

Worksession

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Diana Hollis Jones; Councilwoman Robin L. Cape; Councilman Jan B. Davis; Councilman Bryan E. Freeborn; Councilman R. Carl Mumpower; Councilman Brownie W. Newman; City Manager Gary W. Jackson; City Attorney Robert W. Oast Jr.; and City Clerk Magdalen Burleson

Absent: None

FOLLOW-UP FROM CITY COUNCIL'S RETREAT

Review Draft Action Plan for Council's 6-Month Goals

Assistant City Manager Jeff Richardson reviewed with Council the draft 6-month strategic goals, action items and timeframes as follows: support and move HUB Plan forward; Eagle-Market redevelopment; Riverfront redevelopment; development comprehensive housing opportunities plan; launch Unified Development Ordinance education series; development neighborhood & corridor plans with citizen participation; streamline planning services to spend more time on top priorities; review 2025 Comprehensive Plan, review and implement Downtown Social Issues Task Force recommendations; downtown public restrooms; downtown kiosks; improve/enhance basic City services and customer service; work with regional partners on water service and other regional issues; continue commitment to public safety priorities; create an Environment & Energy Conservation Advisory Committee; reorganize and integrate transportation staff from various City departments; and development public outreach strategy to communicate City Council's strategic goals.

Upon inquiry of Councilman Mumpower, Mr. Richardson said that complaint procedures are a part of the action item under improving/enhancing basic city services and customer service. He said that he would add it as an individual action item.

Councilman Mumpower suggested combining the following three action items, under "continue commitment to public safety priorities" into one: (1) first police academy graduates; (2) second police academy graduates; and (3) third police academy begins. In addition, other general policy discussion was the Police Chief's continued efforts toward community policing and his officers interfacing with neighborhoods in a very intentional way trying to create lines of relationship. Also, our Drug Suppression Unit is operating at less strength now than it was a year ago and the Police Chief has a strong desire to get the Unit up to the level it is funded to where they can maximize their impact on our hard drug interdiction. He wondered if supporting our hard drug interdiction effort should be highlighted in this document.

City Manager Jackson said that this is a specific effort to hit those efforts that the Council wanted to see measurable, visible change in a 6-months period. There is a longer list of longer-term items from Council. Some of the Police Chief's desires call into the longer-term vision category. City staff is preparing to bring the longer-term list to Council at their March worksession.

Councilwoman Cape said that the Economic Development Advisory Committee want to be involved in the riverfront redevelopment dialogue and want to make sure that staff is well aware of the NC DOT Parkway Project that is surfacing around Amboy Road.

When Councilman Newman expressed concern of the amount of staff time involved to address the revisions to the 2025 Plan, Planning & Development Director Scott Shuford said that

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he will provide Council with some written background that may be enough to get a more comprehensive direction from Council.

Vice-Mayor Jones suggested rephrasing item no. 2 under "Housing Opportunities" to include accessory apartment funding for the Housing Trust Fund.

Councilman Newman felt that some time urgency items include some of the transportation issues and about how we move forward with some kind of parking project in the downtown.

Upon inquiry of Councilman Newman, City Manager Jackson said that the Civic Center will be added to the 6-month strategic goals.

Community & Education Efforts

Public Information Officer Lauren Bradley said that the purpose of this briefing is to outline action items associated with an outreach plan for increasing citizen awareness and understanding of City Council's Strategic Operating Plan. The intent of the city's outreach is to educate citizens about Asheville's goals and priorities while also involving them in ongoing opportunities for citizen involvement and participation. The plan also addresses communications efforts internal to the organization.

She described the following action items, along with the timeframes for completion: update report and develop campaign message; newspaper insert; web site; cable channel program; bus signs; posters; quarterly updates; group presentations including breakfasts with the Mayor; targeted efforts; boards & commissions assembly; feedback forums and focus groups; citizen academy; intranet posting; and employee orientation and training.

She explained while most action items are low or no cost efforts, some items (including developing a newspaper insert, hosting a boards and commissions assembly and posting bus signs), represent additional, unplanned outreach costs. Two action items, group presentations and the boards and commissions assembly, require the Mayor's and City Council's participation. With these considerations in mind, Asheville can achieve greater citizen awareness and opportunities for involvement in the City's Strategic Plan with this organized and enhanced effort. As such, staff recommends that City Council direct staff to work with the City Manager to secure funding in the current budget to proceed with the outreach plan this spring.

Review of Council Committee Structure & Process

Mayor Bellamy said that Council Committees are to be policy review and discussion arms of the City Council, providing an opportunity to explore the implications of policy alternatives and the policy development process; and to serve in an advisory capacity to the Council as a whole in reviewing policy matters referred to them; informing and educating the Council on existing City programs and issues, and other such matters as the committee deems appropriate. In reviewing issues, the committees are expected to anticipate the full range of considerations and concerns related to the various policy questions. When participating on committees, members are expected to temper their role as policy advocates in order to fully evaluate all the alternatives. The City Council Committees shall not become involved in the administration of City government. Each committee has a chairperson and an agenda. She then reviewed the following:

Revenue and Finance Committee

- Fees & Charges
- Debt issues

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- Alternative revenue sources

Chair Councilman Newman, Councilman Mumpower and Councilman Freeborn.
Staff is Chief Financial Officer Ben Durant.

