

Tuesday – November 18, 2008 - 3:00 p.m.

## Worksession

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

Absent: Councilwoman Robin L. Cape

### CITIZENS SURVEY REPORT

Assistant City Manager Jeff Richardson explained that the City of Asheville began conducting a comprehensive citizen survey in April 2008 with assistance from the National Citizen Survey. The National Citizen Survey is a collaborative effort between National Research Center, Inc. (NRC) and the International City/County Management Association (ICMA). The survey and its administration are standardized to assure high quality survey methods and comparable results across jurisdictions from throughout the United States.

The purpose of the citizen survey is to evaluate the community's overall satisfaction with city services and opinions on key issues, and to use the results to set performance standards, measure success and identify opportunities to improve. The information gathered from a citizen survey is particularly useful when citizen perceptions are measured regularly over time, allowing government performance and ongoing progress to be tracked according to the citizen perspective. However, the last citizen survey completed by the City of Asheville was conducted in 1997. As a result, this year's results serve as a baseline for better understanding what citizens think about municipal services and communication efforts. These results will be used as a benchmarking tool for City Council and staff to observe trends over time as well as to compare to results in other communities and in future surveys.

The results of Asheville's 2008 survey reflect the opinions of a representative sample of residents regarding the community's quality of life, municipal service delivery, civic participation and key policy issues. A total of 1,200 surveys were distributed to randomly selected households, and the city received an overall response rate of 35 percent with 402 completed surveys. The results presented in the final report are statistically re-weighted to reflect the proper demographic composition of the entire community. The National Citizen Survey customized for Asheville was developed in close cooperation with city staff and in accordance with the key areas identified in City Council's Strategic Operating Plan.

The total cost for the survey was \$16,150.00. Funding for the survey was allocated from the FY 2007-08 city manager's contingency line item. The survey serves as a meaningful guide for future strategic, budget and capital planning.

Staff recommends City Council receive the survey report and to apply it in strategic, budget and capital planning.

Ms. Paula Noble, National Citizen Survey Analyst with the National Research Center, Inc., presented the results of the completed 2008 City of Asheville Citizen Survey.

Ms. Nobel reviewed the following Executive Summary which provides an abbreviated overview of the survey results.

"This report of the City of Asheville survey provides the opinions of a representative sample of residents about community quality of life, service delivery, civic participation, and unique issues of local interest. A periodic sounding of resident opinion offers staff, elected officials and other stakeholders an opportunity to identify challenges and to plan for and evaluate improvements and to sustain services and amenities for long-term success.

"Most residents experience a good quality of life in the City of Asheville and believe the City is a good place to live. The overall quality of life in the City of Asheville was rated as "excellent" or "good" by 80% of respondents. Most report they plan on staying in the City of Asheville for the next five years.

"A variety of characteristics of the community were evaluated by those participating in the study. The four receiving the most favorable ratings were opportunities to volunteer, opportunities to participate in religious or spiritual events and activities, opportunities to attend cultural activities, and the overall image or reputation of Asheville. The three characteristics receiving the least positive ratings were availability of affordable quality housing, employment opportunities, and the amount of public parking.

"All of the community characteristics rated were able to be compared to the benchmark database. Of the 27 characteristics for which comparisons were available, 12 were above the benchmark comparison, 2 were similar to the benchmark comparison

and 13 were below.

"Residents in the City of Asheville were somewhat civically engaged. While only 30% had attended a meeting of local elected public officials or other local public meeting in the previous 12 months, 96% had provided help to a friend or neighbor. A majority had volunteered their time to some group or activity in the City of Asheville.

"In general, survey respondents demonstrated mild trust in local government. Less than half rated the overall direction being taken by the City of Asheville as "good" or "excellent." This was lower than the benchmark. Those residents who had interacted with an employee of the City of Asheville in the previous 12 months gave high marks to those employees. Nearly all rated their overall impression as "excellent" or "good.

"On average, residents gave somewhat favorable ratings to local government services. Many of the City services rated were able to be compared to the benchmark database. Of the 32 services for which comparisons were available, none were above the benchmark comparison, nine were similar to the benchmark comparison and 23 were below.

"A Key Driver Analysis was conducted for the City of Asheville which examined the relationships between ratings of each service and ratings of the City of Asheville's services overall. Those key driver services that correlated most strongly with residents' perceptions above overall City service quality have been identified. By targeting improvements in key services, the City of Asheville can focus on the services that have the greatest likelihood of influencing residents' opinions about overall service quality. Services found to be influential in ratings of overall service quality from the Key Driver Analysis were: Land use, planning and zoning; City parks; street cleaning; and public schools.

"We recommend that key driver services below benchmark comparisons form the center of your focus for improvement including: land use, planning and zoning; City parks; street cleaning; and public schools."

Ms. Nobel provided Council with the National Citizen Survey's background. The survey results can be used to (1) monitor trends in resident opinion; (2) measure government performance; (3) inform budget, land use, strategic planning decisions; and (4) benchmark service ratings.

She then reviewed the results of the overall quality of community; transportation; street lighting; land use and zoning; economic stability; public safety; recreation and wellness; community and civic engagement; civic activity; and Asheville government.

Upon inquiry of Mayor Bellamy, Ms. Noble responded to the following: the process of the survey; the time period of the survey; regarding cultural opportunities, community inclusiveness and civic engagement, did the survey focus only on the City of Asheville or the entire community; and explanation of survey results regarding opportunities under transportation, parks and recreation, public safety and land use, planning and zoning and whether residents are aware of the activities.

In response to Vice-Mayor Davis, Ms. Noble said that since the survey was being taken at the time of the Coleman project in the City-County Plaza area, it could have influenced the rating in the land use, planning and zoning category. She felt that current events can impact the current ratings.

Councilman Newman wondered if in the 32% of the people who responded to the survey who stated they are not currently employed includes retired people. Ms. Noble felt the best statistic for that would be to go to the census results.

City Manager Jackson explained how this survey influences staff's work.

Mayor Bellamy felt the survey results will be discussed at the Council's retreat as well and dovetail Council's agenda and goals. She noted that even though the City is making investments in core services in the community, the survey doesn't reflect that the community recognizes those improvements. We need to get the information out to our residents.

City Manager Jackson said that the communities that use these survey results best take from the short list and focus on those, making sure that the community is aware of the progress. The benefit is when you do a survey at a later time, you are likely to see results improve not only in the target area, but have some halo effect in the other areas.

## **PARKS, RECREATION & CULTURAL ARTS MASTER PLAN**

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Director of Parks, Recreation and Cultural Arts Roderick Simmons said that in late 2007, the City of Asheville contracted with GreenPlay, LLC to lead the master plan process for parks, greenways, recreation and cultural arts. GreenPlay, based out of Broomfield, Colorado, operates as a consortium of experts to provide services for parks, recreation, open space and related

agencies.

