

Friday - January 29, 1999 - 1:00 p.m. -

Sunday, January 31, 1999 - 10:30 a.m.

City Council Annual Retreat Highland Lake Inn, Flat Rock, N.C.

Mayor Leni Sitnick, Presiding (Mayor Sitnick was unable to attend the retreat on January 29 due to the U.S. Conference of Mayor's meeting in Washington, D.C.); Vice-Mayor Edward C. Hay Jr.; Councilman M. Charles Cloninger; Councilman Earl Cobb; Councilwoman Barbara Field; Councilman Thomas G. Sellers; and Councilman O.T. Tomes; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson

Friday, January 29, 1999

Annexation Study - Richard Flowe, Consultant from Benchmark Inc., reviewed the fundamentals of annexation, annexation purposes and strategy, net cost of annexation based upon hypothetical residential property values, urban territory surrounding the City including development patterns and public services provided, and setting of goals of objectives for future growth.

It was the consensus of Council to instruct Mr. Flowe to develop a plan on the direction City Council should implement the extension of the municipal boundaries over the next several years. Said plan should consist of (1) cleaning up small service inequities; (2) looking at the economic base diversity; (3) addressing those residential areas that lie immediately outside the City limits that have full infrastructure services; (4) looking at those residential areas that lie immediately outside the City limits that don't have complete urban area infrastructure; and (5) mix and always view future development opportunities. Said plan was requested to come back before City Council after April 1, 1999, with a proposed timeline.

Civil Service Law - City Attorney Bob Oast and Personnel Director Jeff Richardson reviewed with Council (1) a brief history of the Civil Service Commission (2) statutory and case law relative to personnel administration since the adoption of the civil service law; and (3) existing conflicts between the Civil Service Law and federal/state personnel law.

Discussion surrounded the Civil Service Law being amended starting with the inconsistencies with federal and state law. Staff suggested a group of employees be recruited, along with a Council member and a member of the Civil Service Board, to discuss possible amendments, along with discussion of changes only affecting future employees, not current ones. This topic would be discussed further in the goal setting process.

Y2K Report - Finance Director discussed the City of Asheville's Year 2000 Project status. Mayor Sitnick requested the City write a letter to Buncombe County voicing our concern about the County's preparedness for Y2K.

Stormwater Regulations - Phase II - City Engineer Cathy Ball updated City Council on the Phase II Stormwater Regulations. The City of Asheville will be required to comply with these regulations by April 2002. The regulations require the City to develop a stormwater program to include the following minimum measures (1) public education and outreach on stormwater impacts; (2) public involvement/participation; (3) illicit discharge detection and elimination; (4) construction site stormwater runoff control; (5) post-construction stormwater management in new development and redevelopment; and (6) pollution prevention/good housekeeping for municipal operations. She noted that in the 1999-2000 budget she will request \$125,000 to have a consultant prepare: (1) a program detailing what must be done to comply with Phase II Stormwater Regulations; (2) information that can be used for the public education/awareness portion of the program; and

(3) the application necessary to get a general permit from the Environmental Protection Agency.

-2-

Target Based Budgeting - Budget Director Ben Durant explained that under target-based budgeting, each department is given a maximum dollar figure for its budget based upon projected growth in the overall City revenues. As a part of his presentation, it was mentioned that staff was going to work with a policy in which there will be no new major initiatives without new revenues sources. City Council expressed an interest to be more involved in the budget process regarding the vision of the departments.

Minimum Housing Code Issues - Director of Building Safety Terry Summey reviewed with City Council significant dates of the Housing Code Enforcement Program, future Housing Code initiatives, substandard vacant residential structures update, summary of inspections, and the inspections needed based on the Housing Code schedule. He updated Council on the efforts made to increase the number of residential rental properties in the City that are inspected and brought up to the Minimum Housing Code. In addition, he reviewed the efforts to date to address vacant substandard residential structures which negatively impact neighborhoods. In order to reach the City's goals of inspecting all units by July 1, 1999, Mr. Summey outlined the additional assets he would need.

It was the consensus of City Council to refer this report and information to the Housing and Community Development Committee for their recommendation prior to July 1, 1999, in case the Committee's report has budgetary ramifications.

Fire Department Accreditation - Fire Chief John Rukavina updated City Council on the progress of their work in preparation for accreditation through the National Fire Service Accreditation Program. Their goal is to bring an accreditation evaluation team to Asheville in time for the millennium in early 2001.

Saturday, January 30, 1999

MSD Sewer Consolidation Agreement - Assistant City Manager Doug Spell reviewed with City Council the MSD Policy and the MSD Sewer consolidation agreement. The following issues of concern were addressed (1) the financial philosophy of the MSD Board utilizing a "pay

as you go" philosophy; (2) the "Fund Balance" amount in the general fund is at \$23,653,349 for Fiscal Year 1999; and the policies of the MSD Board do not include provisions for sanitary sewer line extensions beyond those identified in exhibits which are part of the Sewer Consolidation Agreement.

It was the consensus of City Council to direct the City Manager to send a letter to MSD enumerating the City's concerns.

