

Worksession

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 Burleson

Absent: None

Mayor Worley proclaimed Sunday, August 11, 2002, as "Women's Equality Day" in the City of Asheville.

CONSENT:

Contract and Budget Amendment with the NC Dept. of Transportation for Reimbursement of a Technology Grant

Summary: The consideration of (1) a budget amendment incorporating N. C. Dept. of Transportation (NCDOT) funding for purchase of two computers with associated equipment and one telephone system compatible with the City system to be purchased by the Transit Services Department and (2) and accompanying resolution authorizing the Mayor to enter into an agreement with NCDOT.

The NCDOT requires an agreement between the City and the NCDOT for reimbursement of up to \$37,800.00 for the purchase of two (2) computers and one (1) telephone system. The state will reimburse the City up to 90% (\$37,800) of the total expended amount of \$42,000. The local matching funds have been programmed in the Transit Services Departmental budget. Additionally, execution of this agreement will require an amendment to the City budget.

City staff recommends adoption of the resolution and the proposed budget amendment.

Contract for Traffic Calming

Summary: The consideration of a resolution authorizing the City Manager to enter into an agreement with APAC, Inc., for installation of traffic calming measures on City of Asheville streets in the amount of \$87,680.76.

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In the 2000-01 budget, City Council appropriated \$100,000 for traffic calming projects throughout the City. Of this \$100,000 approximately \$97,000 remains for the purpose of installing traffic calming and all the signs and marking associated with the traffic calming measures. The following projects were selected:

1. Florida Avenue/Dorchester Avenue (West Asheville)
2. Caribou Road/ Booker Avenue (South Asheville)
3. Gracelyn Road and Ottari Road (North Asheville)
4. South French Broad Avenue (Central Asheville)
5. Wyoming Road (Central Asheville)
6. Wood Avenue (East Asheville)

Staff was unable to get the needed signatures for Wood Avenue. Staff worked with the residents extensively to obtain these signatures but was unsuccessful.

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Over the past year and a half we have worked with the residents of the other streets to develop traffic calming plans. Given that the project was estimated to cost less than \$100,000, the City solicited bids from four contractors, which included, APAC, Inc., Asphalt Unlimited, Tarheel Paving, and Lonesome Mountain Paving for the work. Two bids were received with the lowest bidder being APAC at \$87,680.76. The estimate performed by the Engineering staff was \$66,203.94.

City staff requests that City Council approve a resolution authorizing the City Manager to enter into an agreement with APAC, Inc., for traffic calming in the amount of \$87,680.76.

City Engineer Cathy Ball answered various questions from Council, some being, but are not limited to: are there other traffic calming projects being undertaken; is there any kind of breakdown on how much it costs the City to perform a traffic calming

study; and, if there is a safety problem, does the City go through the traffic calming study or just take action.

Budget Amendment to Water 29 Fund (Water Bond Capital Improvements Fund)

Summary: This consideration of a budget amendment to the 29 Fund (Water Bond Capital Improvements Fund) to reflect reprogramming of funds to provide for an increase in NCDOT projects, an increase in Master Plan Improvements, and an increase in Annexation Projects.

Funds will be reprogrammed to increase funding for NCDOT Betterment, increase funding for new Annexation projects, and increase Master Plan Improvements. Most of these changes were approved as part of the FY 2002-2003 Water Fund Budget's Capital Improvements Program. Staff is proposing an \$874,847 increase in NCDOT Non-Betterment projects. This is needed to provide additional funding for under budgeted projects and to set up funding for the first of three annual payments for Pisgah Highway Phase II and Sweeten Creek Phase II. Staff is also proposing a \$13,030 increase in NCDOT Betterment (Brevard Road I-240 to I-40) and an increase of \$275,000 for the Sand Hill Road Master Plan Project. These increases are needed because of under budgeting. Finally, an increase of \$175,000 is needed for the new 2002 and 2003 Annexation Projects. All of the increases summarized above will be offset by deleting \$832,370 in Building Safety Improvements and decreasing Critical Needs Improvements Phase II by \$505,507.

