

Tuesday – April 11, 2017 - 3:00 p.m.

Budget Worksession

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Cecil Bothwell; Councilman Brian D. Haynes; Councilwoman Julie V. Mayfield; Councilman Gordon D. Smith; Councilman W. Keith Young; City Manager Gary W. Jackson; City Attorney Robin T. Currin; and City Clerk Magdalen Burleson

Absent: None

Director of Finance and Management Services Barbara Whitehorn said that this worksession will provided a recap of where we have been and what impact it potentially holds for the operating budget; and review of the basic assumptions and building blocks for the CIP/bond implementation in 2018.

Staff summarized summarize where Council discussions have led us over the past two sessions, using examples of revenue neutral plus three cents for CIP, energy out of CDBG/housing trust, transit assumptions and tree canopy from base budget. Staff then requested Council's preferences and a relative measure of priority for possible additional transit operating budget alternatives, in order to address Council's question about "what can be done without new buses?" Staff then summarized the additional pressures added in building the base budget, recurring and which may qualify for use of non-recurring fund balance.

Regarding the base budget additions - recurring, Ms. Whitehorn noted that the following are included in the General Fund operating budget: Transit south service improvements - full year - \$267,000; Reduction in Federal transit funds - \$281,143; In-Source temporary labor (10.25 positions added) - \$248,000; and Police staffing (15 positions added) - \$567,000. This totals \$1,363,143.

Ms. Whitehorn then provided Council with the Fund Balance analysis. The Fund Balance above policy minimum is estimated at \$1,692,662. She then outlined the following base budget additions - one-time allocations of Fund Balance: Energy Innovation Task Force - \$205,000; Tree Canopy Study - \$25,000; Payroll/Benefits Audit Recommendations - \$200,000; Accident Replacement Fire Truck - \$520,000; Police Staffing Vehicles - \$384,000; and Election Costs - \$275,000. This leaves an estimated balance of \$81,662 of unallocated Fund Balance.

Following the review of the operating budget, staff provided details on the 2017-18 capital budget priorities and the major building blocks of the capital program. The existing 5-year capital plan was reviewed with a discussion of projects that have changed in scope, cost or timing. They then reinforced how they are staffing the CIP project management, and said that they plan to leave the base CIP intact while allowing for budget amendments for TIGER VI and RADTIP, as well as specifically earmark \$2 million for Walton Street pool and increasing future year allocations for Malvern Hills pool. They also reminded Council about what the bond referendum projects get implemented in 2017-18.

Ms. Whitehorn responded to questions from Council regarding the one-time allocations, in particular the payroll/benefits audit recommendations and possible saving outcomes.

Councilman Bothwell suggested a Request for Proposals be developed for an audit to see how much our banking is costing us. He wondered if there might be a savings in changing banks. A \$30,000 audit (one-time allocation from Fund Balance) might cover analyzing our total cost for banking, since that has not happened for over 70 years. Vice-Mayor Wisler responded that at the Finance Committee, they directed staff to look at local banking arrangements and try to figure out whether there are certain functions of our banking that could be taken over by a local bank. That information was requested to come back to the Finance Committee in 60 days.

Councilman Haynes said that his position is not meant to show a lack of support or respect for either Chief Hooper or the APD. The Chief is to be applauded for working with community leaders to come up with a Use of Force Policy, emphasizing de-escalation training and recognizing the importance of building trust in the community. However, he did not support Chief Hooper's request for \$1 Million to expand the police force, and that he agreed with the over 500 signees of the petition "A Million Dollars for the People." He would rather see these funds go towards the root causes of crime, poverty, substance abuse and mental illness. Like the County's recently passed measures, we seek ways to keep people in the workforce and out of the criminal justice system. He does not believe this request could have come at a worse time: (1) at a time when African American communities distrust of police forces across our nation are at an all-time high; (2) at a time when over a two-year period roughly 3 people a day have been fatally shot by police in the United States; (3) at a time when police forces across the U.S. are militarized at an alarming rate; (4) at a time when militarized police forces used dogs, water cannons, rubber bullets and other excessive force measures against the peaceful water protectors at the Dakota Access Pipeline; and (5) at a time when at least 18 states including North Carolina have introduced legislation to curb the rights of protesters. Some even suggesting that protesters causing property damage could be charged as economic terrorist.

Councilman Bothwell asked for downtown crime statistics. He felt that increased police patrol makes some people feel more secure but doesn't make any impact on crime. He would like to see studies from other cities on how that increase would decrease crime.

Chief Tammy Hooper provided Council with a PowerPoint outlining the APD's multi-year work plan, noting that the growth of the City has created a substantial increase in demand for services by the Police Department. Calls for service have increased by an average of 1,000 per day for the past eight years and are projected to continue at or above that rate with the City's current planned growth. In Fiscal Year 2016, APD officers responded to over 116,000 calls for service. If growth remains consistent, that number is expected to rise to nearly 121,000 in the next two years. In addition to calls for service, officer workload also includes traffic enforcement, foot and bike patrols, community engagement and many other duties related to community policing. More growth is planned and expected, i.e., South Slope, River Arts District, south Asheville, etc. No officers have been added to address the growth of our City or the increasing demands for police services in those areas. APD is requesting 12 additional officers, two sergeants, and one lieutenant position to address these needs. The addition of these resources is necessary to maintain our current level of service. A minimum of two years will be required to hire and train these positions. She then provided information on various crimes and nuisance crimes in the various locations in Asheville.

In response to Councilman Bothwell, Chief Hooper said that she hoped to get a grant for the \$700,000 command post vehicle proposed for in the future.

Chief Hooper responded to Vice-Mayor Wisler when she asked what are some of the things the APD is doing to address the downtown crimes more holistically.

Vice-Mayor Wisler suggested we re-visit the Downtown Improvement District.

In response to Mayor Manheimer, Chief Hooper felt said that these hires would reduce overtime of existing officers. She felt the estimated cost savings when the unit would actually be initiated (July 2019) would be about \$375,000 a year.

Councilman Bothwell confirmed that these requested 15 additions would be in addition to the current 20 unfilled vacancies.

Councilman Smith said that Council has received a lot of e-mails about this from people who really want to make sure that City Council is supporting all the people of Asheville and really

interested in assuring justice and equity throughout our community. They've also receive a lot of e-mails wanting to make sure that as our population grows that our police presence can grow along with it and that we can make sure that when you call 911 someone is there fast. There is enormous amount of care for the City of Asheville in all of these things. And we are also in this locally and nationally where we are demanding more accountability from our police forces, and demanding quicker responses from trusted and trained staff. That level of accountability makes perfect sense. He said that officers who choose this line of work choose this life of service to our community. He wanted to acknowledge that and celebrate that at the same time because that call for accountability has been the vilification of many officers who are incredibly ethical and incredibly hard-working who get caught up in a more kind-of blanket move to make sure that police is accountable. He felt that Chief Hooper has embraced the process and policy around use of force and it's going to make us one of the national leaders in the regard. Also, Chief Hooper has been doing bridge building within the department to make sure that the department is working well together and isn't fractionalizing. Also, he commended Chief Hooper for her hiring practices, as well as Critical Incident Training for officers who are too often are front-line mental health responders. He noted that our population is up 28% since 1997. Our police staffing is up 23% since 1997. This proposal would take us to 27%. The 2.9 officers per 1,000 people vs. the state average of 4.8 really resonates with him and even though he didn't know what that number becomes if this proposal goes through, but it certainly doesn't go up to 4.8. He also talked about the dichotomy that is out there - money for the police vs. money for the people. This is not something that resonates with him. He doesn't think that is how this budget process works or how our City should work. We don't have to pit public safety vs. public benefit. This year we are going to have record spending on affordable housing, transit, transportation infrastructure, and our parks. He knows that we are a living wage organization that only gives economic incentives to living wage organizations. And, that we are moving forward with our equity initiatives. He noted that mental health, substance abuse and other social services are not the function of the City of Asheville - they are the function of the County of Buncombe. So, we clearly have an enormous work to do for justice and equity in our community and he doesn't know anyone on this Council who isn't committed. We also have to meet the responsibilities of the public safety of the community. He was open to this request and he's also open to a portion of this request if Council feels it's too big an ask. But he didn't think we can ignore the population rise, the figures that we are seeing from APD, and responsibly turn it down.

