

MINUTES

June 6, 2019

REGULAR MEETING OF THE CITY COUNCIL OPERATIONS CENTER – ASSEMBLY ROOM 5:45 p.m.

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

Staff Present: City Manager John F. Connet, City Attorney Samuel Fritschner, City Clerk Tammie Drake, Police Chief Herbert Blake, Finance Director John Buchanan, Development Assistance Director Susan Frady, Human Resources Director Jennifer Harrell, Planner Daniel Heyman, Downtown Director Lew Holloway, Engineering Director Brent Detwiler, Director Allison Nock, Assistant Manager Brian Pahle, Utilities Director Lee Smith, Fire Chief Joseph Vindigni, 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 four members in attendance.

2. Invocation: A moment of silence for prayer was provided.

3. Pledge of Allegiance: The Pledge of Allegiance to the Flag was led by Miss Izabella Mills, 4th Grade, Bruce Drysdale Elementary, recipient of the Mayor's Civic Achievement Award.

4. Public Comment Time: *Up to 15 minutes is reserved for comments from the public for items not listed on the agenda.* Due to the number of those signed up to speak, Mayor Volk limited the time to one minute per person.

The following spoke in opposition to the Mayoral Proclamation for Hendersonville Gay Pride Day:

Pastor Travis Parker
Pastor Robby Henderson
Pastor David Dickerson
Preacher Dennis Smith
Pastor Josh Mathis
Jonathan Buckner, also presented a petition with 500+ names.

The following spoke in support of the Mayoral Proclamation for Hendersonville Gay Pride Day:

M.C. Kruse
Christine Mattingly
Laura Bannister
Carl Young
Reverend Joan Saniuk
Babs Newton

Ken Fitch, 1046 Patton St., spoke about the budget and the recent action by Board of Commissioners for funding School Resource Officers. He stated the stipulations need to be discussed.

5. Consideration of Agenda: Council Member Caraker moved approval of the agenda as presented. A unanimous vote of the Council followed. Motion carried.

6. 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:

- i. May 2, 2019 Regular Meeting
- ii. May 3, 2019 Special Meeting

B. Consideration of Budget Amendments (2): Mr. Adam Murr, Budget and Management Analyst, presented the following budget amendments.

1. Governmental Fund:
 - Fund 10, No increase/decrease
 - Fund 20, Increase of \$10,000
 - Fund 410, Increase of \$10,000
 End-of-year amendments to correct overages in various departmental account lines that cannot be adjusted without City Council approval. The transfer to the sidewalk fund will provide additional funding to complete a portion of sidewalk that was originally value-engineered out of the project and the respective water/sewer component.

Additionally, funds will be made available for an anticipated change order in the Main St. restroom project for the relocation of a metal beam discovered in the demolition process which will have to be moved.

2. Enterprise Fund:

Fund 60, Increase of \$27,987

Fund 68, Increase of \$15,759

Fund 460, Increase of \$2,334,020

End-of-year amendments to adjust account overages in the Water and Sewer Fund and the Environmental Service Fund. The amendment primarily addresses personnel related items, which cannot be adjusted without City Council approval. The amendment also adjusts funds for the Inflow and Infiltration project, NCDOT Shepherd/Erkwood project, NCDOT Old Airport Road project, Etowah project, Highway 25 project, and Highway 64 East/Highland Square (HWY64) project out of the Water and Sewer Fund, into the Capital Projects Fund (CPF). Fund balance is proposed to be utilized as a portion of funding for the capital projects, as outlined in the capital improvements plan. Project budgets are being transferred due to timelines extending beyond the end of the current fiscal year (FY18-19) into next fiscal year (FY19-20).

C. Consideration of Amendments to the Personnel Policy, Article III, The Pay Plan, Section

17. Longevity Pay: Human Resources Director Jennifer Harrell reported staff has analyzed the method in which the City has been awarding longevity pay to employees and has determined if it is to be equitable to all employees, it should be paid as a flat rate instead of a percentage of salary per years of service. Using the current longevity percentage, a higher paid, five-year employee could potentially be paid more than a twenty-year employee.

| Current Longevity Rate: | | Staff recommended Rate beginning July 1: |
|-------------------------|----------------------|--|
| Years of Service | Percentage of Salary | Longevity amount |
| 5 to 9 years | 1.0% | \$500 |
| 10 to 14 years | 1.5% | \$750 |
| 15 to 20 years | 2.0% | \$1,000 |
| 20 or more years | 2.5% | \$1,250 |

Mrs. Harrell explained longevity pay is subject to approval each fiscal year depending upon the financial conditions of the City and is not considered a part of the annual base pay. Appropriate federal, state, retirement, etc. deductions will be made. This change will become effective July 1, 2019.

D. Consideration of Amendments to the Personnel Policy to Include a New Class of

Employee - Temporary Fellow: Human Resources Director Jennifer Harrell presented an amendment to the Personnel Policy to include Temporary Fellow. This amendment is necessary to participate in the pilot program "Lead for North Carolina (LFNC) operated by the UNC Chapel Hill School of Government.

ARTICLE I. GENERAL PROVISIONS, Section 9. Definitions

Temporary Fellow. A person hired by the City through the Lead for North Carolina (LFNC) program. The employee will be eligible for health care benefits or a taxable subsidy. The nonexempt employee will be paid hourly for a maximum of 40 hours per week.

ARTICLE II. POSITION CLASSIFICATION PLAN, Section 16. Hourly Rate of Pay

Employees working in a part-time or temporary capacity with the same duties as full-time employees will work at a rate in the same salary range as the full-time employees. Temporary Fellows will be paid according to the Lead for North Carolina program.

ARTICLE VI. EMPLOYEE BENEFITS, Section 1. Eligibility: As an integral part of a comprehensive, competitive compensation program, the City offers a variety of benefits. Specific benefit programs will vary from time to time and the type, level, eligibility and cost of such programs are subject to change at any time at the sole discretion of the City. To that end, the City will periodically review each employee benefit and may, with or without notification, modify, delete or add benefits at its own discretion as may be deemed to be appropriate and necessary.

All full-time and part-time employees of the City are eligible for employee benefits, subject to any waiting period, as provided for in this Article which are subject to change at the City's discretion. Temporary employees are eligible only for workers' compensation and FICA. Temporary Fellows are eligible for group health insurance or a taxable subsidy.

E. Consideration of the Lead for North Carolina Fellow Employment Contract: Mr. City Manager John Connet reported upon the adoption of the FY 2019-20 Budget the City will be establishing a local government fellowship position as part of the Lead for North Carolina program. The City will be serving as one of 20 pilot local governments for this new program. The UNC School of Government has developed an employment contract between the City and the local government fellow. He provided the contract and recommended approval for one year.

F. Consideration of the Addition of Construction Inspector I, II and III Job Descriptions and

Classifications: City Engineer Brent Detwiler reported the City will be hiring a second construction inspector which is funded in the next fiscal year budget. In order to better classify the inspector positions, staff is proposing to split the job description into three descriptions of varying experience requirement levels. This will result in the reclassification of the current construction inspector to a Construction Inspector II. A Construction Inspector I will be hired in the upcoming budget year. [The job descriptions are available in the office of the Human Resources Director.]

Mr. Detwiler recommended the Construction Inspector I be placed in Pay Grade 15 (current Construction Inspector is in Pay Grade 15), Construction Inspector II in Pay Grade 16 and Construction Inspector III in Pay Grade 17.

G. Consideration of a Contract with Pardee Hospital for Employee Clinic: Human Resources Director Jennifer Harrell explained the City partnered with Pardee Hospital for an employee clinic. The successful first year, October 29, 2018 - November 1, 2019, is being ran as a no-cost pilot program. She stated the annual cost is \$36,000 and the prorated cost through June 30, 2020 will be \$21,875.00.

Ms. Harrell stated the clinic has been a success for employees. Since opening on October 29, 2018, the clinic has treated City employees more than 162 times. Employees are being treated quicker and the clinic has provided the ability to have preventative screenings that otherwise employees may not receive, including skin screenings. She stated the clinic also serves as a resource for chronic conditions and the clinic staff is helping employees find primary care physicians. She stated the hope is the City will see lower claims as employees utilize this service as well as be used as an employee recruitment and retention aid. She requested Council's approval to continue the services of the clinic.

H. Consideration of Proposal and Scoping Document WithersRavenel for the Stormwater Enterprise Fund Rate Study: Based on conversations during the budget and CIP process, Council directed staff to plan for a stormwater rate study in FY20. City Engineer Brent Detwiler reported staff has worked with WithersRavenel who recently completed the Wash Creek Stormwater Study to develop a proposal and scoping document for the rate study. He stated the rate study is included in the FY 19-20 budget. He requested Council authorize the City Manager to execute an agreement with WithersRavenel upon adoption of the budget for FY 2019-20. [The agreement is in the office of the City Engineer.]

I. Consideration of Amendment #3 of the Wildlands Engineering Agreement for the Design of the Multi-Area Streambank Restoration Project, Phase III: City Engineer Brent Detwiler stated an on-call engineering agreement with Wildlands Engineering was executed in June 2017 for environmental design and permitting services. Two amendments to that agreement have been executed for the Multi-area Streambank Restoration Project - Phase 1 for preliminary design and Phase 2 to complete the final design, conservation easements, bidding and construction administration. He stated a third engineering amendment is required for the Multi-area Streambank Restoration Project to cover additional design and permitting work, letter of map revision (flood permitting) documentation and post-project monitoring. He provided a breakdown of various additional work. He noted that engineering work is reimbursable as part of the SRF loan for the project.

J. Consideration of Awarding a Contract to Stratus Building Solutions for Cleaning Services: Public Works Director Tom Wooten stated bids were solicited for cleaning services for City buildings and restrooms. He reported the following bids were received:

- Stratus Building Solutions - \$6,115/month, increase to \$7,110/month when the downtown restroom project is completed and open to the public
- Jan Pro Bid - \$11,728 per month
- CleanNet USA Bid - \$7,714.45 per month
- Royal Commercial Cleaning - No Bid
- All Green Carpet Care - No Bid

Mr. Wooten reported an evaluation of the three bids determined Stratus Building Solutions was the first choice for the City's cleaning services and recommended approval of the contract. [The contract is available in the Public Works Office.]

K. Consideration of Revision of the City's Available Fund Balance Policy: Assistant Manager Brian Pahle explained the Local Government Budget and Fiscal Control Act includes the formula the City must use to calculate the fund balance. Within this act, State Statute 159-8 is the authority for having an annual balanced budget ordinance. The LGC also has fund balance policies and defines the unassigned fund balance as a portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Each year the LGC compares the percentage of fund balance available for appropriation to the prior year percentages for similar local government units. If that percentage is materially below the average of similar units, LGC will alert the City of this fact. The LGC also identifies if the available fund balance drops significantly over a period of time.

Mr. Pahle explained the City recognizes the importance of accurate estimation and effective management of fund balance as central to local government budgeting and finance by consistently evaluating the amounts in reserves and determining if the level is adequate. For this reason, he proposed changes to update the Fund Balance Policy. These changes include minor language revisions and additions to bring the document more in line with local standards as previously discussed with Council. He noted the proposed change for the General Fund to be at a minimum of 50 percent of the City's population group average percent available fund balance. Another important change is proposed language amending procedures for transfers to a capital reserve fund to be more in line with local standards.

Available Fund Balance Policy

Date Adopted by Council: June 6, 2019

SECTION 1. Purpose

The Hendersonville City Council hereby establishes an Available Fund Balance Policy for the purpose of improving and maintaining fiscal responsibility as required under the Local Government Budget and Fiscal Control Act, NC General Statute Chapter 150. This policy defines the level of Available Fund Balance and establishes guidelines for preserving an

adequate fund balance in each of the City of Hendersonville (City) major operating funds in order to sustain financial stability and to provide prudent management of the City's financial reserves.

