

**December 3, 2015
Regular Meeting of the City Council
Council Chambers – City Hall
5:45 p.m.**

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

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

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

2. Invocation and Pledge of Allegiance: A moment of silence for prayer was followed by the Pledge of Allegiance to the Flag.

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

Ken Fitch, 1046 Patton Street, Hendersonville NC, during this season of Thanksgiving, expressed thanks for all the City leadership does, for the staff of all the departments and the exceptional work they do throughout the year.

4. Consideration of Agenda: The following amendments were made to the agenda:

- 9a. Presentation of “America in Bloom” Certificate
- Addition to Consent Agenda: H. Consideration of a Resolution to Request to Join the NC State Health Plan

Council Member Caraker moved approval of the agenda with the two additions. A unanimous vote of the Council followed. Motion carried.



ORGANIZATIONAL MEETING OF THE COUNCIL

City Attorney Fritschner introduced the Honorable Judge Mark Powell, resident Superior Court Judge.

5. Administration of the Oath of Office and Presentation of Certificate of Election to Council Member Steve Caraker by the Honorable NC District 29b Superior Court Judge Mark E. Powell: The Oath of Office was administered to Steve Caraker by Judge Powell.

State of North Carolina
County of Henderson

In the Matter of
City of Hendersonville, Council Member

OATH OF OFFICE

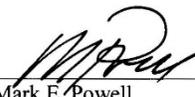
I, Steven A. Caraker, do solemnly swear (or affirm) that I will support the Constitution and laws of the United States, that I will be faithful and bear true allegiance to the State of North Carolina, and to the Constitutional powers and authorities which are or may be established for the government thereof; and that I will endeavor to support, maintain and defend the Constitution of said State, not inconsistent with the Constitution of the United States, to the best of my knowledge and ability; so help me God.

I, Steven A. Caraker, do swear (or affirm) that I will well and truly execute the duties of the office of City of Hendersonville Council Member according to the best of my skill and ability, according to law, so help me God.

This is the third day of December 2015.


Steven A. Caraker

Sworn to and subscribed before me,
this third day of December, 2015.


Mark E. Powell
Superior Court Judge
29B Judicial District of the Eighth Division of the Superior Court

6. Administration of the Oath of Office and Presentation of Certificate of Election to Council Member Ron Stephens by the Honorable NC District 29b Superior Court Judge Mark E. Powell:
The Oath of Office was administered to Ron Stephens by Judge Powell.

State of North Carolina
County of Henderson

In the Matter of
City of Hendersonville, Council Member

OATH OF OFFICE

I, Ronald D. Stephens, do solemnly swear (or affirm) that I will support the Constitution and laws of the United States, that I will be faithful and bear true allegiance to the State of North Carolina, and to the Constitutional powers and authorities which are or may be established for the government thereof; and that I will endeavor to support, maintain and defend the Constitution of said State, not inconsistent with the Constitution of the United States, to the best of my knowledge and ability; so help me God.

I, Ronald D. Stephens, do swear (or affirm) that I will well and truly execute the duties of the office of City of Hendersonville Council Member according to the best of my skill and ability, according to law, so help me God.

This is the third day of December 2015.


Ronald D. Stephens

Sworn to and subscribed before me,
this third day of December, 2015.


Mark E. Powell
Superior Court Judge
29B Judicial District of the Eighth Division of the Superior Court

7. Election of Mayor Pro Tempore: Mayor Pro Tem Stephens nominated Council Member Steve Caraker to serve as Mayor Pro Tempore. A unanimous vote of the Council followed. Motion carried.

Mayor Pro Tem Caraker was sworn in by Judge Powell as Mayor Pro Tem.

State of North Carolina
 County of Henderson

In the Matter of
 City of Hendersonville, Council Member

OATH OF OFFICE

I, Steven A. Caraker, do solemnly swear (or affirm) that I will support the Constitution and laws of the United States, that I will be faithful and bear true allegiance to the State of North Carolina, and to the Constitutional powers and authorities which are or may be established for the government thereof; and that I will endeavor to support, maintain and defend the Constitution of said State, not inconsistent with the Constitution of the United States, to the best of my knowledge and ability; so help me God.

I, Steven A. Caraker, do swear (or affirm) that I will well and truly execute the duties of the office of City of Hendersonville Mayor Pro Tem according to the best of my skill and ability, according to law, so help me God.

This is the third day of December 2015.



