

Tuesday – November 27, 2018 - 3:15 p.m.

Worksession - City of Asheville Revenue Sources - A Balancing Act

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Brian D. Haynes; Councilman Vijay Kapoor; Councilwoman Julie V. Mayfield; Councilwoman Sheneika Smith; Councilman W. Keith Young; Acting City Manager Cathy Ball; and City Clerk Magdalen Burleson

Acting City Manager Cathy Ball said that during 2018, Asheville was named Favorite Foodie City, Top 15 Cities in the US, Top-Rated Vacation Destinations, Top 10 Music Cities in the US, and 18 Top Destinations of 2018. The result of all this popularity is construction is booming. General Fund revenues are \$124.5 Million - Property tax - 52%; Sales tax - 21%; Charges for services (Sanitation, Parks, development) - 14%; and Other revenues - 14%. Property tax (\$64.2 Million) and Charges for Services (\$17.5 Million) are the only revenue streams the City has some control over. Some of the items in the Charges for Services are solid waste fees and permit fees. In a good year, revenue grows \$3.6 Million (Property tax up 3% - \$2.0 Million; Sales tax up 5% - \$1.3 Million; and Charges up 1% - \$0.2 Million). For every \$1.00 spent in Buncombe County you pay an additional 7-cents of sales tax. Of that seven cents, .4 cents come back to the City's budget. Out of \$1 Million sales in Buncombe County, the revenue to the City is \$4,000. So when we talk about economic impact to the community it is not the same as fiscal impact to the City's budget.

In a typical year, operating costs grow \$3.2 Million - Cost of Living Adjustment - 3%; Healthcare - \$500k additional estimate for annual increase; Inflation - 2% (Federal Reserve target rate for inflation) applied to non-personnel and non-capital operating costs; and Construction - 4.7% increase in construction index applied to operating costs associated with capital maintenance/repair plus 2% increase assumed in capital debt model. That's not enough to catch up on deferred maintenance.

For example, she showed a slide of the Pavement Condition Index. This is a result of prior lack of investment in ongoing maintenance in infrastructure- GO Bonds 2016; impact of population increase; and weather and topography. Bond money will keep pavement condition index from falling, but it will not improve. And that money will run out. Resurfacing 10 miles of road costs an average of \$4.25 Million. The City has 400 miles of roadway to maintain. This means that if the City invested \$4.25 Million a year it would take 40 years to resurface every street.

The most obvious, and easiest solution, is to raise property taxes. But that impacts Asheville's affordability, so we are looking for alternatives. Staff continues to evaluate revenue options on an annual cycle as part of the budget process, including, but not limited to, fee adjustments, motor vehicle license and property tax increases. Traditional revenue impact the affordability of Asheville and do not address the imbalance. So we began looking at how other cities are addressing this issue beyond increasing property taxes.

Showing a slide of non-resident vs. resident populations and a chart of daytime population changes, our overall population increase from 2012-2016: 4.5%. There is a very small change in non-workers (people that live here but don't work) and a small drop in commuters out (fewer people living here and commuting to another place). There is a 14% increase in those that both live & work in Asheville. Almost 5% increase in commuters coming into Asheville. Almost 20% increase in tourists (almost 25k to almost 30k daily) - tourist number is taking annual

visitation from Tourism Development Authority and dividing by 365 - probably a lot more variation day-to-day. The point is that our daytime population pushing to 160 thousand, much larger than official population of 87,531.

The non-resident population that uses Asheville's services include: streets, sidewalks, emergency services, police, fire, greenways, festivals and events, and downtown sidewalk cleaning. Property owners use streets, sidewalks, emergency services, police, fire, greenways, festivals and events, downtown sidewalk cleaning, neighborhood policing, and brush collection. Who pays for these services? The non-resident population pays sales tax and Tourism Product Fund for capital improvements. Property owners pay sales tax, building fees, solid waste fees, etc., motor vehicle fee, and property tax.

Asheville is limited in solutions as we are not currently legally permitted City-only sales tax, special tax for "second house", or City income tax. The following three revenue sources are available by a vote of Council and are legally permitted (1) business improvement district (BID) - property tax in municipal service districts; (2) special assessments - assessment on specific capital projects; and (3) property tax increase.

Some may ask about the room tax, which is controlled by the Tourism Development Authority. Three-quarters goes to marketing, and one-quarter goes to the Tourism Product Development Fund.

When we look at these options through the Equity Lens, this is what we find. The BID and special assessment options would tax only the property owners in the areas receiving the benefits, and therefore would have the lowest immediate impact on low income households. At the same time, these would be an additional increase in property taxes, and would likely impact Asheville's affordability in the long term as the costs are passed down to consumers and renters.

One possible solution would be "Allowed by voter referendum in Buncombe County a ¼ cent sales tax for transit related operations." This tax would be added to all taxable purchases made in Buncombe County. The City would receive revenue from both non-resident and resident populations. Sales tax increases disproportionately impact low income households because costs to meet basic needs are a larger percent of the overall budget. The additional revenue from the tax would be used for transit that benefits people with transportation barriers.

Another possible solution would be "Precedent for special legislation in North Carolina of a prepared food and beverage tax." Prepared foods include restaurant food, but also include fast food and grocery store deli foods. This tax would disproportionately impact low income populations because food costs are a larger percent of the overall budget in these homes. Additionally, there is often a heavy reliance on ready-to-eat foods. The alternative - raising property taxes - would likely impact Asheville's affordability in the long term as these costs are passed down to consumers and renters.

Here is one way you could mitigate an increase on food costs to low income families - earmark a certain amount of money to strengthen food security to decrease dependence on fast or prepared food in low income communities.

She provided information on what other cities do - like Miami Beach, Duluth, Greenville, and Charleston.

The balancing act would be that the non-resident population would be paying for sales tax for transit, a prepared food and beverage tax, and hotel tax. Property owners would be paying sales tax for transit, and a prepared food and beverage tax.

She explained each of the following considerations for a path forward (1) hotel tax - align resources to impact; (2) ¼ cent sales tax for transit - County referendum (2020); and (3) prepared food and beverage tax - State allows City to hold referendum (2020).

The benefits of the tourism economy include (1) awarded \$22 Million for City projects from the Tourism Product Development Fund (TPDF) (\$7.1 Million for Riverfront Development, \$2 Million for Pack Square Park; and \$5.7 Million for the U.S. Cellular Center); (2) jobs for over 18,000 people in Buncombe County; and (3) \$2 Billion in visitor spending in Buncombe County.

The use of occupancy tax in North Carolina generally falls into one of the following five categories: (1) Destination promotion; (2) Tourism-related expenditures, which includes uses varying from staging festivals and events to providing some municipal services in beach towns; (3) Funding or debt support for tourism-related capital projects such as convention centers and arenas or visitor attractions; (4) Tourism-related beach nourishment; or (5) General fund revenue and other non-tourism uses.

Regarding the hotel tax, the TPDF portion of the hotel tax is estimated at \$5 Million per year and could leverage approximately \$50 Million in bond proceeds. It could provide (1) downtown sidewalk improvements; (2) downtown placemaking opportunities; and (3) renovations to the Thomas Wolfe Auditorium. However, no increase is proposed. Staff will work with City Council and the TDA to develop a project during the timeframe of December 2018 through March 2019.

