

Tuesday – May 22, 2012 - 5:00 p.m.

Regular Meeting

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Esther E. Manheimer; Councilman Cecil Bothwell; Councilman Jan B. Davis; Councilman Marc W. Hunt; Councilman Christopher A. Pelly; Councilman Gordon D. Smith; City Manager Gary W. Jackson; City Attorney Robert W. Oast Jr.; and City Clerk Magdalen Bursen

Absent: None

INVOCATION

Councilman Davis gave the invocation.

PLEDGE OF ALLEGIANCE

Mayor Bellamy led the Pledge of Allegiance.

I. PROCLAMATIONS:

A. RECOGNITION OF CITY OF ASHEVILLE YOUTH LEADERSHIP ACADEMY STUDENTS

Mayor Bellamy said that five years ago this June, she and the members of the Asheville City Council welcomed the inaugural class of the City of Asheville Youth Leadership Academy – better known as CAYLA. Since that very first day, CAYLA students have exceeded our highest expectations – as role models, as future leaders, as contributors to our greater community. CAYLA was designed to introduce Asheville’s young people to professional careers, to assist them in their quest for college, and to develop their leadership skills through volunteering. It is without question that by this definition, CAYLA is a success – but only because the CAYLA students have made it so.

Just this year, they have collectively completed 36 separate community service projects, totaling more than 450 volunteer hours. The graduating CAYLA seniors have ALL been accepted to college and will share their many talents, their dedication, and their enthusiasm on university campuses across the state and region this fall.

Tonight, many of our CAYLA students will be honored further at the annual AHS Awards Night, where they will learn how their hard work has paid off in the form of foundation and community scholarships. I’d like to especially recognize Brianna Rock, who has been named a Gates Millennium Scholar, one of only 1,000 in the entire nation.

The City of Asheville has gained much from your contributions, and we recognize you tonight and challenge you to keep striving for excellence in the months and years to come.

As Mayor she was so proud of the young people who are being recognized today – the CAYLA Class of 2012.

With that, she read the names of the CAYLA students who were in the meeting this evening: Omar Alvarado, LaBrea Baird, Kearra Brownlee, Briana Bunn, Calvin Clark, Brianna Crudup, Rachel Downie, Jalyn Folston, Jalen Freeman, Caleah Hallum, Jaquell Hines, Ceante Hudson, Markes Jackson-Edgerton, Ashare Jefferson, Curtis Johnson, Tiffany Jones, Abel Lomeli-Garcia, Manny Lomeli-Garcia, Kasia Maatafale, Alex Mitchiner, Janeka Moore, Tequila

Porter, Brianna Rock, Quanteria Sitton, Ashly Surratt, Fiona Taylor, Lisa Waters, Marcus Whitson, Bryanna Williams, and Christopher Wright.

Mayor Bellamy praised Erika Germer for her hard work on this program.

B. PROCLAMATION PROCLAIMING MAY 20-26, 2012, AS “NATIONAL PUBLIC WORKS WEEK”

Mayor Bellamy read the proclamation proclaiming May 20-26, 2012, as “National Public Works Week” in the City of Asheville. She presented the proclamation to Michael Kyle, representing Water Resources; Rachell Banks, representing Fleet Management; Chris Maloney, representing Sanitation; Joel Tweed, representing Transportation; and Larry Buckner, representing Meter Services.

II. CONSENT AGENDA:

At the request of City Attorney Oast, and consensus of Council, Consent Agenda Item “P” was added to the Consent Agenda.

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON APRIL 24, 2012

B. RESOLUTION NO. 12-102 - RESOLUTION SETTING A PUBLIC HEARING ON JUNE 12, 2012, FOR A LAND USE INCENTIVE GRANT APPLICATION FOR 155 GLENN BRIDGE ROAD

Community Development Director Jeff Staudinger said that this is the consideration of a resolution setting a public hearing on a Land Use Incentive Grant (per the policy adopted by City Council on March 8, 2011), applied for by the owners/developers of 155 Glenn Bridge Road.

This following report summarizes their application and reports on eligibility and points. The 155 Glenn Bridge Road project entails the development of 176 units of rental housing located at the indicated project address in the City of Asheville. No commercial or other mixed use development is cited in the proposal.

The project, as presented to staff, appears to meet the following Eligibility Requirements,

- Equity: A 20% equity contribution is required. The project developers indicate they will contribute 20.4% equity to the project. This includes unreimbursed value of the land, and other expenses.
- Energy Star Certification: The developers indicate the project will achieve Energy Star certification.
- Legal Costs; the developer must agree to assume all legal costs if the LUI is challenged: The developer has agreed to assume all legal costs if the Land Use Incentive policy is challenged.

The project does not meet the following eligibility criteria:

- Inside city limits, within ¼ mile of designated major highways: The project is located approximately .6 mile from Hendersonville Road, and therefore about ¼ mile outside of the eligible area. The developer has requested a waiver of this eligibility criteria.

Public Benefit

The project proposes the following Public Benefit Elements:

- Affordable Housing units with assured affordability at that rent level for a minimum of ten years: 40% of total units (40 points)
- Workforce Housing units with assured affordability at that rent level for a minimum of ten years: 50% of total units (10 points)
- Green Building/Energy: *Energy Star certified* (5 points)

The project therefore scores 55 points. Based on this score, the project would be eligible for a 5.5 year Land Use Incentive Grant.

The project meets the following 2010-11 Strategic Plan Goals: (1) *Affordable*: Create and preserve affordable rental and homeownership opportunities in Asheville. The project is directly related to the opportunity for public/private partnerships and innovative financing to incentivize affordable housing development; and (2) *Green and Sustainable*: Set and develop a plan for implementing a community reduction goal. The project is being built to Energy Star standards, and will be certified by Energy Star.

The project meets applicable Master Plans in the following ways: (1) The project supports the goals of the *2009 City Transit Master Plan* by its location “along major transit corridors...”; and (2) The project supports the goals of the *2009 Sustainability Management Plan*, which calls for the City to encourage Transit Oriented Development. According to sources cited by the developer, “the minimum density at which rapid transit can operate efficiently is approximately 12 units per acre. The Weirbridge Village development is 17 units per acre.”

Exemption Request

The developer has requested an exemption from the eligibility requirement that a project be located within ¼ mile of identified major highways. The project is located .6 miles from an eligible transit route, so slightly more than ¼ mile from the eligible area boundary. It is, however, in an area identified as “Location Efficient” in the Center for Neighborhood Technology study of location efficiencies in Asheville; although public transportation at or closer to this location is not in the Transit Master Plan. The developer notes that the project is located close to retail employment opportunities.

Fiscal Impact: Estimated maximum value of Land Use Incentive: The current assessed value of the property is \$1,062,500. The developer’s estimate of completed project taxable value is \$23,881,118. The current annual city tax, based on current assessed value, is \$4,462.50. The annual estimated city tax post completion, based on the developer’s estimate is \$100,300.70. Thus, the estimated annual Land Use Incentive Grant would be \$95,838.20, the exact amount to be determined by the length, in years, of the grant award, and the actual assessed value of the development upon completion. If approved for 5.5 years, the estimated Grant would be \$527,110.10.

The estimated amount of fees payable for Zoning Permit, Building Permit, Driveway Permit, Grading Permit, Plan Review Fees and Water Service Connection Fee is \$108,632. The value of each 10% of the fee rebate would be \$10,863.20. The exact amount would be determined by the percentage of fee rebate awarded as part of the Land Use Incentive Grant. If approved at the 55 point level, the fee rebate would be \$59,747.60.

The Housing and Community Development Committee has reviewed this application and recommends that Council set a public hearing date for its consideration.

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C. RESOLUTION NO. 12-103 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE N.C. DEPT. OF

**TRANSPORTATION TO FUND THE METROPOLITAN PLANNING PROGRAM,
SECTION 5305 OF THE FEDERAL TRANSIT ADMINISTRATION**

Summary: The consideration of a resolution authorizing the City Manager to enter into an agreement with the North Carolina Department of Transportation (NCDOT) to fund the Metropolitan Planning Program, Section 5303 of the Federal Transit Administration (FTA).

The FTA Section 5303 Metropolitan Planning Program is part of the annual Unified Planning Work Program (UPWP) of the French Broad River Metropolitan Planning Organization (FBRMPO), which outlines transportation planning tasks to be performed by the FBRMPO. The Metropolitan Planning Program is designated to pay exclusively for transit planning activities, such as grants administration and reporting activities, short range and long range transit planning, transportation improvement program preparation, Title VI and DBE programs, and planning and operational analyses. The funds are used to supplement the Transit Projects Coordinator position (90% of the grant) and a portion of the Transportation Manager position (the remaining 10%) for time spent on transit planning.

FY 2011-12 funding totals \$63,600. The subject grant will provide 80% of the anticipated funding (\$50,880), the North Carolina Department of Transportation will provide 10% (\$6,360), and the City will provide the remaining 10% (\$6,360). The grant funding and the City's local match in the amount of \$6,360 are currently budgeted in the Transportation Department's approved budget for the current fiscal year.

This action complies with the current City Council's Strategic Operating Plan in the fiscal responsibility focus area by operating the City of Asheville to the highest levels of fiscal responsibility.

The Transit Commission supports the subject action.

Pros:

- The subject grant supplements funding for two existing positions.
- The subject grant enables the City of Asheville to use \$57,240 in Federal and State funds for transit planning activities.

Con:

- A 10% local match in the amount of \$6,360 is required.

The total grant funding for Fiscal Year 2011-12 is \$63,600. The City is required to provide a 10% local match in the amount of \$6,360. The anticipated grant funding and the City's local match in the amount of \$6,360 are currently budgeted in the Transit Services fund.

City staff recommends that City Council adopt a resolution authorizing the City Manager to enter into an agreement with the North Carolina Department of Transportation to fund the transit planning program, Section 5303 Metropolitan Planning Grant of the Federal Transit Administration for FY 2011-12.

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- D. RESOLUTION NO. 12-104 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE MOUNTAIN SPORTS FESTIVAL ON MAY 25, 26 AND 27, 2012**

RESOLUTION NO. 12-105 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR

UNFORTIFIED WINE AT THE 5 WALNUT ANNIVERSARY BLOCK PARTY ON JUNE 14, 2012

RESOLUTION NO. 12-106 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE BREWGRASS FESTIVAL ON SETPEMBER 15, 2012

RESOLUTION NO. 12-107 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE ASHEVILLE GRIZZLIES FOOTBALL GAMES ON JUNE 18, 2012, JUNE 30, 2012, JULY 14, 2012, JULY 28, 2012, AUGUST 11, 2012, AND SEPTEMBER 1, 2012

Summary: The consideration of a resolution making provisions for the possession and consumption of malt beverages and/or unfortified wine at the Mountain Sports Festival on May 25, 26 & 27, 2012; the 5 Walnut Anniversary Block Party on June 14, 2012; the Brewgrass Festival on September 15, 2012; and the Asheville Grizzlies Football Games on June 18, 2012, June 30, 2012, July 14, 2012, July 28, 2012, August 11, 2012, and September 1, 2012.

- Mountain Sports Festival, Inc. has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Mountain Sports Festival and allow for consumption at this event.

The component of the Mountain Sports Festival requesting alcohol will be held on Friday, May 25, 2012, from 4:00 p.m. – 10:00 p.m., Saturday, May 26, 2012, from 10:00 a.m. – 10:00 p.m. & Sunday, May 27, 2012 from 12:00 p.m. – 6:00 p.m. within the boundaries of Carrier Park, as per the event area limits referenced on the accompanying site map.

- Arts2People has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the 5 Walnut Anniversary Block Party and allow for consumption at this event.

The 5 Walnut Anniversary Block Party will be held on Thursday, June 14, 2012, from 5:00p.m. – 10:00 p.m. within the boundaries of Walnut Street between the intersections of Broadway and Carolina Lane, as referenced on the accompanying site map.

- Big Brothers Big Sisters WNC has requested through the City of Asheville Development Services Center that City Council permit the sale of beer and/or unfortified wine at the Brewgrass Festival and allow for consumption at this event.

The Brewgrass Festival will be held on Saturday, September 15, 2012, from 12:00 p.m. – 7:00 p.m. within the boundaries of Martin Luther King Jr. Park, as per the event area limits referenced on the accompanying site map.

- Asheville Grizzlies has requested through the City of Asheville Development Services Center that City Council permit the sale of beer and/or unfortified wine at the Asheville Grizzlies Football Games and allow for consumption at these events.

The Asheville Grizzlies Football Games will be held on Monday, June 18, 2012, Saturday, June 30, 2012, Saturday, July 14, 2012, Saturday, July 28, 2012, Saturday, August 11, 2012, and Saturday, September 1 2012, from 5:00 p.m. – 11:00 p.m. within the boundaries of Memorial Stadium, as per the event area limits referenced on the accompanying site map.