SECTION 2. Definitions

2.1 Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund.

2.2 An accounting distinction is made between the portions of governmental fund balance that is spendable and nonspendable. Government Accounting Standards Board (GASB) Statement 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following five categories:

- a. Nonspendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact. Examples include inventory and prepaid items.
- b. Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and debt proceeds.
- c. Committed fund balance – includes amounts that can be used only for specific purposes determined by a formal action of the City's highest level of decision-making authority which is the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the commitment originally.
- d. Assigned fund balance – comprises amounts intended to be used by the City for specific purposes. Intent can be expressed by the City Council by the approval of a budget appropriation. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. An example includes funds assigned by City Council for specific capital projects.
- e. Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. The City often uses the term available fund balance when referring to unassigned fund balance. Unassigned fund balance is the amount that is available for appropriation for public purposes.

2.3 The legal definition of available fund balance in North Carolina is defined in the Local Government Budget and Fiscal Control Act (LGBFCA) section 159-8(a). The statute states "appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year".

2.4 Percent available fund balance shall be defined as and match the calculation used by the Local Government Commission (LGC). The calculation is defined as the LGBFCA definition of available fund balance, divided by the total actual operating expenditures plus transfers out minus installment purchases and issuance of capital leases for the fiscal year. This calculation will match the calculation used by the Local Government Commission (LGC) in reporting on local government fund balances.

2.5 Enterprise funds are used to account for utility operations. The City's Water and Sewer Fund is an enterprise fund. Enterprise funds are also known as proprietary funds and business-type funds. Enterprise funds have separate terminology for fund balance or retained earnings which is termed as net position in financial reports, however the City commonly uses the term fund balance for these funds as well. The fund balance or retained earnings of each enterprise fund is to be used for the operating purpose of the fund and used for budgeting on a modified-accrual basis.

SECTION 3. Objectives

3.1 The City's management and Council recognize that it is essential to maintain adequate available fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances.

3.2 The fund balance also provides cash flow liquidity for the City's operations and increases the potential for investment income.

3.3 Ample fund balance enhances short term and long term financial credit by helping to achieve the highest credit and bond ratings possible to provide the City the ability to borrow at the lowest possible rate.

3.4 A fund balance policy promotes long-term financial stability by establishing clear and consistent guidelines.

3.5 Adequate available fund balance will provide funding flexibility during unanticipated emergencies and natural disasters.

SECTION 4. Guidelines

4.1 The North Carolina Local Government Commission is charged with overseeing the fiscal health of North Carolina cities and counties and recommends that a minimum of at least eight percent (8%) of annual budgeted expenditures be maintained for available fund balance for the purposes of cash flow. They further recommend that local governments maintain an adequate fund. Their meaning of adequate is an available fund balance that is able to meet operating needs, cash-flow shortfalls, and unforeseen needs and to take advantage of unexpected opportunities. LGC staff consider the average percent available fund of comparable sized NC cities or counties to be a good guide of what is adequate. The percent available fund balance level at 50% of the average percent available fund balance of their respective population group is the guide recommended by the LGC. Additionally, the LGC may send written notices if the percent available falls below this mark or if the percent available drops a large amount in consecutive years. Higher levels may be set based on the current operating needs of the City and the individual fund and future funding needs.

4.2 The City commits to maintaining reserves required by law, ordinance, and/or bond covenants.

4.3 The City Council hereby establishes a goal for percent available fund balance for the General Fund to be at a minimum of 50% of the City's population group average percent available fund balance. Furthermore, the City Council hereby establishes a goal for the Water and Sewer Fund percent available fund balance to range between fifty to seventy-five percent (50%-75%). The City will adjust this goal as appropriate based upon the

recommendation from the LGC, modifications in North Carolina law, and potential changes in the City's financial outlook.

4.4 All expenditures drawn from fund balance will require City Council approval unless previously authorized by the City Council for expenditure within the City's annual budget.

4.5 If fund balance falls below the goal levels, the City Manager shall implement a plan to restore percent available fund balance within thirty-six (36) months and include within annual budget the plan to restore fund balance to required levels.

4.6 The City Council may, from time to time, appropriate fund balances that will reduce the percent available fund balance below the minimum goal in the General Fund or below the minimum goal for the Water and Sewer Fund for the purpose of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the City. In such circumstances, the City Council will adopt a plan to restore the percent available fund balance to the policy level within thirty-six (36) months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the City, then the City Council will establish a different but appropriate time period.

4.7 The City Manager is charged to annually monitor and report to City Council during the preparation of the annual operating budget regarding the status and forecast of percent available fund balance and or retained earnings and compliance with the stated range goals.

SECTION 5. Capital Reserves

5.1 Under North Carolina General Statute 159-18 the City is authorized to establish and maintain a capital reserve for any purpose for which bonds may be issued. The City of Hendersonville votes to either establish or not establish a capital reserve fund annually in its budget process, following applicable legal procedures. Capital reserve funds are defined annually in the City's budget ordinance.

5.2 If the percent available fund balance exceeds five (5) percentage points higher than the stated goal in any fund, the City Manager may choose to transfer remaining spendable fund balance that is not restricted, committed, or assigned to a capital reserve fund or capital projects fund for purposes approved by the City Council.

SECTION 6. Order of Expenditure of Funds

6.1 When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the City Council, and available fund balance), the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

L. Consideration of Change Orders for the new Buildings and Grounds Maintenance

Building: Public Works Director Tom Wooten presented two change orders for Council's consideration for the Buildings and Grounds Maintenance facility.

Mr. Wooten stated the first change order is related to the water line in N. Main Street and the tie-in connection of a new six-inch water line to the new building by Cooper Construction's subcontractor. The negotiated price of this change order is \$5,562.60.

The second change order is related to electrical work. Dedicated circuits had to be added for the pressure washer in the wash bay, a range in the training room/break room and in the workshop for an air compressor. These three items were not accounted for in the original design and layout of the electrical system. The price of this change order is \$2,273.22. He recommended approval of the change orders.

M. Consideration of Change Order for Downtown Restrooms: Downtown Economic Development Director Lew Holloway explained a steel I-beam was located in the existing stairwell to the second floor of the 125 Fifth Avenue West Public Washroom building. The beam needed to be cut and reinforced with a column to accommodate the relocation of the stairwell six feet forward on the floorplan. The stairwell relocation is necessitated by the entrance to the woman's washroom entrance and needed head clearance under the stairwell and into the washroom. He recommended approval of the change order in the amount of \$2,950.

N. Consideration of French Broad River Intake Design Engineering Agreement -

Amendment 3: Mr. Detwiler explained the original scope of services for detailed design of the French Broad River Intake Project (Amendment 2 September 14, 2018) was based on the information developed in the conceptual design phase and documented in the Preliminary Engineering Report (PER, Black & Veatch July 2018). He stated Amendment 3 addresses changes to the original basis of design due to factors not planned or budgeted for including information from subsurface conditions evaluations, raw water pipeline transient analysis results and requested changes during detailed design. He provided details of the changes.

O. Consideration of Use of Grove Street Property by Henderson County for Fireworks

Display: City Manager John Connet presented a request from Henderson County and Henderson County TDA to utilize City property on S. Grove Street for the launching of the July 4th fireworks. The previous contractor is not available this year and Henderson County hired a different contractor that cannot use the more powerful fireworks. Therefore, they are requesting to relocate the fireworks to S. Grove Street. In order to preserve the July 4th fireworks display, staff is asking City Council to approve this request.

P. Consideration of Water/Sewer Fund Capital Project Ordinances and Declaration of Official Intent to Reimburse:

Mr. Connet explained North Carolina General Statute 159-13.2 Project Ordinances authorizes appropriations necessary for the purchase and/or completion of capital projects and capital assets. Capital Project Ordinances (CPOs) span the life of a capital project and only need to be adopted

by the City Council once per project. A CPO clearly identifies the project, revenue source(s), and appropriated budget necessary to complete the project.

Mr. Connet recommended adopting the following Capital Project Ordinances and Reimbursement Resolution, which meet statutory requirements and follow the City's Capital Improvement Program (CIP). The CPOs included in this item describe the project, revenue source(s), and appropriations.

Ordinance #19-0624

**CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION
OF THE WWTP ULTRAVIOLET IMPROVEMENT 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 infrastructure project described as the WWTP Ultraviolet Improvement project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|---------------------------------|---------------------|
| Org | Obj | Proj | | |
| 4607134 | 557000 | 16023 | Capital Outlay - Infrastructure | \$ 1,794,000 |
| Total Project Appropriation | | | | \$ 1,794,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4607134 | 449100 | 16023 | Proceeds of Debt | \$ 1,794,000 |
| Total Project Revenue | | | | \$ 1,794,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0625

**CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION
OF THE LONG JOHN MOUNTAIN WATER IMPROVEMENTS 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 infrastructure project described as the Long John Mountain Water Improvements project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|---------------------------------|---------------------|
| Org | Obj | Proj | | |
| 4607126 | 557000 | 18014 | Capital Outlay - Infrastructure | \$ 5,200,000 |
| Total Project Appropriation | | | | \$ 5,200,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4607126 | 449100 | 18014 | Proceeds of Debt | \$ 5,200,000 |
| Total Project Revenue | | | | \$ 5,200,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0626

**CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION
OF THE EWART RESERVOIR IMPROVEMENTS 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 infrastructure project described as the Ewart Reservoir Improvements project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|---------------------------------|---------------------|
| Org | Obj | Proj | | |
| 4607124 | 557000 | 19025 | Capital Outlay - Infrastructure | \$ 4,000,000 |
| Total Project Appropriation | | | | \$ 4,000,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4607124 | 449100 | 19025 | 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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0627

**CAPITAL PROJECT ORDINANCE FOR
THE ACQUISITION, CONSTRUCTION AND INSTALLATION
OF THE EQUALIZATION BASIN AND INFILTRATION/INFLOW ERADICATION 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 infrastructure project described as Equalization Basin and Infiltration/Inflow Eradication project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|---------------------------------|---------------------|
| Org | Obj | Proj | | |
| 4607134 | 557000 | 19013 | Capital Outlay - Infrastructure | \$ 6,000,000 |
| Total Project Appropriation | | | | \$ 6,000,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4607134 | 449100 | 19013 | Proceeds of Debt | \$ 6,000,000 |
| Total Project Revenue | | | | \$ 6,000,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0628

**CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION
OF THE MUD CREEK INTERCEPTOR 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 infrastructure project described as the Mud Creek Interceptor project.

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

| Account Number | | | Account Name | Total Budget |
|----------------|--------|-------|------------------------|--------------|
| Org | Obj | Proj | | |
| 4607136 | 558000 | 18032 | Capital Outlay - Lines | \$ 5,600,000 |

Total Project Appropriation \$ 5,600,000

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

| Account Number | | | Account Name | Total Budget |
|----------------|--------|-------|------------------|--------------|
| Org | Obj | Proj | | |
| 4607136 | 449100 | 18032 | Proceeds of Debt | \$ 5,600,000 |

Total Project Revenue \$ 5,600,000

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0629

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE 4TH AND ASHE IMPROVEMENTS 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 infrastructure project described as the 4TH and Ashe Improvements project.

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

| Account Number | | | Account Name | Total Budget |
|----------------|--------|-------|------------------------|--------------|
| Org | Obj | Proj | | |
| 4607126 | 558000 | 18017 | Capital Outlay - Lines | \$ 2,631,000 |

Total Project Appropriation \$ 2,631,000

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

| Account Number | | | Account Name | Total Budget |
|----------------|--------|-------|------------------|--------------|
| Org | Obj | Proj | | |
| 4607126 | 449100 | 18017 | Proceeds of Debt | \$ 2,631,000 |

Total Project Revenue \$ 2,631,000

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0630

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE NCDOT I-26 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 infrastructure project described as the NCDOT I - 26 project.

