

Worksession

Present: Mayor Charles R. Worley, Presiding; Vice-Mayor Terry M. Bellamy; 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: Councilman Joseph C. Dunn

**CONSENT:**

**Minority Business Plan Amendments**

Summary: The consideration of a resolution to amend the Minority Business Plan in order to enhance and clarify provisions of the Plan.

In May of 1998, City Council adopted the Asheville-Buncombe Minority Business Plan. The Plan has been amended three times: (1) November 1998 to expand participation in the Mentor-Protégé Program; (2) December of 1999 to clarify the provisions of the Plan; and (3) in 2001 to expand certification to two years.

At their meeting on August 8, 2002, the Minority Business Commission recommended that the Plan be further amended to enhance and clarify provisions of the Plan. The most significant change is the reduction of the Minority Business Commission from 13 to 11 members. The Minority Business Alliance is no longer active and one of the three certified minority business owners has been deleted in order to keep the board balanced to an odd number. In addition, the grievance procedures for hearings has been revised and made more concise for use.

The resolution amends the Plan as recommended by the Minority Business Commission. The recommended revision to the Plan will also be presented to the Buncombe County Commission for their consideration and adoption.

City staff recommends City Council adopt the resolution amending the Minority Business Plan.

**Budget Amendment for Governmental Accounting Standards Board Implementation**

Summary: The consideration of a budget amendment to eliminate the use of internal service funds pursuant to Governmental Accounting Standards Board (GASB) regulations and amend the General Fund Budget accordingly.

The City of Asheville has several operations that are established to supply goods or services to other city departments or governmental units. These operations include Fleet Management, Graphic & Printing Services, Central Stores, and Group Health/Risk Management. Each of these four operations is currently set up as an **Internal Service Fund**, a separate accounting entity established to budget and account for the activities of a department or division that supplies goods or services to another department or governmental unit.

The accounting and management procedures used by an internal service fund are similar to those of a private business; that is, the internal service fund predominantly charges other departments on a cost-reimbursement basis for the use of its goods and services. For instance, when Fleet Management repairs a police car, it charges the Police Department for the cost of parts and labor involved in the repair. The revenue that Fleet Management receives from

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charging the Police Department is used to pay the salaries of the mechanics and cover the cost of vehicle parts.

The use of internal service funds results in “double-budgeting” city expenditures, once in the Internal Service Fund and again in the City’s General Fund. The Fleet Management Internal Service Fund, for example, has approximately \$450,000 in its budget to cover the cost of maintaining police vehicles. The General Fund, through the Police Department, also has \$450,000 in its budget to “pay back” Fleet Management for maintaining its vehicles. Thus, when adding the Police Department’s vehicle maintenance budget to Fleet Management’s budget for police vehicle maintenance, it appears that the City is spending \$900,000 on maintenance of police vehicles, when in fact the actual cost to the organization is only \$450,000.

To eliminate the appearance of double-budgeting and to respond to recent accounting changes advocated by the GASB,

the Budget and Finance Directors recommend that the City discontinue using separate internal service funds to budget and account for the City's internal "business-like" operations. It is recommended that the internal service budgets for Fleet Management, Graphic/Printing Services, Central Stores, Group Health /Risk Management be reduced to zero and that the expenses for internal service functions be charged directly to department operating accounts in the general fund, where budgets already exist.

In addition to providing services to other City departments, several of the City's internal service funds provide limited services to external governmental agencies. The Fleet Management Internal Service Fund, for instance, sells gas to Memorial Mission Hospital, allowing Memorial Mission to benefit from the City's government rate. The budget to cover the cost of providing services to external agencies, however, is currently budgeted solely in the City's internal service funds. Thus, when the various internal service funds are reduced to zero, as recommended in this report, the cost of providing services to external agencies (i.e. Memorial Mission) will need to be moved to the general fund and the general fund budget increased accordingly. The increase in general fund expenditures will be offset by also moving revenues received from outside agencies (i.e. Memorial Mission) into the general fund, resulting in no net increase in general fund expenditures.

City staff recommends City Council adopt the budget amendment to eliminate the use of internal service funds pursuant to GASB regulations and increase general fund expenditures by \$4,324,717 to reflect expenditures and revenues associated with internal service functions providing goods and services to outside agencies.

