

Friday – February 8, 2002
Saturday – February 9, 2002
Pine Crest Inn, Tryon, N.C.

City Council Annual Retreat

Present: Mayor Charles R. Worley, Presiding; Vice-Mayor Terry M. Bellamy; Councilman Joseph C. Dunn; Councilman James E. Ellis; Councilwoman Diana Hollis Jones; Councilman R. Carl Mumpower; and Councilman Brian L. Peterson; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burseson

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State Budget Reduction- City Manager Westbrook said that as a result of Governor Easley's reduction of the state's fiscal year, the City will have a total revenue shortfall of \$3,022,689. He recommended the following budget reductions: street paving contract - \$600,000; New Haw Creek sidewalk - \$190,000; stormwater study - \$90,000; general sidewalks - \$50,000; traffic calming - \$100,000; Summer Youth Program - \$50,000; Civic Center repairs - \$75,000; travel/training - \$50,000; outside agency contributions - \$217,000; Roger K. Farmer park project - \$75,000; Dr. Martin Luther King Jr. Park turf renovations - \$50,000; Walton Street playground - \$75,000; Broadway Greenway Master Plan - \$100,000; Burton Street Recreation Center - \$50,000; Neighborhood Grant Program/Asheville Honors - \$15,000; small capital equipment - \$65,000; vehicles - \$60,689; contracted/professional services/maintenance - \$500,000; operating materials - \$250,000; Parking Services Fund transfer - \$170,000; and positions - \$190,000. He stated that the next step would have to be a direction reduction of services for the City.

City Manager Westbrook responded to questions like who makes the decision on what gets added back into the budget if revenue is received and has the City Manager looked at a one percent reduction of salaries. Should the City receive some state funding prior to the end of the end of the fiscal year, the City Manager would return to Council with recommended spending for that funding.

Councilman Ellis asked that the City coordinate with Buncombe County any outside agency funding cuts. He was concerned that if the City and the County reduce funding, it may cause agencies to go out of business.

Vice-Mayor Bellamy asked for more information on where cuts would be made because we need to make sure that some cuts are not linked to other funding.

Fiscal Year 2002-03 General Fund Budget Forecast - City Council heard a summary of major General Fund revenues from Budget Director Ben Durant. Revenue categories included property tax; sales tax; intergovernmental revenue; licenses and permits; and investment earnings. He pointed out that as a result of re-engineering, the City has saved \$481,485. Funding issues for Fiscal Year 2002-03 include: Fire Station 6 construction \$2,000,000; topography mapping - \$750,000; Fire Station 10 land purchase - \$250,000; traffic signal upgrades \$500,000; sidewalks on Hendersonville Road - \$250,000; streetscape improvements (Charlotte Street) - \$450,000; additional 1% for 401-K - \$400,000; and additional equipment/vehicles purchases - \$2,000,000

Economic Development – Director of Economic Development Mac Williams briefed City Council on the City's current policies and incentives; current conditions/trends; the Sustainable Economic Development Plan; and how the Plan has been implemented. His outlined his recommendations in the future to include (1) build/enhance community quality of place; (2) aggressive, pro-active urban redevelopment; and (3) continuous improvement of the development process.

-2-

Councilman Mumpower felt the City should see first what they can do to improve the existing quality of place before spending the time, energy and money on future enhancements.

Vice-Mayor Bellamy urged City staff to work with developers and businesses on cost-sharing.

Councilman Ellis was interested in seeing the City identify property that could be developed for affordable housing.

It was the consensus of City Council to instruct the City to proceed with developing plans and strategies to redevelop property within the City limits for commercial/industrial sites. This may include public/private partnerships or possibly the City being the developer.

Affordable Housing – Planning & Development Director Scott Shuford reviewed with Council affordable housing issues. He noted that Asheville has the most expensive housing in the State. He outlined the different available resources available through the government, private non-profit and private for-profit agencies. He then reviewed the funding sources and control by the City, state and federal governments. Challenges regarding affordable housing include the declining federal funding, increased land and

house prices, limited amount of multi-family zoned land, "not in my backyard" opposition to affordable housing, and very low income rental is difficult. New development already started include the increased private developer involvement, the City's Housing Trust Fund, the Employer Assisted Homeownership, and the homebuyer assistance through individual development accounts. Future developments include a increased price ceiling for fee rebates, mixed income (inclusionary zoning), and smart growth initiatives to include (1) mixed use projects, housing and retail development nodes and increased diversity of development types.

