

Minutes  
Finance Committee Meeting  
12:15pm, October 28, 2014  
First Floor-North Conference Room, City Hall

Present: Vice Mayor Marc Hunt (Chair), Councilman Gordon Smith,  
Councilwoman Gwen Wisler

Staff: Gary Jackson, Paul Fetherston, Sam Powers, Barbara Whitehorn,  
Tony McDowell, Frank McGowan, Cheryl Heywood

Guests: Tom Youngblood, Aston Park Tennis Center member; Dan Costante,  
Aston Park Tennis Center member

**Approval of 8/27/2014 Minutes**

Councilman Smith made a motion to approve the 8/26/2014 minutes (attachment #6). This motion was seconded by Councilwoman Wisler and was unanimously approved by the committee.

Ms. Barbara Whitehorn said that because of a previous council member's request the minutes are currently very detailed. Ms. Whitehorn asked the committee if they had any objection to summarizing the minutes. All committee members agreed to have future minutes summarized.

**Aston Park Tennis Center**

Mr. Frank McGowan presented the update (attachment #1) on the public progress of the Aston Park Tennis Center. The committee had asked for a public process to get input on any proposed changes to the operation of the facility. Mr. McGowan said the process was for public comments to be gathered through the public portal and to get information from the focus group. The information gathered is included in the report (attachment #2). Staff is in the process of hiring an outside consultant to look at all of the Parks and Recreation fees to include Aston Park.

Councilwoman Wisler said the ideal timeframe would be to implement the fee increases at the beginning of the tennis season. Councilman Smith wanted to confirm that the managing company would not be able to set rates and Mr. Jackson said that council would be able to set the rates. Vice Mayor Hunt said that the subsidy we support is out of balance and a burden to taxpayers for a relatively small group of people and is not justifiable. We now have a subsidy of around one hundred and fifty thousand dollars, and would be comfortable with a subsidy of around seventy thousand dollars over a period of time.

**Public Comment**

Councilman Hunt acknowledged the guests, and said that he would take public comment at this time, rather than at the end of the meeting.

Mr. Tom Youngblood, a member of the Aston Park Tennis Center said that if you miss the fee increase for April, you have missed it for the year because April is when the pass holders come in and sign up. You can not affect the deficit until you look at both the revenue and the expense side of the operation.

Mr. Dan Costante, a member of the Aston Park Tennis Center said that the focus group was shocked when they saw the amount of subsidy from the city and that we have the same goal of reducing the amount of the subsidy the city is providing the Center. What we would like council to do is give us the empowerment to work with staff to come up with a strategic plan that would be beneficial to all stakeholders.

Councilman Hunt said that he appreciated that the group has stepped up and provided substantive recommendations and there should be a way that the group can continue to stay engaged. Council will look primarily to staff to recommend solutions with participation from the user group.

Councilwoman Wisler said that the action steps would be that we are going to work on the user fee study and a detailed operational plan will be completed in connection with the project analysis at which time staff will come back and propose how the user-advisory group will be involved.

#### **Audit Update**

Mr. Tony McDowell said that staff will be coming to council on December 9<sup>th</sup> with the audit presentation and then he introduced city staff that played a role in this years' audit. He then introduced Mr. Eddie Burke, from Cherry Bekaert, our auditing firm, who provided the committee with an update on the FY 2013-14 audit (attachment# 3).

#### **Civic Center Sale of Surplus Ice/Hockey Equipment**

Mr. Sam Powers summarized the staff report (attachment #5) for the committee. Four years ago, Council gave direction to give this equipment to a non-profit, but they did not meet the terms of the contractual obligation. The equipment is currently in storage and staff would like to proceed with the surplus equipment disposition as expediently as possible. Staff would like for a portion of the proceeds of the sale to be used for repairs at the roller hockey rink at Carrier Park.

#### **Review Property Tax Billing Research**

Ms. Barbara Whitehorn said that since the committee read the report, (attachment #4) and in the interest of time, asked if it would be alright if she just took questions from the committee.

Councilman Wisler said that perhaps the county might be open to negotiation. The City of Asheville's property tax value is going to go up, but the number of bills will remain low, so how the billing is being done with no limitation, gives opportunity. Vice Mayor Hunt said in situations where cost is shared proportionally, is there a way that the finance department could work with the county's finance department on what the costs are and agree to split that on a pro rata basis. Ms. Whitehorn said that the pro rata share is calculated in two different ways: 1.) the number of bills and 2.) annual levy based. One approach would be to appeal to the county to do this together and ask it be reflective of real costs and consider cost sharing or fee reduction. Any changes need to be made prior to December 31<sup>st</sup>, because the bills go out January 1st. The committee asked that Gary approach the county about the possibility of making changes this year.

The Chair adjourned the meeting at 1:40p.m

DRAFT

Att. 1

**MEMORANDUM**

To: Finance Committee Date: October 28, 2014  
From: Barbara Whitehorn, CFO, Director of Finance & Management Services  
Prepared by: Frank McGowan, Strategic Planning & Performance Manager  
Subject: Aston Park Tennis Center Study Status Update

The purpose of this memorandum is to provide an update on the study of the Aston Park Tennis Center's operations.

**Feedback from the public input process with Aston Park Tennis Center stakeholders**

The Finance Committee requested a public input process regarding the operations of Aston Park Tennis Center and suggestions for improving the financial position of the facility.

During late August, publicity began for two public input meetings with Aston Park Tennis Center stakeholder groups. The meetings were held on Sept. 4, 2014. Also, a project page was set up on the City of Asheville website and the public was invited to submit comments via an online survey tool.

Additionally, a volunteer focus group was recruited from interested stakeholders, with the goal of compiling public input, summarizing findings, and providing recommendations to the Finance Committee for the reduction of the level of subsidy at the Aston Park Tennis Center. Asheville Parks & Recreation staff, Mark Halstead and Debbie Ivester, facilitated the focus group process.

The group completed their work on October 8, 2014. Attached is their summary. City staff expresses their appreciation to the volunteer group for their time and dedication to the process.

**Please note:** The two-year financial baseline document was prepared by the focus group as an example of what might be considered to increase revenue and reduce expenses. This material has not been studied by staff in any way.

Attachments (2): Focus Group Summary Memorandum  
Focus Group Two Year Financial Example

CC: Paul Fetherston, Asst. City Manager  
Roderick Simmons, Parks & Recreation Director  
Debbie Ivester, Parks & Recreation Asst. Director  
Mark Halstead, Parks & Recreation Program Supervisor



MEMORANDUM

To: City Council Finance Committee  
From: Aston Park Tennis Center Focus Group  
Date: October 8, 2014  
Subject: Aston Park Tennis Center Focus Group Report

Aston Park Tennis Center has a long history of serving the residents of Asheville. It is a jewel in the center of the city that provides important recreational opportunities to the residents of Asheville as well as visitors to the area. Asheville should be proud to list Aston Park Tennis Center as a landmark to healthy living, engaged citizenry and economic impact.

The Aston Park Tennis Center Focus Group concluded its review of public comments regarding tennis center operations. The Focus Group recommends five main points that resounded prominently throughout the public engagement process.