### **Offer of Purchase for Upset Bids for Land off Blake Mountain Circle**

Summary: The consideration of a resolution authorizing the City Clerk to advertise an offer of purchase for upset bids for 0.40 acres of land off Blake Mountain Circle.

A bid from Rhett A. Grotzinger, in the amount of \$3,700.00, has been received for the purchase of land adjacent to his property at 307 Blakewood Court. The bid is not less than the appraised value of \$3,700.00.

The property is zoned RS-2 and comprises approximately 0.40 acre of land. Thus the lot does not contain the required area for a standard lot in RS-2 zoning. The property has a trapezoid shape and is gently sloping to below street level. The parcel is wooded except for an abandoned circular water tank with a domed cover, which is partially below ground. The water tank is in the middle of the lot and covers about 1/3 of the land area. The appraisal by Richard Smith in the amount of

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\$3,700.00 takes into consideration the substandard size of the lot as well as the negative impact of the water tank on the land value.

There is no current or contemplated use for the property by the City. If the sale is approved the property will be sold as is and the City will retain an easement for water lines on the property. Mr. Grotzinger plans to assemble the property with the property he owns and whether the water tank is removed or not will be his decision and responsibility.

Approval of the resolution will initiate the sale of the property through the upset bid process as provided in N. C. Gen. Stat. sec. 160A-269.

Planning staff recommends adoption of the resolution.

### **Relinquishing an Easement in the Closed Alley between Riverview Drive and Euclid Boulevard**

Summary: The consideration of a Resolution authorizing the Mayor to execute a non-warranty deed to relinquish the City's easement in the closed portion of the alley between Euclid Boulevard and Riverview Drive.

The City closed a portion of an unopened alley between Euclid Boulevard and Riverview Drive on June 27, 1995, reserving for itself an easement for the possible future installation and maintenance of public utilities. Subsequent to adoption of the Resolution, the petitioning property owner contacted the City and requested that the City, to the extent possible, relinquish its easement as the reservation of the easement defeated the purpose of closing the alley. Key City staff considered the request and did not oppose the request. The petitioning property owner was informed that City staff was prepared to recommend that the City relinquish its easement upon the receipt of certain information, which information was not received until July 22, 2002. Due to the lapse of time, key City staff was once again consulted and no objection was raised to the City relinquishing its easement. The closed portion of the alley whereby the City is relinquishing its easement is more specifically shown in Plat Book 7 at Page 72.

City staff recommends City Council adopt the resolution authorizing the Mayor to execute a non-warranty deed relinquishing the City's easement in the closed portion of the alley between Euclid Boulevard and Riverview Drive.

### **Agreement with the Asheville Humane Society**

Summary: The consideration of a resolution authorizing the City Manager to sign an agreement with the Asheville Humane Society for animal shelter services within the corporate limits of the City.

On July 1, 2002, Buncombe County required the City to pay for animal shelter services with the Asheville Humane Society who has contracted to run the shelter. From July 1, 2002, through August 30, 2002, the City contracted with the Humane Society for shelter services based on funding approved in the City's interim budget. On September 1, 2002, the City approved the final budget for Fiscal Year 2002-2003, and in that budget approved \$100,000 to pay for shelter services. The City and Humane Society need to enter into the same agreement for shelter services for the term of September 1, 2002, through June 30, 2003.

City staff recommends approval of the resolution authorizing the City Manager to sign an agreement with the Asheville Humane Society for animal shelter services for the term of September 1, 2002, through June 30, 2003.

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### **Budget Amendment to Renovate the Building at Memorial Stadium**

Summary: The consideration of an amendment to the City's general capital project fund, in the amount of \$72,593, to cover the renovation of the storage building at Memorial Stadium.

In November of 2001, the storage building at Memorial Stadium was destroyed by fire. The estimated cost to renovate the storage building is \$72,593.

After a year of negotiation with the City's insurance carrier, the Risk Management office, with the assistance of the Parks & Recreation Department, received an insurance settlement to help cover the cost of renovating the storage building. Insurance settlement revenue in the amount of \$64,593, as well as funds in the amount of \$8,000 that can be transferred from the City's building maintenance reserve are available to support the cost of the renovation project.

