

Friday – January 9, 2009 - 1:00 p.m.  
Saturday – January 10, 2009 - 9:00 a.m.  
WNC Nature Center - Asheville, NC  
Council Retreat

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Jan B. Davis; Councilwoman Robin L. Cape; Councilman Kelly M. Miller; 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

Mayor Bellamy welcomed everyone to the City Council retreat and said that the focus of this retreat will be to together move the City in a good direction.

Mr. Keith Mastin, Education Director, welcomed City Council and staff to the WNC Nature Center.

Mr. Dan Lazar, member of the Board of Directors for the Friends of the WNC Nature Center, noted that it is on the site of the old Asheville City Zoo, which was converted into the nature center in 1974. The Nature Center teaches children, in that over 18,000 children participated in the Center's environmental education classes in Fiscal Year 2008 and over 25,000 children visited the Nature Center with their families in Fiscal Year 2008. The total Fiscal Year attendance was 86,000 people and the Center was designated a Blue Ridge Natural Heritage site in 2008.

Mr. Doug Williams, President of the Friends of the Nature Center, explained why it was important to invest in the Nature Center at this difficult financial time, and explained who the Friends of the Nature Center are. He explained the past projects funded by the Friends of the Nature Center and the 2009 planned projects, one of which is to raise funds to build an on-site veterinary clinic for the Center's animals that will be used as an educational tool for veterinary students. The veterinary clinic will have a total cost of \$410,000, with the committed funds being \$125,000 from the Friends and public donations to date is \$7,500. Still needed is a proposed designation of 2009-10 State Grassroots Science Museum Grant of \$100,000, with the unfunded balance being \$177,500. The City can help by (1) designating the 2009-10 State Grassroots Science Museum Collaborative grant (estimated \$100,000) for the construction of the veterinary clinic; and (2) include \$177,500 2009-10 Capital Improvement Funds funds for the construction of the veterinary clinic.

Mayor Bellamy thanked Mr. Mastin for the use of the Nature Center and Mr. Williams for their report.

### **Retreat Agenda and Process**

Mayor Bellamy introduced Mr. Lewis Isaac, who will be the facilitator for this meeting. He in turn reviewed the agenda, the role of the facilitator and the ground rules. Mayor Bellamy offered Council members to make any changes to the agenda, which they did not. She explained what she hoped would be accomplished and how.

### **Updates from Staff**

#### **Budget Update**

Chief Financial Officer Ben Durant recapped the First Quarterly Report. He said that at the November 18, 2008, City Council worksession, staff presented the first quarter Fiscal Year (FY) 2008-09 Financial Report, as well as a Preliminary Budget Forecast for FY 2009-10. Due to the economic recession, staff projected that general fund revenue would come in under budget in the current fiscal year by \$1.0 Million. Staff also reported to Council that the management team had already identified a set of budget savings strategies to address the \$1.0 Million shortfall in the current year. These strategies included, among others, implementation of a selective hiring program and the delay of capital equipment purchases.

Staff also reported to Council that initial budget projections for next FY 2009-10 showed that expenditures would exceed revenues in the general fund by approximately \$5.3 Million. These initial projections reflected the cost of a "continuation budget" that included existing business practices and service levels. The management team was subsequently able to reduce this initial budget gap with the following recommended strategies: (1) eliminate market-based pay adjustments for employees; (2) reduce the employee merit pay pool; (3) offer an early retirement incentive program to reduce overall personnel costs; and (4) forego the annual contribution to the Housing Trust Fund.

Adjusting the budget projections to account for these four recommended strategies lowered the projected budget gap for FY 2009-10 to approximately \$3.0 Million.

In December, the City received its October sales tax distribution from the N.C. Dept. of Revenue and it was up 23% over last October. As Council may recall, sales tax receipts were down 19% in the month of September. This double digit swing in collections between September and October is due to timing issues with the State's sales tax reports, and it highlights the difficulty in using monthly sales tax data to make meaningful projections. More importantly, through the first four months of FY 2008-09, the City's sales tax revenue is only 0.2% higher than at this time last year. In December, the City also received verification from Progress Energy that we are owed approximately \$300,000 in utility tax back payments from the State. We expect to receive this one-time payment in mid-March of this year. Based on this information and updated estimates in other revenue categories, staff is anticipating that the current year shortfall will still be in the range of \$850,000 to \$1.0 Million.