Regarding the ¼ cent sales tax for transit, \$12 Million per year is estimated. This money would be for countywide transit related use. We would partner with the County to provide increased transit services. It could provide (1) implementation of the approved City of Asheville Transit Master Plan; and (2) expanded services into County including traditional bus services, expanded express service, and improved Mountain Mobility services. The Local Government Public Transportation Sales Tax Act must be approved in a referendum. She reviewed the definition of public transportation system. Wake County (2017), Durham County (2013), Orange County (2013) and Mecklenburg County (1999) have passed a ¼ cent sales tax for transit referendum. Actions needed would include (1) update Transit Plan - spring/summer 2019; (2) plan with the County - 2019; (3) Buncombe County take necessary action to add referendum to 2020 election ballot - spring/summer 2020; and (4) item on County referendum - fall of 2020.

Regarding the prepared food and beverage tax, benefits for the Asheville Independent Restaurants (AIR) include (1) serving community needs (a) 91% of members contribute to local nonprofits; (b) the average value of donations from AIR members in 2017 totalled \$19,993; and (c) this represents \$2.14 Million in charitable contributions; and (2) employing over 5,800 people at an average hourly wage of \$13.75 for non-tipped and \$19.46 for tipped restaurant employees. A 1% prepared food and beverage tax (City only) is estimated at \$5 Million per year. Local restaurants are already making significant charitable contributions in the community. This tax increases revenue without increasing property tax. It could provide (1) increased cleanliness in business districts; (2) increased public safety; (3) increase sidewalk maintenance in business districts; and (4) improvements to Thomas Wolfe Auditorium. Portland Oregon has a Clean & Safe program. We might consider a similar program in our business districts. Wake County, Cumberland County, Dare County, Mecklenburg County, and the Town of Hillsborough have passed a 1% prepared food and beverage tax. Actions needed would include (1) work with local businesses to understand the impact and needs - winter/spring 2019; (2) direct legal staff to let lobbyists know we want to introduce a bill - spring 2019; (3) request to the General Assembly - spring 2019; (4) develop collection process - 2019; and (5) referendum - fall 2020.

As always, staff will continue to look at revenue options and bring them to Council as we identify new possibilities. If Council would like to move forward with the options recommended

today, there are 2 things that staff would need from you: (1) Council direct the City Manager to update the Transit Master Plan in cooperation with Buncombe County to include significant extensions into Buncombe County; and (2) Council direct the City Manager to engage the community on these alternatives: (a) Meeting with local partners like the Asheville Independent Restaurants Association, the Asheville Area Chamber of Commerce, Council of Independent Business Owners, Asheville Lodging Association, and Asheville Bed and Breakfast Association (January 2019 - June 2019); and (b) Develop and implement plan for community engagement. (January 2019 - November 2020).

Ms. Ball responded to various questions/comments from Council, and while all of Council were interested in having staff move forward with a deeper dive with pros and cons on each of the options, they did as for information on (1) splitting apart the food and beverage tax with only a tax on alcohol beverages; (2) investigate the possibility of legislation that would authorize the City alone to do a transit tax; and (3) the possibility of using some of the food and beverage tax to decrease property taxes or reduce increasing future property taxes.

Mayor Manheimer adjourned the worksession at 4:13 p.m.

Tuesday – November 27, 2018 - 5:00 p.m.

#### Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Brian D. Haynes; Councilman Vijay Kapoor; Councilwoman Julie V. Mayfield; Councilwoman Sheneika Smith; Councilman W. Keith Young; Acting City Manager Cathy Ball; Interim City Attorney Sabrina Rockoff; and City Clerk Magdalen Burleson

Absent: None

#### **PLEDGE OF ALLEGIANCE**

Mayor Manheimer led City Council in the Pledge of Allegiance.

#### **I. PROCLAMATIONS:**

##### **A. PROCLAMATION PROCLAIMING NOVEMBER, 2018, AS "LOVE ASHEVILLE, BUY LOCAL MONTH"**

Councilman Haynes read the proclamation proclaiming November, 2018, as "Love Asheville, Buy Local Month " in the City of Asheville. He presented the proclamation to Ms. Franzi Charen, and others, who briefed City Council on some activities taking place during the month.

#### **II. CONSENT AGENDA:**

At the request of Councilwoman Mayfield, Consent Agenda Item "L" was added to the Consent Agenda.

##### **A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON NOVEMBER 13, 2018**

##### **B. ORDINANCE NO. 4708 - CAPITAL PROJECT BUDGET AMENDMENT ASSOCIATED WITH THE FISCAL YEAR 2018-19 PURCHASE OF TWO**

## REPLACEMENT FIRE ENGINES

Summary: The consideration of a budget amendment to the Fiscal Year (FY) 2018-19 budget in the General Capital Project Fund to budget \$1,222,000 for the purchase of two replacement fire engines to be funded with installment financing proceeds, with the associated debt service to be paid through the City's multi-year capital and debt program.

In January 2018, City Council held a Capital Improvement Program (CIP) work session in which Finance staff presented a high level overview of the draft CIP that was being developed as part of the FY 2018-19 budget process. As a part of that presentation, staff indicated that the core service additions below were included in the draft five-year CIP.

Replacement Fire Apparatus		\$2,737,436
Replacement Buses	\$15,051,118	
Replacement Buses- Grant Revenue offset	-\$12,040,895	
Replacement Buses, net cost		\$3,010,223
AFD and APD Facility maintenance		\$2,155,000
USCC Water intrusion mitigation		\$590,000
Nature Center ADA and paving work		\$550,000
Aston Park parking lot expansion		\$445,000
Total core service additions to the capital plan		<u>\$9,487,659</u>

At the meeting, City Council expressed their support for increasing the core service allocations as presented. The \$2.7 million addition to the CIP for replacement fire apparatus was intended to be split across the five-year CIP in the following way:

	FY 2019*	FY 2020	FY 2021*	FY 2022	FY 2023*
Replacement apparatus	\$1,442,000	\$618,000	\$636,540	\$1,485,260	\$658,896

\*Please note - fiscal years shaded in blue represent "new funding" from the table above. As staff moved forward with developing the final CIP that was adopted by City Council in June, the planned investment in replacement fire apparatus was inadvertently not included in the FY 2018-19 Budget Ordinance that was presented and adopted by City Council. The budget amendment will provide the necessary authorization to move forward with the purchase of two fire engines in FY 2018-19. Also, please note that the amount needed for FY 2018-19 has been reduced from \$1,442,000 to \$1,222,000.

If the Finance and Human Resources Committee approves this item, it will move forward to City Council at its November 27, 2018, formal meeting.

Pros:

- Amends the FY 2018-19 budget to reflect the CIP plan that Council endorsed in January 2018.

- Allows the Fire Department to stay on its planned schedule for replacement of older fire engines.

Con:

- None

As noted above, this budget amendment will provide the necessary authorization to move forward with the purchase of two fire engines in FY 2018-19 with the associated debt service to be paid through the City's multi-year capital and debt program. The cash flows for these purchases are included in the existing capital plan; there is no additional fiscal impact.

City staff recommends City Council approve the budget amendment to the Fiscal Year (FY) 2018-19 budget in the General Capital Project Fund to budget \$1,222,000 for the purchase of two replacement fire engines to be funded with installment financing proceeds, with the associated debt service to be paid through the City's multi-year capital and debt program.

**ORDINANCE BOOK NO. 32 - PAGE 237**

**C. RESOLUTION NO. 18-294 - RESOLUTION SETTING A PUBLIC HEARING ON DECEMBER 11, 2018, TO CONSIDER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT FOR BURIAL BEER COMPANY**

Summary: The consideration of a resolution setting a public hearing on December 11, 2018, to consider an economic development incentive grant for Burial Beer Company.

