

Tuesday – May 10, 2016 - 5:00 p.m.

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Cecil Bothwell; Councilman Brian D. Haynes; Councilwoman Julie V. Mayfield; Councilman Gordon D. Smith; Councilman W. Keith Young; City Manager Gary W. Jackson; City Attorney Robin T. Currin; and City Clerk Magdalen Burleson

Absent: None

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

Mayor Manheimer asked for a moment of silence for Mr. Isaac Coleman who died today of cancer.

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING MAY, 2016, AS "MOTORCYCLE AWARENESS MONTH"

Councilman Young read the proclamation proclaiming May, 2016, as "Motorcycle Awareness Month" in the City of Asheville. He presented the proclamation to Ms. Crystal Buckner, representing the Concerned Bikers Association of North Carolina, who outlined some activities taking place during the month.

B. PROCLAMATION PROCLAIMING MAY 15-21, 2016, AS "NATIONAL PUBLIC WORKS WEEK"

Vice-Mayor Wisler read the proclamation proclaiming May 15-21, 2016, as "National Public Works Week" in the City of Asheville. She presented the proclamation to Public Works Director Greg Shuler who introduced employees from the various Public Works Divisions.

C. PROCLAMATION PROCLAIMING JUNE 6-12, 2016, AS "HEMP HISTORY WEEK"

Councilman Bothwell read the proclamation proclaiming June 6-12, 2016, as "Hemp History Week" in the City of Asheville. He presented the proclamation to Mr. Timothy Sadler, and others, who outlined some activities taking place during the week.

D. PROCLAMATION PROCLAIMING MAY, 2016, AS "LYME DISEASE AWARENESS MONTH"

Councilman Smith read the proclamation proclaiming May, 2016, as "Lyme Disease Awareness Month" in the City of Asheville. He presented the proclamation to Ms. Jan Dooley, Mr. Rick Cormier, and others, who outlined some activities taking place during the month.

II. CONSENT AGENDA:

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON APRIL 26, 2016

B. SECOND AND FINAL READING OF ORDINANCE NO. 4498 GRANTING A

FRANCHISE AGREEMENT WITH ASHEVILLE HORSE AND CARRIAGE TOURS, LLC, FOR THE OPERATION OF A HORSE DRAWN CARRIAGE BUSINESS WITHIN THE CITY OF ASHEVILLE

Summary: The first reading of this ordinance was heard by City Council on April 26, 2016. At Council's April 26, 2016, meeting, they voted unanimously to approve the granting of the Franchise Agreement to Asheville Horse and Carriage, LLC with the following amendments to the originally proposed franchise ordinance: 1) that the term of the franchise agreement be limited to a period of two (2) years; and 2) the franchise agreement be non-transferable.

Additionally, after the April 26th meeting, the Transportation Director met with members of the APD staff, including animal services officers, who have been monitoring the horse drawn carriage operation to date. They had several suggestions for clarifying the proposed franchise ordinance requirements including better means of identification of the horse(s) (i.e. microchip), clarification regarding in-harness rest period, and additional documentation to be kept in a daily log by the carriage operator. These suggested revisions have been incorporated into the franchise ordinance.

ORDINANCE BOOK NO. 30 - PAGE 288

C. RESOLUTION NO. 16-100 - RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A FEDERAL AVIATION ADMINISTRATION GRANT FOR THE ASHEVILLE REGIONAL AIRPORT TO REHABILITATE RUNWAY AND ACQUIRE AIRCRAFT RESCUE AND FIREFIGHTING VEHICLE

Summary: The consideration of a resolution authorizing the Mayor to approve a Grant Offer from the Federal Aviation Administration (FAA) in the amount of \$12,260,258.

The FAA has offered a grant agreement to the Asheville Regional Airport. This grant, in the amount of \$12,260,258 for the following: rehabilitate runway (Phase 4 Site Preparation and NAVAIDs Installation, Permanent Runway 16/34), and acquire aircraft rescue and firefighting vehicle.

Staff recommends adoption of the resolution authorizing the Mayor to execute the grant agreement for Project No. 3-37-0005-046-2016.