These actions have no direct connection with the City of Asheville Strategic Operating Plan.

Pro:

- Allows fundraising opportunities for the Mountain Sports Festival, Arts2People, and Big Brothers Big Sisters of WNC.

Con:

- Potential for public safety issues

There is no fiscal impact.

City staff recommends City Council adopt the resolutions authorizing the City Manager to approve a resolution making provisions for the possession and consumption of malt beverages and/or unfortified wine at the Mountain Sports Festival, the 5 Walnut Anniversary Block Party, the Brewgrass Festival and the Asheville Grizzlies Football Games.

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E. RESOLUTION NO. 12-108 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CHANGE ORDER WITH ASHEVILLE STAFFING INC. FOR TEMPORARY SERVICES IN THE CITY PARKING GARAGES

Summary: The consideration of a resolution authorizing the City Manager to execute a change order for a contract with Asheville Staffing, Inc for temporary services in the City's parking garages and surface parking lots through June 30, 2012.

The City of Asheville, through the Parking Services Division, currently operates three parking garages with a fourth garage, Biltmore Avenue Parking Garage opening on or about July 1, 2012. In addition, the Parking Services Division operates several monthly parking and pay-by-space surface parking lots downtown. Parking Services Division uses a combination of City employees and contract temporary workers to provide service and customer assistance in these facilities and lots. Generally, City employees work during the business day and early evenings while contract temporary services are used for fill-ins, special events, and to extend garage hours during late evenings, weekends, and holidays. Use of temporary workers allows the greatest flexibility as needs vary greatly depending on time of year and events booked at the U.S. Cellular Center.

Effective July 1, 2011, general service contracts, including temporary labor, between \$30,000.00 and \$90,000.00 were required to pay the Living Wage as set by the City of Asheville. Parking Services solicited bids from interested vendors and the contract was awarded to Asheville Staffing, Inc. including the Living Wage provision.

The current contract with Asheville Staffing is not to exceed \$89,000.00. Expanded hours to provide better customer service and the addition of a major special event, the Southern Conference Basketball Tournament, will result in a shortfall in the contract amount. Therefore, staff is requesting authorization to execute a change order to make the contract not to exceed \$105,000.00.

This action complies with the City Council Strategic Operating Plan in that it provides safe facilities for residents and visitors to park in the most cost effective manner and provides better customer service

Pros:

- Provides safe and convenient facilities for residents and visitors to park in.
- Using temporary service employees is the most cost effective and flexible manner to augment the Parking Services Division's staffing requirements.

Con:

- Additional \$16,000.00 expenditure.

The necessary funds are already budgeted in the Parking Services Fund's Operating Budget for FY 2011-12.

City staff recommends that City Council adopt a resolution authorizing the City Manager to sign a change order in the contract with Asheville Staffing to increase the contract amount to not exceed \$105,000.00.

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F. RESOLUTION NO. 12-109 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH COPELAND HOLDINGS LLC FOR SECURITY SERVICES IN THE CITY PARKING GARAGES

Summary: The consideration of a resolution authorizing the City Manager to enter into a contract with Copeland Holdings, LLC for security services in the City's parking garages for July 1, 2012, through June 30, 2013.

The City of Asheville, through the Parking Services Division, currently operates three parking garages; Civic Center, Rankin Avenue, and Wall Street. A fourth garage, Biltmore Avenue Parking Garage will open on or about July 1, 2012. The Parking Services Division uses a combination of City employees and contract security officers to provide security and customer assistance in the garages. Generally, City employees work during the business day and early evenings while contract security is on duty during late nights, weekends, and holidays.

During September 2011, the Parking Services Division requested quotes for service from interested vendors resulting in 20 vendors responding. Copeland Holdings, LLC provided the lowest price for the service.

During November 2011, City Council directed staff to review the merits of bringing all security functions in house. Parking Services negotiated a short-term contract with Copeland Holdings to provide security services during the review period. Staff subsequently determined that due to operational efficiency and flexibility it was more advantageous to the City to contract for these security services.

During March 2012, City Council expanded the range of service contracts subject to Living Wage requirements. Copeland Holdings was informed of these changes and adjusted their wage scale accordingly; raising the pay of the guards to \$11.35 per hour. By providing the Living Wage provision, it is projected to cost about \$50,000 (annual) more than a similar contract without the Living Wage provision. On a normal week, a total of 215 hours of security services will be needed. In addition, the Parking Services Division will request additional security support during periods of high demand; for example, Bele Chere, Southern Conference Tournament, Moogfest, employee vacations, or large concerts at the Civic Center. The total cost of the one year security contract will be \$170,000.00.

This action complies with the City Council Strategic Operating Plan in that it provides safe facilities for residents and visitors to park in the most cost effective manner.

Pros:

- Provides safe facilities for residents and visitors to park in.
- Using contract security is the most cost effective manner to augment the Parking Services Division's security requirements.
- Achieves the City of Asheville's assurances to its partners at 51 Biltmore that adequate security will be maintained in the Biltmore Avenue Parking Garage.
- Includes the Living Wage provision.

Con:

- Total cost of \$170,000.

The necessary funds are budgeted in the Parking Services Fund's Proposed Operating Budget for FY 2012-13.

City staff recommends that City Council adopt a resolution authorizing the City Manager to sign a one-year contract with Copeland, Holdings LLC to provide security services in the City's parking garages at a total cost not to exceed \$170,000.00 per fiscal year.

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G. RESOLUTION NO. 12-110 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A CONTRACT WITH DISASTER RECOVERY GROUP AND TREE SERVICE INC. FOR THE TUNNEL ROAD SIDEWALK CONSTRUCTION PROJECT

Summary: The consideration of a resolution authorizing the City Manager to execute a contract (and all change orders in the amount of 20% of the contract or \$38,000.00) with Disaster Recovery Group and Tree Service, Inc., in the amount of \$186,120.00 for the project known as Tunnel Road Sidewalk Construction Project, Project # ENG-11-12-004.

An informal request for bids was issued on March 13, 2012, and bids were received on April 10, 2012. There were a total of 5 bids received with the lowest responsive bidder being a North Carolina based contractor, Disaster Recovery Group and Tree Service, Inc., located in Arden, N.C., with an amount of \$186,120.00. With the addition of a 20% contingency, the total budgeted amount for this project is \$224,120.00. This will be a unit price contract and not a lump sum contract and is part of the City of Asheville's CIP program.

This action complies with the City Council Strategic Operating Plan of Multimodal Transportation in that it will meet the need of increasing the output of sidewalk construction and provide sidewalk in an area that is in need of sidewalk linkage.

Pros:

- Provides a pedestrian linkage by connecting existing sidewalks.
- Will be a step forward in meeting the City's Strategic Plan and current fiscal year CIP goals.
- Is listed as an identified need on the City of Asheville pedestrian plan.

Cons:

- Project management and contract administration will consume staff time and City funds.
- Temporary lane and driveway closures.
- The new construction will increase the maintenance load on the City.

This project is part of the \$1.3 million sidewalk construction program that City Council approved as part of the FY 2011-12 Capital Improvement Budget. Funding will come from debt proceeds.

Staff recommends City Council to authorize the City Manager to execute on behalf of the City of Asheville a contract with Disaster Recovery Group and Tree Service, Inc., in the amount of \$186,120.00 for the project known as Tunnel Road Sidewalk Construction Project, and all change orders in the amount of 20% of the contract or \$38,000.00.

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H. RESOLUTION NO. 12-111 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH ONTARIO INVESTMENTS INC. FOR GOLF CARTS AND MAINTENANCE EQUIPMENT AT THE ASHEVILLE MUNICIPAL GOLF COURSE

Summary: The consideration of a resolution authorizing the City Manager to enter into a lease agreement renewal with Ontario Investments, Inc. for golf carts and maintenance equipment at the Asheville Municipal Golf Course.

In 2009, the City of Asheville entered into a one-year lease agreement with an option to renew for one additional year with Ontario Investments at a cost of \$123,158 for golf carts and maintenance equipment at the Asheville Municipal Golf Course. In 2010, the City entered in a one-year renewal of the lease at a cost of \$92,369. In 2011, the City entered into a ten month-renewal of the lease at a cost of \$57,150 in anticipation of conducting the process to outsource the management of the golf course. The lease expires June 30, 2012.

The City is in the process of considering proposals from private golf course management firms to operate the golf course. This process is expected to continue through the latter part of 2012. The City wishes to renew the lease an additional six months at a cost of \$34,290 while the option to outsource golf course operations is considered.

This action complies with the Parks, Recreation, Cultural Arts and Greenways Master Plan in that it provides ongoing maintenance and operations for the City's park system.

Pros:

- Investment to maintain and care for the Asheville Municipal Golf Course, a City-owned asset.
- Provide quality service for ongoing, core facility maintenance services.
- Fulfill commitment for maintenance of the golf course.

Cons:

- None

The six-month lease renewal will cost \$34,290. The funds to support the lease renewal are included in the Proposed FY 2012-2013 Golf Fund Operating Budget. Funding is contingent upon City Council approving the FY 2012-2013 operating budget.

City staff recommends City Council adopt a resolution authorizing the City Manager to enter into a lease renewal agreement with Ontario Investments Inc. for golf course carts and maintenance equipment at the Asheville Municipal Golf Course not to exceed \$34,290 contingent upon City Council approving the funds associated with the lease agreement as part of the City's Proposed FY 2012-2013 Golf Fund Operating Budget.

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I. RESOLUTION NO. 12-112 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH WESTERN WATER PROOFING COMPANY FOR CONSTRUCTION, RESTORATION, REPAIR AND MOISTURE MITIGATION TO THE CITY HALL BUILDING

Summary: The consideration of a resolution authorizing the City Manager to enter into a contract with Western Waterproofing Company for the restoration, repair, and moisture mitigation to the Asheville City Hall Building.

The Asheville City Hall Building is recognized throughout the country as an Art Deco masterpiece. Douglas D. Ellington, an architect, who came to Asheville in the mid-1920s, designed the eight-story building, which was completed in 1928. Ellington stated that the design was "an evolution of the desire that the contours of the building should reflect the mountain background."

Asheville City Council approved Resolution Number 10-151 on July 27, 2010, authorizing a contract with Sutton-Kennerly & Associates to prepare construction and bid documents, conduct special inspections, and authorized prototype repairs and testing. Based upon the earlier investigation by Sutton-Kennerly & Associates and the prototype repairs conducted in 2011, specifications were developed to mitigate water infiltration. A Request for Qualifications was advertised for construction firms. Qualification criteria included, but was not limited to the following:

- Unlimited General Contractor's license in the State of North Carolina;
- A minimum of twenty years continuous and ongoing experience in the repair and restoration of historic masonry structures to include extensive experience with terra cotta repairs;
- A sufficient number of experienced management, supervisory staff, superintendents, expert tradesmen, journeymen, and laborers to complete a minimum of 90% of the work with the contractor's own forces without subcontracting the work;
- Proof the required insurance and bonding capacity to meet the insurance and bonding capacity of the entire project.

Pursuant to the RFQ, firms were pre-qualified and an Invitation For Bid was issued. Only those firms prequalified were allowed to respond to the IFB. Western Water Proofing Company, Charlotte, North Carolina was the low bid. The project has multiple unknowns such as number of bricks, terra cotta tiles, and other exterior material to be repaired or manufactured. Some of the bricks and terra cotta tiles are damage being beyond repair and will need to be replaced. The project has alternatives that are included to improve the long-term viability of the repairs. These include vented metal rain screen on the back side of the existing parapet walls and removing the existing lead coated copper hidden gutter liners at the seventh and ninth floor levels and installing new self adhering inner liner and new lead coated copper gutter liner at all locations. The base bid with alternatives is \$3,682,700. Unit prices were included for individual brick replacement (\$14.40 each), shelf angle extension (\$65.00 per foot), terra cotta molding (\$2,500 each), terra cotta replication (\$330 each), terra cotta surface repair (\$46 per cubic foot), terra cotta repair by epoxy bonding (\$145 each), and blocking replacement (\$24 per board foot).

Due to the complexity and historic nature of this project, a number of unknown repair/replacements may become evident that are not within the scope of the bid specifications. Included in the total project is a contingency for the unknowns and future years scope of work. The renovation/remodel of the seventh and eighth floors will not begin until the third year of the project. The prototype repairs and engineering approved for the project are \$523,100. New HVAC for the seventh and eighth floors utilizing the existing boiler and chiller is estimated by Sutton-Kennerly & Associates to be \$375,000. The demolition and renovation of the 7th and 8th floors is \$127,500. This includes new furniture, floor covering, walls, ceiling, tile, restrooms, etc. The total budget is \$5,950,000 to complete the water mitigation repairs and to renovate the seventh and eighth floors. Due to the high potential for change orders, staff recommends Council authorize the full budgeted amount.