City of Asheville has been requested by Asheville-Buncombe EDC for consideration of a performance based incentive grant under the City Economic Development policy to an existing Asheville manufacturing facility, operated by Burial Beer Company. The purpose of the City's participation would be to induce Burial Beer Company to make additional investments in the City for expenditures to acquire and install machinery/equipment, make facility improvements which increase the tax value as determined by the Buncombe County Tax Department in the amount of \$1,800,000 and create 17 new median wage jobs (estimated to be \$35,000 per year) with benefits. The company is Living Wage Certified. The City of Asheville is considering offering a performance based grant in an amount not to exceed \$30,000. North Carolina state law requires a public hearing be held before an incentive grant can be officially awarded.

Pros:

- Performance driven grant that is distributed after job and investment is achieved or mutually agreed performance benchmarks are established;
- Supports capital investment in the City of Asheville;
- Supports regional and state cooperation in the project.

Con:

- Grant is formulated based on use of a portion of the new incremental increase from property tax revenue generated by the project for a 5 year period.

The project has an overall positive fiscal impact on tax revenues received by the city. Initially (during the grant period), the City will receive new incremental property tax revenues, as well as the existing property tax revenues from the project. After the grant period of 5 years, the City will henceforth receive 100% capture of all city taxes.

City staff recommends Council approve a resolution setting a public hearing on December 11, 2018, for an economic development incentive grant agreement to support existing industry expansion of Burial Beer Company.

**RESOLUTION BOOK NO. 40 - PAGE 195**

**D. ORDINANCE NO. 4709 - ORDINANCE AMENDING CHAPTER 19 OF THE CODE OF ORDINANCES TO INCREASE THE PARKING FINES FOR STOPPING, STANDING AND PARKING VIOLATIONS**

Summary: The consideration of an ordinance to amend Section A of Appendix B (Schedule of Civil Penalties) of the City of Asheville's Code of Ordinances in order to increase parking fines.

Parking enforcement is used to help manage on-street parking throughout Asheville. Most enforcement occurs in the central business district and is handled by the Transportation Department's Parking Services Division. Outside of the central business district, the Police Department is responsible for enforcement. Currently, the Parking Services Division has four Parking Enforcement Officers and one Senior Parking Enforcement Officer that provide the enforcement activities. In the near future, these positions will need to be increased as we consider expanding enforcement hours (for example, 8:00 am until 9:00 pm seven days per week instead of 8:00 am until 6:00 pm six days per week) and meter zones (for example, Biltmore Village, River Arts District, and Haywood Road in West Asheville).

With the exception of fines for Americans with Disabilities Act (ADA) handicapped parking and fire zone violations, parking fines are civil penalties and as a result, the revenues are kept by the city. Fines for ADA handicapped parking and fire zone violations are sent to the Buncombe County and City of Asheville school systems on a monthly basis. The last time parking fines were increased was June 22, 1999 via Ordinance # 2586 with an effective date of July 1, 1999, when parking meter rates were also increased from \$0.25 per hour to \$0.60 per hour (the current rate is \$1.50 per hour). It is now cheaper for someone to take a chance and stay all day at a metered on-street parking space instead of paying a total of \$15.00 for the entire enforcement period.

Transportation Department staff are currently working with a parking sub-committee of the Asheville Downtown Commission regarding parking in the central business district. One item that this sub-committee is beginning to review is loading/unloading zones and we have already discussed the importance of changing the fine from \$10.00 to \$30.00 for loading/unloading zone violations to help minimize the abuse of these zones.

If this action is approved, staff recommends that the effective date for enforcement purposes be February 1, 2019, in order to effectively communicate the changes to the public.

The proposed parking fine increases (E / P) are shown below.

- Overtime parking at metered or non-metered spaces = \$10.00 / \$20.00
- Second or subsequent violation within a 24-hour period = \$20.00 / \$40.00
- Loading/unloading zones = \$10.00 / \$30.00
- All other violations = \$10.00 / \$20.00

The Parking Sub-Committee of the Downtown Commission reviewed this action on September 4, 2018, and recommended that it move forward to the Multimodal Transportation Commission for review and consideration.

The Multimodal Transportation Commission reviewed this action on September 26, 2018, and recommended that it move forward to the Finance & Human Resources Committee for review and consideration.

The Finance and Human Resources Committee reviewed this action on October 23, 2018, and recommended that it move forward to City Council for review and consideration for approval.

Pros:

- Updates parking fines that were last increased on June 22, 1999
- Establishes a separate fine for parking in a loading / unloading zone
- Helps to minimize parking abuses
- Increases parking fine revenue

Con:

- Increases cost to the parking violator

During a typical year, the Parking Enforcement Officers issue about 20,000 parking citations resulting in gross revenue of \$200,000 (before any adjustments are made). For Fiscal Year 2016-17 and 2017-18, the adjusted year end revenues were \$173,000 and \$167,000 respectively. With the proposed increases in the fine structure, the adjusted year end revenues could conceivably double.

Staff recommends that City Council approve an ordinance amending Section A of Appendix B (Schedule of Civil Penalties) of the City of Asheville's Code of Ordinances in order to increase parking fines with an effective date of February 1, 2019, for enforcement purposes.

#### **ORDINANCE BOOK NO. 32 - PAGE 239**

#### **E. RESOLUTION NO. 18-295 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT THE CARBON DISCLOSURE PROJECT'S INVITATION TO PARTICIPATE IN THE 2018 CARBON DISCLOSURE PROJECT MATCHMAKER PROGRAM**

Summary: The consideration of a resolution accepting the invitation for the City to participate in the Carbon Disclosure Project (CDP) Matchmaker Program and authorizing the City Manager to execute any and all documents necessary for the City's participation.

CDP is a not-for-profit organization that runs the voluntary global disclosure system for investors, companies, cities, states and regions to manage environmental impacts.

Over the past three years, The City of Asheville's Office of Sustainability has disclosed the City's climate and carbon metrics to the Carbon Disclosure Project global database. CDP selected the City of Asheville based on Asheville's 2017 Cities Questionnaire response, which indicated potential green project(s) in Asheville.

The Matchmaker program offers a deeper dive into developing the Matchmaker model and is supported by Wells Fargo and the National Fish and Wildlife Foundation Resilient Communities Program. CDP will work with cities to increase capacity for U.S. municipal leaders to identify and showcase equitable green infrastructure projects to investors to accelerate project financing.

CDP will partner with a select group of 18 U.S. cities to bring their urgently-needed green infrastructure projects through the Matchmaker service, increasing the quality and design of the projects and building capacity among city and community leaders to accelerate the timeline for their projects to be financed.



Specifically, CDP will work with the cities to:

1. Identify high potential investments in stormwater management, tree canopy and green space projects that help underserved communities build resilience,
2. Build capacity between the cities' sustainability teams and their economic development teams to develop and share more detailed project information than would otherwise be provided, and
3. Standardize project information and make it available on CDP's Matchmaker portal in a way that lays out pertinent information clearly and concisely to investors seeking to finance such projects.

The Office of Sustainability will work with Transportation's Greenway Coordinator and the City's Finance Director to create a proactive, equitable green space project centered around educational outreach and awareness, and to build community resilience in the WECAN Community.

Finance Committee reviewed the request at their October 2018 meeting, and unanimously agreed to forward onto City Council's consent agenda.

Pros:

- Supports the City's Greenway Master Plan
- Supports community resilience through the City's Climate Resilience Assessment
- Supports the City's Sustainability Master Plan
- Supports the City's long range financial goals by aiding in identifying and tracking green projects for bond issues
- Provides training and consulting services at no cost to the City

Con:

- None

There are no direct costs associated with participation in this project.