RESOLUTION BOOK NO. 38 - PAGE 18

D. RESOLUTION NO. 16-101 - RESOLUTION AUTHORIZING THE POSSESSION AND/OR CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE THE ASHEVILLE VEGFEST ON MAY 15, 2016

RESOLUTION NO. 16-102 - RESOLUTION AUTHORIZING THE POSSESSION AND/OR CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE DOWNTOWN AFTER FIVE EVENTS ON MAY 20, JUNE 17, JULY 15 AND AUGUST 19, 2016

RESOLUTION NO. 16-103 - RESOLUTION AUTHORIZING THE POSSESSION AND/OR CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE ASHEVILLE HALF MARATHON ON JUNE 4, 2016

RESOLUTION NO. 16-104 - RESOLUTION AUTHORIZING THE POSSESSION AND/OR CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE ARTS TO PEOPLE FESTIVAL ON SEPTEMBER 4, 2016

RESOLUTION NO. 16-105 - RESOLUTION AUTHORIZING THE POSSESSION AND/OR CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE AIA ASHEVILLE DESIGN AWARDS GALA ON SEPTEMBER 8, 2016

Summary: The consideration of resolutions authorizing the City Manager to approve a resolution making provisions for the possession Asheville Vegfest, Downtown After 5, the Asheville Half Marathon, the Arts to People Festival, and the AIA Asheville Design Awards Gala.

and consumption of malt beverages and/or unfortified wine at Asheville Vegan Society has requested through the City of Asheville Community & Economic Development Department that City Council permit them to serve beer and/or unfortified wine at Asheville Vegfest and allow for consumption at this event.

Asheville Vegfest will be held on Sunday, May 15, 2016 from 10:00 a.m. to 6:00 p.m. within the boundaries of Pack Square Park as per the area limits referenced on the accompanying site map.

- Asheville Downtown Association has requested through the City of Asheville Community & Economic Development Department that City Council permit them to serve beer and/or unfortified wine at Downtown After 5 and allow for consumption at this event.

Downtown After 5 will be held on Fridays, May 20, June 17, July 15, August 19, and September 16, 2016 from 5:00 p.m. to 10:00 p.m. within the boundaries of Lexington Avenue as per the area limits referenced on the accompanying site map.

- Iron Girls has requested through the City of Asheville Community & Economic Development Department that City Council permit them to serve beer and/or unfortified wine at the Asheville Half Marathon and allow for consumption at this event.

Asheville Half Marathon will be held on Saturday, June 4, 2016 from 7:00 a.m. to 12:00 p.m. within the boundaries of Pack Square Park as per the area limits referenced on the accompanying site map.

- Arts 2 People has requested through the City of Asheville Community & Economic Development Department that City Council permit them to serve beer and/or unfortified wine at the Arts to People Festival and allow for consumption at this event.

Arts 2 People Festival will be held on Sunday, September 4, 2016 from 11:00 a.m. to 10:00 p.m. within the boundaries of Lexington Avenue, Hiwassee Street, and Walnut Street as per the area limits referenced on the accompanying site map.

- AIA Asheville has requested through the City of Asheville Community & Economic Development Department that City Council permit them to serve beer and/or unfortified wine at the AIA Asheville Design Awards Gala and allow for consumption at this event.

AIA Asheville Design Awards Gala will be held on Thursday, September 8, 2016 from 7:00 p.m. to 9:30 p.m. within the boundaries of Pack Square Park as per the area limits referenced on the accompanying site map.

Pro:

- Allows fundraising opportunities for the Asheville Vegan Society, Asheville Downtown Association, Iron Girls, Arts 2 People, and AIA Asheville

Con:

- Potential for public safety issues

Staff recommends City Council adopt a resolution authorizing the City Manager to approve a resolution making provisions for the possession and consumption of malt beverages and/or unfortified wine at Asheville Vegfest, Downtown After 5, Asheville Half Marathon, Arts 2 People Festival, and the AIA Asheville Design Awards Gala.

RESOLUTION NO. 16-101 - RESOLUTION BOOK NO. 38 - PAGE 19
RESOLUTION NO. 16-102 - RESOLUTION BOOK NO. 38 - PAGE 22
RESOLUTION NO. 16-103 - RESOLUTION BOOK NO. 38 - PAGE 25
RESOLUTION NO. 16-104 - RESOLUTION BOOK NO. 38 - PAGE 28
RESOLUTION NO. 16-105 - RESOLUTION BOOK NO. 38 - PAGE 31

E. RESOLUTION NO. 16-106 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CHANGE ORDER WITH W.K. DICKSON & CO. INC. FOR THE HORIZON HILLS WATERLINE IMPROVEMENT PROJECT

Summary: The consideration of a resolution authorizing the City Manager to execute a change order with W. K. Dickson & Co., Inc., to increase the engineering design services contract in the amount of \$9,170 from a total contract amount of \$309,830 to \$319,000 for the Horizon Hill Waterline Improvement Project.

