

Tuesday - May 28, 1996 - 5:00 p.m.

Regular Meeting

Present: Mayor Russell Martin, Presiding; Vice-Mayor Barbara Field; Councilman Edward C. Hay Jr.; Councilman Thomas G. Sellers; Councilman James J. Skalski; and Councilman Charles R. Worley; City Attorney William F. Slawter; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson

Absent: Councilman M. Charles Cloninger

INVOCATION

Mayor Martin gave the invocation.

CLOSED SESSION

At 5:02 p.m., Vice-Mayor Field moved to go into closed session, as authorized by G.S. 143.318.11 (a) (3), to consult with the City Attorney in order to preserve the attorney-client privilege. This motion was seconded by Councilman Worley and carried unanimously.

At 5:46 p.m., Vice-Mayor Field moved to come out of closed session. This motion was seconded by Councilman Worley and carried unanimously.

I. PROCLAMATIONS:

II. PUBLIC HEARINGS:

A. PUBLIC HEARING RELATIVE TO REQUEST OF TCI CABLEVISION OF ASHEVILLE FOR AN ANNUAL ADJUSTMENT TO ITS RATE SCHEDULE FOR THE BASIC SERVICE TIER

Mayor Martin opened the public hearing at 5:46 p.m.

City Clerk Burleson presented the notice to the public setting the time and date of the public hearing.

Ms. Patsy Meldrum, Assistant City Attorney, said that this resolution will approve an annual adjustment to the rate schedule of TCI Cablevision of Asheville for the basic service tier.

On March 4, 1996, the City of Asheville received notice from TCI Southeast, Inc., on behalf of TCI Cablevision of Asheville, that it intends to increase basic service tier rates, and other rates, charged to cable television subscribers on or after June 1, 1996, as part of an annual rate adjustment permitted by regulations of the Federal Communications Commission (hereinafter "FCC").

The FCC regulations now authorize an annual rate adjustment by the cable television company.

The FCC regulations authorize local franchising authorities, such as the City of Asheville, to review the annual rate filings of cable television franchises.

The City of Asheville has 90 days from the date of the filing to review it, which 90 period will expire on June 2, 1996.

City staff has reviewed the annual filing submitted to the City of Asheville for TCI Cablevision of Asheville and finds that the calculations submitted follow the formula set forth by the FCC.

The rate for basic service tier will increase from \$9.95 a month to \$10.46 a month.

Ms. Meldrum said that City Council has a choice of actions to take. One is that Council can approve the rate request. The other is that Council can take no action on the rate request. If Council takes no action, the rate request goes into effect automatically under the FCC regulations. There is then a 12-month window that if the City studies the calculations again and finds that there is some error in the calculations, a refund could be issued. However, the Finance Department has reviewed the calculations and they have found that they appear to be within the FCC formula. On that basis, she recommended to either take no action, thereby letting the rates go into effect around June 1, 1996, or to adopt the resolution which would find that the rate request submitted appears to comply with the FCC formula.

She then briefed Council on the transfer process stating that TCI and Brenmor are still in the process of working out a transfer of the assets for a California franchise. One of the conditions of the transfer was the pursuit of the renewal of the franchise agreement. The City asked the renewal be concluded by June 30, 1996. Due to the holdup in the transfer of the assets, that part was being delayed somewhat. The City had sent a Request for Proposals to TCI and Brenmor in late March and asked for a response by May 1. We received a response from them indicating that they hoped to have something to the City by June 30, 1996. We then sent another letter to them reminding them of the June 30 date for completion of the process and asked for a response by June 1.

In addition to the renewal process, another aspect of our condition of approval of the transfer was a franchise fee audit. After Council approved the franchise fee audit being done by our consultants, we have been trying to get information from TCI regarding the calculations for those franchise fees. Our franchise agreement currently allows us to inspect their records with regard to those fees and we can send a designated representative to do that. We've chosen Rice, Williams. There has been some difficulty in getting information out of their Birmingham, Alabama, office where their general ledgers are kept. I have advised Mr. Martin about that difficulty today.