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

| Account Number | | | Account Name | Total Budget |
|----------------|--------|-------|------------------------|--------------|
| Org | Obj | Proj | | |
| 4607126 | 558000 | 17141 | Capital Outlay - Lines | \$ 3,000,000 |

Total Project Appropriation \$ 3,000,000

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4607126 | 449100 | 17141 | Proceeds of Debt | \$ 3,000,000 |
| Total Project Revenue | | | | \$ 3,000,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0631

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE CHURCH AND KING IMPROVEMENTS 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 infrastructure project described as the Church and King Improvements project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|------------------------|---------------------|
| Org | Obj | Proj | | |
| 4607126 | 558000 | 19014 | Capital Outlay - Lines | \$ 3,500,000 |
| Total Project Appropriation | | | | \$ 3,500,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4607126 | 449100 | 19014 | Proceeds of Debt | \$ 3,500,000 |
| Total Project Revenue | | | | \$ 3,500,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0632

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE HIGHLAND SQUARE SEWER REPLACEMENT 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 infrastructure project described as the Highland Square Sewer Replacement project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|------------------------|-------------------|
| Org | Obj | Proj | | |
| 4607126 | 558000 | 18027 | Capital Outlay - Lines | \$ 146,000 |
| Total Project Appropriation | | | | \$ 146,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|----------------------------------|-------------------|
| Org | Obj | Proj | | |
| 4607126 | 998060 | 18027 | Transfer in from Water and Sewer | \$ 146,000 |
| Total Project Revenue | | | | \$ 146,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0633

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE HIGHWAY 25 SEWER REPLACEMENT 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 infrastructure project described as the Highway 25 Sewer Replacement project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|------------------------|-------------------|
| Org | Obj | Proj | | |
| 4607126 | 558000 | 19023 | Capital Outlay - Lines | \$ 200,000 |
| Total Project Appropriation | | | | \$ 200,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|----------------------------------|-------------------|
| Org | Obj | Proj | | |
| 4607126 | 998060 | 19023 | Transfer in from Water and Sewer | \$ 200,000 |
| Total Project Revenue | | | | \$ 200,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0634

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE NCDOT OLD AIRPORT ROAD 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 infrastructure project described as the NCDOT Old Airport Road Project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|------------------------|-------------------|
| Org | Obj | Proj | | |
| 4607126 | 558000 | 17116 | Capital Outlay - Lines | \$ 700,000 |
| Total Project Appropriation | | | | \$ 700,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|----------------------------------|-------------------|
| Org | Obj | Proj | | |
| 4607126 | 998060 | 17116 | Transfer in from Water and Sewer | \$ 700,000 |
| Total Project Revenue | | | | \$ 700,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0635

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE NCDOT SHEPHERD/ERKWOOD 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 infrastructure project described as the NCDOT Shepherd/Erkwood Project.
 Section 2: The following amounts are appropriated for the project:

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|------------------------|-------------------|
| Org | Obj | Proj | | |
| 4607126 | 558000 | 17119 | Capital Outlay - Lines | \$ 150,000 |
| Total Project Appropriation | | | | \$ 150,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|----------------------------------|-------------------|
| Org | Obj | Proj | | |
| 4607126 | 998060 | 17119 | Transfer in from Water and Sewer | \$ 150,000 |
| Total Project Revenue | | | | \$ 150,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

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

Resolution #19-0636

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 Church and King Improvements Project, Ordinance #19-0631,
- The NCDOT I-26 Project, Ordinance #19-0630,
- The 4th and Ashe Improvements Project, Ordinance #19-0629,
- The Mud Creek Interceptor Project, Ordinance #19-0628,
- The Equalization Basin and Inflow/Infiltration Eradication Project, Ordinance #19-0627,
- The WTP 15 MGD Expansion Project, Ordinance #19-0637,
- The Ewart Reservoir Improvements Project, Ordinance #19-0626,
- The Long John Mountain Water Improvements Project, Ordinance #19-0625, And
- The WWTP Ultraviolet Improvement Project, Ordinance #19-0624, (The "Projects").

Plan of Finance. The Issuer intends to finance the costs of the Projects 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 Projects is \$33,112,000.00.

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 sixth day of June 2019.

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

Ordinance #19-0637

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE WTP 15 MGD EXPANSION 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 infrastructure project described as WTP 15 MGD Expansion project.
 Section 2: The following amounts are appropriated for the project:

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|---------------------------------|---------------------|
| Org | Obj | Proj | | |
| 4607124 | 557000 | 19207 | Capital Outlay - Infrastructure | \$ 1,387,000 |
| Total Project Appropriation | | | | \$ 1,387,000 |

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

| Account Number | | | Account Name | Total Budget |
|------------------------------|--------|-------|------------------|------------------|
| Org | Obj | Proj | | |
| 4607124 | 449100 | 19207 | Proceeds of Debt | \$ 1,387,000 |
| Total Project Revenue | | | \$ | 1,387,000 |

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 Water and Sewer Fund and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Q. Consideration of the Water Resources Development Grant Resolution for the Clear Creek Greenway Grant Application: City Engineer Brent Detwiler presented a resolution for Council's consideration required for the application process by the North Carolina

Department of Environmental Quality, Division of Water Resources for water resources development projects. He explained greenways along stream corridors are included in type types of projects funded by these grants. Grant amounts can be up to \$00,000. He stated staff will apply for a \$190,000 grant for the Clear Creek Greenway project to be used in conjunction with the possible PARTF grant that was recently applied for.

Resolution #19-0638

WATER RESOURCES DEVELOPMENT GRANT RESOLUTION

WHEREAS, the City of Hendersonville, North Carolina desires to sponsor, the Clear Creek Greenway, a paved, accessible multi-use trail for public recreational enjoyment, which will provide a venue in proximity to Clear Creek and its associated conservation area for physical activity,

NOW, THEREFORE, BE IT RESOLVED THAT:

- 1) The City Council requests the State of North Carolina to provide financial assistance the City of Hendersonville for the Clear Creek Greenway in the amount of \$190,000.00 or 10 percent of the project construction cost, whichever is the lesser amount;
- 2) The Council assumes full obligation for payment of the balance of project costs;
- 3) The Council will obtain all necessary State and Federal permits;
- 4) The Council will comply with all applicable laws governing the award of contracts and the expenditure of public funds by local governments.
- 5) The Council will supervise construction of the project to assure compliance with permit conditions and to assure safe and proper construction according to approved plans and specifications;
- 6) The Council will obtain suitable spoil disposal areas as needed and all other easements or rights-of-way that may be necessary for the construction and operation of the project without cost or obligation to the State;
- 7) The Council will assure that the project is open for use by the public on an equal basis with no restrictions;
- 8) The Council will hold the State harmless from any damages that may result from the construction, operation and maintenance of the project;
- 9) The Council accepts responsibility for the operation and maintenance of the completed project.

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Council Member Caraker moved Council's approval of the items listed on the consent agenda. A unanimous vote of the Council followed. Motion carried.

7. Recognitions/Presentations/Proclamation:

A. Proclamation for "D-Day Remembrance Day – Seventy-Fifth Anniversary": Mayor Volk presented a proclamation to Council Member Jeff Miller in remembrance of the 75th Anniversary of D-Day. Council Member Miller asked those present for a moment of silence for those who gave the ultimate sacrifice for our freedom.

B. Proclamation in Recognition of Hendersonville Pride Day: Mayor Volk presented a proclamation for Hendersonville Pride Day to Laura Bannister.

There was a brief recess.

8. Public Hearing - Consideration of an Ordinance Making Appropriations for Certain Expenses, Capital Improvements and Indebtedness of the City of Hendersonville for the Year Beginning July 1, 2019 and Ending June 30, 2020, the Capital Reserve Fund Ordinance, and Resolution of Intent to Adopt the Recommended Capital Improvement Plan and Water/Sewer Rate Study, a Reimbursement Resolution for Fire Station #3, and Capital Project Ordinances for Fire Stations #1, #3, and Ladder #1 Replacement, Engine #1 Replacement, a New Fire Engine #3, and Schedule of Rates and Fees: City Manager John Connet presented the recommended budget for Fiscal Year 2019-20 pursuant to NCGS 159-11. He stated the budget is based upon information presented and discuss during the Council-Staff Retreat held February 21, 22, 2019. There were also two budget

workshops conducted by the Council. These meetings provided an avenue for priority-setting, fact finding and general inquiries for the budget.

Mr. Connet stated the budget was drafted around six focus areas: economic vitality, strong partnerships, sound infrastructure, numerous amenities, great public services and financial sustainability. The budget totals \$38,721,053 dispersed among nine funds. The major funds are funded as follows:

General Fund: \$17,295,649

Fund Balance Appropriation: \$713,196

Tax rate is \$0.49 per \$100 valuation; the revenue neutral tax rate is \$0.4181.

Capital projects total: \$20,700,000; \$100,000 pay-go, \$20,600,000 loans

Highlights include: pursuing a SAFER grant, adding a traffic control technician, providing 50 percent dependent medical care coverage, reduced the proposed CIP by \$855,000, and Seventh Avenue streetscape, and the debt obligation increases from loans.

Downtown Program: \$592,925

Fund Balance Appropriation: \$36,918

Tax rate is \$0.26 per \$100 valuation (a decrease from \$0.28); the revenue neutral tax rate is \$0.2146.

Seventh Avenue MSD Fund: \$95,208

Fund Balance Appropriation: \$19,125

Tax rate is \$0.17 per \$100 valuation; the revenue neutral tax rate is \$0.0995

Highlights include a decrease in the Main Street MSD tax rate, an increase in the Seventh Avenue MSD tax rate, the salary allocation is split 75 percent from Main Street MSD and 25 percent from the Seventh Avenue MSD, façade grants, Main Street restroom expenses, capital improvements, Seventh Avenue streetscape, and an additional staff person to help with events and assist the Downtown Economic Development Director.

Water and Sewer Fund: \$17,860,336

Fund Balance Appropriation: \$1,373,431

Rates and Fees: A small increase is proposed in the base charge for water, no increase to volumetric charges.

Capital Projects that span throughout Henderson County for water and sewer total \$34,308,000; \$1,196,000 from reserves, \$33,112,000 from loans.

Environmental Service Fund: \$1,662,855

Fund Balance Appropriation: \$149,855

Rates and Fees: Sanitation rate increases are proposed for commercial customers.

Stormwater Fund: \$568,152

Fund Balance Appropriation: \$15,362

Mr. Connet stated the long-term revenue picture for the City appears to be stable. The City is experiencing residential and commercial growth. The 2019 property revaluation resulted in an average increase of 25 percent which followed a period of little to no base growth. He expects growth in development to continue over the next year.

Mr. Connet stated the City is also experiencing an increase in sales tax revenue resulting from a strong local economy and growth in the tax levy. However, long-term sales tax revenue is unreliable; the property tax is the only reliable revenue source available to the City. He reviewed the projects and equipment funded in the budget supporting the Council's commitment to maintain a high quality of service for citizens and employees.

Mr. Connet stated City management will continue to work with the City Council to balance service level expectations and need for additional personnel and equipment while recognizing the unique community with unique challenges.

Mr. Connet stated the proposed budget is balanced in accordance with North Carolina General Statutes. It is fiscally sound and attempts to address the top priority needs of the City. He recommended the approval of the budget.

At 6:32 p.m., Mayor Volk opened the public hearing in accordance with NCGS by notice published in the Times News. The following addressed the Council:

Ken Fitch, 1046 Patton Street, addressed the Council stating the budget is an enormous task faced by the Council and staff to address essential needs with limited resources. He commended the work of those involved to develop the budget.

No one else expressed a desire to speak. The public hearing was closed at 6:37 p.m.

Mr. Connet stated there will be a discussion of school resource officer funding by Henderson County in closed session. The vote was postponed until after the closed session.