• Base Bid with alternates	\$3,682,700
• Contingency	\$1,241,700
• Approved Expenditures (Engineering & prototype repairs)	\$ 523,100
• 7 th & 8 th floor HVAC	\$ 375,000
• 7 th & 8 th floor renovation/remodel	<u>\$ 127,500</u>
Total Budget	\$5,950,000

It is estimated that the construction schedule will expand over several fiscal years, due to temperature fluctuations. For example, painting cannot be conducted with temperature below 50 degrees Fahrenheit or masonry work conducted with temperatures below 40 degrees Fahrenheit or when freezing conditions exist. It is anticipated the water mitigation repairs will be completed by November 2014. There will be periods when the project will be shut down to accommodate inclement weather. This will allow the project work to be phased. Additionally this will also allow time for the reproduction of any sections of the existing terra cotta that are beyond repair. The lead time for reproductions such as these is 8 to 12 months. Based upon properly performed research, the project work can be completed in three phases with two inclement weather shut downs between the three phases.

Pros:

- The City Hall Building is an architectural treasure and the crown jewel of Asheville. Restoration of the building is essential to the City's historic and cultural fabric.
- The approval of the resolution authorizing the contract for construction allows the repair and mitigation work to begin.
- Funding for the project is currently in the budget and funded by debt proceeds.

Cons:

- Administering a project of this size and following through on implementation will require significant staff time.
- A delay will further deteriorate the building and could threaten its structural integrity.

This project supports the City's long-term financial commitment to master plan implementation, infrastructure maintenance, capital improvements, and public facilities.

The cost of the base bid with alternates for the construction to mitigate water infiltration is \$3,682,700. Additional costs have been identified for specific known conditions but with unknown quantities. Additional unknown conditions are anticipated as with any major project, especially with a building of this age and historic nature. The total cost of the project including engineering, prototype repairs, construction, and the renovation of the 7th and 8th floors is anticipated not to exceed the \$5,950,000 budget.

City staff recommends that City Council adopt a resolution authorizing the City Manager to sign the contract with Western Waterproofing Company and future change orders associated with the project not to exceed the total budget amount.

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J. RESOLUTION NO. 12-113 - RESOLUTION AUTHORIZING ACCEPTANCE OF CONVEYANCE AND RECORDATION OF DEEDS FOR CERTAIN WATER SYSTEM ASSETS FROM BUNCOMBE COUNTY

Summary: The consideration of a resolution authorizing acceptance of conveyance and recordation of deeds for certain water system assets from Buncombe County.

There are two conveyances proposed: (1) reversion of recreational facilities and (2) conveyance of water lines and facilities.

1. Reversion of Recreational Facilities: Pursuant to the 1981 and 1996 Water Agreements, Buncombe County assumed ownership and maintenance responsibility for several regional recreation facilities: Recreation Park/WNC Nature Center, Municipal Golf Course, McCormick Field, and Aston Park Tennis Center. The facilities were deeded to the County, but ownership of these facilities was subject to reversion back to the City in the event of termination of the agreement.

For reasons unrelated to the termination of the Water Agreement, Aston Park was re-conveyed to the City by deed in January of 2005. As of the effective date of termination of the Water Agreement, June 30, 2005, ownership of the remaining properties reverted to the City by operation of the language in the agreement and deeds, and the City now owns and maintains them.

While a deed to re-convey these properties (McCormick Field, Recreation Park/Nature Center/Golf Course) is not legally necessary for the reversion to the City to be effective, it is helpful for clearing up title issues in the event there is ever a transaction involving third parties or financing, such as survey work, boundary adjustments, facility leasing, or operating agreements. Accordingly, we have asked Buncombe County to convey these properties by non-warranty deed, formalizing the reversion.

2. Conveyance of Water Lines and Facilities: As Council knows, Buncombe County owns about 20 miles of water lines in various places in the County, and also owns the South Buncombe pump station and storage tank. Since the termination of the Water Agreement in 2005, the City has been maintaining these lines and facilities pursuant to an agreement with Buncombe County. Buncombe County has offered to transfer the lines and the pump station to the City, along with associated facilities (valves, hydrants, meters, etc.) and easements.

A resolution authorizing both of these conveyances was adopted by the Buncombe County Board of Commissioners at its meeting on May 15. The resolution accepts the conveyance of the pump station and water line properties, and authorizes the recordation of deeds for those facilities and for the recreation facilities that previously reverted to the City.

Pros:

- Consolidates ownership of the water system and facilities in the entity that operates the system.
- Eliminates necessity for a separate agreement for maintenance of lines and facilities.
- Clears potential issues with title to property.

Con:

- Slight increase in maintenance costs.

Other than the minimal increase in maintenance costs in the Water Resources Fund, there is no budget impact. The water lines and facilities will need to be added to the City's fixed asset system. The current replacement value of those assets is approximately \$6.2 million. Staff will calculate the fair market value of the assets and add them to the City's fixed asset record based on that calculation. The recreational facilities were previously added to the City's fixed assets.

Adoption of the resolution is recommended.

RESOLUTION BOOK NO. 34 – PAGE 390

K. RESOLUTION NO. 12-114 - RESOLUTION APPROVING THE 2012 UPDATE TO THE TEN YEAR SOLID WASTE MANAGEMENT PLAN FOR THE JURISDICTION OF BUNCOMBE COUNTY

Summary: The consideration of a resolution supporting the Buncombe County Solid Waste Plan to protect the health and environment of the Asheville area through safe and effective management of municipal solid waste.

North Carolina General Statute 130A-309.09A (b) requires Asheville to complete an individual Solid Waste Plan or to cooperatively partner with other entities on a regional plan. Historically Asheville has cooperatively partnered with Buncombe County supporting their regional plan, most recently in June, 2009.

Although there are no noteworthy changes to the regional plan, staff did include updates to reflect the City's new single-stream recycling program and the significant changes expected from that endeavor. Additional changes include television and electronics disposal consistent with the new state law, evaluation of food and yard waste disposal, and evaluation of the budgetary impacts of landfill costs on regional solid waste disposal.

Pros:

- The plan collectively focuses the responsible entities efforts.
- Identifying goals clarifies the purpose of solid waste programs by identifying specific strategies and objectives.
- Partnering allows consolidated regional plan.
- Meets state requirement(s).

Cons:

- State required to have plan, so individual plan would be needed.
- Individual plans lose broader impact and collaboration.

This action meets Council's goal on several fronts: It allows the City to partner with allied agencies on a common issue project; helps identify and focus efforts on clean and green initiatives, and allows for a more regional impact by sharing the City's lofty goals and objectives, particularly with regard to our green efforts.

Goals reported in the proposed plan are consistent with Council and Departmental goals, therefore, no additional fiscal impact.

Staff recommends that Asheville City Council adopt a resolution approving and supporting the update to the 2012 Buncombe County Regional Solid Waste Plan.

At the request of Councilman Smith, and consensus of Council, staff was directed to explore a county-wide composting facility.

RESOLUTION BOOK NO. 34 – PAGE 391

L. RESOLUTION NO. 12-115 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SIRE TECHNOLOGIES FOR THE INTEGRATED DOCUMENT MANAGEMENT SOFTWARE SYSTEM

ORDINANCE NO. 4083 - BUDGET AMENDMENT FOR THE INTEGRATED DOCUMENT MANAGEMENT SOFTWARE SYSTEM

Summary: The consideration of: 1) a resolution authorizing the City Manager to enter into a contract for the Integrated Document Management Software Replacement Project with Sire Technologies and other suppliers in total amount not to exceed \$107,600 for software, hardware, and services, and 2) a budget amendment in the amount \$107,600 from unexpended capital funds in the Building Security and Business Technology Improvement Projects (BTIP).

An extensive Request for Proposals (RFP) process for Integrated Document Management software was conducted in late 2011 and early 2012. A survey of departments and end users was used to guide the RFP requirements. In addition to system requirements, the RFP included minimum proposal criteria, described the criteria for initial proposal evaluation and established finalist vendor selection activities and criteria. Responses were received from 11 vendors, and evaluated by a team that included IT, Police, Fire, Building Safety, Human Resources, Finance, Public Works, Legal, and the City Manager's Office.

A second stage of evaluation and due diligence was done for the 3 vendors who substantially met the RFP requirements. The 8 vendors who were not advancing to the second stage received notification from staff.

City staff met with officials from the Criminal Justice Information System (CJIS) to ensure compatibility and security of a new document management software system. Further, specific reference checks were performed with other law enforcement agencies to validate the appropriateness of the proposed software systems. After completing due diligence and reference checks, staff is seeking authority from City Council to enter into contract negotiations and sign a contract with Sire Technologies.

The project will provide an integrated software system that will support City staff throughout the organization in the appropriate use, storage, retrieval, archiving, and potential disposal of documents following defined business rules and state regulations in a manner that takes advantage of best practices and improves the efficient use of documents and related information resources.

This action supports City Council's Strategic Operating Plan as follows: (1) Supports City Council "Green" goal by implementation of processes that will require significantly less paper; and (2) Supports City Council goal to "create meaningful performance measures for programs and services."

Pros:

- Replaces an unsupported proprietary system that has reached its end of life with a system based on open standards
- Enhances ability to streamline and eliminate paper-based processes
- Provides secure, long-term digital storage and retrieval of critical documents throughout the organization, including the conversion of more than 2 million existing documents
- Improves quality and accessibility of information for decision support and business planning.

Cons:

- Any software implementation causes some degree of organizational turbulence during implementation.
- Allocated unexpended capital funds that could be used for other purposes.

As noted above, the total cost of this contract will not exceed \$107,600. A portion of the project budget needed for this contract (\$60,600) will be funded from savings realized by IT Services in the execution of the BTIP project. The remaining \$47,000 needed for this project will be allocated from unexpended funds in the existing capital budget for Building Security.

City staff recommends City Council adopt: 1) a resolution authorizing the City Manager to enter into contracts for the Integrated Document Management Software Replacement Project with Sire Technologies in total amounts not to exceed \$107,600 for software, hardware, and services, and 2) a budget amendment in the amount \$107,600 from capital savings in the Building Security and BTIP projects.

**RESOLUTION BOOK NO. 34 – PAGE 392
ORDINANCE BOOK NO. 27 – PAGE**

M. RESOLUTION NO. 12-116 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED PROFESSIONAL SERVICES CONTRACT WITH BETSCH ASSOCIATES/PBC+L FOR THE PURPOSE OF CONTINUED DESIGN SERVICES FOR ADDITIONAL RENOVATIONS TO THE U.S. CELLULAR CENTER

Summary: The consideration of a resolution to authorize the City Manager to execute an amendment to the professional services contract with Betsch Associates/PBC+L for design services related to the U.S. Cellular Center renovations extending the term of the contract and expanding the scope of the work in an amount not to exceed \$205,855.

Betsch Associates/PBC+L provided design services for renovation project that helped the City achieve its goal of hosting the Southern Conference tournament. The original contract provided for the possibility of additional phases of design work. This amendment covers additional improvements that are consistent with our continued collaborative partnerships with Tourism Development Authority (TDA), Buncombe County, U.S. Cellular and SoCon. Our demonstration of good stewardship and proper plan development helped in securing additional grant funding from the TDA for continued improvements to the U.S. Cellular Center.

This action complies with the City Council Strategic Operating Plan's Fiscal Responsibility goal of developing strategic partnerships to leverage resources for infrastructure and CIP projects. This action also complies with the Civic Center Commission Master Plan that encourages continuing renovations for the facility, and supports the goal of developing new partnerships. It has been reviewed and recommended by the Civic Center Commission.

Pros:

- Action updates the professional services contract to meet the obligations required by the TDA grant approval.
- Action meets the requirements to facilitate the Southern Conference, and the resulting economic impact.
- Action will support improved facilities and prolonged economic strength for the U.S. Cellular Center.
- Action leverages significant partnership funding, with the City's commitment to CIP, to allow for greater levels of future renovation.

Con:

- None.

The design and construction costs to date for the Civic Center renovations have come in under budget. Thus, there is sufficient budget in the existing Southern Conference Renovations capitol project to fund this contract amendment without increasing the overall budget for the project. Funding for the additional improvements that are consistent with our continued collaborative partnerships with Tourism Development Authority (TDA), Buncombe County, U.S. Cellular and SoCon will be included in the FY 2012-13 budget.

Staff recommends approval of a resolution to authorize the City Manager to execute an amendment to the professional services contract with Betsch Associates/PBC+L for continued construction design services for the U.S. Cellular Center Renovations in the amount of \$205,855.

RESOLUTION BOOK NO. 34 – PAGE 393

N. RESOLUTION NO. 12-117 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR GRANT FUNDS UNDER THE N.C. OFFICE OF JUSTICE PROGRAMS OF THE U.S. DEPT OF JUSTICE

Summary: The consideration of a resolution authorizing the City to apply for funds through the 2012 Byrne Justice Assistance Grant – Local Solicitation in the amount of \$56,927.