Staff recommends City Council adopt a resolution accepting the CDP's invitation for the City to participate in the 2018 CDP Matchmaker Program and authorizing the City Manager to execute any and all documents necessary for the City to participate.

## **RESOLUTION BOOK NO. 40 - PAGE 196**

### **F. RESOLUTION NO. 18-296 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH HOMEWARD BOUND FOR THE DEVELOPMENT OF 29 OAK HILL DRIVE AS SUPPORTIVE HOUSING FOR CHRONICALLY HOMELESS PERSONS**

Summary: The consideration of a resolution to authorize the City Manager to sign a Memorandum of Understanding with Homeward Bound of Western North Carolina to create a development plan for 80 units of permanently affordable housing at 29 Oak Hill Drive.

In July 2018, the City acquired a 3.71 acre parcel at 29 Oak Hill Drive using \$450,000 of Affordable Housing Bond funds for the purchase. The property is currently zoned RM16. Previous development plans for the site demonstrated that 72 units could be developed but previous owner was unable to secure financing needed for the project.

Homeward Bound of Western North Carolina has emerged to propose development of permanently affordable 80-unit multifamily project at 29 Oak Hill Drive. These units would be targeted to serve chronically homeless adults at or below 50% of Area Median Income (AMI).

These individuals are the City's most vulnerable, high-needs homeless with complex behavioral health concerns. Because they require more intensive housing interventions with on-site supports in order to remain housed, they are typically unable to succeed in traditional, scattered site housing placement.

At its November 15, 2018, meeting, the Housing and Community Development Committee approved a Memorandum of Understanding to detail a planning process by which Homeward Bound of Western North Carolina would create a conceptual site plan, develop building cost estimates and development and operating pro formas, and conduct a public engagement campaign. These activities would commence immediately on City Council's approval and conclude by September 2019. At the conclusion of that process, Homeward Bound would make a specific proposal to the City regarding their plans and the kind of support sought from the City to move the plan forward to implementation.

Pro:

- Provides 80 units of permanently affordable housing for households below 50% AMI; reduces chronic homelessness; environmental remediation of site.

Con:

- Infrastructure and environmental remediation costs.

There is no fiscal impact.

Staff recommends City Council authorize the City Manager to sign the proposed Memorandum of Understanding with Homeward Bound of Western North Carolina to plan for development of the project at 29 Oak Hill Drive.

#### **RESOLUTION BOOK NO. 40 - PAGE 197**

#### **G. RESOLUTION NO. 18-297 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT GRANT FUNDS FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY FOR THE ASSISTANCE TO FIREFIGHTERS GRANT**

#### **ORDINANCE NO. 4710 - BUDGET AMENDMENT UTILIZING THE FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE TO FIREFIGHTERS GRANT**

Summary: The consideration of a resolution authorizing the City Manager to accept the Assistance to Firefighters Grant (AFG) and a budget amendment in the City's Special Revenue Fund in the amount of \$36,000 to utilize the AFG funds.

On April 10, 2018, City Council passed a resolution to authorize the City Manager to apply for the three Federal Emergency Management Agency (FEMA) grants. One of these grants was the AFG grant.

The AFG program is focused primarily on the equipment required for firefighters to perform their duties in a more safe manner. Items such as Self Contained Breathing Apparatus (SCBA), protective equipment, and items to reduce cancer risks have been focused areas of the program in the past. AFD has applied every year except last year for this grant, but unfortunately we have not been successful. We did not apply last year due to the timing of the application window. However, this year AFD was successful in its application and was awarded \$32,728.

The Asheville Fire Department was awarded the grant to provide personal protective equipment washers/extractors and dryers. Currently AFD has 3 extractors & dryers installed across its 12 fire stations. These units are specifically designed to clean soiled firefighter PPE. After a fire incident, 20-30 firefighters will need to clean their gear, currently utilizing the 3 systems that we have in place is a cumbersome task. The grant allows for the procurement of two extractors and two dryers.

The City is responsible for a 10% match of equipment costs which amounts to \$3,272. The budget amendment reflects the FY18-19 grant award and match by the City.

This request will be presented to the Public Safety Committee on November 26, 2018 and the Finance and Human Resources Committee on November 27, 2018, and any response other than unanimous approval to move forward to the full City Council will be noted in those meetings.

Pros:

- Firefighter safety would be increased significantly
- AFD would not need to request total funds to be spent fund balance or operating budget for added equipment

Con:

- The City's one time match is \$3,272

To receive the funds the City has a one-time match of \$3,272 which will be taken from the adopted Fire Department FY 2018-19 operating budget.

Staff recommends City Council authorize (1) the City Manager to accept grant funds from Federal Emergency Management Agency (FEMA) for the Assistance to Firefighters Grant (AFG) and (2) a budget amendment in the City's Special Revenue Fund in the amount of \$36,000 utilizing the \$32,728 in grant funds and \$3,272 in operating funds.

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**H. RESOLUTION NO. 18-298 - RESOLUTION AUTHORIZING THE CITY  
MANAGER TO ACCEPT GRANT FUNDS FROM THE FEDERAL EMERGENCY  
MANAGEMENT AGENCY FOR THE STAFFING FOR ADEQUATE FIRE AND  
EMERGENCY RESPONSE GRANT**

**ORDINANCE NO. 4711 - BUDGET AMENDMENT UTILIZING THE FEDERAL  
EMERGENCY MANAGEMENT AGENCY TO FULLY BUDGET THE STAFFING  
FOR ADEQUATE FIRE AND EMERGENCY RESPONSE FUNDS AND THE  
CITY'S THREE-YEAR GENERAL FUND MATCH**

Summary: The consideration of a resolution authorizing the City Manager to accept the Staffing for Adequate Fire and Emergency Response Grant (SAFR) and a budget amendment in the City's Special Revenue Fund in the amount of \$1,302,031 to fully budget the SAFR funds and the City's three-year General Fund match.

On April 10, 2018, City Council passed a resolution to authorize the City Manager to apply for the three Federal Emergency Management Agency (FEMA) grants. One of these grants was the SAFR grant.

The SAFER program is designed to help fire departments hire and retrain additional firefighters to provide for a safer emergency scene. Multiple studies over the past 10 years have shown that the overall effectiveness of emergency scene operations increase significantly as minimum fire company staffing increases up to a level of 4 firefighters per company. AFD has also applied for this grant every year it has been available, but our applications were at the bottom of those considered over the past few years as agencies that were confronted with reducing staffs were a priority for consideration.

The Asheville Fire Department was awarded the grant to provide funding for nine firefighters for a total of \$1.3 million. The grant awards funding for the compensation and benefits of nine firefighters over this fiscal year and the following two fiscal years. In the current fiscal year, the federal grant funds are 75% of the total compensation and benefits and amount to \$325,505.25. The City is responsible for a 25% match of compensation and benefits which amount to \$108,501.75. In the second year, the grant funds 75% of the salary and benefits for the nine firefighters to equal \$325,505.25. In the third year, the grant funds 35% of the salary and benefits for the nine firefighters to equal \$151,902.45. The table below illustrates the amount of the funding sources throughout the life of the grant.

	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>Total</b>
<b>Grant Funds</b>	\$325,505.25	\$325,505.25	\$151,902.45	\$802,912.95
<b>City Funds</b>	\$108,501.75	\$108,501.75	\$282,104.55	\$499,108.05
<b>Total</b>	\$434,007	\$434,007	\$434,007	\$1,302,021

The budget amendment in the Special Revenue Fund reflects the full grant award and match from the City over the three year grant period. The City's match of \$108,501.75 for this fiscal year will come from the Department's current overtime compensation budget. Savings in the Department's overtime budget will help to offset the costs of the City's match. For the remainder of the grant period, the Department and the Budget office will include the City's General Fund match as part of each year's annual budget process.