9. Public Hearing - Consideration of a Zoning Ordinance Text Amendment of Section 16-4-4 Standards for Private Clubs: Mrs. Susan Frady, Development Assistance Director, presented an application from Paul Brock of The Tobacco Merchant for a zoning ordinance text amendment to reduce the spacing requirement for private clubs.

Mrs. Frady stated Section 16-4-19 of the Zoning Ordinance requires no private club will be located within a 1,000-foot radius of another private club. The applicant has requested the spacing requirement be reduced from 1,000 feet to 600 feet. She stated private clubs are conditional uses in the C-1, C-2, C-3, CMU, I-1 districts. Approval by the Board of Adjustment is required. Private clubs are permitted in the Planned Manufacturing Conditional Zoning District. This spacing amendment would apply to all private clubs.

Mrs. Frady explained 600 feet is the distance from another private club located at 245 N. King Street. She stated the existing spacing requirement was adopted in the 1990s partially due to clubs opening downtown. She stated the Board of Adjustment recommended this distance due to a shooting at a club on Asheville Highway and separating like businesses. There are currently three private clubs operating in Hendersonville.

Mrs. Frady presented the proposed amendments to the ordinance and reviewed the factors contained in Section 11-4 of the Zoning Ordinance that must be considered prior to adopting or disapproving an amendment to the text of the Zoning Ordinance.

Mrs. Frady reported the Planning Board voted unanimously to recommend City Council's adoption of the requested change to the Zoning Ordinance. There was discussion of the American Legion and VFW.

At 6:44 p.m., Mayor Volk opened the public hearing in accordance with North Carolina General Statutes by notice published in the Times News. No one expressed a desire to speak. The public hearing was closed.

Council Member Miller moved the City Council adopt an ordinance amending the City of Hendersonville Zoning Ordinance Article XVI Special Requirements for Certain Uses Section 16-4 Standards Pertaining to Private Clubs. A unanimous vote of the Council followed; motion carried.

Ordinance #19-0648

AN ORDINANCE AMENDING ZONING ORDINANCE ARTICLE XVI SPECIAL REQUIREMENTS FOR CERTAIN USES, SECTION 16-4 STANDARDS PERTAINING TO PRIVATE CLUBS

WHEREAS, the General Assembly of the State of North Carolina has granted authority to municipalities to adopt, administer and enforce zoning and subdivision regulation ordinances, building codes, and minimum housing standards and other related measures, and

WHEREAS, the General Assembly of the State of North Carolina has granted authority to municipalities to amend, supplement, change, modify or repeal zoning regulation ordinances, and

WHEREAS, the City of Hendersonville understands the need to serve all members of the community, and

WHEREAS, the City of Hendersonville supports organizations that supply services to those in need, and

WHEREAS, the City of Hendersonville desires to amend those regulations with regards to private clubs.

NOW, THEREFORE, be it ordained by the City Council of the City of Hendersonville:

1. Article XVI Special Requirements for Certain Uses, Section 16-4 Standards, Subsection 16-4-19 Private Clubs is hereby amended to include the following:

16-4-19 Private Clubs.

- a) No private club shall be located within a ~~1000-foot~~ 600-foot radius of another private club.
 - b) The parking lot for such facility shall be adequately lighted to provide security for its patrons and to otherwise comply with Section 6-13, above.
2. Any person violating the provisions of this ordinance shall be subject to the penalties set forth in Section 9-8 of the Zoning Ordinance.
 3. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.
 4. If any section, subsection, paragraph, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions hereof.
 5. The enactment of this ordinance shall in no way affect the running of any amortization provisions or enforcement actions, or otherwise cure any existing zoning violations.
 6. This ordinance shall be in full force and effect from and after the date of its adoption.

Adopted this sixth day of June 2019.

/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 Zoning Map Amendment for Property Located on Edgewood Avenue to Rezone a Split-zoned Lot Currently Zoned I-1 Industrial and R-6 High Density Residential to R-6 CZD High Density Residential Conditional Zoning District: City Planner Daniel Heyman presented the application for conditional rezoning from Jeffrey Harvey of JLH Engineering. The applicant is requesting to rezone an unaddressed property off of Edgewood Avenue, parcel number 9569-81-3660, from R-6 High-Density Residential and I-1 Industrial to R-6CZD High-Density Residential Conditional Zoning District. He stated if approved, the permitted uses would be limited to those indicated on the approved list of uses and conditions.

Mr. Heyman reviewed existing land uses and zoning classifications. He stated the subject parcel is currently split-zoned R-6 High-Density Residential and I-1 Industrial and is vacant. The parcels to the north, east and south are zoned I-1 Industrial and include vacant property, the railroad, and a commercial equipment supplier. The parcels to the west are zoned R-6 High-Density Residential and contain single-family homes.

Comprehensive Plan Consistency: Mr. Heyman stated the property is designated as medium-intensity neighborhood. He reviewed the goal of that category. He noted the primary recommended land use is single-family attached and detached residential for the medium-intensity designation.

Site Plan: Mr. Heyman stated the site plan shows five proposed lots ranging from 6,102 square feet to 10,257 square feet and five 1,232 square foot single-family homes. The minimum lot size in the R-6 zoning district is 6,000 square feet. Access to the site will be through an existing right-of-way, to be improved to meet the City and NCDOT standards.

Neighborhood Compatibility Meeting: Mr. Heyman reported this meeting was held April 22, 2019. He reported four people representing the general public attended the meeting. Attendees asked questions regarding the construction timeline, how the site will be accessed, and the price range of the homes. He provided a copy of the neighborhood compatibility report.

Planning Board Recommendation: Mr. Heyman reported the Planning Board voted unanimously to recommend City Council approve the request finding the proposed home sites meet the zoning requirements of the surrounding neighborhood.

Mr. Heyman reviewed the guidelines contained in Section 11-4 of the Zoning Ordinance that must be considered by the Council prior to adopting or disapproving an amendment to the official zoning map. There was discussion of incorporating the site plan into the list of uses and conditions.

Mayor Volk opened the public hearing at 6:51 p.m. No one expressed a desire to speak. The public hearing was closed.

Mayor Pro Tem Caraker moved City Council adopt an ordinance amending the official zoning map of the City of Hendersonville changing the zoning designation of parcel number 9569-81-3660 from R-6 High-Density Residential and I-1 Industrial to R-6 CZD High-Density Residential Conditional Zoning District, 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, finding that the rezoning is consistent with the Comprehensive Plan's Future Land Use map, and that the rezoning is reasonable and in the public interest for the following reasons: it solidifies consistent zoning and will provide moderate-income housing. A unanimous vote of the Council followed; motion carried.

Ordinance #19-0649

**AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF HENDERSONVILLE
IN RE: FILE NO. P19-13-CZD; JLH Engineering Services, Edgewood Avenue CZD**

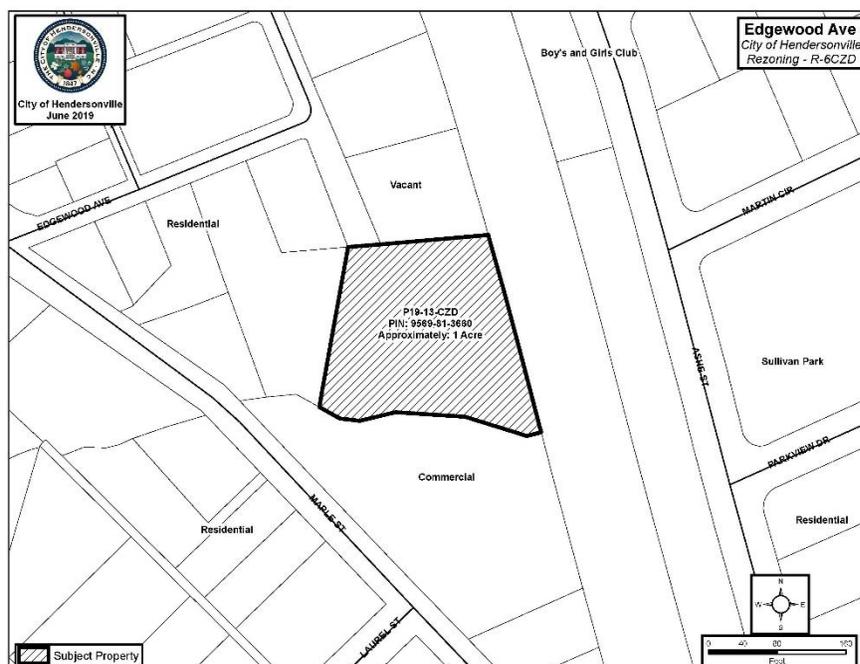
Be it ordained by the City Council of the City of Hendersonville:

1. Pursuant to Article XI Amendments of the Zoning Ordinance of the City of Hendersonville, North Carolina, the Zoning Map is hereby amended by changing the zoning designation of parcel number 9569-81-3660 from City of Hendersonville R-6 High-Density Residential and I-1 Industrial to City of Hendersonville R-6CZD, High Density Residential Conditional Zoning District.
2. This ordinance shall be in full force and effect from and after the date of its adoption.

/s/Barbara G. Volk, Mayor

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

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



11. Consideration of a Letter to the U.S. Army Corps of Engineers Inquiring as to the Availability of Planning Assistance to States - Program Assistance:

City Engineer Brent Detwiler stated representatives from the U.S. Army Corps of Engineers presented information on local governments Planning Assistance to States (PAS) programs. He stated it is a grant and there is a matching component that can be fulfilled with in-kind such as staff time.

Mr. Detwiler stated the programs consist of flood control, flood management, developing and updating rainfall runoff, stream models delineating flood areas, defining flood ways, assessing flood control alternatives and completing flood preparedness plans, developing or updating evacuation plans, flood warning systems, evaluating non-structural methods of flood protection, etc. He stated provided a similar study done in Biltmore Village in the past.

Mr. Detwiler stated a letter of intent with the Corp to begin the scoping process. He stated they are aware of recent flooding issues and will present a plan to the Council for their consideration. There was discussion of the planning phase.

After discussion, **Council Member Miller moved the Council to authorize the Mayor to execute a letter of intent to the U.S. Army Corps of Engineers as part of their Planning Assistance to States (PAS) Program in order to request planning assistance for flood preparedness and prevention for the City. A unanimous vote of the Council followed; motion carried.**

12. Consideration of Tentative Contract Award of Multi-Area Streambank Restoration Project and Resolution of Tentative Award:

Mr. Detwiler stated the Multi-area Streambank Restoration Project (SRF Project No. CS370444-10) was formally bid on April 26, 2019, but only one bid was received. Per NCGS 143-129, the bid was not opened, and the project was rebid. He explained the project consists of streambank restoration efforts at 13 sites throughout the City, a stormwater wetland retrofit at Patton Park and other stormwater management components. The project also consists of sanitary sewer replacement and upgrades at three sites including one within Patton Park.

Mr. Detwiler stated on May 24, 2019 one bid again was received with the following results:

Baker Grading & Landscaping, Inc. - \$2,439,725.75

Mr. Detwiler stated the Engineer's Opinion of Probable Construction Cost for this project is approximately \$2,200,000.00. He stated City staff and the City's consultant, Wildlands Engineering, reviewed the bid for accuracy and completeness. City staff and the consultant recommends the tentative project award to Baker Grading & Landscaping, Inc., the lowest responsive and responsible bidder, in the amount of \$2,439,725.75. He noted the final award will be contingent upon the approval of the North Carolina Department of Environmental Quality as part of the State Revolving Loan Funding. He stated the City will be covering the closing costs of the loan.

Mayor Pro Tem Caraker moved the Council to authorize the Mayor to execute a resolution of tentative award and the City Manager to execute the contract for the construction of the Multi-area Streambank Restoration Project to Baker Grading & Landscaping, Inc., the lowest responsive and responsible bidder, in the amount of \$2,439,725.75, as presented and recommended by staff. A unanimous vote of the Council followed; motion carried.

