

AGENDA

CITY OF HENDERSONVILLE CITY COUNCIL – REGULAR MEETING

JUNE 3, 2014 – 5:45 P.M.

Council Chambers – City Hall

1. **Call to Order**
2. **Invocation and Pledge of Allegiance**
3. **Public Comment Time:** *Up to 15 minutes is reserved for comments from the public for items not listed on the agenda*
4. **Consideration of Agenda**
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:**
 - i. **May 1, 2014 Regular Meeting**
 - ii. **May 16, 2014 Special Meeting**
 - B. **Consideration of Local Jobs Initiative, Section 3 Plan, Local Economic Benefit for Low- and Very Low-Income Persons (associated with Dana Community Water Line Project)**
 - C. **Resolution for Sidewalks Associated with Children and Family Resource Center**
 - D. **Consideration of Petition for the Satellite Annexation of Property Located at 706 Upward Road, Accept Clerk’s Certificate of Sufficiency and Set July 3, 2014 as the date for the Public Hearing**
 - E. **Consideration of Demolition Ordinance for Structure at 424 Armstrong Avenue**
 - F. **Consideration of Resolution Accepting the State Revolving Fund Loan Offer for the Shepherd Creek/Atkinson School Sewer Project**

G Consideration of Capital Project Ordinance for the Shepherd Creek/ Atkinson School Sewer Improvement Project and Associated Budget Amendment

H. Consideration of Capital Project Ordinance for the Oklawaha Greenway Phase 3 and Associated Budget Amendment

I. Consideration of Budget Amendment for Year-End Adjustments

- 6. Recognition of Elks Lodge Exalted Leader Frank Brady for their Contribution to the City for Repairs at Sullivan Park**
Presenter: Mayor Barbara Volk
- 7. Presentation of North Carolina Main Street Award - Best Downtown Event or Event Series - Rhythm & Brews 2013**
Presenter: Downtown Economic Development Director Lew Holloway
- 8. Recognition of City Employees and Historic Preservation Commission**
Presenter: Mayor Barbara Volk and City Manager John Connet
- 9. Public Hearing - Consideration of Ordinance Adopting the Budget and Capital Improvement Plan for Fiscal Year 2014-15**
Presenter: City Manager John Connet
- 10. Report on Seventh Avenue by UNC School of Government Development Finance Initiative Team**
Presenter: City Manager John Connet and Tara Ledbetter
- 11. Comments from Mayor and City Council Members**
- 12. Reports from Staff**
- 13. Consideration of Appointments to Boards and Commissions**
Presenter: City Clerk Tammie Drake
 - a. Appointments to Boards and Commissions
 - b. Announcement of Vacancies and Upcoming Appointments
- 14. New Business**
- 15. Staff Request for Closed Session**
- 16. Adjournment**

May 1, 2014
Regular Meeting of the City Council
Council Chambers – City Hall
5:45 p.m.

**Return to
Agenda**

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

Staff Present: Planning Director Sue Anderson, Police Chief Herbert Blake, City Manager John F. Connet, Engineering Director Brent Detwiler, City Clerk Tammie Drake, IT Director Allen Edge, Fire Chief Dorian Flowers, Zoning Administrator Susan Frady, City Attorney Sam Fritschner, Personnel Officer David Sapp, Utilities Director Lee Smith, Finance Director Lisa White, 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 four members in attendance.

2. Invocation and Pledge of Allegiance: Mayor Volk remembered those residents who recently lost their homes in a fire and is thankful there was no loss of life and for the efforts of the Fire Department. 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.*

There was none.

4. Consideration of Agenda:

Addition: 5a. Recognition of City Employees

Council Member Smith requested the addition of Discussion of the Interlocal Agreement with Henderson County under New Business. **Council Member Caraker moved approval of the agenda with the additions as requested. A unanimous vote of the Council followed. Motion carried.**

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

A. Consideration of Minutes: April 3, 2014 Regular Meeting, April 4, 2014 Special Meeting

B. Consideration of Budget Amendments: Mrs. Lisa White, Finance Director, presented a budget amendment to transfer funds from the General Fund Contingency Fund for the following:

- (1) to Governing Body Department to provide for primary election which had not been budgeted for - \$12,872
- (2) to Professional Services-Non Dept to provide for Customer Service Prof Services - \$7,500
- (3) to Professional Services to cover over-budget in account caused by City Manager moving expenses which had not been budgeted - \$7,000
- (4) to Employee Death Benefit Non-Dept - \$5,000 is paid upon the death of an employee. This year three payments have been made but only \$10,000 was budgeted - \$5,000
- (5) to Capital Outlay to provide budget for earnest money paid on purchase of property for Wingate University - \$5,000

C. Consideration of an Ordinance Directing the Demolition of Property Located at 128 S. Whitted Street: Mrs. Susan Frady, Zoning Administrator, presented the following ordinance:

Ordinance #14-0550

ORDINANCE DIRECTING CODE ENFORCEMENT OFFICIAL TO DEMOLISH

Whereas, pursuant to Section 12-31 of the Code of Ordinances of the City of Hendersonville (hereinafter called the "Code"), the Code Enforcement Official of the City of Hendersonville (hereinafter called the "Code Enforcement Official") has requested the City Council of the City of Hendersonville (hereinafter called "Council") to adopt an Ordinance requiring the owner to repair or demolish certain structures on certain premises as outlined in Section 12-31 of the Code; and

Whereas, the Council hereby finds that the owners and parties in interest in the premises, commonly known as 128 S. Whitted Street, Hendersonville, North Carolina, which premises are described in that certain deed recorded 3/29/1922, in the Henderson County Registry in Deed Book 155, Page 137, to which reference is hereby made are as follows:

Robert Creasman Estate
10415 Mackenzie Drive
Houston, TX 77086

Whereas, the Council hereby finds that the premises appears to be vacant, appears to be in such dilapidated condition as to cause or contribute to blight, vagrancy and appears to be a safety hazard and is a imminent danger to life or other property; and

Whereas, the Council hereby finds that there has been compliance with all applicable provisions of Section 12-31 of the Code relative to the adoption of this resolution; and

Whereas, the owner of the premises, after having been given a reasonable opportunity to do so, has failed and refused to comply with a lawful order of the Code Enforcement Official to repair or demolish the structure located on the premises within the time therein prescribed;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL THAT:

Section 1. The Code Enforcement Official shall cause the structure on the premises commonly known as 128 S. Whitted Street, Hendersonville, North Carolina, and described in the aforesaid deed to be vacated, closed, and removed or demolished.

Section 2. The cost of the removal or demolition shall be a lien on the premises to be collected pursuant to Article 10 of Chapter 160A of the North Carolina General Statutes.

Section 3. A copy of this Ordinance, certified as a true copy by the City Clerk, shall be recorded in the Henderson County Registry and the Register of Deeds shall index the name of the owner in the "Grantor Index" pursuant to North Carolina General Statutes 160A-443(5).

Section 4. This Ordinance shall become effective upon its adoption.

Adopted this first day of May 2014.

/s/Barbara G. Volk, Mayor

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

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

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

5a. Recognition of City Employees: Finance Director Lisa White publicly thanked and recognized Donna Fox, Tax Collector, for receiving North Carolina Tax Collector's Certification and Jennifer Harrell for receiving Deputy Tax Collector's Certification. She also thanked the City Manager and City Council for supporting employees and providing for continuing education.

6. Presentation of Historic Preservation Awards: Ms. Anderson and Mayor Volk presented the following Historic Preservation Awards to recognize property owners, organizations, businesses and individuals whose contributions demonstrate outstanding commitment to excellence in historic preservation, local history or promotion of Hendersonville's heritage and/or promotion of Hendersonville's heritage:

Jennie Jones Giles – Preservation Advocate Award

Hunter & Suzanne Hale for the restoration and preservation of Killarney House, 322 Killarney Street, Built ca. 1860.

Steve & Donna Caraker for the restoration and preservation of 524 Third Avenue West, Built ca. 1920.

7. Consideration of Approval of the Purchase of a .92-Acre Site at 747 Sixth Avenue West for the Construction of a New Health Sciences Facility: In conjunction with the partnership with Henderson County, Pardee Hospital, Wingate University, and Blue Ridge Community College, Mr. Connet requested approval of the purchase of the property located at 747 Sixth Avenue West at a cost of \$650,000 for construction of the health sciences facility.

Council Member Smith asked for an estimate for the cost of removing the existing structure. Mr. Connet stated the Fire Department will be burning the structure for training purposes. Council Member Miller requested having the building reviewed by an historic preservation person and remove any valuable architectural elements before it is used as a training burn. Council Member Caraker agreed. The City Manager stated this can be done.

Council Member Miller moved Council to approve the purchase of the .92-acre property at 747 Sixth Avenue West for a health care campus at that location. A unanimous vote of the Council followed. Motion carried.

8. Consideration of a Request by the Housing Assistance Corporation for the Waiver of System Development Charges for the Rosebay Apartments Project Located on Pisgah Drive: Utilities Director Lee Smith presented a request from the Housing Assistance Corporation for the waiver of fees associated with the Rosebay Apartment Project in accordance with the City's policy to waive system development charges for these units.

Mr. Lee Smith reported the waiver equals a contribution of \$91,520 for water and \$81,920 for sewer. He stated water is already there and they will build a small pump station for sewer.

There was discussion by Mayor Pro Tem Stephens on whether the project will be approved by the Henderson County Planning Board and Board of Commissioners.

Council Member Smith moved to authorize the Utilities Director to waive the water and sewer system development charges associated with the Housing Assistance Corporation's proposed 64-unit multi-family project referred to as Rosebay Apartments to be located on Pisgah Drive in the amount of \$1,430 for the water service and \$1,280 for the sewer service in accordance with the City's System Development Charge Waiver Policy revised and adopted by City Council on June 3, 2010. A unanimous vote of the Council followed. Motion carried.

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

10. Reports from Staff :

a. Update on New Parking Way-Finding Signs: City Manager John Connet reported the initial signs for parking lots have been installed and the banners for major parking lots will be installed next to draw attention to the parking lots. He stated this is part of the Phase 1 recommendations from the parking meeting. **No action was required or taken.**

b. Update on Seventh Avenue/Green Meadows Spring Cleanup: Mr. Connet invited the community's participation in a litter sweep and cleanup of the Seventh Avenue area on Saturday, May 17 to

build community support. The City is working with the residents and is waiving limitations on collections, i.e., bulky items that are stored, etc. **No action was required or taken.**

c. Budget Workshop Reminder: Mr. Connet reminded the Council of the Special Meeting to discuss the Budget for fiscal year 2014-15 on Friday, May 16, 2014 at 9:00 a.m.

d. Reminder of June Regular Meeting Change: Mr. Connet reminded the Council of the regular meeting change for the month of June. The regular meeting was changed to Tuesday, June 3, 2014.

e. Announcement of Town Hall Day, June 4, 2014, Raleigh, NC: City Manager John Connet invited the Council to participate in this event.

f. Reminder of Rhythm & Brews: Mr. Connet reminded the Council of the first Rhythm and Brews event that will be held May 15, 2014 beginning at 5:30 p.m. in the Azalea Parking Lot.

11. Consideration of Appointments to Boards and Commissions

a. Consideration of Appointments:

•Seventh Avenue Advisory Committee: Ms. Tammie Drake reminded the Council of two vacancies on this Committee. This Committee was initially established by the Council with five members of the Seventh Avenue special tax district and two at-large members. The Council discussed the makeup of the membership of the Committee. **Council Member Caraker moved the Council to change the makeup of the Committee to four members who own property in Seventh Avenue special tax district and three at-large members. A unanimous vote of the Council followed. Motion carried.**

Council Member Caraker nominated Farrell Beam and Chris Cormier. A unanimous vote of the Council followed.

Council Member Caraker suggested the chairperson be chosen from the members of the special tax district. **The Council agreed by unanimous consent.** Council Member Miller suggested the City Council choose the first chairperson for a one-year term. **The Council agreed by unanimous consent. Council Member Caraker moved to appoint Carson Calton as the chairperson for a one-year term citing his excellent leadership skills. A unanimous vote of the Council followed. Motion carried.** City Attorney Fritschner volunteered to draft the By-laws for this Committee.

Planning Board: Mrs. Drake reported two resignations from the Planning Board: Jeff Collis and Fred Dutcher and presented the applications on file.