Councilman Worley reiterated that as long as TCI complies with the rate calculations under the FCC regulations, this Council has no power to deny the rate increase. Staff has looked at those calculations and has found them to be correct. Basically, City Council has no ability to do anything other than approve the rate increase, either by affirmatively doing so, or by taking no action.

Ms. Meldrum gave Council information on what would happen if the City had no rate review process. That being that the rates would be set, not based on the FCC formula. So, at least by having this process in tact, where they have to come and provide us with the FCC forms showing the calculations, they must abide by the FCC formula. Without us having rate regulatory authority, they would not have to do that.

Mr. Dan Martin, General Manager of TCI Cablevision of Asheville, said that he has just been made aware of the problems with the corporate

-3-

offices in Birmingham and he will look into it. He spoke in support of the

annual rate increase.

Mr. Martin tried to respond to questions from Councilman Skalski about how much cable rates since 1990.

Upon inquiry of Mr. H.K. Edgerton about TCI Cablevision filming City Council meetings, Mayor Martin said that item will be looked at in the franchise renewal negotiation.

When Mr. Ralph Bishop asked why City Council was even holding a public hearing since there was nothing they could do to deny the rate increase, Mayor Martin felt that the public hearing is at least a way to have full disclosure of the issue.

Ms. Leni Sitnick encouraged Council to act swiftly on the franchise renewal negotiations. She said that she had talked with Mr. Martin who said that when the franchise was renegotiated, the local office would televise City Council meetings and also would put a crawl of the agenda on Channel 10 several days before the Tuesday meeting.

Councilman Hay noted that our consultants are aware that this is a high priority for City Council.

Mayor Martin closed the public hearing at 6:06 p.m.

Councilman Worley moved to take no action on the rate increase. This motion was seconded by Councilman Hay and carried unanimously.

B. PUBLIC HEARING TO REZONE SEVEN PARCELS IN THE ROCK HILL PLACE AREA FROM R-3 MEDIUM DENSITY RESIDENTIAL TO R-5 RESIDENTIAL

ORDINANCE NO. 2282 - ORDINANCE TO REZONE SEVEN PARCELS IN THE ROCK HILL PLACE AREA FROM R-3 MEDIUM DENSITY RESIDENTIAL TO R-5 RESIDENTIAL

Mayor Martin opened the public hearing at 6:07 p.m.

City Clerk Burlison presented the notice to the public setting the time and date of the public hearing.

Ms. Erin McLoughlin, Urban Planner, said that the Planning staff has received a request to rezone seven parcels, approximately 10 acres, off of Rock Hill Road from R-3 Medium Density Residential to R-5 Residential. The properties are located north of Rock Hill Road, bordering Rock Hill Place. R-3 is a medium density residential district which allows 16 units per acre. R-5 is a medium density residential district with allows 10 units per acre and also allows manufactured homes on single family lots. The current land use is predominately manufactured homes. The 2010 Plan calls for low density residential. One person voiced their opposition to this rezoning at the May 1, 1996, Planning & Zoning Commission meeting.

At the Planning & Zoning Commission meeting, the Commission voted unanimously to approve the rezoning request. The Planning staff recommended approval of the rezoning also.

Mr. Lloyd Moser, 93 Rock Hill Road, said that someone has blocked the road known as Rock Hill Circle. He said that if the road were open,

-4-

it would help with the traffic problems in the area. Mayor Martin asked City

staff to investigate Mr. Moser's concern to see if the road has been legally closed.

Upon inquiry of Vice-Mayor Field, City Attorney Slawter said that this rezoning is not a spot zoning.

Mayor Martin closed the public hearing at 6:13 p.m.

Mayor Martin said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilman Skalski moved for the adoption of Ordinance No. 2282. This motion was seconded by Councilman Worley.