Resolution #19-0650

RESOLUTION OF TENTATIVE AWARD

WHEREAS, the City of Hendersonville, North Carolina has received bids, pursuant to duly advertisement notice therefore, for construction of the Multi-area Streambank Restoration Project (SRF Project No. CS370444-10), and

WHEREAS, the City Engineer and Wildlands Engineering have reviewed the bids; and

WHEREAS, Baker Grading & Landscaping, Inc. was the lowest bidder for the Multi-area Streambank Restoration Project (SRF Project No. CS370444-10), in the total bid amount of \$2,439,725.75, and

WHEREAS, the City Engineer recommends TENTATIVE AWARD to the lowest bidder.

NOW, THEREFORE, BE IT RESOLVED that TENTATIVE AWARD is made to the lowest bidder, Baker Grading & Landscaping, Inc. in the Total Bid Amount of \$2,439,725.75.

BE IT FURTHER RESOLVED that such TENTATIVE AWARD be contingent upon the approval of the North Carolina Department of Environmental Quality.

Adopted this is sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

13. Consideration of an Ordinance Amending Chapter 36 Article I with Respect to Certain Activities on Sidewalks and Other Places:

City Manager John Connet stated this was presented at the May meeting for Council's discussion. He stated it is a result of complaints received about obstructions of sidewalks. He stated the City's existing ordinances were reviewed by staff and the City Attorney and were found to be out of date. He stated there have been some legal challenges re: pan handling.

Mr. Connet stated staff developed an ordinance that addresses solicitation and blocking of sidewalk and other urban issues. There was discussion on whether the proposed ordinance would prevent protests on sidewalks without blocking egress and ingress. City Attorney Fritschner advised protestors cannot impede access. There was discussion of this ordinance applying to public parking lots.

Mayor Pro Tem Caraker moved the City Council approve the ordinance respecting amendment of Code of Ordinances Chapter 36 Article I. A unanimous vote of the Council followed; motion carried.

Ordinance #19-0651

**AN ORDINANCE AMENDING CHAPTER 36 ARTICLE I WITH RESPECT TO CERTAIN ACTIVITIES ON
SIDEWALKS AND OTHER PLACES**

WHEREAS, the City Council considers it to be in the best interest of the health, safety and welfare of the City's residents, businesses and visitors to amend the Code of Ordinances to reflect the diversity of activities taking place on public sidewalks and elsewhere,

NOW, THEREFORE, be it ordained by the City Council of the City of Hendersonville:

1. Chapter 36 Article 1 of the Code of Ordinances is hereby amended to read as follows:

~~Sec. 36-1. Solicitation of alms.~~

~~(a) Purpose. The purposes of the restrictions on begging or soliciting alms imposed under this section are to:~~

- ~~(1) Reduce the detrimental effect that threatening and intimidating conduct has on a safe environment within the city;~~
- ~~(2) Restrict certain aggressive acts of solicitors without prohibiting constitutionally protected activity;~~
- ~~and~~
- ~~(3) Maintain the peace and order of the city and preserve and protect the rights of all citizens to be free of intimidation.~~

~~(b) Definitions. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.~~

- ~~(1) For purposes of this section, "ask, beg or solicit" includes, without limitation, the spoken, written or printed words or such other acts conducted in furtherance of the purpose of obtaining alms or contributions.~~
- ~~(2) For purposes of this section, "accosting" means approaching or speaking to someone in such a manner as would cause a reasonable person to fear imminent bodily harm or the commission of a criminal act upon his person, or upon property in his immediate possession.~~
- ~~(3) For purposes of this section, "forcing oneself upon the company of another " means:~~
 - ~~a. Continuing to request, beg or solicit alms after the person to whom the request is directed has declined or ignored the request;~~
 - ~~b. Blocking the passage of the person addressed;~~
 - ~~c. Following or walking alongside the person being solicited; or~~
 - ~~d. Otherwise engaging in conduct which could reasonably be construed as intended to compel or force a person to accede to demands.~~

~~(c) Prohibited conduct. It shall be unlawful for any person to ask, beg or solicit, or exhibit oneself for the purpose of begging or soliciting, as defined in subsection (b) above:~~

- ~~(1) By accosting another, or by forcing oneself upon the company of another;~~
- ~~(2) Within 100 feet of an entrance or exit of any bank or financial institution or other establishment whose primary function is dispensing cash or within 100 feet of any automatic teller machine or other machine which dispenses money to the public.~~
- ~~(3) At any outdoor dining area or outdoor merchandising area, provided such areas are in active use at the time;~~
- ~~(4) At any transit stop or taxi stand or in a public transit vehicle;~~
- ~~(5) At the entrance to or exit of any toilet facility open to the public, including any temporary use site;~~
- ~~(6) In a parking lot or garage including entryways, stairwells, exits or pay box or pay stations connected therewith;~~
- ~~(7) Upon the grounds of any hospital~~
- ~~(8) At any valid mobile food cart vendor location;~~
- ~~(9) Upon the grounds of any public, private, or parochial elementary, middle or high school without the consent of the principal or acting principal thereof;~~
- ~~(10) While the person being solicited is standing in line waiting to be admitted to a commercial establishment;~~
- ~~(11) By touching the person being solicited or the motor vehicle occupied by the person being solicited without that person's consent;~~
- ~~(12) By or with the use of abusive language during the solicitation or following an unsuccessful solicitation and/or by or with the use of any gesture intended to cause a reasonable person to be fearful of the solicitor;~~
- ~~(13) After dark, which shall mean one half hour after sunset until one half hour before sunrise;~~
- ~~(14) While under the influence of alcohol or after having used any illegal substances defined in the North Carolina Controlled Substance Act;~~
- ~~(15) By knowingly making any false or misleading representation in the course of soliciting. False or misleading representations include, but are not limited to, the following:~~
 - ~~a. Stating falsely that the solicitor is from out of town and stranded.~~
 - ~~b. Stating or suggesting falsely that the solicitor is either a present or former member of the armed services.~~
 - ~~c. Stating falsely that the solicitor is homeless.~~
 - ~~d. Stating falsely that the solicitor is seeking money for charitable purposes.~~
- ~~(16) On a center median;~~
- ~~(17) On private property if the owner, tenant, or lawful occupant has asked the person not to solicit on the property, or has posted a sign clearly indicating that solicitations are not welcome on the property;~~
- ~~(18) By stepping into, standing, sitting or walking in any roadway;~~
- ~~(19) By delivering or receiving any tangible item to or from any occupant of any vehicle in a lane that is not contiguous with the curb or roadside on which the solicitor is present;~~
- ~~(20) By stopping or attempting to stop a vehicle that is approaching a traffic signal unless the traffic signal requires the vehicle to come to a complete stop;~~
- ~~(21) By interfering with or impeding the normal movement and quick and safe passage across the roadway of pedestrians or of persons in or on wheelchairs or other devices designed or intended to assist the mobility impaired or by interfering with or impeding the normal flow of vehicle traffic; or~~
- ~~(23) While violating any litter or traffic safety laws.~~

~~(d) Severability. Severability is intended throughout and within the provisions of this section. If any section, subsection, sentence, clause, paragraph or portion thereof is held to be invalid or unconstitutional by a court of competent jurisdiction, then that decision shall not affect the validity of any of the remaining portions of this section.~~

~~Sec. 36-2. Indirect solicitation of alms.~~

~~No person shall sell or offer for sale any pencils, shoestrings, chewing gum or similar objects in or on the streets or other public places of the city as an indirect method of soliciting alms, nor shall any person offer a cup or other receptacle for the deposit of money or take up any collection in connection with the placing of any musical instrument in or on the streets or other public places of the city, without having a permit therefor issued by the chief of police or his designee.~~

~~Sec. 36-3. — Malicious mischief.~~

~~It shall be unlawful for any person to willfully injure, damage, deface, break, mutilate or otherwise harm any real or personal property, whether public or private, not his own.~~

~~Sec. 36-4. Reserved.~~

~~Sec. 36-5. — Erection of temporary facilities for living purposes prohibited; exceptions.~~

~~It shall be unlawful for any person, singly or in groups, to erect on any property, public or private, any temporary shack, shanty, tent or structure for place of temporary habitation or abode, for the purpose of living thereon and in such a manner as to create a place of camping, or temporary abode; provided, however, that this section shall have no application to any individual or group of individuals, who are living in temporary quarters on the premises of another with his permission or consent, or who is engaged in the lawful and proper activities of any boy scout or girl scout organization, or auxiliary, or any other civic enterprise or project.~~

Sec. 36-1. - Blocking or impeding street and sidewalk access.

(a) Purpose and intent. The city has the general authority and control over all public streets, sidewalks, and other ways of public passage within its corporate limits, except those ways of public passage that are owned or maintained by the State of North Carolina. The city has the duty to keep such streets, sidewalks, and other ways of public passage open for travel and free from unnecessary obstructions. G.S. 160A-296. This ordinance prohibits actions that block or impede the safe passage of pedestrians and vehicles on public sidewalks and streets.

(b) Definitions. The following words, terms, and phrases when used in this section shall have the meanings set forth in this subsection, unless the context of their usage clearly indicates another meaning:

(1) *Block* means to unreasonably obstruct passage on a sidewalk or entrance or exit to a building.

(2) *Impede* means to render the use of a street unreasonably difficult or dangerous, including the following actions:

i. Weaving or darting through, around, and in between multiple occupied vehicles, whether the vehicle is stopped or in travel, for a purpose other than passage to a sidewalk. This subsection (i) is meant to prohibit walking through a street parallel to the sidewalk but not meant to prohibit crossing lanes of a street to reach occupied vehicles when a stop light is red.

ii. Placing or throwing a tangible thing on or inside an occupied vehicle that is on the street, except if an occupant requests that the acting individual deliver the tangible thing to an occupant or consents to such exchange.

iii. Standing, sitting, or lying down on the portion of a traffic island that is less than six feet wide, except where using the traffic island to cross the street or during an emergency.

(3) *Sidewalk* means the part of a street improved for pedestrian traffic.

(4) *Street* means the entire width between property lines of every way or place of whatever nature, when any part thereof is open to the use of the public as a matter of right for the purpose of vehicular traffic. For purposes of this section the terms *street* and *highway* are synonymous.

(5) *Traffic island* means a raised portion of the street in between lanes of traffic intended to separate lines of traffic or guide traffic, not to hold people or provide pedestrian refuge. A traffic island may be commonly called a median. For the purpose of this section, a traffic island is any raised part of the street meant to separate lanes of traffic that is less than six feet in width. Width is measured as the length of the traffic in the direction of pedestrian travel if the pedestrian is traveling perpendicular to the street.

(6) *Vehicle* means every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon fixed rails or tracks; provided, that for the purposes, of this chapter bicycles shall be deemed vehicles.

(c) It shall be unlawful for an individual to impede the use of a street or highway.

(d) It shall be unlawful for an individual to block a sidewalk.

(e) It shall be unlawful for an individual to block the entrance or exit to a building served by a sidewalk or street unless otherwise granted permission by the owner or tenant. Permission granted by the owner may be evidenced by oral or written confirmation of permission from the owner or tenant.

(f) Nothing in this subsection shall be interpreted to prohibit the exchanging of objects into and out of vehicles where the vehicle is stopped or parked according to traffic laws and no blocking or impeding of a street or sidewalk occurs. Where an individual is engaged in lawful activity on the sidewalk and such activity evokes a response by a third party that is in violation of this section or any other ordinance or state law, the individual engaged in lawful activity shall not be in violation of this section.

(g) This section shall not apply to actions taken by first responders; or to actions taken in response to an emergency or to prevent an accident.

(h) This section shall not apply to persons or entities granted a permit by the city for purposes, including, but not limited to, under 46-85 and following of this Code.

(i) No action punishable under G.S. 20-174.1 shall be punishable under this section. This section shall only apply to public streets, sidewalks, and other ways of public passage within the city's corporate limits for which authority and control is not vested in the North Carolina Board of Transportation.