Staff has not received any data as of yet to suggest that the preliminary budget projections for FY 2009-10 warrant any revisions at this time. However, several key pieces of information that will impact next year's projections will be received in the next 4 to 6 weeks. Important upcoming dates include (1) Late January: Official FY 2008-09 current year assessed valuation data will be received from Buncombe County; (2) February 2: Deadline for departments to submit initial continuation budget requests to the Finance Department; (3) Mid-February: December sales tax revenue will be reported by the State; and (4) February 15: Final deadline for employees to accept the City's early retirement incentive.

Staff will update the preliminary budget projections for FY 2009-10 based on the data received over the next six weeks and report back to Council in late February during the 2<sup>nd</sup> Quarter Financial Report. Also, it should be noted that the management team is continuing its in-depth analysis of re-engineering opportunities, as well as evaluating our service priorities and levels. Staff will also provide an update on these efforts during the February Financial Report and seek initial Council policy direction on staff's re-engineering ideas and service prioritizations for FY 2009-10.

Throughout Council discussion, Mr. Durant and City Manager Jackson responded to various questions/comments from Council (noting that questions that could not be answered would be provided to Council), some being, but are not limited to: is there a possibility the State may withhold funds; what is the rationale behind no annual contribution to the Affordable Housing Trust Fund this year; what is the status of the demolition lien on the Tunnel Road hotel property; will the street and sidewalk fund remain flat as it did in the Fiscal Year 2007-08 budget; what is the status of the 51 Biltmore Avenue parking deck and what are the plans for improving some of the other parking decks; what is the financial impact of the changes in legislation for the Transit Department's funding; what is the impact to the taxpayer for the City paying for water and stormwater utilities; what is the breakdown of the debt service requirements from the general fund, excluding payments for the \$40 Million in revenue bonds for capital improvements for water lines; what would be the financial impact of Asheville Greenworks (Quality Forward) closing and how would it impact our downtown; how much do we spend in maintenance and cleaning the City; how much is currently in the Housing Trust Fund and how much has been repaid to the Housing Trust Fund; what is the impact to the tax base from the development of housing from the Housing Trust Fund; explanation of the amount the Local Government Commission requires and the City's policy regarding fund balance; how have salaries and fringe benefits rose over the past 3-4 years compared to other costs; what is the rationale for not cutting each department's budget by 5%; is it anticipated that the property tax collection will be lower due to people being laid off or salary cuts; and suggestion to look at what other municipalities are doing to balance their budgets.

Mayor Bellamy, Councilwoman Cape and Councilman Newman all spoke about the value of the Housing Trust Fund and how valuable those funds are to leverage affordable housing tax credit projects. Mayor Bellamy and Councilwoman Cape supported the Housing Trust Fund being scaled back, but not in foregoing the annual contribution altogether.

### **Strategic Plan**

Assistant City Manager Jeff Richardson briefly reviewed with Council the 2008-09 Strategic Plan's key milestones.

In response to Councilman Newman, Councilwoman Cape was pleased to report that since the City started their program in 2006-07, we reduced our energy consumption by a total of 12.8% last year. The Sustainable Advisory Committee on Energy and the Environment's annual report will be coming to Council shortly that will provide additional information.

### **Conclusions from Department Director Retreat**

Assistant City Manager Jeff Richardson briefed Council on the staff discussion at the Department Director retreat held in December, 2008.

Mr. Richardson touched on Department Director's FY 2009-10 goals as follows: (1) reduce expenditures (a) reengineering opportunities; (b) organizational chart analysis (early retirement); (c) service prioritization (reduction strategy); and (d) communications strategy; (2) pursue revenue sources (a) annexation; (b) revenue larger fees for cost recovery potential (i) (non-city residents); (c) revenue reengineering ideas; (d) water rate increase (Consumer Price Index); (e) verify utility tax revenue received;