The key steps of the master plan process as conducted by GreenPlay are described below:

- **Needs Assessment and Public Involvement**  
GreenPlay facilitated seven focus groups, eight stakeholder meetings and nine public meetings, attendance at boards and commission meetings, and a direct mail survey. In all over 1,000 people took part in the public input process.
- **Level of Service Analysis**  
GreenPlay analyzed parks, recreation, cultural arts, public art, festivals, greenways, and related services via interviews with staff about programs and insight regarding the current practices and experiences of the City in serving its residents and visitors.
- **Inventory and Assessment of Existing Assets and Services**  
GreenPlay inventoried indoor and outdoor recreation facilities and greenways using existing mapping, staff interviews, and on-site visits to verify amenities and assess the condition of the facilities and surrounding areas.
- **Programs and Services Inventory and SWOT Analysis**  
GreenPlay measured the current delivery of service using the GRASP® Level of Service Analysis that allows for a target level of service that is both feasible and aligned with the expressed desires of citizens. The SWOT analysis measured the strength, weakness, opportunities and threats of the organization.
- **Recommendation of Goals, Strategies and Action Steps**  
GreenPlay identified recommendations into themes with goals, strategies, and action steps for implementation, followed by an action plan for capital and operating improvements including cost, funding source potentials, and timeframe to support the implementation of the plan.

On November 7, 2008, City Council appointed boards reviewed the report. The Recreation Advisory Board and the Public Art Board voted unanimously to recommend the adoption of the master plan to City Council. The Greenway Commission voted unanimously to abstain for now from voting to support the master plan as drafted for the following reasons: 1) The advancement of the Wilma Dykeman Riverway Plan and it's vision for greenways and parks is vital to the community and the draft plan does not sufficiently prioritize project development in that corridor, 2) The total capital spending of 40 million as contemplated by the plan is only reasonable assuming adoption of an ongoing bonding program. The Greenway Commission recommends that council only adopt this master plan with the commitment of adopting a bonding program, and 3) While the Greenway Commission supports the intention to simplify and streamline communications among Council appointed boards and commissions as well as other committees associated with the Parks, Recreation & Cultural Arts Department, the Commission thinks the structure laid out in the plan is unnecessarily complex and hierarchical.

Pros:

- Help meet the recreational needs of Asheville citizens by positioning Asheville to build on the community's park and recreation assets and identify new opportunities.
- Establish a clear direction to guide staff, advisory boards and commissions and elected officials in efforts to enhance Asheville's parks, recreation and cultural arts programs, services and facilities.

Con:

- None

The contract to produce the report cost \$120,000. The value of the report will be in how it is applied as a guide for strategic, budget and capital planning discussions.

This report is for City Council's information as part of its review of the Asheville Parks, Recreation, Cultural Arts and Greenways Master Plan.

Ms. Chris Dropinski, Senior Principal with GreenPlay LLC, reviewed the draft report of the Parks, Recreation, Cultural Arts and Greenways Master Plan

Ms. Dropinski reviewed the process as follows: start-up meeting, community input, citizen survey, demographics, inventory/assessment, recommendations/action plans and report/presentations.

She then reviewed the following goals with strategies and detailed action steps (1) maximize the planning process; (2) improve administration effectiveness and transparency; (3) maximize the Land-of-Sky available to the community by using partnerships to take advantage of existing facilities, share new facilities, and provide additional programming and services to the community; (4) create management resources to increase efficiency, continuity, and sustainability in critical focus areas needed in the Department; (5) increase Parks, Recreation and Cultural Arts Department funding; (6) marketing, communications, and creditability; (7) strategically increase recreational programming level of service; (8) assure administrative policies promote effective

provision of community festivals and events; (9) analyze festivals/events based on the mission and values established by Council and the Department; (10) develop a rationale for festivals/events produced by the City; (11) enable sustainable funding for permanent and temporary public art; (12) enhance public confidence for and appreciation of the arts; (13) develop and expand the public art collection; (14) enhance facilitation and resources among arts interests; (15) build public and organizational capacity for the arts; (16) strengthen the organizational structure of public and cultural arts delivery; (17) ensure a continued high level of service in parks; (18) increase level of service for parks; (19) create greenway priorities and identify development timeline; (20) increase the level of service and access for greenways; (21) increase resources for greenways; (22) increase land acquisition efforts for greenways; (23) expedite greenway development; (24) increase connectivity to parks and greenways; (25) integrate public art into parks and greenways; and (26) increase level of service for indoor facilities.

She then presented Council with (1) the 2009-13 initial connectivity vision, capital cost observations and annual operating cost observations; (2) the 2014-18 neighborhood resources vision, capital cost observations and annual operating cost observations; (3) 2019+ future connectivity and neighborhood visions.

The recommendation cost estimates and timelines for the (1) 2009-13 priorities would be Capital Improvement Projects of \$20,000,000 + O&M \$1,989,000; and (2) 2014-18 priorities would be Capital Improvement Projects of \$20,025,000 + O&M \$1,270,000. The total 10-Year plan would be \$43,284,000.

In response to Mayor Bellamy, City Manager Jackson said that the next step is allowing Council an opportunity to evaluate the plan and then let Council determine their level of support of the Master Plan at a later meeting.

Councilman Newman asked how much more expensive would this Plan be compared to the history of the parks and recreation capital projects. Mr. Roderick said that this would be increasing their level of funding approximately \$1 Million a year compared to what they normally get, based upon the economy at the time. He explained that this is only a guide so when money is available and we do have good economic times, we can start with the priorities in the list and bring those before Council during their Capital Improvement Plan process.

In response to Councilman Mumpower, City Manager Jackson said that this plan lends itself to a retreat discussion.

Councilman Mumpower felt that this is a fantasy plan that sidesteps a lot of community priorities, with public safety being on the top of his list. He looked forward to the opportunity to discuss the realism of this plan and the dangers involved in buying into this process.

## **STATE OF ASHEVILLE'S ECONOMY**

Mr. Robert Sipes, Chairman of the Asheville-Buncombe County Economic Development Coalition, used charts to explain the employment growth. He said that as of September 2008, the Asheville metro area is up 1,000 (up 0.6 %) net jobs over last year. This is the 55 consecutive month with record year/year job growth. At 0.6%, Asheville's employment growth matches Greensboro's pace. Overall, the United States is down 0.4%, while statewide growth is flat, and three of the state's metro are currently losing jobs. Only 40% of all United States metros are currently adding jobs. At 5.2%, Asheville has the lowest unemployment rate among all metros in the state (even lower than Durham if you calculated the rate out a few more decimal points). Compared to the state's 20 largest cities in North Carolina, the City of Asheville has the 5th lowest unemployment rate.