Staff is requesting the establishment of a capital project budget in the amount of \$72,593 for renovation of the storage building at Memorial Storage. The project budget will be balanced with the insurance settlement proceeds and building maintenance reserve funds noted above.

The Parks & Recreation Department recommends City Council approve the amendment to the City's general capital project fund for the renovation of the storage building at Memorial Stadium.

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.

### **SOLITATION ORDINANCE**

Police Chief Will Annarino said that this is the consideration of an amendment to the City's solicitation ordinance by (1) making it a class three misdemeanor to ask, beg or solicit funds for alms or contributions within certain areas within the City limits boundaries; and (2) making it a class three misdemeanor to urinate in public, sleep on public property and loiter with the intent to obstruct any public street, public highway, public sidewalk or other public place or building by impeding the free uninterrupted passage of vehicle traffic or pedestrians.

City staff has received numerous complaints from residents, visitors and merchants regarding the large amount of panhandling and soliciting occurring in Asheville. In addition, the Asheville Police Department has also witnessed a large increase in panhandling occurring in the City. City staff has determined that such activities are causing a public safety hazard by interfering with the free flow of pedestrian traffic on sidewalks; creating fear and anxiety for persons traveling downtown; and discouraging people from visiting Asheville's downtown and Biltmore Village. In an effort to insure the public safety of pedestrians in high traffic areas and to preserve a pleasant family friendly atmosphere in the downtown area and Biltmore Village, City staff recommends placing a limited ban on solicitation in specified areas based on the volume of pedestrian traffic as well as the impact the location has on tourism. Staff is proposing prohibiting solicitation in the following zones: ZONE 1 - Hilliard Avenue as the southern boundary south, French Broad Avenue as the western boundary, Cherry Street and Woodfin Avenue as the northern boundary and

Woodfin and Valley Street as the western boundary and ZONE 2 – the entire Biltmore Village Historic District.

Staff is also proposing prohibiting solicitation throughout the City within a certain distance from bus stops, banks and automatic teller machines, entrances to buildings, and outdoor dining areas. The ordinance will also prohibit soliciting in the evening and prohibit a person from soliciting while under the influence of drugs or alcohol.

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In an effort to reduce the amount of street nuisance type activities in Asheville, City staff is also recommending the ordinance prohibit relieving one's self on public, sleeping on public property and loitering that impedes pedestrian or vehicular traffic throughout the City.

Class 3 Misdemeanor – conviction on 1st offense results in a \$50.00 fine. 2nd and subsequent convictions can result in fines up to \$500.00.

City staff recommends approval of the ordinance.

Upon inquiry of Councilman Mumpower, Police Chief Annarino said that the boundaries could be expanded as conditions are justified.

Vice-Mayor Bellamy asked about how we can enforce our ordinances inside Aston Park, which is a County park. City Attorney Oast said that the City can enforce our ordinances for activities on County properties that are located inside the City. He said he would be happy to confirm that.

Vice-Mayor Bellamy stressed that the City needs to involve and assist other agencies to provide solicitation alternatives. City Manager Westbrook said that the Asheville Downtown Commission, the Asheville Downtown Association and the merchants will be monitoring the ordinance and investigating ways in which alternatives for solicitation might work. For example, a sign in a window that states you cannot solicit for funds, but if you would like to help, here are other ways – and maybe have a box placed there for funds.

When Councilman Mumpower asked for a monitoring report, City Manager Westbrook felt sure that the different downtown groups will be asking to come before Council with a report.

Councilwoman Jones felt that the City was criminalizing poverty in two instances in the proposed ordinance and explained her suggested following changes: (1) That under Section 11-16 (Sleeping on Public Property), that (a) read "It shall be unlawful for any person to sleep on any of the streets and sidewalks." She asked the rest of the sentence ("public places or upon the private property of another without the consent of the owner thereof") be deleted; and (2) That Section 11-15 (Public Urination) be deleted in its entirety. She understood that there are public health issues. However, she strongly felt that the City should have a simultaneous response to prohibiting this by providing public restrooms. She wasn't saying that we shouldn't prohibit public urination, but that we need to deal with a more comprehensive response for it. She stated that she would bring the funding issue of public restrooms up at City Council's annual retreat. In addition, she felt that we need to make a bigger commitment to get behind the shelters by redirecting some of our Community Development Block Grant funds and outside agency funds to work with them on solutions.