On July 23, 2013, City Council awarded the engineering design services contract to W. K. Dickson & Co., Inc., for the Horizon Hill Waterline Improvement Project. The contract consisted of a survey, a hydraulic analysis, engineering design, construction administration, and other related professional services for new 6-inch and 8-inch waterlines within the Horizon Hill area neighborhoods. During the course of the project, issues arose that required additional work and time from the engineering consultant. This additional work and effort was needed in order to meet the project objective of replacing existing substandard and failing waterlines in favor of new waterlines to create improved water service and fire protection.

The additional engineering services create the need for a change order to increase the contract amount by an additional \$9,170 for a total contract amount of \$319,000.

This project is identified as a need in the City of Asheville Water Resources Department's Capital Improvement Plan, and this action allows us to comply with that plan.

Pro:

- Approval of the change order will allow the City to complete the engineering services for the entire project.

Con:

- If the change order is not approved, then the project cannot be completed.

The funding needed for the change order is currently allocated within the Horizon Hill Waterline Replacement Project in the Water Resources Capital Improvement Projects fund. No budget amendment is necessary.

Current Amount of W. K. Dickson & Co., Inc. Contract	\$309,830
<u>Amount Needed for Change Order</u>	<u>\$ 9,170</u>
Total Amount for Engineering Contract	\$319,000

The amount remaining in the Horizon Hill Waterline Replacement Project will be saved for the construction portion of the project. Staff will seek Council approval of contracts associated with this project if the amount of the contract requires Council approval per the City of Asheville Procurement, Purchasing and Contracting Policy.

City staff recommends City Council approval of the resolution authorizing the City Manager to execute a change order with W. K. Dickson & Co., Inc., to increase the engineering design services contract in the amount of \$9,170 from a total contract amount of \$309,830 to \$319,000 for the Horizon Hill Waterline Improvement Project.

RESOLUTION BOOK NO. 38 - PAGE 34

F. ORDINANCE NO. 4500 - ORDINANCE GRANTING A FRANCHISE AGREEMENT FOR THE OPERATION OF A LOW SPEED VEHICLE SHUTTLE SERVICE WITHIN THE CITY OF ASHEVILLE

Summary: The consideration of an ordinance granting a franchise agreement for the operation of a low speed vehicle shuttle service within the City of Asheville.

City staff has been working with a representative of the Hilton Garden Inn who is interested in providing a low speed vehicle shuttle service as an amenity for their guests within the City of Asheville under the business name of Hilton Garden Inn Asheville Downtown. The service would operate in the downtown Central Business District (CBD) on city-maintained and state-maintained streets that have a posted speed limit less than 35 mph.

By definition (NCGS # 20-4.01(27)h), a low speed vehicle is a four-wheeled electric vehicle whose top speed is greater than 20 mph but less than 25 mph. It is **not** a golf cart! The vehicle(s) must be equipped with headlamps, stop lamps, turn signal lamps, tail lamps, reflex reflectors, parking brakes, rearview mirrors, windshields, windshield wipers, speedometer, seat belts, and a vehicle identification number. In addition, the vehicle(s) must be insured, registered and licensed in North Carolina.

The shuttle service will operate between the hours of 9:00 am and 12:00 am seven days per week with as many as two vehicles. The City reserves the right to change the hours of operation at its sole discretion with a 30-day notice. The shuttle service will provide an alternative transportation service to the hotel guests to various points of interest in the downtown central business district in an effort to minimize traffic congestion and the need for them to use their vehicles once they are parked at the hotel site.

This request has been reviewed by the Transportation Department, the Legal Department, and the Asheville Police Department and at this time, all concerns have been addressed. A previous franchise agreement has been approved for a different company but it has not started operating yet.

This item has been reviewed by the Council's Public Safety Committee and it received the Committee's endorsement on April 25, 2016.

Pros:

- Supports diversified job growth and business development.
- Minimizes vehicular traffic congestion and the need for parking.
- Enhances the visitor experience to downtown Asheville.
- No direct fiscal impact to the City.

Con:

- Could impact vehicular traffic flow.

There is no known fiscal impact for the subject franchise agreement.

Staff recommends that City Council approve an ordinance granting a franchise agreement to Hilton Garden Inn Asheville Downtown for the operation of a low speed vehicle shuttle service within the City of Asheville.

ORDINANCE BOOK NO. 30 - PAGE 299

G. RESOLUTION NO. 16-107 - RESOLUTION NAMING FIRE STATION 6 IN MEMORY OF FIREFIGHTER RAYMOND J. FLOWERS

Summary: The consideration of naming Fire Station 6 after City of Asheville (City) Firefighter Raymond J. Flowers.