and (f) asset management – real estate; (3) Capital Action Plan (a) policy direction for Capital Improvement Project affordable (size and scope); (b) 2/3 bond issuance; (c) economic stimulus package; (d) prioritize and refine inventory of deferred maintenance (i) buildings; (ii) rolling stock; and (iii) parks; (e) safety and security infrastructure/management systems; and (f) lobby for State and Federal Transportation money; (4) process improvements/BTIP (a) training for staff regarding process redesign and software tools; (b) implement process design and documentation (i) identify process improvements to take advantage of technology; (c) technology tool training (how to use?); (d) maintain involvement in process owners and key staff throughout process; (e) fully develop DRP prior to implementation of technology; and (f) communication plan; (5) employee retention (a) redefine Employer of Choice; (b) goal, communicate, communicate, communicate; (c) manage leadership schedules to allow time for informal time with employees; and (d) realistic total compensation program/package. The old Employer of Choice was agreed to be discussed at a later date – The Asheville Way (a) set aside funds for leadership training; (b) revitalize Corporate “U” (i) focus middle management; (c) continue discussions on diversity training; (d) manage leadership schedules to allow time for informal time with employees; (e) look for grant opportunities from private foundations for funding; (f) create Training Director position; (g) identify who the most likely candidates for succession are; (h) establish mentoring program; and (i) realistic total compensation package; and (6) (a) lobby for state and federal transportation money; (b) economic stimulus package (i) AT&T; (c) strengthen and market City of Asheville Youth Leadership Academy for workforce development; (d) development plan for Technology Park in Central Business District and high education and training center; (e) foster relationship with governmental agencies and private sector; (f) continue redevelopment of key city sites to promote high density infill (i) RFP sites; and (ii) 51 Biltmore; (g) revisit the current ED incentive package; (h) revisit Unified Development Ordinance amendments not involving life safety issues; (i) one stop shop; (j) continue to Wilma Dykeman implementation and encourage a joint City/County Advisory Commission; (k) review Community Development Block Grant policies for opportunity to promote affordable housing and infrastructure; (l) finalize and/or compete Downtown Master Plan, Transit Plan, and Parks and Recreation Master Plan; and (m) continue in-kind support of HUB; and (7) revisit Council implementation schedule on strategic goals.

City Manager explained that staff recognizes the challenges that we face as an organization to get through this fiscal crisis and the need to revisit how ambitious we set out to accomplish new and innovative things.

Mayor Bellamy said that Council will need to balance their goals to ensure that the quality of life or quality of service for our citizens is not put in peril.

### **Customer Service Summary**

- Assistant City Manager Jeff Richardson highlighted some of the Customer Service survey strengths and challenges communicated to our organization. Challenges/opportunities include: (1) transportation services; (2) affordable housing availability; (3) planning/community code enforcement; (4) Economic Development/employment opportunities; (5) downtown safety at night; (6) community environment; (7) recreation center; and (8) public trust. Strengths being (1) quality of life; (2) Asheville as a place to live; (3) neighborhood safety; (4) fire services; (5) garbage collection; (6) opportunities to attend cultural activities; (7) educational opportunities; (8) sense of community; (9) participation in community activities; (10) volunteer image; and (11) employee responsiveness.

### **Council Discussion**

Mayor Bellamy said this is an opportunity to reaffirm the Asheville City Council 2008-09 Strategic Plan with the four focus areas of sustainable, affordable, green and safe, with opportunity for re-wording goals, objectives and action items or deleting them if accomplished. After a short discussion, it was the consensus of Council to add an additional focus area of “Fiscal Responsibility”.

Each Council member explained their personal goals for 2009-10 as follows, some reaffirming the goal which is currently in the existing 2008-09 Strategic Operating Plan:

#### **Councilman Newman**

- Efforts to resolve lawsuit regarding Sullivan Act – ability for Asheville to grow through voluntary annexation agreement as new development takes place and seeks to connect to City services
- Reformation of the Unified Development Ordinance to achieve Council's goals in terms of green building and affordability
- Partnerships to achieve more effective prosecution of all offences

#### **Councilman Mumpower**

Councilman Mumpower said that his goal recommendations are predicated on the following (1) a belief that the Federal borrow and spend policies are neither appropriate or adequate to the role of security our economy and that our national and local economic downturn will be dramatic and long-term; (2) a positive that the best governments are those which anticipate revenue/service issues before the fact rather than react during or after the crisis; (3) a belief that sacrifice, adjustment, and recovery should be modeled from the top down; and (4) a position that we should not participate in further harm to our economy by seeking or accepting federal or state revenue that is derived from borrowed funds or budgetary largesse.