Director of Transportation Ken Putnam responded to Councilman Bothwell regarding transit and our capacity with buses.

Councilwoman Mayfield said that Mr. Putnam had provided Council with information on what service expansion options might be absorbed. Those were expanding Sunday service on all routes from 8:00 a.m. to 5:00 p.m.; and adding 8 hours of additional evening hours Monday - Saturday at a total cost of approximately \$630,000. She understood that the more the buses are used, the increased rate of replacement. She supported those two options to be funded with a ½ cent tax increase, noting that we need to have a bigger conversation on a capital program for buses, with perhaps dedicating a piece of the tax rate for transit. She stressed that her personal priorities in the base budget would be transit, police and employee raises.

Councilman Young said that he is working on a neighborhood opportunity fund reserve for smaller amounts of money into the hands of neighborhood associations and loosely organized groups. That is still being worked out, but he would like to have a placeholder for a pilot program of \$50,000, with the assumption of revisiting it in a year or so to fund the program for 5 years. City Manager Jackson said that upon Council's concurrence, we will have the flexibility of providing the \$50,000 out of the estimated balance of \$81,662 of unallocated Fund Balance.

Councilwoman Mayfield also supporting the Strategic Partnership Fund grant amount from \$158,000 to \$200,000.

After discussion, it was the consensus of Council to use the estimated unallocated Fund Balance of \$81,662 to increase the Strategic Partnership Fund grant amount by \$42,000, have a placeholder of \$50,000 for the neighborhood opportunity fund reserve, and direct the City Manager to find the additional approximately \$10,000.

All of Council agreed, except for Councilman Haynes, to add to the recurring base budget the Transit south service improvements; Reduction in Federal transit funds; In-Source temporary labor; and Police staffing.

All of Council agreed, except for Councilman Haynes, to include the one-time allocations of Fund Balance: Energy Innovation Task Force; Tree Canopy Study; Payroll/Benefits Audit Recommendations; Accident Replacement Fire Truck; Police Staffing Vehicles; Election Costs; Increase to the Strategic Partnership Fund grants (\$42,000); and placeholder for the neighborhood opportunity fund reserve (\$50,000).

All of Council agreed to add to the recurring base budget expanding Sunday service on all routes from 8:00 a.m. to 5:00 p.m.; and adding 8 hours of additional evening hours Monday - Saturday (approximately \$630,000), and funding that with a ½ cent over revenue neutral and the bonds.

At 4:27 p.m., Mayor Manheimer adjourned the worksession.

Tuesday – April 11, 2017 - 5:00 p.m.

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Cecil Bothwell; Councilman Brian D. Haynes; Councilwoman Julie V. Mayfield; Councilman Gordon D. Smith; Councilman W. Keith Young; City Manager Gary W. Jackson; City Attorney Robin T. Currin; and Deputy City Clerk Sarah Terwilliger

Absent: None

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

II. CONSENT AGENDA:

- A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON MARCH 28, 2017**
- B. RESOLUTION NO. 17-61 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE WITH THE CITY OF ASHEVILLE ALCOHOLIC BOARD OF BEVERAGE CONTROL FOR REAL PROPERTY AT 179 CHARLOTTE STREET, ASHEVILLE, N.C.**

Summary: The consideration of a resolution authorizing the City Manager to enter into a Lease Amendment with the City of Asheville Board of Alcoholic Control for real property located at 179 S. Charlotte Street.

The property at 179 S. Charlotte Street has been in operation as an ABC Store since 1984. The property is improved with a brick building measuring 3,406 square feet on a 0.84 acre lot. As a result of the bond referendum passed in November 2016, the Charlotte Street location is under consideration for redevelopment that includes affordable housing. The ABC Board will need time to find an alternate location, particularly one that is capable of servicing downtown commercial locations (e.g. restaurants, bars) with alcoholic beverages and spirits. At this time, the Board of Alcoholic Control has offered to enter into an amendment to their current lease that is consistent with market based pricing, as follows:

- (1) Term of two years and a one year renewal option, subject to Landlord approval
- (2) Annual rental fee of \$55,075 with a yearly escalation of 3%
- (3) Lessee to pay all utilities and maintenance associated with premises
- (4) Lease can be terminated by either party on 180 days prior written notice

This lease amendment was developed in accordance with the newly approved City of Asheville Lease Policy guidelines.

In order to achieve market-based pricing, City staff established the rate by commissioning a market rent analysis for this location. The rental rate is consistent with area fair market value for this type of building and use at \$16.17 per square foot per year. All proceeds of this lease benefit the Community Development Block Grant budget as Program Income.

The Notice of Intent to enter into a Lease Amendment with the City of Asheville Board of Alcoholic Control was published on March 10, 2017, in the Asheville Citizen-Times. Thirty days have passed since the publication and authorization to execute the Lease Agreement is being requested.

Pros:

- Strategic real property management, through the renewal of lease agreements, presents the City with revenue enhancements, which in this case benefits the Community Development Block Grant program.
- The Asheville ABC Board has consistently agreed to pay fair market lease rates.
- The short lease period frees up the property for other uses, but allows the current tenant time in order to find a new location.
- The City of Asheville Board of Alcoholic Control is a consistent and well established tenant in that location

Con:

- None.

The revenue from the annual rental fee of \$55,075 with a yearly escalation of 3% will benefit the Community Development Block Grant as program income.

City staff recommends City Council adopt a resolution authorizing the City Manager to execute the lease amendment agreement with the City of Asheville Board of Alcoholic Control on behalf of the City of Asheville.

RESOLUTION BOOK NO. 38 - PAGE 377

C. REQUEST TO MOUNT A CEREMONIAL PLAQUE ON THE EXTERIOR OF THE MUNICIPAL BUILDING RECOGNIZING THE BRICK WORK OF JAMES VESTER MILLER

Summary: Announcement of a request to have a ceremonial plaque honoring James Vester Miller, a prominent African-American brick mason who performed the bricklaying on the Municipal Building in 1925 and 1926, mounted on the Municipal Building.

The City of Asheville has received a request from Ms. Andrea Clarke, grand daughter of James Vester Miller, to mount a ceremonial plaque on the Asheville Municipal Building honoring Mr. Miller's bricklaying on the Municipal Building.

Pursuant to the City's policy on public naming, Ms. Clarke provided City Council with the request including at least 30 signatures of registered voters of the City. Also pursuant to the policy, Council shall make the announcement at a scheduled public meeting so as to provide for an opportunity to receive input from appropriate sources. Prior to voting, the Council may solicit the advice of surrounding property owners, residents, affected parties, and other City officials or anyone else that the Council believes can contribute meaningful input.

In order to receive that input, Council will make a decision at their next regularly scheduled meeting.