On a roll call vote of 6-0, Ordinance No. 2282 passed on its first and final reading.

ORDINANCE BOOK NO. 15 - PAGE 372

C. PUBLIC HEARING TO AMEND THE ZONING ORDINANCE TO REDUCE THE FRONT SETBACK REQUIREMENT FOR NON-RESIDENTIAL USES IN THE R-1 SINGLE FAMILY RESIDENTIAL DISTRICT

ORDINANCE NO. 2283 - ORDINANCE TO AMEND THE ZONING ORDINANCE TO REDUCE THE FRONT SETBACK REQUIREMENT FOR NON-RESIDENTIAL USES IN THE R-1 SINGLE FAMILY RESIDENTIAL DISTRICT

Mayor Martin opened the public hearing at 6:14 p.m.

City Clerk Burlison presented the notice to the public setting the time and date of the public hearing.

Mr. Mike Matteson, Urban Planner, said that this proposed wording amendment would reduce the front building setback requirement for non-residential uses in the R-1 zoning district.

This wording amendment came about as a result of a project review for a church addition in an R-1 zoning district. Currently, the front setback requirement for non-residential uses in the R-1 zoning district is 100 feet. In looking at this issue, staff felt that this setback requirement is excessive and have drafted two versions of a wording amendment which would reduce the requirement. The first version reduced the setback to 70 feet (twice the setback for residential uses). The second version reduced the setback to 35 feet which is the same as the setback for residential uses. The latter version would allow for more visual continuity by maintaining a consistent building line.

At the Planning & Zoning Commission meeting on May 1, 1996, the Commission voted to approve the second version of the wording amendment which would reduce the setback to 35 feet.

Mayor Martin closed the public hearing at 6:16 p.m.

Mayor Martin said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilman Worley moved for the adoption of Ordinance No. 2283, which would reduce the setback to 35 feet. This motion was seconded by Councilman Sellers.

On a roll call vote of 6-0, Ordinance No. 2283 passed on its first and final reading.

ORDINANCE BOOK NO. 15 - PAGE 274

III. UNFINISHED BUSINESS:

IV. NEW BUSINESS:

A. RESOLUTION NO. 96-75 - RESOLUTION ESTABLISHING A POLICY REQUIRING CITY CONSTRUCTION AND SERVICE CONTRACTORS TO PROVIDE A DRUG-FREE WORKPLACE IN THE PERFORMANCE OF ANY CITY CONTRACT

City Attorney Slawter said that this resolution establishes a policy requiring City construction and service contractors to provide a drug-free workplace in the performance of any City contract.

Mayor Martin recently requested that the City investigate a policy which is currently in place in the City of Charlotte requiring City construction and service contractors to provide a drug-free workplace in the performance of any City contract. The Charlotte policy was informally adopted by motion of the City Council on September 11, 1995. He said that Charlotte's policy is required to be inserted in their RFPs and Invitations to Bid as well as in their contracts. This resolution would establish a similar policy for the City of Asheville.

As does the Charlotte policy, our draft policy would apply only to construction and service contracts, as opposed to purchase contracts. He believed that the thought behind this distinction is that construction and service contractors are creating the product which the City is buying, while purchasing contractors generally are not.

There is no specific authority in the law to impose such a requirement upon contractors. For construction contracts, we have a statutory obligation to award bids to the lowest responsible bidder, taking into consideration quality, performance and the time specified in the bids for the performance of the contract. There is no similar requirement that service contracts be awarded to the lowest responsible bidder. There is also no statutory or case law definition of "lowest responsible bidder" to shed light upon whether failure of a prospective contractor to provide the certification that would be requested under the policy would make that contractor be other than the lowest responsible bidder. There is, therefore, some risk of challenge to such a policy as it relates to construction contracts, but he would not think that a court would have much sympathy for a prospective contractor who refused to provide such a certification.