► The Revenue and Finance Committee's area of interest includes the annual budget process, capital improvement programming, financial reports, taxes, fees, assessments and infrastructure finance.

Public Safety

- Community relations & accountability
- Intergovernmental Relations
- Performance standards & professionalism, innovation/best practices
- Diversity

Chair Councilman Mumpower, Councilman Davis and Councilman Freeborn.
Staff is Assistant City Manager Jeff Richardson

► To recommend public safety policy direction in areas of interest including: police, fire, EMS, and emergency management services. Matters relating to the illegal use and possession of narcotics and drugs, intergovernmental relations, cooperation with law enforcement and fire and rescue, and emergency management agencies, as well as educational and research organizations, involved with control and prevention of illegal traffic in and use of narcotics and drugs.

Housing & Neighborhood Development

- Programs & incentives
- CDBG
- Outside agency grants

Chair Vice-Mayor Jones, Councilwoman Cape and Councilman Newman
Staff is Assistant City Manager Jeff Richardson.

► To enhance the quality of life in Asheville and the livability of neighborhoods by providing policy recommendations to Council on all matters relating to the creation and maintenance of housing within the City, including public housing and affordable private housing; all matters relating to the alleviation of homelessness and services provided to homeless individuals within the City.

Planning & Economic Development

- Planning & land use
- Annexation
- Design Standards
- Public/private partnerships
- Transportation

Chair is Councilman Davis, Vice-Mayor Jones and Councilwoman Cape
Staff is City Manager Gary Jackson

► To recommend policies to support our long-range vision and comprehensive planning goals. Areas of focus include: develop policies to enhance employability of Asheville residents, master planning of land uses, transportation, etc., development policies and processes, building codes

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and development standards, annexation policies/goals/ objectives, economic development strategies and incentive policies (HUB).

Discussion occurred regarding topics slated for each Committee, resulting that the outside agency grants will be moved from the Housing & Neighborhood Development Committee to the Revenue & Finance Committee. Councilwoman Jones felt it might be good to explore outside agency grants under the Revenue & Finance Committee this year and then revisit it to see if it should go to the Housing & Neighborhood Development Committee next year.

After discussion, Mayor Bellamy removed neighborhood plans from the Housing & Neighborhood Development Committee into the Planning & Economic Development Committee.

Mayor Bellamy's recommendation was that the committees establish a regular meeting time and place and meet once a month. The monthly worksessions will include a standing item for committee chairs to report on their activities and plans. This will allow Council members who are not on a committee to receive periodic updates and to provide input about timing and other process concerns. In addition, minutes of the meetings will need to be prepared and distributed following each meeting. Her preference would be for the committees to establish a six to twelve month work plan at their initial meetings. This would establish a plan of action and schedule for addressing key issues. The work plans could then be reported at the subsequent full Council worksession, and all Council members may offer input.

Upon inquiry of Councilman Mumpower about intergovernmental relations, Mayor Bellamy explained she envisioned that in terms of how we can best make sure that we are working with other organizations to ensure our community is safe. It is specifically from a public safety standpoint.

Councilwoman Cape was interested in getting a more managed sense of our emergency planning.

At the request of Vice Mayor Jones, it was the consensus of Council to rename the Housing & Neighborhood Development Committee to the Housing & Community Development Committee.

Review Process for Council Additions to Agenda

Discussion surrounded ways to let Council know of upcoming agenda items prior to the Friday before the Tuesday meeting

and the process for Council to add items to the agendas. As a result of that discussion, Mayor Bellamy asked Council members to notify her when they wanted to add an item to an agenda, but to leave it to her discretion on which agenda the item would be placed.

2006-07 BUDGET PLANNING

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Update on the Financial Forecast

Chief Financial Officer Ben Durant updated City Council on the current status of the budget and financial forecast.

Budget Status: Based on departmental revenue and expenditure estimates, the Fiscal Year 2006-2007 projected budget is currently out of balance by **\$2.43 million**, which reflects a structural imbalance between revenues & expenditures created by termination of the water agreement. This figure represents staff's estimates of the cost to continue existing programs and services. It does not include any new or enhanced services related to new strategic initiatives.

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Revenue Assumptions: Overall, general fund revenues are projected to grow by less than one percent. This lack of growth in the overall revenue base is the result of the following factors:

- 1) Removal of \$1.2 million in one-time land sale proceeds from next year's revenue base.
- 2) Net loss of \$952,300 in intergovernmental revenue due to General Assembly actions prohibiting the transfer of water fund revenue to the general fund.
- 3) Removal of \$707,132 in appropriated fund balance from the revenue base.

