate. The current rates range from 145 to 155 percent. Eighty-five percent of municipal rate structures charge more for outside customers. The median outside bill is 193 percent higher than inside bill (Statewide).

Declining vs. Unified Block Rate: The City currently charges less for higher usage, which is not seen as conservation-friendly but encourages commercial/industrial growth.

Expenditures: Mr. Connet reported expenditures total \$21,040,194. Total operating expenditure decrease \$1,437,879 or -7.63 percent. There was a large transfer for capital projects.

Other Funds: These funds make up 3 percent of the total budget or \$1,528,581. These funds include: debt service fund, Fire Department Community Fund, Health and Welfare Fund, Historic Preservation Commission, Police – Drug forfeitures, kennel club, motor unit, needy persons, RAD and the Walk of Fame.

Mr. Connet reported the proposed budget is balanced in accordance with NCGS 159-8 and attempts to address the Council's priorities and is fiscally sound. He stated it does not fund all requests but is set at a high level to maintain a high level of service for Hendersonville citizens, customers and partners. He expressed appreciation to the Assistant to the Manager Brian Pahle and all department heads who worked diligently on the proposed budget.

Mayor Volk opened the public hearing at 6:34 p.m. in accordance with NCGS by notice published in the Times News. The following addressed the Council:

Ken Fitch, 1046 Patton Street, spoke on the issue of safety and recognized the significant commitment in the budget for the Police and Fire Departments. He noted only one EMS vehicle will be located in downtown and noted the importance of the first responders in emergencies.

No one else expressed a desire to speak. The public hearing was closed at 6:38 p.m.

Mayor Pro Tem Caraker moved Council to adopt the Budget Ordinance for fiscal year 2017-18 as presented. A unanimous vote of the Council followed. Motion carried.

Ordinance #17-0639

**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, 2017 AND ENDING JUNE 30, 2018**

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, 2017; 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 major governmental and enterprise budgets for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2017, and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

Governmental Funds	
General Fund	\$ 15,389,143
Main Street MSD Fund	463,808
Seventh Avenue MSD Fund	57,827
Enterprise Funds	
Environmental Services Fund	\$ 1,502,464
Stormwater Fund	260,841
Water and Sewer Fund	21,040,194
Total Appropriations	\$ 38,714,277
Less: Interfund Transfers Out	4,365,700
Total Net Appropriations	\$ 34,348,577

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, 2017, and ending June 30, 2018. 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-seven cents (\$0.47) per one hundred dollars valuation of property as listed for taxes as of March 1, 2017. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,754,965,444 and estimated collection rate of 98.01%.

A tax rate is also levied of twenty-eight cents (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2017, 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 \$83,702,411 and an estimated collection rate of 98.01%.

A tax rate is also levied of twelve cents (\$0.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2017, 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 \$16,383,675 and an estimated collection rate of 98.01%.

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 revenue budgets, together with a financial plan for internal service budgets, for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2017, and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

Special Revenue Funds

Debt Service Fund - GF	\$	1,077,726
Fire Community Fund		250
Historic Preservation Commission Fund		15,000
Police Drug Forfeitures Fund		50,000
Police Kennel Club Fund		5,000
Police Motor Unit Fund		500
Police Needy Persons Fund		8,000
Police RAD Fund		1,500
Walk of Fame Fund		1,000

Internal Service Funds

Health and Welfare Fund	\$	369,605
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Total Appropriations	\$	1,528,581
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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, 2017.

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 first day of June 2017.

/s/Barbara G. Volk, Mayor

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

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

10. Public Hearing – Consideration of a Petition for the Contiguous Annexation from Mr. Kyle Edney for Property located at 101 and 103 Beverly Avenue: Development Assistance Director Susan Frady presented the petition of Mr. Kyle Edney for the contiguous annexation of PIN 9578-33-4840 that contains 0.27 acres and is located at 101 and 103 Beverly Avenue. This annexation request is related to a sewer service request.

Mrs. Frady explained the Council accepted the Clerk's Certificate of Sufficiency at their May 4 meeting and set a public hearing for this meeting.

Mrs. Frady reviewed the standards set out in NCGS 160A-31 for annexation.

Mayor Volk opened the public hearing at 6:40 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 the City Council adopt an ordinance annexing the property included in the petition from Kyle Edney effective June 1, 2017. A unanimous vote of the Council followed. Motion carried.

Ordinance #17-0640

**AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF HENDERSONVILLE,
NORTH CAROLINA - KYLE EDNEY**

WHEREAS, the City of Hendersonville has been petitioned, pursuant to North Carolina General Statutes (NCGS) 160A-58.1, as amended, to annex the area described herein; and,

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of said petition; and,

WHEREAS, the City Clerk has certified the sufficiency of said petition and a public hearing on the question of this annexation was held at City Hall, Hendersonville, N.C. at 5:45 p.m., on the first day of June 2017, after due notice by publication as by law provided; and,

WHEREAS, the City Council further finds the areas described therein meets the standards of G.S. 160A-58.1(b), to wit:

- The area is contiguous to the present City boundaries;
- The petition presented to the City Council was signed by the owners of the real property located in the area;
- The petition was prepared in accordance with a form prescribed by NCGS 160A -31, and
- At the public hearing all persons owning property in the area to be annexed who allege an error in the petition were given an opportunity to be heard, as well as residents of the City who question the necessity for annexation.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Hendersonville, North Carolina:

Section 1. By virtue of the authority granted by G.S. 160A-58.1, as amended, the following described area is hereby annexed and made part of the City of Hendersonville as of the sixth day of April 2017.

DESCRIPTION OF PROPERTY: Being located within the Hendersonville Township - Henderson County, North Carolina and being more particularly described as follows:

TRACT TWO:

BEGINNING at a stake in the northern margin of Old Spartanburg Highway, westernmost corner of Lot 1 of Forest Lawn Subdivision as shown on plat thereof recorded in the Office of the Register of Deeds for Henderson County, North Carolina in Map Book 4 at Page 65, and reindexed in Plat Cabinet B, Slide 323, Henderson County Registry and running thence from said Beginning point with the line of Tract One as above described, North 21 deg.15 min. East 120 feet to a stake; thence South 88 deg. East 55 feet to a stake in the line of Lot 3 of said subdivision; thence with

the line of said lot, South 21 deg.15 min. West 120 feet to a stake, southwestern corner of Lot 3 In the northern margin of Old Spartanburg Highway; thence with the northern margin of Old Spartanburg Highway, North 68 deg. West 55 feet to the point and place of BEGINNING. Being Lots 1 and 2 as shown on Plat Cabinet B, Slide 323, Henderson County Registry, EXCEPT a 5 foot wide strip adjoining Lot 65.

Section 2. Upon and after the first day of June 2017, the above described territory, and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Hendersonville, and shall be entitled to the same privileges and benefits as other parts of the City of Hendersonville. Said territory shall be subject to municipal taxes according to NCGS 160A-31, as amended.

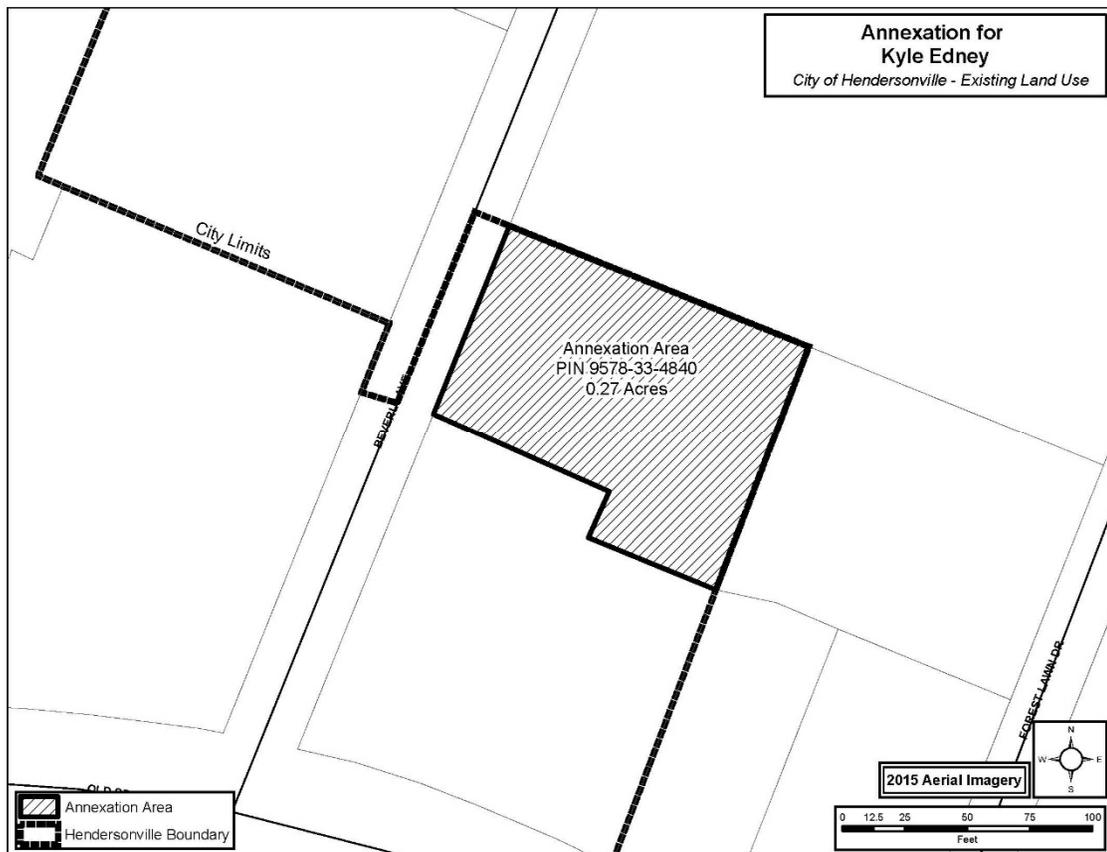
Section 3. The City Clerk of the City of Hendersonville shall cause to be recorded in the office of the Register of Deeds of Henderson County and at the Office of the Secretary of State in Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1, hereof, together with a duly certified copy of this ordinance.

ADOPTED this first day of June 2017.

/s/Barbara G. Volk, Mayor

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

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



11. Quasi-Judicial Public Hearing – Consideration of an Application for a Special Use Permit for the Boys & Girls Club of Henderson County: Mayor Volk reviewed the procedures for the quasi-judicial public hearing. She explained the Council may only consider facts and expert opinion given during testimony. She asked those wishing to speak to be sworn in.

Mayor Volk asked Council members if anyone has contacted them in regards to this matter. Council Member Miller disclosed he spoke to Mr. David Adams who asked advice on the process. Mayor Volk asked him if any of the discussion swayed his vote in any fashion. Council Member Miller stated absolutely not. There was no other contact with Council members.

Mayor Volk asked Council members to announce any conflicts of interest in the matter. There was none.

Mayor Volk asked if anyone in the audience was aware of anything of value that has been given in exchange for a vote on this matter. There was none.

Six persons affirmed to provide testimony.

Senior Planner Matt Champion provided the following testimony:

The City received a Special Use Permit application from Mr. Dave Adams, former President of the Boys & Girls Club of Henderson County, to add a 9,471-square foot classroom building at the corner of White Sparrow Drive and Ashe Street. The Boys & Girls Club is situated on seven separate parcels: 9568-82-5134, 9569-82-7213, 9569-82-6250, 9569-82-5011, 9569-82-6140, 9569-82-7112, and 9569-82-8117.

The Boys & Girls Club first opened the 2,000 square foot Green Meadows Community Center on November 1, 1993. Since the initial opening, the Boys & Girls Club has expanded in the immediate area onto seven parcels and includes a total of 43,107 square feet of floor area located in four separate buildings.

Since the Boys & Girls Club's new addition, combined with the existing structures will exceed 50,000 square feet, the project is being processed as a special use permit so the project can be reviewed as a whole.

This application is for special use review and is subject to recommendations by the Planning Board and approval by the City Council. The final site plan is subject to City staff approval.

Existing Land Uses & Zoning: The Boys & Girls Club is located on parcels zoned R-6 High Density Residential. The Boys & Girls Club is considered a neighborhood community center which is a permitted use in the R-6 Zoning District.

The parcel to the west across Ashe Street is zoned I-1 Industrial and is used by the Boys & Girls Club for parking. This property is owned by the City of Hendersonville and is located within the Norfolk Southern right-of-way. The Boys & Girls Club pays Norfolk Southern Railroad to use the railroad right-of-way for parking.

Parcels located to the south and east are zoned R-6 High Density Residential and are in residential use. Parcels to the north are zoned I-1 Industrial and R-6 High Density Residential. The R-6 parcels are in residential uses and the I-1 parcel is a textile mill.

He provided "Existing Land Use" and surrounding zoning maps.

Comprehensive Plan Consistency: The Boys & Girls Club parcels are classified as Medium Intensity Neighborhood on the 2030 Comprehensive Plan's Future Land Use Map. Surrounding parcels are classified as Medium Intensity Neighborhood and Business Center. He stated the goal of the Medium Intensity Neighborhood is to "provide a transition between High and Low-Intensity Neighborhood and Regional Activity Centers and downtown and provide a transition between commercial and single-family development."

Local, public and institutional uses are listed as a secondary use in Medium Intensity Neighborhood classification.

He provided a "Comprehensive Plan" map.

Plan Review:

Parking: Table 6-5-2 does not have a parking category for neighborhood community center. When staff encounters this type of situation, Section 6-5-2.6 of the Zoning Ordinance states that parking requirements shall be based on requirements for similar uses. In this particular situation, the parking requirements for primary and secondary schools are utilized.

Primary and secondary schools require two parking spaces per classroom, administrative office, and gym. Based on a total of five offices, 19 classrooms, and two gyms, 52 parking spaces are required.

The site plan indicates seven parking spaces are provided on site. Section 6-5-3 Shared and Off-Site Parking allows off-site parking when a lot that is utilized for this purpose is located within 200 feet of the "use" lot. The lot directly across Ashe Street is being utilized to provide 50 car and four bus off-site parking spaces for the Boys and Girls Club. This lot is approximately 60 feet from the "use" lot. The off-site parking lot will require site plan approval by the Planning Board. This site plan is scheduled for review by the Planning Board at their June 12 regular meeting.

Buffer Plantings: As per section 15-6 Bufferyards, a 10-foot B buffer is required between this parcel and the parcels to the east because the uses are residential.

Setback Requirements: The setback requirements for the PID Zoning District are 40 feet from the nearest right-of-way line for any street adjoining the site; provided, however, such setback may be reduced to ten feet when parking is situated to the rear or side of the lot and screened from view from public right-of-way.

Buildings and structures shall be set back not less than 25 feet from any exterior property line.

Off-Street Loading and Unloading: All development projects requires a space for loading and unloading of vehicles off the street. The space is required to be no less than 12 feet by 40 feet with an overhead clearance of 14 feet in height.

Variance Requests: The applicant is requesting three variances. Two variance requests address the existing structure located on PIN 9569-82-7213. The existing structure encroaches into the ten-foot setback requirement from the nearest right-of-way line off Oriole Drive and the 25-foot setback requirement for any exterior property lines. Since the existing structure will remain a three-foot reduction in the setback requirements from the nearest right-of-way and a ten-foot reduction in the setback requirement from the exterior property line has been requested.

The applicant is also requesting to eliminate Section 6-6 off-street loading and unloading space requirements. The variance request indicates a loading zone with striped pavement, signage, and navigational arrows is requested to be placed on the east side of Ashe Street.

Analysis: The Development Assistance Department staff has not found any other issues relating to public health, safety or general welfare.

A neighborhood compatibility meeting concerning the application was held on April 13, 2017. Fourteen people representing the public attended the meeting. Concerns were raised about parking, traffic issues, pedestrian and student safety and existing structures.

Planning Board: The Planning Board took this matter up at its regular meeting on May 8, 2017 and voted unanimously to recommend City Council adopt an ordinance amending the official Zoning Map, approve the three requested variances and the application for a special use permit.

He reviewed the suggested motions.

Mayor Volk asked for questions of Mr. Champion. There was none.

Jarred DeRidder, Engineer with WGLA Engineering, provided the following testimony:

He represented the Boys & Girls Club. Architect, Frank Kelsch, would also like to speak.

There are seven parcels that were individually zoned as residential. They have combined them at the City's request into one parcel. It was also requested that they rezone it to PID. There are two variance requests: one along Oriole Street. The existing building goes over the setback line. On the residential property, another existing building crosses over the setback line. The setback requirements occur from the R-6 to PID zoning. The project is occurring because the Boys & Girls Club is operating 10-20 percent above optimal capacity. They are proposing a 9,500 square foot addition, which will add one office and four classrooms for a total of five offices and 19 classrooms. This will allow approximately 60 additional children.

Parking: They are proposing seven spaces on-site. Not included with this project is a parking lot across the street for 50 cars and four buses. It is within 60 feet of the primary entrance of the building.

Off-street loading: They are requesting a variance for this. When children are dropped off at the Boys & Girls Club and picked up, their parents come through the main entrance which is steps near the corner of the building. The parents have to park. Adding parking across the street is a way to channel the parents across the pedestrian walkway and into the building. To them, safety was reduced by adding a pull-off onto the campus where children may be mingling. There are utilities there and it would be an expense for the Boys & Girls Club. Currently the Boys & Girls Club operates without a designated pull-off. There is an on-street loading zone as they are proposing. They will be improving the loading zone by adding signage and pavement markings.

Frank Kelsch, with Homesmith Architecture, provided the following testimony:

There are three principle reasons the Boys & Girls Club undertook this addition one of which is increased need. Currently they serve between 320-340 children per day. They have a waiting list and with the addition they will be able to serve up to 400 children per day. The new lobby will make check-in more efficient. The new classrooms will allow additional programming as well as offices and additional staff.

He reviewed the site plan stating the new addition is surrounded by four existing buildings. The main building is the largest structure. To the south of the addition is a middle school center, a teen center and a teen gym. A critical component of the project is to tie the campus together. There are four separate buildings and children have to walk outside to get from one to the other. Part of the goal is to establish a more efficient and secure path from the entrance to all the separate buildings. The new entrance gets moved from the center of the block on Ashe Street to the southwest corner. Part of the decision was to improve safety so parents do not walk mid-block to the entrance, which is what happens now. The new entrance will be located closer to the intersection and will encourage parents to cross at the stop sign, pick up their children, and exit at the stop sign.

Currently the existing facility is pre-engineered or masonry structures. They serve their function well but do not speak to the activities inside. With the addition, they tried to create something more inviting for the public with additional glass at entryway, and more dynamic lines that speak to the youthful activities that occur inside on a daily basis. Another piece of the architecture is the play of natural light. They provided a lot of glass in the entry lobby, common spaces, as well as in the classrooms to make the learning environment more pleasant for the kids and staff. In addition, to make an architectural statement the neighborhood will be proud of.

Safety: This is critical of importance for the Boys & Girls Club. They have not had any accidents in terms of drop-off and pickup. The new entrance will making crossing of the street easier. The addition also creates more secure outdoor spaces. Currently it is difficult to have outdoor programming. Part of the addition creates

under roof exterior space with easy access to teen and middle school centers in inclement weather for outdoor programming.

This project will have better parking for parents and staff. Currently it is a gravel lot and the new lot will be partially paved.

Mayor Volk asked for questions of the presenters. There was none.

The public hearing was opened at 7:02 p.m. in accordance with North Carolina General Statutes by notice published in the Hendersonville Lightning. The following addressed the Council:

Dave Adams, Member of the Board, stated he is overwhelmed at the growth of the Boys & Girls Club. He is very pleased with the new building proposal because it allows them to use old office space for more programming for children and the design is incredible. He is extremely pleased to be able to do this.

Julia Hockenberry, Executive Director of the Boys & Girls Club of Henderson County. She stated the driving desire and need for this project is to meet the growing need in our community. She expressed appreciation for Council's past partnership and asked for Council's consideration.

Mayor Volk asked if anyone speak in opposition to the project. The following addressed the Council:

Dorothy Williams, 1406 Martin Circle, Hendersonville, expressed problems with traffic and limited sight distance. Cars park on end on both sides to the corners of the intersection. Enlarging the facility will cause more congestion. There is not enough parking. She suggested previously that someone direct traffic when the children are getting out but it did not work. Children have crossed the street in front of her. Some parents sit in the car and do not pick up their children.

Ms. Hockenberry stated they believe with the new parking lot it will be safer. Parents will not be using on-street parking but funneled into the parking lot and walking to pick their children up. She stated they will reduce the volume of parking on the street and improve site lines. Council Member Smith asked if parking on the street will still be permitted. Mr. DeRidder stated there will be parking on the street. He stated there was a concern about this along Oriole Drive. There were concerns that during large events, people will park in front of their driveway and their visitors could not get into their driveway. He stated currently on-site there are ten spaces where cars can park on a gravel lot. They are adding 50 total spaces to get cars off the street into the designated parking lot. For the volume of traffic they see during peak hours, this parking lot will accommodate that. They do not expect people to have to park along White Sparrow or Oriole. He stated those who park on Oriole will now be farther away from the main entrance.

Dave Adams stated they will request making a no parking zone completely on the west side of the club on Ashe Street. Their intent is that cars will no longer be parked in front of the club.

Council Member Smith asked if the Council has to approve no parking in front of the club. Mr. Connet explained they will make a request to eliminate parking on that side. Council Member Smith commented on the traffic situation. He stated Ms. Williams has a good idea but they will have to make people go to the parking. Council Member Miller commented it also helps with the entrance. Council Member Smith noted Ms. Williams' concern. Mr. Connet stated staff will bring back a recommendation to the Council.

There was no further opposition. The public hearing was closed at 7:10 p.m.

Variance Requests: Council Member Smith moved the City Council approve the following variance requests:

- 1. A variance from Section 5-24-4.1 Dimensional Requirements reducing the ten-foot setback from the nearest right-of-way to seven feet.**
- 2. A variance from Section 5-24-4.1 Dimensional Requirements reducing the 25-foot setback from any exterior property line to two feet.**
- 3. A variance from Section 6-6 Off-Street Loading and Unloading Space eliminating the requirement to provide an off-street loading space for the project because of where the buildings are currently located and it allows them to add this building and meet the zoning requirements.**

A unanimous vote of the Council followed. Motion carried.

Mayor Pro Tem Caraker moved that the City Council approve an ordinance amending the official zoning map of the City of Hendersonville changing the zoning designation of the parcel numbers indicated in the application from R-6 High Density Residential to PID Planned Institutional Development, finding that the rezoning is consistent with the Comprehensive Plan, the rezoning is reasonable and in the public interest for the following reasons: it makes the best use of the existing property. He further moved the City Council approve the application from Dave Adams, former President of the Boys & Girls Club of Henderson County for a Special Use Permit based on the site plan submitted by the applicant and subject to the limitations and conditions stipulated on the published List of Uses and Conditions. A unanimous vote of the Council followed. Motion carried.

Ordinance #17-0641

AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF HENDERSONVILLE

IN RE: Boys & Girls Club of Henderson County
(File # P17-11-SUR)

Be it ordained by the City Council of the City of Hendersonville:

1. Pursuant to Article XI of the Zoning Ordinance of the City of Hendersonville, North Carolina, the Zoning Map is hereby amended by changing the zoning designation of the following parcel numbers from R-6 High Density Residential to PID Planned Institutional Development:

Parcel Numbers: 9568-82-5134, 9569-82-7213, 9569-82-6250, 9569-82-5011, 9569-82-6140, 9569-82-7112, 9569-82-8117

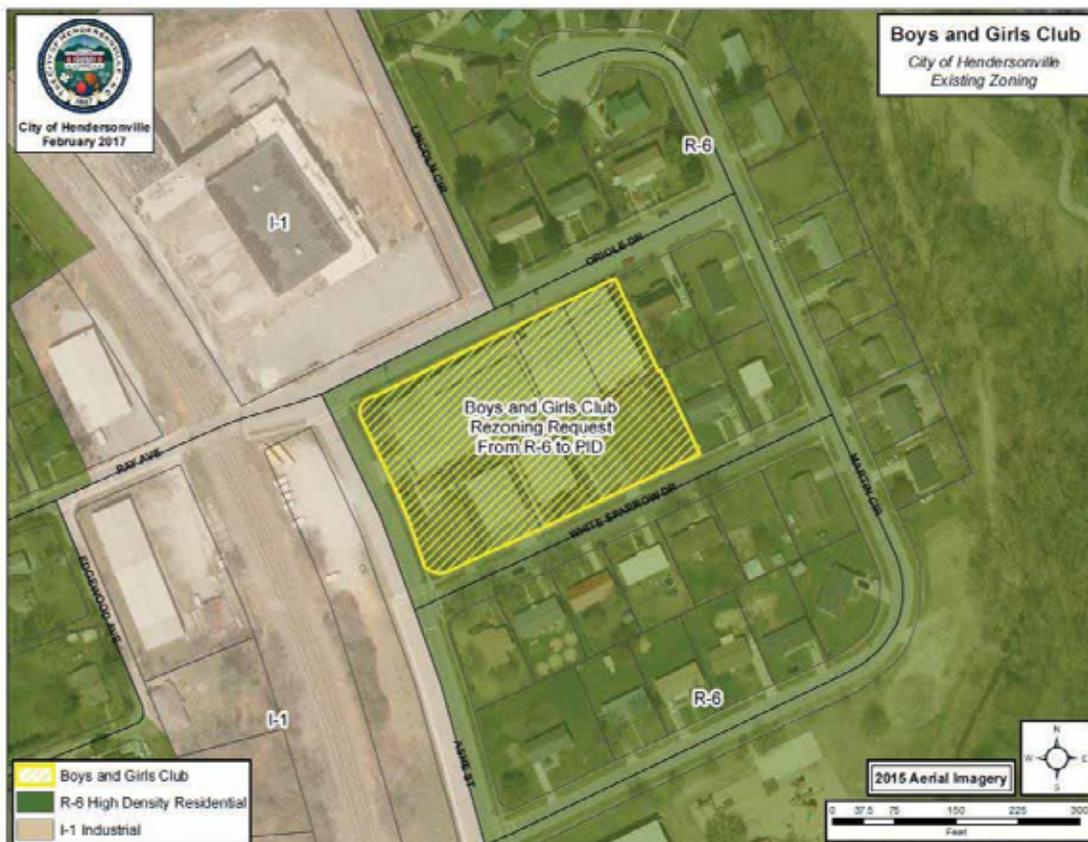
2. This ordinance shall be in full force and effect from and after the date of its adoption.

Adopted this first day of June 2017.

/s/Barbara G. Volk, Mayor

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

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



Discussion followed on how many children are being served and how many are on the waiting list. Council Member Smith asked Mr. Adams to remind the City to look at the parking on Ashe Street when the project is complete.

~~12. Consideration of a Memorandum of Understanding with Belmont Sayre, LLC to develop the Grey Hosiery Mill Project~~ – Moved to July agenda.

12. Findings of Fact and Conclusions of Law for the Hendersonville High School Special Use Permit Application: Council Member Smith reported he spoke to City Attorney Sam Fritschner at length about this and has concluded it is a legal opinion. Because the Council is acting in a quasi-judicial manner, there is a majority opinion and a descending opinion. He expressed disagreement with some of the findings of fact and conclusions of law. He stated in attempting to reword the document he believes it would be significantly different than the majority of the Council would agree to. He asked to remove it from the consent agenda because he does not want the record to reflect that he agrees with the findings. He stated he does not know of anything that would allow a different judgement as to the facts. He stated even though these are findings of facts and conclusions of law, they are subjective and that is the way it works. He asked Council vote on it. He also recognizes the document could be used by a court. City Attorney Fritschner stated yes, if it is challenged in a higher court, it would be the basis.

Council Member Smith stated he has not spoken with Mr. Hill at all and is apart from his comments. He stated he did not want to vote against the consent agenda because of one item.

Council Member Stephens commented he appreciates the comments of Mr. Hill and Council Member Smith. He stated this has been the most uncomfortable thing that has happened during his years on City Council. He stated he understands the quasi-judicial although you could argue about the safety but does not understand the change of the zoning. There are safety issues and no one could say putting teenage students across the street, not visible from the school, is a safe thing to do much less the emergency vehicles in and out the doctors spoke about, the additional traffic and safety for parents, and faculty. He stated it is the Council's responsibility to respond to what

the people of the City want. There were meetings with standing room only. He attended two Henderson County Commissioners meetings, the Board of Education meeting, the Planning meeting and the City Council meeting and they all had standing room only. Only one person in a couple of the meetings spoke in favor; the rest were opposed.