- An immediate 20% salary reduction for City Council members (senior managers should be encouraged to consider their own 10% cut)
- Discontinue funding all outside agencies, festivals, home loans, council travel, planning, paid consultation, and all other non-essential services – dedicate all resources to essential city services. Further, he believes that we should return all federal and state money that is in the pipeline but has not yet been used – including federal funding for Memorial Stadium (we mock the sacrifice of veterans by undermining the system for which they sacrificed)
- Make “safety” a priority as Asheville’s unique commodity for attracting new residents and businesses – “The Safest City in America” has the potential to become a very important product in a dangerous world. In anticipation of stepped up criminal activity in a time of economic difficulty, develop a publically championed zero tolerance policy for all criminal activity – press for more accountability from state criminal judicial system. Look for ways to eliminate “leakage” of our limited public safety resources – waiting time in courtrooms, involvement in non-essential services while on city duty (festivals as an example), etc.
- Instruct City Manager to implement a 10% cut in the City budget within 30-60 days – be prepared with a plan for a 20% cut in the new budget year
- Pursue a four day work-week for City staff and work to cut back hours versus staff as a means to spreading the impact of the upcoming downturn – resist temptations to prematurely use City fund (savings) reserves. Begin screening to roll back enforcement responsibilities and unnecessary rules in the Unified Development Ordinance and other city ordinances (flag ordinance, chicken costume regulation, double standard sign ordinances, etc.)
- Recognition of progress – but continued failure to illuminate our open air drug markets and reassessment of methods, needs, and opportunities to more seriously commit to securing this goal and more effectively protecting our children (it is a personal view that our failure to eliminate our open air drug markets and resulting harms in public housing and vulnerable low income neighborhoods as a form of child abuse)
- Work with the Housing Authority to establish a partnership program that establishes one housing development as a model “Safe Place” – including zero tolerance for any criminal activity, stepped up police enforcement, zero tolerance for rule violations, strict standards of behavior for residents/visitors, outside support from volunteer churches and civic organizations, increased use of technology, etc. – we need a model that is working to prove that we can do it in every public housing development
- Stop dodging our local responsibility to enforce illegal immigration – this is hands down America’s quickest and most realistic jobs creation program and will dramatically reduce the drain on our social services, health care, education, and criminal justice systems
- Support an “all of the above” policy on energy independence – emphasizing realistic and empirically ground methodologies;
- Dedicate ourselves to jobs creation – model and encourage a city-wide “Buy America” policy, creatively support local export industries, push 287 (g), and encourage 21<sup>st</sup> century education to match 21<sup>st</sup> century realities (stop pushing “college” and start pushing skills and employability).

### **Councilwoman Cape**

- Support voluntary annexation agreement as new development takes place and seeks to connect to City services
- Get in front of the conversation of what we are interested in, in terms of affordability, green initiatives, incentivizing, etc. and have that information ready when we get out of our economic turndown
- Understanding of conditional use limitations and how can we make our processes work better to achieve our goals

better

- Support City's goal of energy reduction
- Utilize the economic incentives we received for energy efficiencies to see how can we help jump start the economy, along green building and green businesses, with the tools we have in place

### **Councilman Miller**

- Work with the County and State legislators on the water issue: possible solution prior to any further legal expenditures. Is there a win-win where both sides give up a little to achieve a lot? Annexation issue is also part of this priority;
- Budget – Adhere to our mission: the City of Asheville is committed to delivering an excellent quality of service to enhance your quality of life. How do we do this, knowing we have a budget deficit and a sick economy
- Health of downtown Asheville: implementing solutions to four important social issues affecting the City's health: (a) graffiti and vandalism; (b) cleanliness; (c) towing; and (d) panhandling
- Asheville Downtown Master Plan: adoption and developing a specific plan of action that is complete with timeline and fiscal/policy implications so we can convert the plan from written recommendations to action
- Economic development and job creation: maintain aggressive and proactive strategies with key partners to make the City of Asheville as business friendly as we possibly can during these difficult times
- PSP: no idea the impact a completed PSP will have on our community as well as budget and resources. A well vetted management plan for a completed PSP that includes annual maintenance and operations plan, budget, usage guidelines and a governance model that achieves predetermined objectives
- Comprehensive growth management plan: (Pat Smith with community foundation)
- Riverfront development – Wilma Dykeman Riverway or greenway infrastructure
- Healthy lifestyles what are those programs and policies we can affect that add to Asheville's growing reputation as a healthy place to live, work and play. Lighten up for life, bike paths, sidewalks, farm to table
- Affordable housing: maintain those dollars in the Affordable Housing Trust Fund, if possible
- Green sustainable solutions: provide incentives and easy to understand green solutions for industry, residents and small businesses so we can truly walk the sustainability talk (Community Energy Advisory Council)
- Volunteerism
- Safe/secure

