

MINUTES
February 8, 2018
SPECIAL MEETING OF THE CITY COUNCIL
COUNCIL CHAMBERS – CITY HALL
5:45 p.m.

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

Staff Present: City Manager John F. Connet, City Clerk Tammie Drake, Development Assistance Director Susan Frady, Budget and Management Analyst Adam Murr, Assistant City Manager Brian Pahle, Fire Chief Joseph Vindigni

1. Call to Order: Mayor Volk called the special meeting to order at 6:00 p.m. and welcomed those in attendance. A quorum was established with five members in attendance.

The purpose of the special meeting was to hold a Council/Staff retreat to develop a work plan for the coming year.

2. Old Business:

2a. Consideration of a Petition for Satellite Annexation from Mountain Bean Growers, Inc. for Property Located at 20 Howard Gap Road: Mayor Volk explained a second reading of the ordinance is required for approval of the satellite annexation. **Council Member Caraker moved the City Council adopt an ordinance annexing the property included in the Mountain Bean Growers, Inc. petition effective February 8, 2018. The vote was three in favor; two opposed (Smith, Miller). Motion carried.**

Ordinance #18-0211

**AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF HENDERSONVILLE,
 NORTH CAROLINA - Mountain Bean Growers, Inc.**

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 sixth day of February 2018, after due notice by publication as by law provided; and,

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

- a. All of the proposed satellite corporate limits are less than three miles from the primary corporate limits of Hendersonville. The map distance is 2,250 feet.
- b. No point on the proposed satellite corporate limit is closer to the primary corporate limits of another city than to the primary corporate limits of Hendersonville.
- c. The area is situated so that the City of Hendersonville, if City Council so determines, will be able to provide the same services within the proposed satellite corporate limits that it provides within its primary corporate limits.
- d. The area proposed for annexation is not a subdivision as defined in NCGS 160A-376.
- e. The area within the proposed satellite corporate limits when added to the areas within all other satellite corporate limits does not exceed 10 percent (10%) of the area within the primary corporate limits of the City of Hendersonville. The total area within the satellite corporate areas, including land involved in this petition, constitutes 4.3 percent of the area within the primary corporate limits.

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 N.C.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 eighth of February 2018.

DESCRIPTION OF PROPERTY

Being located within the Hendersonville Township – Henderson County, North Carolina and being more particularly described as follows:

BEGINNING at a ½" Iron Pipe, said Pipe being the Northeast Corner of Subject Tract, also being in the Western margin of Howard Gap Road, SR 1006, said point bearing NC Grid Coordinates N=603,356.91,E=974,857.61;Thence, along the Western margin of Howard Gap Road S7°47'35" E a distance of 140.16 feet to a point of curvature, curve being to the right, having a radius of 770.00 feet, the chord of which bears S 3°32'08" E, a chord distance of 114.34 feet, and having an arc length of 114.44 feet to a point; Thence, continuing along the said margin S 0°23'35" W a distance of 141.44 feet to a point of curvature, curve being to the left, having a radius of 830.00 feet, the cord of which bears S 3°58'52" E, a chord distance of 126.63 feet, and having an arc length of 126.75 feet to a point; Thence leaving the Western margin of Howard Gap Road the following six calls along proposed new lines to be the dividing lines between proposed Tracts A and B, S 83°44'34" W a distance of 177.45 feet to a point; Thence, S 85°16'41" W a distance of 358.78 feet to a point; Thence, N 87°08'18" W a distance of 205.21 feet to a point, Thence, N 82° 57'50" W a distance of 167.52 feet to a point; Thence, N 73°05'42" W a distance of 268.16 feet to a point; Thence, N 54°27'31" W a distance of 92.38 feet to the Western line of Subject Tract, Thence, N 5°54'53" W a distance of 594.54 feet to a ½" Iron Pipe, said pipe being the Northwest Corner of Subject Tract; Thence, S 75°38'38" E a distance of 241.82 feet to a planted Stone; Thence, S 75°07'09" E a distance of 268.13 feet to a ½" Iron Pipe; Thence, S 85°07'09" E a distance of 651.02 feet, to the point of BEGINNING.

Subject Tract Being 16.6 Acres, more or less.

Section 2. Upon and after the eighth day of February 2018, 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.