- 1) Continue to operate the Aston Park Tennis Center as an affordable, City of Asheville department managed facility.
- 2) Clearly identify and establish an acceptable level of subsidy for the tennis center.
- 3) Implement a moderate fee increase to begin with the 2015 tennis season.
- 4) Develop a business plan that will reduce expenditures and enhance revenues.
- 5) Establish a Tennis Center Advisory Board empowered to implement positive change for tennis center operations.

Attachments:

- A) Report on Public Engagement – Summary of public comments and Focus Group meetings that support the recommendations of the Focus Group Report.
- B) Two-Year Financial Baseline Example – The Focus Group worked to provide an example of a moderate fee increase and expense reduction over a two-year period to reduce the city subsidy to the Aston Park Tennis Center.

## Focus Group Report on Public Engagement

### Background:

At the request of the Asheville City Council Finance Committee, staff gathered public comment regarding Aston Park Tennis Center operations. It hosted two public meetings on September 4, 2014, and public comment was open via the City's website through September 30, 2014 on the areas of operations listed below.

- 1) Fee increase comparison to incrementally increase fees over a 3-year and 4-year period
- 2) Tennis Center management, revenue and cost saving opportunities, and general operations
- 3) Tennis Center maintenance operations

### Focus Group:

As part of the public process, a volunteer Focus Group formed to evaluate and consolidate the public comment to best represent overall feedback from the tennis community.

Focus Group Members: Ashley Arrington, Chris Barcklow, Sallie Bissell, Elaine Blanton, Dan Costant, Susan Eggerton, Lucy Keil, Paul Kelman, Ginger McLeod, Renate Rikkers, Marty Ruatto, Christian Theodossiou, Tom Youngblood  
Staff Liaison: Mark Halstead, Debbie Ivester, Laura Loftis

### Process:

The Focus Group met over a six-week period to evaluate and prioritize the public comment. Public comment evaluation was based upon strong public response and impact on reducing the subsidy to Aston Park. The Focus Group also discussed ideas to pursue to further reduce the city subsidy. The Focus Group considered and referenced the Aston Park Tennis Business Plan Options prepared by the City of Asheville Finance Department for the Finance Committee staff report dated May 27, 2014.

### Public Comment Summary:

The Focus Group and public comment strongly supports the City of Asheville to continue to operate the Aston Park Tennis Center. It agrees fees should be increased, and the City should look at other opportunities to increase revenue and to reduce expenses.

Throughout the process, the Focus Group demonstrated interest in what the Finance Committee considers to be an acceptable goal to reduce subsidy for Aston Park Tennis Center. They felt reducing the subsidy is necessary but does not agree to zero subsidy, especially in relation to the City subsidizing other parks and recreation facilities.

### Tennis Center Fee Increase:

- 1) There is overwhelming public support for a modest fee increase to pass holder fees, and a modest increase to daily court use fees.
- 2) There was no public support for the proposed 3-year and 4-year fee increase. The Focus Group felt this proposal presents too drastic of an increase and will drive away

- customers. The end fee of the proposal is too expensive for public courts and will drive pass holders to private clubs where more amenities are available for a similar fee. In general that as public courts, the fees should be affordable for the general public.
- 3) There is unanimous public support for increasing the senior age fee from the current age of 50 to 65 years old. The Focus Group concluded this will have a positive impact for increasing revenue while having a limited negative response from the public. The Focus Group also supported having a senior discount for non-residents as well as residents.
  - 4) The Focus Group is in favor of increasing the Family Fee. The Focus Group recommends the fee to be raised to a level where it is still favorable for families but increases revenue for the facility. "Family" should be defined in order to determine this fee.

Operations:

- 1) Do not lease tennis center operations to a management company. Public comment unanimously supports this. The Focus Group is concerned a management company will raise prices to a point the general public cannot afford the courts and public court time will not be available due to large number of tournaments.
- 2) The Focus Group's concern is not all tennis park users are paying the appropriate fees, and recommended staff take steps to insure that users are accounted for and pay the appropriate fees in the following areas of operations.
  - A) United States Tennis Association league teams and players
  - B) Tournament tennis players
  - C) Daily use and pass holders check in
- 3) The Focus Group recommends offering a comprehensive tennis program including but not limited to developing and expanding tennis lessons, clinics and racquet stringing to increase revenue.
- 4) The Focus Group felt the economic impact of tournaments at the tennis center should be considered when determining the subsidy level. A recent article in the Asheville Citizen-Times (9/27/14) highlighted the numbers of people who travel to Asheville to play in tennis tournaments and the money they spend locally. The City subsidizes other events that affect the economic impact on the local economy.
- 5) Develop a sponsorship, advertisement and grant program to generate revenue other than user fees. The Focus Group indentified numerous possibilities, from advertisement on court windscreens to sponsorship of tournaments and programs.
- 6) Evaluate and design tennis center staffing levels to best support tennis center operations.
- 7) Use the tennis center club house to offer tennis and non-tennis classes during the tennis off season.
- 8) One of the tennis center's largest operating costs is water. Explore installing a well at the tennis center to use of well water to water courts and reduce operating cost.
- 9) Evaluate and design use of court lighting at night to either limit the amount of time lights are on and reduce electricity cost, or increase court fees during times when court lights are on to offset electricity cost.
- 10) Develop a structured volunteer program to support tennis center operations in area including but not limited to:
  - A) Sponsorship, advertisement, grants, fundraising

- B) Sweep and maintain courts and lines
  - C) Signage for patron responsibility in maintaining the courts/facility
- 11) Develop a Tennis Center Advisory Board
- A) Assist and advise in operations
  - B) Fundraising
  - C) Develop a sponsorship program
- 12) The Focus Group feels the City should consider TDA and other grants to improve the facility which in turn will generate more use and more revenue.

Maintenance:

- 1) Keep all tennis courts as clay. Do not convert to hard courts. Public comment overwhelmingly supports this.
- 2) The Focus Group stressed the importance of public clay courts and the advantages over hard court surfaces. Clay is easier physically on the body and allows people to continue to play as they get older. The Focus Group acknowledges that clay courts require more work and are more expensive to maintain than hard courts, but the advantages of clay courts for the health and active lifestyle of patrons and the ability to offer tournaments that provide a strong economic impact are worth the increased expense.
- 3) The Focus Group identified tennis center parking as vital to the viability of the tennis center. Currently there is very little parking at the center, with a private lot across the street at Hilliard and Pearl Street that has been used for many years as tennis center parking. The lot is in poor condition, and there is no agreement between the City and the property owner for tennis center use so use of the lot is not secured. The Focus Group recommends securing the lot and/or develop additional parking on the back area of Aston Park, or on the adjacent Park Maintenance facility.

BASELINE FY 2013 PASS HOLDER REVENUE

07.01.12 - 06.30.13

TYPE	QTY	RATE	EXTENDED TOTAL
RES. IND.	40 X	\$ 160	\$ 6,400
RES. SR.	135 X	\$ 130	\$ 17,550
RES. FMLY.	19 X	\$ 200	\$ 3,800
RES. SR FMLY.	33 X	\$ 160	\$ 5,280
TOTAL RES.			\$ 33,030 64%
NON RES. IND.	12 X	\$ 200	\$ 2,400
NON RES. SR.	65 X	\$ 170	\$ 11,050
NON RES. FMLY.	3 X	\$ 240	\$ 720
NON RES. SR. FMLY.	22 X	\$ 200	\$ 4,400
TOTAL NON RES.			\$ 18,570 36%
TOTAL PASS HOLDER INCOME			\$ 51,600 100%
TOTAL ANNUAL REVENUE FY 2013			\$ 84,300
PH REVENUE AS % OF TOTAL REVENUE			61.0%

NUMBER OF PASS HOLDERS ( QTY.) TAKEN FROM FRANK McGOWAN'S AP BUSINESS PLAN PAGE 6.