Mayor Worley stated that the City did have public restrooms downtown but they were vandalized and destroyed. He did note, however, that there are some public restrooms located downtown. In addition, he felt that there are shelters for those people who are currently sleeping on park benches, realizing also that some people cannot be in a shelter due to mental illness.

Police Chief Annarino said that the problem with people sleeping on park benches is so bad that merchants want to remove the benches.

Councilman Ellis, liaison to the Asheville Downtown Commission, said that the Commission is working aggressively at suggesting a special taxing district for the downtown area for security and restrooms.

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Vice-Mayor Bellamy asked about the education component in the ordinance. Police Chief Annarino responded that the downtown merchants will be working on some plans and the police officers would be there to phase in the ordinance changes.

Vice-Mayor Bellamy felt that City Council should write to the Governor and our state legislators and ask them to require a

housing plan for inmates being released from prison into our community. She also felt there needed to be a hard look at the intake system for public housing. In addition, City Council needs to hear about our mental health issues in the community, even though Buncombe County is responsible for that issue. At the suggestion of Councilman Mumpower, Vice-Mayor Bellamy and Councilwoman Jones agreed to draft a letter for Council's consideration.

Vice-Mayor Bellamy questioned the Class 3 misdemeanor fine of \$50. Police Chief Annarino said that the Class 3 misdemeanor amount is established by state law, however, Assistant City Attorney Curt Euler said that the fine would be left up to the judge and that could range from \$5 to \$500.

Upon inquiry of Councilman Mumpower, Police Chief Annarino said that a new system will be on line in December and it will take approximately six months to a year to compile statistics on this complaint driven issue.

Councilwoman Jones said that she did support the loitering section and the public solicitation and begging section and asked the City Attorney how she could vote for two and possibly not for the other two sections (public urination and sleeping in public). After discussion, City Attorney Oast gave three alternatives and suggested that when the matter comes before Council for a formal vote, that Councilwoman Jones could make a motion to divide a complex motion and consider it by paragraph. It would then be up to City Council to support the motion or not.

Mayor Worley asked that the record show that City Council has received this information and instructs the City Manager to place this item on an upcoming formal City Council agenda.

### **MISSION STATEMENT**

City Manager Westbrook said that City staff is requesting City Council approve the revised mission statement "The City of Asheville is committed to delivering an excellent quality of service to enhance your quality of life."

The City's current mission statement was adopted in 1995. The mission statement has served us well, but needs to be updated. After reviewing the mission statement at last year's staff retreat, the Management Team set up a team of City employees to bring forward a recommendation for change in the mission statement. The staff feels strongly that a mission statement should be simple enough that every City employee will be able to recite it when asked, "what is your job?" We believe the mission statement crafted by the team meets that standard, as well as capturing the essence of public service.

In addition to the mission statement, the Management Team also crafted core values. In previous years these were adopted by the Management Team on how we would work with the public and manage our various missions within the City. It is our intent to update the core values for all City employees. The core values represent sound standard practices and ideals that all City employees should follow.

Lastly, a motto was crafted as a simple way of stating our mission and how it affects all citizens.

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Ms. DeAnn Lyda, Ms. Sasha Vrtunski and Ms. Leslie Carreiro, showed how they developed the mission statement and its applicability to the way we think and work in the City of Asheville.

Staff recommends City Council adopt the mission statement as presented by the team and endorse it to all employees and citizens of Asheville.

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.

### **HOUSING TRUST FUND**

Planning & Development Director Scott Shuford said that this is the consideration of a resolution to offer Housing Trust Fund loans for the construction of affordable housing.

In its final Fiscal Year 2003 City Budget, City Council approved a \$500,000 appropriation for the City's Housing Trust Fund (HTF). Adding repayments from prior year loans, staff estimates that at least \$580,000 will be available for lending this year.

The Housing and Community Development Committee has reviewed the process for offering HTF loans and has made some improvements, while keeping the guidelines broadly similar to those used last year.