City Firefighter Raymond Flowers tragically lost his life on May 26th, 1982, while fighting a fire at 926 Haywood Road, in the West Asheville Baptist Church. The Fire Department requests that Firefighter Flowers be remembered by naming Fire Station 6 after Raymond J. Flowers. This request was reviewed and recommended by the Public Safety Committee at its April 25th meeting.

Pros:

- Having a City owned facility that has been named in memory of a public servant who has died in the line of duty is an ultimate recognition of their public service and sacrifice.
- This naming of a city facility is in accordance with the City's policy for naming buildings for distinguished service in firefighting.

Con:

- None have been identified or known at this time.

The purchase of a plaque commemorating the naming would be the associated expense to this consideration.

Staff recommends that the City Council name Fire Station 6 after Raymond J. Flowers.

RESOLUTION BOOK NO. 38- PAGE 35

H. RESOLUTION NO. 16-108 - RESOLUTION AUTHORIZING THE CITY MANAGER TO DONATE POLICE SHOTGUNS TO THE TOWN OF LAUREL PARK POLICE DEPARTMENT

Summary: The consideration of a resolution authorizing the City Manager to donate police shotguns to another local North Carolina police department.

The City of Asheville Police Department (APD) currently retains eight (8) surplus Remington model 870 12 gauge police shotguns, which were purchased in the early 1990's. It has been determined there is no future need for these items due to the department's transition to police rifles to adhere to current best practices. The current market value of these shotguns is approximately \$200 each for a total of \$1,600.

The Town of Laurel Park, North Carolina (Laurel Park) has identified a legitimate need for these shotguns. Laurel Park, which does not currently have a budget line that enables the purchase of these shotguns, maintains a need exclusively for the purpose of law enforcement functions. Chief of Police, Bobbie Trotter, would be assigning these shotguns to her patrol officers since these officers are not currently equipped with police shotguns.

Pros:

- Provide needed assistance to local law enforcement agency to further meet their safety goals for their community and law enforcement officers.
- Ensure that the shotguns remain in the law enforcement capacity.

Con:

- Not receiving approximately \$1,600 in trade-in value for the shotguns to purchase future firearms for APD.

As noted above, the donation of these eight shotguns would eliminate approximately \$1,600 of trade-in value that the police department could apply to a future purchase.

City staff recommends City Council approve a resolution authorizing the City Manager to donate the eight identified police shotguns to the Town of Laurel Park.

RESOLUTION BOOK NO. 38 - PAGE 36

I. RESOLUTION NO. 16-109 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH B. ALLEN CONSTRUCTION INC. TO RENOVATE THE SPORTS COURT AND PARK PLAZA AT CARRIER PARK

Summary: The consideration of a resolution authorizing the City Manager to enter into a contract with B. Allen Construction, Inc. to renovate the Sport Courts and Park Plaza at Carrier Park in the amount of \$298,840 plus a contingency of \$25,160 for a total of \$324,000.

During the capital maintenance review process within the Parks and Recreation Department, it has been determined that the existing sport courts and picnic plaza at Carrier Park have met or exceeded their useful lives resulting in continual maintenance needs and conditions that constitute safety concerns for park users. The existing inline hockey rink and basketball court were constructed in the 1990's as part of the original park construction. Over the years issues with drainage and ever increasing attendance in the park has contributed to the deterioration of these park features.

The scope of the project includes the following:

- New inline hockey rink system will provide a safer play experience and durability. The City reached out to the Asheville Hockey League to determine the best mutually agreed upon course of action, products, etc. that meets the leagues long-term needs at the rink.
- Larger paved picnic table area, spectator seating area, grading and drainage modifications, additional bench seating, and trash and recycling containers. As a part of a larger project, these improvements will be completed in a cost beneficial manner.

The project was budgeted at \$350,000. This cost estimate was based upon value engineering with the project architect and engineer regarding design, building materials and infrastructure to achieve the lowest cost possible.

In support of this capital improvement project, the City issued an Advertisement for Bids for construction of the renovations and received two bids.

1. B. Allen Construction, Candler, NC (\$298,840)
2. Patton Construction Group, Inc., Arden, NC (\$365,000)

After thorough review and evaluation, staff selected B. Allen Construction, Inc., PO Box 797, Candler, North Carolina, as the lowest, responsible bidder. The base bid accepted was \$298,840.

Pros:

- Improves level of service of the facility through the implementation of code compliant upgrades and correcting accessibility issues.
- Improves safety of the facility by replacing uneven and cracked surfaces from years of patching and repairing; replacement of outdated and broken fixtures and finishes.