The projected budget also assumes adoption of a revenue neutral property tax rate. This means that the tax rate will be adjusted downward to produce the same revenue (plus normal growth) on higher valued property as was generated by the higher tax rate on lower values prior to revaluation. An exact revenue tax rate will be determined once final revaluation numbers are provided by Buncombe County. Staff is analyzing the impact of revaluation on different parts of the City and will bring that information to Council in the upcoming weeks.

Sales Tax Revenue. Sales tax revenues are distributed in Buncombe County using the *property tax formula*. The dollar amounts of property taxes levied by the County and each city in the county are added together. The proportion of the total levy that each unit bears in relation to the total amount establishes the proportion of total countywide sales tax revenue that is distributed to each unit.

In 1994, Asheville's proportion of the total county-wide property tax levy was **22.12%**. Thus, Asheville at that time received 22.12% of the total count-wide sales tax revenue.

Over the 12-year period, the County's tax base growth has outpaced the City's. As a result, Asheville now makes up **21.47%** of the total countywide property tax levy, (less than in 1994) and consequently receives 21.47% of the total countywide sales tax revenue. If Asheville were currently receiving the same percentage of the levy that it received in 1994, the city would receive an estimated **\$450,000** in additional sales tax revenue in FY 2006.

The City's property tax base relative to the County's and its impact on sales tax revenue has important implications for growth and tax rate policies that should be considered in evaluating the overall City budget.

Expenditure Assumptions: The projected budget includes an average three percent merit increase for all employees, plus a one-percent cost of living adjustment. Salaries are currently budgeted at 100% of cost, with no allowances made for attrition savings. Overall, salaries are projected to grow by **4.26%** due to the merit and cost of living package and other salary adjustments.

The overall operating budget for the general fund is projected to increase by **6.68%** due primarily to normal inflationary increase plus unavoidable cost increases in the area of fuel, natural gas and construction materials.

Debt Service costs are decreasing slightly due to the retirement of some debt and capital reserve costs are showing a **2.95%** increase due to funding several planned capital projects and vehicle replacements.

City staff recommends City Council review key financial trend information to serve as a guide in the upcoming policy

discussions regarding the property tax rate and the budget. Ben –

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In response to Mayor Bellamy's question about a tax rate for City residents that include the recycling fee, stormwater fee and water CIP fee, Mr. Durant said that that will be part of the internal management review. Staff will be looking at various options, e.g., ways to enhance revenues and ways to restructure the budget so that the beneficiaries of the service are paying for the cost as opposed to the general public that may not be receiving those services.

Councilwoman Cape noted that at least property taxes can be deducted, but extra fees cannot.

Mr. Durant responded to a question from Councilwoman Cape about sales tax.

Status of Compensation Study

Human Resources Director Belinda Odom said that per City Council direction, the Human Resources Department has been working over the last several months in conjunction with Fox Lawson and Associates, a compensation consulting firm. This work will culminate in the presentation of a compensation policy analysis and recommendations to City Council on March 21, 2006. Specifically: Salary surveys and analysis has been compiled; City of Asheville current compensation policies and practices have been studied by the consulting firm; Department Director's have communicated their specific compensation challenges directly to the consulting firm; Employee focus groups were conducted, gathering input from employees across all departments and levels in the organization. This information was shared with the consulting firm; Draft organizational recommendations are currently being reviewed by Human Resources and the City Manager's office; and additional work is being completed by the consulting firm currently in preparation for their presentation to Council on March 21, 2006.

In response to Vice-Mayor Jones, Ms. Odom said that the consultant will have recommendations that are non-monetary and will also give Council some options and within each option will be associated fees.

Upon inquiry of Mayor Bellamy, Ms. Odom said that this study will take into consideration the request from the Police and Fire Departments.

Direction for Additional Budget Worksession Topics

Chief Financial Officer Ben Durant said that he recommends that during worksessions in March and April, Council consider and include the following key issues on their agenda: March - Overview of the current Compensation Plan; and Transit/Parking Fund. April - Growth Issues; Planning Department Staffing; Parks & Recreation (financial status of new facilities); and Festivals Fund.

FURTHER CONSIDERATION OF WATER UTILITY ISSUES

Financial Management Policies

Chief Financial Officer Ben Durant said that the purpose of this report is to recommend key financial management policies to guide the financial management of the City's Water System.

1) Financial Position: It the City of Asheville's goal to improve the financial position of the Water System in order to meet or exceed the average financial performance of water systems in North Carolina cities with populations over 50,000. He showed a chart showing currently, Asheville's financial performance and how it compares with its peer cities in the areas of current ratio; net income as percent of revenue; days cash on hand; and debt to equity ratio.

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2) Debt Issuance: The City of Asheville will use debt financing for major improvements projects and pay-as-you-go funding for smaller repairs and refurbishment.

3) Cash Reserve Policy: The City of Asheville will have a target cash reserve range between \$11.8 and \$16 million over the next six years. This range is based on having reserves equivalent to three months of estimated maintenance and operating costs, plus one-year's worth of annual pay-as-you-go capital funding.