REVENUE ONLY

YEAR 1

ASSUMPTIONS

20% INCREASE PH FEE

PH REVENUE = 61% OF TR

10% LOSS OF PH

10% INCREASE IN NON PH INCOME

RES. IND. (40)	36 X \$ 200	\$ 7,200
RES. SR. (135)	122 X \$ 160	\$ 19,520
RES. FMLY (19)	17 X \$ 240	\$ 4,080
RES. SR. FMLY (33)	30 x \$ 200	\$ 6,000
TOTAL RES.		\$ 36,800
NON RES. IND. (12)	11 x \$ 240	\$ 2,640
NON RES. SR. (65)	59 X \$ 205	\$ 12,095
NON RES. FMLY (3)	2 X \$ 290	\$ 580
NON RES. SR. FMLY (22)	20 X \$ 240	\$ 4,800
TOTAL NON RES.		\$ 20,115
TOTAL PH REVENUE		\$ 56,915
TOTAL NON PH REVENUE \$ 36,400 increase 10%		\$ 40,000
TOTAL REVENUE		\$ 96,900
TOTAL REVENUE % INCREASE OVER BASELINE YEAR		15 %

REVENUE ONLY

YEAR 2

ASSUMPTIONS

15% INCREASE PH FEES

5% INCREASE NON PH REVENUE

NO CHANGE IN NUMBER OF PASS HOLDERS

RES. IND.	36 X \$ 230	\$ 8,280
RES. SR. IND.	122 X \$ 185	\$ 22,570
RES. FMLY	17 X \$ 275	\$ 4,675
RES. SR. FMLY	30 X \$ 230	\$ 6,900
TOTAL RES.		\$ 42,425
NON RES. IND.	11 X \$ 275	\$ 3,025
NON RES. SR. IND.	59 X \$ 235	\$ 13,865
NON RES. FMLY	2 X \$ 330	\$ 660
NON RES. SR. FMLY	20 X \$ 275	\$ 5,500
TOTAL NON RES.		\$ 23,050
TOTAL PH REVENUE		\$ 65,525
TOTAL NON PH REVENUE \$ 41,900 increase 5%		\$ 44,000
TOTAL REVENUE		\$ 109,525
TOTAL REVENUE % INCREASE OVER YEAR 1		13%

## SUMMARY PROFIT and LOSS STATEMENT

### ASSUMPTIONS

USE REVENUES BASED ON INCREASES

NO CHANGE IN EXPENSE STRUCTURE

### BASELINE YEAR 2013

REVENUE	\$ 84,300
EXPENSE	\$ 236,200
LOSS	(\$ 151,900)

### YEAR 1

REVENUE	\$ 96,900
EXPENSE	\$ 236,200
LOSS	(\$ 139,300)

### YEAR 2

REVENUE	\$ 109,500
EXPENSE	\$ 236,200
LOSS	(\$ 126,700)

## SUMMARY PROFIT and LOSS STATEMENT

### CHANGES TO EXPENSE STRUCTURE

#### YEAR 1

##### ASSUMPTIONS

REDUCE PERSONNEL COST 25% \$ 159.5 = \$ 119.6 (\$ 39.9)

REDUCE CONTRACT SERVICES 50% \$ 12.9 = \$ 6.5 (\$ 6.4)

TOTAL EXPENSE REDUCTION (\$ 46.3)

TOTAL REVENUE	\$ 96,900
TOTAL EXPENSE	\$ 189,900
LOSS	(\$ 93,000)

#### YEAR 2

##### ASSUMPTIONS

REDUCE PERSONNEL COST 10% \$ 119.6 = \$ 107.6 (\$ 12.0)

REDUCE WATER/SEWER 80% \$ 19.6 = \$ 4.0 (\$ 15.6)

TOTAL REVENUE	\$ 109,500
TOTAL EXPENSE	\$ 162,300
LOSS	(\$ 52,800)

**GRAND SUMMARY**

**REVENUE INCREASE ONLY**

**REVENUE INCREASE**

**EXPENSE REDUCTION**

**YEAR 1**            **(\$ 139,900)**

**(\$ 93,000)**

**YEAR 2**            **(\$ 126,700)**

**(\$ 52,800)**



**Audit Summary:**

- Overall clean audit
  - We received full cooperation from everyone throughout the City
  - All information that we requested was provided to us
- Audit opinions
  - it is anticipated that the City will receive an unmodified opinion on your financial statements
  - it is anticipated that the yellow book report will be an unmodified opinion with no compliance findings or internal control issues noted
  - it is anticipated that the single audit reports for federal and state programs that were administered during the year will be an unmodified opinion with no compliance findings or internal control issues noted
- Gained an understanding of the internal control environment from a governance perspective all of the way down to the initiation of a transactions – areas evaluated and where walkthroughs were performed are as follows:
  - Cash receipts
  - Billings
  - Cash disbursements
  - Payroll
- We performed test of internal controls in the following areas with no issues noted:
  - Journal entries,
  - Payroll
  - Disbursement
- Areas of focus this year were
  - Cash and investments
  - Accounts receivable and revenue
  - Accounts payable and expenditures
  - Payroll
- The City was required to have a single audit in the current year – the federal and state programs audited for compliance in the current year were as follows:
  - Federal Transit Cluster (20.500 & 20.507)
  - FTA - TIGER II East of Riverway (20.933)
  - FEMA Storm Reimbursements (97.036)
  - Powell Bill
  - State Maintenance Assistance Program
  - Urban Advanced Technology Grant
- As a part of our single audit procedures we followed up on the prior year single audit findings – there were three findings reported last year – all three were addressed and cleared in the current year

**Audit Status:**

- Final stages of preparation and review of the Comprehensive Annual Financial Report
- On target for timely submission on October 31, 2014

**Additional Notes:**

- All members of City staff were extremely accommodating during fieldwork
- The assistance of the finance department, program managers and water department has been crucial to the smooth running audit

# Finance Committee Update

City of Asheville

October 28, 2014

**Cherry Bekaert LLP**

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# Audit Summary

## Clean Audit / Audit Opinions

We received full cooperation from everyone throughout the City and all requested information was provided to us.

It is anticipated that the City will receive an unmodified opinion on the financial statements.

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# Audit Status

## Audit Status and Additional Notes

We are currently in the final stages of the preparation and review of the Comprehensive Annual Financial Report.

We are currently on target for timely submission on October 31, 2014.

All members of City staff were extremely accommodating during fieldwork.

The assistance of the finance department, program managers and water department has been crucial to the smooth running audit.

# Contact

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Cherry Bekaert LLP



Att. 4.

## Finance and Management Services

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Memo To: Finance Committee  
Via: Gary Jackson, City Manager  
Memo From: Barbara Whitehorn, Chief Financial Officer, Director of Finance & Management Services  
Subject: Property Tax Billing and Collections  
Date: October 28, 2014

### Summary

Many NC municipalities contract with the Counties in which they reside for billing and collection of property taxes and associated fees. This preliminary report provides an overview of arrangements found across the state. This overview is a starting point for City management and elected officials to consider the range of options available for ad valorem property tax billing and collections.