Sworn to and subscribed before me,
 this third day of December, 2015.



Mark E. Powell
 Superior Court Judge
 29B Judicial District of the Eighth Division of the Superior Court

8. Remarks by Mayor Barbara Volk and City Council Members:

Mayor Pro Tem Caraker commented he is proud of what the group has accomplished, proud of the leadership and is honored to serve.

Council Member Stephens thanked those who supported him with time, money, phone calls, etc. in his reelection. He stated it is an honor to serve and expressed appreciation to his wife, Mary. He agreed the Council has accomplished many things and believes there are many exciting things to come.

Council Member Smith congratulated Mayor Pro Tem Caraker and Council Member Stephens. He stated he is proud that the Council conducts themselves the way government is supposed to be conducted. He looks forward to serving with them and believes they all care deeply about the City. He stated it is an honor to serve the citizens and with the elected board.

Council Member Miller thanked everyone for helping him as the newest Council member, listening to his comments, suggestions, etc. and stated there is a nice chemistry between the members. He thanked the City Manager for his work, the City Clerk and Mayor Volk.

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9. Special Recognition – Board of Elections: Mayor Barbara G. Volk presented a “Mayor’s Certificate of Commendation” to the Board of Elections, the Director of Elections Beverly Cunningham, office staff and volunteers in appreciation for their work on behalf of the City of Hendersonville in conducting the City’s elections.

9a. Presentation of “America in Bloom” Certificate

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10. Consideration of Consent Agenda: (Note: All items denoted with an asterisk (*) are considered routine, non controversial in nature and will be considered and disposed of through a singular motion and vote.)

A. Consideration of Minutes of November 5, 2015 Regular Meeting

B. Consideration of Approval of 2016 Proposed Schedule of Regular Meeting Dates: City Clerk Tammie Drake presented the schedule of regular meetings for the City Council and the boards/commissions serving the City for 2016.

C. Consideration of Election Results – Abstract of Votes:

11/10/15 09:02 AM Henderson County Official Municipal Election 2015 1 of 3

STATISTICS	0010_FLAT ROCK MAYOR					0002_FLAT ROCK COUNCIL DIST 1					0003_FLAT ROCK COUNCIL DIST 2					0004_FLAT ROCK COUNCIL DIST 3				
	VOTERS REGISTERED	CAST	Boob	Boob	WRI	OVER	UNDE	Nick	WRIT	OVER	UNDE	Ging	WRIT	OVER	UNDE	John	WRIT	OVER	UNDE	
AR AR ARMORY - HENDERSO	263	14																		
AR AR ARMORY - FLAT ROC	145	30	2	28	0	0	0	28	0	0	2	28	0	0	2	27	0	0	3	
CC CC CLEAR CREEK	936	24																		
CV HV-2 CAROLINA VILLAG	490	143																		
EV EV ETOWAH VALLEY	198	2																		
FL FL FLETCHER	3872	66																		
FR FR FLAT ROCK	2945	732	36	694	2	0	0	666	5	0	61	646	5	0	81	637	4	0	91	
HC HC HOOPERS CREEK	880	6																		
HV-1 HV-1 HENDERSONVILL	2350	220																		
HV-2 HV-2 HENDERSONVILL	2533	92																		
HV-3 HV-3 HENDERSONVILL	2585	155																		
LJ LJ LONG JOHN MOUNTAI	109	6																		
LP LP LAUREL PARK	1777	162																		
MG MG MOORES GROVE	130	2																		
NB NB NORTH BLUE RIDGE	68	1																		
NE NE NORTHEAST	67	0																		
NM NM NORTH MILLS RIVER	2323	47																		
NW NW NORTHWEST	17	1																		
PR PR PARK RIDGE	135	2																		
PV PV PISGAH VIEW	98	3																		
RR RR RAVEN ROCK	7	2																		
SE SE SOUTHEAST	62	1																		
SM SM SOUTH MILLS RIVER	2469	28																		
SW SW SOUTHWEST - LP	6	0																		
SW SW SOUTHWEST - HENDE	79	3																		
ABSENTEE MAIL	0	6	0	2	0	0	0	2	0	0	0	2	0	0	0	2	0	0	0	
PROVISIONAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CURBSIDE	0	9	0	3	0	0	0	2	0	0	1	2	0	0	1	2	0	0	1	
TOTALS	24544	1757	38	727	2	0	0	698	5	0	64	678	5	0	84	668	4	0	95	