The Charlotte policy discussed, but took no action, related to drug testing. We would recommend that any policy adopted by the Asheville City Council do the same.

The Charlotte policy was adopted on September 11, 1995, with implementation beginning January 1, 1996. The delay of almost four months was in order to give the City time to have "proper communications with the City's vendors and contractors, and to put into place procedures the City would need to do to implement the policy." He recommended that our effective date of our policy be October 1, 1996.

The requirements of the Charlotte policy are similar to those set forth in the federal Drug-Free Workplace Act, which is an education and

-6-

awareness program. It does not require drug testing, and does not provide for any enforcement mechanism.

The City enters into many informal contracts, especially related to services. The inclusion of the language required by the proposed policy may make such contracts rather cumbersome, but he was sure that the policy can be implemented if that is Council's wish.

Mayor Martin and the Asheville/Buncombe Drug Commission recommend adoption of the policy.

Mayor Martin said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilman Skalski moved for the adoption of Resolution No. 96-75. This motion was seconded by Councilman Sellers and carried unanimously.

RESOLUTION BOOK NO. 23 - PAGE 179

V. CONSENT:

Ordinances:

A. ORDINANCE NO. 2284 - BUDGET AMENDMENT RELATIVE TO REPAIRS OF THE HVAC SYSTEM AT THE CIVIC CENTER

Summary: This budget amendment, in the amount of \$67,000, is to budget investment earnings and appropriate remaining funds required to complete the HVAC repairs at the Civic Center.

Upon inquiry of Councilman Worley, City Manager Westbrook said that the additional funds are in the current Civic Center budget.

ORDINANCE BOOK NO. 15 - PAGE 376

B. ORDINANCE NO. 2285 - BUDGET AMENDMENT RELATIVE TO URBAN RIVERFRONT MASTER PLAN

Summary: This budget amendment, in the amount of \$11,250, is to provide support to the development of an Urban Riverfront Master Plan.

ORDINANCE BOOK NO. 15 - PAGE 378

Mayor Martin said that members of Council have been previously furnished with copies of the ordinances on the Ordinance Consent Agenda and they would not be read.

Councilman Hay moved for the adoption of the Ordinance Consent Agenda. This motion was seconded by Councilman Worley.

On a roll call vote of 6-0, the Ordinance Consent Agenda passed on its first and final reading.

Resolutions & Motions:

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON MAY 14, 1996, AND THE WORKSESSION HELD ON MAY 21, 1996

B. RESOLUTION NO. 96-76- RESOLUTION APPOINTING A MEMBER TO THE WNC REGIONAL AIR POLLUTION CONTROL BOARD

-7-

Summary: The term of Shirley Turner expired on March 20, 1996. This resolution will appoint Arlis Queen to serve a six year term, term to expire March 20, 2002, or until his successor is appointed.

RESOLUTION BOOK NO. 23 - PAGE 182

C. RESOLUTION NO. 96-77 - RESOLUTION APPOINTING A MEMBER TO THE ASHEVILLE REGIONAL AIRPORT AUTHORITY

Summary: The term of Stephen Woody expires on June 30, 1996. This resolution will appoint Bob Turner to serve a four year term, term to begin on July 1, 1996, and expire June 30, 2000, or until his successor is appointed.

RESOLUTION BOOK NO. 23 - PAGE 183

D. RESOLUTION NO. 96-78 - RESOLUTION AMENDING RESOLUTION NO. 93-45 WHICH ESTABLISHED THE BELE CHERE COMMISSION

Summary: City Council has determined that it would be in the best interest of the City of Asheville to have Council appointments serve three year terms (instead of two year terms), beginning with the 1995 appointments. This resolution will make that change.

The terms of Marvin Chambers and Rocky Fulp expired on August 17, 1995. This resolution will also reappoint Mr. Chambers and Mr. Fulp to serve three year terms, respectfully, terms to expire June 30, 1998, or until their successors have been appointed and qualified.