The City Clerk's Office has verified with the Buncombe County Board of Elections that at least 30 signatures on the request are registered voters of the City. In addition, the Director of Historic Resources has verified the information on the request. Finally, Ms. Clarke has submitted three possible locations that she wishes the plaque to be placed. The General Services Director is in the process of reviewing the three locations and will submit a location recommendation at the April 25 meeting.

There will be no fiscal impact to the City as the plaque and mounting will be paid for by Ms. Clarke.

Staff recommends City Council solicit input from the public on mounting a ceremonial plaque on the Municipal Building honoring the brick work of James Vester Miller and his construction firm Miller Construction Company.

Ms. Dee Williams thanked City Council for their consideration of this plaque. She suggested the African American Heritage Commission be tasked with a process to recognize Mr. Miller on other buildings and others who provide service to the community.

Ms. Carol Cosgrove spoke in favor of the commemorative plaque and said we owe a big debt to the African American community and was glad we are going to acknowledge Mr. Miller.

D. RESOLUTION NO. 17-62 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, AND IF AWARDED, ACCEPT FUNDING FROM THE DUKE ENERGY GRANT PROGRAM TO COVER COSTS DUE TO INCREASED STAFFING LEVELS DURING THE 2016 FALL WILDLAND SEASON

Summary: The consideration of a resolution authorizing the City Manager to apply for, and if awarded, accept funding from the Duke Energy Grant Program to recover costs due to increased staffing levels during the 2016 fall wildland season.

The 2016 fall wildfire season Western North Carolina experienced was exceptionally busy. During the period that started November 1, 2016 to December 5, 2016, The City of Asheville Fire Department (Fire Department) committed staff and apparatus to support North Carolina Forestry Service and Buncombe County Fire Service neighbors. Due to the increased threat that wildland fire posed to customers within the City of Asheville (City) and the depleted mutual aid resources available to assist with those fires in the city, the decision was made to increase staffing levels. An Engine, staffed with 4, as well as a Brush truck, staffed with 2 were placed in service to quickly and aggressively respond to wildland fire calls. The Fire Department, which responded to 44 outside vegetation fires during the aforementioned period, incurred overtime expenses in the amount of \$42,862. Due to the increased response levels, these fires

were mostly contained to an acre or less. It should also be noted that these units were available to Mutual Aid partners to assist with additional wildland fires in their areas, had there been a need.

This action went to the City Council Finance Committee for review on March 28, 2017, with the unanimous recommendation that it move forward to the full Council.

Pro:

- Receiving funds from this grant will reduce the impact this service had on the fire department overtime budget.

Con:

- None Identified

These reimbursement funds, available through the Duke Energy Grant Program and once received will be to fund fire department overtime expenses. If the grant is awarded, staff will return to Council for a budget amendment to appropriate the exact amount of the award.

Staff recommends City Council adopt a resolution authorizing the City Manager to apply for, and if awarded, accept funding from the Duke Energy Grant Program to recover costs due to increased staffing levels during the 2016 fall wildland season.

RESOLUTION BOOK NO. 38 - PAGE 378

E. RESOLUTION NO. 17-63 - RESOLUTION ACCEPTING FUNDS FROM FACEBOOK & ASSOCIATES INC. TO PAY THE ADMINISTRATIVE FEE TO REVIEW A POSSIBLE QUIET ZONE IN THE OAKLEY COMMUNITY

ORDINANCE NO. 4571 - BUDGET AMENDMENT TO SET UP THE PROJECT BUDGET FOR A PAYMENT OF THE ADMINISTRATIVE FEE FOR A POSSIBLE QUIET ZONE IN THE OAKLEY COMMUNITY

Summary: The consideration of a resolution, and its associated budget amendment, to accept a payment of \$5,400 from Facebook & Associates, Inc. that would then be sent to Norfolk Southern to pay the administrative fee to begin the process of a possible quiet zone at the Stoner Road at-grade crossing in the Oakley Community in East Asheville.

Historically, railroads have sounded train horns in advance of grade crossings as a safety precaution. In 2005, the federal Train Horn Rule was enacted, which set nationwide standards for the sounding of train horns. Under the current federal regulations, train horns begin sounding 15-20 seconds before entering public highway-rail grade crossings, no more than one-quarter mile in advance.

The 2005 Rule established a process for communities to obtain relief from the routine sounding of train horns, by providing criteria for the establishment of quiet zones. A quiet zone is a section of a rail line at least one-half mile in length that contains one or more consecutive public highway-rail grade crossings at which locomotive horns are not routinely sounded when trains are approaching the crossing. Train horns may still be sounded in emergency situations or to comply with other rules. Only a public authority, the governmental entity responsible for traffic control or law enforcement at the crossing, is permitted to create quiet zones.

Because the absence of routine horn sounding increases the risk of a crossing collision, a public authority that wishes to establish a quiet zone is required to mitigate this additional risk by installing Supplemental Safety Measures (SSM). SSMs are pre-approved risk reduction engineering treatments installed at public highway-rail crossings, such as a four quadrant gate system. Public authorities seeking to establish a quiet zone must finance the installation of SSM. Costs can vary greatly depending on the number of crossings and type of safety improvements

required. The Federal Railroad Administration strongly recommends that all crossings in a proposed quiet zone first be reviewed by a diagnostic team that includes representatives from the public authority, railroad, State agency responsible for crossing safety and FRA grade crossing managers.

The City of Asheville previously went through the Quiet Zone process and established a 24-hour Quiet Zone at the Lyman Street at-grade crossing in the River Arts District with an effective date of January 8, 2014. Unlike the Stoner Road crossing request described below, the appropriate SSM, which was a four-quadrant gate system, was already in place at the Lyman Street crossing and had been installed during November 2011 at an estimated cost of \$540,000. The total additional costs to the City to establish the Quiet Zone was approximately \$5,500, which included the administrative fee, warning signs, and pavement markings. A developer also contributed funds to establish the quiet zone.

Facebook & Associates, Inc. is currently building a 254-unit apartment complex known as River Mill Lofts adjacent to Thompson Street and Stoner Road in the Oakley Community in East Asheville. The developer is interested in having a quiet zone established at the Stoner Road at-grade crossing since the crossing is in the immediate vicinity of the project. Only the City of Asheville, as the public authority having jurisdiction, is entitled to establish a quiet zone at this crossing.

On behalf of the developer, staff reached out to Norfolk Southern to get a preliminary “ballpark” cost to add the appropriate SSM to be able to move forward with a quiet zone. The preliminary cost exceeds \$700,000 and the developer has now requested an on-site meeting with Norfolk Southern staff (and City of Asheville staff) to be sure that the cost is accurate.

Norfolk Southern staff will not meet with the developer until the \$5,400 administrative fee (current standard administrative fee to review quiet zones) is paid and they won’t accept payment from the developer since the developer is not the public authority. As such, the developer has requested that the City accept payment from the developer for the cost of the administrative fee; and that the City request the meeting with Norfolk Southern and submit the administrative fee.

The developer’s request, and establishing a quiet zone, would require City Council action. Staff has identified several points of consideration, which are listed below:

- Only the City may apply for and establish a quiet zone - which means the City would be ultimately responsible for the quiet zone any costs required to establish and maintain the quiet zone.
- The federal rules regarding quiet zones are intended to remove failure to sound the horn as a cause of action in lawsuits involving collisions that have occurred at grade crossings within duly established quiet zones - however, the courts will ultimately determine who will be held liable if a collision occurs, based on the facts of each case.
- There are several railroad crossings within the City where quiet zones may potentially be established. Is this particular location an area where the City would like to establish a quiet zone and how would the City treat similar requests from citizens in the future (ie: requests to establish a quiet zone where there is not already a sufficient SSM)?