11/10/15 09:02 AM Henderson County Official Municipal Election 2015 2 of 3

STATISTICS	0005_FLETCHER COUNCIL DIST 2					0006_FLETCHER COUNCIL DIST 3					0001_HENDERSONVILLE COUNCIL					0007_LAUREL PARK MAYOR				
	Hugh	WRIT	OVER	UNDE	Boob	WRIT	OVER	UNDE	Stev	Ron	WRIT	OVER	UNDE	John	WRIT	OVER	UNDE			
AR AR ARMORY - HENDERSO									13	5	9	0	0	1						
CC CC CLEAR CREEK									13	19	13	0	0	3						
CV HV-2 CAROLINA VILLAG									111	43	102	0	0	30						
FL FL FLETCHER	60	1	0	0	5	62	1	0												
HC HC HOOPERS CREEK	6	0	0	0	0	6	0	0												
HV-1 HV-1 HENDERSONVILL									158	93	147	6	0	36						
HV-2 HV-2 HENDERSONVILL									66	52	51	0	0	15						
HV-3 HV-3 HENDERSONVILL									106	85	91	0	0	28						
LJ LJ LONG JOHN MOUNTAI									5	0	6	0	0	1						
LP LP LAUREL PARK														156	5	0	1			
MG MG MOORES GROVE									1	2	0	0	0	1						
NB NB NORTH BLUE RIDGE									1	0	1	0	0	0						
NE NE NORTHEAST									0	0	0	0	0	0						
NW NW NORTHWEST									0	0	1	0	0	1						
PR PR PARK RIDGE	1	1	0	0	1	1	0	0												
PV PV PISGAH VIEW														3	0	0	0			
SE SE SOUTHEAST									1	0	1	0	0	0	0	0	0			
SW SW SOUTHWEST - LP														0	0	0	0			
SW SW SOUTHWEST - HENDE									2	3	0	0	0	1						
ABSENTEE MAIL	0	0	0	0	0	0	0	0	4	3	1	0	0	0	0	0	0			
PROVISIONAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
CURBSIDE	0	0	0	0	0	0	0	0	4	3	5	0	0	0	0	0	0			
TOTALS	67	2	0	5	69	2	0	3	465	308	428	6	0	117	159	5	0			

D. Consideration of Ordinance Amending Code of Ordinances Section 10-42 Respecting the Keeping of Swine: At the request of a citizen, Victoria Morris, 560 Oak Hill Court, City Attorney Fritschner presented the following ordinance for Council’s consideration:

Ordinance #15-1268

AN ORDINANCE AMENDING SECTION 10-42 OF THE CODE OF ORDINANCES REGARDING THE KEEPING OF SWINE WITHIN THE CITY

WHEREAS, the City Council has previously determined that swine shall not be kept within the City, and

WHEREAS, the City Council has subsequently determined that the keeping of certain smaller swine is not likely to injure the public health, safety and welfare,

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

SECTION 1. Section 10-42 of the Hendersonville Code of Ordinances is hereby amended to read in its entirety as follows:

Section 10-42. Swine

It shall be unlawful for any person to keep any hogs or other swine within the city with the exception of miniature pigs weighing not more than 100 pounds kept as household pets. Only one such miniature pig shall be

kept in any household. Such pigs shall be kept in a restrained area and shall not be permitted to run at large. Any outside area occupied by a miniature pig shall be regularly sanitized and kept free from waste. No such area shall be allowed to become muddy or unsanitary.

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 third day of December 2015.

/s/Barbara G. Volk, Mayor

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

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

E. Consideration of a Proposal from Hazen and Sawyer for the Completion of a Water System

Master Plan: Engineering director Brent Detwiler presented a proposal from Hazen and Sawyer who recently completed a hydraulic model of the City's water distribution system. His this model is useful in determining available flows and pressures throughout the system. The next step in the process is using this model, planning and growth data to complete a water system master plan. The master plan will be used to size future line extensions in order to supply water to growth areas, eliminate existing deficiencies in the system and to plan for capital improvements. He stated City staff requested Hazen and Sawyer to provide a proposal to complete this project as a continuation of their water modeling contract.

The cost of the proposal is \$101,200 and will be funded by moving available funds from the Repair and Maintenance account into Professional Services.