RESOLUTION BOOK NO. 23 - PAGE 194

E. RESOLUTION NO. 96-79 - RESOLUTION AMENDING THE RESOLUTION ESTABLISHING THE CITIZENS/POLICE ADVISORY COMMITTEE AND APPOINTING MEMBERS

Summary: City Council has determined that it would be in the best interest of the City of Asheville to have Council appointments serve three year terms (instead of two year terms), beginning with the 1996 appointments. This resolution will make that change.

The terms of Henry Southworth, Dick Shahan, Lonnie Blair and Janice Van Dine expired on May 1, 1996. This resolution will reappoint Lonnie Blair and Janice Van Dine to serve a three year term, respectfully. Also, this action will appoint John Ingersoll and Joe Chandler to serve three year terms, respectfully. All terms will expire on June 30, 1999, or until their successors have been appointed and qualified.

In order to keep all terms with the same vacancy date, the resolution will change Dick Rice's term to now expire June 30, 1999.

RESOLUTION BOOK NO. 23 - PAGE 185

F. RESOLUTION NO. 96-80 - RESOLUTION APPOINTING MEMBERS TO THE ASHEVILLE AREA CIVIC CENTER COMMISSION

Summary: The terms of Richard Bowman, Tom Muncy and Richard Schumacher expire on June 30, 1996. This resolution will reappoint Richard Bowman and Tom Muncy

to serve an additional three year terms respectfully, terms to expire on June 30, 1999, or until their successors have been appointed. This action will also appoint Robert

-8-

Swan to serve a three year term. Mr. Swan's term will begin on July 1, 1996, and expire on June 30, 1999, or until his successors has been appointed.

RESOLUTION BOOK NO. 23 - PAGE 187

G. RESOLUTION NO. 96-81 - RESOLUTION REAPPOINTING MEMBERS TO THE ASHEVILLE-BUNCOMBE CRIME STOPPERS BOARD OF DIRECTORS

Summary: The terms of Steve Curtis and Grant Osborne expire on June 30, 1996. This resolution will reappoint Mr. Curtis and Mr. Osborne to each serve an additional three year term, terms to expire June 30, 1999, or until their successors have been appointed and qualified.

RESOLUTION BOOK NO. 23 - PAGE 188

H. RESOLUTION NO. 96-82 - RESOLUTION APPOINTING A MEMBER TO THE ASHEVILLE DOWNTOWN COMMISSION

Summary: The term of Brady Blackburn as a member and Chairman of the Downtown Commission expired on December 31, 1995. This resolution will appoint Beth Lazer as a member of the Downtown Commission, to serve a two year term, term to expire December 31, 1997, or until her successor has been appointed and qualified.

RESOLUTION BOOK NO. 23 - PAGE 189

I. RESOLUTION NO. 96-83 - RESOLUTION APPOINTING A MEMBER TO THE BUNCOMBE COUNTY DRUG COMMISSION

Summary: The term of Willie McDaniel expires on July 1, 1996. This resolution will appoint John Hayes to serve a three year term, term to begin on July 2, 1996, and expire July 1, 1999, or until his successor is appointed and qualified.

RESOLUTION BOOK NO. 23 - PAGE 190

J. RESOLUTION NO. 96-84 - RESOLUTION APPOINTING MEMBERS TO THE ASHEVILLE-BUNCOMBE HISTORIC RESOURCES COMMISSION

Summary: The terms of Raymond Spells and Carleton Collins expire on July 1, 1996. This resolution will appoint Jody Kuhne and Fred Eggerton to serve three year terms respectfully, terms to begin on July 2, 1996, and expire July 1, 1999, or until their successors have been appointed and qualified.