This request will be presented to the Public Safety Committee on November 26, 2018 and the Finance and Human Resources Committee on November 27, 2018, and any response other than unanimous approval to move forward to the full City Council will be noted in those meetings.

Pro:

- Firefighter and Citizen safety would be increased significantly

Cons:

- The City's match is \$499,108.05
- Added outfitting and equipment costs to be realized in this fiscal year's operating budget
- Grant funding ends after FY20-21

The City's total share over the three year period will be at least \$499,108.05. Furthermore, the Asheville Fire Department will utilize already budgeted funds in the General Fund to outfit and equip the nine new firefighter recruits. The grant does not require the City to maintain the higher level of staffing after year three. If Council direction at year four was to continue the higher staffing level, the City would be responsible for the full cost of the nine positions. If the direction was to return to current level staffing after year three, the firefighters

hired under the grant would be reassigned within the department and normal hiring in year four would be curtailed, with no ongoing staff or financial impact.

Staff recommends City Council authorize (1) the City Manager to accept grant funds from Federal Emergency Management Agency (FEMA) for the Staffing for Adequate Fire and Emergency Response (SAFR) Grant and (2) a budget amendment in the City's Special Revenue Fund in the amount of \$1,302,021 to fully budget the SAFR funds and the City's three-year General Fund match.

**RESOLUTION BOOK NO. 40 - PAGE 298  
ORDINANCE BOOK NO. 32 - PAGE 243**

**I. ORDINANCE NO. 4712 - BUDGET AMENDMENT FROM UNC-ASHEVILLE FOR THE ASHEVILLE FIRE DEPARTMENT TO PROVIDE EMERGENCY STANDBY**

Summary: The consideration of a budget amendment authorizing the City Manager to receive reimbursement funds from UNC-Asheville in the amount of \$153,000 in the General Fund budget for the reimbursement.

The City was requested by UNC-Asheville for emergency standby to allow residents to occupy their residence halls until the university was able to address fire safety concerns. This amount represents the actual cost to the City in the form of overtime compensation and benefits.

Pro:

- Receiving reimbursement funds will reduce the impact this assignment had on the fire department's overtime compensation budget.

Con:

- None Identified

Upon City Council approval, a budget amendment will be made in the current fiscal year to accept this reimbursement and reduce the overtime impact to the Asheville Fire Department in the amount of \$153,000.

Staff recommends City Council adopt the budget amendment authorizing the City Manager to receive reimbursement funds from UNC-Asheville in the amount of \$153,000 in the General Fund budget for the reimbursement.

**ORDINANCE BOOK NO. 32 - PAGE 245**

**J. RESOLUTION NO. 18-299 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT GRANT FUNDS FROM FM GLOBAL FOR THE REPLACEMENT OF THE SPARKY THE DOG COSTUME**

**ORDINANCE NO. 4713 - BUDGET AMENDMENT FOR THE REPLACEMENT OF SPARKY THE DOG COSTUME**

Summary: The consideration of a resolution authorizing the City Manager to accept the FM Global Fire Prevention Grant and a budget amendment in the City's General Fund in the amount of \$2,832 to utilize the grant funds.

On March 27, 2018, the Finance and Human Resources committee made a motion to allow the Asheville Department to request an FM Global Fire Prevention Grant to purchase a new

Sparky the Fire Dog Costume, and FM Global has awarded the City of Asheville the funds to complete the purchase of the costume.

“Sparky the Fire Dog” is the official mascot of the National Fire Protection Agency (NFPA). Fire and life safety educators across the country use “Sparky the Fire Dog” to help engage and educate preschool and elementary school children about fire prevention. The “Sparky the Fire Dog” costume currently used by the Department is over 20 years old with much wear and tear. Furthermore, the currently used costume is an outdated version of Sparky and does not look like the official mascot which is used by NFPA in all of the educational material and outreach material provided by NFPA. Funding from the grant, if received, would allow the purchase of the a new costume as outlined by the National Fire Protection Agency guidelines.

Pros:

- The Department will have an updated, safe “Sparky the Fire Dog” costume to continue its fire and life safety education and training.
- The City will not be responsible for supplying matching funds.

Con:

- None identified

The costume purchase will be fully funded by the grant proceeds. There is no match for the grant. There is no impact to the City’s General Fund budget.

Staff recommends City Council authorize (1) the City Manager to accept grant funds from FM Global and (2) a budget amendment in the City’s General Fund in the amount of \$2,832.

**RESOLUTION BOOK NO. 40 - PAGE 247  
ORDINANCE BOOK NO. 32 - PAGE 200**

**K. ORDINANCE NO. 4714 - BUDGET AMENDMENT FROM INSURANCE  
RECOVERY FUNDS FOR A DAMAGED SANITATION VEHICLE**

Summary: The consideration of a budget amendment in the Property & Liability Fund in the amount of \$97,602.50 from insurance recovery funds, and pay the \$100,000 deductible towards repair costs for a damaged sanitation vehicle.

On June 20, 2018, a City of Asheville (City) sanitation vehicle (Vehicle) was involved in a motor vehicle accident resulting in significant damage. Initial estimates to repair the Vehicle total \$216,593.91 - \$18,991.41 depreciated value = net repair costs of \$197,602.50. The City filed a damage claim with the City’s insurance carrier (Carrier) for the associated repair costs, above the City’s deductible limit of \$100,000 for vehicles valued above \$250,000.00 and the Vehicle’s current market value is \$279,000. The Carrier determined the vehicle is repairable and issued partial payment to the City for said repairs in the amount of \$97,602.50. Upon completion of the Vehicle repair, the City will file a claim for the \$18,991.41 depreciated value withheld as City vehicles and equipment valued over \$250,000 are insured for replacement cost. Currently, the Vehicle is awaiting repairs at an approved body shop and the City must purchase a new vehicle chassis prior to repairs are initiated on the Vehicle’s body.

Pro:

- Provides funding to repair damaged City asset, less the deductible.

Con:

- None.

Upon City Council approval, expend \$100,000 self-insured deductible from the City Property & Liability Fund and \$97,602.50 received in insurance recovery funds and deposited into the City's Property & Liability Fund to utilize for Vehicle repairs.

City staff recommends City Council adopt the budget amendment in the Property & Liability Fund in the amount of \$97,602.50 from insurance recovery funds, and utilize the \$100,000 deductible towards the Vehicle repair.