The Asheville Police Department requests authorization to apply for the Edward Byrne Justice Assistance Grant (JAG) – Local Solicitation Award 2012. This is a predetermined amount of funds based on the Part 1 Uniform Crime Reporting Crimes. If the grant is approved the Asheville Police Department and Buncombe County Sheriff's Department will be allocated \$56,927 based on the award matrix, with Asheville receiving \$41,582 and Buncombe County receiving \$15,345. The distribution of funds has been approved through a signed MOU.

APD plans to purchase in-car video systems to place in patrol cars. These recordings would generally serve as evidence to be utilized in court for the prosecution of criminal cases. However, these recordings could also be used to aid in resolving allegations of wrongdoing by officers. This would allow for an even greater level of protection of officers and citizens. The digital cameras provide high quality and high resolution video/audio recording of events in and around the patrol car. Recordings such as this help protect the interests of citizens as well as the interests of police officers. Recordings captured with these cameras could potentially aid in mitigating potential civil liability for the City of Asheville by illustrating in detail the actual events that transpired. The secure evidentiary storage and wireless upload capabilities of the system create a user friendly system that is extremely secure and versatile.

The Buncombe County Sheriff's Department plans to purchase a throwbot robotic mobile surveillance system, digital imagery equipment, and TASER X2s. The size and methods of deployment are more versatile than traditional robots and will enhance officer safety by transmitting images back to a display for viewing. This digital imagery equipment enhances the ability to capture non-testimonial identification imagery and will provide for positive identifications quicker. TASER X2s will allow deputies to deal with one or multiple persons at a time with less lethal force – thus enhancing officer and community safety.

There will be an expense of \$41,582 by the APD for the in-car video system. The Buncombe County Sheriff's Department will expend \$15,345 for the purchase of a throwbot portable surveillance robot, digital imagery equipment and TASERS. This accounts for the total allocation of \$56,927 for this Grant.

This is a 100% non-matching grant that will enable the APD to greatly enhance documentation of patrol related activities such as vehicle stops, pursuits, etc. The video evidence will prove to be very valuable in court for both civil and criminal offenses. Additionally, such evidence will be valuable to for internal investigations into officer actions and encounters. This will enhance accountability for officer actions and increase officer and public safety.

This action complies with City Council's Strategic Operating Plan in the Focus Area - Safe - Asheville will be one of the safest and most secure communities when compared to similar cities.

Pros:

- Increasing In-Car video will allow for better documentation of police related incidents.

- Increases officer and citizen accountability through recorded interactions.

Con:

- None.

There is no fiscal impact at this time for City Council to approve the resolution authorizing the City to apply for the grant. If the grant is awarded, there would be maintenance and replacement costs for the equipment that would need to be included in future fiscal year budgets.

City staff recommends City Council adopt the resolution authorizing the City Manager to apply for grant funds through US Office of Justice Programs in the amount of \$56,927.

RESOLUTION BOOK NO. 34 – PAGE 394

O. RESOLUTION NO. 12-118 - RESOLUTION SETTING A PUBLIC HEARING TO (1) AUTHORIZE EXPENDITURES FOR ECONOMIC DEVELOPMENT PURPOSES (INFRASTRUCTURE AND SITE IMPROVEMENTS) IN THE CRAVEN STREET/WAYNSVILLE AVENUE AREA; AND (2) AUTHORIZE AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT WITH NEW BELGIUM BREWING

Summary: The consideration of a resolution setting a public hearing to authorize expenditures for economic development purposes (1) to provide and improve public infrastructure in the vicinity of Craven Street and Waynesville Avenue to serve an industrial facility to be constructed by New Belgium Brewery, and (2) to authorize an economic development incentive agreement with New Belgium.

In connection with the decision of the New Belgium Brewing to locate a facility in Asheville, the City proposes to undertake certain improvements to the public infrastructure in the area where New Belgium proposes to locate - - Craven Street and Waynesville Avenue in West Asheville. Most of these improvements are on public land and facilities and will benefit the New Belgium facility indirectly. Some improvements, such as storm-water facilities and increasing the size of waterlines will benefit the New Belgium facility directly.

The City also proposes to enter into an economic development incentive agreement with New Belgium, whereby the City will make annual grants to New Belgium, based on the value of improvements and job creation.

Where such expenditures are proposed for economic development purposes, the law provides for a public hearing to be held upon 10 days notice. Council's rules (Rule 27) provide for certain public hearings to be organized by special order of the Council.

The resolution sets the public hearing on this matter for the regular Council meeting on June 12, 2012.

Adoption of the resolution setting the public hearing is recommended.

RESOLUTION BOOK NO. 34 – PAGE 395

P. RESOLUTION NO. 12-123 – RESOLUTION AUTHORIZING EXECUTION OF AN EXTENSION OF TIME FOR FULFILLMENT OF CONDITION REGARDING PROPERTY ON BREVARD ROAD CONVEYED TO HENDERSON COUNTY

Summary: The consideration of a resolution authorizing the execution of an extension of the time for fulfilling the condition on the Brevard Road property conveyed to Henderson County in 2002.

In 2002, the City conveyed 137 acres of land on Brevard Road (herein "Brevard Road Site") to Henderson County pursuant to the Water Agreement. The conveyance was subject to a condition that Henderson County either convey the property to MSD for waste water treatment purposes or to a regional water and sewer authority of which Asheville and Henderson County are members. This conveyance is to occur within 10 years of the date of the conveyance to Henderson County, and if it does not occur, the property will come back to the City. The 10 year period expires on July 15, 2012.

As Council knows, we have been engaged in negotiations with Henderson County for a number of years regarding continuation of water service following termination of the Water Agreement in 2005. The disposition of the Brevard Road Site continues to be a key point in those negotiations. As Council also knows, the report of the Water Study Committee to the Legislative Research Commission contains an expectation that the "interested governments" will engage in "good faith negotiations" regarding regional water and sewer issues. Extending the condition on the Brevard Road Property will enable the City and Henderson County to engage in further negotiations without the July 14 deadline looming, or the uncertainty of an informal agreement. The City Manager has contacted the Henderson County Manager regarding negotiations.

The Henderson County Attorney and I have worked out language for the extension. Authorization is requested to allow for the signing of an instrument to be recorded in the Buncombe County Register of Deeds to formalize the extension.

Adoption of the resolution is recommended.

RESOLUTION BOOK NO. 34 – PAGE 401

Mayor Bellamy asked for public comments on any item on the Consent Agenda, but received none.

Mayor Bellamy said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Councilman Smith moved for the adoption of the Consent Agenda. This motion was seconded by Councilman Bothwell and carried unanimously.

III. PRESENTATIONS & REPORTS:

A. MANAGEMENT PLAN FOR THE POLICE PROPERTY EVIDENCE ROOM

Police Chief William Anderson said that it was his goal to manage the property and evidence room at the highest level of professionalism and accountability and to restore community trust in the police department's handling of evidence.

This management plan outlines current steps being taken by the Asheville Police Department regarding the active management of the property and evidence room. The identified steps have been vetted by the District Attorney and in no way impact the ongoing SBI investigation. We do not have a timeline as to when this investigation will be completed. The department is committed to moving forward with improvements in the process of handling evidence and will keep city officials and the public informed, recognizing the importance of restoring community trust.

Current operations will continue with the separation of the old and new property room. As part of the rebuilding process, several steps have been taken to work on restoring trust and accountability to the process of collecting and storing evidence and property by the Police Department. The department is ready to move forward with the hiring of a property room

manager and will continue to make improvements to the evidence room process that are above and beyond the requirements of the department's accrediting agency, CALEA.

Hiring of evidence room manager:

- Nationwide search, expected to take between 3-4 months
- Targeted recruitment will be done through the professional law enforcement organizations such as International Association of Chiefs of Police, the International Association of Property Managers and the North Carolina Association for Property Managers
- The successful candidate will:
 - Have an extensive background in inventory management and/or experience working in a law enforcement property/evidence room environment
- First priorities:
 - Review all policies and practices to ensure they meet or exceed industry standards.
 - Combine old and new evidence room

Improvements to evidence room process:

- New Building Security System
- Civilian staff will report directly to a sworn officer at the sergeant level
- Additional steps cannot be disclosed at this time as they relate to the on-going investigation

This is budgeted as part of the General Fund.

His overall goal is to get the evidence & property room back to operating at its highest level of professionalism and accountability, while at the same time determining who is criminally responsible and ensuring that they are prosecuted to the fullest extent of the law.

In response to Mayor Bellamy, Chief Anderson explained more about how the advertising will be conducted, noting they are also advertising locally and working through our Human Resources Department to select the best qualified candidate for the position.

Mayor Bellamy stressed the need to make sure the community is informed with factual information moving forward and to be as transparent as possible.

B. QUARTERLY REPORTS

Public Safety Committee Chair Report

Councilman Bothwell, Chairman of the Public Safety Committee, provided Council with a brief update on some major accomplishments during this quarter.

Strategic Operating Plan

A report submitted by Assistant City Manager Jeff Richardson was provided to Council on the quarterly updates on key strategic initiatives associated with the five focus areas of the City of Asheville's Strategic Plan. Staff has tracked departmental projects using performance indicators and measurements through quarter three. This report outlines key operational updates during the third quarter of the City of Asheville's fiscal year (January 2012- March 2012).

In addition, City Council has asked for an activity report on a quarterly basis of the Domestic Partner Registry. Since the Registry began on May 2, 2011, a total of 48 couples have registered.

Affordable

Housing: The Residences at Glenn Rock, a 22 unit mixed use development by Mountain Housing Opportunities, received \$140,000 of the \$2.2 million of federal CDBG and HOME funds approved by Council. Givens Park Apartments, a 240 unit affordable housing development for seniors has been approved and is in the process of submitting construction permits.

Fiscal Responsibility

- *Revenue Diversification:* City Council has adopted a new fee for electronic gaming operations with expected revenues to be approximately \$200,000.
- *Information Technology:* As an ongoing effort to operate the City of Asheville to the highest levels of fiscal responsibility, Information Technology Services has enacted a number of changes that will result in notable savings, including:

Operational Change	Fiscal Impact
Staff-written software interfaces (in-house work)	\$31,000
Remote access software changes	\$9,000
Mobile phone plan changes	\$8,000
AT&T billing changes	\$5,500
Total Savings:	\$53,500

Job Growth and Community Development

- *Support Diversified Job Growth and Business Development:*
 - New Belgium Brewing Company will invest \$175 million over the next seven years, bringing 154 jobs on the site of the former WNC Livestock Market on Craven Street. Construction will not begin until early next year, but the renovation will support 1,252 jobs in construction over the next seven years, with an additional 260 jobs for industry vendors and suppliers. Hiring won't begin until the end of 2014, and production won't begin until the first quarter of 2015. The new jobs will pay an average \$50,000 a year, exceeding the county's average wage by 43 percent.
- *Expand partnerships with UNC-Asheville, A-B Tech, Mars Hill College, Warren Wilson College and other institutions to achieve common goals including health and wellness, workforce development and sustainable Economic Development.*
 - The City of Asheville and UNCA continue to expand their partnership opportunities including moving the Health Adventure to 525 Broadway in a collaborative venture that included the Montford Neighborhood Association, TD Bank, and the City providing site development guidance. Future plans include cleaning up the property and holding a community work day.

Green and Sustainable

- *Implement Ways to Reduce Solid Waste:*
 - The Human Resources Department has implemented a new online recruitment system, replacing a completely paper-based process. Last fiscal year the department processed over 3,500 paper applications. This system makes it easier for applicants to apply for positions, stay informed about application

status, and be notified of future vacancies in an area of interest. In addition, this system will allow for increased reporting and measuring of recruitment efforts.

- The Human Resources Department's Health Services Division has implemented an electronic medical records system which will not only eliminate the paper associated with visits, but also allow for easier access, tracking and reporting of activities.
- *Set and develop a plan for implanting a community energy reduction goal:*
 - Transit decreased its fuel usage by 9.6% during the 3rd quarter of FY2011-12. There were 1,081,698 total riders from July 2010 through March 2011 and 1,131,658 from July 2011 through March 2012 which equates to 49, 960 more riders or an increase of 4.6%.
- *Identify strategies and costs for increasing the city's annual energy reduction goal to 4 percent.*
 - Phase 1 of city-wide LED street lighting replacement completed in FY 11. Phase 2 (in FY 12) will put the city at 39% complete. Despite rising electricity rates, the city is trending down in electricity spending.
 - Old, inefficient IT servers were exchanged for newer and more energy efficient servers that require less space and less cooling.