In response to Mayor Bellamy, Mr. Sipes said that in terms of retaining jobs, we want to cultivate and nurture existing businesses and create an environment that makes it conducive to them to maintain current business health or expand their business. Similarly, we have efforts that are focused on workforce development so that we are providing a skilled workforce as a feeder pool to these companies because the skilled workforce is the backbone of success of local industry here.

In response to Councilman Mumpower, Mr. Sipes said that regarding skilled workforce, we have some strong partnerships with local colleges and university, together with our businesses. Because of the low unemployment we are blessed with and the nature of our local economy, it creates a situation where labor to move into new or different types of endeavors really has to be either imported in or developed on the fly. That is what we've seen in the past and that is one of the key areas we need to make some improvement in.

Councilman Mumpower said that he will bring up at the Council retreat that there may be some room for the City to take some initiative for what is a fairly persistent problem for employers and look for potential solutions.

Vice-Mayor Davis explained how the Asheville-Buncombe County Economic Development Coalition is working toward improving workforce development.

Mayor Bellamy noted that Asheville-Buncombe Technical College is starting a program of how can they better serve the business community by retraining individuals who want to change careers. They are also partnering with Asheville City Schools and Buncombe County Schools. Buncombe County Schools and Asheville City Schools are doing a lot of good things to make sure that students are successful. She also noted the UNC-Asheville's Math Department tutorial program to help trainers help teach math to students. There are a lot of initiatives happening in our community around workforce development that has not happened in the past.

Mayor Bellamy questioned how we can create one point for people to know what jobs are available locally, beyond those available in the newspapers. Mr. Sipes felt we need to do a better job of promoting the job opportunities that are here. A lot of people would be surprised if they saw how much opportunity is in fact here in various types of work. We need to package that in a way that reaches out and grabs people.

Economic Development Director Sam Powers noted that Economic Development Coalition will be holding a homecoming job fair, which will be held over the Christmas holidays. There will be many employers who have jobs at that job fair looking for employees. He said that he will have information on the City's website about that job fair.

In response to Mayor Bellamy, Mr. Powers explained that the City's incentive program is paid based on the company's performance. The incentive is not given until the company performs the conditions outlined in the contract.

At 5:11 p.m., Mayor Bellamy announced a short recess.

## QUARTERLY MANAGEMENT REPORT

### **Strategic Operating Plan**

Assistant City Manager Jeff Richardson said that the Asheville City Council identified short and long term goals at the February 2008 strategic planning retreat. He then provided the first quarterly update on the following four focus areas:

1. Affordable
  - Fiscal Year 2007-08 no tax increase
  - Priority Places Interactive GIS Mapping Tool
  - Asheville as Employer of Choice
    - City of Asheville Youth Leadership Academy (EDC/Businesses/City partnership)
    - A-B Technical Community College Yes Camp
    - 240 Service Hours
  - Ratified Economic Development Grant to incent \$15 Million expansion: Unison Engine Components
  - Ten Year Plan to End Homelessness
    - City/County Homeless Initiative Advisory Committee
    - Non-Profit HMIS Reporting Requirement
  - City-owned property Request for Qualifications/Request for Proposals Process: workforce housing
  
2. Green
  - Mobile Clean Air Renewable Energy Award
  - Alternative energy exploration: water treatment plants
  - Alternative fuel vehicles = 10% city fleet
  - Public Works – 4 day work week = 294 ton reduction of carbon emissions
  - Asheville Police Department bike patrol unit re-established
  - Asheville Police Department usage reduced 20%
  - Expanding City education programs:
    - Better Energy Savings Today Program: results include:
      - 10% increase in City departmental recycling
    - Feed Bin and Win Recycling contest
      - 21% increase in community recycling
    - Open Space "Fee in Lieu Program" (\$100,000) Future Greenway Acquisition
    - Pilot Study: LED lighting at Civic Center Garage

3. Safe

- City building security enhancements
  - Security cameras at key facilities
  - Generator installation at City Hall and Brown Mountain radio
  - Portable emergency generator for City shelters during emergency weather
  - Civic Center fire alarm system upgrades
- Asheville Police Department Priority One Calls: faster response times
- Implemented "Code Red" Citizen Emergency Notification System
- Implemented Internal Affairs Pro (responsive case analysis)
- Map Asheville Crime Mapper
- Police Officer/Psychiatric Illness Crisis Intervention Training (32 sworn personnel)

4. Sustainability

- Street sweeping
  - Swept 2071 miles of road
  - Collected 209 tons of debris
- Catch basin cleaning
  - 2112 catch basins cleaned
- Stormwater construction
  - 10 projects = \$160,736
- Biltmore Village Flood Action Plan Completed
- Brownfield Initiative: \$400,000 secured in Brownfield funding ID & mediation
- Bond program feasibility analysis to Council (debt capacity/affordability)
- Wayfinding Program underway
- Tourism Development Authority Project identification

In response to Councilman Mumpower, Mr. Richardson said that he would provide Council with more information on the normal level of catch basin cleaning on a quarterly basis.

In addition, staff provided the following additional information:

A. Economic Development Key Indicator Report

The following charts: (1) employment change by major industry; (2) unemployment rates; (3) monthly home sales – units; (4) monthly home sales – average price; (5) residential building permits – units; (6) residential building permit – value; and (7) City business licenses

B. Police Department Drug & Community Policing Quarterly Report

The first quarter results addressing the drug enforcement statistics and community outreach.

**Quarterly Financial Report**

Chief Financial Ben Durant reviewed with Council financial information that reflects the City's overall financial position for the fiscal year through September 2008.

**Amendments.** The General Fund budget presented in this first quarter report reflects the adopted budget of \$88,945,552; plus \$1,443,395 in prior year encumbrances that rolled over from Fiscal Year (FY) 2007-08; along with three budget amendments approved by Council during the first quarter. The three amendments resulted in an overall increase in the budget of \$120,268. The amendments for the energy management plan and the Unison Engine Components economic development grant were funded with an appropriation from fund balance. A summary of the budget amendments is included below.

Adopted Budget	88,945,552
Encumbrances	1,443,395

Amendment	Date Approved	Amount
Bullet-Proof Vest Federal Grant	July 22	23,018
Energy Management Plan*	August 26	50,000
Unison Economic Dev. Incentive*	September 23	47,250
Total Amendments		120,268
9/30/2008 Budget	-	<u>\$90,509,215</u>
* Fund balance appropriations totaling \$97,250	-	-

**Revenues.** Through September 30, 2008, the City has collected \$9,668,275 in General Fund revenue, which represents approximately 10.9% of the total General Fund revenue budget. Due to the deteriorating economic climate, staff is projecting that both property tax and sales tax revenues will fall short of budget in FY 2008-09. Based on current year-end estimates, staff is estimating that FY 2008-09 revenue will come in under budget by \$1,000,000, which equates to 1.1% of the General Fund budget.