**ORDINANCE BOOK NO. 32 - PAGE 249**

**L. RESOLUTION NO. 18-300 - RESOLUTION REGARDING THE N.C. DEPT. OF TRANSPORTATION I-26 CONNECTOR TIP PROJECT -2513**

Summary: "WHEREAS, the North Carolina Department of Transportation ("NCDOT") has recently issued maps that depict the design and impacts of the I-26 Connector Project, TIP Project I-2513 ("the project"); and WHEREAS, NCDOT is seeking public input on the maps at a public hearing to be held on December 4, 2018; and WHEREAS, the City of Asheville is providing comments to NCDOT on the maps through this resolution; and WHEREAS, the City of Asheville and NCDOT have worked together in the I-26 Working Group since 2016 to address a range of issues raised in Resolution 15-232, adopted by City Council on December 8, 2015; and WHEREAS, the City of Asheville appreciates the collaboration and hard work that NCDOT has put into the I-26 Working Group and NCDOT's willingness to adopt several changes to the project; and WHEREAS, the maps reflect a number of improvements to the project sought by the City of Asheville as a result of the I-26 Working Group's efforts, including a reduction in the overall

size and impact of the project on neighborhoods and businesses in West Asheville due to the selection of a six-lane alternative for I-240, an improved Brevard Rd-Amboy-Rd interchange, and other design improvements that have reduced the number of houses and businesses taken by close to 50; and WHEREAS, other improvements include improved community connectivity through new and expanded bicycle and pedestrian infrastructure throughout the project corridor that will better and more safely connect people to downtown, West Asheville, the French Broad River, and numerous neighborhoods; and WHEREAS, there remain outstanding design elements along the Patton Avenue Corridor and the Jeff Bowen Bridge yet to be adopted by NCDOT that are reflected in a memo dated September 19, 2018 from Sam Schwartz Consulting LLC to Ken Putnam (the "Schwartz Memo"); and WHEREAS, securing NCDOT's commitment to incorporate the designs advanced in the Schwartz Memo is critical to achieving the City of Asheville's long-standing goal of turning the Patton Avenue Corridor into a dense, urban, multi-modal, mixed-use corridor; and WHEREAS, there remain other opportunities to tighten the footprint of all intersections between surface roads and the interstate throughout the project in order to make roads safer for cyclists and pedestrians and to possibly further reduce impacts on homes and businesses; and WHEREAS, the City of Asheville seeks a continued close working relationship with NCDOT and its design-build contractor on the ongoing design of this project and appreciates NCDOT's commitment to that ongoing relationship; NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT: (1) The City of Asheville calls on NC DOT to adopt and incorporate into the final maps and Final Environmental Impact Statement the City's desired designs for the Patton Avenue Corridor and Jeff Bowen Bridge as reflected in the Schwartz Memo; and (2) The City of Asheville further calls on NCDOT to support the City's acquisition of available right of way in the Patton Avenue Corridor to further the redevelopment of that corridor as envisioned by the City; and (3) The City of Asheville further calls on NCDOT and its future design-build contractor to continue efforts to tighten the footprint of intersections throughout the project corridor."

Councilwoman Mayfield reminded Council that the NCDOT is holding a public hearing next week on the newest version and close-to-final maps for the I-26 Connector Project. The other public hearing will be held early in 2019. Council thought it would be appropriate to make public comment on the maps, so this resolution will reflect the City's comments. She then reviewed the resolution. She thanked the NCDOT for working with the City, addressing a lot of the concerns and making a lot of the changes we asked for. But, now we are asking them to make this final set of changes as part of this project so that the City can really realize the full vision for this corridor and so that this project can fully benefit the people who live here opposed to those who are travelling through.

### **RESOLUTION BOOK NO. 40 - PAGE 201**

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

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

### **III. PRESENTATIONS & REPORTS:**

#### **A. HEALTH ENGAGEMENT LEADING TO PREVENTION**

Mr. Kevin Rumley, Coordinator for the Buncombe County Veterans Treatment Court, and Ms. Kathey Avery, Project Manager representing the Health Engagement Leading to Prevention (HELP) reviewed the following PowerPoint. Interdisciplinary collaboration includes (1) The HELP Team includes physicians, clinicians, and allies from different realms of community service; (2) The HELP Team unites under the shared banner of health promotion to support our aging community; and (3) Empowering community members to become agents-of-change in their neighborhood. She then introduced the HELP Team.

Our homeless population are being found affordable housing, which addresses their immediate situation/needs, but we fail to provide follow-up support, nor address the chronic determinants that led to their homelessness. This generates what we call "a revolving door syndrome." Many homeless individuals live with severe mental, substance misuse and multiple health issues. Some individuals have significant cognitive and physiological dysfunctions that inhibit their capacity to successfully navigate important decisions. These contributing factors negatively impact all strata of their lives. Other residents that live in these complexes are the aging and elderly who need increased assistance with affordable housing, and/or who are disabled (who also need financial assistance.) These low-income affordable housing complexes serve as home to a mixture of our community's most high-need and high-risk populations. Despite these challenges, we find that the existing support is not adequate. This is an overwhelming situation for both the residents who are suffering and for the management of the housing developments and apartment complexes where they reside. Arrowhead Apartments is our pilot community. It is HUB subsidized; elderly - 62 and over; individuals with disabilities; increase in formerly homeless population moving in (1) untreated mental illness and substance abuse; (2) lack of "life skills" to maintain housing; and (3) no constant follow-up/case management by agencies that assist with placement. Asheville Terrace Apartments - Asheville Housing Authority community - a public housing community with all units dedicated to adults 65+ years of age and adults with disabilities.



With a problem as big as this, how does a small team generate change? As clinicians and community-based practitioners (HELP), we train community members to serve as health workers in their own communities. We empower the residents of Asheville Terrace and Arrowhead to address their self-identified needs, and facilitate change/health-promotion from within (not externally). We empower training of the service coordinator, community health workers and volunteers. All of us deserve to live in a long and healthy life in a safe environment. To make this happen we must be willing to tackle the root causes of poor mental, and physical health among individuals within these communities. It takes a community.

Next steps include (1) create/implement a manualized training protocol (State supported) for Community Health Workers, with support from SCSEP; (2) pursue grant funding that pay for trainings (Train the Trainers, etc.); (3) explore grants with HUD; and (4) working in our "fields" to empower community members to address/support their self-determined community needs. Sustained and long-term interventions are critical to promote long-term health outcomes - fostering greater equity, connection and safety for everyone.

## **B. RESULTS OF DISPARITY STUDY**

Neighborhood & Community Engagement Manager Brenda Mills said that BBC Research & Consulting will be presenting draft results of the Disparity Study for Fiscal Years 2012-2017 and recommendations for next steps in the program.

The Disparity Study Project included:

- Study of the City's contractual awards in construction, goods, services, architectural and engineering services for the period FY11 through FY2017.
- Determination of the effectiveness of the current program and recommending modifications and adjustments, if necessary, that are in compliance.
- Provide current legal guidance not only relative to new legislation, policies and procedures to meet any constitutional mandates, but also the programmatic needs of the constituencies of the City.

Draft results are scheduled to be provided to the public on November 28 to provide results to the community.

Pros:

- Study will replace outdated disparity study completed in 1993.
- The project will result in an updated Minority & Women Business Plan that is up to date with all current legal requirements and best practices.

Con:

- Implementation of the recommendations will require staff time to consider next steps.

The cost of the Disparity Study was \$319,948 and was funded in a prior year's budget. There is no direct fiscal impact associated with the action of accepting the results of the study.

City staff will return to City Council for adoption of an updated Minority Business Program Plan which will include these results.

Ms. Mills then introduced Mr. Sameer Bawa, Managing Director of BBC Research & Consulting, who provided the results of the Disparity Study, who reviewed the objectives, study tasks, utilization analysis and results, availability analysis and results, disparity analysis, and results on all contracts and industry. His final key considerations include contract notification; local participation; prompt payment; contract-specific goals; and annual goal-setting.

Ms. Mills responded to Councilwoman Smith regarding our contract notification process.

Councilman Young gave a brief history of how the disparity study came about. When he suggested the disparity study be relocated to the Equity & Inclusion Department and research who it should report directly to, Acting City Manager Ball proposed deferring this suggestion to the new City Manager.