Safe

- *Implement strategies to significantly improve public safety in neighborhoods in Asheville with the highest levels of crime*
- *Continue efforts to eliminate open air drug markets in Asheville*
 - Federal funding for the West Riverside Weed & Seed initiative will end June 30, 2012, reflecting the end of 5-year grant period. Significant achievements include: improved place-based social programs that integrate community input and needs with services provided, updated community facilities in both the Burton Street neighborhood and Pisgah View Apartments, and an overall trend of decreased violent crime. Drug arrests have also decreased with no decrease in officer presence (e.g., when comparing 2008 to 2011, drug arrests decreased 29%)
- *Track and Monitor Performance of the Nuisance Court:*
 - There were 108 new Nuisance Court cases in the third quarter of the fiscal year and 1,670 community service hours completed an increase from the same time period last fiscal year; there were only 66 new Nuisance Court cases and 836.5 community service hours completed for the same time period. However, these numbers are a decrease in new Nuisance Court cases from the second quarter of our current fiscal year from 189 new cases and 3, 222 community service hours completed.
- *Monitor the "Changing Together" Initiative:*
 - Cross agency partnerships continue to be strengthened with an outcome of improved communication about the region's most violent offenders.
 - There were 19 offenders that were invited to the Focused Deterrence call-in held at AB-Tech on March 22, 2012; 13 offenders showed up and six stayed to discuss the program and their options with the service providers present. Since this call-in, four participants are currently receiving services and two participants have re-offended by being arrested on drug charges.

- *Support Recreation and Employment Alternatives for Youth At Risk of Gang Exposure:* This quarter 211 youth participated in gang prevention education programs housed at four schools.
- *Support the Safe Routes to School program by applying for funding for one school this year*
 - NCDOT has awarded a contract to build a sidewalk along US 70 (Tunnel Road) near Charles C. Bell Elementary School for a Safe Routes to School (SRTS) project. The estimated completion date is August 2012.

Multimodal Transportation

- *Pursue Pedestrian and Bike Friendly Community Opportunities:* Asheville has been designated as a Bicycle Friendly Community at the Bronze Level by the League of American Bicyclists. The League of American Bicyclists is an advocacy organization representing the interests of 57 million cyclists and promoting cycling in communities across the United States.

The purpose of this information is to update City Council on key operational initiatives that are in accordance with the Council's Strategic Operating Plan. No action by Council is necessary at this time. City staff will prepare and present a comprehensive year end Strategic Plan Close Out report this coming August 2012.

In response to Mayor Bellamy on the status of the Haywood Street property, City Manager Jackson said that City management staff is translating the direction from the Finance Committee and Council into a contract for purchase. Those documents will be exchanged between City staff and McKibbin Hotel Group and then scheduled for Council action. Staff also has direction from the Finance Committee to insert into the process an opportunity for the Asheville Design Center to facilitate a review of design in such a way that both the City and the Basilica get the highest and best use of the property.

City Attorney Oast noted that there is a requirement for a public hearing to be held prior to signing a contract.

Financial Report

Budget Manager Tony McDowell provided Council with the following financial information which reflects the City's overall financial position for the fiscal year through March 2012.

Amendments. The General Fund budget presented in the third quarter report reflects: (1) the adopted budget of \$87,645,955; (2) a technical amendment adjusting the fleet external charge budget, and; (3) ten budget amendments totaling \$746,363. The only amendment which involved an appropriation from fund balance was funding for the demolition of private property that had become unsafe; and it is anticipated that the city will reimburse the cost of the demolitions in future fiscal years through proceeds received from the lien on the property.

Adopted Budget	87,645,955
Fleet Technical Change	(1,221,594)
Budget Amendments:	
NCDENR Park Recycling Bin Grant	30,000
NC Arts Council Grassroots Arts Grant	49,850
Buncombe County/Changing Together Partnership	63,000
Debt-Funded Purchase of Computer Equipment	350,000
State Haz-Mat Grant	25,000
Federal COPS Hiring Grant	118,543
State Senior Opp. Center/Harvest House Grants	24,410

Mill Creek Condo Project	38,207
Hanging Basket Program	2,353
Demolition Funding	<u>45,000</u>
3/31/2012 Budget	<u>\$87,170,724</u>

Revenues. Through March 31, 2012, the City has collected \$72,808,671 in General Fund revenue, which represents approximately 83.6% of the total General Fund revenue budget. Revenue collections through the first nine months of the previous fiscal year were at 81% of budget, so collections this year are slightly ahead of where they were one year ago. The City has received nine months of sales tax revenue, and collections are up 9.3% compared to the prior year. Sales tax revenue is now projected to exceed budget by \$575,000. State utility tax revenue (Intergovernmental category) continues to lag behind budget primarily due to the warmer than normal winter, which depressed natural gas and electricity usage. Overall, staff is currently estimating that **total FY 2011-12 General Fund revenue will come in under budget by \$475,000 or 0.55%.**

Expenditures. General Fund expenditures through March 31, 2012 total \$59,461,913 or 68.2% of the budget. One year ago expenses were at 68.4% of budget at this same point in the fiscal year. While fuel prices have fallen slightly from their peak, expenses for fuel and fleet maintenance are still expected to exceed budget by approximately \$600,000 in the current year. As reported in the second quarter report, Fire Department overtime expenses also continue running ahead of budget. As evidenced by the overall General Fund expenditure percentage through the first three quarters, savings in other areas of the budget, such as full time salaries and utilities, are offsetting the over expenditures in fuel and fire overtime. Staff also continues to seek opportunities to generate additional savings by closely monitoring expenses, closing old purchase orders and contracts, and by maximizing efficiency in operations. **Staff anticipates being able to generate the necessary expenditure savings to more than offset the minor revenue shortfall.**

Fund Balance. The City ended FY 2010-11 with available fund balance of \$13.18 million, which equated to 15.2% of FY 2010-11 expenditures. **Based on current revenue and expenditure estimates, FY 2011-12 available fund balance is expected to increase slightly to 15.6%.**

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING ON THE FISCAL YEAR 2012-13 ANNUAL OPERATING BUDGET

Director of Administrative Services Lauren Bradley said that the City Council conducts a public hearing each year to receive public input on the Proposed Annual Operating Budget before the Annual Budget Ordinance is adopted.

Fiscal 2012/2013 Proposed Annual Operating Budget was presented to City Council on April 24, 2012. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the Proposed Budget along with a notice of the Public Hearing was published on May 11 and May 18, 2012. Adoption of the Fiscal 2012/2013 Budget Ordinance is scheduled for June 12, 2012, at the regularly scheduled City Council meeting.

The Fiscal Year 2012/2013 Proposed Budget is balanced with an Ad Valorem tax rate of \$0.42 per \$100 of assessed value, which represents no change from the current year tax rate. All essential City services are continued in the Proposed Budget. A copy of the Proposed Budget is available for public inspection in the City Clerk's office. Also, the Proposed Budget is available for viewing on the City's website (www.ashevillenc.gov). In accordance with the North Carolina Local Government Budget and Fiscal Control Act, the Proposed Budget may be changed by City

Council in any way before adoption. It may also be changed by budget amendment after adoption, with the only exception being the Ad Valorem Tax rate, which cannot be changed once the Budget is adopted.

The item of employee compensation has been raised so she briefly walked Council through the process to date. We entered this year, after 3 years of very difficult economic conditions and tough decisions, through the City's priority to avoid significant reductions in the workforce and maintain the tax rate. Unfortunately, based on those decisions we were required to defer adjustments to employees' salaries for three years. Fortunately in the coming year we are projecting that the City will see some modest revenue growth, mostly through growth and sales tax revenues. As we worked through the budget worksession process there were two expenditure areas that were unavoidable – rise of fuel costs and fire overtime (which resulted in hiring 9 new firefighters). After those unavoidable expenditures, there was approximately \$500,000 of discretionary funds. Council agreed with City management that employee compensation needed to be the number 1 priority with those discretionary funds. In the General Fund a 1% cost of living adjustment is approximately \$460,000. To reach that beyond \$460,000 would mean that they would have to consider some other opportunities for funding employee compensation, which would require either additional revenue (in the form of a tax rate increase), or a reduction in other expenditure areas or capital. Council directed staff that through the next several months as we close out the current fiscal year to look for opportunities to either provide for a one-time bonus or recurring salary adjustment for employees based on better than budget performance in the current year. In August the City will receive their sales tax information about the current year. If we have better than budget performance in what we are currently projecting, there might be a recurring source of revenue that could be built into next year's budget that would provide an opportunity for recurring employee compensation. Also, in August we will be at a point where we will have bid out all of our major capital projects in the current year, so that if there are savings Council can make a comprehensive strategic decision about those funds at that time. In November they will have the annual audit which shows how the City ended the year in unassigned Fund Balance. We are currently projecting that we will end the year with revenues over expenditures around \$300,000, which would take us from a Fund Balance level of 15.2% to 15.6%. If sales tax revenues improve through the end of the year, that number might be better. We are optimistic that we will see some positive growth. By the time Council receives the audit by the end of November, they will have an idea of where we landed on unassigned Fund Balance and can make a decision about one-time revenues, so if Council is interested in doing some kind of one-time compensation at the end of the year, we would know by that point. The discussion about employee compensation or other priority areas for City Council doesn't have to end with adoption of the budget. There is a process we will move through based on budget performance and revenue performance where Council can make additional decisions through the year to address employee compensation. We did hear from Council that employee compensation was their highest priority. At this point, we are confident that we can afford a 1% cost of living adjustment in the upcoming fiscal year based on their current projections, but that we are hopeful that those projections might improve through the end of the fiscal year.

Staff recommends City Council conduct the public hearing on the City of Asheville Fiscal Year 2012/2013 Proposed Annual Operating Budget and include public input in its consideration of the Budget.

Mayor Bellamy opened the public hearing at 5:45 p.m.

Sgt. Rondell Lance, President of the local Fraternal Order of Police representing the men and women of the Asheville Police Department and their families, said that over three years ago employees were told that due to economic issues and the effect that the economy had on the finances of the City, the employees would not be receiving a raise. The employees understood the decision. For three years they did their part to help the City. They did not come before Council to raise issues with that decision. The employees continued to do their job in a professional manner with energy and dedication. The employees handled many events, some

being Moogest, Bele Chere, Presidential candidates visits, President Obama's visit to Asheville, basketball tournaments and protests. From the Street Division to Parks & Rec and other departments in the City, the reputation and greatness of the City of Asheville continued to be evident at these events, without any reduction in dedication to the City. We, as employees, believe in the City and are dedicated to the City and that's why we feel we have done our part in the last three years to help ease the City's burden of their financial difficulties. Police officers have worked without overtime (due to City sponsorship) and have had to flex out the time over the week or use it as compensatory time. Police officers also have to work 6 hours over as straight time before overtime and straight time on Christmas day. The City Manager told him that the last thing he would do as City Manager would be to balance the budget on the back of City employees. But after three years of balancing the budget on the back of the employees, we now feel it's time to find a way to give all employees a 4% raise. One of the main reasons Asheville is a great City is because of the dedication of their employees. Every day tireless efforts are made by employees to implement the goals and desires of Council, as well as keeping Asheville the premier City it is. Departments work together and employees go beyond their normal duties to make sure we maintain the City's reputation. The best investment the City can make in their budget is to invest in the City employees. The return of that investment will be felt all over the City – they eat in City restaurants, bring our families to the City, attend the many events in the City, shop at the malls, etc. They invest back into the City with not only dedication to the City, but also in monetary ways. He urged Council to invest in their employees. They don't feel a 4% raise for all employees is unfair. Employees need to be treated with respect and compensated for their service.

Mr. Doug Williams, member of the Board of Directors and Past President of the Friend of the WNC Nature Center, explained how the Nature Center is the City's most popular park facility. He expressed concern that their budget in the past three years has been reduced by more than 7%, along with reduction in staffing. They are concerned about the Nature Center's ability to maintain its current level excellent level of care for the animals and to provide educational programs for visitors and school groups.

Mr. Scott Mullins, President of the Firefighters Association, said that in the City's budget is a small token of appreciation – a 1% wage increase. Although we appreciate the thought, it is once again a step backwards. We have gone three years without a raise, which insurance and the inflation rate continues to increase. More money is going out of their pockets than going in. We are asking Council to get creative with the budget and find a way to put more money in the pockets of the men and women that people call on their worst day. They are the professionals that make the Fire Department one of the best in the state and the reason why so many residents choose to retire here. During the last three years, with no wage increase, the City was being called one of the best places to retire. Many Fire Department employees are hurting financially. The 1% increase means about \$5 more a week for a new employee and his/her family. This is not nearly enough to help firefighters and other City employees who are struggling to get off the government assistance programs that they are currently on. It is not enough of an increase to help a firefighter purchase a home in the City that they proudly serve. Four-percent is a raise. They are not advocating that the City raise taxes or cut employees to give the raise. The City operates with a General Fund Balance of 15.2%. The State of North Carolina recognizes an 8% minimum. We believe it's time for a policy change. We ask that the City put less in the General Fund Balance and put it in the pockets in the hard working men and women to help Asheville the great City it is today. We understand the City has had to make some tough choices over the last three years and will be faced with hard decisions with this year's budget as well. Our firefighter families are no different. We've had to decide not to let our children participate in sports or attend camp simply because they could not afford it. Many firefighters have had to work overtime or work a second job to allow our children to do the things that so many take for granted. Asheville is a great place to work but please don't balance the budget on the backs of the employees.