Staff recommends approval of the amendment to the 29 Fund to reflect the changes identified above.

Budget Amendment to Water 35 Fund – Water Major Capital Improvements

Summary: The consideration of a budget amendment to the 35 Fund (Water Major Capital Improvements Fund) (1) to establish funding for a \$115,000 Environmental Protection Agency (EPA) Grant for a Water Security Assessment; (2) to reduce Contributions From Other Funds – Future by \$718,511 to reflect that the funding for Pisgah Highway Phase II and Sweeten Creek NCDOT projects will be provided in the 29 Fund; and (3) to reprogram funds to increase funding for FY 02/03 Distribution System Improvements, provide for a Contingency to fund FY 03/04 Distribution System Improvements, and to increase funding in several other projects that were under budgeted.

The Capital Project Ordinance will be amended as follows:

- It will be increased to reflect a \$115,000 grant awarded to the Regional Water Authority (RWA) by the EPA on July 1, 2002. This grant will provide the funding necessary to provide a vulnerability assessment and related security improvements at the water

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treatment plants and distribution system facilities. The objective of this grant program is to reduce the vulnerabilities that large drinking water utilities present to a terrorist attack.

- Future NCDOT projects will be decreased by \$718,511 because these projects will be funded with 2001 revenue bond proceeds in the 29 Fund. This includes the Pisgah Highway Phase II and Sweeten Creek Phase II NCDOT projects approved as part of the FY 2002-2003 Water Fund Budget's Capital Improvements Program.
- Funds will be reprogrammed to increase funding for FY 02/03 Distribution System Improvements, to provide for a Contingency to fund FY 03/04 Distribution System Improvements, and to increase funding in several other projects that were under-budgeted. These changes were approved as part of the FY 2002-2003 Water Fund Budget's Capital Improvements Program. Staff is proposing a reduction of \$116,811 for Critical Needs Contracts Phase I, a reduction of \$55,011 for FY 99/00 Distribution System Improvements, a reduction of \$9,660 for Bee Tree Dam Renovations, a reduction of \$14,252 for Annexation Blackberry Lane, a deletion of \$83,863 for FY 98/99 Distribution System Improvements, a deletion of \$1,150,000 for FY 01/02 Distribution System Improvements, an increase of \$1,000,000 for FY 02/03 Distribution System Improvements, and an increase of \$429,597 for Contingency for FY 03/04 Distribution System Improvements.

Staff recommends approval of the amendment to the 35 Fund to reflect the changes identified above.

School Crossing Guards Contract

Summary: The consideration of a resolution authorizing the City Manager to renew a contract with Bentley Security for school crossing guards.

The City of Asheville currently contracts with Bentley Retirements Inc., d/b/a Bentley Security to provide school crossing guards for students who attend Asheville City Schools. The total contract price is \$80,233.20 and has not increased from the

previous contract period.

Asheville City Schools require the services of school crossing guards at 23 locations to insure the safety of students who must cross the street on their way to school. The work performed requires the presence of the crossing guards for approximately 2 hours each school day (180 days per year). The proposed contract period of (2) years remains unchanged. The minority business office has reviewed the list of available service providers and recommends the City of Asheville renew the contract with the current service provider.

City staff recommends City Council authorize the City Manager to renew a contract with Bentley Security in the amount of \$80,233.20.

Mayor Worley asked that the record show that City Council has received this information and instructs the City Manager to place these items on the next formal City Council agenda.

ASHEVILLE-BUNCOMBE VISION DIALOGUES

Mr. Joe McGuire invited City Council to participate in the 2002 VISION Community Dialogues and explained that the goal of Asheville-Buncombe VISION Inc. is (1) to encourage discussion among diverse residents in order to promote understanding of how local issues affect different segments of our community and (2) to encourage citizens to collaborate on efforts that benefit the whole community. This year's topic, "For Community Health", will focus on how we can respond to the health needs of our county.

