

Tuesday - January 21, 1997 - 3:00 p.m.

Worksession

Present: Mayor Russell Martin, Presiding; Vice-Mayor Barbara Field; Councilman M. Charles Cloninger (arrived in meeting at 3:25 p.m.); Councilman Edward C. Hay Jr.; Councilman Thomas G. Sellers; Councilman James J. Skalski; and Councilman Charles R. Worley; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson

Absent: None

CONSENT AGENDA:

Grant for Stephens-Lee Recreation Center

Summary: The City of Asheville, through the Parks and Recreation Department, wishes to apply for grant funds to assist with the renovation of the Stephens Lee Recreation Center.

Funds are available through the N.C. Department of Environment, Health and Natural Resources, Division of Parks and Recreation through the N.C. Parks and Recreation Trust Fund for renovation of public indoor and outdoor recreation areas and facilities.

It is the goal of the Parks and Recreation Department to renovate the Stephens Lee Recreation Center due to long and extended use over the years, changing needs of the public, and the need to meet safety and access standards. Stephens Lee Recreation Center is the number one priority for renovation since it is a historic structure that does not currently meet building code, is not ADA accessible, and does not provide the level of service the community and neighborhood needs.

The Parks and Recreation Department is requesting \$250,000 in grant funds which would be a 50% cash match. Funds are currently available in the Capital Improvements Budget for the Stephens Lee Recreation Center.

The Parks and Recreation Department recommends the City Manager and/or the Mayor to apply and enter into the agreement.

Mountain Health Care, P.A., Agreement

Summary: This agreement will allow the City's Health Care Plan, its employees, retirees, and their families to benefit from the discount fee schedule for medical services rendered by member physicians in Buncombe, Henderson, and Madison Counties.

Mountain Health Care, P.A. (MHO) is a physician-owned Preferred Provider Organization (PPO) representing approximately 98% of local area physicians.

Typically HMO's and other commercial health management agencies negotiate discounts for physician services in the realm of 20% off normal charges. These discounted fees are "repackaged" by the HMO and offered for sale to employers at 7 to 15% off normal rates. The difference becomes in part the profit to the HMO.

MHC was formed to allow area physicians to compete in the health delivery market by offering greater discounts direct to employers, while not discounting as deeply as they normally would to a commercial HMO.

For the past year the City has negotiated with MHC to provide discounts of approximately 15% overall for all services in the local

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area. Whereas typical HMO's have very limited networks of physicians where their prices are guaranteed, the MHC proposal covers almost 98% of all physicians including specialists and pediatricians in Buncombe, Henderson, and Madison Counties.

The cost to the City will be approximately \$27,300 annually for access to the MHC Network, which sum will be paid out of the Employee's Medical Benefit Trust, and will require no appropriation from the City beyond the Employee Benefit Costs already approved by the Council under the 1996-97 budget.

Recommend the City Manager be authorized to execute the MHC agreement on behalf of the City.

Authority to Sign Amendments and Change Orders for the Mills River Regional Water Treatment Facility Project

Summary: The consideration of a resolution to authorize the City Manager to execute amendments and change orders for the Mills River Regional Water Treatment Facility.

In November, 1996, both the Asheville/Buncombe Water Authority and the City Council passed resolutions awarding bids to contractors for the Mills River Regional Water Treatment Facility Project.

Construction is now underway, and there is a need to be able to expedite necessary field work changes normally associated with a project of this scope, approximately \$25,000,000. This would only be for such changes when they are within the approved budget amount. Any proposed amendment or change order which would exceed the budget would be brought back before the City Council for approval.

All amendments and change orders executed would be reported to the Water Authority and the City Council.

Staff recommends that the attached resolution be approved authorizing the City Manager to execute amendments and change orders for the Mills River Regional Water Treatment Facility Project.

Mayor Martin asked that the record show that City Council has received this information and instructs the City Manager to place these Consent Agenda items on the next formal City Council agenda.

REQUEST BY THE ASHEVILLE-BUNCOMBE VISION RELATIVE TO OFFICE SPACE AT 29 HAYWOOD STREET

Ms. Julia Cogburn, Planning & Development Director, said that the VISION for Asheville-Buncombe County requests permission to continue to utilize space at the City Development Office (29 Haywood Street) until January 1999.

The City Council agreed in the spring of 1996 to provide space for the VISION for Asheville-Buncombe County in the City Development Office (29 Haywood Street). The agreement at the time was for VISION to utilize space in the City Development Office for its Executive Director and other support staff for a period of six months. Agreements were also worked out concerning use of office machines and the conference room.

