

**August 6, 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, Planning Director Sue Anderson, Police Captain Doug Jones, Engineering Director Brent Detwiler, Zoning Administrator Susan Frady, Public Information Officer Tara Ledbetter, Budget Analyst Brian Pahle, 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.*

Barbara Barnett, 602 Water Oak Lane, Hendersonville NC, addressed the Council on behalf of Citizens for Water Quality. She requested the Council pass a resolution opposing privatization of water systems.

Jennifer Hensley, 312 Eighth Ave. W., Hendersonville NC, chiropractor, her office is located across the street from Hendersonville High School. She thanked the Council for their interest in small business. She requested approval of limited parking in front of her business for her customers.

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

Addition to Consent Agenda:

S. Consideration of Resolution Adopting an Order Directing the Tax Collector to Collect Taxes

Additions to Reports from Staff:

a. Implementing Voluntary Water Conservation Measures

b. Parking Ambassador

Addition to New Business:

a. Consideration of an Offer to Purchase Property Previously Occupied by a Utilities Pump Station

**Council Member Caraker moved approval of the agenda as amended. A unanimous vote of the Council followed. Motion carried.**

**5. Consideration of Consent Agenda:** *These items are considered routine, noncontroversial in nature and are considered and approved by a single motion and vote.*

**A. Consideration of Minutes:** July 2, 2015 Regular Meeting

**B. Consideration of a Resolution with Respect to the Taking of Official Notice of Certain City Documents at Quasi-Judicial Hearings:** In order to expedite most quasi-judicial hearings, City Attorney Fritschner presented a resolution to which Council take notices in all cases of the Zoning Ordinance, the Official Zoning Map, the Comprehensive Plan and the Transportation Plan.

RESOLUTION #15-0843

**A RESOLUTION WITH RESPECT TO THE TAKING OF OFFICIAL NOTICE OF  
CERTAIN CITY DOCUMENTS AT QUASI-JUDICIAL HEARINGS**

WHEREAS the City from time to time holds quasi-judicial hearings pursuant to applicable law, and

WHEREAS the City Council is routinely requested in the course of these hearings to take official notice of various City documents, and

WHEREAS to ensure that no defect in the official recognition of certain official documents prejudices the decisions of the City Council with respect to its quasi-judicial hearings the City Council has determined to adopt a rule officially recognizing them generally in all City Council quasi-judicial hearings,

NOW, BE IT THEREFORE RESOLVED that the City Council determines as follows:

1. For purposes of all quasi-judicial hearings the City Council takes official notice of all Hendersonville City ordinances including specifically the Zoning Ordinance, and of the Official Zoning map, the Comprehensive Plan and the Transportation Plan, and the entirety of all official departmental files maintained by any department with respect to the Special Use Permit or other application under consideration, all without the necessity of any person or entity

requesting such notice. Persons may refer to these documents without having them separately entered into evidence.

2. This resolution is effective upon its adoption.

Adopted this sixth day of August 2015.

/s/Barbara G. Volk, Mayor

Attest: Tammie K. Drake, MMC, City Clerk

**C. Consideration of Waiving the Fire Department Operational Permit Fees for the Apple Festival**

**Vendors:** Interim Fire Chief Joseph Vindigni requested the Council to waive the Fire Department operational permit fees for Apple Festival vendors for this year. He stated these fees will be re-evaluated for next year and given to the North Carolina Apple Festival Executive Director David Nicholson prior to information being sent out to vendors.

**D. Consideration of Special Event Permits for:**

**i. Mad Mountain Mud Run 2016:** Heather Boeke of The Hands On! Children's Museum, requested the use of Berkeley Mills Park June 3, 2016 for the Family Mud Run and June 4, 2016 for the Mad Mountain Mud Run. The in-kind donation of staff time and mulch for this event is \$10,500.

**ii. Seventh Avenue District Farmer's Market:** Ms. Frady reported the Special Events Committee recommends approval of this permit for a special event by the Historic Seventh Avenue District for the Historic Seventh Avenue District Farmer's Market to be held on September 6, 2015 from 9:00 A.M until 4:00 P.M. The request includes the sale of alcohol be permitted during this event. NCGS prohibit alcohol sales until after noon. Each business will be responsible for obtaining their own ABC permit and compliance with all ABC regulations. The Seventh Avenue Advisory Committee has also requested that the City Council waive the vendor fee requirement for this event. This will allow the registration fees to be utilized to support other Advisory Committee activities.

**E. Consideration of an Agreement between NCDOT and the City to Complete a Bicycle Plan:**

Ms. Anderson reported the Planning Department applied for a North Carolina Department of Transportation (NCDOT) Bicycle Planning grant in December 2014. The NCDOT Division of Bicycle and Pedestrian Transportation and the Transportation Planning Branch created an annual matching grant program, the Bicycle and Pedestrian Planning Grant Initiative, to encourage municipalities to develop comprehensive bicycle plans and pedestrian plans. This program was initiated in January 2004. She reported the grant covers 70 percent of the cost of developing a plan with a required 30% match.

Ms. Anderson reported the Planning Department received notice in April that the City has been awarded a Bicycle Planning Grant. The original grant amount was for \$49,000 from NCDOT with a required \$21,000 match. Since City Council allocated \$5,000 in the 2015-16 budget for the plan and the Blue Ridge Bicycle Club is supplementing the creation of a plan with a \$10,000 donation, the agreement was revised by NCDOT and shows \$35,000 from NCDOT with a \$15,000 match. *[The agreement is available in the office of the City Clerk.]*

**F. Consideration of an Application from the City Manager Requesting the Annexation of 11.34 acres of City-owned Property Located at 632 Sugarloaf Road (Fire Station #2):** Ms. Anderson reported the City is requesting the satellite annexation of PIN 9579657695, approximately 11.34 acres, located at 632 Sugarloaf Road. This parcel contains the new City of Hendersonville Fire Station #2, an accessory building, and an advanced metering tower. She provided the Clerk's Certificate of Sufficiency finding that the petition is valid. (The Certificate is found in PD file #P15-18-A. The next step in the annexation process is for Council to accept the Clerk's certificate and set a date for the public hearing on the question of adoption of an ordinance of annexation.

**G. Consideration of an Application from the Housing Assistance Corporation to close a portion of an unopened and unimproved right-of-way for Ochlawaha Drive and a portion of an unopened and unimproved right-of-way for Azalea Woods Drive Located within the Oklawaha Village Project off North Main Street:** Ms. Anderson reported the City received an application from The Housing Assistance Corporation to close a portion of an unopened and unimproved ROW for Ochlawaha Drive (area1) and a portion of an unopened and unimproved ROW for Azalea Woods Drive (area 2) located on PINs 9569842945 and 9569840372. These ROW's are within the previously City-approved Oklawaha Village project located on North Main Street.

Ms. Anderson explained in accordance with NC General Statute 160A-299, the City Council must first adopt a resolution declaring its intent to close the street or alley and set a date for a public hearing. At this public hearing, any person may be heard on the question of whether or not the closing would be detrimental to the public interest or the property rights of any individual. The Resolution of Intent sets October 1, 2015 as the public hearing date.

Resolution #15-0844

RESOLUTION OF INTENT

A resolution declaring the intention of the City of Hendersonville City Council to consider closing a portion of an unopened and unimproved ROW for Ochlawaha Drive and a portion of an unopened and unimproved ROW for Azalea Woods Drive located on PIN 9569842945 and 9569840372

WHEREAS, NC General Statute (G.S.) 160A-299 authorizes the City Council to close public streets and alleys, and

WHEREAS, The Housing Assistance Corporation, has petitioned the Council of the City of Hendersonville to close a portion of an unopened and unimproved ROW for Ochlawaha Drive and a portion of an unopened and unimproved ROW for Azalea Woods Drive located on parcels PIN 9569842945 and 9569840372, and

WHEREAS, the City Council considers it advisable to conduct a public hearing for the purpose of giving consideration to the closing of a portion of an unopened and unimproved ROW for Ochlawaha Drive and a portion of an unopened and unimproved ROW for Azalea Woods Drive located on PIN 9569842945 and 9569840372.