Mr. Harry Carlyle, Asheville resident, spoke in support of more than a token 1% raise for City employees.

Ms. Holly Stiles, member of the Friends of the Nature Center, urged Council not to reduce the WNC Nature Center budget any further.

A firefighter spoke about the great City Asheville is and urged Council to increase the salaries of employees.

At 6:01 p.m., Mayor Bellamy closed the public hearing.

Mayor Bellamy said that this is the first public opportunity for her to talk about the City's budget. She agrees that we need to find additional funding for our City employees. She didn't like it last year when there was no increase and she doesn't like the 1%. She did not feel it was appropriate to wait until August. Going back to the financial investments policy approved last year where it said anything over 15% should be used for capital – she knew this day would come when we would have needs beyond capital, and this is the time. She felt that anything over 15% should be used for operations. She also believed that we should decrease our capital expenses by \$1 million. Our employees are the backbone of our organization and earlier at this meeting she proclaimed National Public Works Week and stated how important they are to our City and still only a 1% raise. She believes we need to find the money. She offered the following suggestions: (1) we have used our Parking Fund for transit for the last few years and it has done a wonderful job; (2) we are accelerating our payback back for our bonds for our parking deck – maybe we shouldn't be as aggressive to pay it back and use some of that money for streets, and the money that would have been used for streets, put towards operations; or (3) reduce how much we are looking to invest in our debt service for the bond package we are about to go after – the cost for construction might to be a lot lower than anticipated even after we put the 25% in for cost overruns. She believed we need to find the money for more than 1%.

Councilman Bothwell was uncomfortable giving differential raises, as much as he values firefighters and police. The police and fire employees are organized in a way that other employees are not. He could support a 1.5-cent increase in property taxes which would cover a 4% raise for all City employees.

Councilman Pelly said as a new Council member it has been an eye-opener to try and balance the competing demands for the City. We have the 1% already in the budget and he's heard other options tonight, including (1) that some projects may be coming in under budget; (2) sales tax revenues may be larger than we anticipate; and (3) possibly holding the General Fund Balance to 15%. Those are all possibilities. He was committed to trying to find a way to get as close to 4% as possible.

Councilman Hunt appreciated the work that firefighters and police provide the community. He agreed that the 1% increase is insufficient after 4 years. He talked about the process and challenges Council faces in trying to formulate an overall budget. The budget was presented at the April 24 Council meeting, the Finance Committee has met three times to discuss the budget and there has been two full Council budget worksessions. There are trade-offs that we wrestle with, including trying to get the Housing Trust Fund up to its original funding; transit, and several outside agencies that we have to cut funding. On the capital side, we have to make investments as well and not making them pushes those capital needs out into the future. He suggested to the City Manager that perhaps staff could provide a briefing for employees and the public so everyone could get a greater sense about those trade-offs. Council is very committed to public safety as seen in Council's strategic goals to have Asheville a safe city. Despite Council not improving compensation at the rate he would like, we have honored the commitment to improve public safety by adding 23 full-time jobs over the past five years and at the same time reduced all other departments by 34 jobs, through attrition. Given the interest of Council looking at this further, there may be avenues where we have other compensation discussion going further.

Vice-Mayor Manheimer said that Council is trying to balance all the different values our community has stressing that we place a high value on our public safety employees. When we learned at the budget worksession that there was some revenue to work with this year, the City Manager and Ms. Bradley put before Council a long list of things that needed funding. Council immediately pulled out employee pay raises as the item they wanted to fund, which basically took up all of the revenue we had to work with this year. Council values their employees. When we had these budget discussions, part of that discussion was we felt we were making some safe and conservative revenue estimates for this year and knowing that, we quickly decided that we would revisit our budget situation in August when we had firmer numbers on sales tax revenues. At that time we would be in a position to make a decision about additional one-time bonus pay increase, or a recurring pay increase. We will also have more numbers in November for a better outlook. The intent is to look at this again and hopefully be in a position to offer some additional revenues. She also owns a business and struggles with making sure they pay their employees a fair wage. She noted the unique situation Asheville is in opposed to all other cities across North Carolina – and that is, the higher call volume (50,000 additional calls) for emergency response needs from the people that come into our City every day. City taxpayers have to pay for those services. We have a high level of need, but a finite base to pay for it. We have heard that people don't want their taxes increased. This budget does not increase taxes, nor does it increase residential water rates.

Councilman Smith thanked the public service employees for the service they give the City, the excellence each pursues and professionalism with which they always conduct themselves. He agreed that we are not doing as much as we need to do regarding employee compensation. He would like to see us look at benchmark cities of similar size in the state to make sure we at least get to the average for public safety employees. That being said, things are only now beginning to stabilize after years of recession. Council has to be prudent and responsible to guarantee that this city continues to grow in a safe way so we can guarantee future revenues and get back to doing a cost of living adjustment every year. Asheville has restrictions preventing us from being as creative as we would like with raising revenue, e.g., difficulty in annexation; limits on our occupancy tax; high day call volume, etc. We are advocating for those revenues on a state level. He hoped to see later this year if the General Fund Fund Balance gets to 15.6% and if sales tax numbers rise, he would support giving employees more than 1%. He does not feel comfortable spending money that we don't have yet. He would be willing to take the General Fund Fund Balance to 15% once we know where it stands later in the year. He noted that the state is proposing a 15% cut in the transit budget state-wide so when we are looking at where money might come from to augment, we also have to protect some of the core services the City delivers. Perhaps the Finance Committee would be willing to begin working on a multi-year plan to get us to the state averages.

Councilman Davis hoped we could have offered raises more than 1%, reiterating that we may be able to offer a one-time bonus when more firm figures come in, nothing that he is not a fan of one-time bonuses. He could support going back to the table and trying to be creative to get as close to 4% as possible. He is not advocating a tax increase, but sometimes if the community wants high standards, they have to pay a little more. He agreed the raises should be more than 1%. When also noted that when we lose our employees to competing areas, it is very expensive to train new firefighters and police officers.

Councilman Bothwell pointed out that a 7-cent increase is being advocated for the Business Improvement District. To him, 1-cent increase on the property tax isn't off the table. Asheville is being compressed by our lack of being able to annex so we can't grow into getting a bigger tax base.

Mayor Bellamy supported deferring some capital investments. We have had employee health insurance increases, cost of living increases, but no increases for our employees. Our employees are taking home less today than three years ago. Budgets are based upon Council's priorities and if this is a priority of Council, then four votes can make it happen. Council members

are the policy makers and we should not leave it up to the employees to find the trade-offs. It may mean deferred new vehicles or perhaps a fixed roof and not a new one. It's time we invest in people, since we have invested in buildings, cars, greenways, transit, etc. It is time for Council to step up and make an investment in our employees. Mayor Bellamy supported a 4% increase before August.

Mayor Bellamy supported putting a 4% employee pay raises in the budget now and asking the City Manager to find the funds (capital needs on the table) and then in August when more firm numbers come in, put that money towards capital needs.

Councilman Hunt said that since we are late in the budget process, he was not ready to say how the budget might be reframed. It's clear there is interest amongst Council to look closely at employee raises. He suggested the Mayor work with the City Manager to come up with a process to where perhaps there be another Finance Committee meeting or another budget worksession to understand what the trade-offs would be.

Mayor Bellamy noted she did not support the budget last year because there were no employee raises. She stated in Council's retreat how important it was for employees to get a raise and she has stated to staff repeatedly how the employee raises should be more than 1%. Again, if this is a priority for Council, Council can make it happen. She could name things that have been a priority to Council that have made it through the budget process, even though the budget was tight. It will cost us more if our employees decide to strike or train new ones. We have invested where we wanted, and now we need to invest in the people who have made our community great. We wanted a One Stop Shop and the employees made it work; some employees work 4 10-hour days; there has been a decrease of employees but raise in customer service; and we cut staff in Parks & Recreation but still maintain programs for our youth. We are doing more with less employees.

Councilman Pelly confirmed that the current budget has a 1% increase for employee raises. He then moved to increase the property tax rate by 1-cent with those funds being dedicated to employee pay raises (for a total pay raise of 3%). This motion was seconded by Councilman Davis.

City Attorney Oast clarified that Council is not actually raising the tax rate, but giving direction to staff to come back with a budget that incorporates a 1-cent tax increase, with a 3% increase for employee salaries.

Mr. Tracey DeBruhl felt that there are several employees with base salaries that are too high. He felt we should bring those in line with the people that they are actually working with.

Ms. Judy Strong was opposed to spending money to support McCormick Field and the Golf Course which both do not support the community. To ask the community to support that funding and then increase property taxes by 1-cent is wrong.

Rev. Christopher Chiaromonte supported an employee pay raise, but not funding it with a tax increase.

Councilman Hunt suggested that there have been several ideas floating around about how to retool the budget to have a more suitable pay increase for employees, but without having the context of understanding all the options and trade-offs, committing to a 1-cent property tax increase is not the best way to approach it. He appealed to Council that they deliberate in a more careful way, making sure the budget is adopted before July 1.

Councilman Davis reconsidered his second and withdrew it, believing that the Finance Committee and City staff have heard Council's wishes.

Councilman Bothwell then seconded Councilman Pelly's motion.

Councilman Smith felt it is Council's responsibility to deliberate and supported employee pay raises be reviewed again by the Finance Committee.

Vice-Mayor Manheimer, Chair of the Finance Committee, said they will take up the issue of employee pay, perhaps with a multi-term year plan to get us to the state averages as suggested by Councilman Smith. City staff is very talented to pull something together to consider that will bring us in line with other cities. She felt it was unfair to increase property taxes when the public was not aware that item was going to be discussed.

The motion made by Councilman Pelly and seconded by Councilman Bothwell failed on a 3-4 vote, with Vice-Mayor Manheimer, Councilman Davis, Councilman Hunt and Councilman Smith voting "no."

Mayor Bellamy hoped the Finance Committee consider that City staff should not wait until after July 1 to know if they are going to get more than a 1% raise.

Councilman Hunt suggested Vice-Mayor Manheimer and Mayor Bellamy meet with City Manager Jackson and come up with a schedule that gets us to adopt the budget by June 30, where we build in opportunities for a Finance Committee meeting and a Council worksession.

Mayor Bellamy doesn't think we need another worksession to just talk about the process. Is the goal to give the employees more than a 1% raise?

Councilman Hunt noted that under any scenario, no raise would go into effect until July 1 and deciding how much now is much less important than doing it properly and thoroughly. He felt we need to be deliberative, balance all the trade-offs, and come to a unified decision.

Vice-Mayor Manheimer suggested said that through our budget worksessions we have been understanding the trade-offs from 1%, 2% or 3% increases. The City Manager can have the menu in front of Council and then Council can make those hard decisions. She needs to understand the ramifications of where the money will come from and what the trade-offs will be before she can support more than a 1% increase.

Mayor Bellamy said that she would meet with Vice-Mayor Manheimer and City Manager Jackson to talk about a process by which we can lay these things out for discussion and consideration and see if the majority of Council can support a higher raise for our employees.

B. PUBLIC HEARING TO CONSIDER THE PERMANENT CLOSING OF A PORTION OF VICTORIA ROAD

RESOLUTION NO. 12-119 - RESOLUTION TO PERMANENTLY CLOSE A PORTION OF VICTORIA ROAD

Assistant Public Works Director David Foster said that this is the consideration of a resolution to permanently close a portion of Victoria Road. This public hearing was advertised on April 27, May 4, 11 and 18, 2012.

N. C. Gen. Stat. sec 160A-299 grants cities the authority to permanently close streets and alleys.

Pursuant to this statute, adjacent property owner Mission Hospital Inc. and Aycock Jr. and Owen E. et al William R has requested the City of Asheville to permanently close a portion of Victoria Road.

The Greenway Commission met on April 12, 2012, and approved the closure unanimously.

This closure allows for maximum land use potential for further development complying with the Asheville City Development Plan, Land Use.

Pros:

- There will be no future compromise of ingress/egress to other property
- The closure would allow for more efficient use of the existing adjacent properties

Con:

- None

There will be no fiscal impact related to this closure.

City staff recommends City Council adopt the resolution to permanently close a portion of Victoria Road.

Mayor Bellamy opened the public hearing at 6:53 p.m., and when no one spoke, she closed the public hearing at 6:53 p.m.

Mayor Bellamy said that members of Council have previously received a copy of the resolution and it would not be read.

Councilman Bothwell moved for the adoption of Resolution No. 12-119. This motion was seconded by Councilman Pelly and carried unanimously.