**Expenditures.** General Fund expenditures through September 30, 2008 total \$21,146,251 or 23.4% of the budget. Staff has worked during the first quarter to identify \$1,000,000 in budget savings strategies to offset the expected shortfall revenue mentioned above. Staff anticipates that the remaining departmental budgets will be fully spent by year-end.

**Fund Balance.** Preliminary year-end estimates for FY 2007-08 show an unreserved fund balance of \$18,495,003. Based on current year-end revenue and expenditure estimates, which include the \$1.0 million in budget savings mentioned above, staff is projecting that unreserved fund balance will decrease by \$793,620 in FY 2008-09 to \$17,701,383, which will equate to 19.6% of estimated year-end expenditures.

Mr. Durant gave Council the following brief overview (1) first quarter results and current budget trends show a \$1.0 million revenue shortfall; (2) short-term "stop-gap" measures have been implemented in the current year to close the gap; (3) the Fiscal Year 2009-10 preliminary budget forecast includes a significant imbalance between revenues and expenditures; and (4) structural budget issues must be addressed.

He then reviewed the current General Fund budget, along with using charts to explain the General Fund revenue highlights, those being (1) economic conditions are impacting major revenues; (2) property tax revenue projected to come in under budget by \$500,000; (a) estimating 2.0% tax base growth vs. 10-year average of 3.3%; and (b) official tax base data received in January 2009; (3) sales tax revenue projected to decrease by 1.5% and fall \$1.0 million short of budget (a) September sales tax revenue down 19%; (4) Powell Bill revenue is down 9.0% compared to prior year; (5) state utility tax revenue is exceeding budget estimates; (6) licenses and permits; charges for service and investment earnings so far are trending at or slightly above budget; and (7) overall, General Fund revenues are projected to fall short of budget by \$1.0 million in the current fiscal year.

He then explained the expenditure reduction strategies: (1) selective hiring program - \$250,000 (a) currently holding 17 vacancies including Public Information Officer, Urban Planner I, Fleet Shop Manager, Public Works Analyst, Recreation Leader and Building Safety Secretary Sr.; and (b) no visible service reductions to the public; (2) delay equipment and vehicle purchases until spring - \$225,000 (a) approximately \$2.0 Million in vehicle and equipment purchases slated for debt financing – police cars, public works equipment and public safety radios; and (b) by delaying purchase until spring 2009, debt service expense is reduced in the current year; (3) divert Civic Center capital project savings - \$100,000 (a) \$400,000 allocated to the Civic Center in each of the last two fiscal years for capital projects; and (b) the following projects will come in under budget (i) fire alarm upgrade; and (ii) arena seating replacement; and (4) departmental line item reductions - \$425,000 (a) reductions in professional services; small equipment; training and travel; and uniforms; (b) continued inflation in the following key areas (i) utilities; (ii) janitorial services; and (iii) construction materials; and (c) operating budgets will likely be fully spent at year end. Total savings would be \$1 Million.

Mr. Durant explained the Fiscal Year 2009 current year Fund Balance trends, using charts. We estimate our Fund Balance will decrease from 20.3% to 19.6%.

Mr. Durant answered various questions/comments from Council, some being, but are not limited to: explanation of the \$793,620 deletion in Fund Balance; which property were we going to sell to cover payments for the Overlook and Haw Creek Park land purchases; explanation of the contribution and installment payments for Overlook; and how are our funds in the Fund Balance invested and are the proceeds re-invested back in the Fund Balance.

Mr. Durant then reviewed with Council the preliminary Fiscal Year 2009-10 budget forecast. He reviewed the initial

## General Fund Gap.

The General Fund overlook is (1) economy will continue to slow revenue growth in Fiscal Year 2009-10; (2) property and sales taxes make up 70% of budget (a) property taxes: 2.0% growth; and (b) sales taxes: no growth; and (3) overall revenue growth projection is 1.5%.

The expenditure outlook initial projects include (1) continuation of the current market and merit pay plans; (2) 10% projected increase in the City's health costs; (3) September Consumer Price Index South Region is 5.4%; and (4) no growth in capital expenditures.

Initial budget balancing strategies include (1) suspend market adjustments - \$1 Million; (2) reduce merit pay pool - \$250,000; (3) evaluate annual subsidy to housing trust fund - \$600,000; and (4) re-engineering and restructuring (a) early retirement; and (b) attrition - \$500,000.

He reviewed the budget outlook for the revised General Fund gap.

Budget balancing strategies moving forward include (1) the \$3.0 Million budget gap reflects a structural imbalance between revenues and expenditures; (2) staff will perform an exhaustive review of the budget (a) challenging every assumption; (b) examining in-depth re-engineering opportunities; and (c) evaluating core vs. strategic service priorities; and (3) will seek additional direction from Council at the January Council retreat regarding service prioritization.

Throughout discussion, Mr. Durant responded to various questions/comments from Council, some being but are not limited to: drop in sales tax revenues; update on the Overlook Park purchase and financing; and update on the Haw Creek Park transaction.

Councilwoman Jones believes that the citizenry understands the economy and will understand why the City has to scale back. She hoped that in determining how to scale back that we look at across the board cuts. She was distressed to see the evaluation of the Affordable Housing Trust Fund was an initial budget balancing strategy, especially when the citizen survey showed that we ranked the poorest in affordable housing. She wondered if we identify the things that people really want (e.g. the Nature Center), they may be willing to invest a little more in them.

Mayor Bellamy said that over the next few months Council will be reviewing the budget in detail and seriously deliberating about the direction for our City. This Council has invested quite a bit in infrastructure, take home vehicles, police substations, land for park development, etc. and has a good track record over the past three years. It's now a time to tighten our belt due to the economy and she also believes that the community will understand. There may be some areas that need to be reduced that she would not have considered before, but at this point it's not about the things that she likes, it's about how do we get through this tough time and move forward.

City Manager Jackson said that he will be providing monthly updates on the sales tax. In addition, we will also look at all the revenue assumptions of how are we compared to market and what is our cost recovery. This is a comprehensive budget process and we are starting early.

Mayor Bellamy explained that there is an initiative to transfer 5,000 miles of roadway to the larger cities across state without additional revenues to pay for that. There will be a resolution on the November 25, 2008, agenda opposing the forced transfer of additional transportation responsibilities to local government.

## **Traffic Safety Capital Improvement Budget**

Assistant Director of Traffic and Engineering Ken Putnam said that this is the consideration to create an annual Traffic Safety Projects Fund that would be used to design and construct various traffic safety related improvements throughout the City of Asheville, excluding traffic calming projects.