The VISION Board has now requested continuation of this agreement until December 31, 1998. It is proposed that a new memorandum be drafted stating the agreement of both parties. The agreement will state

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that the City may terminate the agreement upon 90 days notice if the space is needed for other City purposes. It is estimated that the value of this contribution from the City to VISION would be worth at least \$10,000.00 annually. It should also be noted that the City is providing financial contributions to the VISION of Asheville-Buncombe County in the amount of \$15,000 for Fiscal Year 1997.

The VISION staff has been a welcome addition to the operations of the City Development Office. Staff recommends council authorize entering into an agreement (through a memorandum of understanding) with VISION to utilize space as indicated above.

Mayor Martin noted that this will be a significant contribution on the part of the City and asked that the value of the contribution be included in the body of the agreement.

Upon inquiry of Vice-Mayor Field the addition of one office in the building being designated for the Police Department, Ms. Cogburn said there will be no problem with the space the VISION office is requesting.

Councilman Hay spoke in total support of the relationship between the VISION of Asheville-Buncombe and the City of Asheville. He was pleased that the City could allow them space in the City Development offices located downtown which allows them a high profile in the community and shows that the City is supporting them.

Mr. Phil Carson, Chairman of VISION of Asheville-Buncombe, thanked City Council for their support, as well as the wide-range of support from the entire community.

When Councilman Hay asked that this contribution of office space not be considered in lieu of actual funding during the outside agency budget negotiations, City Manager Westbrook said that it will be used to show other organizations that this is what the City is really contributing.

Mayor Martin asked that the record show that City Council has received this information and instructs the City Manager to place this item on the next formal City Council agenda.

REQUEST TO CHANGE NAME OF ASHEVILLE-BUNCOMBE WATER AUTHORITY

It was the consensus of City Council to postpone this item.

Ms. Jane Conner brought to Council's attention that the Asheville Business Women's Association ("ABWA") has used the initials "ABWA" for many years and hoped that the Asheville-Buncombe Water Authority's initials will not continue to be "ABWA".

CITY MANAGER AUTHORITY WITH RESPECT TO CONTRACTUAL MATTERS

City Manager Westbrook said that at the present time, the City Manager has the authority to execute construction or repair contracts up to \$30,000 on behalf of the City. Likewise, the City Manager has the authority to purchase or lease supplies, materials, or equipment up to an expenditure of \$20,000. Such

contracts, purchases or leases in excess of these limits require approval and award by City Council. The City's Fiscal Procedures Manual outlines the methods by which such contracts or lease agreements may be solicited and awarded.

As a part of the budget review process, the City Council approves specific projects and purchases for the upcoming fiscal year. Specific

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funds are appropriated for the project or purchase as a part of the budget. When bid proposals or quotes are received for contracts beyond the limits of the City Manager's authority, these projects are awarded by City Council.

From a process efficiency standpoint, it would be advantageous for the City Manager to have the authority to approve contract change orders for construction, repair, or professional contract work. It would also improve efficiency for the City Manager to be able to execute lease agreements for purchases on behalf of the City. Both of these items would be subject to the requirement that the change order or lease agreement be within the budgeted amount for the contract or purchase. Staff would propose to report to City Council on a quarterly basis all contract change orders or lease agreements executed by the City Manager within these contract or lease limits.

Staff recommends that the City Manager be authorized to execute contract change orders for construction, repair, or professional work and also to execute lease agreements provided that such authority shall be limited to the amount budgeted for the contract or purchase.

Upon inquiry of Councilman Worley, City Attorney Oast said that there will be some types of contracts that this resolution will not appropriately cover and those will be brought to Council's attention individually.

City Manager Westbrook noted that most change orders arise from the field and are not staff generated change orders.

Vice-Mayor Field asked that there be a contingency amount in every construction contract.

Mayor Martin asked that the record show that City Council has received this information and instructed the City Attorney to prepare the appropriate resolution for consideration at the next formal City Council agenda.

CLOSED SESSION

At 3:27 p.m., Councilman Cloninger moved to go into closed session for the following reasons: (1) to prevent the disclosure of information that is privileged or confidential pursuant to the law of N.C. Gen. Stat. 160A-168 - statutory authorization is G.S. 143-318.11 (a) (1); and (2) to consult with an attorney employed or retained by the City in order to preserve the attorney-client privilege between the City and its attorney - the statutory authorization is G.S. 143-318.11 (a) (3). This motion was seconded by Councilman Skalski and carried unanimously.

At 4:58 p.m., Councilman Cloninger moved to come out of closed session. This motion was seconded by Councilman Skalski and carried unanimously.

ADJOURNMENT:

Mayor Martin adjourned the meeting at 4:58 p.m.

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CITY CLERK MAYOR