In summary, the proposed loan guidelines (*and changes*) are as follows:

- Projects must be new construction, or rehabilitation of vacant property.
- Homes for sale must be priced at not more than \$120,000; and sold to a person with household income below area median.
- Homes for rental must be affordable to households below 80% of area median income, and the first tenants must meet that income limit.
- Maximum loan amounts per unit are \$40,000 for construction loans and \$25,000 for long-term loans (*increased from \$20,000 for both loan types*); the maximum loan to one applicant is \$250,000 (*increased from \$200,000*).
- Loans must be repaid within 30 years – no grants, forgivable loans, or indefinitely deferred loans are allowed.
- Loans will be fully amortizing with 2% interest, except that for the most affordable projects loan repayments may be either principal-only with 0% interest, or interest-only with deferred principal (*not both 0% and deferred*).
- Applicants have the option to purchase land from a list of City-owned sites; there are ten suitable properties currently on this list.
- Minor changes have been made to the evaluation criteria.

The loan offering can be published immediately after Council's approval, with an application deadline on November 27. Applications will be reviewed and scored by a panel of City staff and outside professionals and their findings will be considered by the Housing and Community Development Committee in December. The Committee's recommendations for loans will be ready for Council's final review and approval in January.

Mr. Shuford then gave Council a brief update of the Fiscal Year 2001 and 2002 Projects.

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City staff recommends City Council approve the resolution to offer Housing Trust Fund loans for the production of affordable housing in Fiscal Year 2003.

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.

**RESOLUTION NO. 02-166 - RESOLUTION SUPPORTING MAYOR OF ASHEVILLE'S NOMINATION FOR SECOND VICE PRESIDENT OF THE BOARD OF DIRECTORS OF THE NORTH CAROLINA LEAGUE OF MUNICIPALITIES**

Councilman Ellis said that Mayor Charles R. Worley is currently Chairman of the Finance Administration and Intergovernmental Relations Committee and has had the pleasure of working with League staff and other elected and appointed officials throughout North Carolina for some period of time. It appears that the North Carolina League of Municipalities is approaching a new relationship with the State of North Carolina. As Charles R. Worley is the Mayor of the largest city west of Winston-Salem and north of Charlotte, the Asheville City Council and other leaders from this part of the state feel that Mayor Worley can bring a unique perspective to the Board which would be helpful and productive. Western North Carolina certainly has its challenges, as do other parts of the state, but the Asheville City Council believes that Mayor Worley can articulate Western North Carolina's needs and challenges to the Board of Directors and the general membership of the League. The Asheville City Council hereby endorses and supports Mayor Charles R. Worley's nomination for the position of Second Vice President of the Board of Directors of the North Carolina League of Municipalities.

Councilman Ellis moved to waive the rules and take formal action at this meeting since the North Carolina League of Municipalities Annual Conference is October 20-21, 2002. This motion was seconded by Councilman Mumpower and carried unanimously.

Councilman Ellis moved to adopt Resolution No. 02-166. This motion was seconded by Vice-Mayor Bellamy and carried unanimously.

**BOARDS AND COMMISSIONS:**

- It was the consensus of City Council to arrange an interview for Mr. Sylvia Farrington for a vacancy on the Civic Center Commission and to verify that Mr. Dan Breneman was still interested in serving.

It was the consensus of City Council to have the City Clerk prepare the proper paperwork to appoint Andy Archie to the Downtown Commission.

It was the consensus of City Council to arrange interviews for Ms. Carol Ann Pothier and Mr. Leonard Jones for a vacancy on the Recreation Board.

**UPDATE ON THE 2025 PLAN**

- Planning & Development Director Scott Shuford updated City Council on the 2025 Plan, which is an update to the City's comprehensive plan. The City Plan Advisory Committee, the group charged with overseeing public participation and input into the plan, has endorsed moving the plan forward to the public hearing phase. They will schedule the draft plan to be heard by the Planning & Zoning Commission at their October 24 worksession and again on November 6 at their formal meeting. After the Planning & Zoning Commission's review is complete, they will schedule it for a City Council worksession and formal meeting.

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**ADJOURNMENT:**

Mayor Worley adjourned the meeting at 4:42 p.m.

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CITY CLERK

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MAYOR