RESOLUTION BOOK NO. 23 - PAGE 191

K. RESOLUTION NO. 96-85 - RESOLUTION APPOINTING MEMBERS TO THE RECREATION BOARD

Summary: The terms of William Estes, Lewis Isaac and James Grant expire on June 30, 1996. This resolution will reappoint William Estes and Lewis Isaac to each serve an additional three year term, terms to expire June 30, 1999, or until their successors have been appointed. This action will also appoint Charles Bullman to serve a three year term, term to begin July 1, 1996, and expire on June 30, 1999, or until his successor has been appointed.

RESOLUTION BOOK NO. 23 - PAGE 192

-9-

L. RESOLUTION NO. 96-86 - RESOLUTION APPOINTING ALTERNATES TO THE BOARD OF ADJUSTMENT

Summary: R. Dennis Weaver has resigned as an alternate, leaving an expired term. Diane Westmoreland has also resigned as an alternate. This resolution will appoint Rose Rose and Allen Roderick to each serve as an Alternate to the Board of Adjustment, each term expiring January 21, 1998, or until their successors have been appointed and qualified.

RESOLUTION BOOK NO. 23 - PAGE 193

M. RESOLUTION NO. 96-87 - RESOLUTION ENDORSING APPOINTMENTS TO THE OPPORTUNITY CORPORATION OF MADISON-BUNCOMBE COUNTIES

Summary: The Opportunity Corporation has recently revised their by-laws and as a result of those changes, public appointments may now be made by individuals as opposed to the full governing body.

Ms. Doris Hill Brewer was appointed in December of 1994 by the full Council. However, since that time the Corporation has restructured its Board members' terms in order to provide for a regular three-year rotation.

The Opportunity Corporation has asked that the Mayor reappoint Ms. Brewer to serve on their Board for a three year term, term to expire in March of 1999. They have also asked that Ms. Cathy Pollock, from A-B Technical College, be the other City representative to serve a one year term, term to expire in March of 1997.

RESOLUTION BOOK NO. 23 - PAGE 194

N. RESOLUTION NO. 96-88 - RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PLAN APPROVAL DOCUMENT BETWEEN THE TENNESSEE VALUE AUTHORITY AND THE CITY OF ASHEVILLE FOR REPLACEMENT OF THE GLENDALE AVENUE BRIDGE OVER THE SWANNANOA RIVER

Summary: TGS Engineers have completed plans for replacement of the Glendale Avenue Bridge across the Swannanoa River. The plans have been submitted to the appropriate agencies in the Federal and State governments for approval. Section 26a of the Tennessee Valley Authority ("TVA") requires that any construction along or over waterways in the Tennessee Valley jurisdiction be approved by the Tennessee Valley Authority.

The TVA has reviewed and approved the Glendale Avenue Bridge replacement plans. The TVA has also prepared an approval document setting forth the terms and conditions of their approval. This document needs to be executed on behalf of the City. The conditions require that any changes in the plans be approved by the TVA: That, if in the future, any adverse effects upon navigation, flood control, or public land reservations are created by the bridge, that the bridge shall be altered or removed to eliminate the adverse effects; that should the City begin but not complete the bridge project that any and all of the uncompleted work be removed and the area restored to its former condition; that all land disturbing activities be accomplished in accordance with best management policies as defined in Section 20-8 of the Clean Water Act; and that the approval of the plans by TVA be valid for the period of one year, after which time, re-approval must be obtained before any construction is started. The approval also places no liability on the TVA and frees them of any

obligation or duty to the City or any third party for damages to property or personal injuries

-10-

arising out of or connected with construction, operation or maintenance of the bridge.

The plan approval document has been reviewed by Public Works, the City Attorney's Office and Risk Management. Each Department recommends the plan approval document, with revisions to the indemnification clause included in the original document on page 2, paragraph 7, be approved. Language being deleted reads "... and to indemnify and save harmless TVA and the United States from any and all claims by other persons arising out of any such damage."

RESOLUTION BOOK NO. 23 - PAGE 195

O. RESOLUTION NO. 96-89 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH CAROLINA ENVIRONMENTAL SYSTEMS INC. FOR REPAIRS TO THE HVAC SYSTEM AT THE CIVIC CENTER.