- Improves performance of sport courts area through ongoing care and maintenance.

Con:

- The courts and rink will be closed during renovations. The majority of work is scheduled to take place between the spring and fall seasons for the Asheville Hockey League.

The \$298,840 plus contingency of \$25,160 to support the B. Allen Construction, Inc. contract to renovate the Carrier Park Sport Courts and Park Plaza is budgeted in the general capital improvement fund for Parks and Recreation Department.

Staff recommends that the City Council adopt a resolution authorizing the City Manager to enter into a contract with B. Allen Construction, Inc., to renovate Carrier Park Sport Courts and Park Plaza for an amount of \$298,840 plus contingency of \$25,160 for a total of \$324,000.

RESOLUTION BOOK NO. 38 - PAGE 37

J. ORDINANCE NO. 4499 - BUDGET AMENDMENT FROM DONATIONS FOR PROGRAMS AND SERVICES WITHIN THE PARKS AND RECREATION DEPARTMENT

Summary: The consideration of a budget amendment in the amount of \$11,000 from donations for programs and services within the Parks and Recreation Department.

The City of Asheville (City) has received miscellaneous donations totaling \$11,000 support programs and services within the Parks and Recreation Department. Funds will be used to support the projects listed below.

The \$11,000 will be used to purchase supplies, materials and equipment for Fiscal Year 2016 activities at recreation centers and senior programs.

Pro:

- Provide funds to support programs and services

Con:

- None

These donations enhance parks and recreation programs and services at no impact to the General Fund operating budget.

Staff recommends City Council to approve a budget amendment in the amount of \$11,000 from donations for programs and services within the Parks and Recreation Department.

ORDINANCE BOOK NO. 30 - PAGE 297

K. RESOLUTION NO. 16-110 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO CONTRACTS WITH WIRELESS COMMUNICATIONS INC. FOR REPLACEMENT OF THE CITY OF ASHEVILLE'S MICROWAVE COMMUNICATIONS SYSTEM

Summary: The consideration of the City of Asheville entering into contracts, not to exceed \$343,479, with the most responsive bidder for replacement of the City of Asheville's microwave communications system.

As part of the City's public safety radio project budget, a structured Request for Proposals (RFP) process sought a third-party vendor to replace the current system's end of life

microwave system. The microwave system provides wireless connectivity between the City's radio towers.

Based on operational requirements, expert guidance from Trott Communications Group, and scoring from public safety and IT staff representatives on the evaluation committee, the team's recommendation is to move forward with the most responsive vendor proposal as shown by the scoring matrix developed during the RFP process. Four vendor proposals were received during this process. The top scoring vendor proposal, from Wireless Communications, Inc. based in Charlotte, NC, scored 87/100. It includes specifics as to the experience of the supplier with the proposed solution, support capabilities and quality of service. A "best and final offer" was obtained from this vendor, with an additional option (to be determined at project end) to provide additional redundancy.

Pros:

- Allows City of Asheville to replace a system that has reached the end of its supported lifecycle
- Addresses needs identified in the scope of the public safety radio system upgrade project
- Improves the availability of support for critical communications paths

Con:

- None noted

This procurement is funded via the City of Asheville's Capital Improvement Budget

City staff recommends City Council adopt a resolution authorizing the City Manager to enter into contracts with Wireless Communications, Inc. for replacement of the City of Asheville's microwave communications systems.

RESOLUTION BOOK NO. 38 - PAGE 38

L. MOTION TO MOVE FORWARD WITH APPOINTMENT OF A COMPREHENSIVE PLAN ADVISORY COMMITTEE

Summary: The consideration of a motion to move forward with appointment of an Advisory Committee to oversee the Comprehensive Plan update process and approval of supplemental questions for Advisory Committee at-large members.

At its meeting on April 26, 2016, the Asheville City Council approved the contract with Skidmore Owings and Merrill, PLLC (SOM) for the purpose of developing the City of Asheville Comprehensive 2025 Plan Update. The purpose of the Comprehensive Plan is to set forth goals and policies for sustainable growth and development over the next 10-20 years and beyond. The plan will establish a vision for Asheville and include policy guidance, reflecting the community's vision for the location and form of future development, while ensuring sufficient infrastructure, parks and other community services.

The project's scope will include a 15 to 17 month planning process, including extensive public engagement that is designed to establish a new vision for Asheville. The plan will include strategies related to land use, multimodal transportation, economic development, social equity, infrastructure, housing, livability, placemaking, open space, climate change adaptation, and sustainability.

The contract with SOM anticipates that the City Council will appoint an Advisory Committee that will meet periodically with SOM and City staff as the project progresses to help guide the planning process.