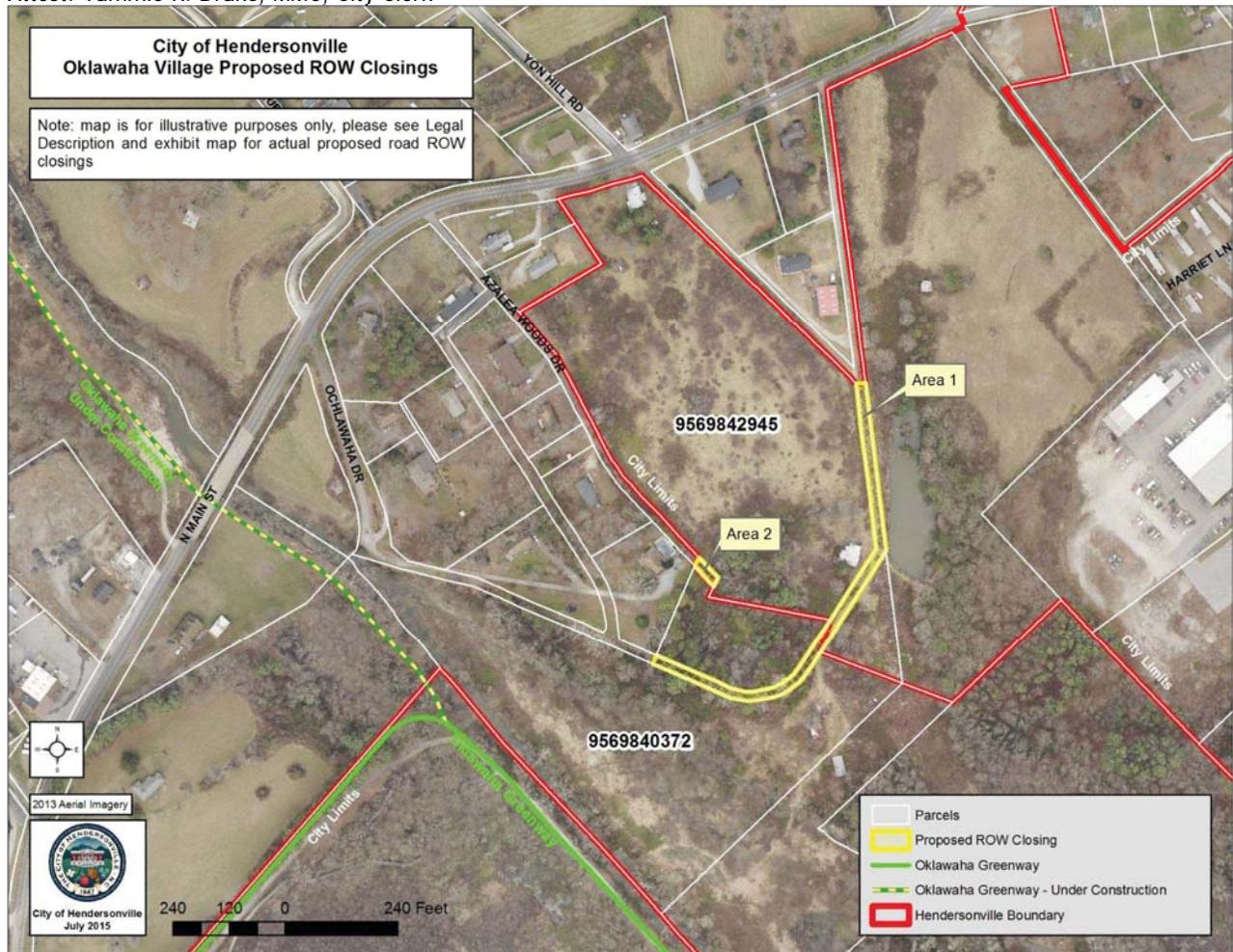
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hendersonville:

1. A meeting will be held at 5:45 p.m. on the first day of October 2015, in the Council Chambers of City Hall to consider closing a portion of an unopened and unimproved ROW for Ochlawaha Drive and a portion of an unopened and unimproved ROW for Azalea Woods Drive located on PIN 9569842945 and 9569840372.
2. The City Clerk is hereby directed to publish this Resolution of Intent once a week for four successive weeks.
3. The City Clerk is further directed to transmit by registered or certified mail to each owner of property abutting upon that portion of said street a copy of the Resolution of Intent.
4. The City Clerk is further directed to cause adequate notices of the Resolution of Intent and the scheduled public hearing to be posted as required by G.S. 160A-299.

Adopted by the City Council at a meeting held on the sixth day of August 2015.

/s/Barbara G. Volk, Mayor

Attest: Tammie K. Drake, MMC, City Clerk



**H. Consideration of an Application from the Housing Assistance Corporation for the contiguous annexation of a portion of two parcels, approximately 8.148 acres, located within the Oklawaha Village Project, off North Main Street:** Ms. Anderson reported the City received a petition from The Housing Assistance Corporation for contiguous annexation of a portion of PIN 9569840372 and a portion of PIN 9569842945 that is approximately 8.148 acres. This parcel is a part of the previously approved Oklawaha Village project, located on North Main Street.

Ms. Anderson provided the Clerk's Certificate of Sufficiency finding that the petition is valid. The next step in the annexation process is to accept the Clerk's certificate and set a date for the public hearing on the question of adoption of an ordinance of annexation. *[The Certificate of Sufficiency is found in Planning Department file #P-15-28-A.]*

**I. Consideration of Approval of new Grant Fund for Berkeley Mills Ballpark, approve the transfer from Historic Preservation-General Fund Line item to new Grant Fund:** Ms. White reported the grant project will be for a total of \$6,500 of expenditures for the hiring of a consultant to prepare the necessary documentation to submit for the nomination. The project expenditures will be covered by grant revenue of \$2,500 per the agreement entered into with the North Carolina Office of Archives and History and a \$4,000 match provided by the City with a transfer from the general fund into the newly established grant fund. She reported the Historic Preservation Commission voted to direct \$4,000 of the \$10,000 budget allocated to this line towards the Berkeley Mills Ballpark nomination project.

Ordinance #15-0845

GRANT PROJECT ORDINANCE FOR THE BERKELEY MILLS BALLPARK NATIONAL REGISTER NOMINATION

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 grant project ordinance is hereby adopted:

Section 1: The City has received a grant award from the State Historic Preservation Office for a Federal grant: CFDA # 15.904, grant period June 1, 2015 and ending September 2, 2016. The grant will provide for the City of Hendersonville to hire a consultant to prepare a National Register nomination for the Berkeley Mills Ballpark.

Section 2: The officers of the City of Hendersonville are hereby directed to proceed with the grant project within the terms of the grant agreement entered into with the North Carolina Office of Archives and History; in the total amount of \$6,500, with the detail budget contained herein.

Section 3: The City Council appropriated \$10,000 in the fiscal year 2015, General Fund, Development Assistance department's operating budget for The Historic Preservation Commission. The Historic Preservation Commission voted on July 15, 2015 to contribute \$4,000 of those City appropriated funds to provide for the match on the Berkeley Mills Ballpark National Register Nomination grant project. The finance director is authorized to reduce the Historic Preservation line item budget by \$4,000 and then transfer \$4,000 from the General Fund to the newly established grant fund to provide for the City match. No in-kind services are to be included in the grant agreement.

The following revenues and match budgets are hereby established and authorized by City Council to be available to complete this grant project:

Account Number	Account Name	Total Budget
3554370 424900	Grant Revenue	2,500
3554370 998355	Transfer in From General Fund	4,000
	Total Project Funding Sources:	<u>\$ 6,500</u>

Section 4: The following expenditure amounts are appropriated for the grant project:

Account Number	Account Name	Total Budget
3554370 569000	Contracted Services	6,500
104370 549500	Historic Preservation Commission	(4,000)
109900 999355	Transfer to Berkeley Ballpark Fund	4,000
	Total Grant Project Appropriation:	<u>\$ 6,500</u>

Section 5: The Finance Director is hereby directed to establish a multi-year grant project fund and maintain within the grant project fund sufficient specific detailed accounting records to satisfy the disclosure requirements of all the grant agreements.

Section 6: Reimbursement requests shall be made in an orderly and timely manner by the Finance Department.

Section 7: The Finance Director is directed to report, at least annually, on the financial status of each project element in Section 3 and Section 4.

Section 8: The Finance Director is further instructed to include a detailed analysis of past and future revenues and expenditures during each annual budget submission made to the Governing Board for the project duration.

Section 9: Copies of this grant project ordinance shall be furnished to the City Clerk, Finance Director, City Planning Director, Budget Analyst and City Manager for direction in carrying out this grant project.

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this sixth day of August 2015.

/s/Barbara G. Volk, Mayor

ATTEST: /s/Tammie K. Drake, MMC. City Clerk

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

**J. Consideration of Job Descriptions for: Administration (4), Development Assistance Department (4), Water & Sewer Department (5), Environmental Services (1), and Legal (1):** Mr. Brian Pahle, Budget and Management Analyst, presented the following job descriptions for Council's consideration/approval:

Administration: Assistant to City Manager, Downtown Economic Development Director, Promotions Coordinator, Public Information Officer

Development Assistance Department: Development Assistance Director, Deputy Fire Marshal, Planning Director, Zoning Code Enforcement Officer

Environmental Services: Environmental Services Crew Leader

Legal: Paralegal

Water/Sewer Department: Inflow and Infiltration Technician, Leak Detection Technician, Treatment Plant Operator I, Treatment Plant Operator II, Treatment Plant Operator III

*[The full job descriptions are available in the Office of the Human Resources Director.]*

**K. Consideration of Request to Create Human Resources Coordinator and Code Enforcement Officer Positions:** Mr. Connet proposed using existing funding to reclassify an existing Administrative Aide from the Development Assistance Department to Administration as a Human Resources Coordinator. This position will be responsible for coordinating our wellness, safety, and customer service training programs. This position will provide services to all City funds and in that, the salary and benefits will be split.

