

Worksession

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Brownie W. Newman; Councilman Cecil Bothwell; Councilman Jan B. Davis; Councilwoman Esther E. Manheimer; Councilman William A. Russell Jr.; Councilman Gordon D. Smith; City Manager Gary W. Jackson; Assistant City Attorney Martha McGlohon; and City Clerk Magdalen Burleson

Absent: None

Mayor Bellamy led the discussion on the direction of where Council would like to go with some of their strategic partnerships in 2010 and began conversations about the larger issues looming over our City. In preparation of the annual City Council retreat, Council received a white paper prepared by City Manager Jackson and the Executive Management Team dated January 4, 2010, entitled Asheville NC 2010: A Financial Crossroads highlighting some facts facing our City. City Manager Jackson then briefly highlighted some of the key observations from the document.

At Mayor Bellamy's request, it was the consensus of Council to first discuss things they support as a Council, possible funding options and then move forward with the public input process outlined below in the staff report. Mayor Bellamy felt it would be a disservice to City staff, and staff and Council liaisons to the various boards & commissions members to spend a lot of time on issues that there is not consensus of Council. It is very difficult to talk to other partners without having a menu of supported items with possible funding options.

Staff Report provided to Council: "At its annual planning retreat held January 8-9, 2010, the Asheville City Council received a paper entitled *Asheville, NC 2010: A Financial Crossroads*. The paper focuses on issues and challenges facing Asheville as it seeks to address the city's financial structure while meeting the community's expectations and vision for Asheville's future. That vision is largely captured within the city's portfolio of 16 active master plans, which were led by and developed with widespread public input.

"One of the conclusions of the paper asserts that involving key partners, community leaders and citizens in identifying solutions to Asheville's financial constraints is essential to addressing those challenges. An item was included on the retreat agenda for this purpose, but time constraints led City Council to add this as a topic to the Jan. 19 worksession agenda. The purpose of this memorandum is to introduce this topic and to suggest a plan for pursuing public input and community partnerships.

"Reaching out the public and community leaders to seek their input on alternatives for Asheville's future has proven successful in the past. At the 2006 Goals for Asheville forum, more than 300 citizens participated in establishing and prioritizing community goals. Staff is proposing a similar structure along with formal meetings with identified partners including the North Carolina legislative delegation and the Buncombe County Commission.

"A proposed schedule for implementing a public input process is included below:

Partners & Outreach Activity	Timeframe	Leadership
Community Forum Series Conduct a series of three community forums in different parts of the city where the paper could be presented and citizens would be invited to provide their input on solutions; invite community leaders and key agencies to attend and participate	Late February-early March	City Council and city staff
North Carolina Legislative Delegation Provide paper to NC State Legislative Delegation and schedule legislative visit to Raleigh	January-February	City Council
City of Asheville Boards & Commissions Distribute paper to all boards and commissions members and ask that discussion be scheduled at each body's next meeting	January-March	City Council and staff liaisons to Boards and Commissions
Buncombe County Commission Provide paper to the Buncombe County Commission and schedule discussion at next joint meeting	February-March	City Council
Asheville Area Chamber of Commerce Provide paper to the Asheville Area Chamber of Commerce Board and	February-March	City Council

"For each outreach opportunity, staff would prepare a video documentary highlighting the paper's content for presentation. Staff would also compile the feedback and input provided at each meeting into a single report for City Council's consideration.

"To launch the community forum series, staff would recommend hosting the first forum in a central location, such as the Asheville Civic Center, and would structure the event like the Goals for Asheville forum where citizens break into small focus groups to discuss the issues and challenges and brainstorm solutions. The remaining two meetings could be held in different parts of the city. These meetings would be widely advertised and promoted through the city's communications tools and local media outlets. In addition, as with past efforts, comments would be encouraged in writing or through electronic communications for citizens who cannot attend meetings.

"For the purpose of City Council's worksession discussion, staff is seeking Council's input and direction on the following questions:

- (1) Is Council generally supportive of the concept of the outreach plan?
- (2) Do the sequence of events and schedule meet Council's expectations?
- (3) For the public input piece, is Council comfortable hosting three forums?
- (4) What will the role of the Mayor and Council be in making contact with key partners and arranging meetings?
- (5) Are there other key partners or groups that should be included on the list?
- (6) Are there different or additional strategies we should consider?"

Throughout discussion, each Council member stated the priority of the following possible funding options: property tax revenues; sales tax revenue; occupancy tax revenues; utility revenues; revenues from other sources like fees for services, licenses and permits, the motor vehicle tax, investment earnings and intergovernmental revenue; bond referendum; product development funds; prepared food and beverage fee; federal and state grant funds (American Recovery & Reinvestment Act, N.C. Dept. of Transportation, Community Development Block Grants, etc.); increase of 2.5% or 5% of water revenues; and earmarking by Representative Shuler.

When Mayor Bellamy also asked Council to identify additional information they would like to see from staff in order to make a decision on what they would support, some comments/items requested consisted of: options for a more fair apportionment of the sales tax; request for a graph to show how much sales tax is collected from inside the city limits; detailed information on each of the funding tools available; chart of where the commuters into Asheville come from; are there ways to have differential rates or user fees for commuters into Asheville; is there some way to have non-City residents pay for the use of police services; challenge staff to see about creative user fees; can we pursue additional 911 fees for non-City residents; investigate 911 cost recovery; would it be feasible to add a tax to people who work in the City but who do not live in the City; information on the City subsidizing the volunteer fire station in Upper Hominy (close to Haywood County); information on the Metropolitan Sewerage District participation in financing sewer lines into annexed areas; water rate adjustments; areas that City taxpayers are bearing the burden for – annexation; investigate naming rights for the Civic Center and other City venues; look for ways for consolidation; creation of a GIS map of the master plans so you can see how the different plans fit together; what the water system would look like with an additional percentage of water revenues; and list of low-hanging fruit opportunities with Buncombe County.

