Friday – March 13, 2020 - 8:00 a.m.
Harrah's Cherokee Center - Asheville

Annual Retreat

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; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

At 8:00 a.m., City Council hosted the legislative delegation for breakfast.

At 9:30 a.m., Mayor Manheimer welcomed everyone to the City Council Annual Retreat.

Mayor Manheimer then convened the retreat. She said the purpose of the retreat is to focus on our budget process; highlight City Council's priorities and align those priorities in the budget process.

City Manager Campbell reviewed with Council their priority strategies and provided a look back over the 2019-20 accomplishments.

City Manager Campbell then introduced Mr. Ed Manning, Executive Director of Leadership Asheville, who would be facilitating the treat. Mr. Manning who briefed Council on the meeting goals and guidelines.

City Manager Campbell then introduced Tom Tveidt, President of SYNEVA Economics, who reviewed with Council the economic and demographic trends. The big view is (1) if it feels busy, it's because it is; (2) the City reins as the center of commercial activity; (3) employment surges, population growth tempers; (4) industrial diversity flourishes; (5) attracting the people other communities only dream about; and (6) but difficult disparities remain-especially in earnings and incomes. The highlights include (1) employment in the City has been steadily growing since 2010; (2) the City's employment growth rate is above the nation and state; (3) lowest City unemployment rate in two decades; (4) in-commuters complete 76% of City employment; (5) 55% of net employment gains in the Asheville Metro have been in the City; (6) 72% of net employment gains in Buncombe County have been in the City; (7) 4 industries have led City employment growth (Accommodations & Food Services 27%, Public Administration 15%, Retail Trade 12% and Health Care 10%); (8) 73% of employment gains have been in industries earning below the state average; (9) minority population have participated positively in the City's employment growth; (10) retail sales collections trend lower; (11) construction permitting holds, with strong commercial activity; (12) the City's population is growth rate is slowing; (13) the City is attracting minority populations; (14) the City's population has a high relative proportion of ages 25 to 29 and is attracting a high proportion of ages 20 to 34; (15) significant income and earnings disparities persist, especially impacting Black households & the well-educated; and (16) the City is home to a high proportion of low & middle-income renting households. Throughout the presentation, Mr. Tveidt answered various questions/comments from Council.

Assistant Finance Director Tony McDowell provided Council with a budget overview which showed (1) uncertain economic outlook; (2) revenue growth will be used up by ongoing operating cost increases; and (3) additional revenue will be needed to fund any new capital and operating investments. Future year items for Council to consider include (1) growing risk of economic recession; (2) revaluation will impact Fiscal Year 2022 revenues; (3) cost of Fire Station 13 coming online; and (4) unknown impact of (a) compensation study implementation; (b) recycling contract; (c) technology; and (d) deferred maintenance. He then reviewed strategic investment requests. Mr. McDowell then gave an update on the 5-year General Fund forecast,

explaining the expense and revenue drivers. Mr. McDowell responded to questions/comments from Council regarding the budget. It was the consensus of Council to add discussion about a property tax relief program and a renter assistance program at the next City Council budget worksession.

City Manager Campbell introduced Ms. Carolyn Flowers, Principal at InfraStrategies, who reviewed in detail the national trends in transit of zero-fare; labor challenges; mobility as a service; bus restructuring; microtransit; and funding options/strategies. Assistant Transportation Director Jessica Morriss then reviewed the Asheville transit planning service who gave an overview of the current system; the Transit Master Plan; the Transit Master Plan background; transit service enhancements; Transit Master Plan strengths; Transit Master Plan challenges; Transit Fund status details; current transit funding status details; and completing the Transit Master Plan. She then reviewed the budget requests for the Fiscal Year 2021 transit budget; along with funding options. The key takeaways are that (1) the industry is changing; (2) system needs to be reliable in order to attract ridership; (3) additional funding sources are needed; and (4) implementation of the Transit Master Plan must be paired with available resources. There was considerable discussion, along with individual Council's thoughts, regarding additional policy review and analysis: (1) update and revise implementation schedule of the Transit Master Plan and better link to funding strategy; and (2) review zero-fare impacts and work with Just Economics and others to look at options. It was the consensus of Council to have staff consider exploring additional funding sources, i.e., Tourism Development Authority; and Buncombe County support. City Manager Campbell, Ms. Flowers and Ms. Morriss responded to various questions/comments from Council regarding transit. City Manager Campbell understood that all elected officials, staff and the community are committed to the implementation of the Transit Master Plan. Per Council's direction staff will bring back options, with pros and cons, that will hopefully address most of the issues identified around transit. It was the consensus of Council to ask staff to explore ways to incorporate $1.1 Million for the expansion of evening hours in next year's budget. Councilwoman Mayfield, Councilman Haynes and Councilman Young's request to incorporate $1.1 Million for extended hours in next year's budget even if a property tax increase is necessary, was not supported by the majority of Council.