Mr. Connet also proposed adding a Code Enforcement Officer. This position will spend 100% of their time enforcing the Zoning Ordinance and Code of Ordinances. It will free up the Department Director's time to manage the Development Assistance Department and will serve as the Development Concierge. *[The full job descriptions are available in the Office of the Human Resources Director.]*

**L. Consideration of Tax Collector Appointment: Appoint Tammy Holland Tax Collector, and Beth Harrell Deputy Tax Collector:** Ms. Lisa White, Finance Director, reported after many years of excellent tax collection rates, the City's current tax collector, Donna Fox, has transferred to another position in the Finance Department. She requested the following person(s) be appointed: Tammy Holland as Tax Collector and Beth Harrell as Deputy Tax Collector. She stated both employees will take the courses to obtain the NC Tax Collectors Certification and/or Deputy Tax Collector Certification and once certified will complete the requirements of the NC Tax Collectors Association for continuing education.

**M. Consideration of Update to the Personnel Policy relating to the Family Medical Leave Act:** Ms. Harrell presented the following amendments to the Personnel Policy to comply with updated Federal regulations:

**Section 18. Family and Medical Leave**

The City will grant up to 12 weeks of family and medical leave per twelve months to eligible employees in accordance with the Family and Medical Leave Act of 1993 (FMLA). The leave may be paid (coordinated with the City's Vacation, Compensatory Time and Sick Leave policies), unpaid, or a combination of paid and unpaid. Unpaid leave will be granted only when the employee has exhausted all appropriate types of paid leave. Additional time away from the job beyond the 12-week period may be approved in accordance with the City's Leave without Pay policy.

To qualify for FMLA coverage, the employee must have worked for the employer 12 months or 52 weeks; these do not have to be consecutive. However, the employee must have worked 1,250 hours during the twelve-month period immediately before the date when the FMLA time begins.

Family and medical leave can be used for the following ~~reasons~~ examples:

1. the birth of a child and in order to care for that child;
2. the placement of a child for adoption or foster care;
3. to care for a spouse, child, or parent with a serious health condition;
4. the serious health condition of the employee; or
5. military exigency.

"Military Exigency" is a qualifying exigency arising out of the fact that the fact that the employee's spouse, son, daughter, or parent is a military service member (reserve or national guard) under a call or order to federal active duty in support of a contingency operation.

A serious health condition is defined as a condition which requires inpatient care at a hospital, hospice, or residential medical care facility, or a condition which requires continuing care by a licensed health care provider. This policy covers illness of a serious and long-term nature resulting in recurring or lengthy absences. Generally, a chronic or long term health condition which results in a period of incapacity or more than three days would be considered a serious health condition.

If ~~a husband and wife both work for the City~~ both spouses work for the City and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (not parent-in-law) with a serious health condition, ~~the husband and wife~~ both spouses together may only take a total of 12 weeks leave under FMLA.

An employee taking leave for the birth of a child may use paid sick leave for the period of actual disability, based on medical certification. The employee shall then use all paid vacation and accrued compensatory time for the remainder of the 12-week period.

**Military Caregiver Leave:** An employee whose spouse, son, daughter, parent or next of kin is a current service member who is undergoing treatment, therapy, recuperation or outpatient treatment or has temporary disability retirement for injury or illness sustained in the line of duty, is eligible for 26 weeks of leave in a single 12-month period. During a single 12-month period, the employee is eligible for a total of 26 weeks of all types of FMLA leave.

The request for the use of leave must be made in writing by the employee and approved by the Department Head or City Manager.

An employee who takes leave under this policy will return to the same job or a job with equivalent status, pay, benefits, and other employment terms. The position will be the same or one which entails substantially equivalent skill, effort, responsibility, and authority.

**N. Consideration of Revisions to the Pay Scale Including New and Revised Positions:** Mr. Pahle presented revisions to the pay scale that includes new and revised positions. The pay scale includes a 0.5% increase recommended by the City Manager. This 0.5% increase is in line with the market adjustment provided to employees in the annual budget FY15-16. The pay scale also includes a hiring rate. *[The pay scale is available in the office of the Human Resources Director.]*

**O. Consideration of a Contract between the Hendersonville Housing Authority and the Police Department (HPD) to Provide Two Officers and associated budget amendment:** Police Chief Herbert Blake reported the Hendersonville Housing Authority (HHA) is requesting a contract with the Police Department to provide two police officers to work as housing patrol units.

Chief Blake explained the two officers will patrol housing units in Hendersonville, Fletcher and Etowah and will assist HHA with evictions, background checks, inspections, and other related duties. The total population of housing is approximately 850 persons. The contract allows the two officers to be available to assist as backup or as extra units to patrol.

Chief Blake reported the proposed contract is initially set for a two-year period with an option to renew. The proposed contract price is \$115,000 per year, paid in quarterly installments of \$28,750. The contract begins October 1, 2015 and ends September 30, 2017. *[The contract is on file in the office of the City Clerk.]*

Budget Amendment: A budget amendment to appropriate funding provided to the City by a contract with the Hendersonville Housing Authority (HHA). The HHA is providing \$115,000 this year and in return will receive police service in specified areas. This revenue will provide funding to hire two additional officers. Totals in Balance \$230,000

**P. Consideration of Revised Fee Schedule for Fiscal Year 2015-16:** Mr. Pahle provided revisions to the Fee Schedule which includes:

- a text amendment to a development assistance fee adding the terminology waiver to improve clarity
- system development fees were inadvertently left off the fee schedule
- an itinerary merchant fee was added as it did not need to be removed when privilege licenses were revoked, and
- terminology was added to clarify the new traffic enforcement fees.

*[The Fee Schedule is available in the office of the City Clerk,]*

**Q. Consideration of Budget Amendments (6):** Mr. Pahle presented the following budget amendments:

Budget Amendment: Funds: General Fund (10), Water/Sewer Fund (60), Environmental Services Fund (68)  
Holiday pay for the Public Works, Environmental Services, and Water Treatment Plant Divisions were not included in the budget. Contingency funds will be used to balance the budget: General Fund - \$6,609, Water and Sewer Fund - \$22,225, and the Environmental Services Fund - \$17,252. Totals in Balance: \$46,086.00

Budget Amendment: General Fund (10), Water/Sewer Fund (60), Environmental Services Fund (68)  
The costs of Worker's Compensation Insurance came in approximately \$5,277.93 less than estimated. These amendments are needed because certain divisions will need to pay more than what was estimated while others will pay less. Funds will be moved from one division to another. Total in Balance: \$626.00

Budget Amendment: Water/Sewer Fund (60)  
The City Council voted unanimously to provide \$50,000 to the Henderson County Partnership for Economic Development's 501(3)c. The Council directed the donation come from the Water and Sewer Fund. Totals in Balance: \$100,000

Budget Amendment: General Fund (10)  
The transfer of funds from General Fund, Fund Balance, into the Traffic Engineering, Capital Outlay Other Improvements, to pay for materials to expand the mezzanine storage area for the Traffic Department. The materials will be paid for out of the current budget and funds will be moved out of the General Fund funds that were not spent last year. Totals in Balance: \$9,191.00

Budget Amendment: General Fund (10), Water/Sewer Fund (60)  
This budget amendment is associated with the moving of the City Tax Collector position to a W/S Customer Service Representative position, the hiring of an accountant and an HR Coordinator with the remaining funds from the Tax Collector position, and the hiring of a Zoning Code Enforcement Officer with the remaining funds from the Administrative Aide position that will not be filled.  
A part-time W/S Customer Service Representative position was inadvertently left out of the adopted budget. The Water and Sewer Fund will appropriate approximately \$92,769 of fund balance to cover this recurring personnel expenditure. The General Fund stands to free up approximately \$9,737 which will be budgeted to contingencies because of the indirect costs appropriated to the Water and Sewer Fund through personnel costs splits. Totals in balance: \$121,807.00

Budget Amendment: Fund 343  
This budget amendment will formally establish funding for the grant received by the Police Motor Unit. Totals in Balance: \$171,000

**R. Consideration of Ordinance Amending Section 50-282 Respecting Days and Hour of Parking Enforcement:** Mr. Connet presented an amendment to the City's Code of Ordinances that more closely coincides with City, rather than "legal" holidays.