Vice-Mayor Newman supported talking with Buncombe County about some strategic initiatives that the City has that we think are in the interest of everyone in the County and ask them if they would be willing to dedicate some funding to some of those priorities over a multi-year period. Some potential partnership areas include regional greenways; the riverfront redevelopment area; downtown investments; parks, recreation and cultural activities; energy independence initiative; and regional planning issues. He also felt it would be appropriate to begin discussions again with our legislators on the voluntary annexation issue.

Councilman Davis supported quality of life issues; however, the City has critical needs having to do with basic City services, e.g., police, fire, sidewalks, capital improvements, etc. He felt Buncombe County would have a serious problem if Asheville falls into neglect and supported building those relationships.

Councilwoman Manheimer said that when we do fundraising we need to put together a package for what we want to do in the next zero-five years with a price tag and the bundle of funding options. Then we could go to the different partnerships and ask for their buy-in and let them know what's in it for them. Or, she wondered if it would be more worthwhile to get the partnerships interest items first so we can package them together. She felt we cannot do this alone and we are dependent on the different partnerships to participate with us.

Councilman Smith felt that going to our partners and clearly stating our priorities with a unified voice is essential to be able to move forward. His priorities would be public safety and jobs/community development. He felt we need to look beyond just our

relationship with Buncombe County and our state legislators and recognize that a rising Asheville tide lifts all regional boats.

Councilman Bothwell felt that since we have a lot of commuters from Buncombe, Haywood and Madison counties who come into Asheville we should try to facilitate their use of transit to get into the City. He suggested we look for some partnership opportunities from the government entities in those counties.

Vice-Mayor Newman agreed that we should identify revenue strategies that Council is either supportive of or open to; and list the key service and infrastructure priorities the funds would be used for. Because, from a community and political standpoint there will be varying levels of enthusiasm for doing the revenue strategies depending on what the infrastructure or service priorities actually turn out to be.

Councilman Russell expressed concern about the \$5 Million gap facing Council prior to the next fiscal year. He felt we have some structural expenditure items that we need to control and we need to gain reliable revenue to take care of the basic services before we start looking at something that could potentially increase our annual budget. He felt Council should focus on creating a more reliable fair revenue stream prior to creating a list of nice, but not necessary things.

Mayor Bellamy gave a scenario where Council filled the gap of \$5 Million with no raises for City employees, use of Fund Balance, cuts into public safety for downtown officers, community policing, closing of a senior center, cutting back on the hours of buses, less garbage collection, no street sweeping, etc. and felt our taxpayers would not want to live in a community like that. We need to stress to our residents that Asheville is the product that people sell. We are one of the safest cities of our size in America and a place where people want to live and work in our community. Not providing some of our services will impact tourism and we must make our community and partners aware of that fact.

Councilwoman Manheimer wondered about (1) the City and County blending fire and police; (2) creating a separate entity for our water system; and (3) the City's operation of the Civic Center and the Municipal Golf Course. Even though we manage our water system really well, perhaps the County and our legislators would look favorably on the way the water system could be run.

Mayor Bellamy advocated pursuing an additional percentage from our state legislators from the water revenues (that would not be earmarked just for water-related projects) to be earmarked for the first two years for roadway improvements or whatever the biggest needs are would not only address our short-fall, but address long-term needs while not impacting the City taxpayers.

In response to Councilwoman Manheimer, City Manager Jackson said that staff will provide Council, as a result of the budget process, a list of capital projects which are aligned with the master plans than we can fund. Every year we provide Council with a list of unfunded priorities outlining exactly where those waterline projects are and where we think there are opportunities to leverage and make best use of the 5% water revenues.

Mayor Bellamy heard support for beginning conversations with our state delegation regarding short and long term goals sooner rather than later.

It was the consensus of Council that the first key partnership contact should be the Buncombe County Commissioners. Other partnerships include N.C. legislative delegation, Tourism Development Authority Product Development Fund, N.C. Dept. of Transportation, and the City's boards and commissions. Community forums would be scheduled at a later date.

City Manager Jackson summarized that staff needs to (1) continue to merge and integrate master plans and pursue the GIS mapping; (2) identify Buncombe County partnership opportunities; (3) instruct staff liaisons to proceed to communicate with City boards/commissions; (4) delay community forums until after working on relationships and Council has an action plan. In working toward that action plan, develop a list of immediate capital improvement needs, taking into consideration the master plans, but identify unfunded immediate priorities that Council may go to the legislators with as a package; (5) develop a short session state legislative package to include, among other things, the voluntary waterline extension policy; and (6) develop a federal legislative package regarding opportunities for funding support.

When City Manager Jackson suggested staff take the list of other revenue options to the Finance Committee for review, it was the consensus of Council to have staff bring those back directly to Council and let the Finance Committee work on the fees and charges.

Mayor Bellamy felt there needed to be one additional worksession by Council to determine the initiatives they support as a Council and what they want to accomplish with those relationships. Some partnerships with Buncombe County include the Tourism Development Authority Wayfinding Project, cleanliness campaign and nuisance court. She asked for Council support of herself, Vice-Mayor Newman and Councilman Davis to work on the partnership with the Buncombe County Commissioners. She stressed that these Council-supported initiatives will be what Council can carry forward to their individual boards.

Mayor Bellamy adjourned the meeting at 7:09 p.m.

CITY CLERK

MAYOR