RESOLUTION BOOK NO. 34– PAGE 396

C. PUBLIC HEARING TO CONSIDER THE PERMANENT CLOSING OF AN UNNAMED ALLEY IN BILTMORE VILLAGE

RESOLUTION NO. 12-120 - RESOLUTION TO PERMANENTLY CLOSE AN UNNAMED ALLEY IN BILTMORE VILLAGE

Assistant Public Works Director David Foster said that this is the consideration of a resolution to permanently close an unnamed alley in Biltmore Village. This public hearing was advertised on April 27, May 4, 11 and 18, 2012.

N. C. Gen. Stat. sec 160A-299 grants cities the authority to permanently close streets and alleys.

Pursuant to this statute, adjacent property owners John William Bell Jr., Janis E. Bell, and Wachovia Bank and Trust Company have requested the City of Asheville to permanently close an unnamed alley in Biltmore Village.

The Greenway Commission met on April 12, 2012, and approved the closure unanimously.

This closure allows maximum land use potential for further development complying with the Asheville City Development Plan, Land Use.

Pros:

- There will be no future compromise of ingress/egress to other property
- The closure would allow for more efficient use of the existing adjacent properties

Con:

- None

There will be no fiscal impact related to this closure.

City staff recommends City Council adopt the resolution to permanently close an unnamed alley in Biltmore Village.

Mayor Bellamy opened the public hearing at 6:57 p.m.

Mr. Lou Bisette, representing the petitioners, said the idea is to improve the backs of the buildings.

Mayor Bellamy closed the public hearing at 6:58 p.m.

Mayor Bellamy said that members of Council have previously received a copy of the resolution and it would not be read.

Councilman Davis moved for the adoption of Resolution No. 12-120. This motion was seconded by Councilman Hunt and carried unanimously.

RESOLUTION BOOK NO. 34– PAGE 398

D. PUBLIC HEARING TO CONSIDER REZONING 7 ROBERTS STREET FROM COMMERCIAL INDUSTRIAL DISTRICT TO URBAN PLACE DISTRICT

ORDINANCE NO. 4084 - ORDINANCE TO REZONE 7 ROBERTS STREET FROM COMMERCIAL INDUSTRIAL DISTRICT TO URBAN PLACE DISTRICT

Assistant Planning & Development Director Shannon Tuch said that this is the consideration of an ordinance to rezone 7 Roberts Street from Commercial Industrial District to Urban Place District. This public hearing was advertised on May 11 and 18, 2012.

Ms. Tuch said in late 2006 and early 2007, a number of properties were rezoned to Urban Place in an effort to support the Wilma Dykeman Riverway Master Plan. The area to the north, west, and south of the subject site constituted a part of that rezoning. This particular property was sought for inclusion in the rezoning at that time, but omitted because the property owners could not be reached to confirm their consent.

Subsequently, in recent months, the property was sold in a Buncombe County tax auction to one of the owners of the adjacent property already zoned Urban Place. The proposed rezoning would close the awkward gap and create a more consistent and orderly zoning pattern in the area.

At their May 2 meeting, the Planning and Zoning Commission voted unanimously (7-0) to recommend approval of the rezoning. One neighboring property owner spoke at the public hearing seeking confirmation that it would not affect his zoning.

Prior to the Planning and Zoning Commission meeting, staff received one communication from another neighbor seeking clarification. Staff has received no other communication from the public regarding this petition.

Based on the above findings and the analysis provided in the report, staff finds this request to be reasonable.

Pros:

- Would resolve a problematic gap in the existing zoning district.
- Could encourage mixed use, high-density infill development.

Con:

- None noted.

While the diminutive subject site, at less than 2,000 square feet, does not hold any great development potential by itself, this rezoning promises to fill in a “missing piece” of a significant larger site, and staff feels it would undeniably yield an improvement over the existing situation.

Mayor Bellamy opened the public hearing at 7:00 p.m., and when no one spoke, she closed the public hearing at 7:00 p.m.

Mayor Bellamy said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilman Hunt found that the request is reasonable based on information provided in the staff report and as stated in the staff recommendation, and that it is consistent with the master plan and other plans adopted by the City, and moved for the adoption of Ordinance No. 4084. This motion was seconded by Councilman Smith and carried unanimously.

ORDINANCE BOOK NO. 27 – PAGE

E. PUBLIC HEARING TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE TO REMOVE STANDARDS ALLOWING DIGITAL BILLBOARDS

ORDINANCE NO. 4085 - ORDINANCE AMENDING THE UNIFIED DEVELOPMENT ORDINANCE TO REMOVE STANDARDS ALLOWING DIGITAL BILLBOARDS

Assistant Director of Planning & Development Shannon Tuch said that this is the consideration of an ordinance amending the Unified Development Ordinance to remove standards allowing digital billboards. If adopted, existing DBBs will become legal non-conforming signs. No new DBBs could be added to the inventory. This public hearing was advertised on May 11 and 18, 2012.

Standards allowing digital billboards were adopted in 2008 after extensive public discussion – there have been eight digital billboards installed since the adoption of these standards and approximately 45 billboards removed, as required by the digital billboards standards (3 times the square footage of static for every digital). A more recently installed digital billboard on Merrimon Ave. has prompted substantial discussion in the community regarding appropriateness and compatibility of this new technology, especially along certain narrower corridors. After significant public discussion and staff analysis, the Planning & Zoning Commission recommended amending the ordinance to address specific concerns that arose with the Merrimon Ave. billboard, but also made a recommendation that staff continue to research the topic and develop a stronger set of standards overall.

This recommendation was forwarded to the Asheville City Council on March 26, 2012, where the Council unanimously voted to adopt the proposed wording amendment. The Council, however, also made a second motion instructing planning staff to return with a follow-up amendment that removes the option for DBBs altogether. This motion passed unanimously. The ordinance reflecting that direction, if adopted, would prohibit any new DBBs from being installed within the city’s jurisdiction and would render all existing DBBs non-conforming. Since these existing DBBs were established legally, they will be “grandfathered” and will be allowed to remain

in place and maintained; however, these boards will not be able to be replaced or relocated - including the Merrimon Avenue DBB.

The subject of DBBs was reviewed by the Planning & Zoning Commission on several occasions (December 7, 2011, January 4, 2012, and February 1, 2012) where there was significant public discussion and deliberation (see above).

The most recent discussion occurred on May 2, 2012, by the Planning & Zoning Commission where the City Council directed amendment that proposed to remove standards allowing DBBs was discussed and approved 4:2 (Brooks recused).

This proposal does not directly relate to the goals outlined in the Strategic Operating Plan.

This proposal is; however, supported by the City's comprehensive plan where the *Implementation Matrix* states in the *Land Use and Transportation* section: **Goal I.** The design of streets and highways should be consistent with the economic goals of the City of Asheville and should be compatible with the physical character of the community. And strategy 6 under this goal states: **Strategy 6.** New billboards should not be allowed along any road corridors and existing ones should be amortized and removed unless adjacent to federal aid primary highways. The ability of local governments to require amortization of outdoor advertising was significantly limited by the enactment in 2004 of NCGS 160A-199, "Regulation of outdoor advertising signs". In absence of the ability to amortize, this action would support the intent of this goal.

Pros:

- Addresses compatibility and safety concerns from residents and motorists.
- Allows existing boards to remain in place.

Con:

- Renders existing digital billboards non-conforming with no opportunity for replacement or relocation.

No direct fiscal impact.

The proposed wording amendment reflects the Council's direction to remove the potential for any further digital billboards within the City of Asheville.

Ms. Tuch said that yesterday she received an application from Lamar Outdoor Advertising that proposes to relocate one of their existing digital billboards on Hendersonville Road by Applebees further north on Hendersonville Road. Staff will review and process the request. However, should this amendment pass, any future relocation or replacement applications will be denied.

Mayor Bellamy opened the public hearing at 7:03 p.m.

Mr. Tracey DeBruhl was concerned that if Council did not let billboards be replaced, it will be less of that industry for the smaller companies.

Mr. Tyler Martin urged Council so support this amendment and looked forward to staff working on relating the Merrimon Avenue digital billboard.

Mayor Bellamy closed the public hearing at 7:08 p.m.

In response to Councilman Smith about the digital billboard on Merrimon Avenue, City Attorney Oast said that we can no longer adopt ordinances that require the amortization of billboards without compensating for it. What Council is doing with adoption of this ordinance

doesn't close out the possibility of working out a relocation for that particular digital billboard. He and Ms. Tuch met last week with a representative of Fairway Outdoor Advertising to talk about ways to address relocation.

Councilman Davis said that the representative of Fairway Outdoor Advertising has made a good effort to get to this point. Regrettably, there was not a lot of willingness with the neighborhood to help with that process. He hoped we will continue to look at getting to a better place.

Mayor Bellamy said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilman Hunt found that the request is reasonable based on information provided in the staff report and as stated in the staff recommendation, and that it is consistent with the master plan and other plans adopted by the City, and moved for the adoption of Ordinance No. 4085. This motion was seconded by Councilman Pelly and carried unanimously.

ORDINANCE BOOK NO. 27 – PAGE

F. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE APPROVED CONDITIONAL ZONING MASTER PLAN FOR HUNT HILL APARTMENTS, LOCATED AT 56 HUNT HILL PLACE WITH A MODIFICATION REQUEST

At the developer's request, Councilman Hunt moved to continue this public hearing until June 12, 2012. This motion was seconded by Councilman Pelly and carried unanimously.

G. PUBLIC HEARING TO CONSIDER THE REZONING OF AN AREA IN THE VICINITY OF 55 HUNT HILL PLACE FROM RM-16 RESIDENTIAL MULTI-FAMILY HIGH DENSITY DISTRICT/CONDITIONAL ZONING TO INSTITUTAL DISTRICT

At the developer's request, Councilman Hunt moved to continue this public hearing until June 12, 2012. This motion was seconded by Councilman Pelly and carried unanimously.

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. RESOLUTION NO. 12-121 - RESOLUTION AUTHORIZING APPROVAL OF THE 2013 OUTSIDE AGENCY GRANTS

Planning & Development Director Judy Daniel said that this is the consideration of a resolution approving of the recommendations of the Housing & Community Development (HCD) Committee for the 2013 Outside Agency Program.

The HCD Committee received applications from 17 eligible organizations for Outside Agency funding for 2013. The Committee considered these applications at their meeting of May 10, 2012, and now recommends 13 applications for funding. The recommendations are:

Outside Agency	Funding Support Purpose	2013 Recommended Funding
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Asheville Area Chamber of Commerce-Economic Development Coalition	Create jobs for the citizens of the Asheville area by attracting companies, creating companies, retaining companies and expanding companies.	\$ 60,000
Asheville Buncombe Community Relations Council	Outreach, advocacy, referral and training for Fair Housing and Employment Discrimination; training for area agencies on Diversity/Inclusion; conduct community conflict resolution, and acts as a community relations agent.	\$ 35,000
Asheville Buncombe Regional Sports Commission	Identify and attract sports events and related meetings to enhance the health, wellness and quality of life for area residents and sports enthusiasts and generate a positive economic impact by promoting our region as a recognized sporting destination.	\$ 45,000
Asheville Design Center	Small Business Assessment Pilot Program in cooperation with COA's Community Development, Economic Development and Development Services Departments.	\$ 4,000
Asheville Greenworks	Act as a liaison between city, other governments and community agencies and citizens to improve the environment. Serve every citizen and visitor in Asheville by cleaning up litter, reducing graffiti, recycle and reduce waste, and beautify with tree plantings, park restorations and flower beds.	\$ 8,000
Child Abuse Prevention Services, Inc.	Reduce/prevent child abuse, strengthen families, and assist children and families who have experienced abuse through prevention education, parenting education, and crisis intervention/counseling.	\$ 5,000
Children First /Communities in Schools	Project MARCH: after-school safe-haven program at three housing complexes in the City	\$ 15,740
Green Opportunities	GO Kitchen Ready program to prepare participants for jobs in Asheville restaurant and hospitality industry.	\$ 25,000
Homeward Bound of Asheville-AHOPE	Outreach, intake and support for homeless persons, support for weekend operations.	\$ 20,000
Housing Authority-Youthful HAND	Afterschool Program serves 30 children who reside in the Lee Walker Heights (LWH) housing development. The children are in grades K-8.	\$ 4,720
One Youth at a Time	Provide mentoring/tutoring, guided growth activities, job training and placement assistance to at-risk and critically at-risk youth ages 8-19.	\$ 5,440

United Way 2-1-1	2-1-1 is a community service information line that connects people to community resources. It is a free confidential service available by phone 24/7 to speakers of all languages. Its database of public and non-profit services is also available online and via mobile devices.	\$ 2,500
YWCA of Asheville and WNC	MotherLove is a comprehensive program for pregnant and parenting teens, the overarching goal of which is to move these teens to graduation and higher education.	\$ 8,000
TOTAL		\$ 238,400

This action complies with the City Council Strategic Operating Plan in (1) Affordable, by supporting initiatives to end homelessness; (2) Safe, by supporting recreation and employment alternatives for youth at risk of gang exposure; (3) Job Growth and Community development, by continuing to support the Economic Development Coalition; and by considering tools and programs the City can use to promote job growth and creation.