### Background

The City of Asheville (City) entered an agreement (Agreement) with Buncombe County (County) in June 2005 for billing and collection of ad valorem property taxes for real estate, registered motor vehicle, business personal, and personal property. The Agreement pertains also to billing and collection of motor vehicle fees. For its services, the County retains 1 1/2% of all collections related to these taxes and fees, including penalties, interest, assessments, and back taxes. Net proceeds are wired daily to the City's bank account.

Beginning in 2013, responsibility for the billing and collection of registered motor vehicle (RMV) taxes and fees shifted to the NC Division of Motor Vehicles (NCDMV). The statute (NCGS 105-330.5) mandated creation of a Tax & Tag Together program that combines RMV registration renewal and property tax collection. Table 1 depicts how services related to vehicle taxes are now shared among the various participants:

Table 1

Activity	County	Taxing authorities*	NCDMV
Appraise vehicles	X		
Levy taxes/fees		X	
Consider taxpayer appeals	X		
Bills taxes/fees for registered vehicles			X
Bills taxes/fees for unregistered vehicles	X		
Collect taxes/fees for registered vehicles			X
Collect taxes/fees for unregistered vehicles	X		
Receive collections from NCDMV (net of fees)	X		
Distribute to taxing authorities	X		

\*taxing authorities include counties, municipalities, school districts, volunteer fire departments, etc.

Expenses incurred by NCDMV in the collection of vehicle property taxes are passed along to the County, which allocates those expenses on a pro rata basis among the various taxing authorities in Buncombe County. The Agreement has not been amended to reflect changes associated with the Tax & Tag Together program; however, the County continues to provide certain services related to vehicle taxes and fees, as shown above. This change in scope of services provides an occasion to revisit the Agreement.

In Fiscal Year 2014 (FY 2014) the City paid the County approximately \$800,600, and NCDMV approximately \$27,000, for ad valorem property tax billing and collections. These unaudited figures represent 1.55% of all taxes, fees, and related revenue collected by these partners.

## Findings

### 1 - Prevalence of interlocal agreements for tax billing and collection

Property tax billing and collections activities are managed differently among the eighteen NC municipalities having population greater than 50,000. Those eighteen municipalities are listed here in Table 2:

Table 2

<i>Contract with county for tax billing and collections</i>		<i>Do NOT contract with county for tax billing and collections</i>	
<i>Municipality</i>	<i>Population</i>	<i>Municipality</i>	<i>Population</i>
Charlotte	765,464	Concord	81,350
Raleigh	418,099	Rocky Mount	56,650
Greensboro	275,029	Burlington	51,195
Durham	236,566		
Winston-Salem	233,232		
Fayetteville	209,080		
Cary	142,382		
Wilmington	109,689		
High Point	106,393		
Asheville	86,205		
Greenville	86,142		
Jacksonville	76,492		
Gastonia	72,507		
Chapel Hill	59,271		
Huntersville	50,141		

From this list there appears to be a correlation between the size of the municipality and its likelihood to contract with the county for tax billing and collections. That is, the larger the municipality, the more likely it is that collections are handled by the county in which the municipality is situated.

Collection rates provide a comparative measure of a tax collector's effectiveness. The counties in which the 18 largest municipalities are situated are listed in Table 3. A collection rate represents that portion of the tax levy that was collected in FY 2013, which is the most recently available data. *Bold italics* in the table denote those counties that do not collect for all of their respective municipalities.

Table 3

County	Tax collection rate
Wake	99.77%
Buncombe	99.44%
Durham	99.43%
Randolph	99.20%
New Hanover	99.09%
Cumberland	99.08%
Orange	98.95%
Forsyth	98.85%
Mecklenburg	98.79%
Guilford	98.50%
Pitt	98.50%
Gaston	98.19%
<i>Alamance (Burlington)</i>	<i>98.12%</i>
Chatham	98.05%
Onslow	97.55%
<i>Cabarrus (Concord)</i>	<i>97.29%</i>
<i>Nash (Rocky Mount)</i>	<i>97.06%</i>
Davidson	96.52%
<i>Edgecombe (Rocky Mount)</i>	<i>93.54%</i>

Another correlation may exist between a county's collection rate and the likelihood of a municipality to collect its own taxes. Both Burlington, with a 98.32% collection rate, and Concord, with a 97.32% collection rate, demonstrate better success in collecting the tax levy than their respective counties. Rocky Mount is situated in two counties and the city's rate, at 96.30%, exceeds Edgecombe County but lags behind Nash County.

Because Buncombe County ranks at the top of the list for its collections success, this suggests caution when considering alternatives. A sensitivity analysis indicates that a 1% change in the collection rate equates to approximately \$480,000 in City revenue.

2 – Terms and costs of interlocal agreements

Three of the eighteen largest municipalities (Fayetteville, Greenville, and Chapel Hill) did not respond to requests to share the terms of their interlocal agreements. However, the remaining thirteen did respond and provide a basis of comparison for the City. There is much disparity in the bases of compensation/cost sharing among municipalities and counties. The four methods discovered are:

1. Flat fee per bill mailed
2. Percentage of all amounts collected
3. Pro-rata share of the cost to operate the county tax office
4. Flat fee for services

Table 4 lists all thirteen responding municipalities, showing that a majority of the thirteen municipalities pay a percentage of the amounts collected. Percentages for this group range from 0.2 – 1.5% of collections.

Table 4

Municipality	County	METHODS			
		Fee per bill	% of collection	Pro: rata share of exp	Flat fee
Asheville	Buncombe		1.5% of collections		
Charlotte	Mecklenburg			Cost shared proportionately with the county	
Raleigh	Durham		1.5% of collections		
Raleigh	Wake		0.2% of collections		
Greensboro	Guilford				\$963,000 per year
Durham	Durham		1% of collections		
Winston-Salem	Forsyth			Cost shared proportionately with the county	
Cary	Wake		0.2% of collections		
Wilmington	New Hanover		1.5% of collections		
High Point	Davidson	\$5.25 per bill	1.5% of collections for RMV		
High Point	Forsyth		1% of collections		
High Point	Guilford				\$347,200 per year (.62% of FY 2010 collections)
High Point	Randolph		1.25% of collections		
Jacksonville	Onslow		1% of collections (up to 95%; 5% of collections (over 95%))		
Gastonia	Gaston	\$4.00 per bill	0.5% of collections		Lesser of 2 methods, capped at \$128,200 per year
Huntersville	Mecklenburg	\$2.00 per bill			

For illustrative purposes and using the various methods denoted in Table 4, the range of costs that the City might have paid in FY 2013 is \$83,500 - \$901,700. More detail is shown in Exhibit A, at the end of this report.

### 3 – Costs of tax billing and collection for municipalities not contracting with counties

How do the costs of outsourcing billing and collections activities to counties compare with providing those services within a municipal organization? Three NC municipalities with populations greater than 50,000 bill and collect their own taxes. From a preliminary review of budget documents and other financial data, it is difficult to ascertain the discrete cost of these activities, as those tax billing and collections costs are not isolated by the cities of Concord, Burlington, or Rocky Mount. That is, staff members responsible for property tax billing and collections also provide other services, such as utility, business privilege license, and other general city revenue billing and collections.