Ordinance #15-0846

**AN ORDINANCE AMENDING SECTION 50-282 OF THE CODE OF ORDINANCES PERTAINING TO CITY PARKING METER HOURS AND DAYS OF OPERATION**

WHEREAS, the Code of Ordinances Section 50-282 provides for hours and days of operation of City parking meters, and

WHEREAS, the said ordinance section provides for exceptions for "legal holidays," and

WHEREAS, to clarify what the said holidays are, and to ensure proper enforcement of parking hours by City personnel the City Council has determined to set the said holidays as City holidays and to enumerate the same,

WHEREAS, the City Council wishes to amend the ordinance to clarify the said intent,

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

SECTION 1. Hendersonville City Code Section 50-282 is hereby amended to read in full as follows:

Sec. 50-282. - Hours and days of operation. All parking meters installed in accordance with the provisions of this division shall be in operation between the hours of 8:00 a.m. and 6:00 p.m. every day, except Sundays, and the holidays as defined in the City's Personnel Policy.

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

Adopted by the City Council at a meeting held on the sixth day of August 2015.

/s/Barbara G. Volk

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

Approved as to form: Samuel H. Fritschner

**S. Consideration of Resolution Adopting an Order Directing the Tax Collector to Collect Taxes:**

Resolution 15-0846

RESOLUTION ADOPTING AN ORDER DIRECTING  
THE TAX COLLECTOR TO COLLECT TAXES

- Whereas, The City Council is required by G.S. 105-349 (e) to appoint a Tax Collector separate and apart from the treasurer or chief accounting officer of the City; and,
- Whereas, The Tax Collector so duly appointed by City Council shall take the oath of office as required by Article VI of the North Carolina Constitution; and,
- Whereas, The position of Tax Collector is bonded for the collection of taxes for the current year and all prior years now in the Tax Collector's hands for collection as by law required;
- Whereas, Tax receipts, upon the adoption of this order, are being simultaneously delivered to the duly appointed Tax Collector, as by law required;

NOW, THEREFORE, it is ordered that all tax receipts for the City of Hendersonville be herewith delivered to the Tax Collector and the following "Order of Collection", which is also adopted by the Council and which shall have the full force and effect of a judgement and execution against the real and personal property of all taxpayers within the City of Hendersonville shall be delivered to the Tax Collector:

ORDER OF COLLECTION  
STATE OF NORTH CAROLINA  
CITY OF HENDERSONVILLE

To the Tax Collector of the City of Hendersonville:

You are hereby authorized, empowered and commanded to collect the taxes set forth in the tax records, filed in the Office of the Tax Collector for the City of Hendersonville and in the tax receipts herewith delivered to you, in the amount from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon real property of the respective taxpayers in the City of Hendersonville, and this Order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of taxpayers, for and on account thereof, in accordance with the law.

Adopted the sixth day of August 2015.

/s/Barbara G. Volk

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

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

**6. Recognition of Service Excellence Quarterly MVPs:** City Manager John Connet recognized three employees who have provided excellent customer service. These employees were selected from a group of nominations submitted by other city employees and selected by members of the Service Excellence Design Team. The quarterly nominees will have the opportunity to be chosen as the Service Excellence Employee of the Year.

Mr. Connet recognized Tammy Ledford with the Public Works Department, Larry Mundy with the Public Works Department and Troy Cornett with the Utilities Department. Mayor Volk expressed her appreciation to employees and to Mr. Connet for recognizing employees.

**7. Recognition of Ms. Babs Newton for Service on the Downtown Advisory Committee:** Mayor Barbara Volk presented Ms. Newton with a Certificate of Appreciation for her exemplary service on the Downtown Advisory Committee, including Rhythm & Brews and Friends of Downtown. She expressed her appreciation to Ms. Newton. **No action was required or taken.**

**8. Consideration of Charter for Compassion Proclamation:** Mayor Barbara Volk read a proclamation affirming the Charter for Compassion and presented it to Charlie and Pam Rogers. Mr. and Mrs. Rogers commented on the Charter that invites communities of all sizes to bring actions of compassion into all areas.

**9. Report on the Hendersonville Sister Cities:** Ms. Karen Hultin, Chairperson, provided a mid-year report of the activities toward accomplishing their 2015 goals of the Hendersonville Sister Cities. **No action was required or taken.**

**10. Consideration of a Request from Interfaith Assistance Ministry (IAM) to Waive the Tap Fees and System Development Charges for their Facility on Freeman Street:** City Manager John Connet presented a request from Interfaith Assistance Ministry (IAM) to waive the tap fees and system development charges for their new facility to be located on Freeman Street. Their request includes a two-inch tap with a 1.5-inch meter for water and associated tap fees and a four-inch sewer tap for a total amount \$14,350. He explained Mr. Cook relayed they want to move into their facility debt-free.

Mr. Connet explained the City's policy deals with waiving fees associated with low-income housing but this organization supports the same group of citizens in the community.

Mr. Connet explained the initial request was for a two-inch tap and meter. He stated staff worked with them by looking at their daily water consumption and their actual need to get their costs down. A larger meter may be installed if necessary. He stated the original estimate was \$26,000. Council Member Caraker voiced support of their request because they serve the low income of the community and is the same mission as serving low-income housing efforts. Council Member Smith commented IAM has been a great corporate partner with the City managing the H2o Assist program that assists families in need pay their water/sewer bills. More than \$17,500 has been collected by the City and distributed to customers who need help by IAM. He stated this request is tied directly to those who need help finding resources. Mayor Pro Tem Stephens also voiced support of the request as this is not an operational cost and this is a great opportunity to participate. Council Member Miller commented the Council should have good reasoning for granting the request so as not to set a precedent. Council Member Smith commented IAM is helping the City's water/sewer customers.

Mr. David Cook explained the amount given to ask clients varies. He stated they ask their clients to participate in solving their problems and provide them the resources and information so they do not have to return.

**Council Member Caraker moved the City Council waive the tap fees and system development charges for the new IAM facility on Freeman Street. A unanimous vote of the Council followed. Motion carried.**

Mr. Cook expressed appreciation to the Council.

**11. Presentation on New Safety Initiative:** Chief Blake explained this new safety initiative was submitted by Ms. Babs Newton who saw these signs in another community. He explained signs with the message "Drive Like Your Kids Live Here" will be placed in strategic locations to educate citizens and encourage them to lower their speed. He identified several areas including Third Avenue West, Fourth Avenue West, Fifth Avenue West, Blythe Street, and North Main Street near the crosswalk, where the police will be enforcing the speed limit immediately. He stated the signs may be posted in other neighborhoods as well.

Mr. Connet expressed appreciation to Chief Blake for his willingness to put this program in place. **The Council unanimously voiced support of this initiative.**

**12. Consideration of Contract Award for the Oklawaha Greenway, Phase III:** Engineering Director Brent Detwiler reported bids for this project were advertised and bids were opened on July 21, 2015. Only one bid was received. In accordance with NCGS 143-129 and 143-132, the bid was returned. he project was re-advertised and a single bid was opened on July 29, 2015: The bid received was from Trace and Company, Inc. for \$1,169,287.00.

Mr. Detwiler reported City staff reviewed the bid for completeness and accuracy. He stated two mathematical errors have been corrected as part of the bid tabulation.

Mr. Detwiler reported this project is funded through the North Carolina Department of Transportation (NCDOT). Although the City's agreement (Agreement ID #4476) with NCDOT called for \$1,100,000.00 in construction funds, City staff recently received notification from the NCDOT Project Manager that they have added an additional \$100,000.00 to the project, bringing the construction funding available through NCDOT to \$1,200,000.00, and the total grant (including design) to \$1,300,000.00.

Mr. Detwiler reported City staff recommends the tentative award of the project to Trace and Company, Inc., of Mountain Home, NC, the lowest responsive and responsible bidder for the revised project cost in the amount of \$1,169,287.00. He notes this tentative award is contingent upon the approval of the NCDOT. He provided the engineer's estimate as well as a bid tabulation showing the unit prices.

There was discussion of the completion of the project: June 2016. Easements, permit, etc. are in place.

**Council Member Caraker moved to authorize the City Manager to tentatively award and execute the contract for the construction of the Oklawaha Greenway Phase Three project to Trace and Company, Inc., the lowest responsive and responsible bidder, in the amount of \$1,169,287.00; as presented and recommended by staff. This tentative award is contingent upon the approval of the North Carolina Department of Transportation and will serve as the official award upon NCDOT's concurrence. He further moved to authorize the City Manager to execute the forthcoming grant amendment with NCDOT increasing the existing grant (Agreement ID #4476) by an additional \$100,000.00, and further to approve the budget amendment that coincides with this increase. A unanimous vote of the Council followed. Motion carried.**

Budget Amendment: Fund 390

This amendment will increase revenue by \$100,000 and expenditures by \$100,000 to reflect NCDOT's increase to the Oklawaha Greenway, Phase Three, project. Totals in balance: \$200,000

**13. Consideration of Request to Establish Two-Hour Parking on Bearcat Boulevard from Oakland to Buncombe Street:** City Manager John Connet reported Dr. Jennifer Hensley, Well Adjusted Chiropractic Clinic, requested the City establish up to three two-hour parking spaces on Bearcat Boulevard between Oakland and Buncombe Streets. These spaces currently have no time limit. He recommended limiting parking in these spaces from 8:00 a.m. to 6:00 p.m. so the spaces may also be used for events at the school.