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REPORT FROM CITIZEN STUDY COMMITTEE ON CAMPAIGN FINANCE REFORM

Ms. Wanda Adams, Chair of the Citizen Study Committee on Campaign Finance Reform, introduced present Committee members Lou Bisette, Rod Whiteside, Max Haner and Marie Colton. She said that unfortunately this subject was very complicated and it took them four meetings to arrive at this point. Regardless of the reasons, their meetings were not fully attended by all of the committee members. This is not a unanimous recommendation, however, it was approved by a majority of the seven-committee members that were appointed by the City Council. She then presented City Council with the final report containing recommendations by the Campaign Finance Changes Study Committee. She also submitted to Council all of the relevant research material.

Perceived Campaign Problems in Municipal Elections:

The amount of money needed to run a winning campaign is beyond the reach of the average citizen. It is very difficult to raise \$20,000 to \$100,000 without personal wealth, well-connected friends or incurring a debt that is almost impossible to retire.

The amount of money spent on winning campaigns has exceeded what appears to be reasonable. It appears unnerving that individuals have to spend upwards of \$50,000 to get elected to a position that pays less than \$15,000 a year.

The number of less-than-serious candidates crowds the field and makes it more difficult for committed candidates (who don't have access to tens of thousands of dollars) to rise to the top.

The amount of money candidates spend isn't always disclosed prior to the election.

The City should make an attempt to provide incentives and/or expense reimbursements in an effort to reduce campaign costs. It is the recommendation of the Committee that the City establish a non-profit corporation to facilitate the election process. The corporation should focus on establishing policies/guidelines, locating funding sources and pursuing legislation, if necessary.

Possible campaign finance changes for the non-profit corporation's consideration or for City Council's consideration include, but are not limited to, the following:

- (1) The City should make its print facilities available to candidates.
- (2) The City should partially finance local campaigns with a public fund.
- (3) Residents who are concerned about the escalating costs of local campaigns could contribute to a public fund to be accessed by candidates. The contributions would be made through a voluntary or mandatory donation included in monthly water

bill.

- (4) Send mailings with information submitted by all candidates.

(The recommendations listed above are designed to help lessen the financial burden of campaigning.)

- (5) The City should increase the filing fee to \$100 for candidates.

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(The fifth recommendation is designed to help weed-out the less-than-serious candidates who may not find it appealing to pay a \$100 filing fee if they aren't planning to actively campaign for office.)

- (6) The City should establish spending limits for candidates. The limit should be in the range of \$15,000 to \$30,00 for council candidates and \$25,000 to \$40,000 for mayoral candidates.

(The sixth recommendation is designed to set a more realistic goal for campaign spending.)

- (7) Use of the Public Access Channel for candidate forums.
- (8) Allow a non-profit group to sponsor a candidate forum on the Government Channel.
- (9) Work with local media, especially television news, to give more and better coverage of forums, etc.

(The three previous recommendations are designed to give all candidates equal exposure to the electorate.)

- (10) Petition the State legislature to correct the loophole in the law that is clearly a drafting error with the legislation requiring campaign reports for municipal elections. The law should read that campaigns are required to file a report a week or 10 days before the Primary election and a second report a week or 10 days before the General election. By mistake, the law says file a report before the Primary – or – before the General.

- (11) Obtain a local act authorizing any ordinance that affects elections or campaigns.

Councilman Mumpower asked if the Committee had enough time to develop their final report since Council only allotted them 120 days. Ms. Adams felt that they did have enough time in that the issue is so complex they could work on it for two years and still have disagreements, other avenues to search, etc. and chances are they would still come up with the basic recommendation which is to establish a non-profit corporation to facilitate the election process.

Mr. Lou Bissette said that the Committee dealt with some very difficult issues and that government has to be very careful on the restrictions and the amount of tampering they do regarding the election process. He wanted to express the following minority view comments on behalf of himself and Kent Wolff (also member of the Committee): (1) he felt there number of constitutional issues that relate to report that need to be considered; (2) agreed with recommendations 5, 7, 8, 9 and 10; (3) unsure about the purpose of the non-profit corporation since we have a State Board of Elections to oversee the election process; (4) concern about using public funds to finance campaigns; (5) concern over using City print shop facilities available to candidates; (6) concern about mandatory donations in the monthly water bills; and (7) concern over spending limits. He felt that when you start limiting what candidates can do to get elected, you actually protect the incumbents. He explained that incumbents have name recognition and someone trying to get elected has to spend more money to get their name out and to get elected.