Mayor Pro Tem Stephens nominated Peter Hanley and Robert L. Hogan for the Planning Board. These terms will expire 12-01-16. A unanimous vote of the Council followed. Motion carried.

ABC Board: Mrs. Drake reported Mr. Will Penny's term on the ABC Board will expire in June and he is willing to be considered for another term. **Mayor Pro Tem Stephens nominated Will Penny for a three-year term on the ABC Board. This term will expire in June 2017. A unanimous vote of the Council followed. Motion carried.**

b. Announcement of Vacancies and Upcoming Appointments:

Board of Adjustment Vacancy: Mrs. Drake reminded the Council of the vacant alternate position on the Board of Adjustment. **No action was taken.**

12. New Business:

a. Reconsideration of Interlocal Agreement with Henderson County: Council Member Smith distributed a handout stating in light of fact that Council may be considering a tax increase for next fiscal year, it may be worthwhile to revisit the Interlocal Agreement with Henderson County with regard to the purchase of the property for the Wingate University project.

Council Member Smith stated the request to Henderson County will be to reconsider the payback beginning when the Certificate of Occupancy is issued and pay 6.7% of the City's cost over 15 years (approximately \$23,400 annually) without interest. He explained his interest in doing this is so the City doesn't have to wait 15 years to be repaid and it will help with the tax burden.

In discussion, Council Member Miller stated he would not support the request because the City has entered an agreement in good faith. He stated the City made this request during the negotiations. He stated he understands the challenges this year but the challenges are not a result of this project. He stated there was goodwill created by this joint venture. Council Member Caraker agreed stating the City should honor the commitment that was made which should to keep Wingate University in Hendersonville.

Council Member Stephens stated he likes the proposal but the agreement has been made.

Council Member Smith moved Council to adopt a resolution relating to the interlocal agreement adopted 4/4/14. In discussion, Mayor Volk stated she is not willing to change the agreement at this point. The vote was one in favor (Smith), four opposed (Volk, Stephens, Caraker, Miller). Motion failed

24. Closed Session: At 6:27 p.m. Council Member Caraker moved Council to enter a closed session to:

- **consult with the City Attorney in order to preserve the attorney-client privilege between the attorney and the Council, to consider and give instructions to the City Attorney concerning the handling or settlement of a judicial action entitled Jones v. Ingles as provided under NCGS §143-318.11(a)(3);**
- **consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee as provided under NCGS §143-318.11(a)(6) and**
- **discuss matters relating to the location or expansion of industries or other businesses in the area served by this body as provided under NCGS §143-318.11(a)(4).**

A unanimous vote of the Council followed. Motion carried.

The Council consulted with the City Manager and City Attorney to consider and give instructions concerning the Jones versus Ingles lawsuit, discussed matters relating to the location or possible expansion of an industry or other business and discussed the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee.

The Council exited the closed session at 7:01 p.m. upon unanimous assent of the Council.

25. Adjournment: The meeting adjourned at 7:01 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

Tammie K. Drake, City Clerk

May 16, 2014
Special Meeting of the City Council
Second Floor Conference Room – City Hall
8:30 a.m.

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

Staff Present: City Manager John F. Connet, City Clerk Tammie Drake, Finance Director Lisa White, Planning Director Sue Anderson, Police Staff Sergeant Tracey Cox, Engineering Director Brent Detwiler, IT Director Allen Edge, Fire Chief Dorian Flowers, Zoning Administrator Susan Frady, Utilities Director Lee Smith, Public Works Director Tom Wooten

The purpose of the special meeting was to review the proposed budget for fiscal year 2014-15. Other topics may be discussed.

1. Call to Order: The meeting was called to order at 8:30 a.m. by Mayor Barbara Volk.

2. BUDGET REVIEW: General Overview of Budget: City Manager Connet began by reviewing Council's vision and mission statements. He stated some policy decisions will be necessary.

Mr. Connet explained budgeting has been done differently this year than in the past because of a difference in philosophies. This budget shows true costs of funds, is transparent and is a policy document. He stated it is a more accurate reflection of expenditures and transfers were eliminated.

Mr. Connet explained staff spent a lot of time working on cost allocation relating to the Water and Sewer Fund. He stated the transfers to the General Fund is no longer there. He stated each department and each position was examined to determine the percentage of time spent working on Water/Sewer items to show the true allocation of the cost of the fund and that amount is now shown in that fund.

Special Appropriations: Mr. Connet explained the Council's goal for these allocations is approximately 1 percent of the General Fund Budget. After review and discussion, **the Council agreed to the following special appropriations:**

Mayors' Advocacy Council for Persons with Disabilities	\$500
Henderson County Dispute Settlement Center	\$500
Sister Cities Program	\$500
Medical Loan Closet	\$1,000
Shuffleboard Club	\$1,200
The Healing Place	\$1,500
Arts Council	\$1,500
Heritage Museum	\$5,000
Hendersonville Symphony	\$2,000
Hands On Gallery	\$2,000
Team ECCO	\$4,000
Mineral & Lapidary Museum	\$3,000
Henderson County Agri-Business	\$5,000
Chamber of Commerce	\$10,000
Flat Rock Playhouse	\$30,000
Community Partnership for Pets	\$10,000
Partnership for Economic Development	\$15,000
Boys and Girls Club	\$15,000
Legal Service – Domestic Violence	\$1,500
Children and Family Resource Center	4,000
Total (.81% of General Fund Budget)	\$113,200

These appropriations reflect a savings of approximately \$125,000.

General Fund Overview: Mr. Connet explained holiday pay for employees has not been budgeted in the past but was paid for by funds resulting from the turnover of employees. Turnover of employees is no longer the trend. Holiday pay is budgeted this year resulting in higher personnel line items. He explained personnel costs are now a separate item.

Mr. Connet explained it is staff's priority to make all funds self-supporting and sustainable.

Mr. Connet explained he would like to establish the budget document as a policy document and public information piece.

Mr. Connet explained because of a change in how motor vehicle taxes are collected, the City will get an additional two months of taxes resulting in a one-time \$200,000 increase. Other one-time revenues includes

insurance settlements. He stated he is beginning to see some economic growth and the revenue is increasing. 2014 is a revaluation year and hopes the valuation will increase.

Mr. Connet reviewed the proposed budget for each of the departments. He explained Ms. White reviewed the budget looking for trends of what has been budgeted versus what is actual expenditures trying to get actual costs.

There was discussion on the part-time position in Public Works-Building Maintenance, funding for the Tree Board to improve entranceways, the sidewalk funds, Powell Bill funding for street resurfacing and the vehicle replacement program.

There was a brief recess.

Revenues: Mr. Connet proposed a three-cent property tax increase. He reviewed a chart of showing the amount of taxes based on property value. Discussion followed on the street resurfacing program and Powell Bill funds.

Fee Schedule: Mr. Connet reviewed the proposed changes to the fee schedule. **The Council discussed and agreed to the proposed changes to the Fee Schedule including:**

Fire Department: operational permit fees, construction permit fees, and construction plans review with a re-inspection fee of \$50 and work without a permit adjusted to be in line with building inspections.

Planning Department: large format copy

Policy Decision: The Council agreed by consensus to exempt special events, e.g., Apple Festival, from the Fire Department inspection fees.

Environmental Services Fund: Mr. Connet stated this budget decreased primarily after implementation of the new recycling program. He reviewed the proposed rate changes to make this fund self-supporting. There was discussion of why the fund has been supplemented by the General Fund in the past (generally keeping the City clean) but does not include leaf pickup. The Council also discussed continuing rates to make this fund self-supporting while encouraging/incentivizing recycling.

The Council agreed by general consensus to the following rate changes effective July 1, 2014:

Account Type	Current Rate <u>Per Month/Cart</u>	NEW RATE <u>07/01/14</u>
96-Gal Commercial		\$25.50
96-Gal Commercial w/recycling	\$30.75	\$22.00
96-Gal Residential	\$19.00	\$20.00
96-Gal Residential w/recycling	\$14.50	\$16.50
32-Gal Residential	\$17.00	\$18.00
32-Gal Residential w/recycling	\$12.50	\$14.25

Ms. White explained no transfer will be necessary with these proposed fees but the budget has no major capital expenditures in it. A transfer will be necessary when a new truck/equipment is needed.

Downtown Municipal Services District: Mr. Connet explained there is a \$46,000 Fund Balance transfer to this fund. This is a self-supporting fund and there is a priority on making events self-supporting. There was discussion of providing flowers and/or mulch to the business on the avenues that pay the special tax, King and Church Streets. Hanging flower baskets will be added to King and Church Streets in two years. **The Council agreed by consensus to provide some mulch, etc. to those businesses paying the special tax.**

Historic Seventh Avenue Municipal Services District: The Executive Director position has been budgeted in the General Fund under Administration as Public Information Officer. The General Fund transfer has been eliminated. He explained the District will pay the City to complete the special events.

There was a recess for lunch.

Water and Sewer Department: Mr. Connet stated establishing the true cost of operations has been a priority in the budget through the cost allocation project. This will help ensure it is operating like a true regional utility.

Mr. Connet stated some large capital projects are funded and will be paid for by cash: the Etowah system improvements, the Fletcher system improvements and the Highway 64 reimbursement to NCDOT. He stated these projects may be removed to separate Capital Project Funds to allow a comparison of operating costs from year to year. He reviewed the budgets of the different divisions of the Water and Sewer Funds.

There will be a recurring allocation of \$400,000 for maintenance and construction of utility lines.

Mr. Connet reviewed a cost worksheet with usage rates and fees and explained a rate increase for large water uses will be needed in the future. He explained the City may move away from a decreasing block structure in the

future to a more uniform structure to cover future capital costs. He explained State funding agencies are pushing toward a uniform rate to encourage conservation. He stated the decreasing block does not encourage conservation. After discussion, Mr. Connet suggested taking the next year to look closely at the impact, who it affects, etc. and make a policy decision going forward. Council Member Smith requested information that shows the additional burden on the system that a large user creates, e.g., the cost of delivering the water, etc., that counters selling a large amount of water at a lower cost. Mr. Connet did not recommend a rate increase in this year's budget. **The Council agreed by general consensus.**

Fee Schedule: Mr. Connet explained the City pays \$70,000/annually so customers can use credit cards to pay their utility bills. Ms. White explained the credit card processor charges are not currently passed onto the customer. She explained an effort to get more customers to pay by bank draft because there is no charge to the City and it requires no staff time. Mr. Connet proposed a one-time \$25 incentive to customers who sign up for bank draft. Ms. White also presented an option to pass the \$2.95 fee on to the customers who still want to use a credit card. She also explained less than 2 percent of customers that have large bills (more than \$300) pay by credit card. She suggested giving those customers six month's notice of the upcoming fee. She stated staff is also considering lock box processing that will eliminate some staff time. After discussion, **the Council agreed by general consensus to encourage customers to change to automatic bank draft and supported the one-time \$25 incentive, to charge the customers a fee of \$2.95 per \$300 for credit card processing, a returned electronic item fee of \$10 and a rejected bank draft fee of \$5.**

Special Appropriations: This includes \$66,130 for the Mills River Partnership and \$10,000 for the Rescue Squad.

General Budget Discussion: Mr. Connet explained a three-cent tax increase will leave a fund balance of 38 percent which differs from the goal of a 45 percent fund balance. After discussion of the condition of the streets and pavement condition study and being behind in the repaving schedule, **the Council agreed a three-cent tax increase is necessary: two cents will be applied toward debt service for Main Street Infrastructure rehabilitation and the construction of Fire Station #2. The Council agreed the other cent will be used for the street resurfacing program. To utilize this one cent, City Council directed the City Manager to utilize the \$125,000 saved from special appropriations and an additional \$25,000 cut in the budget.**

Mr. Connet stated the public hearing will be held at the June 3 meeting.

Reminders: Mayor Volk announced a special meeting for the purpose of a closed session to conduct the City Manager's evaluation on Tuesday, May 27, at 7:00 p.m.

Mr. Connet reminded the Council of the Seventh Avenue cleanup on Saturday, May 17 beginning at 9:00 a.m.

Adjourn: The special meeting adjourned at 2:11 p.m.

Barbara G. Volk, Mayor, City of Hendersonville

Tammie K. Drake, MMC, City Clerk



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: John Connet

Department: Administration

Date Submitted: 5/23/2014

Presenter: John Connet

Date of Council Meeting to consider this item: 6/03/2014

Nature of Item: Council Action

Summary of Information/Request:

Item # 05b

As recipient of Community Development Block Grant (CDBG) funding, we are required to have certain plans, policies and procedures in place prior to receiving funds. The only thing we are missing from the extensive list of documents is the CDBG Section 3 Plan. We have drafted this plan and are submitting it to the City Council for formal approval.