City Manager Campbell introduced Jim Fox, Senior Research Analyst, FernLeaf Interactive, who reviewed Asheville's climate resilience assessment. He explained what resilience is and moving from threat to solution. Primary threats to Asheville include (increased flooding, nuisance flooding and landslides due to stronger or more frequent heavy precipitation events; (2) increased risk of water shortage and wildfires due to increasing severity of drought; (3) supply chain interruptions; and (4) increasing temperature variability that leads to extreme heat events. The most social vulnerable areas are families participating in SNAP, and in areas where majority of SNAP retailers could be affected. Impacts to people include food access; and disproportionate impacts to vulnerable populations. Important prioritized strategies that can be implemented on current resources include (1) provide information on assets and threats to Emergency Management; (2) improve communications across departments during hazard events; (3) promote water conservation; (4) enhance response and recovery programs; (5) conduct additional studies as necessary to determine detailed strategies for flood and landslide hazard mitigation; (6) increase use of stormwater and flood control; (7) continue to improve water supply and distribution systems; (8) promote climate resilience concepts and best management practices through public education and communication; (9) develop partnerships to promote green infrastructure strategies; and (10) promote regional partnerships to build resilience. Important, but will require more stakeholders or resources include (1) modify the Unified Development Ordinance as it pertains to steep slopes in accordance with the climate assessment prioritization table; (2) upgrade stormwater infrastructure systems and enhance capacity through green infrastructure utilizing strategies identified in the comprehensive plan; (3) continue to build further capacity into water supply; and (4) prepare and plan for supply chain interruptions through partnerships with appropriate regional entities. Active strategies and previous efforts are (1)

improvements to North Fork Dam; (2) proactive floodplain and slope ordinances; (3) protection of access points on steep slopes; (4) proactive fire programs and codes; (5) partnerships for water supply (Mills River, County); (6) initiatives and studies (tree canopy, Energy Task Force, weatherization); and (6) Emergency Management Planning (Regional Hazard Mitigation Plan). Sustainability Officer Amber Weaver reviewed the Sustainability Management Plan. She then briefed Council on sustainability's accomplishments. She outlined some sustainability challenges such as (1) many new goals adopted since passage of Sustainability Management Plans; (2) while low cost efficiency improvements have been implemented,more costly investments are needed - average building is almost 60 years old; and inadequate funding for reroofing, building envelope and HVAC upgrades; (3) cost to achieve waste reduction goals has grown due to global recycling industry trends; and (4) Capital Improvement Projects funding gap for addressing internal sustainability goals both on energy and resilience. Asheville's sustainability goals (1) Climate Justice Initiative; (2) 100% renewable energy goal; (3) waste reduction goal; (4) community-wide 100% renewable energy goal; and (5) 4% carbon reduction goal. Staff asked for the following Policy review and analysis is to update the Sustainability Management Plan to include: (1) Climate Justice initiatives; (2) a review of adopted resolutions and goals; (3) a review of adopted work plans and time commitments; (4) Ashevile's Climate Resilience Assessment; and (5) a definition of climate equity with Asheville's frontline community members. The key takeaways are (1) lead by example as an organization and lead with equity; (2) investments are needed in capital projects throughout city departments that support sustainability goals; and (3) need collaboration and external partnerships to achieve sustainability goals. City Council then discussed sustainability. City Manager Campbell, Solid Waste Manager Jess Foster, Mr. Fox and Ms. Weaver responded to various questions/comments from Council regarding sustainability. Per Council's direction staff will look at comprehensive recommendations, funding through bonds possibly in November, 2020, and urban forestry and forest master plan.

City Manager Campbell then introduced Marianne Oyaas, The Archer Company, who reviewed with Council an overview of the total compensation study; increasing minimum salary and associated compression issues; market survey information; and recommendations. The market survey initial findings show that (1) on average, the City pay is below market; and (2) additional consultant analysis will provide recommendations for further adjustments in late spring. The takeaway is that (1) Plan $31,200 minimum implementation and address compression in current fiscal year; (2) initial information suggests City is below market; and (3) more information and recommendations will be provided in the consultant's report. Ms. Oyaas and Compensation & Benefits Manager Larisa Lowman responded to various questions/comments from Council regarding the total compensation study. Per Council's direction, staff was directed to implement new minimum in the current fiscal year (May 2020), which will increase salary for 92 employees to $31,200 and address compression impact for 29 employees; and to come back to Council's worksession with the results of the rest of the study.

Mayor Manheimer announced a change to the March 24, 2020, meeting and City Clerk Burleson will send out the information to City Council on Monday.

At 3:34 p.m., Mayor Manheimer adjourned the meeting and announced that City Council will gather later in the evening for dinner.

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City Clerk Mayor