Upon inquiry of Councilman Mumpower, City Attorney Oast said that City Council instructed him to give minimal assistance to the Committee. He did not spend a lot of time investigating the constitutionality of some of the recommendations. He said that one purpose of the report is to seek Council direction on where to go from here. Depending on that direction,

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then his involvement would be more significant. He would be happy to do whatever research City Council directed him to do.

Councilman Dunn did not want to use public funds in anyway and felt that some of the recommendations were a little unrealistic.

Councilwoman Jones felt that some of the recommendations were good first steps to start restoring public trust. She was

concerned about the people who aren't going to the polls because they feel the system is tainted and they just don't want to participate. She felt the recommendations by the Committee are good places to begin.

Councilman Mumpower suggested that instead of wrestling over specific content of the report, that a healthy way in which to move forward might be to refer the report back to the City Council Subcommittee on Campaign Finance Changes (Councilman Peterson, Vice-Mayor Bellamy and Councilman Mumpower) to review the recommendations and report back to City Council with their recommendations. Or, he suggested the City Attorney review the report for constitutional issues first.

Mr. Rod Whiteside reiterated Ms. Adams comments in that the recommendations are a product of the committee members who were at the meeting. He asked Council to review the recommendations and if necessary, give them further direction.

Upon inquiry of Councilman Mumpower, Ms. Adams said that if Council chooses to give the Committee more direction, with a timeframe in mind, she felt the Committee would be amenable to continue their work on this issue.

Mr. Max Haner concurred in the Committee's recommendation in that the City should establish a non-profit corporation.

When Councilman Dunn asked if the Committee researched other issues regarding the election process, Councilman Peterson said that the Council's consensus was that this Committee only be asked to work on campaign finance reform.

Councilman Peterson said that the report contains a lot of good ideas and gives Council some good direction. He felt now was the time for City Council to decide what direction they wish to take. If there is support of Council, then Council can ask the Committee if they will continue to serve and develop details on how some of the recommendations can be achieved. If there is not Council support, then we don't need to ask the Committee to waste time. He felt it might be appropriate for the Council Subcommittee to review this report and give their recommendation to Council at a worksession in about 2-4 weeks. He felt the goals are (1) to restore confidence in the system; and (2) help inform the voters.

Ms. Marie Colton felt that this is a very difficult subject, which contains varying opinions. She agreed with the basic recommendation to establish a non-profit corporation.

Mayor Worley felt the root for the high cost of spending was the cost of media. As things progress with technology, there may be innovative ways to get the message out without spending money on media.

It was the consensus of City Council to refer the report to the City Council Subcommittee to review and report back to Council with their recommendations in 2-4 weeks. Once City Council has the Subcommittee's report, then direction, if appropriate, can be given to the Citizen Study Committee to assist Council and/or ask the City Attorney to research specific items.

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All of Council thanked the Committee members for their diligent and hard work on this very difficult issue.

AMENDMENT TO 2002 CONSOLIDATED COMMUNITY DEVELOPMENT BLOCK GRANT & HOME ACTION PLAN

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Community Development Director Charlotte Caplan said that this is the consideration of amendments to the 2002 Consolidated Community Development Block Grant (CDBG) and HOME Action Plan.

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Council originally approved the 2002 Action Plan for CDBG and HOME funding on April 23, 2002. Since then, some additional CDBG funds have become available from program income or programs completed under budget, and a request has been received for a significant change to a HOME-assisted program. The following changes are now recommended:

A. CDBG AMENDMENTS

Unallocated CDBG funds currently total \$249,018 as follows:

Funds returned from NHS Montford Gateway Loan Guarantee (project completed)	\$ 44,045
Additional program income anticipated from sale of Biltmore Avenue property	70,000
Contingency	86,575
Program income recd. in 2001-02 and not yet allocated	<u>48,398</u>
Total available	\$249,018

The recommended allocations are:

1. Woodfin Apartments

New CDBG allocation: \$89,250

The Housing Authority of the City of Asheville has re-submitted its request for CDBG assistance for acquisition and renovation of the 19-unit Woodfin Apartment, located in downtown Asheville, reducing the amount requested from \$250,932 to \$89,250. The Housing & Community Development (HCD) Committee recommends this grant on the grounds that the need for the project remains very high and that the amount requested is now within the funds available.