Budget Impact: \$ NA Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I move that the City Council approve the CDBG Section 3 Plan as presented by staff.

Attachments:

Proposed CDBG Section 3 Plan

**Local Jobs Initiative
Section 3 Plan
Local Economic Benefit for Low- and Very Low-Income Persons**

City of Hendersonville

(Town/City/County)

June 2014 – May 2017

(Time Period)

I. APPLICATION AND COVERAGE OF POLICY

The **City** is committed to the policy that, to the greatest extent possible, opportunities for training and employment be given to lower income residents of the community development project area and contracts for work in connection with federally assisted community development project be awarded to business concerns located or owned in substantial part by persons residing in the Section 3 covered area, as required by Section 3 of the Housing and Urban Development Act of 1968, the **City of Hendersonville** has developed and hereby adopts the following Plan:

The **City** will comply with all applicable provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended (24 CFR Part 135), all regulations issued pursuant thereto by the Secretary of Housing and Urban Development, and all applicable rules and orders of the Department issued thereunder

This Section 3 covered project area for the purposes of this grant program shall include the **City** and portions of the immediately adjacent area.

The **City** will be responsible for implementation and administration of the Section 3 plan. In order to implement the **City's** policy of encouraging local residents and businesses participation in undertaking community development activities, the **City** will follow this Section 3 plan which describes the steps to be taken to provide increased opportunities for local residents and businesses

This Section 3 Plan shall apply to services needed in connection with the grant including, but not limited to, businesses in the fields of planning, consulting, design, building construction/renovation, maintenance and repair, etc.

When in need of a service, the **City** will identify suppliers, contractors or subcontractors located in the Section 3 area. Resources for this identification shall include the Minority Business Directory published through the State Department of Commerce, local directories and Small Business Administration local offices. Word of mouth recommendation shall also be used as a source.

The **City** will include the Section 3 clause and this plan in all contracts executed under this Community Development Block Grant (CDBG) Program. Where necessary, listings from any agency noted above deemed shall be included as well as sources of subcontractors and suppliers. The Section 3 Plan shall be mentioned in the pre bid meetings and preconstruction meetings.

The prime contractor selected for major public works facility or public construction work will be required to submit a Section 3 Plan which will outline his/her work needs in connection with the

project. Should a need exist to hire any additional personnel, the Henderson County Employment Security Commission shall be notified and referred to the contractor.

Each contract for housing rehabilitation under the program, as applicable, for jobs having contracts in excess of \$100,000 shall be required to submit a Section 3 Plan. This Plan will be maintained on file in the grant office and shall be updated from time to time or as the grant staff may deem necessary.

Early in our project, prior to any contracting, major purchases or hiring, we will develop a listing of jobs, supplies and contracts likely to be utilized during the project. We will then advertise the pertinent information regarding the project including all Section 3 required information. Community Investment and Assistance (CI) should be contacted with the Bid Materials to distribute the information throughout their list serve to reach out the communities.

II. AFFIRMATIVE ACTIONS FOR RESIDENT AND BUSINESS PARTICIPATION

The *City* will take the following steps to assure that low income residents and businesses within the community development project area and within the *City* are used whenever possible: (Describe below)

- 1. Place qualified residents and businesses on solicitation list**
- 2. Assure that residents and businesses are solicited whenever they are potential sources of contracts, services or supplies.**
- 3. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by residents and businesses.**
- 4. Establish delivery schedules, where the requirements permit, which encourage participation by area for residents and businesses.**

Please check the methods to be used for the Section 3 program in your community:

The *City* will place a display advertisement in the local newspaper containing the following information:

- i. A brief description of the project
- ii. A listing of jobs, contracts and supplies likely to be utilized in carrying out the project.
- iii. An acknowledgement that under Section 3 of Housing and Community Development Act, local residents and businesses will be utilized for jobs, contract and supplies in carrying out the project to the greatest extent feasible.
- iv. A location where individuals interested in jobs or contracts can register for consideration
- v. A statement that all jobs will be listed through and hiring will be done through the local office of the North Carolina Employment Security Commission; a statement that all contracts will be listed with the North Carolina Division of Purchase and Contracts; and a statement that potential employees and businesses may seek development and training assistance through various state and local agencies, or which the *City* will maintain a list for individuals and business concerns inquiring information

Training and technical assistance will be provided by the local community college for low income residents requiring skills to participate in community development project activities.

Referrals will be made to the community college, local Private Industry Councils, Job Training Partnership Act (29 U.S.C. 1579 (a)) (JTPA) Programs, and job training programs provided by local community action agencies as appropriate. Residents and businesses will be encouraged to participate in state and/or federal job training programs that may be offered in the area.

Low income residents and businesses will be informed and educated regarding employment and procurement opportunities in the following ways:

- i. Advertisement in the local newspaper
- ii. Posting of Section 3 Plan at the County Courthouse
- iii. County Board meeting when project activities and schedules are discussed
- iv. Open meetings of Project Advisory Committee when everyone in neighborhood is invited
- v. Notification to other agencies that provide services to low-income people.

Other (describe):

The **City** will, to the greatest extent feasible, utilize lower income area residents as trainees and employees:

1. Encourage rehabilitation contractors to hire local area residents
2. Encourage public works contractors to hire local area residents

The **City** will, to the greatest extent feasible, utilize businesses located in or owned in substantial part by persons residing in the area

1. Contract with local contractors to perform demolition activities, and housing rehabilitation activities.
2. Encourage public improvement contractors to hire local residents for site clearance work, hauling materials, and performing other site improvements.
3. Encourage all contractors to purchase supplies and materials from the local hardware and supply stores

III. RECORDS AND REPORTS

The **City** will maintain such records and accounts and furnish such information and reports as are required under the Section 3 regulations, and permit authorized representatives of CI, and federal agencies access to books, records, and premises for purposes of investigation in connection with a grievance or to ascertain compliance with this Section 3 Plan.

The **City** shall report annually the Section 3 numbers using the form HUD 60002 to CI at the end of the calendar year as part of the Annual Performance Report (APR).

IV. MONITORING COMPLIANCE

The **City** may require each applicable contractor to provide a copy of the Section 3 Plan and will monitor compliance during the performance of the contract. Copies of all advertisements, notice, and published information will be kept to document the implementation of the plan.

V. COMPLAINTS CONTACT

Please provide the main contact in case that any complaint is received from the general public on Section 3 compliance (including name, phone number, address, and email):

John F. Connet, ICMA-CM
City Manager
145 Fifth Avenue East
Hendersonville, NC 28792
(828) 233-3201
jconnet@cityofhendersonville.org

Adopted this _____ day of _____, 20_____.

_____ (*Chief Elected Official*)

ATTEST: _____ (*Clerk*)



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: John Connet

Department: Administration

Date Submitted: 5/23/2014

Presenter: John Connet

Date of Council Meeting to consider this item: 6/3/14

Nature of Item: Council Action

Summary of Information/Request:

Item # 05c

In April 2013, Lee Galloway and Tom Wooten met with officials from NCDOT, The Children and Family Resource Center, and The Free Clinic regarding installing sidewalks from the Upward Road bus stop to the office complex on Case Road. At the meeting, NCDOT agreed to pay 70% of the sidewalk cost, if the City of Hendersonville would pay the additional 30% and assume maintenance. During the transition from Lee to me, this issue got dropped and Elisha Freeman has recently contacted us about moving forward with this project. Due to the fact that the Free Clinic serves 800 to 1400 clients per year who utilize the local bus service, we recommend the approval of the attached resolution committing the City of Hendersonville to covering 30% of the cost and assume future maintenance.

Total project is estimated to cost \$20,000.

Budget Impact: \$6,000 (Estimate) Is this expenditure approved in the current fiscal year budget? No If no, describe how it will be funded.

A budget amendment will have to be approved by the City Council in a future fiscal year to cover the cost of this project.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I move that the City Council approve the resolution requesting the installation of sidewalks to serve The Children and Family Resource Center and Free Clinic.

Attachments:

Proposed Resolution

**A RESOLUTION REQUESTING THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
PROVIDE FOR THE CONSTRUCTION OF SIDEWALKS ALONG
FOUR SEASONS BOULEVARD IN HENDERSONVILLE, NORTH CAROLINA**

WHEREAS, North Carolina General Statutes Chapter 136 grants to the North Carolina Department of Transportation (NCDOT) the authority to develop and maintain a statewide system of roads and highways and to exercise general supervision over all matters relating to the construction of state highways; and

WHEREAS, Upward Road and Case Street are State-maintained roadways subject to the jurisdiction and control of NCDOT; and

WHEREAS, Upward Road is a heavily-traveled road with numerous intersections; and

WHEREAS, there exists currently significant pedestrian traffic along this highway corridor who need to access to the Children and Family Resource Center and the Free Clinics; and

WHEREAS, the Free Clinics issues 800 to 1,400 bus vouchers for their clients. Having easy access for medically and physically impaired citizens is critical. Currently, clients are being dropped off at Ingles on Highland Lake Road/Highway 176 and are crossing several lanes of traffic twice to get to medical care and many of these pedestrians are mothers with young children trying to navigate the same path; and

WHEREAS, Upward Road and Case Street currently lack a sidewalk to accommodate the needs of these residents and that walking along Upward Road is treacherous with no sidewalks and no separation between motor vehicles and pedestrians.

NOW, THEREFORE, the City Council of the City of Hendersonville hereby resolves the following:

- (1) The North Carolina Department of Transportation is hereby requested to provide funding for the construction of a sidewalk along Upward Road and Case Street to provide for the safety and convenience of those residents who rely on foot travel from the bus stop at Ingles on Highway 176 to the children and Family Resource Center and Free Clinics.
- (2) In accordance with NCDOT's Sidewalk Policy requiring cost sharing based upon the municipal population, the project will be funded 70 percent by NCDOT and 30 percent by the City of Hendersonville.
- (3) The City of Hendersonville will assume maintenance of the sidewalk after construction.
- (4) A copy of this Resolution is to be forwarded forthwith to the Division Engineer's Office of the North Carolina Department of Transportation in Sylva, NC.

Adopted this third day of June, 2014.

Barbara G. Volk, Mayor, City of Hendersonville

Attest:

Tammie K. Drake, MMC, City Clerk



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: Sue Anderson

Department: Planning

Date Submitted: May 21, 2014

Presenter: Consent Agenda

Date of Council Meeting to consider this item: June 3, 2014

Nature of Item: Council Action

Summary of Information/Request:

Item # 05d

Petition for Annexation, (File No.P14-16-A)

The City has received a petition from Jack Jamison for satellite annexation of approximately 4,028 square feet (.092 acre) of the property identified as Parcel Identification Number 9588-20-9615 located at 706 Upward Road. The applicant intends to subdivide this parcel and does not wish to voluntarily annex the entire parcel. Please refer to the map and survey attachments.

Attached is 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.

Budget Impact: \$0 _____ Is this expenditure approved in the current fiscal year budget? No If no, describe how it will be funded.

This annexation is not related to a budget expenditure.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I move Council to accept the City Clerk's Certificate of Sufficiency for the Jack Jamison petition and set July 3, 2014 as the date for the public hearing.