Summary: Due to the deteriorating conditions of the HVAC system at the Civic Center, staff requests Council approval of a contract for repair to that system.

The Civic Center Director is in the process of improving operations in the climate control system within that facility. The Civic Center HVAC system has deteriorated to the point that an engineering firm was hired to ascertain corrective measures for the existing air conditioning system and make recommendations to solve mechanical operating problems with recommended cost analysis. Deficiencies were found by the engineering firm, resulting in recommendations to correct the system problems and the provision of a detailed cost breakdown. Due to the immediate need of the repairs to the HVAC system and due to contracted rental of the facility, repair costs were obtained and an acceptable proposal was finalized for the corrective work.

Staff recommends approval of the HVAC system repair costs and proposed contract for the Civic Center by Carolina Environmental Systems Inc. in the amount of \$119,640.

RESOLUTION BOOK NO. 23 - PAGE 196

P. RESOLUTION NO. 96-90- RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH RIVERLINK INC. RELATIVE TO FUNDING OF THE URBAN RIVERFRONT MASTER PLAN

Summary: RiverLink has submitted a request to the City Council Outside Agency Committee for \$11,250 as the City's contribution to the funding of the Urban Riverfront Master Plan. The City Council desires to fund this request in the current fiscal year.

City of Asheville procedures regarding outside agency funding require a written agreement between the City and RiverLink, Inc. outlining the use of the funds.

**RESOLUTION BOOK NO. 23 - PAGE 197**

Q. MOTION SETTING A PUBLIC HEARING ON JUNE 11, 1996, RELATIVE TO ADOPTION OF THE 1996-97 ANNUAL OPERATING BUDGET

-11-

Mayor Martin said that members of Council have been previously furnished with copies of the resolutions on the Resolutions & Motions Consent Agenda and they will not be read.

Councilman Worley moved to approve the Resolutions & Motions Consent Agenda. This motion was seconded by Vice-Mayor Field and carried unanimously.

#### VI. OTHER BUSINESS:

##### A. METER SERVICES DIVISION

The following individuals made several comments and opposing statements regarding the City of Asheville's outsourcing or privatizing the Meter Services Division. Some comments were: affected employees should have been made aware that bids were being solicited to privatize their division prior to ads being placed in the newspaper; privatizing the division will have negative affects for the customers, employees and other departments of the City; the division is currently responsible for ensuring that over 40,000 meters are registering properly for the City and the customers; meters are cash registers for this water system and they register the water revenue - does the City really want an untrained contractor handling our water revenues in the millions of dollars?; employees will suffer because of the inability of management to run a cost-competitive division; even though efficiency is the greatest challenge to any government, the City is here to serve the public; the Meter Services Division fills in for other divisions; affected employees are uncertain on how they can enhance their jobs; in 1974 there were 28 employees in this division and over 22 years, the system has grown but the number of employees decreased to 11; the employees feel that no one cares about their needs since they have been in a condemned building for 7-8 years and have recently been told that if they got the bid, the City would renovate the building for them; there are professional people currently in the division representing 167 years of experience; the affected employees are dedicated to their job as shown by their continuing education relating to their jobs; the Meter Services Division provides a lot of different services for the Customer Service Representatives, i.e., meter reads, meter leaks, and meter testing; there would be a negative impact on the Customer Services Division to outsource this division; if the division is outsourced, the company may have a little experience in water, but their employees won't have the experience of our employees, they won't be familiar with our water system and where our meters are, or how our lines are run underground; our current employees are valuable; there are discrepancies with what the employees are being told and what top management is being told; employees are carrying heavier workloads creating a lack of direction and low morale; temporary situations have become additional duties; in 1991 the Meter Services Division had 18 employees and now they have 11 with more meters to take care of than ever before; all current 11 employees completed for their jobs through Civil Service for their positions and have been required to continue their education each year; the current employees are an investment to the City of Asheville; the employees of the City are also taxpayers and citizens so they care about what happens to the City; cost-savings on paper usually has its price - the price is working short staffed, low employee morale, and the inability to do the job in the ways that they know they need to be done properly and safely; employees in Meter Services have been told that they can submit a bid to compete for their own job, yet the City Accountant has told them that in order for them to bid competitively, they must eliminate three positions; job studies have indicated that the City must increase it's front line positions and cut management; management positions and salaries are increasing; privatization appears