Staff proposes that the Advisory Committee will have representation, at minimum, from the following organizations (in no particular order), plus three at-large members:

- Planning and Zoning Commission;
- African American Heritage Committee;
- Recreation Board;
- Downtown Commission;
- Historic Resources Commission of Asheville & Buncombe County (HRC);
- Public Art and Cultural Commission (PACC);
- Buncombe County liaison;
- Sustainability Advisory Committee on Energy and the Environment (SACEE);
- Multimodal Transportation Commission;
- Affordable Housing Advisory Committee;
- Neighborhood Advisory Committee; and,
- Asheville Area Chamber of Commerce/Economic Development Coalition.

The at-large members would apply and be appointed by City Council in the same process as board and commission appointees. In addition to the standard application questions, staff suggests the following supplemental questions for the at-large members:

1. What do you see as the major challenges facing Asheville in the next 10 years?
2. What do you see as the major opportunities available to Asheville in the next 10 years?

City staff recommends that City Council make a motion to approve an Advisory Committee to guide the Comprehensive Plan update process and approval of supplemental questions for Advisory Committee at-large members.

Mayor Manheimer asked for public comments on any item on the Consent Agenda, but received none.

Mayor Manheimer said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Councilman Bothwell moved for the adoption of the Consent Agenda. This motion was seconded by Councilman Haynes and carried unanimously.

III. PRESENTATIONS & REPORTS:

A. STATE OF THE AIRPORT ADDRESS

Mr. Lew Bleiweis, Executive Director of the Greater Asheville Regional Airport Authority, updated City Council on the 2015 Highlights of the Greater Asheville Regional Airport Authority. From a record year of passengers and the addition of a new airline base of operations, to the commissioning of temporary runway 17-25 (a major milestone in Project SOAR, our 4-phase airfield redevelopment project), "growth" was the theme of their year. He gave an overview of their air service; facility and infrastructure growth; Project SOAR; Airport industry leadership and awards; Department of Public Safety; community connections; and finances. They are our region's local airport, and will continue to work diligently to ensure this important asset serves our region well for years to come.

When Councilwoman Mayfield asked if the Airport was doing anything with renewable energy with their new parking garage, Mr. Bleiweis said that they are talking with Duke Energy on some options and they are also putting in electrical charges in the garage.

B. BUDGET PRESENTATION & FINANCIAL UPDATE

Budget Presentation

Finance and Management Services Director Barbara Whitehorn provided Council the economic context of the budget including the (1) challenges (a) staffing and compensation; (b) healthcare; and (c) construction and labor costs; and (2) relief (a) sales tax collections; (b) property tax growth; and (c) management initiatives.

She provided key proposed budget facts of the total operating budget of \$170.4 Million. She said (1) no property tax rate increase (47.5 cent per \$100 valuation); (2) fees and charges increase (a) user-based fees; and (b) reduced subsidy by taxpayers; and (c) incorporates Council's strategic themes.

She then outlined some uses of the General Fund Balance being Lee Walker Heights, infrastructure reserve, deferred maintenance reserve, one-time investments; and unrestricted, unassigned increase.

Ms. Whitehorn responded to various questions from Council, noting that those she could not immediately respond to would be sent to Council in a memorandum format at the end of the week.

It was the consensus of Council that if there is more Fund Balance than anticipated, that it be designated to the Lee Walker Heights project with a reduction of the Community Development Block Grant funds for that project.

At the request of Councilman Smith, it was the consensus of Council to have \$2,000 designated for the annual Festival of Neighborhoods event sponsored by the Neighborhood Advisory Committee.

Councilman Smith asked for more information on the roll-out of the Pay as You Throw Program prior to the June 14 meeting.

At the request of Vice-Mayor Wisler, it was the consensus of Council that the budget include the estimate for where we plan to end out the year, in addition to the current year budget.

In response to Councilwoman Mayfield, City Manager Jackson said that staff did not cut any strategic investments to fund operating budget investments Council requested at the April 12 worksession, e.g., additional transit improvements.