Council Member Smith opposed the change but is willing to compromise. He commented many events at the school begin at 5:00 p.m. Dr. Hensley supported the change and commented she is very supportive of the high school. She reported her driveway is blocked at times.

In discussion, Mayor Pro Tem Stephens voiced support of the request and stated the principal at the high school also supported the change. Council Member Miller commented the spaces are not reserved just for the doctor's office but may be used by visitors to the high school as well. He supported the request stating it is a good idea and an example of people working together. Dr. Hensley agreed it will provide flexibility. Council Member Smith commented there is a School Resource Officer in the building who may issue tickets for violations.

**Mayor Pro Tem Stephens moved the City Council to approve the placement of up to three two-hour parking spaces on the south side of Bearcat Boulevard between Oakland Street and Buncombe Street, weekdays from 8:00 a.m. to 5:00 p.m. After discussion, a unanimous vote of the Council followed. Motion carried.**

**14. Consideration of Purchasing Policy:** Mr. Connet introduced Administrative Intern Adam Murr, Master of Public Administration student at Appalachian State University, who has worked for 12 weeks this summer.

Mr. Murr provided a presentation on a proposed Purchasing Policy. He gave some background information on the project stating he reviewed the policies of other cities and used findings from the UNC School of Government to determine ideal purchasing thresholds for the City. He explained a majority of cities use a \$500 threshold but they also have a purchasing department. He recommended setting the threshold for the City at \$1,500, more than 17 percent of NC municipalities operate at this threshold.

Mr. Murr reported this policy is not required by North Carolina General Statutes but is recommended. Purchasing policies are used by many cities to improve budget efficiency and ensure proper use of public funds, and to ensure IRS regulations and North Carolina General Statutes are followed in the purchasing process.

Mr. Murr explained the main objectives of the Policy are to:

- select suppliers who meet performance requirements
- purchase goods and services that comply with quality standards
- promote relations with vendors and to encourage supplier contribution
- treat all suppliers fairly and ethically, and
- conduct purchasing operations so they enhance community and employee relations.

Some highlights of the Purchasing Policy include:

*Local Buying:* The City would like to contract with vendors within the City and Henderson County whenever possible; however, the City does not make purchases based exclusively on vendor location. Effort will be made to ensure local vendors compete for City business.

*Planning:* Planning purchases is imperative. Planning should be completed to reduce small orders and last minute purchases.

*Authority:* Department heads have been delegated the authority to approve purchases made under \$1,500 and to establish lower thresholds for their staff. Department heads should only authorize purchases for goods when funds are available and documentation is provided.

Mr. Murr suggested thresholds and procedures for special purchases. He explained fuel cards (WEX cards) will be assigned to City-owned vehicles and equipment. He explained purchase cards exist for small purchases (less than \$1,500) and department heads may set a lower limit for their subordinates. He discussed how receipts must be submitted. He reviewed the unauthorized purchases and the consequences for improper use.

There was discussion of the size of cities that have a purchasing department.

Council Member Miller asked Mr. Connet if he is comfortable with the proposed policy. Mr. Connet stated yes because it provides guidelines for purchases. There was discussion of the current purchasing process.

After discussion, **Council Member Caraker moved that City Council adopt the City of Hendersonville Purchasing Policy as presented. A unanimous vote of the Council followed. Motion carried.**

#### **PURCHASING POLICY Administrative Policy for all City Employees**

##### GLOSSARY

*Bid:* a multi-step process required of the City by North Carolina General Statutes. Quotes from three separate vendors are required during any bid process unless the good or service to be supplied is produced by only one vendor.

*Informal Bid:* A bid on items \$30,000.00 and above. Request for quotes are not required to be advertised to the public. Purchases in this category do not need to be approved by City Council.

*Formal Bid:* A bid on items \$90,000.00 and above or on services \$500,000.00 and above. Public advertisement of the request for quote and bid process must be made, bids must be opened in public forum, and City Council must approve the winning bid.

*Quote:* a price provided by a vendor on a provided good or service.

*Informal Quote:* a quote received via verbal communication, email, website, catalog, or fax.

*Formal Quote:* A price quote received via U.S. Mail, email, fax, or hand delivery.

*Requisition:* input into the financial system by a department to request the generation of a purchase order by the Finance Department prior to a purchase.

*Purchase Order (PO):* authorization for the purchase of goods sent by the Finance Department to a vendor prior to the purchase.

*Request for Written Quotation (RFQ):* A request sent to a vendor for a written quote on a certain good or service.

*Encumbering:* to commit a given amount of money to the payment of an order.

*Purchasing/ Procurement:* interchangeable, how the City obtains needed goods and services.

*Department Head:* The individual authorized to make purchasing decisions on behalf of his/ her department.

*Vendor:* provider of a good or service.

I. FORWARD: This purchasing policy is intended for use as a guide to the City of Hendersonville's purchasing methods and practice. When used properly, the policies and procedures established herein will enable the City to obtain needed goods and services efficiently and economically. The goal of this policy is to give structure to the City of Hendersonville's procurement methods and to set guidelines for City departments.

The understanding and cooperation of all employees is essential in order for the City to maximize the value of each taxpayer dollar spent. While this manual does not answer all procurement related questions, it provides a sound foundation for City procurement methods.

The goals of the City's purchasing program are as follows:

1. To comply with legal and ethical requirements of public purchasing and procurement.
2. To assure vendors that impartial and equal treatment is afforded to all who conduct business with the City.
3. To receive maximum value for money spent by awarding purchase orders to the lowest responsible, responsive bidder, taking into consideration quality, performance, support, delivery schedule, previous performance, business location, and other relevant factors.
4. To provide City departments the required goods and services in a timely manner in the proper quantity and quality while providing necessary information to the City Finance Department.
5. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitments, follow-ups, and adjustments.
6. To promote healthy business relationships through informed and fair purchasing practice and maintenance of ethical standards.
7. To maximize the standardization of products used by all departments in order to minimize stock levels and obtain better prices for necessary goods and services.

If the procedures and guidelines established in this manual are followed, each department will be capable of managing, controlling, and planning available resources to meet present and future needs in order to help the City meet set goals. Any questions or concerns about this manual or the established procedures should be directed to the City Finance Department.

This manual is effective immediately following City Council adoption and supersedes all previous purchasing or procurement instructions or directives.

## II. GENERAL GUIDELINES

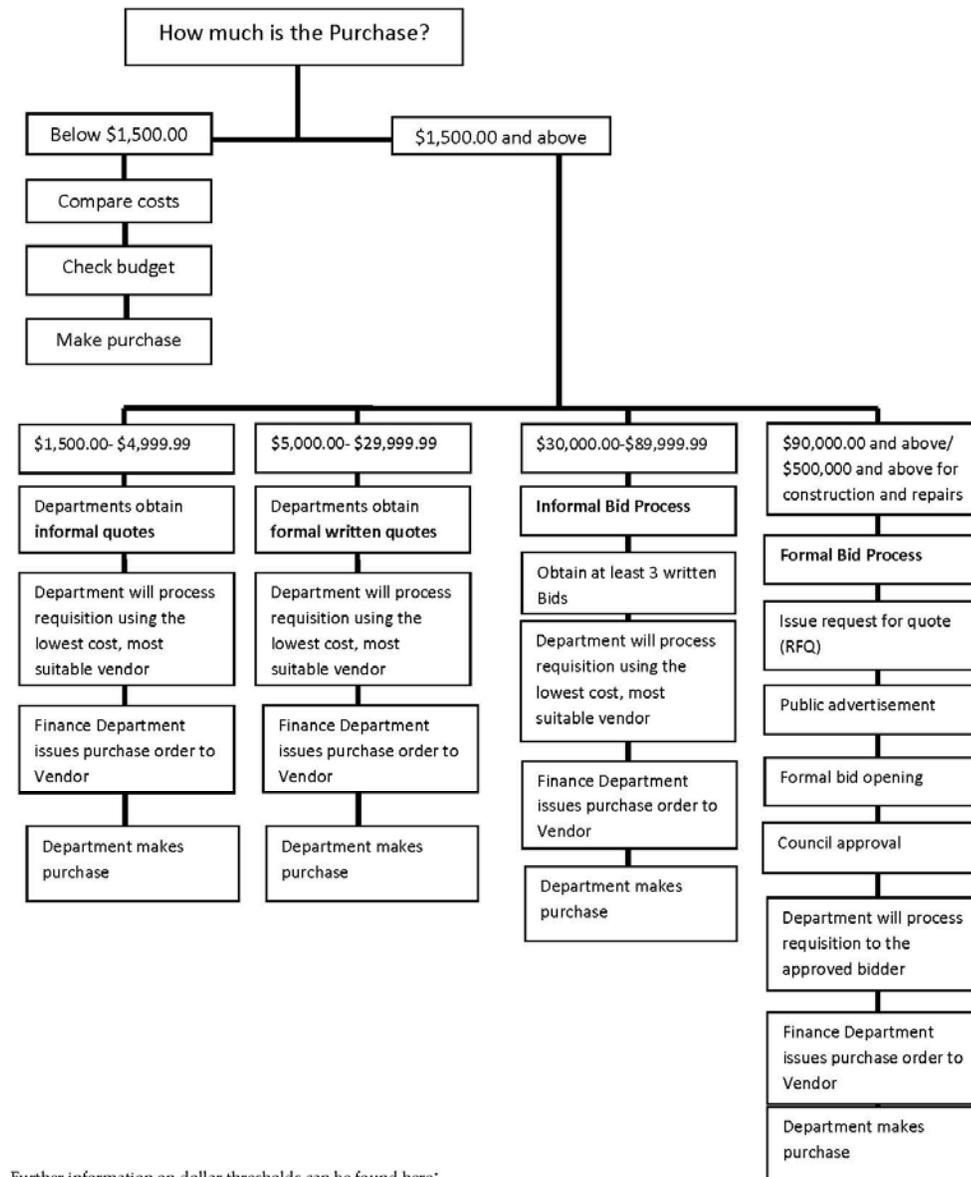
2.1 Local Buying: It is the desire of the City of Hendersonville to contract with vendors within the City and Henderson County whenever possible. The City has a responsibility to its citizens and local businesses; however, the City must ensure taxpayer money is spent with prudence. The City does not make purchasing decisions based exclusively on the location of the vendor; however, every effort will be made to encourage qualified local vendors and suppliers to compete for City business.

2.2 Planning: It is imperative that all City departments take time to properly plan purchases. Purchasing plans should be made for goods and services to be purchased in both the near and distant future; thereby minimizing small orders and last minute purchases. Planning is of highest importance to the City because proper planning reduces unnecessary clerical and supervisory time costs associated with the procurement process.

2.3 Buying Proper Quality: Quality and service are as important as price when considering goods for purchase; it is the duty of the requesting department to secure the most cost-effective good or service that will meet but not exceed the requirements for which the goods or services are intended. In some instances the lowest price does not necessarily mean the lowest cost. A higher price, higher quality product may save the City from excess expenses in the future. The requesting department should take this into consideration when making a purchase.

2.4 Authorization: Department Heads have been delegated the authority to approve purchases made under \$1,500.00. Department Heads should only authorize purchases for necessary goods when proper documentation is provided and funds are available to make the purchase. The Department Head or his designee must authorize each invoice with signature and date before forwarding to Finance for payment. This authorization verifies that the goods and or services have been received, the budgeted funds are available and the invoice has been coded to the proper account number.

PURCHASING FLOW CHART



Further information on dollar thresholds can be found here:  
<http://www.sog.unc.edu/sites/www.sog.unc.edu/files/Dollar%20Thresholds%20Chart%202013.pdf>

III. PURCHASING PROCEDURE

3.1 Purchases less than \$1,500.00: Purchases less than \$1,500.00 do not require a Requisition or a Purchase Order (PO). These purchases may be made by utilizing the City's Procurement Card (P-Card) process, check requests, or vendor accounts. Please see the City's specific policy for acceptable P-Card expenses. Every purchase should follow a cost comparison to ensure a competitive price and quality for each good and service purchased. Issues that may override the price comparison process may include delivery time and material specifications.

ALL PURCHASES \$1,500.00 AND ABOVE REQUIRE A REQUISITION AND PURCHASE ORDER (PO).

3.2 Purchases between \$1,500.00 and \$4,999.99: Purchases in this price range may be obtained by the requesting department(s) through an informal quote process. No minimum number of quotes is required however, it is encouraged that every attempt is made to acquire at least three (3) quotes. The informal quotes may be received through verbal communications, email, or fax. Verbal quotes must be noted in typed or hand written form documenting price, date quoted, name of vendor, and name of the individual representative of the vendor. Quotes are to be scanned and submitted with the purchase requisition prior to purchase; after the purchase order is issued and approved, a purchase may be made.

3.3 Purchases between \$5,000.00 and \$29,999.99: Purchases in this price range are obtained through the formal quote process. In the formal quote process, the requesting department is required to receive at least three (3) quotes via U.S. Mail, email, fax, or hand delivery. The required three written quotes are to be scanned and submitted with/ attached to the purchase requisition prior to purchase; after the purchase order is issued and approved, a purchase may be made.

3.4 Purchases between \$30,000.00 and \$89,999.99: Purchases in this range must be obtained through informal bids. Departments are responsible for sending a request for quote (RFQ) and will allow vendors sufficient time to respond to the request based on the complexity of the request. RFQs in the informal bid range may or may not be advertised to the public. A minimum of three (3) vendors, if available, will receive the RFQ. Every effort will be made to obtain at least three (3) quotes. Quotes in the informal bid range may be submitted through U.S. Mail, email, fax, or hand delivery. No verbal quotes are acceptable in the informal bid price range. Purchases in the informal bid range do not require City Council approval. In this range, a no bid may be accepted as a bid. In accordance with N.C.G.S. § 143-131, a Request for Written Quotation will be used for purchases of \$30,000 to formal limits (3.2a) with or without advertising. The required three written informal bids are to be scanned and submitted with/ attached to the purchase requisition prior to purchase; after the purchase order is issued and approved, a purchase may be made.

3.5 Purchases \$90,000.00 and above/Services \$500,000.00 and above: Purchases in this range must be obtained through formal bids. Departments are responsible for sending a request for quote (RFQ) and will allow vendors sufficient time to respond to the request based on the complexity of the request. Every effort will be made to obtain at least three (3) bids. A newspaper advertisement must run at least seven (7) days prior to the bid opening.

Written bids in this range must be submitted in a sealed envelope and must be opened at a public bid opening. Purchases in the formal range require City Council approval. In accordance with N.C.G.S. § 143-129, invitation for formal bids will be used for purchases of \$90,000 and greater (\$500,000 and greater for construction and repairs). This will include advertising in the local newspaper and/ or other advertising media as deemed appropriate and receiving sealed bids. The supporting documentation and all bids received are to be scanned and submitted with/ attached to the purchase requisition prior to purchase; after the purchase order is issued and approved, a purchase may be made.

#### IV. VENDOR SELECTION

4.1 Selection Policy: Vendors will be selected on a competitive basis. Formal bids and informal bids will be solicited by the requesting department. Bid awards, purchase orders and/ or contracts will be issued to the lowest, responsive, responsible bidder. The City of Hendersonville will not use vendors who have been debarred by Federal, State, or Local governments.

4.2 Gifts and Gratuities: City employees are prohibited from soliciting or accepting any rebate, money, costly entertainment, gift, or gratuity (with the exception of mementos and novelties of nominal value) from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded. The City will not tolerate circumstances that produce, or reasonably appear to produce, conflicts between the personal interests of an employee and the interests of the City. Accordingly, the City may terminate, at no charge to the City, any purchase order contract if it is found that substantial gifts or gratuities were offered to a City employee. The City may also take disciplinary action, including dismissal, against a City employee who solicits or accepts gifts or gratuities of any value whatsoever.

#### V. SPECIAL PROCUREMENT PROCEDURES

5.1 Blanket Purchase Order: Blanket purchase orders will be issued to selected vendors for the procurement of certain items after competitive pricing has been completed and if budgeted funds are available. Blanket purchase orders are intended to expedite the procurement of frequently needed and repetitious supplies. Blanket purchase orders should be made for goods and services when the amount of clerical or administrative work otherwise involved is impractical. Examples of items procured through a blanket purchase order include: janitorial services, maintenance service contracts, chemicals, temporary personnel services, automotive parts, and others. Blanket purchase orders will encumber the requesting department's funds for any amounts remaining on the purchase order.

Requisition for blanket purchase orders must include all required information along with the following additional information:

1. Time period the purchase order is valid
2. Items covered by the blanket purchase order
3. The Not to Exceed (NTE) amount
4. A listing of all personnel approved to purchase from the blanket purchase order

All vendor delivery tickets must be signed by an authorized City employee indicating receipt of the goods and/ or services. All delivery tickets from blanket purchase orders must be scanned and forwarded to Accounts Payable as supporting documentation for invoice processing.

5.2 Emergency Purchases: In cases of emergencies, the Department Head or his/ her designee may purchase directly from any vendor the supplies or services whose immediate procurement is essential to prevent delays in work which may affect the life, health, safety, or convenience of City of Hendersonville employees or citizens.