The Public Safety Committee reviewed this item on March 27, 2017, and recommended that it move forward to City Council for review and approval.

Pros:

- If the project moves forward and is successfully accomplished, the quiet zone would eliminate routine train horn sounding at the subject at-grade crossing.
- The appropriate funds are coming from a private source.

Cons:

- If the project moves forward and is successfully accomplished, the City would be ultimately responsible for the quite zone and responsible for half of the annual maintenance cost (\$1,200 to \$3,800).
- May set a precedent for future requests from private citizens to have the City establish a quite zone in their neighborhood.
- Granting requests to establish quite zones when private parties pay the associated costs, may result in establishing quite zones in areas where citizens can afford to pay the associated costs, as opposed to other areas where citizens live near train crossings and cannot afford the cost to establish a quite zone.

There is no direct immediate fiscal impact to the City. The \$5,400 payment is coming from a private source and the City is simply sending it to Norfolk Southern to pay an appropriate administrative fee regarding quiet zones.

Staff recommends that City Council approve a resolution and its associated budget amendment to accept a payment of \$5,400 from Facebook & Associates, Inc. that would then be sent to Norfolk Southern to pay the administrative fee to begin the process of a possible quiet zone at the Stoner Road at-grade crossing in the Oakley Community in East Asheville.

In response to Councilman Bothwell, Transportation Director Ken Putnam said that if Norfolk Southern does approve the appropriate SSM to be able to move forward with a quiet zone, the City will be ultimately responsible for any costs required to establish and maintain the quite zone - approximately \$2,000.

**RESOLUTION BOOK NO. 38 - PAGE 379
ORDINANCE BOOK NO. 31 - PAGE 176**

F. RESOLUTION NO. 17-64 - RESOLUTION AUTHORIZING THE APPROVAL OF THE 2017-18 STRATEGIC PARTNERSHIP FUND GRANTS

Summary: The consideration of a resolution approving the recommendations of the Housing & Community Development (HCD) Committee for the 2016-17 Strategic Partnership Fund.

The HCD Committee received applications from 24 eligible organizations for Strategic Partnership Funds for 2017-18. The Committee considered these applications at their meeting on March 24, 2017, and now recommends 15 applications for funding. The recommendations are:

AGENCY	AWARD
Asheville Area Arts Council	\$5,000
Bountiful Cities	\$11,000
Children First	\$20,000
Getting Back to Basics	\$3,500
Green Opportunities	\$10,000
Homeward Bound	\$30,000
i.b.mee (I Be Me)	\$3,700
My Daddy Taught Me That	\$20,000

OnTrack Financial	\$12,000
One Youth at a Time	\$5,000
Positive Changes Youth Ministries	\$6,500
Read to Succeed	\$5,000
The SPARC Foundation	\$13,300
United Way 211	\$1,400
YWCA	\$12,000
TOTAL	\$158,400

Total recommended funding is \$158,400. This amount is unchanged from last year's Strategic Partnership Fund Program.

This Annual Action Plan directly supports Council's 2036 Vision in the following categories: (1) A Diverse Community: Quality education access and family services will support low-income students. Low-income households will receive financial services; (2) Quality Affordable Housing: Homeless support services, financial counseling and support for low-income neighborhoods; and (3) Thriving Local Economy: Job training, skills' development and job creation.

Pros:

- Approval of the Strategic Partnership Fund provides operating support to Asheville-based organizations that are providing direct services for Asheville residents.
- The Strategic Partnership Fund 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.

Strategic Partnership Funds are funded from the City's general fund. The funding recommendations do not exceed the fiscal limits included in the FY 2017-2018 Budget of \$158,400.

The HCD Committee recommends approval of the 2017-18 Strategic Partnership Fund grants as presented.

The following individuals spoke regarding the inadequate funding for the worthy proposals that submitted requests, noting that they understood the fund was increased to \$200,000 next fiscal year but that is still not enough:

Dawn Chavez, representing Asheville GreenWorks
 Libby Kyles, an elementary school teacher
 Dewana Little, Director of Positive Changes Youth Ministry
 Nicole Hinebaugh, Program Director of Bountiful Cities
 Timothy Sadler

Councilman Smith said that the meeting where the funds were allocated was a difficult meeting and this illustrates how much need is going unmet in our community. The cost for these programs is being pushed from the state and federal levels to municipalities. Even though we will probably never have enough to meet the needs, that responsibility is rapidly shifting to our shoulders. He felt the community also needs to reach out to our state and federal representatives because these are common values.

Councilman Young said that even though the CDBG funds may go away with the financial shift going to local governments, he, as well as this Council, will continue to advocate for the worthy programs. He can't promise that everyone who has an ambition to help others will get funded, but he will try to make sure most of our community is able to keep us in good standing with each other. He is working on a neighborhood opportunity fund, noting that to those that did apply and did not get funds, there are things that are in the works.

Councilman Bothwell said that there are so many good projects but not all of them can get funded and those that get some funds, it's not all of what they need. He stressed how difficult it is to appropriate the allocated funds.

Mayor Manheimer said it was important for people to understand there is a strategy from the top down to force the cuts on non-profits from the federal and state level, to push these decisions and funding burdens on local government. She explained how this decision-making process is really challenging each year. There are so many great initiatives, but we must work within the parameters we have.

RESOLUTION BOOK NO. 38 - PAGE 380

G. RESOLUTION NO. 17-65 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH PATTON CONSTRUCTION COMPANY TO MODERNIZE THE CIVIC CENTER GARAGE ELEVATOR

Summary: The consideration of a resolution authorizing the City Manager to enter in a contract with Patton Construction to modernize the Civic Center Garage elevator.

The three oldest City owned parking garages, Civic Center, Rankin Avenue, and Wall Street, are starting to show age related deterioration. To forestall this, Parking Services is conducting parallel programs to systemically evaluate the structures and elevators to determine their current condition and to plan on how to continue to maintain them for the long term.

In 2016, the City published a Request for Qualifications for interested engineering firms to evaluate the elevators in the three oldest garages. The Wooten Company was chosen and entered in to a contract with the City for evaluation, design, bid, and construction management services for the elevators. The Wooten Company completed the initial condition evaluations in late summer 2016. As expected of elevators between 28 and 40 years old, they require extensive rehabilitation to bring them up to current codes and standards. The 40 year old Civic Center Garage elevator is in the worst shape and selected for modernization first.

The Civic Center Garage elevator is an eight story cable mechanism that is hopelessly out of date and plagued by frequent malfunctions. At times the City's elevator repair company has to have parts handmade to keep it in operation. The engineer determined, that as quickly as possible, the whole thing needed to be replaced and the mechanical room brought up to current building and fire safety standards, to include fire suppression and alarm systems. Repairs will include replacing the elevator car and associated hoisting mechanisms, replacement of all control mechanisms in the mechanical room, structural repairs to the mechanical room, and additions of fire suppression and alarm systems in the mechanical room. The Wooten Company prepared the design and specifications for repairs in the fall of 2016. On January 3, 2017 the City published a

Request for Bids, for interested construction companies, with a proposal due date of February 3, 2017. On that date, the City received two bids. Another Request for Bids with a due date of February 24, 2017 was issued. On that date, again the City only received two bids. The apparent responsive company with the lowest bid was Patton Construction Company at \$339,950.00. The Wooten Company has evaluated Patton Construction Company's bid, researched the firm, and contacted references of prior work. They have determined and recommended it as a responsible bid and that Patton Construction is capable of completing the work.