Traffic Safety Projects can be defined as traffic-related projects that when completed would improve public safety and/or efficiency to the various transportation users including vehicles, bicycles, pedestrians, and Transit. Typical projects include new traffic signal installations including pedestrian signals, upgrades to existing traffic signals including pedestrian signals, emergency vehicle pre-emption, new warning flasher installations, upgrades to existing warning flashers, left and right-turn lanes, radii improvements at intersections, bicycle lanes, and pedestrian crossings, and the potential projects would have a total estimated cost of \$75,000. Projects with a total estimated cost of less than \$25,000 can be funded through the Transportation & Engineering Department's operating budgets. Currently, these types of projects (*total estimated costs equal to or greater than \$25,000*) are funded through the Capital Improvement Program. When these types of projects are identified and determined to be needed as a



result of a proposed development, the potential improvements are typically funded by private sources. Traffic calming projects would **not** be included since there is a separate policy and an account code already established for traffic calming projects.

These projects are typically identified as Traffic Engineering staff responds to various requests from citizens throughout Asheville. Once identified and reviewed in depth, many of these projects would then move into the design and construction stage if funding was available. According to our records, these types of projects have been approved in the past through the Capital Improvement Program including the widening of Yorkshire Street and emergency vehicle pre-emption at the intersection of College Street and Charlotte Street. Privately funded projects that have been constructed in the past include a double left-turn lane along NC 81 Swannanoa River Road at its intersection with US 74-A (South Tunnel Road) and a new traffic signal at the intersection of River Hills Road and the access for Pier One/Dick's Sporting Goods.

During September 2008 action was taken to approve funds from the General Capital Reserve Fund in the amount of \$50,000 to install a traffic signal at the intersection of Fairview Road and Third Street in the Oakley community. This project is a good example of the type of project that should be funded through a Traffic Safety Projects Fund. When this project was funded, there were other projects pending including the following projects:

1. Burton Street Traffic Calming – Total estimated cost = \$40,000 (*This type of project would **not** be funded by the Traffic Safety Projects Fund*)
2. Charlotte Street Signal Upgrade – Total estimated cost = \$60,000
3. Pinchot Drive Pedestrian Enhancements – Total estimated cost = \$48,000
4. Fairview Road Signal Upgrades – Total estimated cost = \$80,000

Since September 2008, the Burton Street Traffic Calming project has been let to contract and depending on weather conditions, all work should be completed by November 18, 2008. The Charlotte Street and Fairview Road signal upgrades would improve overall traffic efficiency in the immediate areas but considering the current economic climate, both of these projects could continue to be delayed. The Pinchot Drive Pedestrian Enhancements would improve pedestrian safety in the immediate area of William W. Estes Elementary School and T.C. Roberson High School by providing missing sidewalk links and pedestrian signals and crosswalks at the intersection of SR 3503 (Overlook Road) and Springside Road/Pinchot Drive. Since the subject intersection is maintained by the North Carolina Department of Transportation, the proposed work must be coordinated and approved by them. This approval and design work is scheduled to be accomplished during the current fiscal year.

This action complies with the City Council 2008-09 Strategic Operating Plan by protecting the traveling public by making traffic safety related improvements to the existing street infra-structure including intersections.

Pro:

- This action would provide a means to address traffic-related safety issues within a timely manner thereby reducing potential risk to the City.

Cons:

- This action would reduce the total amount of Capital Improvement Program Funds available on an annual basis.
- The total estimated annual cost is \$50,000.

The total estimated annual cost is \$50,000. Funds would only be spent on an as-needed basis as the various needs are identified. In order to appropriate funding in the current fiscal year, a budget amendment would be necessary. Sufficient funds exist in the General Fund fund balance for this budget amendment.

Staff recommends that City Council approve an annual Traffic Safety Projects Fund and schedule consideration of a budget amendment to design and install priority traffic safety related improvements throughout the City of Asheville.

Councilman Russell supported this fund as public and pedestrian safety is a core City responsibility.

Upon inquiry of Councilman Mumpower, Mr. Putnam said that there are funds in the Capital Reserve Fund for this traffic safety projects fund this fiscal year. Staff would still be reporting to Council on the projects they want to bring forward but this would at least give staff the mechanism to move forward with the design and the construction of it if it was identified mid-stream.

Councilman Newman noted that there are a lot of needs out there and had this been appropriated as part of this fiscal year's budget cycle, the \$50,000 would have already been spent with the Fairview Road project.

After a brief discussion regarding funding options, it was the consensus of Council to approve the annual Traffic Safety Projects Fund and to fund the Fund via a budget amendment with a transfer of \$50,000 from the Capital Reserve Fund and additional funds from completed capital projects.

## Stormwater Enterprise Fund

Director of Traffic and Engineering Cathy Ball said that the purpose of this report is to provide an update to City Council on the status of the Stormwater Enterprise Fund including policy issues.

She reviewed the summary of the Stormwater Enterprise Fund including the total revenues, total expenditures, fund balance and unfunded capital projects in addition to the funding priorities. She then provided detailed information on the expenditures of this fund to include capital, maintenance, permitting and administration.

Staff has completed a stormwater analysis for the Dingle Creek and Upper Ross Creek watersheds. The reports for these analysis priorities capital needs for the stormwater fund. She reviewed a list of stormwater capital projects for the current and 5-year planning period. This list includes projects for the watershed above as well as problems identified by staff.

Two policy issues have come to our attention. The first is the ability to review the stormwater utility fee. The second is the issue of storm drainage problems on private property. Staff has analyzed both of these questions in some detail.

With regard to the issue of the fee, we have provided an analysis impact as a result of decreasing the stormwater utility fee. We would request that we review this fee as part of the Fiscal Year 2009-10 Budget process.

We have also evaluated several private storm drainage problems and provide a sample of locations and costs to repair these problems. These projects include:

<u>Examples</u>	<u>Estimated Costs</u>
South French Broad	\$70,000
Harmony Lane	\$75,000
Merrimon Avenue	\$1 M+
South Griffin Ave.	\$200,000
Waynesville Ave.	\$600,000
Reed Street	\$250,000
Murdock Ave.	\$100,000

The Stormwater Utility Fund complies with the City's Strategic Plan by developing a long-term plan to address the City's aging infrastructure.

### Pros:

- Report provides data for Council's evaluation.
- Completion of capital projects will improve City's infrastructure.

### Cons:

- Reducing the stormwater utility fee will have an adverse impact on the stormwater services.
- Proposed capital projects will reduce the stormwater fund balance.

Next steps regarding fees include (1) evaluate single family residential fee structure as part of 2010 budget process; (a) information available December 2008; (2) create three residential tiers (a) low, medium, high; and (b) examples Raleigh, Greensboro, Charlotte; and (3) options (a) maintain current rate for lowest tier; (b) generate additional revenue in medium and high tier for Capital Improvement Plan projects; and (c) decrease revenue/services.