### **C. UPDATE ON TRANSIT MANAGEMENT COMPANY**

Assistant Director of Transportation Jessica Morriss updated Council on (1) the new buses as follows: (a) Five New Proterra electric buses arriving between December and late February - 3 will arrive in mid december and the final 2 will arrive in late February; (b) RATP Dev staff, including drivers and mechanics will receive training on operating and maintaining the new buses between the arrival of the first 3 buses and revenue service, which is expected in March; (c) Training will include "shadow service" where drivers will practice routes with new buses while following regular buses, so they will be seen on the road before they will be put in use for the public; and (d) The five new buses will allow for us to put some of the older buses on reserve to act as spares; (2) a bus fire (a) On that note, the bus that caught on fire on Sunday, October 28th was our 2nd oldest bus and was expected to be put into reserve with the arrival of the new buses. There were no passengers on board at the time of the fire and the driver of the bus was able to pull off the road and exit the bus quickly. The cause of the fire is still unknown, but is currently being investigated by both the city and RATP Dev. We will keep the Transit Committee and the Council updated when new information becomes available; (3) Transit App and Staffing (a) The new Transit App, called Transit App, is up and running and we are now pushing out real-time information on bus locations through the app and through Google; (b) We are also now able to post status alerts about detours or service interruptions through the various apps and we are working with the Community and Public Engagement Division to identify ways to increase our communications reach; and (c) We have recently hired a new Transit Projects Coordinator, Marcela Moreno, who started in early November. This is a new position that was approved for this fiscal year. The Transit Planning Manager position is still being advertised; (4) Construction (a) We have two major construction projects that are coming up for the ART Station downtown. One is to replace some of the underground utilities at the station and the 2nd is the renovation of the station itself, which will include signage improvements, improvements to the restrooms and waiting room, and improvements to the dispatch room and driver breakroom. These are expected to occur in the early spring assuming that we receive bids within the budget; and (b) Bond bus shelters - Staff has completed the installation of 15 bus shelters as part of the bond project and is expected to put a bid out for another 10 shetlers in the coming weeks; and (5) Current Focus (a) Current focus is preparing for the new Proterra buses, including getting them here, getting chargers installed, and organizing training; (b) For operations, staff is focused on working with the management company to reduce early departures and increase bus stop and ART station maintenance; and (c) Most importantly, staff is looking at funding for future expansion as recommended in the Transit Master Plan adopted in July. The 1st year recommendations for the Transit Master Plan propose a 40% increase in service starting July 1st 2019, including new routes, increased frequency and extended service hours. Additional Operational funding in the range of \$2.5 to \$3 million annually will be necessary in order to implement the recommended service improvements. Additionally, in order to expand service this significantly by July 1st, RATP Dev would need to begin hiring additional staff in February of the coming year, which is prior to the Council budget process, therefore staff would like to discuss the timing and funding of service expansion with the council in the near future.

ART General Manager Joe Brooks updated the Council as follows: (1) we are currently fully staffed in maintenance with mechanics and mechanic helpers. This has allowed us to institute 3 shifts in our Maintenance Department; (2) we have 22 buses (Bus fire has been

subtracted). We have 2 buses that need engine rebuilds (Bus 0602 which has 737,328 miles and Bus 1022 which has 353,292 miles). We are using our outside vendors to repair these buses. We are currently using two 12 passenger ADA cutaway buses to help with service; (3) the Transit Center is cleaned 3 times a day, once in the morning, afternoon, and in the evening. If there is an issue in between these times, we will send someone there for cleanup; (4) We have cut down the missed trip considerably from 539 in July to 55 in August, 34 in September, and 25 in October; and (5) we have made strides with keeping the Union informed on progress through the system. I meet with the Union President the second Wednesday of the month, We have an employees meeting on the second Wednesday of the month, and we meet with the Union the fourth Wednesday of the month.

Mr. Brooks, along with Ms. Morriss, responded to various questions from Council, some being, but are not limited to, have there been any missed trips in the past three months due to the lack of spare buses; what is the benefit of the new Transit App; what is the status of the sign at the ART Center showing the bus schedule that is out of service; and what has been the solution to the bed bug problem on a bus.

**D. FINANCIAL UPDATE**

Summary: The financial information in this report reflects the City’s overall financial position for the fiscal year through September 2018.

**Amendments.** There was only one budget amendment in the General Fund during the first quarter. The chart below shows that addition to the Adopted General Fund Budget.

Adopted General Fund Budget:	\$124,394,311
<u>Amendments:</u>	
Repair Flood Damage at Recreational Facilities (Fund Balance)	\$1,205,000
Amended General Fund Budget 9/30/2018	\$125,599,311

**Revenues.** It is important to note that per North Carolina State accounting guidelines, the City accrues 90 days of revenue received from the State to the fiscal year that ended June 30, 2018. These revenues include sales and use taxes, utility taxes and ABC revenue received through September 30, 2018. As a result, first quarter estimates for these revenue for fiscal year 2018-19 are based on historic trends and economic forecasts.

Through September 30, 2018, the City has collected \$11.1 million in General Fund revenue, which represents approximately 9% of the amended General Fund revenue budget. With so little collection data available through the first quarter, staff bases most of its FY 2018-19 revenue projections on prior year results and multi-year trends. Property and sales taxes make up over 70% of total General Fund revenue, and staff is currently projecting both of these revenues will end the year very close to budget estimates. Overall, Budget staff is currently projecting that **FY 2018-19 General Fund revenue will finish the year at \$124.4 million, which is \$622,000 or 0.5% above the amended budget.**

**Expenditures.** General Fund expenditures through September 30, 2018 totaled \$28.8 million or 23% of the amended budget, which is typical for this point in the fiscal year. Personnel expenses, the largest component of the General Fund budget, are on budget through the first quarter. Overall, staff is projecting that ***FY 2018-19 expenditures will finish the year at \$124.7 million.***

**Fund Balance.** The City began FY 2018-19 with an unassigned fund balance of \$18.2 million, after subtracting out the \$639,000 fund balance appropriation included in the adopted budget. Unassigned fund balance equated to 14.6% of the adopted FY 2018-19 budget. After the start of the fiscal year, City Council approved the additional \$1,205,000 fund balance appropriation noted above. This additional appropriation is reflected in the amended 9/30/2018 budget, which shows an unassigned fund balance of \$17.0 million or 13.5% of budgeted expenditures, 1.5% below Council's adopted 15% requirement. ***Based on current revenue and expenditure projections for FY 2018-19, staff is forecasting unassigned fund balance at June 30, 2019 will be \$18.5 million or 14.8% of estimated expenditures. This is a preliminary estimate and staff will continue to closely monitor revenues and expenditures.***

As with projected revenues through the first quarter, the estimate for fund balance is based on historical trends and forecasting. While an early estimate is provided, it is important to understand that there is minimal performance data available as of September 30. Forecast confidence will increase when second quarter results are available and current estimates have been borne out by actual financial performance. Any budget amendments after September 30 that use fund balance will decrease this estimate as will changes in the revenue and expenditure performance. A fund balance below the 15% policy benchmark in a quarterly report does not necessarily indicate that the City will end the fiscal year below Council's fund balance policy; however, any additional allocations of fund balance will increase the likelihood that the end of year fund balance will be below the Council policy percentage.

#### **IV. PUBLIC HEARINGS:**

#### **V. UNFINISHED BUSINESS:**

#### **VI. NEW BUSINESS:**

##### **A. ORDINANCE NO. 4715 - ORDINANCE REGULATING THE USE OF E-SCOOTERS WITHIN CITY LIMITS**

Transportation Director Ken Putnam said that this is the consideration of an ordinance adopting Chapter 19, Article I, Section 19-16 of the Code of Ordinances of the City of Asheville, regarding the use of e-scooters within the City.