Pros:

- Improves customer service in the garage by proving safe and reliable elevator service.
- Brings the elevator and mechanical room up to current building and fire safety codes.

Cons:

- The elevator will be out of service for about 90 days while the car and hoist mechanisms are replaced.
- Expenditures of \$339,950.00.

Funds for the project are available in Parking Services' FY 17 Capital Budget. The construction bid and contingency of \$355,000 is less than the original budget estimate of \$493,400.

City staff recommends City Council adopt a resolution authorizing the City Manager to enter in a contract with Patton Construction Company in an amount not to exceed \$355,000.00 (bid amount plus contingency) for modernization of the Civic Center Garage elevator.

RESOLUTION BOOK NO. 38 - PAGE 381

H. ORDINANCE NO. 4572 - BUDGET AMENDMENT FROM THE N.C. DEPT. OF PUBLIC SAFETY TO PROVIDE REGIONAL HAZARDOUS MATERIALS EMERGENCY FOR REGION 6

Summary: The consideration of a budget amendment, in the amount of \$6,000, from the N.C. Dept. of Public Safety, for State Regional Hazardous Materials Response Team Number 6.

On June 26, 2016, the N.C. Dept. of Public Safety and the City of Asheville signed the Notice to Proceed for the contractual agreement to the City of Asheville (City) for Hazardous Materials Emergency Response Services for contract years of July 1, 2016 through June 30, 2020. The signed contract agreement increased the level of Training Funds from the previous contract of \$19,000 per calendar year to \$25,000 per calendar year. The increase of \$6,000 was not captured in the FY 2017 budget due to the contract timing. The City of Asheville Fire Department (Fire Department) requests a budget amendment in the amount of \$6,000 for fiscal year 2017 to reflect this revenue increase.

North Carolina is divided into seven geographical regions for the purpose of hazardous material emergency response. The North Carolina Department of Public Safety contracts with municipalities across the state to respond into the geographical regions and provide technician level hazardous materials emergency response. Within the Contract for Hazardous Materials Regional Response Team Services, NC provides funding for training and education to maintain subject matter mastery so that the team can safely respond to incidents involving hazardous materials and/or acts of terrorism.

This action went to the City Council Finance Committee for review on March 28, 2017, with the unanimously recommended it move forward to the full Council.

Pros:

- The State of North Carolina provides funds for training members of the Fire Department to enable it to competently handle hazardous materials emergencies. This amount was increased at the last contract renewal from \$19,000 per calendar year to \$25,000 per calendar year.
- The City has full use of the truck and all specialty equipment within the City. Without this contract, Asheville taxpayers would need to provide much of resources necessary to properly respond to emergencies within Asheville. With the contract, the City has the benefit of the equipment and resources being funded at the state level, rather than at the local level.
- Firefighter and community safety will be enhanced.

Con:

- None have been identified or known at this time.

This budget amendment will increase the Fire Department's General Fund budget by \$6,000 and is entirely funded with revenue from the N.C. Dept. of Public Safety.

City staff requests City Council adopt the budget amendment to increase the Fire Department Training budget by \$6,000 to reflect this increase in training funds received from N.C. Dept. of Public Safety to provide regional hazardous materials emergency response for Region 6.

ORDINANCE BOOK NO. 31 - PAGE 169

I. RESOLUTION NO. 17-66 - RESOLUTION ADOPTING THE COMMUNITY DEVELOPMENT BLOCK GRANT POLICY AND PROCEDURE MANUAL

Summary: The consideration of a resolution adopting the Community Development Block Grant Policy and Procedure Manual for the City of Asheville.

The City of Asheville (COA) is an entitlement jurisdiction for federal formula grants through the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) Program. The intent of the grant funds is to provide decent housing, provide suitable living environment and to expand economic opportunities, primarily for low and moderate-income persons. Basic requirements for a local CDBG program are set forth in CDBG Program Regulations 24 CFR Part 570. Federal requirements allow extensive leeway for how a local CDBG program shall be managed. Local community needs, resources, priorities and procedures for managing the CDBG program have been approved by the City Council in the past as part of the City's five-year Consolidated Plan for the Community and Economic Development Department. In addition, each year City Council approves the current year's Action Plan which includes objectives and outcomes identified in the plan, an evaluation of past performance and activities to be undertaken in the next year. Although both the Consolidated Plan and the Action Plan describe the performance standards and procedures City staff will use to evaluate and monitor activities and ensure compliance with HUD requirements, it is necessary to outline and document all programmatic policies and procedures.

The City of Asheville Community Development Block Grant program generally funds public entities or nonprofit organizations to serve as a subrecipient to assist low to moderate income residents. In this role, subrecipients are responsible for screening applicants for eligibility, adhering to program requirements and administering the CDBG program.

24 CFR 570.501(b) states that "The recipient of HUD funds is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of designated public agencies, subrecipients, or contractors does not relieve the recipient of this responsibility."

The proposed policy and procedure manual include:

- General CDBG program rules, regulations and requirements;
- Basic eligibility requirements for subrecipients and low to moderate income participants;
- A listing of ineligible activities;
- Financial responsibilities of subrecipients;
- Explanation of records to be maintained;
- How to obtain CDBG funding;
- Detailed home repair and rehabilitation requirements of a program;
- Outline of other federal requirements with a CDBG program;
- And staff monitoring process to ensure CDBG compliance requirements is met.

At HCD's and staff's request, community agencies utilizing CDBG funds were invited to comment on and make suggestions for the policy manual. Comments and suggestions were received and incorporated into the final document.

Pro:

- Ensures City of Asheville compliance with HUD regulations in administering Community Development Block Grant funds

Con:

- None

No fiscal impact. CDBG funds themselves come directly from the federal government.

Staff recommends City Council approve the HCD Committee's recommendation to adopt the CDBG policy and procedure manual, and authorize the City Manager to direct implementation.

RESOLUTION BOOK NO. 38 - PAGE 382

J. ORDINANCE NO. 4573 - BUDGET AMENDMENT TO REFLECT UPDATED FISCAL YEAR 2016-17 REVENUE AND EXPENDITURE PROJECTS FROM THE U.S. CELLULAR CENTER

Summary: The consideration of a budget amendment, in the amount of \$460,000 from U.S. Cellular Center Operating Revenue, to increase the U.S. Cellular Center Fund budget to reflect updated Fiscal Year 2016-17 revenue and expenditure projections.

The US Cellular Center event load in FY 2016-17 has been significantly higher than initially forecasted during last year's budget process as numerous large scale events have been added during this fiscal year. Both revenues and expenses are now on pace to exceed budget. The center will, during early 4th quarter, collect revenues equal to that which was budgeted for the entire fiscal year. In order to fund anticipated expenses over the last quarter of the current fiscal year, staff is recommending that the U.S. Cellular Center Fund budget be increased by \$460,000. It is anticipated that revenue generated by concessions & other show related revenues will cover all of the cost of the budget amendment; therefore, no additional transfer from the General Fund is required at this time. The U.S. Cellular Center has several events scheduled before June 30 that will generate significant revenues.

This amendment has been presented to the Civic Center Commission and recommended to City Council.

Pro:

- Provides sufficient budget authorization for anticipated expenditures in the U.S. Cellular Center Fund without increasing the General Fund transfer.

Con:

- There is a slight chance that year-end revenues could fall short of current estimates if ticket sales are less than expected or concession revenues are lower, however in this case expense needs will be reduced as well.

As noted above, this budget amendment is funded with U.S. Cellular Center operating revenues that will exceed original budget estimates. Therefore, there is no expected impact to the City's General Fund budget.