Financial Update

The Financial information in the following report reflects the City's overall financial position for the fiscal year through March 2016. Actual revenues and expenses for Fiscal Year 2015-16 reflect preliminary results due to the timing of report presentation:

Amendments. The General Fund budget presented in this third quarter report reflects the adopted budget of \$103,148,627 along with the following budget amendments approved by City Council through March 31, 2016:

Adopted Budget	103,148,627
Budget Amendments:	
Insurance Recovery – Signal Pole	10,526
Grant – Senior Center & Harvest House	7,600
AB Tech Partnership – Traffic Signal	50,000
Donation – E. Asheville Greenway Study	37,000
Fund Balance – Storm Control Material/Equip.	431,000

Fund Balance – Haywood St. Visioning	15,000
Fund Balance – Page Ave. Demolition	<u>115,000</u>
3/31/2016 Budget	<u>\$103,814,753</u>

Revenues. Through March 31, 2016, the City has collected \$86.8 million in General Fund revenue, which represents approximately 84% of the total General Fund revenue budget. Revenue collections through the first three quarters of this fiscal year are very similar to where they were one year ago in terms of budget versus actual. The City has received eight months of sales tax revenue, and collections are up 5.6% compared to the prior year. In the intergovernmental category, utility tax revenue is projected to exceed budget by \$600,000 due to the continuing impact of changes the state made to the distribution formula in the prior year. Development Services Department (DSD) revenue is up approximately \$100,000 compared to the same time last fiscal year but continues to run slightly under budget estimates. With the bulk of property tax revenue received in December and January, that revenue source is now at 95% of budget. Overall, based on collection trends through the first three quarters, staff is currently projecting that ***FY 2015-16 General Fund revenue will exceed budget by \$1.0 million or 1.0%.***

Expenditures. General Fund expenditures through March 31, 2016 totaled \$68.3 million or 66% of budget, which is typical for this point in the fiscal year. Personnel expenses, the largest component of the General Fund budget, are slightly under budget through the first three quarters. With fuel prices continuing to be low, expenditures for fleet (fuel and maintenance) were at 58% of budget at the end of March. Overall, staff is projecting that ***FY 2015-16 expenditures (including contract and purchase order commitments) will finish the year under budget by \$1.9 million (98.1% of adopted budget plus amendments).***

Fund Balance. The City began FY 2015-16 with unassigned fund balance of \$16.6 million. Based on ***current revenue and expenditure projections for FY 2015-16, staff estimates that unassigned fund balance at June 30, 2016 will be \$19.0 million or 18.7% of estimated expenditures.***

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER THE ISSUANCE OF 2016 LIMITED OBLIGATION BOND ANTICIPATION NOTES

Finance and Management Services Director Barbara Whitehorn said that this public hearing is to receive public comments on the proposed execution and delivery of an installment financing contract for various capital projects and acquisitions included in the City's Capital Improvement Program to be delivered in FY 2016-17.

This public hearing is related to the City issuing debt in the form of an interim credit facility, a type of bond anticipation note. This note will be a Limited Obligation Bond (LOB).

The overall debt program is a draw program model, meaning that rather than borrowing the full amount of funding today for several years of projects, we will use short term debt while projects are in process, then issue long-term debt upon completion (about every two years). This model enables the City to finance projects only as they become useful assets, paying debt service over the life of the asset itself, rather than during construction. The City will pay interest on debt as we utilize the funds instead of paying interest on full, permanent financing ahead of the need for funds. This method saves thousands of dollars in interest over the life of the debt.

The projects funded with this interim credit facility are the first phase of the Capital Improvement Program begun in FY 2013-14. The associated long-term debt, which will be comprised of both LOBs and Special Obligation Bonds (SOBs) is anticipated to be issued toward the end of FY 2016-17. This will be 20-year fixed rate debt.

Under the provisions of Section 160A-20 of the General Statutes of North Carolina, installment financing contracts involving real property require a public hearing in which the public may comment on the proposed financing. On April 26, 2016, City Council approved a Resolution authorizing the negotiation of an amendment to an installment financing contract and setting the public hearing for up to \$46 million for the issuance of the interim limited obligation bonds on the Capital Improvement Program.

The debt will be issued as short-term Limited Obligation Bonds. This form of obligation has been used previously by the City to construct the 51 Biltmore parking garage. Limited Obligation Bonds (LOBs), also sometimes called Certificates of Participation (COPs), have been used by the City several times, including the 2012 LOBs to repair and renovate City Hall, construction and renovation of the Municipal and Water Maintenance Buildings and Grove Arcade in 1997. As limited obligations of the City, debt repayment is payable solely from currently budgeted appropriations of the City. When construction of the projects are completed or near completed, the City will use long-term LOBs to take-out the short-term LOBs in order to permanently finance the projects.

Pros:

- Allows the City to move forward with the FY 2016 debt financing while complying with all applicable statutes and regulations.
- Reimburses City Treasurer's Cash for construction expenditures to date.

Con:

- None noted.