Attachments:

Clerks Certificate of Sufficiency

Map

Legal Description

Plat

CERTIFICATE OF SUFFICENCY

**Re: Petition for Satellite Annexation
706 Upward Road
File No. P14-16-A**

To the Honorable Mayor and members of the City Council of Hendersonville, North Carolina:

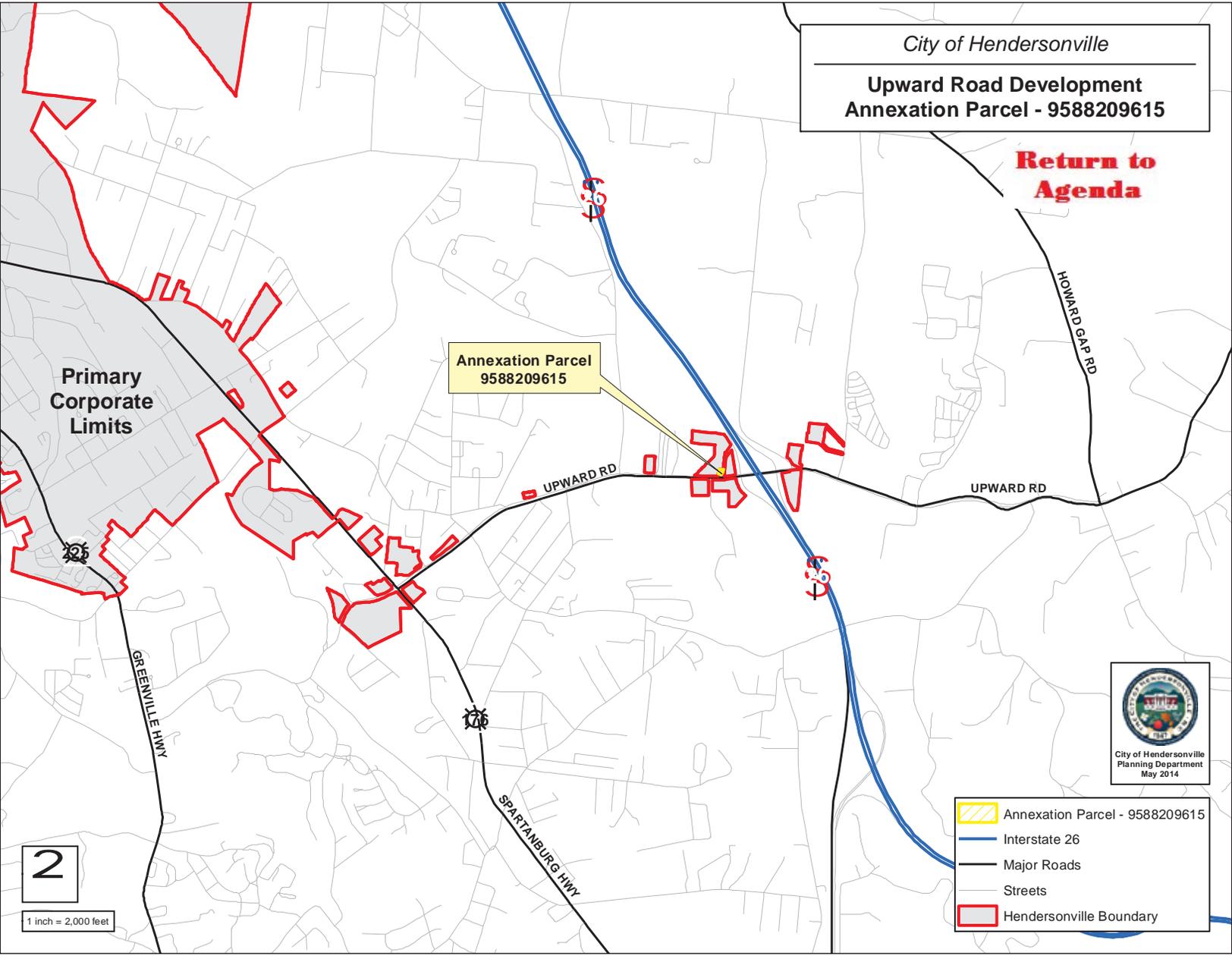
I, Tammie K. Drake, City Clerk, begin first duly sworn, hereby certify an investigation has been completed of the above referenced petition for the satellite annexation of 4,028 ft² of the property identified as Parcel Identification Number 9588-20-9615 located at 706 Upward Road.

- A. According to the Planning Department, the area described in the petition meets all of the standards set out in GS160A-58.1(b).
1. The map distance from the proposed satellite corporate limits is 1.2 miles from the primary corporate limits.
 2. No point on the proposed satellite corporate limits is closer to the primary corporate limits of another city than to the primary corporate limits of Hendersonville.
 3. The area is situated so the City will, if City Council so determines, be able to provide the same services within the proposed satellite corporate limits that it provides within its primary corporate limits.
 4. The area proposed for annexation is not a subdivision as defined in GS 160A-376.
 5. The total area within the satellite corporate areas, including land involved in this petition, constitutes 3.4 percent of the area within the primary corporate limits.
- B. The petition bears the names addresses and signatures of all owners of the real property within the area proposed for annexation.
- C. A metes and bounds description is attached to the petition.
- D. A map showing the area proposed for annexation with relation to the primary corporate limits of Hendersonville is attached to the petition.

Having made the findings stated above, I hereby certify the petition for satellite annexation presented by Jack Jamison is valid.

In witness whereof, I have here unto set my hand and affixed the seal of the City of Hendersonville, this 27 day of May, 2014.

Tammie K. Drake, MMC, City Clerk



City of Hendersonville
 Upward Road Development
 Annexation Parcel - 9588209615

**Return to
 Agenda**

Annexation Parcel
 9588209615

Primary
 Corporate
 Limits

UPWARD RD

HOWARD GAP RD

UPWARD RD

GREENVILLE HWY

SPARTANBURG HWY



-  Annexation Parcel - 9588209615
-  Interstate 26
-  Major Roads
-  Streets
-  Hendersonville Boundary

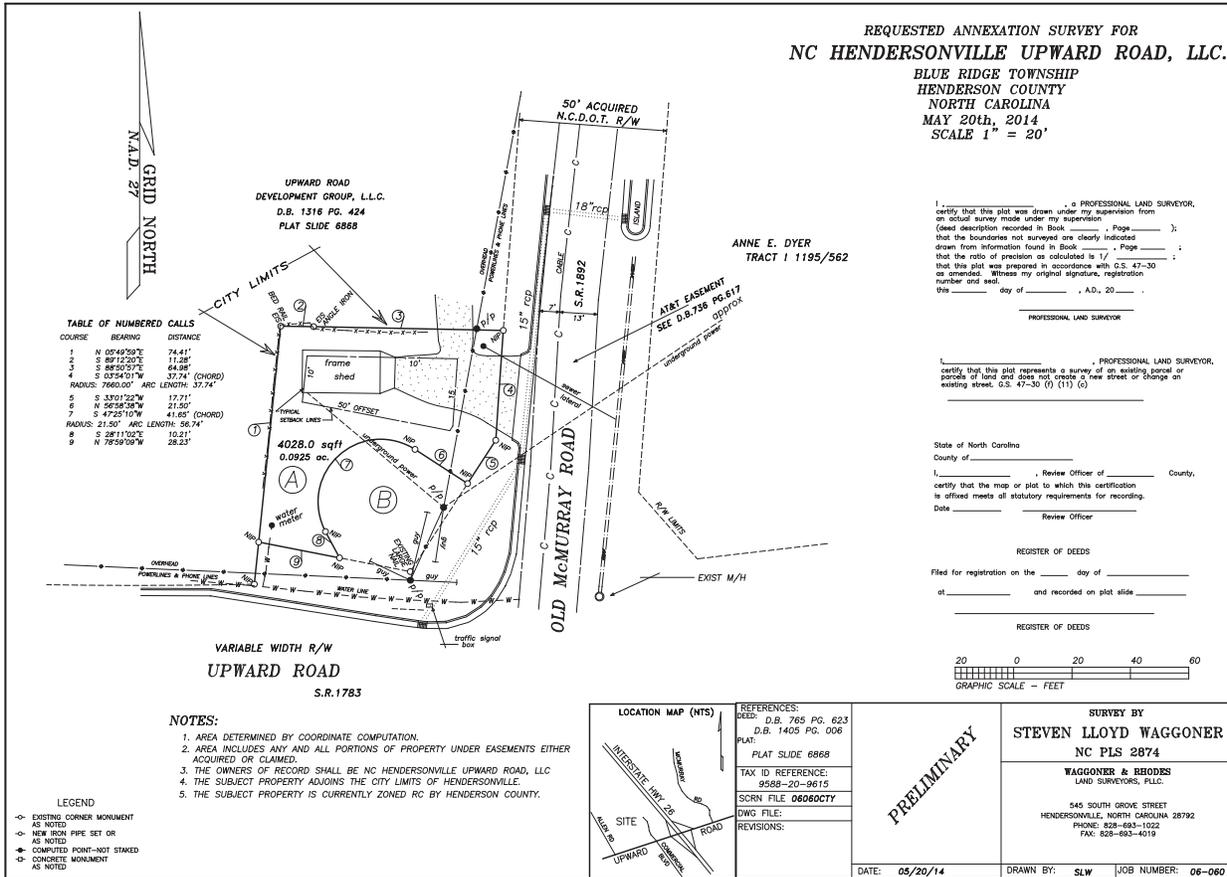
2

1 inch = 2,000 feet

LEGAL DESCRIPTION
REQUESTED ANNEXATION INTO THE
CITY OF HENDERSONVILLE

Being Lot A containing 4,028 sqft that is shown on a plat of survey by Steven Lloyd Waggoner under date of May 20th, 2014 and being job number 06-060. Being more particularly described by metes and bounds as follows: Beginning at a new iron pipe, said new iron pipe located in the right of way for Upward Road and standing in the line of the Corporate Limits Of The City Of Hendersonville and moving thence from said beginning point North 05 deg. 49 min. 59 sec. East 74.41 feet to an existing iron stake being a bed rail; thence turning South 89 deg. 12 min. 20 sec. East 11.28 feet to an existing iron stake being an angle iron; Thence South 88 deg. 50 min. 57 sec. East 64.98 feet to a new iron pipe; thence with the arc of a curve to the left having a radius of 7,660.00 feet an arc distance of 37.74 feet with a chord bearing of South 03 deg. 54 min. 01 sec. West and a chord distance of 37.74 feet to a new iron pipe; thence South 33 deg. 01 min. 22 sec. West 17.71 feet to a new iron pipe; thence North 56 deg. 58 min. 38 sec. West 21.50 feet to a new iron pipe; thence with the arc of a curve to the left having a radius of 21.50 feet an arc distance of 56.74 feet with a chord bearing of of South 47 deg. 25 min. 10 sec. West and a chord distance of 41.65 feet to a new iron pipe; thence South 28 deg. 11 min. 02 sec. East 10.21 feet to a new iron pipe; thence North 78 deg. 59 min. 09 sec. West 28.23 feet to the point and place of beginning. This lot A being a portion of tax parcel 9588-20-9615.

Return to Agenda





CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: Susan G. Frady

Department: Zoning

Date Submitted: 5-21-14

Presenter: Sam Fritschner

Date of Council Meeting to consider this item: 6/3/14

Nature of Item: Council Action

Summary of Information/Request:

Item # 05e

Ordinance directing Code Enforcement Official to demolish the structure at 424 Armstrong Avenue. The cost of the removal or demolition shall be a lien on the premises.

Budget Impact: \$6519. Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I move Council approved the demolition ordinance as written for the demolition of the structure at 424 Armstrong Avenue.

Attachments:

Ordinance # _____

ORDINANCE DIRECTING CODE ENFORCEMENT OFFICIAL TO DEMOLISH

Whereas, pursuant to Section 12-31 of the Code of Ordinances of the City of Hendersonville (hereinafter called the “Code”), the Code Enforcement Official of the City of Hendersonville (hereinafter called the “Code Enforcement Official”) has requested the City Council of the City of Hendersonville (hereinafter called “Council”) to adopt an Ordinance requiring the owner to repair or demolish certain structures on certain premises as outlined in Section 12-31 of the Code; and

Whereas, the Council hereby finds that the owners and parties in interest in the premises, commonly known as 424 Armstrong Avenue, Hendersonville, North Carolina, which premises are described in that certain deed recorded 6/19/2001, in the Henderson County Registry in Deed Book 985, Page 408, to which reference is hereby made are as follows:

Lender: Countrywide Home Loans, Inc.
4500 Park Granada
Calabass, CA 91302-1613
Trustee: Angela Welch

Whereas, the Council hereby finds that the premises appears to be vacant, appears to be in such condition as to appear to be a safety hazard and is a imminent danger to life or other property; and

Whereas, the Council hereby finds that there has been compliance with all applicable provisions of Section 12-31 of the Code relative to the adoption of this resolution; and

Whereas, the owner of the premises, after having been given a reasonable opportunity to do so, has failed and refused to comply with a lawful order of the Code Enforcement Official to repair or demolish the structure located on the premises within the time therein prescribed;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL THAT:

Section 1. The Code Enforcement Official shall cause the structure on the premises commonly known as 424 Armstrong Avenue, Hendersonville, North Carolina, and described in the aforesaid deed to be vacated, closed, and removed or demolished.

Section 2. The cost of the removal or demolition shall be a lien on the premises to be collected pursuant to Article 10 of Chapter 160A of the North Carolina General Statutes.