Staff recommends City Council adopt a budget amendment to increase the U.S. Cellular Center Fund budget by \$460,000 to reflect updated Fiscal Year 2016-17 revenue and expenditure projections.

ORDINANCE BOOK NO. 31 -PAGE 171

K. RESOLUTION NO. 17-67 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, AND IF AWARDED ACCEPT, FUNDING FROM THE FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION TO RECOVER COSTS ASSOCIATED WITH THE MUTUAL AID RESPONSE FOR THE PARTY ROCK WILDFIRE

Summary: The consideration of a resolution authorizing the City Manager to apply for, and if awarded, accept funding from the Federal Emergency Management Association, Fire Management Assistance grant, to cover costs associated with the mutual aid response for the Party Rock Wildfire.

The 2016 fall wildfire season Western North Carolina experienced was exceptionally busy. From November 11, 2016 to November 25, 2016, the City of Asheville Fire Department (Fire Department) committed staff and apparatus to support Buncombe County Fire Service neighbors at the Party Rock Fire, near Chimney Rock. The Fire Department crews were committed to protecting structures around the clock during this time, as well as maintaining the fire line around the fire boundary. This effort was staffed and resourced at a total cost of \$23,354 as detailed below:

Resource	Cost
Overtime	\$11,421
Equipment	\$11,933
TOTAL	\$23,354

This action went to the City Council Finance Committee for review on March 28, 2017, with the unanimous recommendation that it move forward to the full Council.

Pro:

- Receiving funds from this grant will reduce the impact providing this service had on the Fire Department's overtime budget.

Con:

- None Identified

These reimbursement funds, available through the Fire Management Assistance Grant, will reimburse the Fire Department for overtime expenses and equipment costs. If the grant is awarded, staff will return to Council for a budget amendment to appropriate the exact amount of the award.

Staff recommends City Council adopt a resolution authorizing the City Manager to apply for, and if awarded, accept funding from the Federal Emergency Management Association, Fire

Management Assistance grant, to cover costs associated with the mutual aid response for the Party Rock Wildfire.

RESOLUTION BOOK NO. 38 - PAGE 383

L. ORDINANCE NO. 4574 - BUDGET AMENDMENT TO FUND ADDITIONAL FULL-TIME EMPLOYEES, PERMANENT PART-TIME AND TEMPORARY/SEASONAL STAFF TO REPLACE THE CONTRACT STAFFING IN THE PUBLIC WORKS DEPARTMENT

Summary: The consideration of a budget amendment from General Fund fund balance in the amount of \$45,285 to fund additional full-time employees (FTE), permanent part-time and temporary/seasonal staff to replace contract staffing in the Public Works (PW) Department.

The City of Asheville has contracted to provide temporary laborers to the U.S. Cellular Center (USCC) and PW Department for several years. In the past year, the City conducted an analysis of its practice of utilizing a temporary workforce for certain services in the City.

Staff has been working to identify various services these temporary workers provided. A breakdown of the various types of services is listed in the table below.

Department	Division	Service
Public Works	Streets	Litter collection and graffiti removal
Public Works	Sanitation	Brush collection
Community and Economic Development	USCC	Food & Beverage - Inventory/Setup
Community and Economic Development	USCC	Operations/Maintenance

Additionally, staff identified and evaluated the various ways in which the service is delivered and considered the time and number of work hours necessary to provide the service.

These services are included in the current operating budget at \$317,000 annually. The FY 2016-17 Budget has proven inadequate to the level of service required. An additional \$117,717 is needed to allow PW and the US Cellular Center to continue to provide the existing level of service through the end of FY 2016-17. USCC's portion of the funding (\$72,432) is included in the budget amendment that is a separate agenda item at the April 11, 2017, City Council meeting. The PW share of the cost (\$45,285) will be appropriated from General Fund fund balance as a part of this action item.

Four options for continued service were presented to Finance Committee on March 28, and the Committee recommended that staff bring Option 2 to full Council on April 11 for approval.

Option 2 (Finance Committee recommended):

- Adding full-time staff to crews that are not fully staffed;
- Part-time staffing for work that does not require full-time staff; and,
- Temporary staff for large events at the USCC or high volume brush collection services (seasonal).

Additional Budget FY 2016-17: \$117,717

Net increase in annual cost (FY 2017-18 Budget): \$248,000
 TOTAL ANNUAL COST: \$565,000

Pros:

- Provides for staffing to meet the City's service demands.
- Services would be provided by staff that are paid a living wage.

- Less expensive than options 3 and 4.

Cons:

- Hiring full-time and part-time employees provides less flexibility to right-size staff during more challenging economic times.
- Does not include the flexibility of a temporary labor pool that is created under options 3 and 4.
- More expensive than Option 1.

The 2016-17 additional cost is \$117,717. The annual operating budget increase for FY 2017-18 is \$248,000.

City staff recommends City Council adopt a budget amendment from General Fund fund balance in the amount of \$45,285 to fund additional full-time employees , permanent part-time and temporary/seasonal staff to replace contract staffing in the Public Works (PW) Department and endorse the Finance Committee recommendation of Option 2, directing the City Manager to include funds in the FY 2017-18 budget to cover the additional costs.

ORDINANCE BOOK NO. 31 - PAGE 173

M. RESOLUTION NO. 17-68 - RESOLUTION APPROVING EARLY REPAYMENT OF THE SECTION 108 LOAN ON THE WOODFIN APARTMENTS BY THE HOUSING AUTHORITY OF THE CITY OF ASHEVILLE AND REPURPOSING THOSE FUNDS FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMMING

Summary: The consideration of a resolution for early repayment of the Section 108 loan on the Woodfin building by the Housing Authority of the City of Asheville and repurposing those funds for CDBG programming.

A Section 108 loan was made to the Housing Authority in 2004 for the rehabilitation of the Woodfin Apartments. This building contains 19 units of affordable housing, and is currently occupied by formerly homeless households who have had the highest barriers to housing in partnership with Homeward Bound – sometimes referred to as “hard to house”. The original loan was made in the amount of \$620,000, at 5% interest, with monthly payments. These regular payments (and payments from other old section 108 loans) have been used exclusively to make interest and principal payments on the Section 108 loan that was obtained for the Eagle Market Street development (now Eagle Market Place). HUD CDBG “Program Income” (which this is) must be used for CDBG eligible purposes, and the repayment of Section 108 loans is one of those purposes. Current principal owed is \$554,895.

The Housing Authority has requested an early repayment of this loan, with a discount applied for early repayment. Staff recommends 50% of principal payoff with commitment by the Housing Authority to retain the Woodfin Apartments as affordable housing for the hard-to-house for a minimum period of 20 years, affordable to households at 60% or less AMI.

Staff also recommends reinvesting the approximately \$270,000 as CDBG program income to be considered as part of the 2017-2018 Annual Action Plan for HUD.

Pros:

- Approval of the Section 108 Loan Payoff proposal secures affordable housing for the hard-to-house population for a minimum of 20 years
- Provides approximately \$270,000 for additional CDBG-eligible proposals in the 2017-18 HUD Annual Action Plan.

Con:

- The 50% discount applied to the early repayment reduces the amount of income from this loan repaid on original payment schedule.

Additional approximate \$270,000 for 2017-18 CDBG funds, reduced loan repayment from original payment schedule.

HCD recommends to City Council adopt a resolution for the early repayment of the Section 108 loan on the Woodfin Apartments under the terms above, and the reinvestment of those funds as CDBG program income.