Sec. 36-2. - Urinating or defecating in public.

(a) It shall be unlawful for any person to urinate or defecate on any public place, sidewalk, street, alleyway or right-of-way, or in any public building except in designated water closets or toilet facilities, or on any private property. Having the written permission of the owner or person in lawful possession shall constitute an affirmative defense to the charge or urinating or defecating on private property.

(b) Penalty. A violation of this section by any person subjects the offender to a fine of up to two hundred dollars (\$200.00) and any other punishment authorized by law for a class 3 misdemeanor.

Sec. 36-3. - Solicitation and distribution of items in public parking garages and public parking lots prohibited.

(a) Solicitation permitted. Solicitation, where not otherwise prohibited herein or by State law, is allowed in the public spaces of Hendersonville.

(b) Purpose and intent. It is the purpose of this section to provide for the health, safety and welfare of the residents of the city through the proper management of the city's municipally owned parking garages and parking lots. The city is authorized to operate a parking enterprise to furnish parking services to the city and its citizens.

(1) The city council finds that municipal owned or operated parking garages and parking lots are not traditional public forums for First Amendment purposes and that the city may regulate conduct and use of

the parking garages and parking lots through adequate and reasonable rules. The statutory authority is found in G.S. 160A-174 and 160A-312.

(2) The city finds it necessary to restrict certain activities, including solicitation and distribution within public parking garages and parking lots because of the increased potential for accidents in parking garages and parking lots, limited space for individuals walking to vehicles and engaging in transactions associated with solicitation and distribution, and due to the potential for individuals accessing their cars to feel a heightened level of intimidation when approached by a solicitor or distributor.

(c) Definitions. The following words, terms, and phrases when used in this section shall have the meanings set forth in this subsection, unless the context of their usage clearly indicates another meaning:

(1) *Public Parking Garage* and *Parking Lot* mean lots, garages, or portions of lots or garages, owned or operated by the City of Hendersonville which have the sole purpose of providing vehicular parking. On-street parking, including diagonal on-street parking, is not considered a garages or lot. The word "deck" has the same meaning as the word "garage."

(2) *Enter or entry.* For the purpose of this section, entry into a parking garage or parking lot shall mean entry onto the paved parking portion whose sole intended purpose is the parking of vehicles.

(d) Offense. It shall be unlawful to:

(1) Enter a public parking garage or parking lot for the purpose of soliciting for or distributing within the parking garage or parking lot any of the following: money, contributions, signatures, leaflets, or pamphlets for any purpose or use; and

(2) Engage in the intended solicitation or distribution.

(e) Exemption for sidewalks and landscaped areas through and adjacent to parking garages and parking lots. The prohibition under this subsection does not restrict solicitation or distributions on public sidewalks or landscaped areas that run through or immediately adjacent to a public parking garage or lot where such sidewalk or landscaped area is a path for movement other than for the purpose of getting to and from a vehicle in the parking garage. However, any solicitation along such sidewalk or landscaped area shall be confined to the sidewalk or landscaped area, and no solicitor or distributor shall follow physically an individual off the sidewalk or landscaped area and through the publicly owned parking garage or parking lot where the individual has declined the solicitation or distribution.

(g) Other solicitation prohibited by state law. This section shall not apply to any type of solicitation or distribution regulated, prohibited, or punishable under other applicable state law.

(h) Exceptions. This section shall not apply to any parking garage or parking lot adjacent to or used as the designed parking for a polling place during the time when city owned property is used by the Henderson County Board of Election as a polling place. This section also shall not apply when an event is taking place within the public parking garage or parking lot due to a permit granted by the city.

Sec. 36-4. - Harassment in public spaces prohibited.

(a) Purpose and intent.

(1) The city is empowered, pursuant to G.S. 160A-174, to protect the health, safety and welfare of its citizens and to ensure the peace and dignity of the city. It is the intent of council in enacting this ordinance to recognize the rights of all citizens while at the same time protecting the coexistent rights for all citizens to enjoy safe and convenient travel in public spaces free from harassment. In the course of public hearings and debates regarding solicitation and safety in public spaces in Hendersonville, the city recognizes that the dangerous effects of harassment may occur in the commission of or completely separate from an act of solicitation, where such conduct occurs in public spaces and includes following a person or cornering a person for the purpose of intimidating that person.

(2) The current state laws on stalking and harassment do not protect individuals who are harassed in public spaces where such harassment is confined to a single occasion but is also dangerous or intimidating. Such harassment causes intimidation and fear and may result in an interaction with dangerous or violent consequences. Free and safe passage on city sidewalks and streets is necessary. Therefore, the following ordinance intends to address harassment on sidewalks and streets by penalizing the following conduct.

(b) Definitions. The following definitions apply in this section:

(1) *Public space* means streets, sidewalks, alleys, and other public property, as well as city-owned and city-controlled property.

(2) *Reasonable person* means a reasonable person in the same or similar circumstances.

(c) Offense. A person is guilty of harassment in a public space if the person:

(1) Knowingly and intentionally performs either of the following with no legitimate purpose:

i. Following an individual in or about a public space with the intent of threatening, intimidating, or causing fear for personal safety; or

ii. Surrounding an individual or intentionally and physically directing the individual's movement through or in a public space with the intent of threatening, intimidating, or causing fear for personal safety. This subsection includes crowding or cornering an individual with the intent of threatening, intimidating, or causing fear for personal safety and without that individual's consent as the individual is actively engaging or attempting to use an automated teller machine or parking meter and the individual must stand within the public space to access the automated teller machine or parking meter;

(2) The conduct described in subsection (c)(1)(i) or (ii) is directed at an individual in the individual's presence; and

(3) The person continues the conduct described in subsection (c)(1)(i) or (ii) after the individual to whom the conduct is directed has made a negative oral response or taken action that a reasonable person would understand as a negative response.

SECTION 2. SEVERABILITY. If any provision of this ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the validity of the remaining provisions of this ordinance.

SECTION 3. EFFECTIVE DATE. This ordinance shall be in full force and effect from and after the date of its adoption.

Adopted this sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

14. Consideration of Revision to the City's General Ledger: Assistant Manager Brian Pahle presented proposed revisions to the City's general ledger. He explained general ledger is a format of numbers to account for expenses and revenues, broken out by funds (i.e., General Fund), departments, objects and projects. He stated

moving to “projects” is the catalyst for the revision. He stated this will move a lot of funds from one place to another.

Mr. Pahle suggested consolidating the special revenue funds into one fund and break them out by project numbers. Council Member Miller asked if this change is standard operating procedures. Mr. Pahle stated yes, and it allows more transparency.

Mayor Pro Tem Caraker moved Council to approve the budget amendments and to revise the City’s general ledge as presented. A unanimous vote of the Council followed; motion carried.

Budget Amendments

| | | |
|----------|--------|--------------|
| Fund 410 | Total: | \$16,743,494 |
| Fund 451 | Total: | \$4,000,000 |
| Fund 452 | Total: | \$1,964,452 |
| Fund 453 | Total: | \$1,400,000 |
| Fund 454 | Total: | \$1,090,000 |
| Fund 455 | Total: | \$694,000 |

An amendment to adjust the budget as a result of proposed general ledger changes to account for all multi-year capital project ordinances in one fund. Fund 410 will account for all governmental multi-year capital projects and delineate projects by using a project number (new with GL change). This will allow us to more efficiently budget for multi-year capital projects and make the CAFR more easily understood. Note: the PD project (#18020) is increased to reflect the new estimated cost, the Public Works project (#16031) has increased to reflect a change order and transfer in from the General Fund, and the Aber project (#18034) has increased to reflect additional equipment needs funded by increased transfers from the General and Water/Sewer funds. This amendment also establishes budget for costs associated with the downtown hotel project due diligence costs (survey, environmental assessment, and Geotech reports).

Budget Amendment

| | | |
|----------|--------|--|
| Fund 460 | Total: | \$35,176,306 |
| Fund 401 | Total: | \$3,335,680 |
| Fund 402 | Total: | \$5,100,000 |
| Fund 403 | Total: | \$2,574,000 |
| Fund 420 | Total: | \$476,000 |
| Fund 421 | Total: | \$315,640 |
| Fund 422 | Total: | \$270,450 |
| Fund 425 | Total: | Revenues: \$525,000 ; Expenditures: \$4,695,000 |
| Fund 426 | Total: | Revenues: \$2,122,463; Expenditures: \$7,247,271 |
| Fund 430 | Total: | \$3,819,200 |
| Fund 445 | Total: | \$1,830,000 |
| Fund 445 | Total: | \$4,109,000 |
| Fund 379 | Total: | \$2,982,484 |

An amendment to adjust the budget as a result of proposed general ledger changes to account for all multi-year capital project ordinances in one fund. Fund 460 will account for all water/sewer multi-year capital projects and delineate projects by using a project number (new with GL change). This will allow us to more efficiently budget for multi-year capital projects and make the CAFR more easily understood. Note: the Eastside project (Fund #402) is being decreased to zero to reflect a reprioritization of funds in the CIP. Also, the Etowah project (Fund #430 or Project #16003) will need to be increased to reflect a new cost estimate based on a change in project scope over the past four years. Any excess budget in other project funds is being added to that project account.

15. Consideration of an Agreement with Oracle and Muni-Link to provide ERP Cloud Services:

Finance Director John Buchanan explained our current Enterprise Resource Planning (ERP) software, Munis, has been in use since 1989. Staff has worked for the last several years to make use of the available features in the system to improve efficiency and get the best return on our investment in the software but believe we have gone as far as we can go with this system.

Mr. Buchanan reported the Finance Department has been evaluating alternatives to our current ERP system since January. Staff is recommended going to two systems: Oracle for finance and payroll, and Muni-Link for utility billing. He stated additional advanced features will provide a better platform to provide information and assistance to our citizens, customers, and vendors may be added in the future.

Mr. Buchanan requested Council’s approval of agreements with Oracle and Muni-Link to provide Oracle Cloud ERP and Muni-Link Utility Billing services and implementation.

Council Member Smith moved the City Council to authorize staff to execute an agreement with Oracle and Muni-Link to provide ERP cloud services to the City of Hendersonville. A unanimous vote of the Council followed; motion carried.

16. Reports/Comments from Mayor and City Council Members:

Council Member Caraker reported a meeting with NCDOT officials regarding the Highway 64 west widening. He passed on comments from Laurelwood residents and requested a reduction in the footprint. He stated in the process of redesign, they are saving one of the buildings, agreed to stake out limits of influence in the intersections so homeowners will have a good idea of the proposal. He stated he also asked they be sensitive about the trees. He stated the roadway will be shifted to other side to save trees. **No action was required or taken.**

17. Reports from Staff:

A. Contingencies Report: Mr. Connet provided the following report on contingencies in accordance with NCGS.

- 1) Fund 10, \$2,518 - SharePoint
- 2) Fund 60, \$875 - SharePoint
- 3) Fund 10, \$1,866 - Insurance
- 4) Fund 10, \$1,223 - Insurance
- 5) Fund 20, \$6,074 - March Budget Amendment
- 6) Fund 10, \$138 - Insurance
- 7) Fund 60, \$915 - Operations Center Security

18. Appointments to Boards/Commissions: City Clerk Tammie Drake presented the members whose terms are expiring on the following boards:

ABC Board: Mayor Pro Tem Stephens nominated Charlie Byrd for a three-year term as chairman of the ABC Board. A unanimous vote of the Council followed; motion carried.

Board of Adjustment: Council Member Caraker nominated Roger Woolsey, Barbara McCoy, Melinda Lowrance, and Libby Collina for another three-year term on the Board of Adjustment. A unanimous vote of the Council followed. Motion carried.

Business Advisory Committee: Beau Waddell and Mike Summey were nominated by Mayor Pro Tem Stephens for a three-year term on the Business Advisory Committee. A unanimous vote of the Council followed. Motion carried.