### **Councilman Russell**

- Look at publicly owned properties and ways to improve our ordinances for our own spaces;
- Unified Development Ordinance – look at ways at being more objective and predictable
- Consolidation
- Concentrated effort to review financial impacts for all projects
- Business friendly and encouragement of economic growth

### **Vice-Mayor Davis**

- Civic Center, use of volunteers and review of public skating venue
- Public safety – Continue efforts to eliminate open air drug market – Partnership for a nuisance court
- Hope to keep merit pay in to some degree
- Riverfront development – City function with office
- Fireworks on New Years Eve

### **Mayor Bellamy**

- Recommend no tax increase

- Advocate for measured reduction strategies across departments
- Support funding for Affordable Housing Trust Fund
- Support funding for basic city services including infrastructure, public safety, park and parks and recreation
- Use current funding that has been allocated and raised to complete W.C Reid Center
- Recommend pursuing opportunities for cost savings – during the fuel shortage were there practices that were adopted that can be continued to cut costs
- Reduce the number of monthly Council meetings
- Work with Buncombe County and State legislators on addressing concerns in the water Agreement
- Develop a local economic stimulus package, similar to the N.C. Dept. of Transportation's potential Economic Stimulus and Recovery Plan, which she presented out to Council
- Lobby federal and state legislators on behalf of needs outlined in economic stimulus Package
- Develop a Riverway Redevelopment Commission in connection with Buncombe County, Chamber, Riverlink and river property owners
- Work with Henderson County on providing water to Northern Henderson County - receive land back and split the proceeds of a sale
- Work towards additional green jobs for the citizens of Asheville
- Maintain diversity
- Maintain goals of being a safe, affordable, green and sustainable City of Asheville
- Keep Asheville clean

Mayor Bellamy noted two recommendations (1) Planning & Zoning – Keep safe, attractive, energy efficient homes among your highest priorities by continuing your support of the Asheville Housing Trust Fund; (2) Asheville Downtown Commission – (a) commitment to aid in communication and help to be a better liaison for downtown issues; (b) partnership with Pritchard Park warden; (c) implement Social Issues Task Force's downtown plans; (d) better infrastructure – implement Wayfinding Program; and (e) better communication/management of City's downtown services.

It was the consensus of Council for the Mayor to write a letter to the Grove Park Inn expressing the City's appreciation for the fireworks the first three Saturdays in December, 2008.

City Council then, with the understanding that we are in a time of economy concern, affirmed the Asheville City Council 2008-09 Strategic Plan (including the fifth focus area of fiscal responsibility) and re-worded the existing goals, objectives and action items, deleting them entirely if accomplished or if they could not be accomplished in 2009-10.

In response to Councilwoman Cape, City Manager Jackson provided Council with copies of the Planning & Development Department's current development process review schedule being worked on, which detailed the process, timeline and particular section amendments being reviewed.