City staff recommends City Council adopt the aforementioned policies with adoption of the Fiscal Year 2006-2007 annual

operating budget and capital improvements program.

Mr. Durant responded to several questions/comments from Council, some being, but are not limited to: what is meant by current ratio; is cash on hand different from cash revenue; does debt to equity ratio include the recent refunding and how will that impact the ratio; do you anticipate bonds being issued; how much cash on hand and investments does the Water Enterprise Fund contain; what is the amount we need to maintain in the Enterprise Fund; and what criteria does the Local Government Commission use in determining how much we should have in the Enterprise Fund.

Upon inquiry of Mayor Bellamy, Mr. Durant said that he would provide Council with information on the recent refunding of bonds.

Mayor Bellamy would like to see some policies created around cost-sharing maybe over a 5-year period with developers when they develop within the City limits.

Discuss Next Steps for Rate Analysis

Water Resources Director David Hanks said that City staff continues to review and refine water rate analysis in an effort to advise city council on all relevant variables pertaining to rate structure and CIP needs, so as to provide for the long term viability of the water system.

Based on City Council's January 31, 2006, special public meeting to further discuss the future of the water system, city staff continues to work on the following items:

- Analysis of residential and commercial water rate structure
- Analysis of CIP needs and set aside CIP fee
- Analysis of wholesale water contracts
- Analysis of rate policies and incentives to encourage smart growth and economic development
- Analysis of minimum usage rate (water as a basic human right)
- Analysis of water line extension policies

Staff recommends City Council consider directing City staff to take water rate analysis through the City Council's Revenue and Finance Committee at the March, 2006 regularly scheduled meeting.

Councilman Mumpower said that there is some indication that under the proposed rate structure that there might be some potential to reduce water rates for some customers. One discussion is about the minimum usage rate that encourage conservation, but more importantly provides fixed income people an opportunity to control their water rate by controlling usage. He personally feels strongly about that. However, he does have a concern about going to a new rate structure to increase rates for commercial customers. There was some hint that we might be able to, if we went to that system, reduce rates broadly for City residences. At a time when our system

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is struggling for dollars and infrastructure, that this might be a great time to say that we want to find ways to hold the line and certainly address the fairness issue and rate differential issue between the County and the City. But, to set up a policy that provides for dramatic rate reductions across the board for a large percentage of City residents at this time, with the weaknesses in our infrastructure and the need for regular dollars, he would discourage that. The new rate structure may make sense, but this is not a time to create false hopes or illusions or to step back from our revenue picture.

There was discussion from Council about the uniform rate structure, an analysis of the Water Department's operational fund for an emergency situation, and an analysis of the MSD charge being separated from the City's water bill.

At the request of Mayor Bellamy, Mr. Hanks said that he would obtain information on MSD's rate structure from when they first took over the system to the present. Vice-Mayor Jones said that she is open to taking the MSD charge off of the City's water bill.

At 4:53 p.m., Mayor Bellamy announced a short recess.

FEDERAL LEGISLATIVE PROGRAM

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Review Priorities & Discuss Lobbying Effort

Economic Development Director Sam Powers said that this report provides a summary of six potential federal funding requests for submittal to congressional staff for possible inclusion in Fiscal Year 2007 appropriations bills, as well as a request for federal legislation dealing with federal appropriations to the city's transit system.

Over the past three years Congressman Taylor, Senator Burr, and Senator Dole have been successful in helping the City receive over \$5 million in appropriations to fund city transit bus acquisition, drug interdiction, parks improvements, river redevelopment, and pedestrian improvements. The City had utilized a Washington, DC firm, Ball Janik LLP, to assist the city in providing the necessary project information to congressional staffers to include in the many federal appropriations bills. Ball Janik also provided advice and counsel in matters of federal legislation affecting the City. The city did not renew its contract with Ball Janik when it expired in 2005. Fiscal Year 2007 appropriations/legislative requests are currently being developed and the City needs to submit any requests for potential federal assistance to congressional staff by March 1, 2006. Additionally the WNC Caucus, a coalition of local governments, educational institutions, and COG's submit collective funding requests on behalf of regional entities in the 25 counties of the caucus service area.

City staff has identified seven projects as potential submissions for assistance: Bus Acquisition Pilot Project, Green Building Fire Station, Traffic Signal Preemption, Driving & Firearms Simulator and Driving Range Upgrade, Thomas Wolfe Project, Reid Center, and Public Service Radio Improvements. Additionally, staff has indicated a desire to have current legislation affecting transit funding allocations to the city changed from its current status. He reviewed the project descriptions for each of the seven projects.

Staff is seeking policy recommendations on the seven projects and potential legislation, to be in position to submit to congressional staff and the WNC Caucus by March 1st. Additionally, staff recommends reconsideration of the contract with Ball Janik LLP, to provide representation to the City on the appropriations/legislative requests selected by Council.