F. Consideration of Budget Amendment for the Howard Gap Road NCDOT Project:

Mr. Lee Smith requested a budget amendment necessary for payment of the NCDOT invoice in the amount of \$213,760.50. This invoice is associated with Utility Agreement executed on November 2, 2012 for NCDOT Project R-5207-A, Howard Gap Rd. Bridge Improvements, which included water main improvements. He requested funding be provided from the water and sewer fund cash reserve account.

G. Consideration of Amendments to the Special Event Ordinance: Mr. Lew Holloway requested the amendment of Sections 46-84 and 46-85 of chapter 46 of the Code of Ordinances that outline the Council's authority to allow special events and establishes the Special Event Committee. The amendments reflect the Special Event policy and changes the makeup of the Committee.

Ordinance #15-1269

AN ORDINANCE AMENDING CHAPTER 46 - STREETS, SIDEWALKS AND OTHER PUBLIC PLACES, SECTIONS 46-84 AND 46-85 PERTAINING TO SPECIAL EVENTS

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

1. Chapter 46, Section 46-84 of the Hendersonville Code of Ordinances respecting special events is hereby amended as follows:

Sec. 46-84 Exception; permitted special events.

Notwithstanding the foregoing provisions of this article, the city council may authorize the temporary obstruction of streets or sidewalks, or the use of other public property, in conjunction with special events. Provided, however, the special event sponsor shall ensure that there is a continuous five foot width of unobstructed sidewalk. Anyone desiring a special event permit shall make application to the city manager ~~detailing the nature and duration of the event and demonstrating how the event will benefit the general welfare of the city~~ by submitting a completed City of Hendersonville Special Event Permit Application. In deciding whether to issue a special event permit, the city council shall ~~balance the stated civic purpose of the event against the inconvenience to the public of closing streets and sidewalks and against the cost to the city of ensuring the public health, safety and welfare which is attendant to the special event~~ be guided by the City's Special Event Policy.

2. Chapter 46, Section 46-85 of the Hendersonville Code of Ordinances respecting special events is hereby amended as follows:

Sec. 46-85 Events committee established; membership; duties.

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(b) The membership of the events committee shall be as follows:

- (1) The chief of police or his designee;
- (2) The city manager or his designee; and
- (3) The director of public works or his designee;
- (4) ~~The representative of Downtown Hendersonville, Inc.,~~ The Downtown Economic Development Director or his designee shall be an ex officio member of the committee, having voice but no vote.

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

Adopted this third day of December, 2015.

/s/Barbara G. Volk, Mayor

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

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

H. Consideration of a Resolution to Request to Join the NC State Health Plan: City Manager John Connet requested Council's consideration of a resolution requesting to join the NC State Health Plan.

A Resolution to Join the North Carolina State Health Plan

WHEREAS, the City of Hendersonville is committed to providing adequate health insurance coverage to its employees; and

WHEREAS, the State of North Carolina provides such comprehensive major medical insurance coverage to state employees and teachers; and

WHEREAS, the North Carolina General Assembly has ratified House Bill 154 as Session Law 2015-112 allowing Local Governments to participate in the State Health Plan; and

WHEREAS, it is the City of Hendersonville's desire to participate in this plan.

NOW, THEREFORE, BE IT RESOLVED BY THE City of Hendersonville City Council that the City of Hendersonville and its employees desire to participate in the North Carolina State Health Plan as enabled by the North Carolina General Assembly Session Law 2015-112 House Bill 154.

Adopted this the fifth day of December, 2015.

/s/Barbara G. Volk, Mayor

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

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

11. Presentation of Audit for Fiscal Year 2014-15: The City Council received a presentation on the audit for fiscal year 2014-15 from Mr. Terry Andersen. Mr. Andersen explained the report includes the Comprehensive Annual Financial Report and the report on the City's compliance over the City's Federal and State financial assistance (single audit). He stated the City has complied with all the applicable rules and regulations that were chosen for testing relating to the expenditures of the City's \$7.5 million of Federal and State awards.

Highlights of the presentation included:

GASB 34 - Comparative Results: Governmental activities net position \$24.04 million which reflects a 1.9 percent decrease (\$468,200) in comparison to June 30, 2014. The City's unrestricted net position increased by \$1.12 million.