The following is a list of the new goals and objections, that received majority support of Council, to be folded into the 2009-10 Strategic Operating Plan:

- Explore potential of a zero tolerance policy
- Provide leadership in buying and hiring local
- Consolidation
- Support efforts to improve public safety in downtown parks and public spaces
- Continue support of Housing Trust Fund
- Develop an economic stimulus package
- Expand all non-salaried volunteer opportunities

City Manager Jackson said that the following items, which did not receive majority support of Council, would be reviewed to see if it is in the specific department's current work plan:

- Review of the Affordability Housing Task Force
- Review of the Sustainable Advisory Committee for Energy & the Environment
- Review of the conditional use process (consensus of Council to have City Attorney Oast bring forward an ordinance to delete this process)
- City Council salary reduction
- Discontinuance of outside agency funding

- 10% cut in the City's budget
- Four day work-week (consensus to reaffirm program)
- Review enforcement responsibilities in the Unified Development Ordinance
- Enforcement of illegal immigration laws
- balanced approach to energy use
- Suspension of additional investment this year in planning documents, consultants and studies

At Mayor Bellamy's request, it was the consensus of Council to have the Veterans and Memorial Day celebrations included as part of the festivals that the City adopts annually. She noted that Memorial Day has been included since 2002.

At 5:10 p.m., Mayor Bellamy said that the City Council retreat will continue at 9:00 a.m. on January 10, 2009.

Saturday, January 10, 2009 - 9:00 a.m.  
WNC Nature Center - Asheville, NC

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Jan B. Davis; Councilwoman Robin L. Cape; Councilman Kelly M. Miller; Councilman R. Carl Mumpower (left meeting at 11:44 a.m.); Councilman Brownie W. Newman; Councilman William A. Russell Jr.; City Manager Gary W. Jackson; City Attorney Robert W. Oast Jr.; and City Clerk Magdalen Burseson

Absent: None

Mayor Bellamy welcomed everyone to the continuation of the City Council retreat, noting that she was pleased with the progress made at the meeting yesterday.

**City Council Committees**

Mayor Bellamy initiated discussion concerning whether the four City Council Committees are worthwhile of Council's time.

After discussion, it was the consensus of the majority of Council to continue with the four City Council Committees, as each have value. She felt that items should be routed through the appropriate City Council committee prior to consideration by the full Council. If there is no City Council Committee for the item, the matter is to be reviewed by City staff. Mayor Bellamy suggested that all strategic goals be aligned with the specific Council Committee for reporting, as that may help with the focus of the Committee. City Manager suggested that once the strategic goals are reworded, they would be routed through the Council committees for review and comment/revision before being placed on Council's agenda for adoption. Staff liaisons to the Council committees will also place an item on the Committee's quarterly agenda for a strategic operating plan update, with periodic reporting by the Committee chairs to the full Council.

Public Safety Committee – Mayor Bellamy and Vice-Mayor Davis – A third member is yet to be determined

Planning & Economic Development Committee – Vice-Mayor Davis, Councilwoman Cape and Councilman Russell (change to 2:00 p.m. on the second Wednesday of each month)

Finance Committee – Councilman Newman, Councilman Russell and Councilman Miller

Housing & Community Development Committee – Councilwoman Cape, Councilman Newman and Councilman Miller (with regular meeting time and date to be determined)

Boards & Commissions Committee – Vice-Mayor Davis, Mayor Bellamy and Councilman Mumpower (with regular meeting time and date to be determined)

It was the consensus of Council to include the appropriate City Council committee recommendation in all staff reports.

**Boards & Commissions**

After a brief discussion about the role of City Council liaisons, it was the consensus of Council to ask the Boards & Commissions Committee prepare a letter, with prior Council review, to all Chairs re-establishing the values of the committee, advising them of their City Council liaison, explaining City Council's role as a liaison vs. a regular voting member, re-stating their mission and the importance of the committee to reflect citizen views on topics, etc. She felt the liaison's role is to advise the board

what Council's goals are specific to that particular board and that the board be reminded to keep the liaison involved. An annual report from each Committee will be provided to Council, along with monthly minutes shortly after the meetings occur.

It was the consensus of Council that the Boards & Commissions Committee (1) review all boards to determine if they receive funding from the City and if so, there should not be a voting member of Council on the board; and (2) look if there are any competing roles or overlapping responsibilities for the different boards.

Recognizing the importance of our boards & commissions, Mayor Bellamy noted that she is making sure that all applicable agenda items are thoroughly reviewed by the appropriate board/commission prior to coming to the full Council.

### **City Council Agenda Scheduling for City Council Members**

- Discussion surrounded the policy for City Council members to place an item on the agenda. Options available include the former policy of three or more members, one member of Council, and/or City Council Board Committee Chairs.

Mayor Bellamy noted that it is her goal to get a Council-requested item on the formal meeting agenda within 30 days.