Downtown Advisory Committee: Council Member Caraker nominated Merit Wolff, Jared Bellmund and Walt Slagel for a two-year term on the Downtown Advisory Committee. A unanimous vote of the Council followed. Motion carried.

Environmental Sustainability Board: Council Member Caraker nominated Beth Stang, Steven Orr and Gray Jernigan for a two-year term on the Environmental Sustainability Board. A unanimous vote of the Council followed. Motion carried.

Walk of Fame Steering Committee: Council Member Smith nominated Kaye Youngblood for a two-year term on the Walk of Fame Steering Committee. A unanimous vote of the Council followed; motion carried.

Mrs. Drake reminded the Council of the vacancies on the Environmental Sustainability Board and Walk of Fame Steering Committee.

19. New Business: There was no new business.

20. Closed Session: At 7:29 p.m., Mayor Pro Tem Caraker moved the City Council enter closed session in accordance with NCGS 143-318.11 (a) (5) and (6) to establish or instruct the public body's staff or negotiating agents concerning the position of the public body in negotiating the material terms of a contract and to consult with the City attorney to preserve the attorney-client privilege between the attorney and the City Council as provided under NCGS 143-318.11(a)(3). A unanimous vote of the Council followed. Motion carried.

The Council exited the closed session at 8:55 p.m. and went back into open session at 8:58 p.m.

Council Member Caraker moved the City Council adopt the Budget Ordinance, Capital Reserve Fund Ordinance, and Resolution of Intent, Reimbursement Resolution, and Fire Department Capital Project Ordinances as presented by staff. A unanimous vote of the Council followed; motion carried.

Ordinance #19-0639

**BUDGET ORDINANCE
AN ORDINANCE MAKING APPROPRIATIONS FOR CERTAIN EXPENSES,
CAPITAL IMPROVEMENTS AND INDEBTEDNESS OF
THE CITY OF HENDERSONVILLE, NORTH CAROLINA
FOR THE FISCAL YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020**

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, 2019; 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 COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA:

SECTION 1: That the following amounts are hereby appropriated for the governmental and proprietary budgets, together with a financial plan for internal service funds, for the fiscal year beginning July 1, 2019, and ending June 30, 2020:

GOVERNMENTAL FUNDS**General Fund****General Fund**

| | |
|--------------------------------|---------------------|
| Budgeted Revenues | \$(16,552,453) |
| Ad Valorem Taxes | (10,306,83) |
| Other Taxes & Licenses | (9,500) |
| Unrestricted Intergovernmental | (4,757,425) |
| Restricted Intergovernmental | (529,645) |
| Permits & Fees | (444,400) |
| Sales & Services | (282,500) |
| Investment Earnings | (140,000) |
| Miscellaneous | (82,500) |
| Budgeted Expenditures | 17,265,649 |
| General Government | 2,631,974 |
| Development Assistance | 433,261 |
| Fire | 3,276,632 |
| Police | 5,459,088 |
| Public Works | 4,335,123 |
| Debt Service | 1,129,571 |
| Other Finance (Sources)/Uses | (713,196) |
| Proceeds of Debt | (-) |
| Transfers (In) | (30,000) |
| Transfers Out | 30,000 |
| Fund Balance Appropriated | (713,196) |
| Sub-Total Appropriation | \$17,295,649 |

Special Revenue Funds**Governmental Special Revenue Fund**

| | |
|---------------------------------|------------------|
| Budgeted Revenues | \$(21,000) |
| Miscellaneous | (21,000) |
| Budgeted Expenditures | 100,500 |
| Fire | 4,000 |
| Historic Preservation | 7,500 |
| Police | 85,000 |
| Walk of Fame | 4,000 |
| Other Finance (Sources)/Uses | (79,500) |
| Fund Balance Appropriated | (79,500) |
| Sub-Total Appropriations | \$100,500 |

Main Street MSD Fund

| | |
|---------------------------------|------------------|
| Budgeted Revenues | \$(556,007) |
| Ad Valorem Taxes | (297,757) |
| Other Taxes & Licenses | (-) |
| Unrestricted Intergovernmental | (175,000) |
| Restricted Intergovernmental | (-) |
| Permits & Fees | (1,450) |
| Sales & Services | (-) |
| Investment Earnings | (1,000) |
| Miscellaneous | (80,800) |
| Budgeted Expenditures | 592,925 |
| Downtown Program | 592,925 |
| Other Finance (Sources)/Uses | (36,918) |
| Fund Balance Appropriated | (36,918) |
| Sub-Total Appropriations | \$592,925 |

Seventh Avenue MSD Fund

| | |
|---------------------------------|-----------------|
| Budgeted Revenues | \$(76,083) |
| Ad Valorem Taxes | (35,183) |
| Other Taxes & Licenses | (-) |
| Unrestricted Intergovernmental | (35,000) |
| Restricted Intergovernmental | (-) |
| Permits & Fees | (-) |
| Sales & Services | (-) |
| Investment Earnings | (900) |
| Miscellaneous | (5,000) |
| Budgeted Expenditures | 95,208 |
| Downtown Program | 95,208 |
| Other Finance (Sources)/Uses | (19,125) |
| Fund Balance Appropriated | (19,125) |
| Sub-Total Appropriations | \$95,208 |

PROPRIETARY FUNDS**Enterprise Funds****Environmental Services Fund**

| | |
|--------------------------------|---------------|
| Budgeted Revenues | \$(1,218,000) |
| Charges for Services | (1,200,000) |
| Other Taxes & Licenses | (-) |
| Unrestricted Intergovernmental | (9,000) |
| Restricted Intergovernmental | (-) |
| Permits & Fees | (-) |
| Sales & Services | (-) |
| Investment Earnings | (8,000) |
| Miscellaneous | (1,000) |
| Budgeted Expenditures | 1,662,855 |
| Sanitation | 1,629,226 |

| | |
|---|---------------------|
| Debt Service | 33,629 |
| Other Financing Services | (444,855) |
| Proceeds of Debt | (295,000) |
| Fund Balance Appropriated | (149,855) |
| Sub-Total Appropriations | \$1,662,855 |
| Stormwater Fund | |
| Budgeted Revenues | \$(326,760) |
| Charges for Services | (325,000) |
| Other Taxes & Licenses | (-) |
| Unrestricted Intergovernmental | (-) |
| Restricted Intergovernmental | (-) |
| Permits & Fees | (1,040) |
| Sales & Services | (-) |
| Investment Earnings | (750) |
| Miscellaneous | (-) |
| Budgeted Expenditures | 538,152 |
| Stormwater | 538,152 |
| Other Financing Sources | (211,362) |
| Proceeds of Debt | (226,000) |
| Transfer (In) | (-) |
| Transfers Out | 30,000 |
| Fund Balance Appropriated | (15,362) |
| Sub-Total Appropriations | \$568,152 |
| Water & Sewer Capital Reserve Fund | |
| Budgeted Revenues | \$(-) |
| Miscellaneous | (-) |
| Budgeted Expenditures | 250,000 |
| General Administration | 250,000 |
| Other Finance (Sources)/Uses | (250,000) |
| Fund Balance Appropriated | (-) |
| Transfers (In) | (250,000) |
| Transfers Out | - |
| Sub-Total Appropriations | \$250,000 |
| Enterprise Funds (Continued) | |
| Water & Sewer Fund | |
| Budgeted Revenues | \$(16,486,905) |
| Charges for Services | (15,653,600) |
| Other Taxes & Licenses | (-) |
| Unrestricted Intergovernmental | (-) |
| Restricted Intergovernmental | (-) |
| Permits & Fees | (590,905) |
| Sales & Services | (-) |
| Investment Earnings | (210,000) |
| Miscellaneous | (32,400) |
| Budgeted Expenditures | 17,580,336 |
| General Business | 4,800,854 |
| Water Distribution | 2,255,759 |
| Water Facilities Maintenance | 1,804,876 |
| Water Operations Support | 525,685 |
| Water Treatment Plant | 2,607,623 |
| Wastewater Collection | 2,069,755 |
| Wastewater Facilities Maintenance | 210,009 |
| Wastewater Operations Support | 203,012 |
| Wastewater Treatment Plant | 1,534,485 |
| Debt Service | 2,279,342 |
| Other Financing Sources | (1,093,431) |
| Transfers (In) | (-) |
| Transfers Out | 280,000 |
| Fund Balance Appropriated | (1,373,431) |
| Sub-Total Appropriations | \$17,860,336 |
| Internal Service Funds | |
| Health & Welfare Fund | |
| Budgeted Revenues | \$(295,428) |
| Charges for Services | (283,828) |
| Grant Revenue | (-) |
| Miscellaneous | (11,600) |
| Budgeted Expenditures | 295,428 |
| Employee Benefits | 295,428 |
| Other Financing Sources | (-) |
| Fund Balance Appropriated | (-) |
| Sub-Total Appropriations | \$295,428 |
| Total Appropriations | \$38,691,053 |

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, 2019, and ending June 30, 2020. A copy of said document 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 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 department, 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-nine cents (\$0.49) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2019. This rate is based on an estimated total valuation of property for the purpose of taxation of \$2,107,870,705 and estimated collection rate of 99.00%. Per NCGS § 159-11(e), a revenue neutral tax rate was calculated to be forty-one and eighty-one hundredths cents (\$0.4181) per one hundred dollars (\$100) valuation of property.

A tax rate is also levied of twenty-six cents (\$0.26) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2019, 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 \$113,948,593 and an estimated collection rate of 99.00%. Per NCGS § 159-11(e), a revenue neutral tax rate was calculated to be twenty-one and forty-six hundredths cents (\$0.2146) per one hundred dollars (\$100) valuation of property.

A tax rate is also levied of seventeen cents (\$0.17) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2019, 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 \$20,192,048 and an estimated collection rate of 99.00%. Per NCGS § 159-11(e), a revenue neutral tax rate was calculated to be nine and ninety-five hundredths cents (\$0.0995) per one hundred dollars (\$100) valuation of property.

There is hereby adopted an official Fee Schedule listing specific fees, licenses, and utility rates charged by the City of Hendersonville for the use of City facilities and equipment for the purposes of making them available to public, specific utility rates the proceeds of which are for the maintenance and expansion of its utility systems, 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, and 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 ten-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 9: This ordinance shall become effective on and after July 1, 2019.

SECTION 10: 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 6th day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0640

**CAPITAL RESERVE FUND ORDINANCE
AN ORDINANCE SETTING CAPITAL RESERVE GUIDELINES FOR
THE CITY OF HENDERSONVILLE, NORTH CAROLINA
FOR THE YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020**

WHEREAS, under North Carolina General Statute 159-18 the City of Hendersonville is authorized to establish and maintain a capital reserve for any purposes for which bonds may be issued; and

WHEREAS, the City Council deems it is in the best interest of the citizens of Hendersonville to establish a capital reserve to fund future capital improvements; and

WHEREAS, the capital reserve fund will be used in conjunction with a multi-year capital improvement program to be reviewed annually during the budget process;

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

SECTION 1 BUDGET: That the following Capital Reserve Fund (CRF) budget, purpose, anticipated revenues, and project appropriations are hereby adopted for the operation of the City of Hendersonville and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

| | |
|------------------------------------|-----------|
| Fiscal Year 2019-20 | |
| Capital Reserve Fund Revenues | |
| Transfer from Water and Sewer Fund | \$250,000 |
| Capital Reserve Fund Expenditures | |
| Miscellaneous Expense | \$250,000 |
| Total Fund Balance | \$- |

SECTION 2 PURPOSE: That the purpose of the City of Hendersonville CRF will be to (1) raise funds for future economic development capital projects, (2) provide greater levels of transparency and flexibility in raising and expending funds on capital projects, (3) delineate the timeframe for which revenues will be raised for and expended on capital projects, (4) display the amounts of revenues and expenditures for capital projects funded through the CRF, and (5) detail revenue sources of the fund.