Economic Development - City Manager Westbrook reviewed the background of the City Business and Development Coordinator along with the City Business and Development Commission. With the recent turnover in the City Business and Development Coordinator, he explained why he felt the reporting status for the position should be transferred from the Planning & Development Department to the City Manager's Office. He anticipated this position being filled by April 1999.

Mr. Westbrook then explained the five specific projects which the City has provided funds as part of the economic development incentives. These developments are indicators of the City's initiative to facilitate an economic development program consisting of retention of business, expansion of business, and new business development and attraction.

Mr. Westbrook explained that three request for proposals have been received, which scope of work includes the focus on efforts to assist the City in preparing the Strategic Plan for Economic Development. Staff will

present this information to City Council soon and request that -3-

a consulting firm be selected and that the City Manager be authorized to enter into a contract with the selected firm. An appropriation will be required by City Council in order to fund the Strategic Plan, with estimates ranging from \$60,000 to \$162,000. The Community Development Block Grant funds in the amount of \$11,000 are available and have previously been allowed for planning activities.

Mayor Sitnick was interested in establishing a task force made up of Council and staff to go out to praise and market Asheville.

Report on Unaccounted for Water - Water Resources Director Tom Frederick explained the many contributing factors that make up for unaccounted water, with water leaks being only one of those factors. He stated that this is a widely misunderstood problem, and the City is trying to correct the misunderstanding by being proactive with the information.

Mayor Sitnick would like to review the rate structure in general, the lack of equity in the City and County governments not paying for water, and the water efficiency program.

It was the consensus of City Council for staff to prepare a press release about unaccounted for water.

Report on the Asheville Transit System - Urban Planner Bruce Black briefed City Council on the background of the Transit Authority, its employees, equipment, relation to the operating company, relation to the union, funding and budget process. He reviewed the current responsibilities of the Transit Authority along with their current powers. Mr. Black then reviewed the relationship between the City and the Transit Authority. He then reported on the alternative organizational relationships between the City Council and the Asheville transit system. Currently the transit system is managed by the Asheville Transit Authority, with operational responsibility contracted to an operating company. He compared each alternative organizational structure by highlighting the strengths and weaknesses of each form of organization.

The theory in the approach is to define two ends of the spectrum, namely complete control and autonomy to the extent allowed by law by the Asheville Transit Authority, and, at the other end of the spectrum, the complete control of the transit system by the City Council. A third point on the spectrum between these alternatives is the present structure, namely a hybrid system which tends to disperse authority and responsibility to different parties.

After presenting all information, Mr. Black concluded that the organizational structure that presented the clearest alignment of authority, and responsibility while retaining the greatest degree of simplicity and directness and allowing for the greatest oversight was the organizational structure calling for complete control by the City Manager with policy set by the City Council. The next best organizational structure that responds to these criteria is complete control by the Asheville Transit Authority. The least responsive to these criteria is the present hybrid organizational system. He then outlined the advantages and disadvantages of moving the transit system under the City Council.

It was the consensus of City Council to further investigate the possibility of complete control by the City of Asheville with the information coming back to City Council as part of the budget process, which will allow staff time to work out the details, talk with the Transit Authority, etc.

Legislative Update - City Attorney Bob Oast reviewed with Council some changes that would affect Asheville relative to annexation, sexually-oriented businesses and economic development. He then reviewed with Council the results of the three requests Asheville made to the legislature. He said that the deadline to introduce bills was March 31, 1999. -4-

It was the consensus of City Council to proceed with re-submission of the Asheville-Buncombe Community

Relations Council's request to become a local EEOC deferral agency.

Corporate University Management 21 Employee Development Program - Personnel Director Jeff Richardson and Assistant Personnel Director Kevin Wilson reviewed with City Council the status to date and the plan for the future in the creation of a Corporate University.

It was the consensus of City Council to support the formation of a Corporate University to ensure staff development remains aligned to strategic initiatives and close the gaps which may exist.

City Council Goal Setting Process - Budget Director Ben Durant gave a status report on City Council's top 10 goals from last year. He also reviewed the status of the second set of goals from last year as well. Mr. Durant then explained the goal setting process. He began with the organizational mission and then moved to the top 40 livability factors that impact a citizens "quality of life." Council then determined the critical "quality of life" issues Asheville must address to achieve its mission and then group related the issues into broad service areas based on common themes. He noted that the goals should address the general ends or outcomes that Asheville wants to direct its efforts in the upcoming fiscal year. Goals should address key issues by stating policy intention and should be broad enough in scope to allow senior management and staff to propose objectives and strategies during the budget process to meet City Council's established goals.

After considerable discussion, three lists were formulated: 1999-2000 Goals, Council's On-Going Support, and Miscellaneous items.