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Councilman Newman was not supportive of the Thomas Wolfe Cabin restoration. He felt the project budget was too high. Superintendent of Parks Jim Orr explained what is included in the Thomas Wolfe Project.

When Councilman Newman inquired about detailed plans for the "green" building fire station enhancements, City Manager Jackson responded that as we move forward staff will provide Council with a more detailed fact sheet.

Upon inquiry of Councilman Newman, Superintendent of Parks Jim Orr said that there was some interest from the original grouping of people they spoke with from the state and federal government that the Reid Center was a possible option.

Councilman Mumpower raised several concerns about our legislative requests. At a time of extraordinary deficits at our federal level, he had a hard time with asking for federal appropriations. He said the Reid Center does need some improvements, but questioned the high project budget. He has a concern about the need for two hybrid buses. He felt this would be a time for core enhancements, not things that would be nice, good or desirable. A green building for our fire station would be nice. He personally would feel comfortable with the firing range upgrade, but he has questions about the driving & firearms simulator. He believes an upgrade to our public safety radio system makes sense, but is the project budget is extraordinarily high. No doubt the Thomas Wolfe Cabin needs work, but again, with our unprecedented federal deficits he could not support that request. He would support the transit system classification.

Councilwoman Cape felt that if you look at the list of federal appropriations, Asheville is pretty low in list of money coming back to our community. She felt it is crucial that we ask for some of these things as a unified body. To ask for some of the federal money that we spend in federal taxes to come back to our community is really reasonable to do. She didn't want Council to see this as a hand-out but as a hand-back for some of the things that we are trying to do for our community and that is very broad. In terms of the green fire station, we have to start building more energy efficiently in order that we can save costs in the future.

Vice-Mayor Jones was overall supportive of most of the requests, except for the Thomas Wolfe Cabin. She felt this is not really asking for any dollars, but a fairness issue. She did hope that Council will do some prioritization of these requests. Her first priority would be the transit system classification.

Councilman Newman explained why he felt that the transit system classification should be the number one priority of Council.

Councilman Davis spoke in support of keeping the Thomas Wolfe Cabin restoration as a legislative request. He felt

Council would be making a terrible mistake to not at least try to save the house as it is a significant piece of our community.

Upon inquiry of Councilwoman Cape, Mr. Powers said that staff has identified projects that they believe will fit into one of the different appropriation bills and it would be a policy decision on how many projects should be submitted.

Discussion then surrounded reconsideration of the contract with Ball Janik LLP, to provide representation to the City on the appropriations/legislative requests selected by Council. Mr. Powers felt this is not a replacement for interaction with our elected officials, but gives us the ability to add value to what the Ball-Janik staff does.

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When Councilwoman Cape asked how much money came back to our community that was directly related to Ball Janik's efforts, Mr. Powers said over the past three years, it was over \$5 Million, of which \$4 Million was for Pack Square.

Councilman Mumpower felt it was deceptive to give Ball Janik accountability for the \$5 Million. Four million was developed by Congressman Taylor and his staff very intentionally. They went after that without any involvement in substance from our lobbyists. In addition, the \$350,000 for Memorial Stadium was pushed by Congressman Taylor and Senator Burr. He could not support spending \$60,000 for a buffer between Council and the elected officials.

Vice-Mayor Jones and Councilman Newman both supported contracting with Ball Janik, but on a very focused outcome for the transit legislation.

Upon inquiry of Councilman Davis, Mr. Powers said that he would contact Ball Janik to see what the contract price would be for a limited scope contract and/or for other legislative items.

Mayor Bellamy said that this matter will be brought forward to Council at their next formal meeting to decide which, if any, items should go forward on the legislative agenda, along with consideration of a contract with Ball Janik for legal representation.

ASHEVILLE DRUG COMMISSION HIGHLIGHTS

Councilman Mumpower reported to Council the progress of the Asheville Drug Commission. Their priorities are learning, focusing, acting together on our hard drug issues. They have active action committees on education, treatment, enforcement, judicial reform and other issues. He explained some of their current activities, including: (1) a "Judicial Reform" Seminar on March 28, which will allow leaders an opportunity to see the difficulties faced by our judicial system; (2) a "Best Drug Interdiction Practices" Seminar also on March 28; (3) the Drug Reward Program intended to go after middle and upper level hard drug dealers. The Reward Program has been modified to now include a \$500 reward for the arrest of a dealer with 2 oz. or more and a \$2,000 reward for the arrest of a dealer with 1 or more lbs. of crack or meth; and (4) the Find a Better Way Monthly Poster Series, which is an education effort to say Asheville and Buncombe County are fighting back against our hard drug problem and to limit the number of new recruits as dealers and users. He showed Council the 3 posters for this year noting they will be distributed in convenient stores, public housing, restaurants, schools, etc. He thanked the Jeff Goss Agency for assisting with the posters and for the Citizen-Times for printing the posters. They will be persistent and tenacious in fighting hard drugs in Asheville and Buncombe County, and try to help our neighbors across the state do the same thing.