However, one of those cities -- Concord -- reports in the FY 2015 budget document that its cost of billing and collections per bill for that year was \$13.76. The cost for the City per bill was \$17.24 for FY 2013 (see note to Exhibit 1), based on its Agreement with the County.

While the data is still incomplete and inconclusive, preliminary findings do indicate that further review is warranted.

Some of the relevant questions to ask are:

1. How much would the County charge City to access and acquire County's property data?
2. What are the system requirements to acquire and process County's property data in order to generate billing?
3. With the transition to Tax & Tag Together, what costs would the County pass along to the City in addition to the amount passed through from NCDMV?
4. Does the City use a lock box service for collection of tax payments or process payments in house (as does Water Resources)?
5. Are additional software costs required for collections?
6. Does the City outsource printing and mailing of tax notices (as does Water Resources) or does it prepare for mailing tax notices in house?
7. What level of staffing might be required to perform the duties associated with gathering property data, preparing bills, and collecting payments?
8. Who handles taxpayer appeals? And what is the process?

Preliminary recommendations

- 1) Continue to gather information needed for firm estimate of cost to perform tax billing and collections in house for comparative purposes
- 2) Determine priorities for decision making
  - a. Lowest cost to City taxpayer
  - b. Most efficient use of public funds (system/process redundancy if City and County both bill and collect)
  - c. Value to the taxpayer of consolidated tax billing
- 3) Consider negotiation of lower fee paid to the County
- 4) Amend existing Agreement in order to address:
  - a. Tax & Tag Together program and note the changes mandated by NCGS 105-330.5
  - b. Somewhat vague language in section 7 of the Agreement could be more explicit to exclude capital costs to replace or upgrade tax and land records management software
  - c. Lower negotiated fee structure
- 5) Establish City policy for writing off taxes due and determine whether section 12 of the existing Agreement is sufficient to rely on County Tax Collector's to make this determination.

Exhibit A

METHODS			
Fee per bill	% of collection	Pro-rata share of exp	Applied to City
	0.2% of collections		96,000
	0.5% of collections		239,800
	1% of collections		479,600
	1% of collections (up to 95%; 5% of collections (over 95%))		565,200
	1.25% of collections		599,400
	1.5% of collections		719,300
\$2.00 per bill*			83,500
\$4.00 per bill*			167,000
\$5.25 per bill*	1.5% of collections for RMV		251,400
		Cost shared proportionately with the county (% bills)	615,200
		Cost shared proportionately with the county (% levy)	901,700

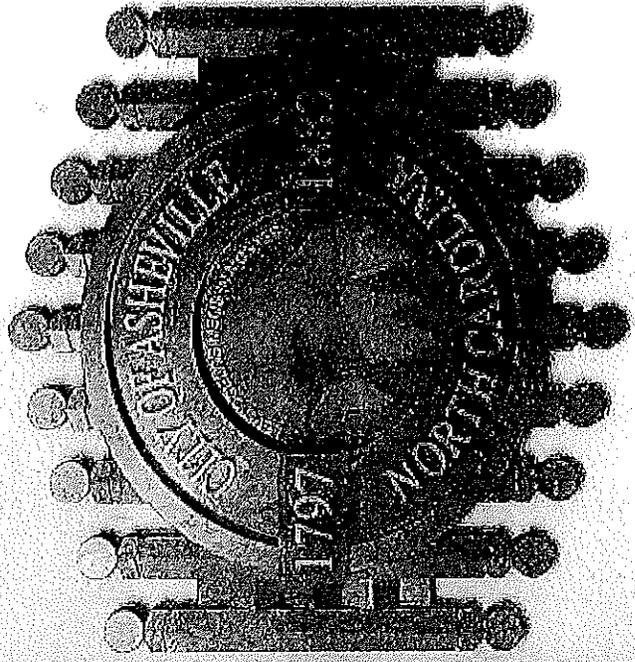
\*City of Asheville FY 2013 cost of billing and collections per bill was \$17.24

# Property Tax Billing Research

Asheville City Council

Finance Committee

October 28, 2014



# Billing Options



- Interlocal Agreement for Tax Billing
  - No overhead costs
    - Personnel
    - Space/Supplies
  - Pay a fee to the County for the billing service
- Internal Billing Division
  - Control of overhead costs
  - Requires considerable staff resources and expertise

# Statewide Trends



Cities with population > 50,000

- Interlocal Agreement for Billing
  - 15/18
  - 83%
- Internal Billing Division
  - 3/18
  - 17%

# Statewide Trends: Cost Allocation



## Interlocal agreement Billing Options

1. Flat Fee per bill mailed
2. Percentage of all amounts collected
3. Pro-Rata share of the cost to operate the  
County Tax Office
4. Flat fee for services

# Statewide Trends: Cost Allocation of Interlocal Agreements



(13 cities responding, 17 contracts):

- Fee per bill mailed: 1
- Percentage of all collections: 9
- Pro-rata cost sharing: 2
- Flat Fee :3
- Combination of flat fee and percentage of certain collections: 2

# Agreement Detail of Responding Cities



METHODS			
Municipality	County	Fee per bill	Pro-rata share of exp
Asheville	Buncombe		Flat fee
			1.5% of collections
Charlotte	Mecklenburg		Cost shared proportionately with the county.
Raleigh	Durham		1.5% of collections
Raleigh	Wake		0.2% of collections
Greensboro	Guilford		
Durham	Durham		1% of collections
			\$963,000 per year
Winston-Salem	Forsyth		Cost shared proportionately with the county.
Cary	Wake		0.2% of collections
Wilmington	New Hanover		1.5% of collections
High Point	Davidson	\$5.25 per bill	1.5% of collections for RMV
High Point	Forsyth		1% of collections
High Point	Guilford		\$347,200 per year (62% of FY 2010 collections)
High Point	Randolph		1.25% of collections
Jacksonville	Onslow		1% of collections (up to 95%; 5% of collections (over 95%))
Gastonia	Gaston	\$4.00 per bill	Lesser of 2 methods, capped at \$128,200 per year
Huntersville	Mecklenburg	\$2.00 per bill	0.5% of collections