The total amount projected for identified capital projects and reimbursement of Treasurer's Cash of approximately \$44 million. The public hearing states that the amendment to the installment financing contract may be in a principal amount not to exceed \$46 million in the event that project estimates change between the time the resolution is approved and the amendment to the installment financing contract is executed.

Staff recommends that City Council receive public comment regarding the financing and the project during the public hearing.

Mayor Manheimer opened the public hearing at 6:00 p.m., and when no one spoke, she closed the public hearing at 6:00 p.m.

Mayor Manheimer said that Council will consider the final approval of the amendment to the installment financing contract on May 17, 2016, and closing on the transaction in June of 2016.

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. BOARDS AND COMMISSIONS

Regarding the Chair of the Civil Service Board seat, it was the consensus of Council to delay action on this until the June 28, 2016, meeting.

Regarding the Haywood Street Advisory Team, the following individuals applied for this vacancy: Grant Millin, Byron Greiner, Rob Carroll, Leslie LeBlanc, Gary Anderson, Susan Jones, Richard Fort, John Tyler Barnes, David Nutter, Bruce Hazzard, Kevin Teater, Susan Andrew, Janet Whitworth, Geronimo Owen and Beth Stickle. It was the consensus of Council to interview Richard Fort, Geronimo Owen, David Nutter, Gary Anderson, Susan Andrew and Leslie LeBlanc.

RESOLUTION NO. 16-111 - RESOLUTION APPOINTING A MEMBER TO THE CIVIC CENTER COMMISSION

Vice-Mayor Wisler, Chair of the Boards & Commissions Committee, said that this is the consideration of appointing a member to the Civic Center Commission.

Mr. Bill Russell has resigned from the Civic Center Commission, thus leaving an unexpired term until June 30, 2017. In addition, there will be a vacancy, left by Mr. Bill Jones on June 30, 2016.

The following individuals applied for this vacancy: Corey Atkins, Jaime Taylor and Joe Greene.

On April 12, 2016, the Boards & Commissions Committee recommended appointing Corey Atkins and Joe Greene.

Vice-Mayor Wisler moved to (1) appoint Corey Atkins to serve the unexpired term of Mr. Russell, term to expire June 30, 2017, or until his successor has been appointed; and (2) appoint Joe Greene to serve a three-year term, term to begin July 1, 2016, or until his successor has been appointed. This motion was seconded by Councilman Smith and carried unanimously.

RESOLUTION BOOK NO. 38 - PAGE 39

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Ms. Cindy Oak, representing the Family to Family Program in the Reynolds School District, and others, urged Council to work closely with the Buncombe County Commissioners and Buncombe County School Board to provide a public bus route at least 5 days a week, 8 hours a day from River Ridge Shopping Center to the Reynolds campus, a distance of 1.9 miles, in order to remove the transportation barrier for impoverished students and their families in the Reynolds district. After a brief discussion, City Manager Jackson was directed to include this item on the next Joint City Manager/County Manager agenda.

Ms. Maureen Quinn spoke to Council about the need for a new aquatics center. City Manager Jackson said that it's his understanding that the Buncombe County Schools will be proposing this, under the County umbrella, for the Tourism Development Authority's Product Development funding.

Mr. John Brigham felt that City Council should dissolve the Asheville City Schools and merge them into the Buncombe County School System.

Councilman Smith assured the public that City Council is aware of the housing crisis. He is looking forward to reviewing our current strategies in regards to housing affordability and also looking to move as far as we are legally able to address this crisis substantially and as quickly as we can.

Councilwoman Mayfield updated Council on her recent trip to the Rocky Mountain Institute E-Lab Accelerator Workshop. She said that they accomplished what they hoped to which is to come up with a foundational framework for how we are going to move this region to clean energy and avoid construction of additional fossil fuel capacity in the early 2020's. She encouraged the public to attend the Energy Innovation Task Force meetings.

Closed Session

At 6:31 p.m., Councilman Young moved to go into closed session for the following reasons: (1) To prevent disclosure of information that is privileged and confidential, pursuant to the laws of North Carolina, or not considered a public record within the meaning of Chapter 132 of the General Statutes. The law that makes the information privileged and confidential is N.C. Gen. Stat. § 143-318.10(a)(3). The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(1); (2) To consult with an attorney employed by the City about matters with respect to which the attorney-client privilege between the City and its attorney must be preserved. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(3); and (3) To discuss matters relating to the location or expansion of industries. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(4). This motion was seconded by Councilman Bothwell and carried unanimously.

At 7:30 p.m., Councilman Bothwell moved to come out of closed session. This motion was seconded by Councilman Haynes and carried unanimously.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 7:30 p.m.

CITY CLERK

MAYOR