Councilman Mumpower responded to various questions/comments from Council, some being but are not limited to: how successful has the Reward Program been to date; what safety measures are there for people who turn in dealers; and how is this Commission tied into other efforts of Council, e.g., panhandling, graffiti, chronic homeless.

Mayor Bellamy suggested one way Council can partner with the Drug Commission's endeavor is through the Council's Public Safety Committee. She also suggested smaller hand posters that would enable her to hand out when she visits schools.

At 5:52 p.m., Mayor Bellamy announced a short recess.

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RESOLUTION NO. 06-37 – RESOLUTION AMENDING POLICY GOVERNING CITY COUNCIL APPOINTMENTS

Vice-Mayor Jones said that Boards and Commissions Committee reviewed the rules on boards and commissions. They

basically made the rules reflect what Council is already doing, with some expansions. She reaffirmed (1) the rule that appointees to boards and commissions shall be residents of the City of Asheville, unless otherwise specified or provided for by law, ordinance, or Council action establishing said board or commission ...; (2) that efforts are made to represent the diversity that we have in our community; and (3) reappointment to a second term is not automatic and will be based on circumstances to be determined by City Council in each individual case. The Committee brought forward a new qualification (which Committee members have differing opinions) which is "In matters where a board has independent governing authority (by law, by agreement, or other enabling authority), and where not prohibited by law, at least one of the City's appointees shall be a current member of the City Council. Such an appointment allows Council to be a part of deliberation and decision-making on matters of regional importance that impact the City of Asheville." She asked that Council waive the rules and take action at this meeting.

Councilman Mumpower spoke against waiving the rules and taking action at this meeting. Since some of the changes do have substance, he felt action should be taken at a formal meeting allowing for public comment. He questioned how crucial it is to have a City Council member on some of the boards and commissions; however, he doesn't have a strong resistance to the new amendment. He is concerned though about adopting the new language and applying it to existing members of our boards and commissions. Those existing members came in with an effort to serve and to use this component to remove them and put a Council member on is discourteous and disrespectful.

Councilwoman Cape has reviewed the minutes of June 15, 2004, and felt it was clear that it was the consensus of Council to have a City Council member on the Airport Authority.

Vice-Mayor Jones said that the ABC Board appointment of former Mayor Worley is different than the appointment of former Councilman Dunn to the Airport Authority, in that Council knew Mayor Worley was not going to be on Council anymore.

Councilman Davis had no problem with the new amendment, but takes exception with making it retroactive.

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

Councilman Newman moved to waive the rules and take formal action on amending the Rules on Boards and Commissions. This motion was seconded by Councilwoman Cape and carried on a 6-1 vote, with Councilman Mumpower voting "no."

Councilwoman Cape moved to adopt Resolution No. 06-37. This motion was seconded by Councilman Newman.

After discussion initiated by Mayor Bellamy about which boards the amendment would apply, Mayor Bellamy suggested an amendment to the new language to read as follows: "in matters where a governmental board has independent governing authority ...).

Councilwoman Cape and Councilman Newman accepted the amendment.

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Ms. Leslee Kulba encouraged City Council to not make this action apply to existing members.

The amended motion made by Councilwoman Cape and seconded by Councilman Newman carried on a 5-2 vote, with Councilman Davis and Councilman Mumpower voting "no."

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RESOLUTION NO. 06-38 – RESOLUTION APPOINTING A MEMBER TO THE ASHEVILLE REGIONAL AIRPORT AUTHORITY

Vice-Mayor Jones said that in Resolution No. 04-142 appointing former Councilman Joe Dunn to the Airport Authority, it specifically states that "City Council wishes to appoint a member of the City Council to the Airport Authority to ensure that the City's interests, as expressed through the Council, are represented on the Authority, and Councilman Dunn is currently a member of the City Council." She felt that at the time the resolution was adopted, former Councilman Dunn was aware of Council's wishes.

Councilman Newman moved to waive the rules and take formal action at this meeting. This motion was seconded by Councilwoman Cape.

Councilman Mumpower disagreed in that the minutes do not reflect a policy decision change. In terms of the resolution, it

does not state anything about removing the Council member. He urged Council not to remove former Councilman Dunn from the Airport Authority, noting that Council has never removed a Council member in the past.

Councilman Newman moved that in order to be consistent with our past and current policies that we replace former Councilman Joe Dunn with a current member of City Council on the Airport Authority. This motion was seconded by Councilwoman Cape.

Ms. Leslee Kulba urged City Council to not take formal action at a worksession and to allow public comment at a formal meeting.

Vice-Mayor Jones said it was unfortunate that Council is focusing this issue on former Councilman Joe Dunn. She stated the action now is to have a Council voice on the Airport Authority, not so much as removing someone.

Mayor Bellamy was interesting in serving on the Airport Authority, but asked for Council to delay action until June 30, 2006, when there will be two opportunities for appointment.

Councilman Dunn supported the delay in appointment.