This Capital Reserve Fund Ordinance will, more specifically, be established alongside the City's Budget Ordinance to begin saving for Water and Sewer Fund related economic development projects. The City has recognized the need to fund economic development projects and desires to fund such projects through a CRF to enhance transparency and accountability.

SECTION 3 TIMEFRAME: That revenues for Water and Sewer Fund related capital projects will be raised over a period of five (5) fiscal years- from July 1, 2019 to June 30, 2024.

SECTION 4 AMOUNTS ACCUMULATED: That this fiscal year, the City will transfer \$250,000 from the Water and Sewer Fund (Fund 60) to the Capital Reserve Fund (Fund 66). The City will save \$500,000 of revenue in the CRF for future economic development projects. The City anticipates to expend \$500,000 on economic development projects.

SECTION 5 REVENUE SOURCES: That the revenue source planned for the CRF is the Water and Sewer Fund. Each year delineated, the City will transfer \$250,000 from the Water and Sewer Fund to the CRF. Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this sixth day of June 2019.
 /s/Barbara G. Volk, Mayor
 Attest: /s/Tammie K. Drake, City Clerk
 Approved as to form: /s/Samuel H. Fritschner, City Attorney

Resolution #19-0641

**RESOLUTION OF INTENT
 A RESOLUTION TO CONSIDER AND ADOPT THE RECOMMENDED CAPITAL IMPROVEMENT PLAN (CIP)
 AND WATER/SEWER RATE STUDY FOR THE CITY OF HENDERSONVILLE, NORTH CAROLINA
 FOR THE FISCAL YEAR 2019-20 THROUGH THE FISCAL YEAR 2028-29**

WHEREAS, the City of Hendersonville recognizes that a Capital Improvement Plan (CIP) enables staff and the Board to plan for a vibrant community; and
 WHEREAS, the CIP is a 10-year planning tool designed to help the City plan for the repair, replacement, and acquisition of capital items; to assist in financial planning; to ensure better coordination and evaluation of projects; to provide necessary lead time for project planning, permitting, and design; and to maintain or improve the City’s credit rating and fiscal health; and
 WHEREAS, the recommended FY19-20 through FY28-29 CIP updates preceding budgets and CIPs of prior fiscal years; and
 WHEREAS, this plan is updated annually for Board review; and
 WHEREAS, the Board authorizes staff to reallocate undesignated or unused funds within the CIP and Capital Reserve Fund to support other projects that may come about in the course of this timeframe; and
 WHEREAS, this flexibility in the planning and implementation of capital needs makes the City’s CIP responsive to the changing needs of its community; and
 WHEREAS, the Board intends to follow the recommendations of the water and sewer rate recommendations as to provide adequate funding for the projects identified in the CIP while maintaining a strong financially sustainable fiscal position; and
 WHEREAS, the Board intends to generate revenues through the County-wide real property revaluation, effective FY19-20, to provide funding for the debt service payments on General Fund projects; and
 WHEREAS, this CIP will provide a vibrant future for our community and is intended to further the vision and mission of the City.
 THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA that the City of Hendersonville City Council has received and adopts the recommended Capital Improvement Plan (CIP) in conjunction with the annual City Budget for Fiscal Year 2019-2020.
 Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this sixth day of June 2019.
 /s/Barbara G. Volk, Mayor
 Attest: /s/Tammie K. Drake, City Clerk
 Approved as to form: /s/Samuel H. Fritschner, City Attorney

Ordinance #19-0642

**CAPITAL PROJECT ORDINANCE FOR
 THE ACQUISITION, CONSTRUCTION AND INSTALLATION
 OF THE FIRE STATION #3 CONSTRUCTION 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 infrastructure project described as the Fire Station #3 Construction Project.
 Section 2: The following amounts are appropriated for the project:

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|--------------------------|---------------------|
| Org | Obj | Proj | | |
| 4104340 | 519000 | 19018 | Professional Services | \$ 420,000 |
| 4104340 | 549750 | 19018 | Permits, License, & Fees | \$ 50,000 |
| 4104340 | 557000 | 19018 | Land, ROW, and Easement | \$ 500,000 |
| 4104340 | 558000 | 19018 | Capital Outlay Buildings | \$ 3,500,000 |
| Total Project Appropriation | | | | \$ 4,470,000 |

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 |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4104340 | 499100 | 19018 | Proceeds of Debt | \$ 4,470,000 |
| Total Project Revenue | | | | \$ 4,470,000 |

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 and 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 sixth day of June 2019.

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

Ordinance #19-0643

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE FIRE STATION #1 RENOVATION 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 infrastructure project described as the Fire Station #1 Renovation Project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|--------------------------|---------------------|
| Org | Obj | Proj | | |
| 4104340 | 519000 | 19019 | Professional Services | \$ 75,000 |
| 4104340 | 549750 | 19019 | Permits, License, & Fees | \$ 25,000 |
| 4104340 | 558000 | 19019 | Capital Outlay Buildings | \$ 1,430,000 |
| Total Project Appropriation | | | | \$ 1,530,000 |

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 |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4104340 | 499100 | 19019 | Proceeds of Debt | \$ 1,530,000 |
| Total Project Revenue | | | | \$ 1,530,000 |

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 and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0644

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE FIRE LADDER #1 REPLACEMENT 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 infrastructure project described as the Fire Ladder #1 Replacement Project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|-------------------------------|---------------------|
| Org | Obj | Proj | | |
| 4104340 | 552100 | 19021 | Capital Outlay Motor Vehicles | \$ 1,500,000 |
| Total Project Appropriation | | | | \$ 1,500,000 |

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 |
|------------------------------|--------|-------|------------------|---------------------|
| Org | Obj | Proj | | |
| 4104340 | 499100 | 19021 | Proceeds of Debt | \$ 1,500,000 |
| Total Project Revenue | | | | \$ 1,500,000 |

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 and 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 sixth day of June 2019.

/s/Barbara G. Volk, Mayor

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

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

Ordinance #19-0645

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE FIRE ENGINE #1 REPLACEMENT 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 infrastructure project described as the Fire Engine #1 Replacement Project.

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

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|-------------------------------|-------------------|
| Org | Obj | Proj | | |
| 4104340 | 552100 | 19020 | Capital Outlay Motor Vehicles | \$ 800,000 |
| Total Project Appropriation | | | | \$ 800,000 |

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 |
|------------------------------|--------|-------|------------------|-------------------|
| Org | Obj | Proj | | |
| 4104340 | 499100 | 19020 | Proceeds of Debt | \$ 800,000 |
| Total Project Revenue | | | | \$ 800,000 |

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 and 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 sixth day of June 2019.
 /s/Barbara G. Volk, Mayor
 Attest: /s/Tammie K. Drake, City Clerk
 Approved as to form: /s/Samuel H. Fritschner, City Attorney

Ordinance #19-0646

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE NEW FIRE ENGINE #3 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 infrastructure project described as the New Fire Engine #3 Project.
 Section 2: The following amounts are appropriated for the project:

| Account Number | | | Account Name | Total Budget |
|------------------------------------|--------|-------|-------------------------------|-------------------|
| Org | Obj | Proj | | |
| 4104340 | 552100 | 19022 | Capital Outlay Motor Vehicles | \$ 800,000 |
| Total Project Appropriation | | | | \$ 800,000 |

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 |
|------------------------------|--------|-------|------------------|-------------------|
| Org | Obj | Proj | | |
| 4104340 | 499100 | 19022 | Proceeds of Debt | \$ 800,000 |
| Total Project Revenue | | | | \$ 800,000 |

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 and 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 sixth day of June 2019.
 /s/Barbara G. Volk, Mayor
 Attest: /s/Tammie K. Drake, City Clerk
 Approved as to form: /s/Samuel H. Fritschner, City Attorney

Resolution #19-0647

**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 Fire Station #3 Construction Project, Ordinance #19-0642,
 The Fire Station #1 Renovation Project, Ordinance #19-0643,
 The Fire Engine #1 Replacement Project, Ordinance #19-0645,
 The Fire Ladder #1 Replacement Project, Ordinance #19-0644, And
 The New Fire Engine #3 Project, Ordinance #19-0646, (the "Projects").

Plan of Finance. The Issuer intends to finance the costs of the Projects 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 Projects is \$9,100,000.00.

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 sixth day of June 2019.
 /s/Barbara G. Volk, Mayor
 Attest: /s/Tammie K. Drake, City Clerk
 Approved as to form: /s/Samuel H. Fritschner, City Attorney

Council Member Smith moved approval of a budget amendment for \$40,000 using Police Department lapsed salaries for the Professional Services Proposal for a parking study with Walker Consultants. A unanimous vote of the Council followed; motion carried.

Budget Amendment
 Funds 10, 410
 104310 512100 Salaries & Wages Regular – \$40,000 Decrease
 109900 999410 Transfer to Gov CPF \$40,000 - Increase
 Fund 10 Total Expenditures \$40,000 Increase \$40,000 Decrease
 4104120 519000 19101 Professional Services \$40,000 - Increase
 4104120 998010 19101 Transfer in From GF \$40,000 - Decrease
 Fund 410 Total Revenues \$40,000.00
 Total Expenditures \$40,000.00

An amendment to fund a parking services study in relation to the Dogwood Parking Lot redevelopment project. Funding for this study will be provided through lapsed salaries in the Police Department.

[The proposal is in the office of the Assistant City Manager.]

School Resource Officer Funding: Council Member Smith read the following statement into the record:

“The Hendersonville City Council has decided to decline, at this time, a proposal by Henderson County that would fund School Resource Officers, but at the cost of removing the City’s SRO’s from their assignments and replacing them with county deputies.

The City Council appreciates the offer by the county but prioritizes having Hendersonville Police Officers in the schools. From the beginning, we have made law enforcement coverage in our schools a priority, and our City’s School Resource Officers have worked to establish a rapport with their students and faculty.

The basis for this decision comes down to councilmembers feeling that HPD officers should have primary responsibility for the security of the schools within their jurisdiction. Concerns about jurisdictional authority for issues that arise off school grounds and the desire to have a fifth SRO providing additional coverage at Bruce Drysdale and Hendersonville Elementary Middle and High Schools also factor into our decision.

Our request earlier this year of \$201,455 to offset law enforcement coverage in the schools within the City limits was an attempt to garner equitable financial support for all schools within the system and alleviate the burden placed on City taxpayers.

We are willing to accept the County’s funding offer if they would be willing to work with us on a long-term solution that would allow HPD officers to remain in the schools. Like county SRO’s, the city’s School Resource Officers have been through the required training and serve the same purpose as officer and law-related counselor and educator on campus.

The Hendersonville Police Department would be more than willing to work with the Sheriff’s Office to further standardize protocols and have uniform coverage throughout all the schools in the system.”

Council Member Miller commented this action has nothing to do with City Council’s lack of faith in any law enforcement Henderson County would put into the schools. He stated Sheriff Griffin would always put the safety of the students and faculty first and foremost. He stated Council would like to have had an opportunity to discuss a compromise. He expressed appreciation but at this time, the Council will turn down the offer.

At 9:03 p.m. the Council re-entered closed session to consult with the City attorney to preserve the attorney-client privilege between the attorney and the City Council as provided under NCGS 143-318.11(a)(3). Upon exiting the closed session at 9:11 p.m., Council Member Smith moved Council to direct the City Manager to send a letter or enter discussions with the Henderson County Manager Steve Wyatt with regard to equalizing water rates. A unanimous vote of the Council followed. Motion carried.

At 9:11 p.m., Council Member Caraker moved Council to re-enter a closed session to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee as provided under NCGS §143-318.11(a)(6). A unanimous vote of the Council followed. Motion carried.

The Council exited the closed session at _____.

18. Adjournment: The meeting adjourned at ____ p.m. upon unanimous assent of the Council.