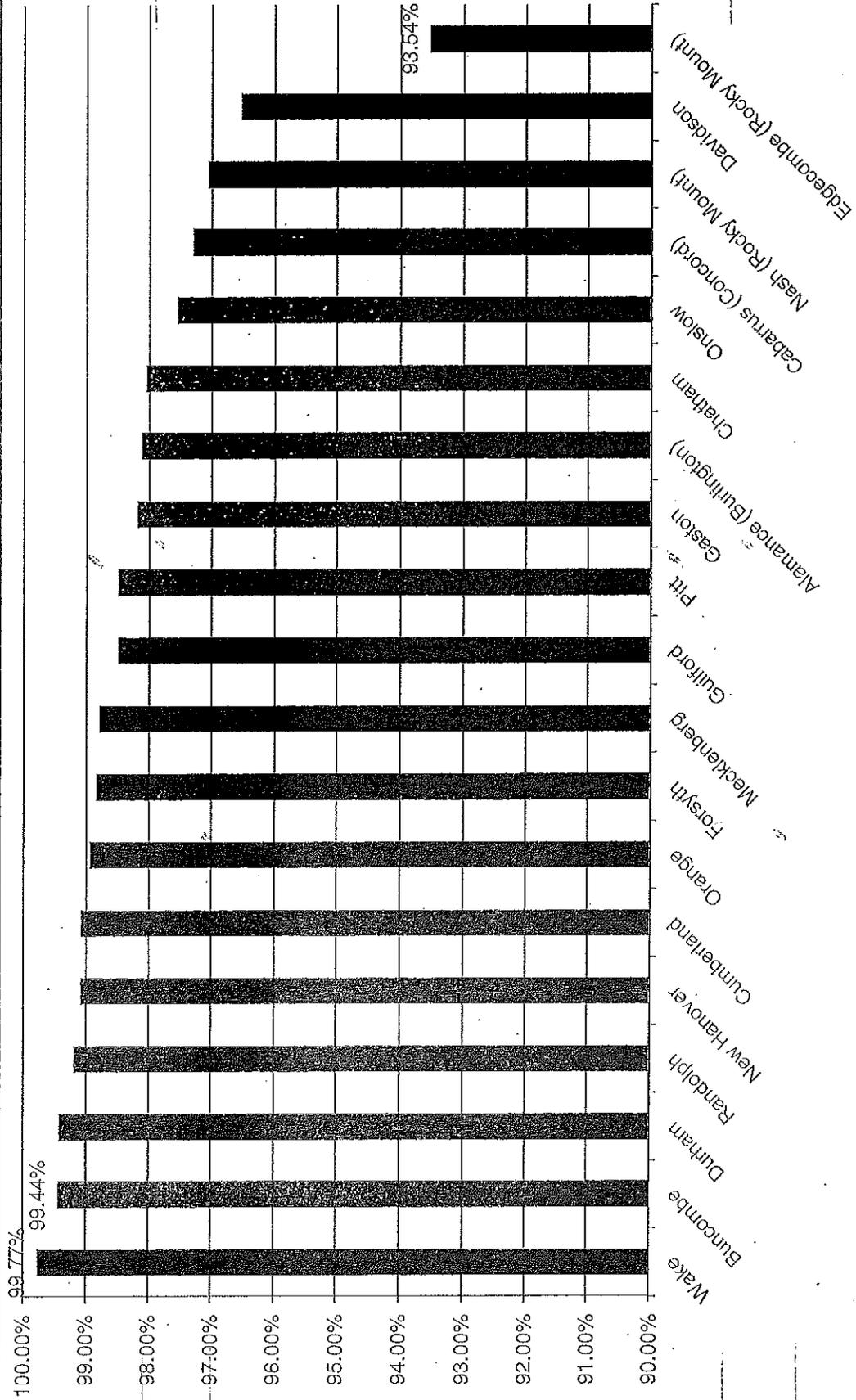
## Internal Billing Costs



Three of the cities with greater than 50,000 population bill and collect internally

- Burlington, Concord, Rocky Mount
- Only Concord reports cost per bill: \$13.76
- Current cost, Asheville contract: \$17.24

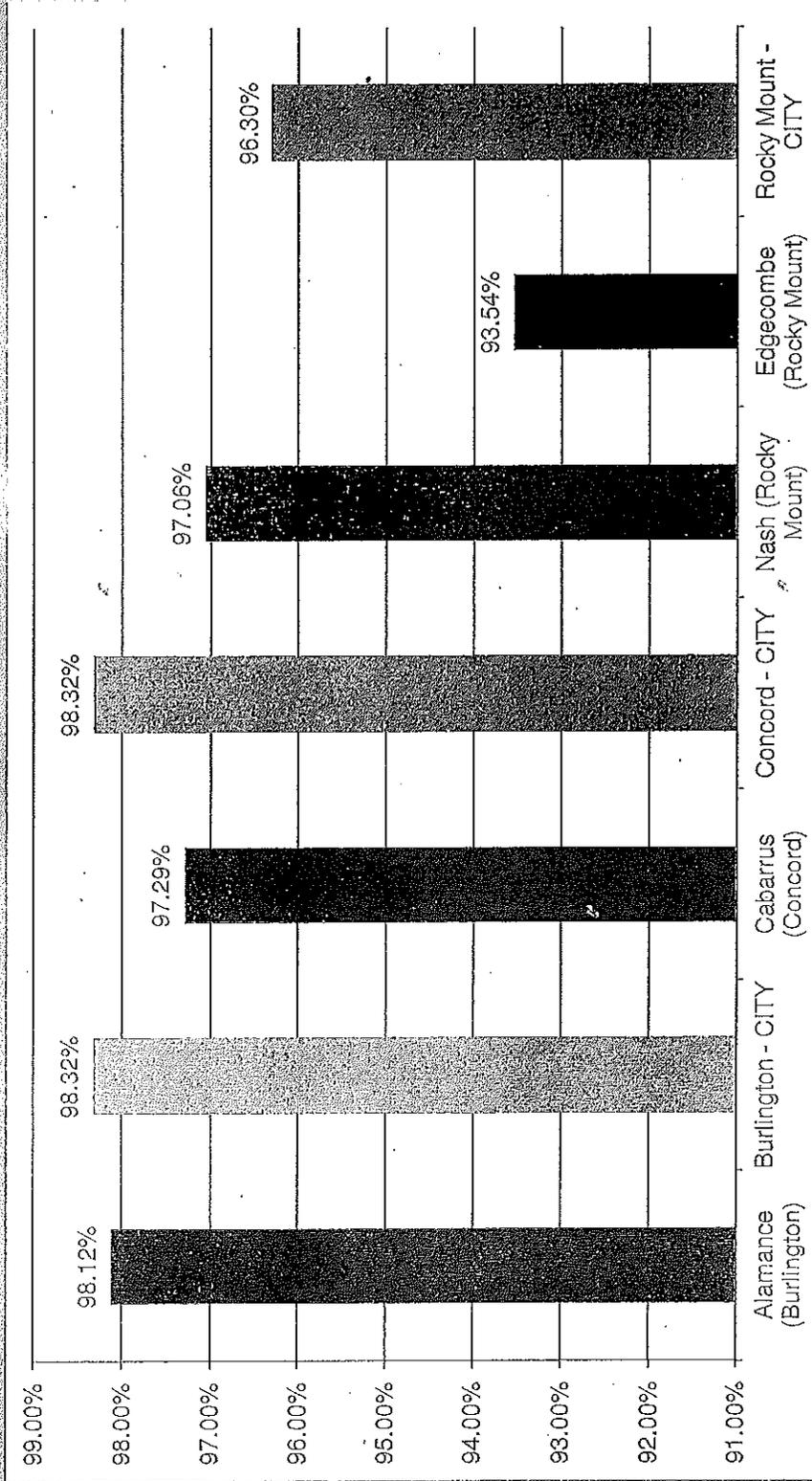
# Statewide Trends: County Collection Rates





# Statewide Trends: Collection Rates

## Cities with in-house collections versus County



# Buncombe County



Collection Rate: 99.44%

\$800,600 current contract (2014)

- Sensitivity analysis
  - 1% drop in rate = \$480,000
- Implications
  - Assuming Cost of Staff and Billing infrastructure: \$500,000/year
  - 1% drop in collection rate: (\$179,400)
  - Drop to average collection rate: 98.21%:  
(\$289,800)

# Recommendations



## Priorities:

- Lowest Cost to City Taxpayers
- Most efficient use of public funds
- Value to the taxpayer of consolidated bills

## Opportunities:

- Contract Negotiation/Amendment
- Capital Cost exclusion?
- Lower fee structure?