at first glance as though it may save the City money - but in later years after the City's resources are sold, employees gone, and all your equipment gone, the prices go up; and, the City will be met with strict user opposition from the community and neighborhoods.

Mr. Randy Rhodes, employee in the Meter Services Division

Ms. Leni Sitnick

Mr. Larry Angel, employee in the Meter Services Division

Ms. Diane Mechanic, employee in the Water Resources Department

Ms. Sherry Angel, employee in the Collections Division

Mr. Peter Rauschenplat, employee in the Water Maintenance Division

Mr. Richard Nantelle

Mayor Martin said that the Asheville-Buncombe Water Authority will be reviewing this matter prior to any City Council involvement. He also said that it is the City Council's policy to find efficiencies of operation wherever they can and Outsourcing is a part of that. Advertising for bids does not mean that anyone will lose their job, it just means that Council will be taking a hard look at every department within the City and made decisions based on what is best for the City and its taxpayers. He assured the employees that all considerations will be looked at before anything final is done.

Councilman Worley agreed with Mayor Martin and stated that "this is not any sort of a done deal, it's an exploration." He said that if we can get it done substantially cheaper by privatizing it, then City Council would certainly want to look at that. There are policies that have been very well followed about dealing with City employees who are affected by privatization matters. Those will be looked at very closely as well.

City Manager Westbrook said that the study will be completed and reviewed with the Water Authority. They will make their inquiry, along with the Water Resources Director, and make a recommendation to City Council about whether to privatize or not.

When Vice-Mayor Field asked which condemned building the Meter Services Division is in, Ms. Mechanic said that the building was condemned five years ago. She said it was full of rats with paint falling off the ceiling and the ceiling falling in. She said that Meter Services complained about this building about two years ago and they were moved out of the building into "no building at all." They moved them to Water Maintenance and gave the 11 employees a 5x7 office and they still had to keep their equipment in the condemned building - and that is the building that they are still working out of. She felt that this was the "reward" that the employees received when they spoke out about their working conditions.

Vice-Mayor Field also said that the City does follow guidelines for outsourcing. The guidelines, established by the Institute of Government, are very sensitive to employee needs and requirements. She said employees being able to move into other necessary jobs is an important part of whether or not Council would make a decision to outsource.

Councilman Skalski thanked the employees for bringing this matter to Council's attention. He encouraged the employees and top management keep the lines of communication open.

-13-

B. COMMENTS BY RALPH BISHOP

Mr. Ralph Bishop reminded all of Council that they took an Oath of Office. He noted that nothing in that Oath suggests that the Institute of Government in Chapel Hill should govern how the City is run.

C. CLAIMS

The following claims were received by the City of Asheville during the week of May 10-16, 1996: Ed Metts (Water), Russ and Debra Pouch (Water) and Verity Creekmore (Streets).

These claims will be referred to Asheville Claims Corporation for investigation.

CLOSED SESSION

At 6:56 p.m., Vice-Mayor Field moved to go into closed session, as authorized by G.S. 143.318.11 (a) (3), to consult with the City Attorney in order to preserve the attorney-client privilege. This motion was seconded by Councilman Worley and carried unanimously.

At 7:37 p.m., Vice-Mayor Field moved to come out of closed session. This motion was seconded by Councilman Worley and carried unanimously.

VII. ADJOURNMENT:

Mayor Martin adjourned the meeting at 7:37 p.m.

---

CITY CLERK MAYOR

---