Section 3. This Ordinance, shall be recorded in the Henderson County Registry and the Register of Deeds shall index the name of the owner in the “Grantor Index” pursuant to North Carolina General Statutes 160A-443(5).

Section 4. This Ordinance shall become effective upon its adoption.

Adopted this third day of June 2014.

Barbara G. Volk, Mayor

ATTEST:

Tammie K. Drake, MMC, City Clerk

Samuel H. Fritschner, City Attorney

G:\Clerk\Ordinances\Ord 14\DEMOLITION ORDINANCE 424 Armstrong Ave.doc

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

I, Amy H. Knight, Notary Public in Henderson County, State of North Carolina, do hereby certify that Barbara G. Volk in her capacity of Mayor of the City of Hendersonville; Tammie K. Drake, in her capacity of City Clerk; and Samuel H. Fritschner, in his capacity as City Attorney, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this _____ day of June, 2014.

Amy H. Knight

My commission expires: 09-23-14



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: Brent Detwiler

Department: Engineering

Date Submitted: 5/23/14

Presenter: Brent Detwiler

Date of Council Meeting to consider this item: 6/3/14

Nature of Item: Council Action

Summary of Information/Request:

Item # 05f

At the April 3 City Council Meeting, the Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements project was tentatively awarded to Hall Contracting Corporation for \$2,055,829.00. The project is mostly funded by a North Carolina Department of Environment and Natural Resources (NCDENR) Clean Water State Revolving Fund (SRF) loan. The original SRF loan offer was \$1,650,000.00. Staff requested a 10% increase in the loan amount (which could be done without going through the LGC process) and received the attached amended loan offer letter (dated May 15) from NCDENR for a total of \$1,815,000.00. The term of the loan is described therein. NCDENR requires a resolution by City Council accepting the amended Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements project loan offer.

Budget Impact: \$ _____ Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I hereby authorize the Mayor to execute a resolution accepting the amended State Loan loan offer for Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements Project and authorize the City Engineer to execute the loan acceptance letter for the same project.

Attachments:

Resolution By Governing Body

5/15/14 Amended Offer and Acceptance Letter and Attachments from NCDENR For Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements Project

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conservation projects, and

WHEREAS, the North Carolina Department of Environment and Natural Resources has offered a State Revolving Loan in the amended amount of \$1,815,000.00 for the construction of the Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements Project, and

WHEREAS, the City of Hendersonville intends to construct said project in accordance with the approved plans and specifications,

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

That City of Hendersonville does hereby accept the amended State Revolving Loan offer of \$1,815,000.00.

That the City of Hendersonville does hereby give assurance to the North Carolina Department of Environment and Natural Resources that all items specified in the loan offer, Section II - Assurances will be adhered to.

That Brent Detwiler, City Engineer, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That City of Hendersonville has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the third day of June, 2014 at Hendersonville, North Carolina.

Barbara G. Volk, Mayor

Attest:

Tammie K. Drake, City Clerk



**Return to
Agenda**

North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

John E. Skvarla, III
Secretary

May 15, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Brent Detwiler, City Engineer
City of Hendersonville
305 Williams Street
Hendersonville, NC 28792

SUBJECT: Increase to the Offer and Acceptance for a
State Loan
Project No. CS370444-11
Shepherd Creek/Atkinson Elementary
Sanitary Sewer Improvements Project

Dear Mr. Detwiler:

The City of Hendersonville has been approved for an increase in loan assistance from the Clean Water State Revolving Fund in the amount of **\$ 165,000**. The total loan assistance amount with the increase is currently \$1,815,000.

Enclosed are two (2) copies of an Offer and Acceptance Document extending a State Revolving loan in the amount of \$ 1,815,000. This offer is made subject to the assurances and conditions set forth in the Offer and Acceptance Document. Please submit the following items to the Infrastructure Finance Section, 1633 Mail Service Center, Raleigh, North Carolina 27699-1633 within forty-five (45) days of receipt.

1. A resolution adopted by the governing body accepting the loan offer and making the applicable assurances contained therein. (Sample copy attached)
2. One (1) copy of the original Offer and Acceptance Document executed by the authorized representative for the project, along with the signed "Standard Conditions for the Federal SRF loans". **Retain the other copy for your files.**
3. Federal Identification Number of the Recipient (Memo attached)

Division of Water Infrastructure
1633 Mail Service Center, Raleigh, North Carolina 27699-1633
Location: 512 N. Salisbury St. Raleigh, North Carolina 27604
Phone: 919-707-9160 Internet: <http://portal.ncdenr.org/web/wi/home>

An Equal Opportunity \ Affirmative Action Employer

Mr. Brent Detwiler, City Engineer
Page 2

On behalf of the Department of Environment and Natural Resources, I am pleased to make this offer of State Revolving Loan funds made available by North Carolina Water Infrastructure Fund and the Federal Clean Water Act Amendments of 1987. If you have any questions, please feel free to contact Don Evans at (919)770-9164 for any assistance.

Sincerely,

Kim H. Colson, P.E., Chief
Infrastructure Finance Section

DE

Enclosures:

Loan Offer and Acceptance Document (2 copies)
Guidance Document
Reimbursement Request form
Fed ID Request Form
Resolution to accept Loan offer (suggested format)

cc: Jennifer House
SRF

**STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WATER INFRASTRUCTRE**

State Loan or Grant Offer and Acceptance
This Offer must be accepted, if at all, within forty-five (45) days of receipt.
This Offer is made subject to the attached Standard Conditions and Assurances

Legal Name and Address of Award Recipient

City of Hendersonville
305 Williams Street
Hendersonville, NC 28792

Account

- Clean Water State Revolving Fund (SRF)
- State General Loan (SRL)
- State Emergency Loan (SEL)
- High Unit Cost Grant (SRG)
- Technical Assistance Grant

State Project Number: E-SRF-T-13-0331

Federal Project Number: CS370444-11

CFDA Number: 66.458

Amendment	Date	Additional Amount
Original	1-16-2013	1,650,000
1		
2		

Project Description:

Shepherd Creek/Atkinson Elementary Sanitary Sewer Improvements Project

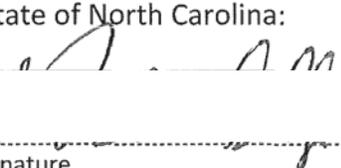
Total Financial Assistance Offer: **\$1,815,000**
Principal Forgiveness: **\$0**
Total Project Cost: **\$2,055,829**
Interest Rate: **2% Per Annum**
Maximum Loan Term: **20 Years**
Estimated 2% Closing Fee: **\$36,300**

Consideration having been given by the Department of Environment and Natural Resources to the application submitted by the applicant pursuant to North Carolina General Statute 159G, (1) the applicant is an eligible unit of government, (2) the project meets the eligibility criteria for a State Loan or Grant, and (3) the project has been approved and certified by the Department of Environment and Natural Resources as being entitled to priority for State financial assistance,

The Department of Environment and Natural Resources, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina:

John E. Skvarla, III, Secretary
North Carolina Department of Environment & Natural Resources

Signature:  Date: 5/15/14

On Behalf of:

City of Hendersonville

Name of Representative in Resolution: _____

Title (Type or Print): _____

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this State Loan or Grant offer and make the assurances and accept the conditions.

Signature: _____ Date: _____

STANDARD CONDITIONS FOR FEDERAL SRF LOANS

1. The recipient shall comply with all provisions of the following Federal laws and authorities (super cross-cutters):
 - (a) Title VI of the Civil Rights Act of 1964 – 42 U.S.C. §2000d
 - (b) CFR 35.3145(c) (Civil Rights laws) and provide completed EPA 4700-4 form
 - (c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972 – 33 U.S.C. §1251
 - (d) Section 504 of the Rehabilitation Act of 1973 – 29 U.S.C. §794
2. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures.
3. Civil Rights and Labor Standard Requirements, and use of MBE (Minority Business Enterprise), WBE (Women’s Business Enterprise), and Small Businesses:
 - (a) Specific MBE/WBE (DBE) requirements are included in the SRF Special Conditions that are to be included in the contract specifications. Positive efforts shall be made by recipients, their consultants and contractors to utilize small businesses and minority-owned businesses for sources of supply and services. Such efforts should allow these sources the maximum feasible opportunity to compete for subagreements and contracts to be performed, utilizing Federal SRF funds. Documentation of efforts made to utilize minority and women-owned firms must be maintained by all recipients, consulting firms, and construction contractors, and made available upon request.
 - (b) The recipient shall not award contracts to any firm that has been debarred for noncompliance from the Federal Labor Standards, Title VI of the Civil Rights Act of 1964, as amended, or any firm that appears on the EPA’s list of debarred firms. The recipient shall also comply with 40 CFR 32. (Complete the Debarment Certification in the SRF Special Conditions)
 - (c) The recipient shall require all prime construction contractors, as part of their bid, to certify that subcontracts have not and will not be awarded to any firm that has been debarred for noncompliance from the Federal Labor Standards, Title VI of the Civil Rights Act of 1964, as amended, or Executive Order 11246, as amended, or any firm that appears on the EPA’s list of debarred firms. (Complete the Debarment Certification in the SRF Special Conditions for each Subcontractor)
 - (d) The recipient shall require all contractors on the project to comply with the Department of Labor’s Safety and Health Regulations for construction promulgated under the Occupational Safety and Health Act of 1970 (PL 91-946), under Section 107 of the Contract Work Hours and Safety Standards Act (PL 91-54).
 - (e) The recipient shall ensure all contractors are in compliance with applicable Equal Employment Opportunity regulations.

4. Acquisition of Real Property:

The recipient shall comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended, in regard to acquisition of all real property, (including easements), for the project covered by this loan, and any resulting relocation of persons, businesses, or farm operations. See Assurance 8.

5. Prompt Payment and Payment Retainage:

It is the policy of the State of North Carolina to make timely periodic loan disbursements to the recipient, and to require the recipient to make prompt periodic payment on subagreements. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the conditions of this loan and subsequent amendments;

- (a) The recipient agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
- (b) The recipient agrees to include appropriate provisions in each construction contract, and to require the prime contractor to include them in all subcontracts, to implement this prompt payment requirement.

6. **The construction contract(s) requires the contractor to adhere to Davis Bacon and Related Acts Provisions and Procedures as listed in the Code of Federal Regulations Chapter 29 Part 5 Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148.**

7. As required by H.R. 3547, "Consolidated Appropriations Act, 2014" Section 436, Division G, Title IV, this project is subject to Buy American provisions. The State will provide detailed requirements to be included in the construction contract specifications.

ASSURANCES

- 1. The recipient acknowledges that in the event that a milestone contained in the most recent Clean Water State Revolving Fund Intended Use Plan and/or the Notice of Intent to Fund is not met, this State Loan or Grant offer will be rescinded by the Department of Environment and Natural Resources.
- 2. The final plans and specifications have or will be approved by the Division of Water Infrastructure and the applicant so notified, prior to the project being advertised or placed on the market for bids.
- 3. Eligible project expenses are as discussed in the North Carolina Clean Water SRF Program Guidance. Projects will not receive reimbursement for sales taxes. Sales taxes are deducted from project costs at the 90% milestone in accordance with the SRF Program Guidance.
- 4. The applicant agrees to construct the project or cause it to be constructed to final completion in accordance with the application and plans and specifications approved by the Division of Water Infrastructure.
- 5. The construction contract(s) requires the contractor to furnish performance and payment bonds, each of

which is in an amount of not less than one hundred percentum (100%) of the contract price; and to maintain during the life of the contract(s) adequate fire, extended coverage, workmen's compensation, public liability, and property damage insurance.

6. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
7. Any change or changes in the approved plans and specifications or contract(s) which (has/have) made or will make any major alteration in the work required by the plans and specifications, or which increases the cost of the project above the latest estimate approved by the Department of Environment and Natural Resources, was or will be submitted to the Division of Water Infrastructure for approval.
8. The construction contract(s) provides that any duly authorized representative of the State will have access to the work whenever it is in preparation or progress, and that the contractor will provide proper facilities for such access and inspection. Further, any authorized representative of the State shall have access, for the purpose of audit and examination, to any books, documents, papers and records of the applicant that are pertinent to funds received under the Act; and the applicant shall submit to the Division of Water Infrastructure such documents and information as it may require in connection with the project.
9. The applicant will provide and maintain competent and adequate engineering supervision and inspection of the project to insure that the construction conforms with the approved plans and specifications.
10. The applicant shall demonstrate to the satisfaction of the Department of Environment and Natural Resources that it has or will have a fee simple or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for the purpose of construction and operation for the estimated life of the project prior to the authorization to award construction contracts. No loan disbursements will be made until clear site certificates are submitted.
11. At least thirty (30) days, shall be allowed from the first date of publication to the date of bid opening.
12. The Project Bid Information package, including MBE and WBE (DBE) requirements, must be submitted and approved prior to the State issuing an Authorization to Award letter. If the approval of the debt instrument for this loan is necessary for the applicant to award contracts, the completed Project Bid Information and supporting documentation must be delivered to the Division of Water Infrastructure a minimum of twenty (20) days prior to the award of contracts.
13. The recipient shall not award any contracts for construction until the Authority to Award is given by the State. Doing so, will be at the risk of the award recipient.
14. Recipient acknowledges that no loan disbursements will be made until the contract documents are submitted and approved. The recipient shall notify the State when contracts are awarded.
15. The recipient shall conduct a preconstruction conference, if applicable, for each construction contract in cooperation with the State, and, in accordance with guidelines which shall be furnished by the State. The State shall be invited to the conference.
16. The Local Government Commission will forward the debt instrument after total project costs are

established in the Authority to Award Letter. The applicant must execute the debt instrument a minimum of ten (10) days prior to the request of disbursement of loan funds.

17. Recipient acknowledges that no loan disbursements will be made on the engineering planning and design or construction phase services until the contracts are submitted and approved.
18. Eligible small purchases estimated to exceed \$10,000 require three informal bids for approval.
19. Within thirty (30) days of the date of completion of the project, the applicant will make available to the Construction Grants Section staff all requested project closeout items including final costs for the purpose of making final adjustments to the Revolving Loan and debt instrument.
20. All principal payments will be made annually on or before May 1st. The first principal payment is due not earlier than six months after the original date of completion of the project. All interest payments will be made semiannually on or before May 1st and November 1st of each year. The first interest payment is due not earlier than six months after the original date of completion of the project.
21. In accordance with G.S. 159-26(b)(6), a capital project fund is required to account for all debt instrument proceeds used to finance capital projects. It is required that a capital project ordinance, in accordance with G.S. 159-13.2, be adopted by the governing board authorizing all appropriations necessary for the completion of the project. A copy of the approved ordinance must be submitted to this office before submitting the first reimbursement request.
22. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three (3) years following completion of the project.
23. All funds loaned pursuant to North Carolina General Statute 159G shall be expended solely for carrying out the approved project and an audit shall be performed in accordance with G.S. 159-34, as amended. **The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State.** Please note that the State is not a party to the construction contract(s) and the loan recipient is expected to uphold its contract obligations regarding timely payment. See Standard Condition 5.
24. The applicant shall demonstrate to the satisfaction of the Department of Environment and Natural Resources its ability to pay the remaining or ineligible cost of the project.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environment and Natural Resources that the declarations, assurances, representations, and statements made by the applicant in the application; and all documents, amendments, and communications filed with the Department of Environment and Natural Resources by the applicant in support of its request for a loan will be fulfilled.

..... Signature Date
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North Carolina Clean Water SRF Program Overview

Infrastructure Finance Section Website: All required materials can be found at <http://portal.ncdenr.org/web/wq/ifs/fap/apps>

Summary of the Application Process

- Submit Application by Deadline. Please review the attached information on eligible costs.
- Notice of Intent to Fund letters mailed within 30 calendar days. Section I, Funding Phase, applies. Recipients of this letter move on to the next three steps:
 - Engineering Report Submittal
 - Permitting/Plans & Specifications
 - Contracting- See sections II & III contracting, construction and reimbursements.

Description of Project Phases

I. FUNDING PHASE

A) Application

Applications for State Revolving Fund (SRF) loan assistance may be downloaded from the Construction Grants and Loans (CG&L) Section website. **The following forms, constitute a complete application package:**

- Common Application (5 pages)
- Complete signed DENR Appendix with appropriate boxes checked
- Resolution with Certification of Recording Officer (sample included with Appendix)
- Water and Sewer Rate Form (Included with Appendix, N/A for Stormwater Projects)
- Priority Point sheet with supporting documentation for the SRF program.
- Form LGC 108A (Download all LGC forms separately from the DENR website)
- Form LGC 108 C (Wastewater Projects) or LGC 108D or 108E (Stormwater Projects)
- **PLEASE NOTE - an Engineering Report will only be required if your project is approved for funding.**

The DENR Clean Water Appendix download contains additional instructions, a Sample Resolution and the Water and Sewer Rate form. Local Government Commission (LGC) Forms 108A, and 108C, 108D or 108E as required may be downloaded separately from the same web page. The Priority Rating Sheet and Guidance are separate downloads from the DENR website.

Interest rates for loans are set on March 31st of each year at ½ the 20-year bond buyers index. The LGC sets the loan term with a maximum term of 20 years. The LGC meets on the first Tuesday of each month. **Applications that score enough points in the Priority Rating System will have their applications forwarded to the LGC after receiving a notification of intent to fund the project.** This approval is required to ensure that the unit of government has the ability to repay borrowed funds.

B) Loan Offer

After approval of the Loan Application by the LGC, a formal Loan Offer is prepared. The rate and term of the loan are included in this document. The term is set by the LGC and the rate used is what was in effect at that time (determined on the previous March 31st). For practical purposes the rate given is what was in effect when applications were due. Two copies of the Loan Offer are mailed to recipients with several attachments (including this guidance). The loan recipient should sign and return one copy to CG&L with a resolution accepting the loan offer and keep the other copy for their files.

In the event of bids that exceed the project budget, a loan increase for up to 10% but not over \$500,000 dollars can be authorized without additional approval of the LGC.

Amounts above these require a modified application to be submitted to CG&L for LGC approval. **The SRF 2% Closing Fee** is invoiced when bids are approved (paragraph II A below). It is due 30 days from when it is dated. The first project reimbursement will not be approved until the closing fee is received.

II. CONSTRUCTION CONTRACTING PHASE

A) Authority to Award (ATA)

The contracts may be advertised as soon as plans & specifications are approved and permits are issued. NC General Statutes require the project to be advertised for 7 days, however the Infrastructure Finance section requires projects to be advertised for 30 days. For the initial advertisement period, three bids must be received in order for an award to be made. The Plans & Specifications approval letter has the Project Bid Information form attached. It and the other information described in it must be submitted to and approved by this office **before contracts can be awarded**. This information is as follows:

- Project Bid Information Form, signed by authorized representative
- Bid tabulation, sealed by the consulting engineer
- Proposals of the successful bidders
- Tentative award resolution from loan recipient subject to CG&L's approval
- Engineer's recommendation
- Proof of Advertisement
- Debarment Certification
- MBE/WBE requirements. (Detailed guidance on the website)

Note, Asset Management Plan must be approved if points were claimed on the funding application and all addenda must be approved before the ATA letter will be issued.

Please note, by the second reimbursement, these additional documents will be required.

- **Engineering Contracts for Planning and Design and Construction Phase Services.** (Detailed Guidance later in this document)
- **EPA 4700 compliance form** (found on website).
- **Clear Site Certificates** (found on website).
- **Capital Project Ordinance** (as required by **GS 159-13.2**)

B) Construction Contract Document Approval

This is the last step before a promissory note will be drawn up and funds can be reimbursed. Approval of contracts requires the following:

- Contract must be fully executed
- Notice to Proceed must be executed by owner and contractor
- Bonds must be dated on or after contract date
- Original power of attorney must be dated on or after bonds
- Insurance must be current
- All documents must be bound with the specifications

III. CONSTRUCTION PHASE AND REIMBURSEMENTS

A) Inspections

Coordinate the Preconstruction Conference with the Inspector assigned to project. Inspections ensure conformance with approved plans & specs, ensure eligibility of changes to the project, monitor safe construction practices and environmental compliance and conformance with programmatic conditions.

B) Promissory Note

A promissory note is requested after Construction Contract approval. This enables funds to be disbursed for the project. This amount and what it covers, is detailed in the ATA letter. It is issued by the LGC at the request of the Infrastructure Finance Section. A new note will be issued at project completion based on funds actually used.

C) Reimbursements - General Information (\$\$\$)

- Forms can be found online. A sample was included with the Loan Offer
- Please limit requests for reimbursement to one per month. Checks are cut by the State only once per week.
- All items must be approved in advance before being reimbursed.
- One copy of the following information is required for reimbursements:
 - Reimbursement request form with original signature.
 - Contractor monthly estimates
 - Engineering invoices
 - Invoices for any other approved costs (force account, equipment, testing)
 - Eligible land cost reimbursement requires a receipt indicating fair market value has been deposited with the Court, an appraisal indicating fair market value, and a copy of an offer to purchase the land.
- Indicate cumulative totals on the reimbursement form
- As noted in the Loan Offer Assurances, sales taxes will be deducted from loan proceeds at the 90% milestone, but the Loan Recipient may opt to deduct them with each reimbursement request. Sales Taxes are reimbursed by the NC Department of Revenue.

D) First Payment

- The Promissory Note must be executed by the applicant and a copy received by the Section.

E) Second Payment

- Capital Project Ordinance required
- 4700 Form
- Site Certificates by Owner and Title Counsel
- Engineering Contracts if payment is sought.

F) 90% payment milestone

- All sales tax certificates must be submitted. Monthly tax reports should have been sent with reimbursements, but taxes are not withheld until now.

G) 95 % Milestone - Project Closeout and Final Reimbursement

Final payment (or beyond 95%) requires the following:

General

- The inspector must issue final inspection report signifying that project is complete and all concerns have been satisfied and all change orders must have been submitted.

Submit to Leslie Rogers

- All final invoices showing zero retainage must be submitted.

Submit to Pam Whitley

- Engineer's and Owner certifications.
- Signed Closeout Checklist.
- Form 6100-2

IV. REPAYMENT PHASE

Repayments will be reflected in the final promissory note and will be for the actual funds borrowed. Repayments by the recipient begin on the May 1st or the November 1st that is between 6 months and 12 months after original project completion in the notice to proceed. The May 1st payment includes principal and interest and the November 1st payment is only interest. **Interest begins to accrue from the date of completion on the Notice to Proceed.** (i.e., no interest during the originally planned construction period) For multi-prime contracts the General contract will be used to set this date.

Eligible Expenses

Generally, project eligibility is defined under Sections 212, 319 and 320 of the Clean Water Act. This has historically excluded collection systems intended only to serve growing areas. In 2007, EPA issued the "White Paper" which explored eligible costs in an effort to increase the flexibility of what the SRF program can fund.

Anything to be reimbursed must be approved by this office. This includes formal construction bids, small purchases, engineering contracts and engineering amendments, and change orders.

I. Construction Projects

- A. Project elements not essential for treating wastewater are not eligible .
- B. If preference is given to a brand, it must be bid as a preferred alternate and any cost increase above the base bid is not eligible.
- C. The SRF will pay to restore project related items such as road patching, sidewalks and seeding.

II. Engineering and Technical Services

A. Planning and Design Contracts

- Calculated after bids using the bid prices and EPA allowance curves
- Must include task descriptions
 1. Planning Tasks
 - Facility Plan/Engineering Report preparation.
 - Environmental Assessment
 - Preliminary Planning
 - Preliminary Design
 - Rate analysis
 - Alternative Analysis
 2. Design Tasks
 - Surveying for Plan Map (may be pulled out from design curve with sufficient justification)
 - Final Design
 3. Other (not included in allowance but need quotes to pay)
 - Soils Report (Geotechnical Report)
 - Hydro-geologic Report (For facilities that land apply)
 - Any mark-up by primary A/E is still subject to the allowance curve.

B. Construction Administration and Inspection

- Construction Inspection is required by the Loan Offer
- Price should be cost plus fixed fee or per diem with a ceiling. This fee schedule should be in the contract.
- Task Description should be included
- Note - Invoices must include hours, rate and task
- Time Frame for Performance included
- Payment provisions included
- Loan Administration contracts (COG's, etc.). Hourly rate are not required but a task description or list of services is required and a fee ceiling.
- Contract must be amended to pay beyond the ceiling. Must be a corresponding change order.

- Inspection fees are only eligible when they cover eligible construction work. This applies to change orders too.