STAFF REPORT

To: City Council Finance Committee Date: 10/24/14

From: Sam Powers, Director of Economic Development

Prepared by: Chris Corl, General Manager, U.S. Cellular Center

CC: Gary Jackson, City Manager

Subject: Disposition of Surplus Property; Ice Making & Related Equipment

OVERVIEW:

In 2010 as the then Civic Center began a renovation process, it was determined that existing ice making and related equipment would no longer be used. Staff began a surplus property disposition process. A non-profit group, Asheville Hockey League, approached the city about buying the equipment, retaining it, constructing a facility to house the ice rink and making it available for public use. Related staff report attached dated December 14, 2010.

Staff researched the ability to sell property valued at \$30,000 or more by private negotiation or sale instead of selling to a 'highest bidder.' Staff had previously determined a value of the ice related equipment at \$100,000. Staff determined that per GS 160A-279 a City may dispose of property by private sale to a non-profit agency which is carrying out a public purpose.

City council approved selling the equipment to the non-profit at a rate substantially below fair market value, at \$15,000 with the stipulation that the group had three years to complete the project. Related staff report attached dated February 22, 2011.

The three year term has expired; the group unfortunately has made no progress in building a venue for the ice equipment and has approached the city about repossession of the equipment. Unfortunately the group subleased some of the equipment to an organization out of state where it is currently located. The remainder of the equipment is currently being stored in three separate locations throughout the Asheville area. The non-profit is currently paying \$650 plus tax monthly rental for two of the eight storage trailers. The remaining trailers are currently owned & stored at locations of Asheville Hockey League supporters and it is unknown at this time if the free rent/storage costs will be extended to the City after ownership transfer.

REVERSION:

The purchase agreement dated May, 2011 (attached) states in section 3 of Terms and Conditions: " Buyer hereby agrees that if the ice rink is not operational and open to the public within the three year time period as described above, the City shall have the right to require the Buyer to return the ice rink and equipment to the ownership of the City. The terms of the reversion will be at the sole discretion of the City. Buyer agrees that it will be responsible for any costs associated with dismantling, removal and return of the equipment back to the City."

The non-profit has indicated that they will soon be looking for the City to cover the cost of the monthly rental or to provide a location to transfer the equipment to and

store. Storage space for the equipment is unavailable at the US Cellular Center and will be an unbudgeted expenditure at another location.

SAFF RECCOMENDATION:

Staff believes that the extenuating circumstances, the inability to affectively retrieve the equipment and the lack of storage space necessitate expediting the disposition process. The City purchasing department has agreed with the assessment of moving forward quickly with surplus sale process.

Attachments:

- (1) Staff Report Dated February 22, 2011
- (2) Staff Report & Resolution Dated December 14, 2010
- (3) Fully executed Purchase Agreement between City of Asheville & Asheville Hockey League dated May 13, 2011

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## STAFF REPORT

To: Mayor & City Council Date: February 22, 2011  
From: Lauren Bradley, Administrative Services Director  
Via: Gary W. Jackson, City Manager *AK*  
Subject: Disposal options for Civic Center ice rink and equipment

Summary Statement: The consideration of resolution authorizing the City Manager to enter into a negotiated purchase agreement with the Asheville Hockey League and award the sale of the Asheville Civic Center ice rink and all related equipment.

Background: On December 14, 2010, Asheville City Council delayed consideration of a resolution authorizing the City Manager to award sale of Civic Center ice rink and equipment to the highest bidder in order to provide time for staff to explore options for privately negotiating a sale of the equipment to the Asheville Hockey League (AHL).

After the December 14 meeting, staff completed legal research regarding the disposal of the equipment. Normally, personal property with a value in excess of \$30,000 cannot be disposed of by private sale and negotiation. Advertised bids would be required. However, GS 160A-279 provides an exception to this rule. This statute authorizes a City to dispose of property by private sale to a non-profit agency that is carrying out a public purpose. Conveyance of the property is conditioned on the use of the property for a public purpose. Based on this research, staff concluded that the AHL could meet the requirements of the statute and carry out a public purpose by allowing public access to the rink and equipment.

At the January 25, 2011, Finance Committee meeting, representatives from the Asheville Hockey League presented staff with a plan for putting the ice rink into use. The Finance Committee directed staff to review the proposal and discuss options for negotiating a sale of the ice rink and equipment for City Council consideration.

After the January 25 Finance Committee meeting, staff met with AHL representatives to review the plan and determine mutually acceptable terms by which the ice rink and equipment could be conveyed to the league. These terms would be summarized in an agreement between the City and AHL and would include:

- AHL will provide an up-front payment to the City for the purchase of the ice rink and associated equipment in the amount of \$15,000 with one payment of \$5,000 at the execution of the agreement and the remaining \$10,000 paid by May 31;
- The ice rink would be operational and open to the public within three years. If the ice is not open within three years, the City would have the right to exercise a reversion clause;
- AHL would agree to move the equipment out of the Civic Center by May 31, and would have a signed contract with a contractor to remove the equipment as well as evidence of a reserved storage space no later than May 1, and;
- The City would require as exhibits to the agreement a bio of AHL board members and others who would be involved to demonstrate that the group has the background and experience to operate the ice rink.

STAFF REPORT

To: Mayor and City Council  
Via: Gary Jackson, City Manager  
From: Lauren Bradley,  
Administrative Services Director  
Subject: Disposal of Surplus Greater than \$30,000

Date: December 14, 2010  
Prepared by: Amy Patterson,  
Purchasing Manager

Summary Statement: The consideration of a resolution authorizing the City Manager to award sale of Civic Center Ice rink and equipment to the highest bidder.

Review: Per NC General Statute 160A-266, City Council may dispose of personal property valued at \$30,000 or more by private negotiation or sale. The Civic Center has requested the disposal of property for the ice rink and all related equipment which is listed below.

Refrigeration Plant with spare parts  
Ice Resurfacer  
Ice Edger  
Hockey Goals, Nets and Pads  
Ice Skates  
Skate Sharpener  
Jet Ice Paint System  
Ice Floor Cover

Strategic Operating Plan: This action complies with the City of Asheville's strategic plan that supports a fiscally responsible city government through identifying opportunities for revenue diversification.

Pros:

- Promotes City of Asheville fiscal responsibility by disposing of surplus property which generates revenue
- Space Utilization-eliminates the need to store large, bulky, unused equipment

Cons:

- None

Fiscal Impact: Proceeds from the sale are estimated to be over \$30,000.

Recommendation: City staff recommends City Council adopt a resolution authorizing the City Manager to award the ice rink and all related equipment to the highest sealed bidder.