Councilman Smith said that the \$270,000 will be returned to the CDBG fund and re-distributed in our community in a quicker fashion.

RESOLUTION BOOK NO. 38 - PAGE 384

N. RESOLUTION NO. 17-69 - RESOLUTION AUTHORIZING THE SALE OF ONE 2005 WESTERN STAR DUMP TRUCK DEEMED SURPLUS CITY PERSONAL PROPERTY

Summary: The consideration of a resolution authorizing the sale of one 2005 Western Star Dump Truck deemed surplus City personal property.

The City's Water Resources Department, Division of Maintenance, identified a 2005 Western Star Dump Truck, as surplus personal property, with no anticipation of utilization by the City. Pursuant to N.C.G.S. §160A-266, the Sale and Disposal of Personal Property valued at \$30,000 or more must be approved by City Council. The City's Purchasing Manager has authority to dispose of personal property valued at less than \$30,000 by private negotiation and sale. The estimated value of the Western Star Dump Truck is listed at \$5,000. Bids were solicited online and received from twelve potential purchasers. The final bid amount at the close of the Auction on Sunday, April 2, 2017, was \$51,000.00. City Council is being asked to approve the disposal and sale of the Dump Truck for \$51,000.00.

Pros:

- Promotes City of Asheville fiscal responsibility of disposing of surplus property which generates revenue.
- Space utilization eliminates the need to store large, unused equipment.
- Competitive process yielded market price, statute contemplates.

Con:

- None

The Dump Truck is fully depreciated and the Water Resources Fund will recognize the entire \$51,000 as revenue from the sale of assets. This adds to programming available for Water Resources Department Plan of capital improvements.

City staff recommends City Council adopt a resolution approving the disposal and sale of the 2005 Western Star Dump Truck to the perspective purchaser for the amount of \$51,000.

In response to Councilman Bothwell, Purchasing Manager Amy Patterson said that we were lucky to have 12 bidders and were lucky to get that value out of the dump truck.

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O. RESOLUTION NO. 17-70 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT A BUNCOMBE COUNTY TOURISM DEVELOPMENT

**AUTHORITY FROM THE 2016 TOURISM PRODUCT DEVELOPMENT FUND
CYCLE**

**ORDINANCE NO. 4575 - BUDGET AMENDMENT TO SUPPORT
RENOVATIONS AND IMPROVEMENTS AT THE U.S. CELLULAR CENTER**

Summary: The consideration of (1) a resolution authorizing the City Manager to accept a grant awarded by the Buncombe County Tourism Development Authority's (TDA) Tourist Product Development Fund; and (2) a budget amendment in the amount of \$3,290,600 to support renovations and improvements at the U.S. Cellular Center, along with the City's matching funds.

At the May 17, 2016, City Council meeting, council approved a resolution (#16-118) authorizing 'The City Manager to submit a preliminary and final grant application to the Buncombe County Tourism Development Authority for the 2016 Tourism Product Development Fund cycle, and accept if awarded.'

In October of 2016, after preliminary and final grant application, staff was advised that the City had indeed been awarded a grant in the amount of \$1,500,000. Per the grant application, the total amount of the City's match for this grant is \$1,790,600 as TPDF grants will match 50/50 on construction cost with the award recipient required to cover all design fees. The City's match will be funded from the following accounts:

➤ USCC Capital Fund:	\$375,000
➤ COA CIP 16/17:	\$315,600
➤ COA Green CIP:	\$100,000
➤ COA Economic Development Savings:	\$1,000,000

These funds were identified prior to submission of the application in 2016 and placed in a reserve for the grant match.

The grant contract, based heavily on the City's grant application has the following highlight conditions set as deal points:

1. Providing the Grantor with continuation of exclusive naming rights to the ExploreAsheville.com Arena, for eight years after receipt of the last grant payment received from the Grantor associated with this project.
Staff Note The Facility's arena is currently named as the ExploreAsheville.com Arena.
2. Requirement to submit annual reports to the TDA through four years after the completion of the project.
Staff Note USCC Staff is already completing annual reports as part of past grants received from the TDA.
3. Requirement to 'source' all in-bound groups requiring ten or more hotel rooms per night through the CVB Group Sales Department.
Staff Note USCC staff is already sourcing these groups through the CVB Group Sales Department.
4. Requirement for USCC to provide free use of space for Grantor to host an event once annually for eight years after receipt of the last grant payment received from the Grantor associated with this project.
Staff Note USCC is currently providing the CVB with free use of space once annually per requirement from past grant contracts. Cost to USCC for this has averaged at under \$2,000 annually.
5. Requirement for a 'Rental Fee Waiver' for five 'Group Events' occurring between 2018 and 2025, with no more than one 'Group Event' occurring in any given calendar year during that time. A 'Group Event' is defined as a

group sourced through the CVB Group Sales Department meeting the following criteria;

- i. A minimum of two contracted hotels would be used to provide delegate housing;
- ii. A minimum of 700 cumulative room nights contracted;
- iii. The group has a verifiable meetings history; and,
- iv. The group agrees to a minimum cumulative food, beverage and concession spend of \$10,000 with the U.S. Cellular Center during the contracted event.

The 'Rental Fee Waiver' program covers base rental costs (excluding AV, F&B, staffing costs, etc.) for the contracted length of the event.

Staff Note Although providing the facility with a rental cost of \$0, the USCC will earn a substantial amount of revenue by bringing groups of this size to Asheville. A group of this size hosting an event for 3 days or more will generate a minimum of \$60,000 in revenue to the facility over and above revenues generated from rent.

The project is to construct a comprehensive set of improvements and enhancements to the facility which will increase the venue's ability to host larger conferences and additional concert/performance events. The project will create another venue within the facility by building a theater inside the ExploreAsheville.com Arena with a flexible capacity between 2,500 and 4,500 as needed. The overall project will include the following elements:

1. Meeting room renovation: Conversion of a current storage area to a permanent meeting room equal in capacity to the facility's second largest room, complete with all necessary audio/visual and internet needs.

2. Arena Theater System and Sound & Light Package: Purchase & installation of equipment and materials to create a flexible capacity theater within the ExploreAsheville.com Arena. This theater system will come equipped with the necessary curtaining, trussing, sound and light equipment necessary for a basic concert or performance event. Sound and light components are mobile equipment which will have the ability for use in both the Thomas Wolfe Auditorium and the ExploreAsheville.com Arena, allowing for more frequent use and ability to generate additional event dates.

3. Related Infrastructure: Converting storage space into meeting space & creating temporary 'walls' via theater curtain will require additional infrastructure updates to the facility in order for all components to function. This includes expanding current storage areas in the facility's exhibit level, Internet infrastructure enhancements and significant improvements to the facility's HVAC system.

Pros:

- City Council has identified the need to use our debt capacity and revenue wisely in order to maintain and improve the City's infrastructure.
- The TDPF is a significant funding opportunity and is the keystone to allowing these improvements to take place.
- The improvements will allow the facility to operate one step closer to revenue neutral.

Con:

- Requires a City match of \$1,790,600.

Per the grant application, the total amount of the City's match for this grant is \$1,790,600. The City's match will be funded from the following accounts:

➤ USCC Capital Fund:	\$375,000
➤ COA CIP 16/17:	\$315,600

- COA Green CIP: \$100,000
- COA Economic Development Savings: \$1,000,000

Staff recommends City Council approve 1) a budget amendment in the amount of \$3,290,600 to budget an awarded grant by the Buncombe County Tourism Development Authority's (TDA) Tourism Product Development Fund (TDPF) to support renovations and improvements at the U.S. Cellular Center, along with the City's matching funds; and 2) a resolution authorizing the City Manager to accept the TPDF Grant with conditions.