General Fund:

- Revenues totaled \$13.13 million which reflects a 7.15 percent increase from the 2013-2014 fiscal year (\$876,000). More than 56 percent of revenue is generated from property taxes and more than 31 percent from unrestricted intergovernmental revenues, i.e., sales taxes and franchise fees. The current levy collection percentage is 98.02 percent. Other licenses, taxes, restricted intergovernmental make up the remaining 12 percent.
- Total expenditures were \$13.8 million which is an increase of 9.7% compared to 2013-2014. More than 70 percent of expenditures are in general government and public safety, more than 16 percent in transportation and 7.6 percent in debt service and more than 5 percent in culture and recreation.
- Budgeted versus Actual Expenditure Comparisons: All major expense categories stayed within their budget. Management continues to do an excellent job in staying within the Council-approved budget in all areas.
- Fund Balance is \$8.1 million, a decrease of \$291,500 compared to the previous year. Unassigned Fund Balance is 44.8 percent of expenditures compared to Council's goal of 25-35 percent and the minimum of 8 percent is required by the LGC which is a good indicator of sound fiscal management.

Other Governmental Funds:

- Special Revenue Funds include the Downtown and Seventh Avenue Tax District Funds, the Governor's Highway Safety Bike Safe Grant Funds and the Oklawaha Greenways Phase 3 Grant Fund.
- Capital Projects Funds include the Sidewalk Construction Project Fund, Highway 64 Sidewalk Improvement Project Fund, East Side Fire Station Construction Project Fund and the Mud Creek Dump Project Fund.

Enterprise Funds:

- The Water and Sewer Fund has an Unrestricted Net Position of \$25.5 million at June 30, 2015 an increase of \$1.3 million compared to prior year.
- The Environmental Service Fund has Unrestricted Net Position of approximately \$500,000 at June 30, 2015 reflecting an increase of \$51,000 compared to the prior year.
- Expenditures: The bulk of the expenditures were for water treatment and distribution, waste collection and treatment and depreciation. Remaining expenditures are for interest expense, administration and business operations.

Audit Results: Mr. Andersen stated the Council received an Unmodified Audit Opinion which is a clean audit opinion. They encountered no problems with staff and there were no significant audit adjustments. He reported there was a restatement made on a net position resulting from a new governmental accounting rule this year requiring municipalities to reflect State retirement as a liability. The City is not liable for it but it required to be recorded.

Mr. Andersen reported there were no findings or questioned costs in the single audit. Everything tested was in compliance. He stated the GFOA Certificate prior year recommendations are addressed in the current year report. He stated two letters were issued to the Mayor and City Council: audit results indicating the City's responsibilities, the auditor's responsibilities, significant estimates, etc. Secondly, was a management recommendation letter for changes and procedures and reviewed those with staff. He expressed appreciation to Mr. Connet and Ms. White and staff for their cooperation.

Mayor Volk commented the Council takes the stewardship of taxpayer's money very seriously. Mr. Connet thanked Mr. Andersen and noted the reduction of \$400,000+ was taken from the Capital Reserve Fund for debt service payment for the renovation of City Hall. He stated at the beginning of the budget year approximately \$1.1 million of Fund Balance was budgeted for general operations but only \$6,968 of that amount was used which reflects a huge effort by the staff. He expressed appreciation to Ms. White and Mr. Pahle. He reiterated that all

major operations came in under budget and expressed appreciation to the Department Heads for their diligence as well. Mayor Volk thanked all who are responsible for this.

12. Presentation of Annual Report for Mills River Partnership: The Council received a report from Ms. Maria Wise who thanked the Council for their support and Mayor Pro Tem Caraker who sits on their Board. Highlights of the presentation included:

Outreach and Education included:

- Mills River Day
- Partnered with Sierra Nevada for a running event, \$2 per runner came to the Partnership
- Completion of a livestock exclusion and stock trail to eliminate erosion and runoff
- Completion of a grassed waterway that will prevent runoff along with streambank stabilization, field borders, and riparian enhancement.

The work plan for next year includes continuing Best Management Practices (BMPs), follow-up monitoring for those which will help mitigate large storm events, stream bank stabilization. There was some discussion by the Council with respect to cooperation by the landowners, the benefits of the work of the Partnership, etc.

No action was required or taken by the Council.

13. Consideration of Amendments to the Fee Schedule to Change Late Fees on Past Due Utility Bills and Consideration of Waiving the Fees for December 2015: Ms. Lisa White explained late fees were implemented at the beginning of this fiscal year on late payments for water service. She explained the late fees implemented were \$10 after the invoice is five days late and an additional \$15 after they are ten days late.