Mayor Bellamy was concerned with the amount of time spent in discussing an agenda item. Each hour of the Council meeting is approximately \$2,000, and it is her goal to reduce that cost. Councilman Mumpower noted that he is a minority representation and that he will continue to passionately and verbally defend his conservative position.

There was a brief discussion about the amount of time spent on the Consent Agenda items and the purpose of the Consent Agenda, which is to be adopted by a unanimous vote of the Council of the routine, non-controversial items. Mayor Bellamy suggested that members of Council are furnished with a copy of the tentative monthly agenda at the beginning of the month and perhaps any concerns regarding an item can be resolved prior to the meeting. In addition, the agenda item, in its entirety, is provided to Council at least three days prior to the formal meeting and suggested any questions be forwarded to the City Manager for response prior to the meeting.

### **Public Comment at Meetings**

- Mayor Bellamy asked for clarification as to whether Council will or will not allow public comment, under the Informal Discussion and Public Comment section, if the item was discussed on the agenda.

It was the consensus of Council that if Council receives the agenda item purely for information purposes only and no public comment was allowed at that time, that it would be appropriate for the public to comment on that item at the end of the meeting.

After a brief discussion regarding Council members speaking under informal discussion and public comment, Councilman Mumpower recalled that only 2-3 times he used that venue in that he felt he was being censored.

Councilman Newman felt that the public comment period is the time that Council has set aside to listen to the public.

It was reaffirmed that there will be no discussion on the agenda of personnel issues. If an item should arise, it will be referred to the City Manager.

It was the consensus of Council that when individuals speak under public comment and ask Council questions that the Mayor advise the person that the City Manager will meet with them after the meeting to set up a meeting time and time to discuss their concerns.

It was the consensus of Council for Mayor Bellamy to work with City staff to advise the public via a program on our Government Channel about Council meeting procedures.

Mayor Bellamy said that regardless of whether she is running for office or not, she will continue handling her responsibilities as Mayor of the City of Asheville until her term as Mayor ends.

### **Worksessions**

Mayor Bellamy brought forward discussion about the Council worksessions. After a brief discussion regarding the value of Council Committees, it was the consensus of Council to hold only two formal meetings a month (2<sup>nd</sup> and 4<sup>th</sup> Tuesdays) at 5:00 p.m. in the Council Chamber and to amend the 2009 City Council meeting schedule to delete the 3<sup>rd</sup> Tuesday worksession (effective immediately). When worksessions are needed (budget, etc.), it was suggested that they be held either on the 3<sup>rd</sup>

Tuesday of the month, or prior to the regularly scheduled formal meetings.

A brief discussion was held regarding meetings on the 5<sup>th</sup> Tuesday of any given month. It was the consensus of Council that (1) the 5<sup>th</sup> Tuesdays of any given month be blocked off for community meetings; however, the March 31, 2009, date be held for the Mission Hospital Board meeting, previously scheduled; and (2) that the June 30, 2009, date be a community meeting in the South Asheville area (not Shiloh, since Council has previously been there), at 6:00 p.m., at a place to be determined. It was also the consensus of Council to limit City staff attendance at the meetings to key departments and others who may be able to complement requests from that area.

### **Intergovernmental Relations**

Mayor Bellamy briefly updated Council on the meeting with Henderson County representatives. It was pointed out that Henderson County does not want to buy the system from the City of Asheville, nor do they have the money to invest in to buy into the water system. They have no desire to be in the water business. They were also clear that they have until 2012 to decide if they will build a sewer treatment plant at Bent Creek. After 2010, they can transfer the property to the Metropolitan Sewerage District (MSD), who then has 10 years within which to build a sewer treatment plan. She has asked City Attorney Oast to prepare a letter asking what MSD's position is on that property. MSD will respond back to the City in writing. Since it could be 13 years before the City gets the 137 acres back, they proposed taking the amount offered by former Mayor Charles Worley, which was not a reasonable figure. In addition, Progress Energy would like to expand some of their power lines on the property, however, the City will need to get an appraisal to see the financial impact if they do expand their lines. Those power lines will, of course, impact the value of the land. Another meeting will be held in approximately 30 days and Progress Energy will update the group on this proposed expansion. At the next meeting, Henderson County will also provide some Best Practices information from other cities who have regional water service providers in the area, e.g., how are they governed and what do they look like.