2. Code Enforcement Demolitions

New CDBG allocation: \$41,370

The general fund appropriation for demolitions was eliminated from the 2003 City Budget. The removal of certain vacant, dilapidated structures that are a blight on surrounding property is both CDBG-eligible and desirable for the achievement of Consolidated Plan goals. The HCD Committee recommends an allocation of \$41,370, which is sufficient to demolish about eight structures.

3. Hillcrest Enrichment Program

Increase CDBG allocation by: \$5,000

Funding constraints led to a reduction in the grant allocated for this Housing Authority youth program from \$50,000 in 2001-02 to \$45,000 in 2002-03. The HCD Committee now recommends restoring the grant to its former level.

4. CDBG Administration

Increase CDBG allocation by: \$29,065

As part of the 2003 interim City Budget, Council has approved the transfer of one filled position within the Planning & Development Department from general funding to CDBG/HOME funding. The transferred staff person will work exclusively on CDBG- and HOME-eligible administrative and planning work. Staff estimates that the cost will be \$48,441 this year, to be funded 60% from CDBG and 40% from HOME (see below).

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5. Contingency

\$84,333

Funds will be retained for urgent needs, unforeseen cost overruns, or shortfalls in anticipated program income during the year. If not needed, these funds will be available for the 2003-04 funding cycle.

B. HOME AMENDMENTS

1. HOME Administration

The cost to the HOME program of the transferred staff position will be \$19,376. The Asheville Regional Housing Consortium Board recommends that this be covered by reducing Member Government Administration and increasing City of Asheville HOME Program Administration by the same amount. The total amount allocated for HOME administration will remain unchanged at 10% of the HOME budget.

2. Change of Location for Henderson County Habitat Affordable Housing Project

Henderson County Habitat for Humanity was awarded \$50,000 in 2002 HOME funds, through Henderson County, to purchase land for 10 new single-family homes at the Village of King Creek on Spartanburg Highway in Hendersonville. The agency has now asked to use these funds instead to purchase land on Stepp Road in the Clear Creek district of Henderson County. Habitat will go ahead with the Village at King Creek project using a different source of funds. A separate public hearing on this item was held in Hendersonville on July 24, 2002, and both the Henderson County Board of Commissioners and the Asheville Regional Housing Consortium Board recommend approval.

Staff recommends approval of the amended Action Plan.

Mayor Worley asked that the record show that City Council has received this information and instructs the City Manager to place this item on the next formal City Council agenda for a public hearing.

MISCELLANEOUS

Upon inquiry of Councilwoman Jones, City Manager Westbrook said that he is working on a mentoring policy of how the City can be actively involved in an educational initiative of City employees being mentors to our school children.

Upon inquiry of Councilwoman Jones, City Manager Westbrook said that he is in the process of preparing information for City Council approval on orientating potential city council candidates.

CLOSED SESSION

At 4:47 p.m., Councilman Mumpower moved to go into closed session for the following reasons: (1) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the City Council, including agreement on a tentative list of economic development incentives that may be offered in negotiations – G.S. 154-381.11 (a) (4); and (2) to establish or to instruct the City's staff concerning the position to be taken by or on behalf of the public body in negotiating the price of other material terms of a contract for the acquisition of real property – G.S. 143-318.11 (a) (5). This motion was seconded by Vice-Mayor Bellamy and carried unanimously.

At 5:23 p.m., Councilwoman Jones moved to come out of closed session. This motion was seconded by Vice-Mayor Bellamy and carried unanimously.

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ADJOURNMENT:

Mayor Worley adjourned the meeting at 5:23 p.m.

CITY CLERK

MAYOR