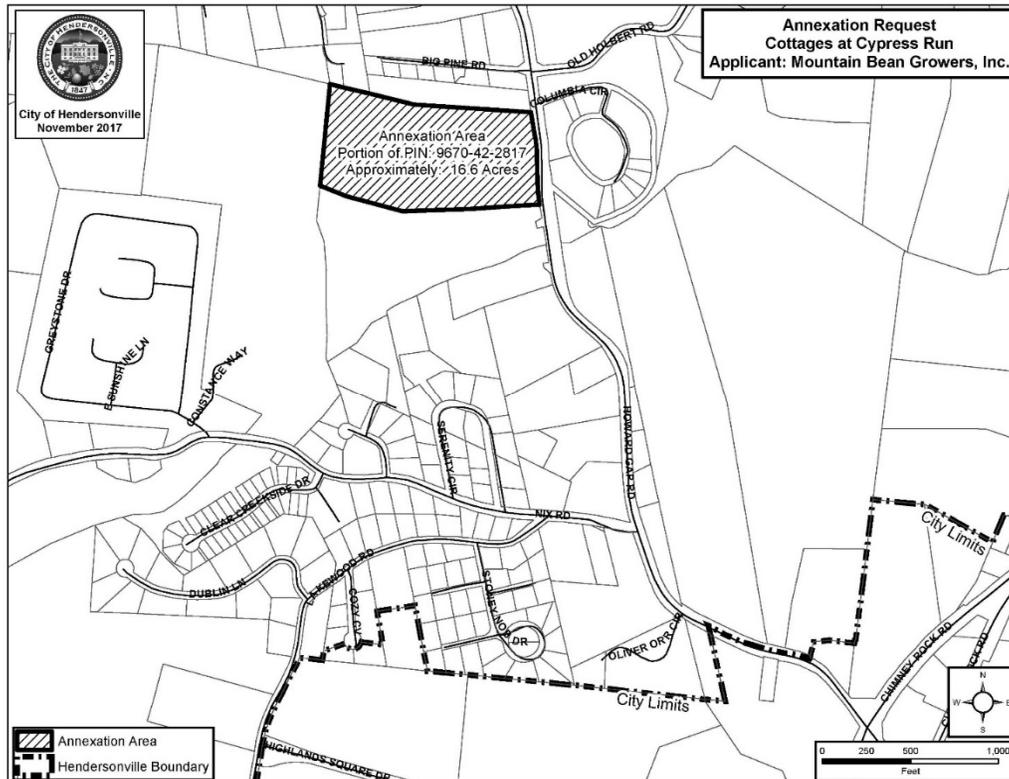
Section 3. The City Clerk of the City of Hendersonville shall cause to be recorded in the office of the Register of Deeds of Henderson County and at the Office of the Secretary of State in Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1, hereof, together with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

ADOPTED this eighth day of February 2018.

/s/Barbara G. Volk, Mayor

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

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



2b. Consideration of a Request by the French Broad River Metropolitan Planning Organization for an Increase in the City's Contribution to Fund Transportation Corridor Studies in Henderson County:

There was discussion about the funding of the request if the City approves the funding but Henderson County does not and if the City may have to pay more. Council Member Caraker commented he is not sure how much value it will bring to the City at this time. He stated there are issues in Asheville and Buncombe County that would benefit from a study. He reported Henderson County Commissioners Lapsley requested the City not support the request.

Council Member Caraker moved the City Council not approve the request for an increase in the City's contribution to the FBRMPO by \$1,366 per year for three years to fund transportation corridor studies in Henderson County. The vote was four in favor, one opposed (Smith). Motion carried.

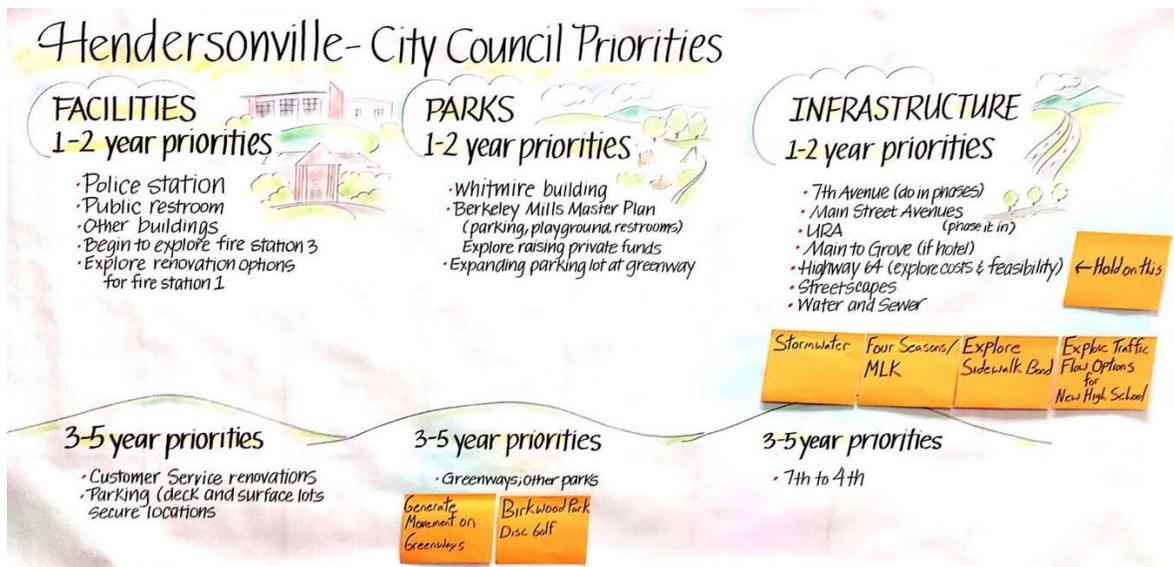
There was a brief recess for dinner.