The user department shall exercise good judgment and use established vendors if possible when making emergency purchases. Always obtain the best possible price and limit purchases to those items emergency related. Not anticipating needs does not constitute an emergency situation. First, determine if a true emergency does exist. Second, anticipate needs and avoid emergency situations whenever possible. Emergency orders are always costly. Vendors usually charge top prices if supplies or services must be obtained on an emergency basis.

During working hours, follow standard purchasing procedure as usual as soon as time and the situation permits.

After working hours, the following procedure should be used for emergency purchases: verify funds are available and if needed complete a Request to Transfer Funds form and forward immediately to the Budget office. The packing slip or invoice received should be coded with the account(s) to be charged and signed, scan/ attach a brief explanation of the nature of the emergency and forward to Accounts Payable with the invoice. Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures should be limited and will be monitored for abuse.

5.3 Sole Source of Supply: In the event there is only one vendor capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived by the Finance Department. Whenever a Department Head decides to purchase goods from a sole source, he/ she shall document on the requisition why only one company or individual is capable of providing the goods required. The provisions of N.C.G.S. § 143-129 will be followed requiring Council approval for sole source exception for all purchases made at or above statute levels.

5.4 Single Brand Convenience: The City recognizes in certain scenarios it is efficient to purchase items from a single provider rather than a variety of vendors. In such cases exceptions may be made to standard purchasing procedure; given proper documentation is provided. The purchaser should note reasons buying from a certain vendor will be more efficient in the long run and attach such documentation to each requisition.

Example: One brand of printer City-wide would allow the same type of ink cartridge to be ordered and reduces time cost related to finding multiple brands. This also allows the City to buy ink cartridges in bulk from a single provider, further reducing cost.

5.5 State of North Carolina Purchase Contract: All Departments may use the State of North Carolina Department of Administration Purchase and Contract Division whenever possible for procurement of capital and non-capital items. It shall be the responsibility of Department Heads to familiarize themselves with this purchasing method and to check for needed goods and services which are available through this resource at a lower cost than many other vendors offer. This system expedites the purchase of goods, offers pricing compatible with quotes received from formal and informal bids, and satisfies North Carolina General Statutes. Examples of goods on State Contract are: law enforcement vehicles, office furniture, copiers, janitorial supplies, copier paper, light bulbs, etc. Contact the Finance Department with questions regarding goods on State Contract.

The State of North Carolina Interactive Purchasing System can be found on the web at [www.ips.state.nc.us/ips/Default.aspx](http://www.ips.state.nc.us/ips/Default.aspx).

The North Carolina E-Procurement System can be found on the web at <http://eprocmnt.nc.gov/>

5.6 Piggybacking: The department head may use the piggybacking process whenever necessary to purchase apparatus, supplies, materials, and equipment. Contracts in the informal range can be used as a tool to solicit additional bids, but no Council action is necessary. For purchases of \$90,000 and above, the provisions of N.C.G.S. § 143-129 will be followed.

5.7 Professional Services: Normal competitive procedures are difficult to use in securing professional services such as attorneys, planners, and other professionals who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. When an agreement between a professional service company and the City is established, a purchase order with the proposed amount shall be issued to satisfy accounting and statutory requirements. Purchases from professionals shall otherwise follow N.C.G.S. § 143-64.31 and 64.32.

5.8 Service Contracts: All service contracts, for which the contractor will perform work while on City property, must be accompanied by a standard contract form. The contract must follow all signature procedures and contain all necessary insurance and payment options. The completed and signed contract must be reviewed by the City Attorney, signed by the City Manager, pre-audited by the Finance Director, and be filed in the office of the City Clerk. The executed contract should be scanned and attached to the department requisition that is forwarded to the Finance Department. The City will not enter into contractual agreements that are subject to automatic renewal and will attempt to structure contracts to coincide with the fiscal year.

Contracts authorized by City Council through direct award or budget authorization may be executed by the City Manager. Subsequent orders changing the original contract, which do not exceed the approved cost of the contract, will be executed by the City Manager.

City Council must approve all contracts that meet any of the following criteria:

1. Contracts subject to statutory bid thresholds
2. Contracts with terms greater than one year
3. Contracts exceeding budgetary approval, which require a budget amendment
4. Contracts suggesting a significant policy change as determined by the City Manager.

5.9 Vendors with City Accounts: The City should have accounts with certain vendors where possible in order to expedite the purchasing process for frequently needed minor items. In the event the City has an account with a certain vendor, City employees should not use purchase cards to obtain goods or services from the vendor. Proper purchasing procedures should be followed and only authorized purchases should be charged to City accounts.

## VI. DELIVERY AND PERFORMANCE

A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies, or equipment.

The importance of the delivery schedule will be emphasized to the vendor. Delivery requirements will be clearly written and fully understood by all vendors. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the requisition.

6.1 Partial Deliveries: Some purchase orders may list several items. It is possible the vendor may complete timely delivery on some items, which is referred to as "partial delivery". Upon receipt of a partial delivery, photocopy the purchase order; attach a copy of the signed delivery receipt and forward to the Finance Department along with the vendor invoice indicating which lines of the purchase order are to be paid.

6.2 Non-Performance: If a vendor fails to meet any requirements(s) of the specifications or terms and conditions of the contract or purchase order, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each violation.

## VII. INSPECTION AND TESTING

Life and safety as well as successful operation of expensive equipment and supplies may depend upon how well a purchased item meets design and performance specifications.

Goods and materials should be checked at the time of receipt for damage or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected as outlined below.

7.1 Rejection: In order to protect the City's rights in the event of rejection, for whatever reason, the vendor shall be informed immediately. Reasons for the rejection must be documented in memo form, attached to a copy of the purchase order and forwarded to the Finance Department in a timely manner.

7.2 Damaged Goods: One of the major reasons for immediately inspecting the goods or materials upon receipt is to detect any visible damage. It is necessary that all damage including evidence of concealed damage shall be documented by memo, attached to a copy of the purchase order, forwarded to the Finance Department, reported to the vendor as soon as possible, and informs the vendor of the damaged goods. When it is apparent that the extent of the damage causes the goods to be worthless, they will not be accepted.

7.3 Latent Defects: Latent defects may be the result of damage in transit or failure of the manufacturer to conform to specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the City may file a claim against all parties. A memo attached to a copy of the purchase order must be forwarded to the Finance Department.

## VIII. VENDOR RELATIONS

Good vendor relations are valuable business assets established through mutual confidence and satisfactory business communication between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of contract between buyer and seller. Any conflicts which may arise should be reported to the Finance Department.

## IX. SALE OF CITY PROPERTY

The City Manager has been authorized by the Hendersonville City Council to declare as surplus single asset or property or a group of items with a value of up to \$30,000.00, to set its fair market value, and to convey title to the property and to advertise electronically the sale of any personal property. The City Manager shall sign the Sale of Property Authorization form prior to the sale or disposal of any City property. The Finance Department shall keep all approved forms, which will record a description of the property sold or exchanged, and the amount of money or other considerations received for each sale or exchange. N.C.G.S. § 160A-265 through 280 should be referenced before the sale of any City property in order to ensure statutes and procedure are followed properly.

#### X. FUEL CARDS

Fuel cards will be assigned to City owned vehicles and are required to be used to purchase fuel for City vehicles, or in some instances, to purchase fuel for other job-related equipment such as: weed-eaters, lawn mowers, leaf-blowers, etc. It is not appropriate for City employees to use fuel cards to purchase fuel for any other vehicle or equipment other than which the card was issued to. Fuel cards are required to remain with the assigned vehicle and any missing cards should be reported immediately. Employees are required to use their PIN when purchasing fuel. Any unauthorized use of a PIN not assigned to the employee will result in disciplinary action up to and including termination.

#### XI. PURCHASE CARDS

Purchase cards exist to provide departments a flexible and efficient way to make small purchases. Purchase cards empower the cardholder to acquire necessary materials to conduct business and/ or deliver services in a more convenient and expeditious manner. Purchase cards should not be used to procure items or services not directly related to City business. Purchase cards cannot be used to purchase fuel for city vehicles. All city vehicles will have fuel cards which must be used.

11.1 Employee Responsibilities: No purchase over \$1,500.00 shall be made using the purchase card system without a purchase order. Purchase cards assigned to employees may have approval limits set by Department Heads below the \$1500.00 policy threshold. If an employee needs to make a purchase above the limit set by the Department Head, the employee should consult with the Department Head before making a transaction.

1. The purchase card that each cardholder receives shall only be used by the cardholder. No other person is authorized to use this card. The cardholder may make transactions on behalf of others in their department/ division; however, the cardholder is responsible for all purchases charged to their card.
2. The total value of a transaction shall not exceed a cardholder's single purchase limit. Payment for a purchase shall not be split into multiple transactions to stay within the single purchase limit.
3. The cardholder is responsible for maintaining receipts of all card transactions and scanning all receipts into the purchase card banking system. Receipts are required for all purchases. Failure to scan and attach receipts in a timely manner may result in the cardholder losing the privilege of using a City purchasing card.
4. Purchase cards may be used by for lodging and for training/ professional activities. Purchase cards cannot be used for meals during employee travel. Cardholders should consult the City's Travel Policy for more information.