Options regarding private drainage include (1) try to identify other funding source for private drainage problems (Community Development Block Grant, Mountain Housing Opportunities, Affordable Housing Fund, etc.); and (2) provide a portion of additional revenue from "tiering" to other funding agencies.

The purpose of this report is to provide an update to City Council on the status of the Stormwater Enterprise Fund including policy issues. No action is required.

In response to Councilman Newman, Ms. Ball said that Mountain Housing Opportunities has some grant money (5-year forgivable loans) in order to take care of some structural problems associated with problems.

Councilman Russell felt there are many examples of private storm drainage problems. He felt it would not be in the City's best interest to begin repairing those problems, but did support identifying other funding sources for those homeowners.

Ms. Ball said that with the funding mechanism in place, staff strongly recommends that the City not take on the private drainage problem as we don't have the funding to address the problems we have. We would be stepping into a business we are not able to do or meet the expectations of the community. There have been other communities that have been extremely aggressive in deciding they are going to take on all the stormwater problems in a certain basin and issue bonds to make those huge improvements.

In response to Councilman Russell, City Attorney Oast said that in general developers cannot divert water onto their neighbor's yard in a way that causes a problem for the neighbor.

Ms. Ball responded to Councilman Newman when he questioned what the 28% legislative compliance meant.

Mayor Bellamy explained why she felt Council's policy on the Stormwater Enterprise Fund should be revenue neutral, and the Fund Balance should be what the Local Government Commission recommends.

In response to Mayor Bellamy's request of a revenue neutral budget direction, Ms. Ball said that in the upcoming budget, one of the options they would come back to Council with is having a revenue neutral fund showing the amount of change, the amount of individual fees based on that, the recommended Local Government Commission Fund Balance, and what that would reduce the Fund to.

There was a brief discussion about the Fund Balance and making the stormwater fees as affordable as possible.

Ms. Ball understood Council's discussion to look at what we have, look at what needs to be done and if there is left-over money we shouldn't be keeping it. She didn't want to set up the expectation, though, that we are going to be able to come back and lower the amount and still meet the capital needs we've identified.

Mayor Bellamy supported a 5-year budget plan for capital and budget so we can actually see and project into the future.

## **LEGISLATIVE PRIORITIES**

### **Federal**

Economic Development Director Sam Powers said that the following is City Council's currently adopted federal funding priorities which were adopted on February 12, 2008:

- REID CENTER - Extensive renovation to or rebuilding of both interior and exterior and utilities of the W.C. Reid Center for Creative Arts, a 37,000-square foot community center to support a full-service, community based recreation program and multi-disciplinary arts program with an emphasis on providing services to at-risk youth and their families. -Amount requested: \$4 to \$6 million.
- ENERGY CONSERVATION RETROFITS FOR CITY BUILDINGS - The Building Energy Conservation Retrofits appropriations will allow the City of Asheville to install programmable thermostats, light occupancy sensors, high energy efficient lighting in all 51 city owned buildings after which a holistic social marketing campaign will be conducted to encourage employee behavior change. The retrofits will provide significant cost savings through utilities and decrease the carbon footprint of the city organization, while providing a strong foundation for a social marketing program to effectively create sustainability behavior change. - Amount requested: \$749,200.
- TRAFFIC SIGNAL PREEMPTION - A Traffic Signal Preemption System is an electrical device(s) that allow a traffic control signal to respond by giving priority to approaching response vehicles that are outfitted with special equipment. Such systems are designed to increase the safety of the public and responders, reduce emergency response times, and enhance public transit operations. - Amount requested: \$495,000.
- REGIONAL PUBLIC SAFETY TRAINING FACILITY - The Regional Public Safety Training facility is a partnership between WNC local governments, state government and AB Tech. The facility will include an emergency vehicle driving pad, burn building, and a rescue tower. The project is a modular project and can be done in phases. - Amount requested: \$4 million.
- BUS REPLACEMENT - The project entails the purchasing of fifteen (15) 30-foot hybrid buses to replace 75% of the fleet which are reaching their life-cycle, with more than ten (10) years in operations. This is a multi-year project that intends to replace the fleet in a three year period. The City is recommending buying hybrid buses, or buses using other energy efficient technology, instead of diesel. The use of alternative fuels will help the City to achieve the carbon emission reduction

goals adopted by City Council. The project will affect positively the Western North Carolina population that lives in Asheville, Weaverville and Black Mountain and depends on transit to perform the daily activities, providing a more reliable and comfortable service. At the same time will bring benefits to the environment, reducing pollution and improving the quality of life. - Amount requested: \$7,875,000 over three (3) years (\$2,625,000/year).

In addition, the following is the federal legislative priorities adopted April 8, 2008:

- Senate Bill 1738 "Combating Child Exploitation Act of 2007" to improve the Internet Crimes Against Children Task Force to increase resources for regional computer forensic labs, and investigate and prosecute predators. – Signed into law
- HR 1692 "The Fighting Gangs and Empowering Youth Act of 2007" which contains many things that focus on making sure that our youth have alternatives from gangs as well as increase penalties for gang activity.
- Senate Bill 1745 "Departments of Commerce and Justice, Science, and Related Agencies Appropriations Act, 2008" for support of our Weed and Seed program that is funded under this Act.
- "The Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003" (1) Sec. 9002 – extension of the highway-related taxes and trust fund; (2) Sec. 9003 – extension of tax benefits for alcohol fuels; (3) Sec. 9004 – private activity bonds for surface transportation infrastructure; and (4) Sec. 9005 – all alcohol fuel taxes transferred to highway trust fund.
- PL 110-140 "The Clean Energy Act of 2007" (HR 6) to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy. – Signed into law
- S. 1675 "Local Community Radio Act of 2007" to implement the recommendations of the Federal Communications Commission report to the Congress regarding low-power FM service.
- S. 234 "Wireless Innovation Act" to make broadband available to unconnected neighborhoods and communities – especially rural and mountainous areas – by exploiting unused frequencies in the broadcast spectrum known as "white spaces."
- Support to fund the expansion of the ERC broadband and fiber optic network in the region for education, medical and emergency service support.
- Lend support to the Land of Sky Regional Council of Government request for funding for a Comprehensive Economic Development Strategy – Regional Growth Management Planning Initiative for Western North Carolina.
- Support funding for energy efficiency and conservation block grants.
- Continued prioritization of the completion of I-26 components through Asheville.
- Accelerated use of Federal resources in local action on Asheville's drug distribution network.
- Enthusiastic Federal enforcement of existing laws affecting illegal immigration in Asheville.

He felt that information may be useful for Council discussions in updating any federal funding or legislative priorities. The 111<sup>th</sup> Congress convenes on Jan 8<sup>th</sup>, 2009. Congressional staff usually wishes to receive any funding requests from municipalities in early January to allow time for research and placement.