1. Construction Administration typical tasks

- Attend various meetings and conferences
- Provide copies of plans and specs for owner and contractor
- Sometimes bidding, addenda, tabulation of bids, recommendation, sometimes this is broken out separately
- Review shop drawings
- Review field tests
- Interpret intent of drawings
- Establish benchmarks (but not actual staking)
- Preconstruction Conference
- Review of Payment Applications
- Prepare Change Orders
- Coordinate with DWQ
- Sometimes O&M manual included here
- Provide As-Builts to the owner
- Start-up sometimes included here

C. Other items broken out separately. These may be paid as lump sums

- Bidding
- Construction Testing Services (Concrete, Geotechnical etc.)
- Record Drawings
- TV and Clean
- Startup Services
- O&M Manuals

D. Engineering Amendments

- Typically if the days in the associated change order were deemed eligible then the associated days in the amendment are eligible for reimbursement. When change order work is not the reason for an amendment, a case by case decision will be made.

III. Other Eligible Costs

- Legal - Legal fees for contract review and for advertisements etc.
- Real Property-**SRF** pays costs associated with real property acquisition but not the cost of the real property itself unless it is integral to wastewater treatment (e.g. land for spray irrigation). Costs for appraisals shall be limited to \$1,000. This is based on typical market rates and may be adjusted from time to time. This limit is deemed high enough to account for MAI status, commercial properties, availability of an appraiser, etc.
- Soil Testing - Will pay up to \$10,000 in invoices w/o requiring a contract. (when not performed by the engineer). Can also be approved as part of the engineering contract.
- Preparation of applications and permits required by Federal, State or local regulations or procedures. (40 CFR Pt 35, Subpt. I, App A, H, 2, b.) Permits imposed by the local unit such as building permits are not eligible.

FEDERAL ID REQUEST MEMO

TO: All Loan and Grants Recipients

SUBJECT: Federal Identification Number

Please be advised that all local government units receiving grant or loan funds from the State of North Carolina must supply their Federal Identification Number to this office upon acceptance of your loan/grant offer. Therefore, please provide the information below and return to:

Ms. Leslie Rogers
Infrastructure Finance Section
Division of Water Quality
1633 Mail Service Center
Raleigh, North Carolina 27699-1633

RECIPIENT:

PROJECT NUMBER:

FEDERAL IDENTIFICATION NUMBER:

United States Environmental Protection Agency
Washington, DC 20460

**Preaward Compliance Review Report for
All Applicants and Recipients Requesting EPA Financial Assistance**

Note: Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
II. Is the applicant currently receiving EPA assistance?	
III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.)	
IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.)	
V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3))	
VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b). b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable by persons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies.	
VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex, age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) a. Do the methods of notice accommodate those with impaired vision or hearing? b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communications? c. Does the notice identify a designated civil rights coordinator?	
VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a))	
IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166)	
X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator.	
XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures.	

For the Applicant/Recipient

I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
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For the U.S. Environmental Protection Agency

I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preaward compliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisions of 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official	B. Title of Authorized EPA Official	C. Date
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Instructions for EPA FORM 4700-4 (Rev. 03/2008)

General

Recipients of Federal financial assistance from the U.S. Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled; "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by 40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII – XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative Agreements & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions I – VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S. Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: Lisa White

Department: Finance

Date Submitted: 05/22/14

Presenter: Lisa White

Date of Council Meeting to consider this item: 06/03/14

Nature of Item: Council Action

Summary of Information/Request:

Item # 05g

- 1.) Shepherd Creek/Atkinson Sewer Improvement Capital Project Ordinance - As Required for State Revolving Loan
 - 2.) Shepherd Creek/Atkinson Sewer Improvement Project Budget Amendment
- Set up new multi-year capital project fund # 475 for Sheppard Creek/Atkinson Elementary Sewer Project.
Tentative Contract awarded to Hall Contracting Corp 4-3-14.
Budget Amendment also removes existing budget in non-multi-year fund # 75 that was input during prior year CIP budget process (amounts are no longer valid)

Budget Impact: \$ 2,474,921 total cost _____ Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Budget Amendment to install new multi-year project budget for revised amounts

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I move that Council approve the Capital Project Ordinance for the Shepard Creek/Atkinson Sewer Improvement Project and the Capital Project Budget Amendment as presented.

Attachments:

- 1. Capital Project Ordinance
- 2. Budget Amendment

**CAPITAL PROJECT ORDINANCE FOR
THE ACQUISITION, CONSTRUCTION AND INSTALLATION
OF THE SHEPARD CREEK/ATKINSON ELEMENARTY SEWER PROJECT**

BE IT ORDAINED by the Governing Board of the City of Hendersonville, North Carolina that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1: The project authorized is a wastewater collection system project described as the Shepard Creek/Atkinson Elementary School Sewer Project.

Section 2: The officers of the City of Hendersonville are hereby directed to proceed with the capital project within the terms of the contract entered into with Hall Contracting Corporation; the financing agreement with the North Carolina Clean Water State Revolving Fund (SRF) in the amount of \$1,815,000 at 2% per annum and a maximum loan term of 20 years; and the budget contained herein.

Section 3: The following amounts are appropriated for the project:

Expenditures	Total Budget
Total Project Appropriation	\$ 2,474,921

Section 4: The following revenues are anticipated to be available to complete this project under a loan agreement with the North Carolina Clean Water State Revolving Fund (SRF), a contribution from Henderson County and transfer from the Water and Sewer Fund for any remaining project expenses:

Funding Sources	Total Budget
State Revolving Loan Fund	1,815,000.00
Contribution from Henderson County	600,000
Transfer in from W&S Fund	59,921
Total Project Revenue Sources	\$ 2,474,921

Section 5: The Finance Director is hereby directed to maintain within the capital project fund sufficient specific detailed accounting records to satisfy the disclosure requirements of all the contractual agreements.

Section 6: Funds may be advanced from the Water and Sewer Fund as necessary for the purpose of making payments as due. Reimbursement requests shall be made in an orderly and timely manner.

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

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

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

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this third day of June, 2014.

Barbara G. Volk, Mayor

ATTEST:

Tammie K. Drake, City Clerk

Approved as to form:

Samuel H. Fritschner, City Attorney

BUDGET AMENDMENT

FISCAL YEAR 2014

**Return to
Agenda**

SUBMITTED FOR COUNCIL APPROVAL

June 6, 2014

ACCOUNT NUMBER		Shephard Creek/Atkinson Sewer			
ORG	OBJECT	ACCOUNT NAME	DESCRIPTION OF ACCOUNT	EXPENSE	REVENUE
4750000	499100	Proceeds from Debt	SRL Loan - Revised Amount		1,815,000
475040	447060	Contribution-Henerson County	Intergovernmental Revenue		600,000
4757141	519400	Professional Services	Asphalt Pavement Replacement	240,000	
4757141	559850	Construction- Hall	Construction Contract - Hall Corp	2,055,829	
4757141	569000	Contracted Services	As-Build Survey	15,000	
4757141	569010	Professional Services	Testing & Other	25,000	
4750000	572800	Loan Expense	SRF Loan Closing Cost (2%)	36,300	
4757171	599100	Construction Contingencies	Contingencies (5%)	102,792	
4759900	998060	Transfer from W&S Fund	Interfund Transfer to cover remaining		59,921
609900	999475	Transfer to Jackson Park	Interfund Transfer to cover remaining	59,921	
600000	329300	Fund Balance	Sewer Fund Balance		59,921
750090	489260	Transfer from W&S Fund	Prior -Incurred costs to date		104,436
750090	499100	Proceeds of Debt - SRLF	Remove old Fund Budget	1,650,000	
757136	519200	Prof Services Legal	Remove old Fund Budget		10,000
757136	519400	Prof Services Enging	Remove old Fund Budget		39,603
757136	557000	Cap Outlay Land & ROW	Remove old Fund Budget		50,000
757136	559900	Cap Outlay Oth Impmts	Remove old Fund Budget		1,379,271
757136	599100	Contingencies	Remove old Fund Budget		66,690
		TOTALS IN BALANCE		4,184,842	4,184,842

2,474,921

**\$ 2,474,921
Total Project Cost**

Remove old fund

Set up new multi-year capital project fund /multi-year fund # 475 for Sheppard Creek/Atkinson Elementary Sewer Project. Tentative Contract awarded by Council awarded contract to Hall Contracting Corp 4-3-14. Budget Amendment also removes existing budget in non-multi-year fund # 75 that was input during prior year CIP budget process

FINANCE DIRECTOR

Date: 6/3/2014

CITY MANAGER

Date: 6/3/2014

APPROVED BY CITY COUNCIL:

DATE: 6/3/2014



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: Lisa White

Department: Finance

Date Submitted: 05/22/14

Presenter: Lisa White

Date of Council Meeting to consider this item: 06/03/14

Nature of Item: Council Action

Summary of Information/Request:

Item # 05h

Oklawaha Greenway Phase 3 Capital Grant Project Budget Amendment
Set up new multi-year capital project fund # 390

Budget Impact: \$ 1,200,000 total cost _____ Is this expenditure approved in the current fiscal year budget? No If no, describe how it will be funded.

Budget Amendment to install new multi-year project budget

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I move that Council approve the multi-year Capital Project Budget Amendment as presented.

Attachments:

Budget Amendment

BUDGET AMENDMENT

FISCAL YEAR 2014

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SUBMITTED FOR COUNCIL APPROVAL

June 6, 2014

ACCOUNT NUMBER		Oklawaha Greenway Phase 3 Project			
ORG	OBJECT	ACCOUNT NAME	DESCRIPTION OF ACCOUNT	EXPENSE	REVENUE
3904900	434900	GRANT REVENUE	DOT		1,200,000
3909000	559850	CONSTRUCTION CONTRACT		999,800	
3909000	599100	CONSTRUCTION CONTINGENCIES		99,980	
3909000	519200	PROF SERVICES-LEGAL		500	
3909000	519400	PROF SERVICES-ENGRING	Froehling & Robertson Engineering	24,355	
3909000	569010	CONTRACTED SERVICES - LANDSCAPE		15,000	
3909000	569000	CONTRACTED SERVICES- OTHER		39,865	
3909000	569020	CONTRACTED SERVICES-SURVEY	Mattern & Craig	20,500	
		TOTALS IN BALANCE		1,200,000	1,200,000

\$ 1,200,000
Total Project Cost

Set up new multi-year capital project fund /multi-year fund for Oklawaha Greenway Phase 3 Project. Construction Contract has not been awarded

FINANCE DIRECTOR

Date: 6/3/2014

APPROVED BY CITY COUNCIL:

DATE: 6/3/2014



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: Lisa White

Department: Finance

Date Submitted: 05/22/14

Presenter: Lisa White

Date of Council Meeting to consider this item: 06/03/14

Nature of Item: Council Action

Summary of Information/Request:

Item # 05i

Budget Amendment to transfer Budget from Contingency and various other budget lines to Powell Bill Expenditure Line. Street expenditures that had been originally accounted for in the Main Street Project were transferred to the Powell Bill line because of two reasons (1) the Main Street Project had gone over budget and (2) because the City cash accounts showed excess holdings from 10+ years ago in the Powell Bill bank account. This clears both problems. Also funding needed to transfer and establish budget in newly created fund for Motorcycle Unit which had formerly been accounted for in a general fund liability account. In addition the government body department was short on budget.

Budget Impact: \$ Net zero Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I move that Council approve the Budget Amendment as presented.