The following are the 1999-2000 Goals with strategies:

Preserve the environment

- Coordinate with existing initiatives (Land-of-Sky Regional County, Buncombe County, etc.) on household hazardous waste control
- Expand recycling program beyond single family
- Coordinate anti-litter campaign with Buncombe County, Chamber of Commerce and the N.C. Dept. of Transportation
- Improve sign ordinance enforcement
- Encourage more aggressive water efficiency and water conservation program
- Reduce vehicle emissions through traffic engineering enhancements

Improve the quality of life through enhancing cultural, arts, recreational and entertainment opportunities

- Expand the benefits of the cable franchise
- Civic Center expansion/improvement
- Public/private partnership to establish an Asheville Museum of History
- Promote passage of parks, recreation and greenway bond
- Implement parks, recreation and greenway Master Plan
- Develop policy on public art

- Move ahead on public access channel
- Promote quality of life issues for our children and our youth

-5-

Improve all transportation systems through innovative and cost effective planning and operations

- Develop plan for City operation of transit system
- Follow through on comprehensive public participation transportation planning process
- Promote passenger rail service to Asheville
- Implement Pedestrian Thoroughfare Plan
- Maintain downtown sidewalks and construct new sidewalks
- Traffic calming

Promote economic vitality through planned and sustainable growth

- Identify suitable industrial sites
- Approve and implement Economic Development Strategic Plan, i.e., Council/staff business recruitment support team - on-going corporate help; emphasis on economic efforts (create new theme to market Asheville like making Asheville the National Institute of Environment)
- Implement Downtown Plan
- Finalize plans for property at Airport
- Fiscal responsibility for City government (i.e., new revenues, no tax increase, efficient operation)
- Continue annexation study
- Identify and fund infrastructure needs
- Review participation fees
- Continue visiting, promoting and growing of existing businesses
- Encourage cost effective conservation efforts for businesses and industry
- Work with Carolina Power & Light Company, Buncombe County and Chamber of Commerce to develop the BASF site

Expand all housing opportunities in Asheville

- Promote, fund, identify revenue and implement the Housing Action Plan
- Fund the Housing Action Plan by promoting a Housing Trust Fund referendum
- Encourage general assembly to increase state housing trust fund

- Revisit the Minimum Housing Code compliance
- Encourage lending institutions to be more creative with financing for affordable housing and minority lending
- Encourage the Community Development staff to work closely with federal funding options
- Encourage public/private partnerships

The following is the Council's On-Going Support List: (1) quality education; (2) safe cities; (3) civic pride and citizenship; (4) support regional approach to cell tower regulation; and (5) Council Chamber renovations.

The following items were discussed and placed on the miscellaneous list: (1) City/County relations; (2) Media relations; (3) press releases be prepared after City Council trips; (4) organization of a special celebration for the new millennium, other than First Night; (5) exploring cooperative efforts with Buncombe County on the PEG Channel, and (6) taking a pro-active approach to let the community know what is happening.

-6-

Mayor Sitnick stressed that the Council's On-Going Support list and the miscellaneous items list will be "living" lists.

Mayor Sitnick hoped that the litter kick-off effort in March would be a cooperative effort among the City of Asheville, Buncombe County, Chamber of Commerce.

Sunday, January 31, 1999

The following items were discussed and consensus of Council to place on future worksessions: (1) Request for Whit Webb from N.C. Dept. of Transportation to talk about the I-26 connector delay; (2) Meet with groups (A-B Technical College, High Schools, Warren Wilson College, Mars Hill College, Montreat College, etc.) to find out what they are doing to prepare students to go into the work force; (3) Update from various members from the Eagle/Market Streets community on improvements to the Eagle/Market Street area; (4) Solutions for youth downtown; (5) Reports from Department Directors from the Best Practices Book on which ideas might work well for Asheville; (6) Ways to expand the City's Home Page, i.e. insert the Parcel Identification Number and it will tell you what the property is zoned and if it is in the City's extra-territorial jurisdiction area; (7) Report on reaction to the television production of City Council meetings and how to make the meetings more useful to the public;

Councilwoman Field shared with City Council information on her recent trip to Raleigh, N.C., to attend the N.C. League of Municipalities Board of Director's meeting.

At the request of Vice-Mayor Hay, City Attorney Oast said that he would report back to City Council at their February 16, 1999, the options available to City Council regarding the election process.

It was the consensus of City Council to instruct the Personnel Director to begin working with a task force composed of department representatives, a Council member and a member of the Civil Service Board to re-tool the Civil Service Law, starting with the recruitment and section process. The City Attorney was instructed to see if legislation could be drafted prior to the local bill closing date of March 24, 1999.

Councilwoman Field reported on the status of the public art policy. She proposed that streetscape and other similar boards or commissions could in some ways be blended together to streamline the process. It was the consensus of City Council to proceed with the public art policy with the coordination of the different plans, i.e., streetscape plan, downtown design review plan, etc.

Mayor Sitnick reviewed with City Council the proposed agenda of the joint City/County/area municipalities meeting to be held on February 19-20, 1999, at the Owen Conference Center at UNC-Asheville. It was the consensus of Council for the meeting not to be confrontational with no policy decisions being made at that meeting.

Mayor Sitnick shared with City Council information on her recent trip to Washington, D.C., to attend the U.S. Conference of Mayor's meeting.

Mayor Sitnick adjourned the meeting at 10:30 a.m.

CITY CLERK MAYOR