3. Opening Remarks: Mr. Connet welcomed back Facilitator Warren Miller.

4. Review of Accomplishments: Mr. Connet gave an update on the priorities established by the Council at the 2017 retreat.

- 7th Avenue Streetscape, Phase I: in design stage; Hunter Marks has been engaged. There is new construction/investment in the area
- Berkeley Mills Park: private contributions levels have been established. Private fund raising has been discussed with the Village of Flat Rock
- Customer Service Renovations: not started pending Police Station relocation
- Fire Station #1 Renovations: being evaluated
- Fire Station #3: not started
- Gateway signs: in design, will be presented to the Council in the near future
- Greenway Parking lots: not started
- Grey Mill Redevelopment: in design, property sold to developer
- Main Street avenues (phases): being evaluated
- Maple Street Streetscape: construction has begun
- Mill Project Landscape: in design
- Parking (deck, lots): being evaluated
- Police Department Headquarters: site selection is underway
- Public Restrooms: being evaluated
- Public Works Maintenance Building: in process of CMAR selection
- URA: on hold
- Whitwire building: repurposing the pedestrian bridge on Greenville Highway to this site

Mr. Warren Miller asked the Council if the priorities are still in line with what they want to accomplish in the coming year. Discussion from the Council produced the additions (in yellow):



5. Financial Trends: Mr. Pahle began with a presentation on financial sustainability including operating ratio, recurring vs. non-recurring expenditures, fund balance and the City's Available Fund Balance Policy which is 25 to 35 percent, debt capacity, debt service coverage ratio. He requested Council consider establishing a policy to maintain a debt service coverage ratio of at least 1.20.

Mr. Pahle reviewed some trends affecting the General Fund:

population: increased an average of 1.42% since FY12-13,

development: sharp increase beginning FY 15-16 resulting in increased service and infrastructure demands.

Mr. Pahle provided a history of the assessed property values stating revaluation years will be key in the future. He explained not all growth pays for itself.

Sales Tax – Collections/Refunds: The collection of sales tax has decreased almost 1 percent this fiscal year. He also discussed the ¼-cent sales tax option and its effect. There was discussion of the effect of large construction projects on the sales tax.

Fund Balance: Mr. Pahle stated the goal for fund balance is between 25 and 35 percent. The balance was 31.13 percent at the end of FY 16-17. He discussed the amount of required restricted funds.

Financial Forecast: Mr. Pahle reviewed the actual expenditures versus actual revenues. He predicted fund balance may be needed to balance at the end of the fiscal year.

Mr. Pahle stated variables may be put in the five-year strategic plan. The revaluation is needed to help fund priorities going forward. Mr. Connet stated the model is a good tool. He stated on the General Fund side, new expenditures will be limited for the next fiscal year in anticipation of the revaluation. He reminded the Council of the commitment to pay/classification plan for employees. He also commented on the importance of ¼-cent sales tax that would equate to approximately \$1.4 million in revenue. This sales tax requires legislative action and would have to pass by referendum in a general election.

6. Discussion of Priorities:

Public Restroom: Mr. Holloway reported the Downtown Advisory Committee Infrastructure Team has been discussing restrooms, specifically: where, how quickly can it be put in place, and what is needed. He reviewed options and potential costs for facility solutions:

- Portable restrooms - lease or purchase, requires maintenance, reviewed pros and cons
- Single-use, pre-fab, designed for urban, high-use, high volume, attached, pipes, about the size of a parking space, may include baby-changing station, timer, self-maintaining
- Pre-fab single use unit, appearance may be changed, not heated, possibly located in existing parking lot (Azalea or Dogwood)

The Council discussed possibilities for a permanent restroom for downtown and the possibility of having a portable, short-term facility for this year until a permanent facility/location is decided upon. Mr. Holloway estimated the cost at approximately \$5,500/month + maintenance for a portable facility. Mr. Connet stated a season for providing the portable facility could be established such as May through October. After discussion, **the preference of the Council is to own a building option for the restrooms, and to possibly consider a temporary pre-fab unit in a parking space downtown.** Mr. Pahle suggested investigating a loan with MSD funds to fund a permanent facility.

Parking Deck: Mr. Holloway reviewed a timeline, activities and improvements to parking downtown. He discussed ways to generate revenue: a parking bond, increasing parking meters downtown and increased parking fees.

Decks: Mr. Holloway stated a parking deck downtown will need aesthetic appeal. He estimated a cost of a parking deck at \$20,000-\$25,000 per space, plus of cost of land acquisition if it is not city-owned property. Mr. Connet discussed timing of a deck stating putting a bond referendum on a ballot requires some time. This would allow the citizens to decide if they want a parking deck in downtown. Regarding revenue, Mr. Connet stated the existing parking in downtown may have to be metered to incentivize the use of the deck to generate revenue so there is not a large burden on the General Fund.

Discussion followed on the location of a parking deck and it exiting onto Main Street and the necessity of easy access. Mr. Connet asked if there is any interest in moving forward with a parking deck at this time. Council Member Caraker commented on the effect on parking of the redevelopment of Grey Hosiery Mill. Mayor Volk requested data on spaces filled, etc. **The Council agreed to more discussion on a parking deck.**

Mr. Connet announced the Council will reconvene at 8:30 a.m. on Friday, February 9, 2018 at the Chamber of Commerce.

At 8:19 p.m. **Council Member Caraker moved City Council to enter a closed session to establish or instruct the staff (or negotiating agent) concerning the position to be taken by or on behalf of the City Council in negotiating the price and other material terms of a contract for the acquisition of real property by purchase, option, exchange, or lease as provided under NCGS §143-318.11(a)(5).**

The Council discussed the potential purchase of property for the siting of the Police headquarters.

At 8:29 p.m., **Council Member Caraker moved City Council to exist the closed session. No action was taken by the Council.**

7. Adjournment: The meeting adjourned at 9:05 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

Tammie K. Drake, City Clerk

MINUTES
February 9, 2018
SPECIAL MEETING OF THE CITY COUNCIL
HENDERSON COUNTY CHAMBER OF COMMERCE
8:30 a.m.

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

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, Downtown Economic Development Director Lew Holloway, Public Information Officer Tara Ledbetter, Budget and Management Analyst Adam Murr, Utilities Director Lee Smith, Assistant Manager Brian Pahle, Fire Chief Joseph Vindigni, Public Works Director Tom Wooten

1. Call to Order: Mayor Volk called the special meeting to order at 8:30 a.m. and welcomed those in attendance. A quorum was established with five members in attendance. The meeting was facilitated by Mr. Warren Miller of Fountain Works who provided this meeting summary.

The purpose of the special meeting was to hold a Council/Staff retreat to develop a work plan for the coming year. The objections for this day of the retreat was to: to gather guidance on City's overall strategic priorities and to gather guidance on Water and Sewer priorities.

Discussion resulted in the following consensus by the Council.

2. Guidance on Water and Sewer Rates:

*Should rates be changed to mimic the recommendations found as the result of the rate study? **Yes, how quickly and how we do that – to be determined.***

*Should staff proceed with a more or less conservative rate structure than recommendations made via the rate study? **Follow the rate study recommendations***

*Should the rate study recommendations influence the proactive level of the CIP, or should the CIP be tailored to help lessen the burden on rate increases? **Follow the CIP and the rate recommendations.***

*Should rate structure be changed to reflect consultant recommendations? Some of these changes include a charging a base fee tiered by meter size, converting the declining block rate to an ascending block rate for commercial/industrial class customers, and adjusting volumetric charge tiers. **Yes***

Rate Differential:

*Should rate differentials be eliminated? If so, over what period of time? (Immediate or over X number of years?) **Leave as it is for now. Need to look at project breakdown (inside v. outside).***

*Should differential be eliminated for water only, sewer only, or both services? **No***

System Development Charges:

Should SDC's be re-implemented following completion of professional study fulfilling requirements set by State legislation? If so, should the City:

*Re-implement SCDs to the full extent allowed or by the State (with a 25% discount); OR
Proceed with 50% discounted SDCs? **Take this to the Advisory Council.***

*Guidance on Urban Services Boundary/Sewer Extension Policy: **Continue with existing policy. Meet with county.***

3. Guidance on Stormwater:

*Should the City continue to do stormwater the way we've historically done it? (i.e. piecemeal) Or do a stormwater master plan and look at the issue holistically. **We need to find out what we have (i.e. master plan), and then set up a funding vehicle.***

*Stormwater Rate Structure: "How do we spread the costs of these projects in a way that is feasible?" **Include a fee in the next budget; needs to be attached to a property tax City and ETJ.***

Master plan – How do we want to take bites out of the elephant? How do we want to move forward? What needs to be done first and how much will it cost?

- **Defer establishment of a utility until we understand magnitude of problem**
- **Pilot a master plan in one watershed (West Hendersonville)**
- **Increase fee by \$1 for everybody**
- **Then expand study around the city**
- **Keep County apprised about what's going on inside our boundary.**

7. Adjournment: The meeting adjourned at 2:00 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

Tammie K. Drake, City Clerk