Attachments:

Budget Amendment

BUDGET AMENDMENT

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FUND: GENERAL FUND

ACCOUNT NUMBER		DESCRIPTION OF ACCOUNT	INCREASE	DECREASE
ORG	OBJECT			
104511	535400	Powell Bill Street Maintenance	\$ 319,129.00	
109900	999110	Transfer to Motorcycle Unit	\$ 2,756.00	
104110	549100	Gov Body - Dues & Subscriptions	\$ 2,078.00	
104110	549600	Gov Body - Misc Bd Expense	\$ 1,104.00	
109910	599100	CONTINGENCIES		\$ 112,628.00
104140	552000	IT CAPITAL		\$ 26,000.00
104510	559900	PW Streets - Capital -Other Improvements		\$ 7,849.00
109621	575200	BANK SERVICE CHARGES		\$ 5,310.00
109619	200024	Drug Testing		\$ 3,000.00
109619	200028	Employee Assistance		\$ 3,000.00
109619	500023	Safety Program		\$ 1,500.00
104131	512100	SALARIES & WAGES-REG Engineer		\$ 10,000.00
104340	512100	SALARIES & WAGES-REG Fire		\$ 40,000.00
104360	512100	SALARIES & WAGES-REG Planning		\$ 10,000.00
104340	512100	Fire Fica		\$ 5,000.00
104340	512200	Fire Salaries -Overtime		\$ 25,000.00
104340	512600	Fire Salaries -Temp		\$ 33,868.00
104310	513000	SAL & WAGES - AUX		\$ 10,000.00
104250	525300	PW Fleet Maint - Vehicle Parts		\$ 4,000.00
104510	525300	PW Streets - Vehicle Parts		\$ 5,000.00
104110	518600	WORKER'S COMP INS		\$ 126.00
104120	518600	WORKER'S COMP INS		\$ 680.00
104130	518600	WORKER'S COMP INS		\$ 2,502.00
104131	518600	WORKER'S COMP INS		\$ 1,369.00
104140	518600	WORKER'S COMP INS		\$ 217.00
104150	518600	WORKER'S COMP INS		\$ 87.00
104250	518600	WORKER'S COMP INS		\$ 701.00
104270	518600	WORKER'S COMP INS		\$ 371.00
104310	518600	WORKER'S COMP INS		\$ 2,425.00
104340	518600	WORKER'S COMP INS		\$ 7,250.00
104350	518600	WORKER'S COMP INS		\$ 87.00
104360	518600	WORKER'S COMP INS		\$ 131.00
104360	518600	WORKER'S COMP INS		\$ 131.00
104500	518600	WORKER'S COMP INS		\$ 410.00
104520	518600	WORKER'S COMP INS		\$ 500.00
106170	518600	WORKER'S COMP INS		\$ 583.00
104120	545600	LIAB/PROP INS & BONDS		\$ 102.00
104130	545600	LIAB/PROP INS & BONDS		\$ 381.00

104131	545600	LIAB/PROP INS & BONDS		\$	148.00
104140	545600	LIAB/PROP INS & BONDS		\$	29.00
104150	545600	LIAB/PROP INS & BONDS		\$	29.00
104250	545600	LIAB/PROP INS & BONDS		\$	94.00
104270	545600	LIAB/PROP INS & BONDS		\$	74.00
104310	545600	LIAB/PROP INS & BONDS		\$	749.00
104340	545600	LIAB/PROP INS & BONDS		\$	34.00
104350	545600	LIAB/PROP INS & BONDS		\$	127.00
104360	545600	LIAB/PROP INS & BONDS		\$	102.00
104500	545600	LIAB/PROP INS & BONDS		\$	250.00
104510	545600	LIAB/PROP INS & BONDS		\$	1,270.00
104520	545600	LIAB/PROP INS & BONDS		\$	153.00
106170	545600	LIAB/PROP INS & BONDS		\$	1,800.00
		TOTALS IN BALANCE	\$	325,067.00	\$ 325,067.00

Transfer Budget from Contingency and various other budgets to Powell Bill Expenditure Line. Street expenditures that had been originally accounted for in the Main Street Project were transferred to the Powell Bill line because of two reasons (1) the Main Street Project had gone over budget and (2) because the City cash accounts showed excess holdings from 10+ years ago in the Powell Bill bank account. This clears both problems. Also funding needed to transfer and establish budget in newly created fund for Motorcycle Unit which had formerly been accounted for in a general fund liability account. In addition the government body department was short on budget.

FINANCE DIRECTOR

Date: 5/1/2014

APPROVED BY CITY COUNCIL:

DATE:



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: John Connet

Department: Administration

Date Submitted: 5/23/2014

Presenter: John Connet and Tom Wooten

Date of Council Meeting to consider this item: 6/3/14

Nature of Item: Presentation Only

Summary of Information/Request:

Item # 06

Frank Brady and the Hendersonville Elks Lodge obtained a grant to repair the restrooms at Sullivan Park. Mr. Brady has spent the last several weeks working on the restrooms and they are very close to being complete. Mr. Brady has requested the opportunity to present the grant check to the City Council. I also believe that it is appropriate for the City Council to recognize Mr. Brady and the Elks Lodge for their hard work.

Budget Impact: \$10,000 Is this expenditure approved in the current fiscal year budget? No If no, describe how it will be funded.

The additional revenue will cover the cost of the

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

Attachments:

None



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
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Submitted By: John Connet

Department: Administration

Date Submitted: 5/27/2014

Presenter: Lew Holloway

Date of Council Meeting to consider this item: 6/3/2014

Nature of Item: Presentation Only

Summary of Information/Request:

Item # 07

Lew Holloway will present the City Council with the Award of Merit from the N.C. Main Street Program for the Best Downtown Event or Event Series. The award was presented to the City of Hendersonville for our Rhythm and Brews Concert Series.

Budget Impact: \$ NA Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

Attachments:

None



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: John Connet

Department: Administration

Date Submitted: 5/23/2014

Presenter: Connet, Wooten, Blake, Anderson

Date of Council Meeting to consider this item: 6/3/14

Nature of Item: Presentation Only

Summary of Information/Request:

Item # 08

We would like to recognize the following:

On May 4th the Hendersonville Historic Preservation Commission held a tour of historic homes in the Hyman Heights Neighborhood. Over 300 citizens and visitors toured nine homes in Hyman Heights. LuAnn Welter and Historic Preservation Commission members donated their time and energy to make this event a tremendous success. I felt that it was appropriate for the City Council to recognize LuAnn and the HPC for their hard work.

Police Department Employee of the Quarter - Lt. Mike Vesley

Knights of Columbus Police Officer of the Year - Detective Nathan Smith

Certificates of Commendation for Outstanding Customer Service - Public Works Department Employees Brandon Mundy and Buddy Bentley

Budget Impact: \$ _____ Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

Attachments:

None



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
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Submitted By: John Connet

Department: Administration

Date Submitted: 5/23/2014

Presenter: John Connet

Date of Council Meeting to consider this item: 6/3/14

Nature of Item: Council Action

Summary of Information/Request:

Item # 09

In accordance with the North Carolina General Statutes the City Council must adopt an annual budget for all City of Hendersonville operations. A proposed budget for FY 2014-15 has been submitted to you for review and discussion in accordance with the Local Government Budget and Fiscal Control Act. We are now submitting a proposed Budget Ordinance for your consideration. However, prior to considering the Budget Ordinance you are required to conduct a formal public hearing on the budget.

The public hearing has been advertised in accordance with the Local Government Budget and Fiscal Control Act.

Budget Impact: \$ NA Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

I move that the City Council approve the Budget Ordinance for the 2014-2015 Fiscal Year .

Attachments:

Proposed Budget Ordinance

BUDGET ORDINANCE

**AN ORDINANCE MAKING APPROPRIATIONS FOR CERTAIN EXPENSES,
CAPITAL IMPROVEMENTS AND INDEBTEDNESS AND
ADOPTING A CAPITAL IMPROVEMENT PLAN FOR
THE CITY OF HENDERSONVILLE, NORTH CAROLINA
FOR THE YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015**

WHEREAS, the City of Hendersonville is coming to the conclusion of its fiscal year and will enter into a new fiscal year on July 1, 2014; and

WHEREAS, it is necessary and required that prior to entering into a new fiscal year a budget must be passed and adopted for the operation of the city government; and

WHEREAS, a public hearing and a work session have been held wherein the public has been notified and invited to be present.

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

SECTION 1: The following amounts are hereby appropriated for the operating budget for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2014, and ending June 30, 2015, in accordance with the chart of accounts heretofore established for this City:

General Fund	\$13,906,346
Downtown Tax District	513,475
Seventh Avenue District	18,460
Water/Sewer Fund	16,440,550
Environmental Services Fund	1,121,064
TOTAL APPROPRIATIONS	\$31,999,895
Less: Interfund Transfers	374,580
TOTAL NET APPROPRIATIONS	<u>\$31,625,315</u>

SECTION 2: That the attached detailed budget document be, and the same reflects the estimated revenues, revenue contributions, and budget appropriations of the City of Hendersonville, North Carolina, for the period beginning July 1, 2014, and ending June 30, 2015. A copy of said document will be available for inspection in the Office of the City Clerk.

SECTION 3: That the City Clerk has published notice of this public hearing and a summary of the proposed budget in a newspaper of local circulation.

SECTION 4: That no appropriations for salaries shall be changed unless authorized by the Council. Appropriations between departments or divisions within one fund, other than salaries, including contingency appropriations, may be transferred therein by the City Manager for the purpose of equalizations when necessary as long as the original total appropriated balance for the fund is not changed. Appropriations within a departments, other than salaries, may be transferred by the department head to make equalizations when necessary.

SECTION 5: There is hereby levied a tax at the rate of forty-four cents (\$.44) per one hundred dollars valuation of property as listed for taxes as of March 1, 2014. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,640,000 and estimated collection rate of 97%.

Also levied is a tax rate of twenty-eight cents (\$.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2014, for a special service district established for the purpose of a Downtown Revitalization Project. This rate is based on an estimated total valuation of property for the purpose of taxation of \$81,700,000 and an estimated collection rate of 95.78%.

A tax rate is also levied of twelve (\$.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2014, for the Seventh Avenue Municipal Service District formed upon a petition of some of the property owners, established for the purpose of landscaping improvements and special events in the district. The rate is based on an estimated total valuation of property for the purpose of taxation of \$9,200,000 and an estimated collection rate of 92.40%.

There is hereby adopted an official *Fee Schedule* listing specific fees, business licenses, and utility rates charged by the City of Hendersonville for:

- a) the use of City facilities and equipment for the purposes of making them available to public
- b) specific utility rates the proceeds of which are for the maintenance and expansion of its water and sewer system
- c) the administration of a system of business licenses taxation to generate revenue for the General Fund under the authority of North Carolina General Statutes (NCGS) §160A-211,
- d) the reproduction of public records and other miscellaneous services to cover the actual cost of producing these documents and information under the provision of NCGS §132-6.2.

The *Fee Schedule* is incorporated by reference and placed on file in the Office of the City Clerk.

SECTION 6: That the capital items identified on the following schedule and forecasted for acquisition over the upcoming five-year period be adopted as the official Capital Improvement Plan of the City of Hendersonville.

SECTION 7: That copies of this Budget Ordinance shall be furnished to the City Clerk, City Manager and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

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SECTION 8: This ordinance shall become effective on and after July 1, 2014.

SECTION 9: That all ordinances and parts of ordinances in conflict herewith be and the same hereby repealed.

Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this 3rd day of June, 2014.

ATTEST:

Barbara Volk, Mayor, City of Hendersonville

Tammie K. Drake, CMC, City Clerk

Approved as to form:

Samuel H. Fritschner, City Attorney



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

**Return to
Agenda**

Submitted By: John Connet

Department: Administration

Date Submitted: 5/23/2014

Presenter: John Connet and Tara Ledbetter

Date of Council Meeting to consider this item: 6/3/14

Nature of Item: Discussion/Staff Direction

Summary of Information/Request:

Item # 10

The UNC School of Government Development Finance Initiative has completed their initial work on 7th Avenue. They will be attending the June 3rd City Council meeting to formally present their report. Once they present their report and recommendations, we would request direction from City Council regarding the next steps for 7th Avenue.

Budget Impact: \$ NA Is this expenditure approved in the current fiscal year budget? Yes If no, describe how it will be funded.

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

Attachments:
None at this time



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

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Submitted By: Tammie Drake

Department: Administration

Date Submitted: 05/27/14

Presenter: Tammie Drake

Date of Council Meeting to consider this item: 06/03/14

Nature of Item: Presentation Only

Summary of Information/Request:

Item # 13

a. Appointments for Consideration: None

b. Announcement of Vacancies and Upcoming Appointments:

-Board of Adjustment and Environmental Sustainability Board Vacancies: reminder of a vacancy in the alternate position on the Board of Adjustment and a City representative on the Environmental Sustainability Board.

- Downtown Advisory Committee: The terms of three members will expire in August 2014: Becky Sherman Banadyga, Cindy Carter Jones, and Mike Hall. All three are stakeholder positions. These (re)appointments will be considered at the July meeting. I will contact them prior to the July meeting to determine in their interest in continuing to serve. There are also applications from interested citizens: Michelle Sparks, Mark Ray and Mia Freeman.

Budget Impact: \$0 _____ Is this expenditure approved in the current fiscal year budget? No If no, describe how it will be funded.

N/A

Suggested Motion: *To disapprove any item, you may allow it to fail for lack of a motion.*

Attachments: