Tuesday – March 17-18, 2022 - 10:00 a.m.
Harrah's Cherokee Center - Asheville

First Day of City Council Annual Retreat - March 17, 2022

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Sheneika Smith; Councilwoman Sandra Kilgore; Councilwoman S. Antanette Mosley; Councilwoman Kim Roney; Councilwoman Sage Turner; Councilwoman Gwen C. Wisler; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

At 10:00 a.m., Mayor Manheimer convened and welcomed everyone to the City Council Annual Retreat.

Mayor Manheimer then introduced Ms, Rebekah M. Lowe, Chief Executive of FizzyWork Executive Coaching, who would be facilitating the retreat. Ms. Lowe went through with Council the rules of engagement; why each Council member does this work; reflections on the year; each Council's working agreements; roles & responsibilities; department heads flash survey; and staff - focus areas, goals and priorities.

Discussion was held regarding Council check-ins, with the ultimate goal of the best communication route from staff to Council and the public about key issues and concerns. Mayor Manheimer offered one option of holding a pre-meeting worksession format before the Council meetings, which might consist of a review of the next formal meeting agenda; discussion of any new items on the current agenda for that night; and other larger issues. Some Council members expressed their opinions on the existing check-in process vs. pre-meeting worksession format. It was the consensus of Council to ask staff to provide pros and cons on the best path forward.

City Manager Campbell said that (1) there will be a review of Council priorities have been developed over the past several years; (2) noting many priorities are closely aligned with each other; (3) despite staffing challenges, staff is making progress implementing and operationalizing policy objectives established through Council priorities; and (4) staff uses priorities for budget development and will establish work plans aligned with priorities for the upcoming fiscal year.

Interim Assistant City Manager Peggy Rowe updated Council on their 2021 priorities - reparations; employee compensation study; reimaging public safety; and utilization of American Rescue Plan Act (ARPA) funding.

Assistant City Manager Rachel Wood provided a high level overview update of the 8 focus areas and top 13 strategies. Regarding next steps (from March-June) there will be (1) annual operating budget and capital improvement plan developed and finalized based on strategic priorities; (2) departmental work plans established on strategic priorities; and (3) strategic priorities used to inform future Council Committee agendas.

At 2:18 p.m., Mayor Manheimer recessed the meeting until 9:00 a.m. on March 18, 2022.

Tuesday – March 18, 2022 - 9:00 a.m.
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Second Day of City Council Annual Retreat - March 18, 2022

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Sheneika Smith; Councilwoman Sandra Kilgore; Councilwoman S. Antanette Mosley; Councilwoman Kim Roney; Councilwoman Sage Turner; Councilwoman Gwen C. Wisler; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

At 9:00 a.m., Mayor Manheimer welcomed everyone to the second day of the City Council Annual Retreat.

Ms. Lowe briefed Council on the meeting goals on this second day of the retreat - budget update; best strategic priorities; choosing strategic priorities; and takeaways.

Finance Director Tony McDowell said that the key takeaways include (1) overall positive economic outlook is reflected in projected General Fund revenue growth; (2) inflationary pressures in economy are impacting the cost to deliver existing services ; (3) ability to fund new and expanded services will be limited; and (4) a data-driven review of facilities will provide a roadmap for long-term investments. He then reviewed with Council the economic context and the revenue forecast. The General Fund revenue summary (current expectations) is (1) normal growth in property tax revenue (no change in rate); (2) continued growth in sales tax revenue; and (3) no other substantial changes in baseline revenues. The total revenue growth is anticipated to be $5.5-6.5 Million.

Budget Manager Taylor Floyd provided Council with the expense forecast, detailing the personnel cost drivers, operating cost drivers, and additional cost drivers/under review. In summary, as in the past budget cycles, working to balance maintaining our existing level of service with increasing costs to provide services. $5.5-6.5 Million in revenue growth will likely be needed to fund existing service levels.

Mr. Floyd then identified service investments and service investment requests. Regarding sanitation service, (1) new investment in this core City service has been minimal for a number of years; (2) it is challenging to maintain existing service levels without additional resources; and (3) a fee increase will be recommended to the Finance & Human Resources Committee. Regarding stormwater and system maintenance, (1) managing stormwater is a complex service; (2) Asheville's system has significant maintenance and capital needs; (3) additional funding is needed to address existing needs, meet service expectations, and achieve stated goals; and (4) a fee increase will be recommended to the Finance & Human Resources Committee. Regarding water service and system maintenance, (1) need to continue to recover revenue lost from capital fee in order to maintain credit rating and debt service coverage; (2) anticipate additional debt from advanced metering infrastructure (AMI) project in Fiscal Year 2023; and (3) a fee increase will be recommended to the Finance & Human Resources Committee.

Water Resources Director David Melton provided Council with requested service investment for the Advanced Metering Infrastructure (AMI) Project. The AMI project is the replacement of approximately 63,000 water meters and installation of associated infrastructure. The outcomes would be robust interactive customer portal; allows for transition to monthly billing; and reduces staff time required to read meters. $20 Million for the project is programmed into the current rate model and planned for future capital debt service. The project will be funded by a short-term low interest loan then converted to long-term revenue bonds after project completion.

Capital Projects Director Jade Dundas and Building Construction Program Manager Walter Ear provided Council with information regarding the Comprehensive Facilities Study. Mr. Ear explained (1) the background on why the study is needed; (2) what we expect to get out of the study; and (3) creating a long-term vision for investments in facilities. Basic facility maintenance (maintaining or replacing what we have) will likely exceed our current resources. Expanding services and reaching goals will require additional or new facilities. The City continues to grow, services and facilities may need to grow with it. He then explained the multi-year approach and facility study update.

Ms. Lowe reviewed with Council best practices for review of strategic priorities - fewer is better; broad; room to maneuver; reasonable within resources; consensus, if possible; easily grasped; not tactical; the filter for every new idea; and often good for 3-5 years.

Discussion surrounded whether any of the four top priorities from last year can be removed and put in the operational list, knowing that there is still ongoing work on them: reparations (remain); ARPA funding (off - operational); compensation study (off - operational); and reimagining public safety (remain).

City Council went through various exercises to narrow down their Fiscal Year 2023 strategic priorities. After discussion and consensus of Council the following are the six strategic priorities for this fiscal year - reparations; reimagining public safety; equitable, affordable housing & stability; houselessness strategies; improve/expand core services; and neighborhood resilience. It was noted that Council is not losing sight of what we do as a City, but these are just six strategic priorities for this fiscal year.

Next steps include (1) a communication plan about these strategic priorities; and (2) staff will come back to Council with scope of work plans on how staff will fulfill these strategies.

At the request of Councilwoman Wisler, it was the consensus of City Council to schedule a worksession on the boards/commissions restructuring project.

At 2:35 p.m., Mayor Manheimer adjourned the meeting.

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CITY CLERK MAYOR