Stormwater Regulations - City Engineer Cathy Ball updated City Council on the status of the development of the City's stormwater program, which must be submitted to the State on or before March 2003. The program must describe how the City will attempt to meet six minimum requirements: (1) Public Education/Outreach; (2) Public Participation/Involvement; (3) Illegal/Illicit Discharge Detection and Elimination; (4) Construction Site Runoff Construction; (5) Post-Construction Runoff Control; and (6) Pollution Prevention/Good Housekeeping Measures. She pointed out that (1) preliminary estimates for the minimum program would be approximately \$150,000 to \$200,000 annually, depending on the State's final rule; (2) in Fiscal Year 2001-02, the City budgeted approximately \$930,000 on stormwater related tasks, including staff, equipment and materials; (3) in Fiscal Year 2001-02, the City estimated that they would receive \$95,000 in revenues from stormwater and erosion control permits; and (4) the current net spending is approximately \$835,000. Ways to fund the program include general property taxes, sales tax, service districts, impact fees, increased permit fees, or a stormwater utility. She explained that a stormwater utility is (1) an enterprise fund that functions much like other utilities; (2) fees are calculated based upon impervious area; (3) fees are applied to all properties, taxable and non-taxable; and (4) fees are added onto the water bill much like sewer fees. The communities of Greensboro, Winston-Salem, Fayetteville/Cumberland County, Durham, Charlotte/Mecklenburg County and Wilmington have instituted a stormwater utility.

Discussion surrounded the need for a tier system based upon how much a person contributes to the problem.

Councilman Mumpower stressed the need to make sure that City Council voices their concerns to the state or federal government when unfunded mandates are passed down to local governments.

-3-

It was the consensus of Council to begin developing a stormwater utility and that there be a 10-20 person City Manager's Task Force to include developers, property owners, engineers, City staff, and the environmental community in order to develop the framework of a stormwater utility. Council also asked that a City Council liaison be appointed to this Task Force. The City Manager was directed to make recommendations to establish the utility as part of the Fiscal Year 2003-04 budget process.

Saturday, February 9, 2002

Legislative Issues - City Attorney Oast gave City Council a brief synopsis of the City's legislative efforts: (1) red light cameras; (2) nonbetterment waterline relocation expenses; (3) local revenue ability; (4) force account suspension and (5) annexation/ extraterritorial jurisdiction moratorium. He reviewed provided City Council with a brief summary of statewide legislation of interest to municipalities in general: (1) Senate Bill 1005 (State budget); (2) State Bill 914 (Public Construction Law Changes); (3) House Bill 1169 (Amend Local Government Purchasing Laws); (4) House Bill 115 (Public Conflicts of Interest); (5) Senate Bill 774 (Public Enterprise Customer Billing Privacy); (6) House Bill 998 (State Privacy Act); (7) Senate Bill 885 (Unsafe Buildings); (8) Senate Bill 352 (Extend Lien for Public Health Nuisance); (9) Senate Bill 1014 (Strengthen Littering Laws); (10) Traffic stop statistics; and (11) House Bill 948 (ABC Licenses/ Redevelopment Areas). Things to watch for include (1) Smart Growth legislation; (2) Continuing fiscal situation; and (3) Mandate county zoning. He also reviewed with Council some possibilities: (1) implementation of planning recommendations; (2) nonbetterment relocation costs reimbursement; (3) red light cameras; (4) local revenue ability; and (5) towing from private parking lots.

Councilwoman Jones stressed how important it is for City Council members to contact our local legislation via phone, letters, meetings, or social gatherings.

At the request of Vice-Mayor Bellamy, it was the consensus of City Council to request the local delegation to change legislation to reduce the Housing Authority members terms from five years to three years.