Electric scooters, commonly called "e-scooters," have increased markedly in popularity over the past several years, with the emergence of e-scooter share programs greatly increasing the use of the devices since January 2017. As seen across the country, some of the companies operating e-scooter shares initially begin operating their systems without receiving appropriate permissions from local jurisdictions, whether through permits or licenses, and do so often without warning.

City Transportation Department staff commissioned a bike share study in mid-2017 which has been underway and originally did not include analysis or consideration of e-scooters. In September of 2018, staff determined that it was necessary to add e-scooters to the scope of the study, given that their popularity across the country was growing substantially and other North Carolina cities were currently either actively piloting e-scooter share programs or considering

them. Additionally, many companies that offer bike shares also operate e-scooter share programs.

At the October 24, 2018, Multimodal Transportation Commission (MMTC) meeting, staff discussed the desire to add e-scooters to the scope of the bike share study and to postpone the release of the draft study in order to have additional opportunity to analyze potential e-scooter use in Asheville, as well as conduct additional public outreach. The MMTC supported the proposed addition of e-scooters to the study. Later the same evening, staff learned that the company Bird was planning to launch an e-scooter share operation in Asheville the next morning. Bird did not notify the City, nor pursue appropriate permits or licenses, and deployed approximately 200 e-scooters in downtown on October 25, 2018.

City staff contacted Bird immediately requesting that they cease operations due to public health, safety, and welfare concerns regarding their use, as well as the company's violation of several existing ordinances concerning the use of public right-of-way. Staff collected and stored the e-scooters, which representatives of Bird retrieved later the same evening. Despite verbally agreeing to postpone operations until the City determined next steps, Bird redeployed e-scooters Saturday, October 27th, at which time City staff again collected and stored the e-scooters.

While research into this relatively new form of transportation is limited, a 2017 Israeli study, published in the Journal of Traffic Injury Prevention, found a prevalence of e-scooter related injuries in that country, and raised questions regarding "the social and economic advantages of electric-powered 2-wheeled vehicles." Domestically, doctors at the following hospitals have raised concerns regarding the unregulated use of e-scooters: Cedars Sinai Medical Center, Zuckerberg San Francisco General Hospital, University of Utah Health, Eskenazi Health, Scripps Mercy Hospital, and the UCLA Medical Center. Taken together, the City's Transportation department believes that the unregulated use of e-scooters within City limits poses a threat to public safety.

Additionally, e-scooter share and/or rental programs rely on public sidewalks as the means of transfer of the vehicle from one rider to another. From the short time Bird was operating in Asheville, and based on the experience of other cities, it appears that without proper regulation, e-scooters will be left on the sidewalks in a manner that blocks the public right of way, poses a tripping hazard, and makes City sidewalks less safe for pedestrians.

The action proposed for City Council consideration is an ordinance that seeks to postpone the operation of any and all e-scooters, whether operated by a company or by an individual, within the City of Asheville until such time that the City Council may decide to allow and regulate them in a manner that seeks to ensure the public health, safety, and welfare of its citizens.

Transportation staff expects to complete the bike and e-scooter share study in early 2019, which will provide broad recommendations for the City to consider in terms of the regulation and permitting/licensing of bike and/or e-scooter share operators and the use of the vehicles themselves within the public right-of-way. Staff expects to simultaneously begin developing more detailed regulatory and policy recommendations for consideration that could be included in a Request for Proposals and subsequent permit/license application for bike and/or e-scooter share operators.

Pros:

- Will provide the City with time to review the results of its pending bike-share/e-scooter feasibility study before e-scooters are allowed to go into use.
- Will prevent the unregulated use of e-scooters from jeopardizing public safety if and until a more comprehensive regulatory scheme may be put in place with respect to e-scooters.

Con:

- Delays the use of e-scooters as a mode of transportation within the City.

While the proposed ordinance provides for a \$100 fine per violation, it is unknown how many such fines might be assessed under the ordinance.

Staff recommends that City Council adopt the proposed Chapter 19, Article I, Section 19-16 of the Code of Ordinances of the City of Asheville.

Interim City Attorney Rockoff clarified that the ordinance does not require the fine to be paid in order for the e-scooter to be picked back up. It's a civil fine. If the e-scooter is taken, the owner can pick it up within 30 days. If they don't pick it up within the 30 days, it will be disposed of as abandoned property.

Mr. Jeff Kaplan supported the use of e-scooters as they will be employing people who live here and they can show others what startups are possible. He felt we need to be a progressive city.

Ms. Christy Winer felt the company is the only one who should pay a fine because it's not fair to fine the citizens and visitors for riding one because they may already have this program where they live.

Mr. Peter Landis felt we need to study this issue from a safety standpoint.

Mayor Manheimer said it is difficult to work with a company that won't honor their word. She agreed that the future will look different in terms of transportation and we are trying to be thoughtful on how to get there. She personally expressed to Bird that Asheville is not interested in another company here using our community for their purpose. If they have something to benefit our community then we might be interested.

Councilman Young felt we need to see how we can integrate these type services into our community and the study will help us get a handle on how to move forward.

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

Vice-Mayor Wisler moved for the adoption of Ordinance No. 4715. This motion was seconded by Councilman Young and carried unanimously.

## **ORDINANCE BOOK NO. 32 – PAGE 251**

### **VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:**

On behalf of City Council, Mayor Manheimer thanked Acting City Manager Cathy Ball for stepping up into the interim City Manager role. Because Council moved Ms. Ball into that interim position, she also thanked all the interims for shifting into their roles as well.

Ms. Dee Williams was not surprised about the disappointing numbers on the disparity study suggested a performance matrix to make sure that staff is working to meet those goals.

Ms. Delores Venable hoped that we move forward with a vision the people worked for with the appointment of a new Police Chief and with the implementation of new policies and procedures.

Ms. Ashley Cooper felt we need to work together for long-term plans to bridge the equity gap in our community. The oversight element is essential.

Ms. Christy Winer was frustrated that the Bowen Bridge closure/work has not been completed yet. Mayor Manheimer said that that is an NCDOT Project but the City is helping them with their communication plan. We will get an update from them and update our website.

Mr. Jonathan Wainscott spoke about district elections and how the lines do not create racial gerrymandering.

When Mr. Tony Walker spoke about job mistreatment as a contract employee, Acting City Manager Ball said that she would investigate his concern.

Mr. Reid Thompson was concerned about the lack of equity of enforcement on Maxwell Street.

Rev. Amy Cantrell commented on the substantial disparity shown in the disparity study and asked Council for substantive action. She also asked for resources to fund the Transit Master Plan.

### **Closed Session**

At 7:02 p.m., Councilwoman Smith 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 consult with an attorney employed by the City about matters with respect to which the attorney-client privilege between the City and its attorney must be preserved, including, but not limited to, a lawsuit in the matter of custodial law enforcement recording sought by the City of Greensboro; and PHG Asheville, LLC vs. City of Asheville. The statutory authorization is N.C. Gen. Stat. sec. 143-318.11(a)(3); and (3) To consider the qualifications, competence, performance, character, fitness, or conditions of appointment of an individual public officer or employee. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(6); and to prevent the disclosure of information that is confidential pursuant to N.C. Gen. Stat. § 160A-168, the Personnel Privacy Act. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(1). This motion was seconded by Vice-Mayor Wisler and carried unanimously.

At 8:29 p.m., Mayor Manheimer to come out of closed session. This motion was seconded by Councilman Kapoor and carried unanimously.

### **VIII. ADJOURNMENT:**

Mayor Manheimer adjourned the meeting at 8:29 p.m.

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CITY CLERK

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MAYOR