Pros:

- Approval of Outside Agency Grants provides operating support to Asheville- based organizations that are providing direct services for Asheville residents.
- Reflects the carefully considered recommendations of the City's Housing & Community Development Committee.

Con:

- Budget constraints continue to curtail the availability of funds; supported organizations will need to find alternate sources of program support. All worthy proposals could not be funded.

Outside Agency Grants are funded from the City's general fund. The funding recommendations exceed the fiscal limits included in the FY 2012-2013 Proposed Budget by \$5,000. Staff suggests that this additional funding recommendation can be met through anticipated electronic gaming revenues. With City Council's approval, this modification will be included in the FY 2012-2013 Adopted Budget.

The HCD recommends approval of the 2013 Outside Agency Program grants as presented.

Brother Christopher Chiaromonte questioned Council felt that instead of providing money to outside agencies, Council should put those funds towards employee wages.

Mr. Tracey DeBruhl felt that these outside agencies should try to raise the funds needed through fund-raising measures.

Councilman Davis, Chairman of the HCD Committee, said that these agencies come to the table with more funding requests than the City can help with. The 60,000 for the Economic Development Coalition, along with a much larger amount from Buncombe County, goes toward economic development and attracting jobs to our area. He also noted that the Sports Commission is a very important partnership that has leveraged many, many dollars to this community. These all come with partnership dollars brought to the table, not just agencies reaching out for funds.

Mayor Bellamy said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilman Davis moved for the adoption of Resolution No. 12-121. This motion was seconded by Councilman Smith and carried unanimously.

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B. RESOLUTION NO. 12-122 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PERMANENT LENDER LETTER OF INTENT TO PROVIDE FINANCING TO EAGLE MARKET STREETS DEVELOPMENT CORPORATION

Staff Report - The consideration of a resolution authorizing the City Manager to execute a letter of intent to provide permanent financing in the amount of \$1 million to Eagle Market Streets Development Corporation (“the developer”) for the project known as Eagle Market Place, and direction to the City Manager to pursue a HUD Section 108 loan to fund the developer’s loan request.

Staff has reviewed a request from Eagle Market Streets Development Corporation for permanent financing in the amount of \$1 million for the Eagle Market Place project. The development corporation is presenting its request to City Council along with information about how the loan proceeds would be used in the overall project on May 22, 2012. That request is outlined in more detail in separate documents provided by the developer.

The purpose of this staff report is to provide analysis on a recommended funding source for the requested loan should City Council wish to approve the request.

HUD Section 108 Loan Program

The HUD Section 108 Loan Program is an available finance resource for the Eagle Market Place project. **The Section 108 funds would be provided by HUD as a loan to the City.**

Section 108 allows eligible HUD CDBG grantees to borrow funds from future CDBG allocations to finance projects. A grantee may borrow up to five times their current year allocation. With an allocation this year of \$950,000, the City of Asheville has the authority to borrow up to a maximum of approximately \$4.75 million. The City has an existing loan of \$750,000, leaving about \$4 million in borrowing capacity. Although the City must apply for the funds, Section 108 is a non-competitive program.

The use and administration of these funds is tied to the regulations of the HUD Community Development Block Grant (CDBG) program. As with the CDBG program, all projects and activities must meet a HUD national objective: either principally benefit low and moderate income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community. The Eagle Market Place project purpose is eligible for a Section 108 loan because it is housing construction as part of community economic development, and 100% of the funds will benefit low and moderate income persons.

Section 108 Loan Details

Security: The principal security for the loan guarantee is a pledge by the applicant public entity or the State (in the case of a nonentitlement public entity) of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

Repayment: The maximum repayment period for a Section 108 loan is twenty years.

Financing Source: Section 108 obligations are financed through underwritten public offerings. Financing between public offerings is provided through an interim lending facility

Other: Other CDBG rules would also apply, including federal environmental review processes, Davis-Bacon wage rates for construction labor and Section 3 standards to proactively market available jobs to residents of the area where the project is located. Because HUD HOME program funds are committed to the project, these rules are already in place, and new management costs would not be incurred because of them.

Completion of the Eagle Market Place project is an objective within the City's of Asheville's Strategic Operating Plan under the goal area "Job Growth and Community Development."

Pro:

- According to the developer, approval of the loan request would improve the project's ability to secure North Carolina Low Income Housing Tax Credits, which are essential to the project's pro forma.

Cons:

- CDBG funds can be used as a method of repayment, but there is no guarantee that the CDBG program will continue to be funded nationally.
- Commits future CDBG funds to loan repayment for Eagle Market Place instead of funding other eligible projects.
- Sufficient security will need to be pledged for the loan. Security is negotiated with HUD during the application process.

Regarding the fiscal impact: (1) **Loan from the City to Developer:** The developer's proposed repayment schedule for the loan made by the City to the developer includes deferring payments for a period of 20 years at a 2% interest rate. The repayment schedule and interest rate do not parallel the repayment structure between the City and HUD for a Section 108 loan, therefore creating annual negative cash flows to the City's CDBG program. As a result, the City's overall annual discretionary CDBG funding will be reduced for other projects. (2) **Loan from HUD to the City:** Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate. While interest-only payments for a period of time can be structured, the payments are not deferred, and principal payments typically start in year 5. Based on current market conditions, staff would roughly estimate that annual debt service payments would be \$100,000. Annual repayments would be allocated from CDBG funds.

If City Council approves the loan request and the resolution as presented, staff recommends that City Council direct staff to pursue a HUD Section 108 loan as a funding source or the loan.

Mr. Darryl Hart, Chairman of the Eagle-Market Streets Development Corporation (EMSDC), said that they have been working with Mountain Housing Opportunities (MHO) for the last 1.5 years for this Eagle Market Place project to come to fruition. This project will be approximately 63 rental apartments in the Eagle-Market Street area. This is really a partnership with the City, County and the community. He thanked Council for their support and hoped they would approve this action.

In response to Councilman Bothwell, Ms. Bradley that Section 108 allows eligible HUD CDBG grantees to borrow funds from future CDBG allocations to finance projects. A grantee may borrow up to five times their current year allocation. With an allocation this year of \$950,000, the

City of Asheville has the authority to borrow up to a maximum of approximately \$4.75 million. The City has an existing loan of \$750,000, leaving about \$4 million in borrowing capacity. Although the City must apply for the funds, Section 108 is a non-competitive program.

In response to Councilman Bothwell on what the risk is to the City, Vice-Mayor Manheimer said this will commit future CDBG funds to loan repayment for Eagle Market Place instead of funding other eligible projects.

Ms. Cindy Weeks, representing MHO and the Eagle Market Place project, explained that they have done everything they possibly could do to reduce the cost of the project so that it would come in at a reasonable price. She then showed before and after renderings of the project and how the project was reduced from 7 floors to 6 floors and reduced the number of units from 70 to 62.

Mayor Bellamy explained we have used Section 108 loans in the past. The good thing about this project is that it will be paying taxes. This is not a new tool for the City, and even though we have not used it often, we will see benefits to our community.

Mayor Bellamy said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilman Hunt moved for the adoption of Resolution No. 12-122. This motion was seconded by Councilman Smith and carried unanimously.

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BOARDS & COMMISSIONS

Mayor Bellamy asked that at the next Boards & Commissions Committee meeting that they consider the Mayor's Committee on Veterans Affairs, which has operated as a task force for many years, become a City-County Committee to look at veterans issues. Vice-Mayor Manheimer said that she would be happy to place that on their next meeting agenda and invite the Chairman to make the presentation.

Regarding the Board of Adjustment, there currently exists two alternate seats, left vacant by Mr. James Sheeler, term to expire January 21, 2015; and Mr. Douglas Hattaway, term to expire January 21, 2014. The following individuals have applied for the vacancies: Dimi Kulakov, Daniel Summerlin, Robert M. Swicegood and Derek Weekley. It was the consensus of Council to interview all four individuals.

Regarding the Homeless Initiative Advisory Committee (HIAC), there are two vacancies (1) term of Wanda Lanier expired on November 1, 2011; and (2) vacancy from the passing of Gerald Hixson, whose term will expire on November 1, 2013. The following individuals have applied for the vacancies: Debbie Metcalf, Micheal Woods, Timothy Sadler, Charles Rosenblum, John Spears, Charles Barber, Jay Lively and Michael Akers. At the request of Mr. David Nash, Chairman of the HIAC, it was the consensus of Council to delay making appointments until the HIAC make their recommendation.

Regarding the Sustainable Advisory Committee on Energy & the Environment (SACEE), there currently exists a vacancy for someone who has "expertise in the field of energy management." This term would expire December 31, 2013. The following individuals have applied for the vacancy: William Hutchings, Timothy Ballard, Charles Rosenblum, Stuart Smith, Peter Brezny, Marcus Renner, Lawrence Pittman, Alan Watts, Brandee Boggs and Melita Kyriakou. At the suggestion of SACEE, it was the consensus of Council to interview Timothy Ballard and Brandee Boggs. In addition, it was also the consensus of Council to interview Lawrence Pittman.

Regarding the Planning & Zoning Commission, it was noted that Mr. Mark Brooks and Ms. Holly Shriner's terms on the Planning & Zoning Commission expire August 14 of this year. Both are eligible for reappointment and have excellent attendance records. Last year a new appointment process was established for the three Commission vacancies. It was the majority of Council's consensus to proceed with the newly-established process for appointments to these two seats, noting that both Mr. Brooks and Ms. Shriner will be considered for reappointment. Mayor Bellamy and Councilman Davis did not support proceeding with the new process because they felt the process established last year was when there were vacancies, not reappointments.

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Rev. Christopher Chiaromonte spoke about the proposed business improvement district and the police violating his civil rights.

Mr. Joe Minicozzi thanked Council for their vote on digital billboards.

When Mr. Tracey DeBruhl asked for information to become a member on the Mayor's Committee on Veterans Affairs, Mayor Bellamy referred him to City Clerk Maggie Burleson who would advise him on the process.

Councilman Bothwell was pleased to announce that in the first month of rolling out the "Big Blue" (96-gallon carts), there has been an 87% increase in recyclables collected. This is a reduction of more than 112 tons of trash headed for the landfill.

Councilman Smith reminded the public that this is Strive Not To Drive Week and was pleased to describe the new Asheville Redefines Transit Program.

Mountain Area Information Network

Mr. Tim Ballard, member of the Board of Directors of the non-profit Mountain Area Information Network (MAIN) was joined by fellow Board member Isaac Coleman, read the following statement: "As you know, at your April 24 Council meeting, City staff was directed to work with MAIN to reach a mutually agreeable resolution of MAIN's past-due rent for space on the City's cell tower. Our understanding was that it was Council's desire that the past-due rent to be paid in full over a reasonable time period, and that any repayment plan include a substantive upfront payment. The MAIN Board of Directors met recently and approved the following repayment plan which meets these requirements. We are prepared to make: an upfront payment of \$7,000; resume the monthly payments; and repay the balance in full by June 1, 2014. This repayment schedule would consist of two equal, annual payments, the first on June 1, 2013 and the second, and final, payment on June 1, 2014. As you may have read in the Asheville Citizen-Times op-ed page this past Sunday, MAIN plays a unique and important role in our community's ability to create and sustain a vibrant locally oriented economy. We also understand that City staff does not have the authority to take this public-service mission into account. But you, as our elected representatives, do have that authority. We are here tonight to ask you to exercise that authority by accepting MAIN's offer to repay the tower arrears, in fully, by June 1, 2014."

Legislative Research Commission – MSD

Vice-Mayor Manheimer said that the Mayor has received a letter from Mr. Steve Aceto, Chairman of the Metropolitan Sewerage District (MSD), asking the City if they would like to engage in negotiations with MSD as mentioned in the Legislative Study Committee's report. The report mentions that if the parties are engaged in good faith negotiations they will not pass legislation in the 2013 Session forcing the City of Asheville to transfer its water system to MSD. She felt the letter would require some response from the City. At her suggestion, it was the

consensus of Council, to respond to MSD by acknowledging receipt of the letter and stating that the City is in the process of determining their next steps.

Vice-Mayor Manheimer said that she and Councilman Davis are appointed as liaisons to the Task Force that was tracking the Study Committee, but now that the Study Committee is done with its work Council will need to re-tool how we want to approach this. We have engaged former City Manager Doug Bean, who is now with Raftelis, to help us interact with MSD as they interact with their study about a merger.

VIII. ADJOURNMENT:

Mayor Bellamy adjourned the meeting at 7:54 p.m.

CITY CLERK

MAYOR