Council Member Stephens stated there is also a tax issue. The approved plan has been estimated to cost \$25-\$30 million more than if the Stillwell Building had been used as in the initial plan b. He and City citizens also pay taxes in the County.

Council Member Stephens stated he thinks it is the City's responsibility to protect historic buildings. He stated that is one of the three most important historic buildings in the City including City Hall, and the Historic Courthouse. The City has no guarantee of what will happen to the Stillwell building although the Henderson County Commission Chairman assured the Council.

Council Member Stephens stated the Chairman of the Board of Education stated at the [May 5] meeting during the discussion when Council had asked for some input on what happens to the building, ended her statements by saying "we may want to sell that building in ten years so we don't what the City involved." He stated that indicates they can do almost anything with the building. He stated it is still a mystery to him why the Council allowed the zoning to change with those issues.

Council Member Miller commented he takes great exception to being called a liar. He stated he should not have spoken to Stephen Mace but what he said was the truth. Mr. Mace called him and apologized. He stated his statements in the meeting, what he offered to the Alumni Association and the County Commissioners was entirely accurate. He stated Mr. Hill said because [Miller] spoke with other groups he could not be neutral. Council Member Miller said he did remain neutral and sought a compromise because he was worried about the Stillwell Building falling into disrepair and being abandoned. He stated he had the blessings of the City Attorney, City Manager, County Attorney, County Manager, and School Board, to discuss it without ever offering his opinion of how he would vote when it came before Council. He stated he did not know how he would vote but promised he would vote on the technical merit and that is what he did. He stated he thought it was a good effort to try to find some neutral ground and makes no apologies for it. He stated he disclosed it at the beginning of the meeting when they were revealing conversations they had.

Council Member Miller asked if the findings of fact refer to the zoning change. City Attorney Fritschner stated no, the final vote on the zoning is done. He stated the findings refer only to the quasi-judicial action - the special use permit. He stated the zoning vote is a completed act.

City Attorney Fritschner reported there were a couple of graphical and minor non-changing language and language changes made to the document. He stated these do not change the meaning.

Mayor Pro Tem Caraker moved approval of the findings of fact for the HHS special use permit application. The vote was three in favor; two opposed. City Attorney Fritschner advised another vote is required. The vote will occur at the July 6 Council meeting.

Council Member Stephens requested an addition to the minutes of the May 5 meeting to include the statement by the Chairperson of the School Board that they may want to sell the property.

There was a brief recess.

13. Consideration of a Request from Mr. Scott Bolyard to Remove 3.43 acres from the City's Extraterritorial Planning Jurisdiction (ETJ): Development Assistance Director Susan Frady requested Council's guidance on a request from Scott Bolyard to remove 3.43 acres from the City's extraterritorial planning jurisdiction (ETJ).

Mrs. Frady stated The Boulders Development consists of 56.04 acres being developed in Henderson County in the R1 zoning classification. The developer recently purchased an additional 15 acres that joins the western boundary of his project. A 3.43-acre portion of this additional property is located within the City's ETJ. The owner plans to develop the new property with a master plan to be approved by Henderson County. Therefore, the owner would like to remove the 3.43 acres from the City's ETJ.

Mrs. Frady stated in order to change the current ETJ boundary, City Council must hold a public hearing and adopt an ordinance amending the ordinance that establishes the ETJ boundary. Once this is complete, Henderson County will need to apply zoning to the area that was formally the ETJ boundary.

Mrs. Frady stated staff is seeking direction from City Council on whether the Council wishes to consider amending the ETJ boundary. If so, staff will present this to the Planning Board for a recommendation and then the application will come back to the City Council for the public hearing.

Mayor Volk asked for questions of Mrs. Frady. There was none.

Mr. Scott Bolyard presented a plan to the Council stating he has worked with the developers since 2009 on the master plan for developing the property. He stated most of the project is constructed in one area. They added 15 acres to the west and are in the planning process for it.

Mr. Bolyard stated the additional 15 acres has provided much more flexibility with the number of lots, lot sizes, etc. He stated it is possible the original ETJ lines was an arbitrary line which split some properties. He stated removing this section will help the development of the property.

There was no objection by the Council. **The Council directed staff to proceed with the ETJ amendment.**

14. Consideration of Request to Reimburse Housing Assistance Corporation for the Installation of Water/Sewer Infrastructure for a Project off North Main Street and Associated Budget Amendment : City Manager John Connet reported he and Mayor Volk met with representatives from Housing Assistance Corporation (HAC) regarding the City reimbursing HAC for a portion of the infrastructure cost associated with Oklawaha Village. As a result of this meeting, he requested the City reimburse HAC for the water and sewer infrastructure that will be utilized to provide utility service to this area of N. Main Street. The reimbursement is based upon the following infrastructure costs:

1. sewer pump station - \$226,565
2. Mud Creek bore - \$98,000
3. Portion of a 12-inch water line along N. Main Street - \$75,435.

Mr. Connet stated staff recommends the City partner with HAC on this project and reimburse \$400,000 for the infrastructure that will be used on a regional level along North Main Street.