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Mayor Manheimer 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 Bothwell moved for the adoption of the Consent Agenda. This motion was seconded by Vice-Mayor Wisler and carried unanimously.

III. PRESENTATIONS & REPORTS:

A. RESULTS OF RE-DISTRICTING POLL

Mr. Tige Watts, representing Campaign Research & Strategy, Inc., used a PowerPoint to explain his results. He provided Council with the background the methodology. The goal of this research is to determine perceptions and attitudes of residents who live in the City of Asheville on a number of issues which include: (1) how well the city is represented by its current composition of City Council, (2) their support of or opposition to potential ballot items that might alter how citizens select their council members, and (3) their agreement levels to several statements people could make in relation to measures that may be on the ballot and how citizens should elect members of City Council in the future. CRS and the City of Asheville worked together to define the survey instrument and the final version of the questionnaire was approved by City staff before it was put "into the field."

403 telephone surveys were conducted with registered voters of the City of Asheville by CRS' in-house interviewers between the evenings of March 20th and March 22nd, 2017. Interviews were conducted with respondents over land line and on mobile phones.

The representative sample of the City of Asheville, NC was randomly selected with respect to voter registration records of the city and are reflective of turnout during a typical November election cycle. All survey respondents were 18 years of age and older.

The margin of error for this study is 4.9% at a confidence interval of 95%. This means if the study were repeated 100 times, then the results would be within that 4.9% margin of error 95 times out of 100. The margin of error within specific demographic subsections would be higher.

There may be instances when figures do not always equal 100.0 percent, due to rounding of decimals.

He gave the results of residents' perceptions on several questions. Questions were (1) what would you say is the number one challenge here in the City of Asheville; (2) how would you rate the performance of the Asheville City Council this past year; (3) do you believe your voice and your personal opinions are represented fairly on Asheville City Council; and (4) do you believe the voices of people who have different opinions than you are represented fairly on Asheville City Council.

He provided the results for the following (1) The Mayor and 6 other members of City council are all currently elected at-large, which means every voter in the city gets to cast a vote for each seat on City Council. There has been consideration in the past to replace that system with one that elects the 6 members of City Council from single-member districts they represent. Do you believe Asheville should KEEP its current system of electing at-large representatives or should it CHANGE to electing its members from single-member districts? (2) Do you believe City Council should put a measure on the ballot that asks voters how members of City Council should be elected; (3) If there were a question on the ballot that read... "Shall the City of Asheville amend the Asheville City Charter to require each City Council Member shall reside in, and be elected from, a single-member district by a majority of the qualified voters of each respective district," Would you vote YES in favor of the change or NO against the change to single-member districts?; (4) Of the 16 cities with the largest populations in North Carolina, 3 elect council members from single-member districts only and another 3 elect them from at-large seats only. However, 10 elect council members from both single-member AND at-large seats. Would you SUPPORT or OPPOSE the City of Asheville electing its members to city council from both at-large and single-member districts?; (5) What do you believe is the proper amount of at-large seats to have on a 7-member City Council; and (6) If single-member districts do end up ultimately being created for City Council, it will require drawing boundary lines for an undetermined number of districts. City Council is ultimately responsible for approving boundary lines. Who do you prefer have the power to DRAW those boundary lines? Should it be (a) an independent third party; (b) a task force working with a third party; (c) City Council working with a third party; or (d) not sure.

He then provided the results for the questions related to the 5 different ways a city council can be constructed, according to state law. He asked that after he read the description of each one, to please tell him if you think the type of council would work best for Asheville. 5 means it's the best fit, 1 means it's the worst fit... (1) All City Council representatives are elected to at-large seats that are chosen by all voters in the City of Asheville; (2) All City Council representatives are elected from single-member districts by voters in each district of City Council; (3) Some City Council members are elected to at-large seat chosen by all voters while other members are elected to serve single-member districts by voters in each district; (4) Each district is represented by two members. One member is elected by voters in the district and the other member is elected by all voters in the City; and (5) Most Council members are elected from single-member districts while some may be elected to at-large seats. This happens after voters in each contest choose two candidates in each race to advance past a primary election.

When individuals were asked about who should have the power to draw the boundary lines, 34% wanted an independent third party, 23% wanted a task force with an independent third party, 19% wanted City Council working with an independent third party, and 16% were not sure.

In summary, the following is the analysis and recommendations for the single-member district only: Overall support to change to All Single-Member seats trails the support to keep ALL At-Large seats by 20%. Support to KEEP all at-large seats is higher among voters age 51-64 (65%), other races (60%), registered Democrats (67%), in Zip Codes 28801 (62%) and 28806 (61%), and among those who vote in municipal elections (63%). Support to CHANGE to all Single-Member seats is higher among voters under age 35 (38%), African-Americans (54%), males (41%), Registered Republicans (45%) and Independents (39%), in Zip Codes 28803 and 28805 42%), and among those who don't vote in municipal elections (42%).

In summary, the following is the analysis and recommendations for single-member and at-large seats: Overall support to keep ALL at-large seats is greater than the support to CHANGE to single-member AND at-large seats for City Council. Support to KEEP all at-large seats is higher among voters age 51-64 (53%), other races (65%), registered Republicans (55%), and in Zip Codes 28801 (60%), and 28804 (56%). Support to CHANGE to a system of single-member and at-large seats is higher among voters under age 35 (31%), African-Americans (35%), Registered Independents (32%), and in Zip code 28803 (34%).

Ultimately, he felt there is a lot of fluidity on this issue. Some want change, but when they get into the details, they are more resistant to change.

After considerable discussion, noting that time is a factor to get an issue on the ballot, it was the consensus of Council to instruct the City Attorney and City Manager to come back to council and lay out a time line with options for how to move forward for an independent commission that will ultimately result on a ballot question regarding districts.

Mayor Manheimer updated Council on two water-related bills Representative Chuck McGrady recently filed.

IV. PUBLIC HEARINGS:

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

The following individuals spoke to Council about the \$1 Million request for additional officers would be better spent on people and other life changing resources:

Ms. Nicole Townsend
Rev. Amy Cantrell
Ms. Matilda Bliss
Ms. Dewana Little

Ms. Dawn Chavez, representing GreenWorks, provided Council with information on the numerous projects and costs associated with those projects, noting that 85% of the projects take place within the City. She thanked Council for their financial investment in GreenWorks.

Mr. Timothy Sadler suggested the Buncombe County Tourism Development Authority create a committee to look at issues the community faces and develop a strategy to help address those issues.

Mr. Elliott Miller, Mr. Tariq Zeidan and a gentlemen commented and raised questions on the districting poll.

Closed Session

At 7:01 p.m., Councilman Young moved to go into closed session for the following reasons: (1) to prevent disclosure of information that is privileged and confidential, pursuant to the laws of North Carolina, or not considered a public record within the meaning of Chapter 132 of the General Statutes. The law that makes the information privileged and confidential is N.C.G.S. 143-318.10(a)(3). The statutory authorization is contained in N.C.G.S. 143-318.11(a)(1); and (2) To discuss matters relating to the location or expansion of industries. The statutory authorization is N.C. Gen. Stat. sec. 143-318.11(a)(4). This motion was seconded by Vice-Mayor Wisler and carried unanimously.

At 7:06 p.m., Vice-Mayor Wisler moved to come out of closed session. This motion was seconded by Councilman Young and carried unanimously.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 7:06 p.m.

CITY CLERK

MAYOR