11.2 Receipts and Receipt Submission: Receipts should be collected and kept for all transactions. If a detailed receipt is not obtained from the vendor, a Lost/ Missing Receipt Form and a detailed list of what was purchased will be required with the receipt. Repeated lost or missing receipts may result in a cardholder losing the privilege associated with a City purchasing card. A detailed receipt should be provided for all purchases.

Receipts should be scanned into the on-line Purchase Card Bank system and attached to their corresponding transaction. Scanning receipts to the system will streamline the accounts payable procedure and make processing transactions simpler for all parties involved.

11.3 Unauthorized Purchases: Certain items should not be purchased by City employees. Any of the following items listed below have been deemed inappropriate for purchase by City employees:

1. Personal purchases or for personal identification
2. A single purchase that exceeds the cardholder's single purchase limit
3. Cash advances
4. Gift Cards
5. Alcoholic beverages
6. Purchase of in-room movies during a hotel/ motel stay while on City business

11.4 Consequences of Improper Use: A cardholder who makes unauthorized purchases or carelessly uses a purchase card will be liable to the City of Hendersonville for the total dollar amount of such purchases plus any administrative fees charged by the bank or card company in connection with the misuse. The cardholder's employment may also be terminated and will be subject to legal action.

Cardholders are expected to obtain the best prices available on purchases. Purchase of an item above market prices where the vendor gives the employee any form of gift, bonus, or premium whether in the form of cash or merchandise is considered a kickback, is illegal, and can result in disciplinary action up to and including termination of employment and lawful prosecution. City policy strictly forbids anything in exchange for making a purchase.

For further information regarding the City's Purchasing Card Policy, review the "Credit Card Purchases" form found at <http://www.cityofhendersonville.org/index.aspx?page=91>.

#### XII. FRINGE BENEFITS

Any item purchased for an employee must be a valid business expense and not considered wages to the individual. Clothing, non-monetary awards, meals, travel, and other items may be considered wages depending on circumstances. Awards of cash or cash equivalents are always considered wages regardless of the amount awarded. All awards and purchases considered wages to an employee must be processed through payroll and will be subject to all applicable taxes. Please contact the Finance Department with any questions.

Any award of cash or cash equivalents must be pre-approved by the City Manager.

#### XIII. EXHIBITS

- Exhibit A. Items Not Requiring a Purchase Order
- Exhibit B. Vendor Performance Evaluation
- Exhibit C. Purchase Order/ Quote Form

## Exhibit D. Sale of City Property Authorization

## Items Not Requiring a Purchase Order

1. Advertising: legal ads, radio announcements, etc.
2. Specified chemicals
3. Dues
4. Claim payments (Citizens filing for damages/ reimbursement)
5. Insurance
6. Medical examinations
7. Medical supplies (Fire and Rescue)
8. Land purchases & easements
9. Petty cash & replenishing funds
10. Postage
11. Refunds
12. Building rental
13. Tuition or other fees for approved educational purposes
14. Utilities (electricity, water, sewer, cable, internet, natural gas, trash, etc.)
15. Lease purchase payments
16. Approved travel arrangements and accommodations

Mayor Volk expressed appreciation to Mr. Murr for his work.

**15. Comments from Mayor and City Council Members: There was none.****16. Reports from Staff**

**a. Voluntary Water Conservation Measures Implemented:** Mr. Connet reported the City invoked voluntary water conservation measures on August 5, 2015. He stated staff continues to monitor stream water levels, will develop contingency plans if needed, and are optimistic additional measures will not be necessary.

Mr. Connet reported the policy developed by citizens and businesses following the last drought is being followed. Mayor Pro Tem Stephens commented other supplies of water are available to the City and the odds of having to shut down businesses is small. Mr. Connet agreed stating the policy encourages customers to reduce their water usage and rationing would not be necessary unless the circumstances are very dire. Council Member Caraker agreed commenting the policy was developed to ensure businesses may remain open. Mayor Volk commented water customers should not assume they do not have to conserve water usage because the City has another source of water. Council Member Miller agreed stating water conservation measure should be practiced all the time.

Mr. Connet reported water to the fountain on Main Street has been cut off in order to lead by example. Mayor Volk suggested putting a sign nearby the fountain explaining the drought situation and why the water is off. **No action was required or taken.**

**b. Parking Ambassador:** Mr. Connet introduced Jeff Wilkins who has worked as an intern and developed the parking ambassador program, the training program for future ambassadors, and cards that explain parking rules.

Mr. Connet explained the first violation is a warning notice and the violator will receive a card explaining the parking rules to ensure a positive customer/visitor experience. He stated Mr. Wilkins is working with the Police Department. He stated habitual violators will be treated accordingly.

Mr. Connet reported Mr. Wilkins has also developed a standard lease for leased parking. He stated Mr. Wilkins also put together the parking survey and the City is getting good feedback from the survey. He stated Mr. Wilkins will also develop a schedule for future parking ambassadors. Mr. Connet expressed his appreciation to Mr. Wilkins for his work. Mr. Wilkins thanked the Council for this opportunity.

**c. Certificate of Achievement for Excellence in Financial Reporting:** Mr. Connet reported this is the twenty-sixth year in a row that the City has received a Certificate of Achievement for Excellence in Financial Reporting for the City's Comprehensive Annual Financial Report (CAFR). He congratulated Finance Department staff.

**17. Boards and Commissions:****a. Consideration of Appointments:**

**East Flat Rock Community Plan Committee (non-voting liaison position):** Mr. Connet reported Brian Pahle has volunteered to be the City's representative on this Committee. He suggested the duties be split between Mr. Pahle and Mr. Dave Hazzard, City Planner. **Upon motion of Council Member Miller, the Council voted unanimously to direct the City Manager to assign staff to fill that role.**

**Seventh Avenue Advisory Committee:** Council Member Caraker nominated Ron Kauffman to serve on the Seventh Avenue Advisory Committee in an at-large position. He commented Ms. Caldwell is presently

the liaison for the Green Meadows community. The term of Mr. Kauffman will expire April 1, 2016. Mayor Volk commented he may be considered “in district” because of his association with the Railroad Club. **A unanimous vote of the Council followed. Motion carried.**

**Downtown Advisory Committee: Council Member Caraker nominated Scott Moore to serve in the stakeholder position. This term will expire 08-01-16. A unanimous vote of the Council followed. Motion carried.**

**Environmental Sustainability Board: Council Member Miller nominated Ian Edwards to fill an unexpired term on the Environmental Sustainability Board. This term will expire 09-01-17. A unanimous vote of the Council followed. Motion carried. Council Member Caraker nominated Rhonda (Brissie) Chislaghi to an unexpired term. This term will expire 09-01-17. A unanimous vote of the Council followed. Motion carried.**

**Walk of Fame Steering Committee: Council Member Caraker nominated Mr. Tom Wooten and Mr. Tom Orr for the Walk of Fame Steering Committee. A unanimous vote of the Council followed. Motion carried.** Mr. Connet explained Mr. Wooten will not serve as the staff person for this committee. Council Member Caraker requested the City Clerk contact Mr. Orr for a suggestion for the third City representative.

b. **Announcement of Vacancies/Upcoming (Re)appointments:** There was none.

## **18. New Business:**

- a. **Consideration of an Offer to Purchase Property Previously Occupied by a Utilities Pump Station:** Mr. Connet reported as part of the Shepherd Creek/Atkinson Sewer Project, the City was able to eliminate several sewer pump stations. One of these pump stations is located at The Willows on Willow Road. The pump station was originally constructed by the developer and turned over to the City for operations and maintenance. In addition to the normal water and sewer charges, the property owners in this development paid an additional maintenance charge that most utility customers did not have to pay. Now that the pump station has been removed, the Homeowners Association has requested that the pump station property be transferred back to them. The only way the City may transfer the property is through the upset bid process. Therefore, they have submitted an offer of \$50.00. He explained if the Council accepts the offer, it will be advertised for upset bids. If no upset bids are received, the property will be transferred to The Willows for \$50.00. If an upset bid is received, we will re-advertise and follow this process until no further bids are submitted. The City Council can reject any and all bids at any time. **Council Member Smith moved the Council accept the offer of \$50 from the Willows development for the former pump station property and requested the City Clerk to advertise the surplus property in accordance with the upset bid procedures. A unanimous vote of the Council followed. Motion carried.**
- b. **Sign Identifying Edwards Park:** Council Member Miller stated Mr. Orr asked about the placement of a sign at Edwards Park. Mr. Connet reported this property belongs to Henderson County. **The Council referred this matter to staff to address.**

**19. Adjournment:** The meeting adjourned at 7:21 p.m. upon unanimous assent of the Council.

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Barbara G. Volk, Mayor

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Tammie K. Drake, City Clerk