At the direction of Council, City Manager Westbrook said that he would arrange a meeting with our local delegation prior to the start of the General Assembly's short session.

Asheville Police Department - Police Chief Will Annarino reviewed with City Council his personnel, their educational levels, his budget, and a survey of 2001 crime comparisons. He explained their efforts with community resource centers. Accomplishments for his department include being nationally accredited through the CALEA, winner of the prestigious IACP Community Policing Award, education, Police Corps, Wellness Program, reduced crime rate and \$324,000 through five state/federal grants. In the future he hopes to work toward (1) automation (CJIS and a paperless department); (2) assigned fleet; (3) service

delivery (enhanced districts and staffing evaluation); (4) Downtown Business District (maintaining adequate service levels in a dynamic and growing Central Business District; (5) continued ordinance review and enhancement; and (6) continued employee professionalism (education and compensation).

Update on the Development Review Process - Building Safety Director Terry Summary reviewed with Council the following perception issues: faster to build in the County, easier to build in the County, costs less to build in the County, retribution, varying interpretations, regulatory process slows growth and not business friendly. Industry perceptions include: a cumbersome system; a difficult and inflexible Unified Development Ordinance (UDO), conflict between codes, negative image of developers, and inconsistent levels of understanding of the process. He then pointed out the departments/agencies involved in the development process, and state codes and local regulations that need to be reviewed. He then reviewed in detail the

-4-

following ten strategic action recommendations arrived at by the Sustainable Economic Development's Development Process Team, along with the successes of each action step and their remaining tasks: (1) streamline the process by eliminating/combining steps; (2) advocate changes in the UDO (reformat content and presentation of publication, add flexibility) and adopt mission statement, guiding principles and goals; (3) establish a "common sense" culture among staff and commissions; (4) restructure some processes to provide for "communication" among parties earlier in the process; (5) eliminate to the extent possible conflicts between ordinances, standards and codes; (6) improve permit coordination with "outside agencies;" (7) create more effective education/informational tools (checklists, guides, etc.); (8) strengthen communication between City and industry (development forums); (9) employ technology when and where practical for both City and industry; and (10) encourage density via performance based standards and ordinances. He reviewed the following three staff tasks to be done: (1) continue efforts to streamline the processes and enhance the operations of the Permit Center; (2) implement the enforcement of the new International Codes and the Pilot of the New Jersey Rehab Code; and (3) additional computerization.

Planning & Development Director Scott Shuford reviewed with Council in detail the following: (1) streamline the UDO process (Level III reviews; eliminate repetition of technical and statutory language); (2) revamp or eliminate the Planned Unit Development review process; (3) streamline the Technical Review Committee process (less formal; improve on-site public notification); (4) reassign certain conditional use permit reviews; (5) reformat UDO (more user friendly); (6) increase size of Level I reviews for residential projects; (7) complete Comprehensive Plan update; (8) update Downtown Fire District to be consistent with the International Code; (9) Housing Code revisions; and (10) affordable housing fee rebates.

It was the consensus of City Council to instruct staff to proceed with the ten items Mr. Shuford outlined above with regard to updating various codes and growth management policies.

City Council Goals

After each member of City Council stated their goals and their reasons why their goals were important, City Council tentatively agreed upon the following Fiscal Year 2002-03 Goals:

Regulatory Programs:

- 1) Affordable Housing – promotion and standards
- 2) Development review – streaming

Fiscal Responsibility:

- 1) Re-Engineering
- 2) Incentives for employees to live in Asheville

Transportation:

- 1) Streets and sidewalks (basic infrastructure)
- 2) Transit

Public Safety & Health:

- 1) Improve support for police and fire
- 2) Drug Problem

Public Relations:

- 1) Regional cooperation with focus on Buncombe County & local delegation
- 2) Perception about affordable housing (Housing Authority oversight strengthened)

It was the consensus of City Council to also strongly support the issues of education, campaign finance reform, air quality and I-26 Connector.

City Manager Westbrook said that after Council's tentative goals are edited and summarized, he will bring them back to Council at an upcoming worksession for final approval.

Mayor Worley adjourned the meeting at 4:30 p.m.

CITY CLERK

MAYOR