Of note of existing priorities, the legislation that has adversely affected Asheville Transit funding has finally been amended in favor of the City and other similarly sized systems. The bill allows transit systems serving urbanized areas whose population went from under 200,000 to over 200,000 in population in the 2000 census to use a portion of their (Fiscal Year) 2008 and 2009 urbanized area formula grants for operating costs. Transit systems in these areas can use an amount equal to 50% of the urbanized area formula grants received in Fiscal Year 2002.

Mayor Bellamy felt this was a good starting point for Council, noting that the next time Council sees this will be the opportunity for additions or deletions. She asked Mr. Powers to contact the Chamber of Commerce to request them to delay their meeting with the legislative committee from December 1 until City Council's Retreat on January 9-10, 2009.

## State

City Attorney Oast said that that this is the consideration of Asheville City Council's State Legislative Package for 2009

The 2009 Session of the North Carolina General Assembly convenes on January 28, 2009 (both houses). Our legislative delegation includes Senators Martin Nesbitt and Tom Apodaca, and House members Bruce Goforth, Susan Fisher, and Jane Whilden (who succeeds Charles Thomas). This session is a "long" session, so the substantive limitations on the types of bills that may be introduced are broader than for short sessions. Also, the time period for submission of local bills is longer. Although the deadline has not yet been established (this is usually one of the first actions taken), recent history indicates that the deadline is likely to be some time in mid to late March.

The purpose of this report is to advise Council of progress on our requests from 2007-08, provide additional information as to some matters of Statewide concern (and implications at the local level), and suggest some topics for legislative action.

A. Communication with legislators. While the City Council and members of the delegation do not always agree with each other, members of the delegation that I have spoken with have emphasized the need and desirability for better and more frequent communication. One member of the delegation has suggested that Council schedule a meeting to which the local delegation is invited. The 2009 session begins on January 28, and if such a meeting is to occur it will be easier to schedule before the session begins, when the legislators' duties require their presence in Raleigh. A special meeting for this purpose would be appropriate, if Council desires. However, such a meeting could be scheduled at any time, and visits to Raleigh and communication via other means is invited. Council's retreat is now scheduled for January 9-10, which permits a discussion of legislative proposals prior to the convening of the session, and this may present an opportunity for discussions with members of the delegation.

B. Legislative initiatives by other bodies.

1. Chamber of Commerce. The Governmental Affairs Task Force (GATF) of the Asheville Chamber of Commerce consists of representatives from various segments of the community, including business, non-profit, governmental, and education. Many, if not all, Council members receive notice of and regularly attend these meetings. For the past several years, this group has developed a legislative agenda of interest to the area, and this agenda is submitted to the Chamber's Executive Committee and Board of Directors for approval, which usually occurs after the first of the year. This agenda frequently includes matters of interest to the City, and we track it to see when our interests coincide.
2. League of Municipalities. The League of Municipalities is a statewide organization of cities and towns. The League works with members of the General Assembly on matters of interest to municipalities across the State, and on some local matters. The League's legislative agenda was not available as of the date of this Staff Report, but will be provided to you as soon as available. On particular matters (such as the drought management legislation of 2008), the League requests our comments, and asks that we contact our legislators.

Of particular concern this year are potential changes to the State's annexation laws. A joint committee has been established to review these laws, and the League has requested our assistance and participation. Last week (November 6), I attended a meeting in Raleigh where the topic of discussion was annexation.

3. Other municipalities. Not infrequently, we will become aware of legislation that has been requested by other local governments (usually cities) that may be of use to us. The ability to offer incentives for sustainable building practices is a recent (2007) example of this. Sometimes, our legislators will contact us if they see a bill that they think we would be interested in. However we become aware of these other bills, we bring the issue to Council, and it is usually a simple process to have Asheville added to the legislation.

C. City's 2008 Legislative Agenda. He reviewed the resolution adopted by Council last year regarding the legislative agenda. Because of restrictions on "short session" legislation, our requests for local legislation were limited; other requests consisted primarily of advocacy, with respect to certain general (statewide) legislation.

1. Asheville / Woodfin boundary adjustment. This request was initially submitted in 2007, and has been discussed since before then. Most of the property involved affects either UNC-A or the State of North Carolina, but some of it is privately owned. In 2008, we contacted all affected property owners. Several owners whose property is currently in Woodfin or unincorporated areas objected to any proposal that would incorporate them into Asheville, and there was reluctance to proceed with the adjustment over these objections. We tried to re-configure the proposed boundary to address these concerns, but found no way to do that and address the municipal service delivery issues that prompted the request in the first place. A bill was introduced, and referred to committee, but no further action was taken.

2. Street Gang Prevention. Two related bills were adopted, one strengthening the criminal laws in this regard, and one focusing on local prevention and interaction. Council supported these bills.
3. Cable TV / PEG. Council supported a bill that would have increased the distribution to local governments of the tax on video programming services. This bill apparently was not adopted in 2008, but a bill that clarifies that this revenue should be distributed to channels that actually produce programming (as opposed to being merely operational) did pass.
4. Smoking in Public Parks. A bill was introduced that would have allowed local governments to ban smoking within 50 feet of a building entrance. It passed the Senate, but failed to pass the House.
5. Criminal Justice System Funding. The State's budget included funding for 31 new assistant district attorneys, and 3 new district court judges, and authorized additional funds for probation and parole staffing. None of the new district court seats is in Buncombe County; we are checking to see if any new ADA positions for Buncombe were authorized.
6. Mental Health. The State's budget included some moderate increases in funding for mental health and other social service programs at the State level.
7. Sexual Predators / Jessica's law. Jessica's law, which restricts the activities of registered sex offenders in proximity to places where children gather (schools, daycare centers, etc.) was adopted. Another law was adopted to broaden the protection of children from sexual predators, specifically in social networking websites.

The above are matters that Council took a position on in 2008. I could not find where action had been taken on other matters in the City's package, such as salvia divinorum, but will continue to look. Other legislation of interest to municipalities was adopted in 2008, and these will be covered in a later memorandum, and possibly at the retreat.

Suggestions for Legislation. Council should begin thinking now about matters for legislative consideration in 2009, with an eye towards adopting a package in January, following your retreat. Suggestions for consideration include:

- a. Legislation allowing for a broader range of implementation of local affordable housing programs.
- b. Clarifying authority of City to place conditions on sale of certain property.
- c. Repeal of Sullivan Acts.
- d. Hotel / meal tax or other dedicated funding source for support of Civic Center.
- e. Strengthen local authority regarding illegal immigration.
- f. Renew request (last proposed in 2005) to facilitate voluntary annexation of properties near the airport (proximity to Fletcher issue).
- g. Authorization and funding for "quality of life" enforcement program, similar to other N.C. cities.
- h. Address issue of municipal incorporation of rural areas (this may be done in connection with review of annexation law).
- i. Provide / clarify authority to regulate vehicle towing from parking lots.
- j. Support creation by N.C. Utilities Commission of an organization to design and implement statewide plan for energy efficiency and conservation (NOTE: legislative action may not be needed).