The motion made by Councilman Newman and seconded by Councilwoman Cape to replace former Councilman Dunn with a current member of City Council on the Airport Authority, and seconded by Councilwoman Cape carried on a 4-3 vote, with Vice-Mayor Jones, Councilwoman Cape, Councilman Freeborn, Councilman Newman voting "yes" and Mayor Bellamy, Councilman Davis and Councilman Mumpower voting "no."

When Councilman Newman moved to appoint Mayor Bellamy to the Airport Authority, she declined and he withdrew his motion.

Councilman Newman moved to appoint Councilman Freeborn to the Airport Authority. This motion was seconded by Councilwoman Cape and carried on a 4-3 vote, with Vice-Mayor

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Jones, Councilwoman Cape, Councilman Freeborn, Councilman Newman voting "yes" and Mayor Bellamy, Councilman Davis and Councilman Mumpower voting "no."

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GREEN-BUILDING & GREEN ENERGY ISSUES

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Public Works Director Mark Combs said that in a February 7th email to the Mayor, Councilwoman Cape provided six key questions related to green building and energy issues for discussion at this worksession.

To facilitate the upcoming Council discussion, staff listed each question and provided historic, background or discussion points for your review.

Question 1: What activities has the City implemented, or is planning to implement, to encourage energy savings in municipal buildings?

- In 1996 an energy audit was conducted by reviewing the City's electrical billing rate and adjusting the structure (to save money).
 - The audit found that the City was paying a very high commercial rate
 - The City successfully negotiated a lower corporate rate which resulted in an annual savings of \$20,000.
- In 1999, the City collaborated with Land of Sky Regional Council (Waste Reduction Partners) to produce an environmental sustainability report for City buildings such as City Hall, Municipal Building, Public Works, Fleet and many smaller facilities. Staff implemented:
 - Fluorescent lighting with electron ballasts and T8 lamps were installed for an annual savings of \$12,000;
 - Uniform temperature settings were established for buildings;
 - Regular HVAC maintenance (filter replacements, etc) for higher efficiency; which resulted in \$10,000 annual savings

- Flush-valve adjustments on routine basis for \$1,000 in annual savings;
- Replacement of thermostats which more efficiently control heating and cooling
- Fleet Management spent \$26,000 on high efficiency lighting.

Other recommendations from Waste Reduction Partners will require capital resources. \$185,000 has been proposed in the FY 06-07 budget to fund these projects.

Question 2: What has the City implemented, or is planning to implement, regarding clean vehicles and use of cleaner fuels?

- o In 2000, City Council adopted an Alternative Fueled Vehicle (AFV) Policy "...to consider and alternative fuel vehicle program for public fleets... in promoting cleaner air..."
- o With the co-sponsorship from Missions Hospitals, Inc. and Buncombe County, in December 2000 the City applied for a mobile source emission grant to construct a fast-fill compressed natural gas (CNG) fueling station.
- o In 2003 the State awarded \$400,000 for the construction of the CNG Station (completed in November, 2005).
 - There will be eight (8) CNG vehicles in operation by March 2006.

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- Other AFV's include:
 - 5 GEM Electric vehicles
 - 5 Ford Escape Hybrids
 - 3 electric (replaced gas units) service equipment
 - Since the implementation of the policy, City Departments have to date downsized 70 vehicles with smaller vehicles
- o Administrative Policy (July, 2004) "New and Replacement of Fleet Vehicles and Equipment states:
 - 1.3 The Fleet should be sized for optimal use;
 - 1.7 The City is committed to the use of alternative fuel vehicles and will evaluate their use for vehicle replacement.
- o Since the implementation of the Policy, to date City Departments have 'down-sized' 70 vehicles in the fleet.
- o For the FY 06-07 Capital Improvement budget, staff has identified 16 AFC's for potential purchase. Incremental costs for such vehicles will be approximately \$135,000 more than conventional vehicles.

Fuels

- o The City currently purchases low-sulphur diesel and gasoline via State Contract.
- o Ultra-low-sulphur diesel fuel will be mandated for all users in January, 2007.
- o The City currently owns and operates a fast-fill CNG Station
 - CNG is "...the pathway to hydrogen technology" and fuel cells
 - Natural gas is produced domestically, is less expensive than gasoline (currently) and is ultra-clean
- o Bio-diesel was evaluated in 2004 for potential use
 - Higher costs were the primary consideration (for not implementing)
 - Additional costs (Transit only): \$39,000/yr.
 - Outside Agencies (MSJ, others): \$14,500/yr.
 - Other City Departments: \$42,700/yr.
 - Staff has focused financial resources for CNG and hybrid vehicles (incremental costs = 25%)
 - 35% of City and 53% of outside vehicles are 1993 and older. Bio-diesel fuel can cause seal failures in older engines.
- o Staff continually evaluates new and emerging AFV technology developments for feasibility in emergency/service-based fleet

operations.

Question 3: How can Asheville follow-up on the Mayor's resolution regarding global warning?