Councilman Newman also noted that the existing water agreement needs to be amended so that it is clear on the responsibilities of both parties.

A discussion was held on the position City Council would like for the Mayor to represent at their next meeting. It was the consensus of Council that the language in the existing water authority with Henderson County be reviewed for amendment; to explore the potential for an early transfer of the 137 acres back to the City with a riverfront greenway and no payment up front to Henderson County. But, if there is real interest in selling the property, that a potential split (which would be negotiated) would be of interest to City Council, with details to be worked out. After the information is received from MSD, this matter, and the issue about an appraisal of the property, will be discussed further by Council.

A brief discussion was held whether the proceeds from the sale of the property would be rededicated to the water system to possibly prevent the need for a water tax increase, or used for other uses in the general fund.

### **Legislative Priorities**

Vice-Mayor Davis said that research done by the Task Force for the Future of the Civic Center confirmed almost all arenas, conference, convention and performance centers throughout the state enjoy a percentage of hotel/motel room tax, either in the initial construction or through the life of the facility for capital improvement. The percentage varies from a half to three percent but an increment of room tax is consistently applied to the communities' public gathering places. Once again, Asheville is treated uniquely; other venues are not required to garner room nights as a condition to receive proceeds from room tax. He also remains firmly convinced that the Asheville Civic Center is directly responsible for many room nights and, at the very least, is a direct contributor to the vibrant downtown and the destination it has become. Our legislative agenda should include the request for a one percent dedication of hotel/motel tax revenue to be used for debt service on a near term upgrade of the Asheville Civic Center, consistent with the recommendation of the Task Force for the Future of the Civic Center. Should the one percent be beyond what Council is comfortable in asking, at least a half percent should be requested for the Civic Center Capital Improvement Program. It is a fair and normally dedicated tax that will help alleviate the burden of the local taxpayer as is done throughout the country, and, particularly, North Carolina. Recognizing the downturn in the economy, we may not be successful in this session but the request must be persistently included in our legislative agenda.

There was brief discussion about the regional nature of the Civic Center and the need for outside revenue to help renovate it. Councilman Miller felt the hotel tax money might be better spent on more advertising or on a new performing arts center where it could generate more hotel stays and sale tax revenue, which would spread the burden. He explained the three granting cycles of the Tourism Development Authority's Product Development Fund, and strongly suggested staff bring forward a strong proposal for those funds.

It was the consensus of City Council to include Vice-Mayor Davis' request on the Council's legislative agenda; and for staff

to make application to the Tourism Development Authority's Product Development Fund for a Civic Center renovation project making the case how the Civic Center is a beneficial to tourism in our community.

Mayor Bellamy said that a vote will be taken on the legislative agenda at the January 27, 2009, meeting, at which time Council will review last year's requests and include any new ones. City Attorney Oast said that Council can continue to make legislative requests up until the deadline.

Mayor Bellamy said that a meeting with our state legislators will be set up to discuss Asheville's legislative agenda.

Upon inquiry of Councilman Newman, City Attorney Oast suggested City Council discuss the legal issues surrounding the water agreement in closed session with the policy issues being discussed in open session.

At 11:43 a.m., Councilman Russell moved to go into closed session pursuant to N.C. Gen. Stat. sec. 143-318.11(a)(3) to consult with the City Attorney on a matter with the respect to which the attorney-client privilege between the City and its attorney must be preserved, including litigation involving the following parties: the City of Asheville, the State of North Carolina, and Buncombe County. This motion was seconded by Councilman Miller and carried on a 6-1 vote, with Councilman Mumpower voting "no". At this time, Councilman Mumpower left the meeting.

At 12:43 p.m., Councilman Russell moved to come out of closed session and return to the formal meeting. This motion was seconded by Vice-Mayor Davis and carried unanimously.

It was the consensus of Council to hold a worksession on annexation and the water agreement on Tuesday, January 27, 2009, at 3:00 p.m.-4:45 p.m., in the Council Chamber.

At 12:46 p.m., Mayor Bellamy adjourned the meeting.

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**CITY CLERK**

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**MAYOR**