The foregoing summary constitutes a beginning point for Council discussion and direction. There is no requirement for Council to take action before the General Assembly convenes, but action should be taken soon enough as to allow for timely submission to the local delegation.

This matter is before Council for further discussion and/or direction as appropriate. Once the legislative action items have been settled on, a resolution will be prepared, to be supplemented with supporting materials and transmitted to members of the

delegation.

Upon inquiry of Councilman Newman, City Attorney Oast said that he would add language about the issue of voluntary annexation for Asheville in general and our support for Asheville having the full voluntary annexation authorities that are granted to other North Carolina cities.

Upon inquiry of Councilman Mumpower, City Attorney Oast said that he would add the following language "support increased and appropriate funding of the State's criminal justice system, including, without limitation: additions to law enforcement, prosecutorial, and judicial personnel; improved facilities, including courts and detention facilities; improved programs for crime prevention and abatement, and post-conviction monitoring."

Mayor Bellamy asked that the City send a letter of appreciation to our representatives in Washington and Raleigh who helped us accomplish some of our legislative goals. She was proud of the gang legislation that did pass from a lot of collaboration between the Metro-Coalition of Mayors and Metro-Coalition of Police Chiefs, along with a lot of help from Senator Martin. She explained the models, noting that she supported the High Point model. This community initiative will be reviewed by the Planning & Economic Development Committee and brought to Council for endorsement.

In response to Mayor Bellamy regarding towing, City Attorney Oast said that he has received copies of ordinances from other cities that might be beneficial to Asheville. He will be bringing that information to the Public Safety Committee in the near future. He felt that some, if not all, of the items we want accomplished might not require special legislation.

Councilman Mumpower suggested clarification of the language "authorization and funding for "quality of life" enforcement program, similar to other N.C. cities."

In response to Councilman Mumpower, City Attorney Oast said that a lot of what Council is asking for doesn't require money from the State.

Mayor Bellamy initiated discussion regarding appointing a subcommittee to begin conversations with our State legislators and County Commissioners regarding the Sullivan Acts, which received the majority consensus support of Council. Councilman Mumpower supported all meetings be held in public view. Councilwoman Jones felt that talking is more important than mandating at what setting that discussion will take place.

Mayor Bellamy said that she can control meetings that Asheville hosts, but cannot control other bodies asking to meet with individuals. After December 1, 2009, she will extend an invitation to our State legislators and the County Commissioners to talk about this issue and then as a group discuss the next steps.

## **MILLS RIVER WATER AGREEMENT**

Mayor Bellamy said that City Council met with the Henderson County Commissioners on November 14, 2008, to discuss the water issues. In summary, Henderson County suggested terminating the water agreement with the City of Asheville and allowing Henderson County to buy the Mills River Treatment Plant. Because both bodies agreed to subcommittees (the City's consisting of Mayor Bellamy, Vice-Mayor Davis and Councilman Newman), she wanted a clear expectation of what Henderson County wants.

Councilman Newman felt that if Henderson County wants to buy the Mills River Treatment Plant, they need to submit a proposal and provide Council with more specifics in order for Asheville to respond.

Regarding the planning model presented at the November 14 meeting, it was the consensus of Council that a planning model be based on need vs. assets.

Councilman Mumpower supported continuing to clarify publicly Asheville's dedication to honor the water agreement with Henderson County. If Henderson County contends that Asheville has failed to uphold the water agreement, he asked that it be clarified.

Mayor Bellamy asked that clarification of the drought issue this summer. There was a misunderstanding in that they thought Asheville was not willing to sell the City of Hendersonville water and they had to impose water conservation measures. She asked that copies of correspondence be made available to Henderson County to show that Asheville was immediately willing to sell water to the City of Hendersonville. The decision to impose water conservation measures by the City of Hendersonville was made outside of any influence of the City of Asheville.

Councilman Mumpower asked for a concentrated effort to include other water resource entities in future regional need analysis and planning.

Mayor Bellamy said she will also bring to the table information from the Land-of-Sky Regional Council on their water analysis and water study.

Councilman Mumpower suggested a policy decision that this Council that any regional water discussions would include other water producing entities.

Councilman Newman suggested discussion with Henderson County of the Bent Creek property on the French Broad River.

In response to Councilman Newman, Interim Water Resources Director Robert Griffin said that it is his understanding that the City of Hendersonville is doing an upgrade on their water treatment plan and it does not increase their capacity. It's an upgrade similar to what Asheville is doing at their plant to bring operations more into a safer and more efficient environment for their utilities as well as how they produce water. They have been given permission for a temporary intake if we go back into a low water volume on Mills River to the French Broad. That does not increase their capacity beyond what they could produce before they were limited by the Mills River and the muscles found in the Mills River. City Manager Jackson said that he will confirm that understanding with the City Manager from Hendersonville. The City of Hendersonville did make a policy decision to forego or suspend plans to build an initial facility when they entered into the agreement with Asheville.

### **BOARD/COMMISSION APPOINTMENTS**

- It was the consensus of Council to (1) reappoint Charles Worley as a member and Chair of the ABC Board and (2) interview Mr. Robert Tuck (if a City resident) and Mr. Jim Ellis for a vacancy on the ABC Board. If, however, Mr. Tuck is not a City resident, then City Clerk Burleson was instructed to prepare a resolution reappointing Mr. Worley and appointing Mr. Ellis.

It was the consensus of Council to appoint Mr. Rod Baird as the member of the RiverLink Board of Directors to the River District Design Review Committee (to replace Mr. Richard Hall who is no longer a member of the RiverLink Board of Directors).

In response to Vice-Mayor Davis, it was the opinion of City Attorney Oast that we are on sound legal basis asking for race, sex and age on our board and commission applications, including the City Council applications. What law is out there supports diversity of the community.

### **MISCELLANEOUS**

Mayor Bellamy explained that the 2010 Census is hiring 1,000 people in our region to carry out the Census Program. She explained the importance of having every resident of Asheville counted in that over \$300 Billion per year in federal and state funding is allocated to communities and decisions are made on matters of national and local importance based on census data. Census data will also determine how many seats each state will have in the U.S. House of Representatives as well as redistricting of state legislatures, county and city councils, and voting districts. She urged the community to fill out the 2010 Census.

### **ADJOURNMENT:**

Mayor Bellamy adjourned the meeting at 6:50 p.m.

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CITY CLERK

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MAYOR