- Former Mayor Charles Worley signed a "Mayors Climate Protection Agreement" at a U.S. Conference of Mayors event in October 2005. The resolution is related to the 'Kyoto Protocol' which is a February 2005 international agreement to address climate disruption. The goal is to reduce emissions 7% below 1990 levels by 2012.

The resolution listed the following measures to reduce warming pollutants:

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- Reduced energy bills
- Green space preservation
- Air quality improvements
- Reduced traffic congestion
- Improved transportation choices
- Economic development/job creation through new energy technologies

The resolution is based on the [International Council for Local Environmental Initiatives](#) (ICLEA) 'Cities for Climate Protection Campaign' (CCP). The term 'Cool Cities' is used by the Sierra Club to describe this initiative.

Initiating a comprehensive CCP campaign would require the cooperative efforts of surrounding local governments, clean air agencies, and allied organization, industry and the public at-large. The ICLEA provides extensive detailed implementation strategies.

Question 4: What are policy options to assure future municipal buildings are constructed or renovated using green building and energy saving practices?

- City Council has the authority to adopt such policies as long as they do not conflict with applicable building code standards on any of the General Statutes regarding building construction or renovations.

Question 5: Are the City's policies regarding purchase of clean vehicles and clean fuels up to date?

- Yes. City Staff is an active member of the Clean Air Campaign and stay up to date on current and emerging technology. Because the City provides crucial public safety and sanitary services to the community, new and emerging technology must be ultra-reliable, be repairable in a short time, have a redundant fuel source and be cost effective.

Question 6: Are there opportunities to incentivize green building in the private sector?

- Yes. The Planning Department identified four strategies which might work in this community.
 1. Promote public education through:
 - a) Architects, builders, developers, contractors and general public about benefits of green building;
 - b) Recognition process to celebrate green building successes;
 - c) The City's website; and,
 - d) Brochures and printed materials.
 2. Educate and train Building Safety and plan reviewer staff to be "ambassadors" to green building.
 3. Eliminate disincentives for green building materials and practices via City codes and development review processes.
 4. Promote green building concepts via smart growth planning practices.

Councilman Newman asked if there any analysis that looks at if we spend the money now to implement the energy saving things, how that will affect our future utility bills. Mr. Combs said that he would provide that information to Council.

Councilman Newman would be supportive of the City investing more in the near-term and in a more comprehensive way to implement energy saving retrofits for our City buildings. In addition, attention should be given to construction of new City buildings as well.

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Councilwoman Cape questioned if there are some partnerships we can make that help us make the decision about what kind of savings we can realize with implementing energy saving measures.

Councilman Newman felt the City should take a leadership role in green building and would support adopting a policy that says if the City is constructing a new building that we will make it a priority to use green building practices.

City Manager Jackson agreed that the City should be a leader in that area. If we have the opportunity, it's affordable and the Council funds it, we should hire qualified architects that have the experience and skills to lead us in that direction.

Mayor Bellamy said it was important for her to get a comprehensive package on the costs associated with green building.

Councilwoman Cape would like a range of opportunities for green buildings as well. There are a lot of incremental things we can do that will allow us to be more responsible energy users. She asked for information on how we can step in this progressively and how do we make adjustments that are realistic to our budget.

Councilman Mumpower said that there are times when green building can make sense, but it is extremely expensive and hoped that Council is very measured about exploring ideas.

Councilman Newman felt that another public policy aspect is how Asheville can follow-up on former Mayor Worley's resolution on climate protection. He questioned how Asheville can continue to be a voice for that solution.

City Manager Jackson said that Asheville has begun planning for some sort of environmental management plan. Asheville has been involved with the Regional Council of Government in promoting cleaner vehicles and promoting the CNG fueling station. It is those kinds of projects that will make our region and our community a leader in what is a real international threat. He felt that participating in an intergovernmental solution is the ultimate answer.

Councilman Freeborn felt this was a good direction for Council to proceed, noting that green building isn't necessarily cost prohibitive.

CLOSED SESSION

At 7:12 p.m., Councilman Mumpower moved to go into closed session for the following reasons: (1) To consult with an attorney employed by the City about matters with respect to which the attorney-client privilege between the City and its attorney must be preserved, including litigation involving the following parties: City of Asheville and the State of North Carolina. The statutory authorization is contained in G.S. 143-318.11(a)(3); and (2) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or initial employment of an individual prospective public officer or employee. The statutory authorization is contained in G.S. 143-318.11(a)(3); and to prevent the disclosure of information that is confidential pursuant to G.S. 160A-168, the Personnel Privacy Act. The statutory authorization is contained in G.S. 143-318.11(a)(2). This motion was seconded by Councilman Freeborn and carried unanimously.

At 10:02 p.m., Councilman Freeborn moved to come out of closed session. This motion was seconded by Councilman Mumpower and carried unanimously.

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ADJOURNMENT:

Mayor Bellamy adjourned the meeting at 10:02 p.m.

CITY CLERK

MAYOR