Mayor Pro Tem Caraker moved the City Council reimburse Housing Assistance Corporation for a portion of the infrastructure cost associated with Oklawaha Village that will be utilized to serve a larger area along N. Main Street. He further moved to approve the budget amendment as presented. A unanimous vote of the Council followed. Motion carried.

Budget Amendment: Fund 60, fund balance appropriated \$400,000

15. Consideration of Stream Trash Collection Project on Mud Creek: Mr. Michael Huffman, Stormwater Quality Specialist, presented an opportunity for an innovative pollution removal. He stated the City will be partnering with GreenWorks and Mountain True to install and maintain Trash Trout. He revised the design which is made from a recycled pontoon boat. He proposed placing the collector on Mud Creek at the Balfour Bridge near the City's wastewater treatment plant. He stated the collector could also be moved to other area. He reported no permits are required nor will it have an impact on wildlife. **The Council directed staff to proceed with the trash collection project.** Mayor Volk expressed her appreciation for their work.

15a. Special Appropriations Request for Humane Society: Mr. Connet presented a request for a special appropriation to continue a spay and neuter program. He reported the Humane Society originally requested \$50,000. He asked the Council to consider a one-time \$10,000 donation for the start-up program. He stated continuing the program will have positive impact on Police Department.

Ms. Caroline Gunther explained to the Council that it is not a continuation of CPPI but a new program. They are putting an employee at the Henderson County shelter to assist in streamlining the process.

Council Member Smith moved Council to approve a special appropriation to the Blue Ridge Humane Society in the amount of \$10,000. A unanimous vote of the Council followed. Motion carried.

16. Comments for Mayor and City Council Members: Council Member Smith stated he has had discussions previously with staff about how Council may grant special use permits without the need for a quasi-judicial hearings. He asked for a memorandum from the City Attorney with this information. City Attorney Fritschner stated there are legislative ways to accomplish this. **The Council agreed by consensus.**

Henderson County TAC: Mayor Pro Tem Caraker reported he voted to move forward the list of projects close to the North Main Street multi-family housing projects forward. This was backed by Henderson County. **No action was required.**

17. Reports from Staff:

18. Boards and Commissions: Consideration of (Re)Appointments, Announcement of Upcoming Vacancies:

a) **Consideration of Appointments:** City Clerk Tammie Drake announced the (re)appointments and presented the applications on file.

1. **Business Advisory Committee:** Mrs. Drake announced a vacancy on this Committee. **No action was taken.**

2. Walk of Fame Steering Committee: Council Member Smith nominated Ms. Madeline Royes. A unanimous vote of the Council followed. Motion carried.

b) Announcement of Vacancies and Upcoming Vacancies: Mrs. Drake announced the vacancies and upcoming vacancies/reappointments: Board of Adjustment, Henderson County Tourism Development Authority, Seventh Avenue Advisory Committee, Downtown Advisory Committee, and Historic Preservation Commission.

19. New Business: There was none.

20. Closed Session: At 8:14 p.m., Mayor Pro Tem Caraker moved City Council enter Closed Session pursuant to NCGS143-318.11(a) (4) and (6) to discuss matters relating to the location or expansion of industries or other businesses in the area served by this body and to consider the performance of an individual employee. A unanimous vote of the Council followed. Motion carried.

The Council discussed the location or expansion of local industries and applying for grant assistance to aid in financing the cost of needed infrastructure. The Council also conducted the annual evaluation of the City Manager.

Resolution #17-0643

AUTHORIZING RESOLUTION BY THE HENDERSONVILLE CITY COUNCIL

WHEREAS, the North Carolina Rural Infrastructure Authority (RIA) has authorized the awarding of grants from appropriated funds to aid eligible units of government in financing the cost of infrastructure activities needed to create jobs; and

WHEREAS, the Hendersonville City Council needs assistance in financing an infrastructure project that may qualify for Rural Grants/Programs funding; and

WHEREAS, the City of Hendersonville intends to request grant assistance for Demmel and Elkamet from the Economic Infrastructure Grants Program;

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

That the City of Hendersonville in tandem with the Henderson County Partnership for Economic Development, Demmel and Elkamet will arrange financing for all remaining costs of the project, if approved for a grant.

That John Connet, City Manager, and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Hendersonville with the Rural Grants/Programs Section for a grant to assist in the above-named infrastructure project.

That John Connet, City Manager, and successors so titled, is hereby authorized and directed to furnish such information as Rural Grants/Programs Section may request in connection with an application or with the project proposed; to make assurances as contained in the application; and to execute such other documents as may be required in connection with the application.

That the Hendersonville City Council has substantially complied or will substantially comply with all federal, state, and local laws, rules, regulations and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this date, June 1, 2017, in Hendersonville, North Carolina.

/s/Barbara G. Volk, Mayor

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

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

21. Adjournment: The meeting adjourned at 9:15 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

Tammie K. Drake, City Clerk