Ms. White reported complaints from customers and requested the fee schedule be changed to implement a \$15 late fee after the invoice is 15 days late beginning January 1, 2016. She also requested that Council waive late fees for the month of December.

Mayor Pro Tem Caraker moved City Council to revise the current City of Hendersonville Fee Schedule to amend the late fees charged to past due water/sewer bills to \$15 after the bill is 15 days past due, and that late fees to be waived for the month of December 2015, and start the new fee schedule January 1, 2016, There was discussion of working with customers with hardship issues and notification by phone before water will be cut-off, at what point water is cut off, i.e., 60 days late, etc. Ms. White explained the customer receives a call before the late fee is assessed and Council Member Miller asked if the City employee could also knock on the door and advise the resident before the service is cut off. Mr. Lee Smith responded staff could do that. There was also discussion of the H₂O Helping hand outreach program administered by Interfaith Assistance Ministries. The Council also discussed the reconnection fee of \$40. After discussion, **a unanimous vote of the Council followed. Motion carried.**

14. Presentation on Special Appropriations: Mr. Brian Pahle gave a presentation on special appropriations – an allocation of funding to specific outside agencies and how special appropriations are requested. He explained municipalities may authorize an appropriation to a private entity, whether for profit or nonprofit, as long as the appropriation will accomplish a public purpose but that is loosely defined.

Mr. Pahle gave a history and breakdown of special appropriations that have been granted by the Council for the past five years.

Mr. Pahle asked for Council's guidance on whether the City should adopt a formal contract to ensure accountability for the expenditure of public funds, how payments should be made, e.g., quarterly, semi-annually, annually, etc., if the City should require a status report or an audit of the appropriation, etc. and whether the City allows appropriations to for-profit agencies, nonprofit agencies without 501 exempt status, etc. Discussion followed on providing funding to agencies with and without the 501 exempt status, including the information on the application, etc. Mr. Connet stated there is not a formal policy at this time and it would be better to develop the criteria to base a decision on because applications must show the funds serve a public purpose.

After discussion, **the Council directed staff to draft a policy for granting funding to agencies for their consideration.**

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

16. Comments from Staff

A. Report on Contingencies: Mr. Connet explained NCGS 159-13(b)(3) requires that Council be notified when expenditures are made from a contingency appropriation budget adjustment. In the future, the Council will receive this report monthly under Comments from Staff. Expenditures made with contingency funds do not increase the approved budget and cover unexpected expenses. **No action was required or taken.**

B. Scheduling of City Council Planning Retreat: The Council retreat was scheduled for Thursday, February 11, dinner meeting to review financial information from 6 – 8 p.m., and Friday, February 12, 2016, location to be announced.

C. Reminder of Christmas Parade: Mr. Connet reminded the Council of the Christmas parade on Saturday, December 5, 2015, at 10:30 a.m.

D. Reminder of Employee/Volunteer Christmas Lunch: Mr. Connet reminded the Council of the Christmas lunch on December 16, beginning at 11:30 a.m. at the Whitmire Activity Building.

E. Reminder of Required Ethics Training for Newly-Elected Officials: Mr. Connet reminded the newly elected Council members to complete the required ethics training within a year.

17. Consideration of Appointments to Boards and Commissions:

A. Announcement of Vacancies and Upcoming Appointments: City Clerk Tammie Drake announced the vacancies and upcoming appointments to the Tree Board, the Environmental Sustainability Board, and

B. Update on Bicycle Plan Steering Committee: Ms. Anderson explained the City received a grant from the NCDOT to complete a study and bicycle plan for the City. She reported the selection committee is reviewing the Request for Proposals that were received and may be ready to make a recommendation to the Council at their January meeting.

Ms. Anderson explained a steering committee is required by the grant conditions. She reviewed the recommended representation. She asked the Council to consider the size of the committee and appointees. She expects four meetings over the next year. Council Member Smith suggested including a student on the committee. **No action was taken.**

18. New Business: There was none.

19. City Manager Request for Closed Session: At 7:10 p.m., Mayor Pro Tem Caraker moved that the City Council enter closed session in accordance with 143-318.11 (11)(5) to establish or instruct the staff concerning the position to be taken by or on behalf of the City Council on negotiating for the acquisition of real property. A unanimous vote of the Council followed. **Motion carried.**

The Council discussed the possibility of purchasing property and advised staff on negotiating the price.

20. Adjournment: Being no further business, the meeting adjourned at 7:37 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

Tammie K. Drake, City Clerk