Attachment:  
(1) Resolution

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO AWARD THE SALE OF SURPLUS TO THE HIGHEST BIDDER FOR THE CIVIC CENTER ICE RINK AND EQUIPMENT

WHEREAS, the City of Asheville is responsible for the disposal of excess and obsolete personal property through the disposal of surplus

WHEREAS, the Civic Center has deemed the ice rink and equipment as excess; and

WHEREAS, pursuant to N. C. Gen. Stat. 160A-266 authorizes the City to dispose of personal property valued at \$30,000 or more by private negotiation or sale upon resolution of the City Council adopted at a regular meeting

WHEREAS, the Purchasing Manager will issue a bid for the above equipment; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to award the sale of the ice rink and equipment to the highest bidder on behalf of the City of Asheville.

Read, approved and adopted this 22nd day of February, 2011.

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

Approved as to form:

\_\_\_\_\_  
City Attorney

The purchase price was negotiated based on the AHL's estimates for moving and repairing the ice rink, which is estimated by the league to be \$57,000-\$85,000.

The Finance Committee was updated on progress at its February 8, 2011, meeting, where the Committee voted to move the item forward for City Council consideration at its February 22, 2011 meeting.

The consideration of this action does not specifically relate to the city's Strategic Plan.

**Pros of the negotiated sale:**

- Allows the ice rink and equipment to remain in the Asheville community for public use.
- Supports the City's goal to partner with outside groups and agencies to provide recreational programming.
- Provides a certain date and specified sale amount by which the rink will be disposed.

**Cons of the negotiated sale:**

- AHL plans for utilizing the rink and equipment are still somewhat conceptual and will rely on fundraising; therefore, implementation is not guaranteed.
- The value of the rink and equipment has been estimated by staff to be around \$100,000. The negotiated purchase price is below this amount and could result in the loss of additional revenue generated through a competitive bid process.

**Fiscal Impact:** A negotiated sale to the AHL would result in \$15,000 in revenue. A competitive disposal process could yield a higher amount of revenue for the Civic Center Fund; however, this potential loss of revenue could be offset by the benefit of putting the ice rink and equipment into public use for the Asheville community. It also recognizes the capital investment AHL will have to make in order to make the ice rink operational in Asheville.

**Recommendation:** Staff is seeking City Council consideration of a resolution authorizing the city manager to enter into a negotiated agreement with the Asheville Hockey League for the sale of the Civic Center ice rink and all related equipment. If City Council is not supportive of the negotiated sale, staff would further seek City Council's consideration of resolution authorizing the City Manager to award the ice rink and all related equipment to the highest sealed bidder.

**Attachments:**

- (1) Resolution
- (2) December 14, 2010, Staff Report

1. **Introduction.** The Asheville Hockey League, Inc. ("AHL") is a non-profit, charitable community organization that conducts league play currently for youth and adult inline hockey play. The AHL is a member of and sanctioned by USA Hockey ("USAH") and is affiliated with the City of Asheville – Parks and Recreation Department. For 8 years, AHL has also been engaged in the promotion of youth and adult ice hockey play. As our purpose as an organization includes the charge (1) to foster, promote and improve amateur inline and ice hockey in Asheville, North Carolina and the surrounding area, (2) to foster good sportsmanship, to promote good citizenship and good fellowship through the sport of amateur hockey, and (3) to develop and supervise amateur hockey in the Asheville, North Carolina community, we are interested in this opportunity to see the Asheville ICE Rink remain in Asheville. Due to this opportunity, our Executive Board has formed an ICE committee to research and oversee the AHL's part in this process.

The City of Asheville ("City") owns an ice rink and related support equipment (collectively "ICE Rink") that the City now wants to sell or make some other disposition. At this time, the condition of some of the Ice Rink is unknown but it is believed that substantial repairs are necessary. AHL seeks to acquire the Ice Rink for the purpose of establishing ultimately a year round venue for ice activities in Asheville, including public skating, ice hockey, figure skating, and other ice-related activities.

a. ICE Benefits...

Based on our research with ice consultants and at ice rinks in other cities, we have learned of the many benefits to skating. There are RECREATIONAL benefits - from parents and friends coming to watch a youth hockey game, to friends meeting up at the rink to socialize and enjoy public skating, to friends forming a team and competing in a recreation hockey league. There are COMMUNITY benefits. With Asheville as the de facto hub of Western North Carolina, a skating rink will draw people from all of the western counties and will provide a venue for out-of-town, established hockey leagues to attend tournaments, creating visitors to our city. Ice-related sports also provide opportunities for at-risk youth to participate in activities beyond what traditional sports have to offer. There are HEALTH benefits. Skating is phenomenal exercise. It can be enjoyed alone or in a group, occasionally or year-round. It is challenging and entertaining. Skating also helps combat childhood obesity. There are ECONOMIC benefits. Beyond tax benefits and "heads in beds", the operation of a rink will create new jobs -- both professional and entry-level positions.

- Public Skating is a year-round venture -- summer months are popular
- Currently, the closest venue for ice is Greenville, South Carolina
- Currently, 50 adults and 30 kids from our membership and contact lists are playing in Greenville, SC

- 21% of the players in the Greenville leagues come from WNC zip codes
- Civic Center Public Skate saw 150-200 skaters per session; 8 sessions per day; 1,200-1,600 skaters per day at public skate
- The last AHL ICE season, 132 adults and 116 youth engaged in league play
- Our last AHL INLINE season (Fall 2010), 110 adults and 60 youth engaged in league play

2. **Location.** AHL has found an ideal location for the installation and operation of the Ice Rink on Riverside Drive. AHL is currently in negotiation with the owner of the location for a mutually beneficial lease. The owner is receptive to the idea and is keenly interested in the long term benefits to the community at large of a permanent ice facility.

We feel that today's market is all about "*the experience*" that the patron has in a facility. A well planned, run and maintained facility that puts the patron and their families on the front line will have lasting success.

a. Primary uses for the rink facility

- Public skating for all age groups and freestyle groups
- Ice Hockey for both adult recreation leagues, youth recreation leagues, youth travel teams with USA Hockey affiliation
- Adult recreational figure skating, youth recreational figure skating, youth competitive figure skating with ISA affiliation
- Summer day camps and seasonal clinics for youth ice hockey & figure skating for both elite and recreational age groups
- Learn to play & skate programs
- Hockey and figure skating instruction
- After school programs for ice skating, ice hockey and figure skating
- Celebration parties and meeting events (for local business), during public skating and specific time period rentals
- Retail sports gear sales
- Food & beverage concessions
- Ice hockey tournaments & figure skating competitions (regional & local)

b. Secondary uses (possible) for the rink facility

- Inline hockey
- Sled ice hockey
- Small events (+/-500 spectators)
- Sports related fitness center
- Curling leagues, broomball leagues, ice soccer leagues

b. Primary facilities

- Ice rink (80' x 190' +/- 15,200 SF)
- Studio/pond rink (+/- 4,500 SF)

- Full concession area with seating (+40 seats) and ice viewing area
- Rink seating capacity for +-500
- Restaurant/sports pub and kitchen (+- 60 seats) with ice rink view
- Pro shop
- Arcade
- Party/meeting rooms (2)
- Sports fitness/lounge
- One (1) large, four (4) medium & two (2) auxiliary change rooms (employee, officials & fitness) with connecting bathrooms and showers (with one (1) party room also being available as an auxiliary change room)

c. Secondary facilities

- Ice rink cover for other hard floor events (auditorium & other sports)
- Future "sport court" floor for the rink floor cover

3. Purchase Proposal

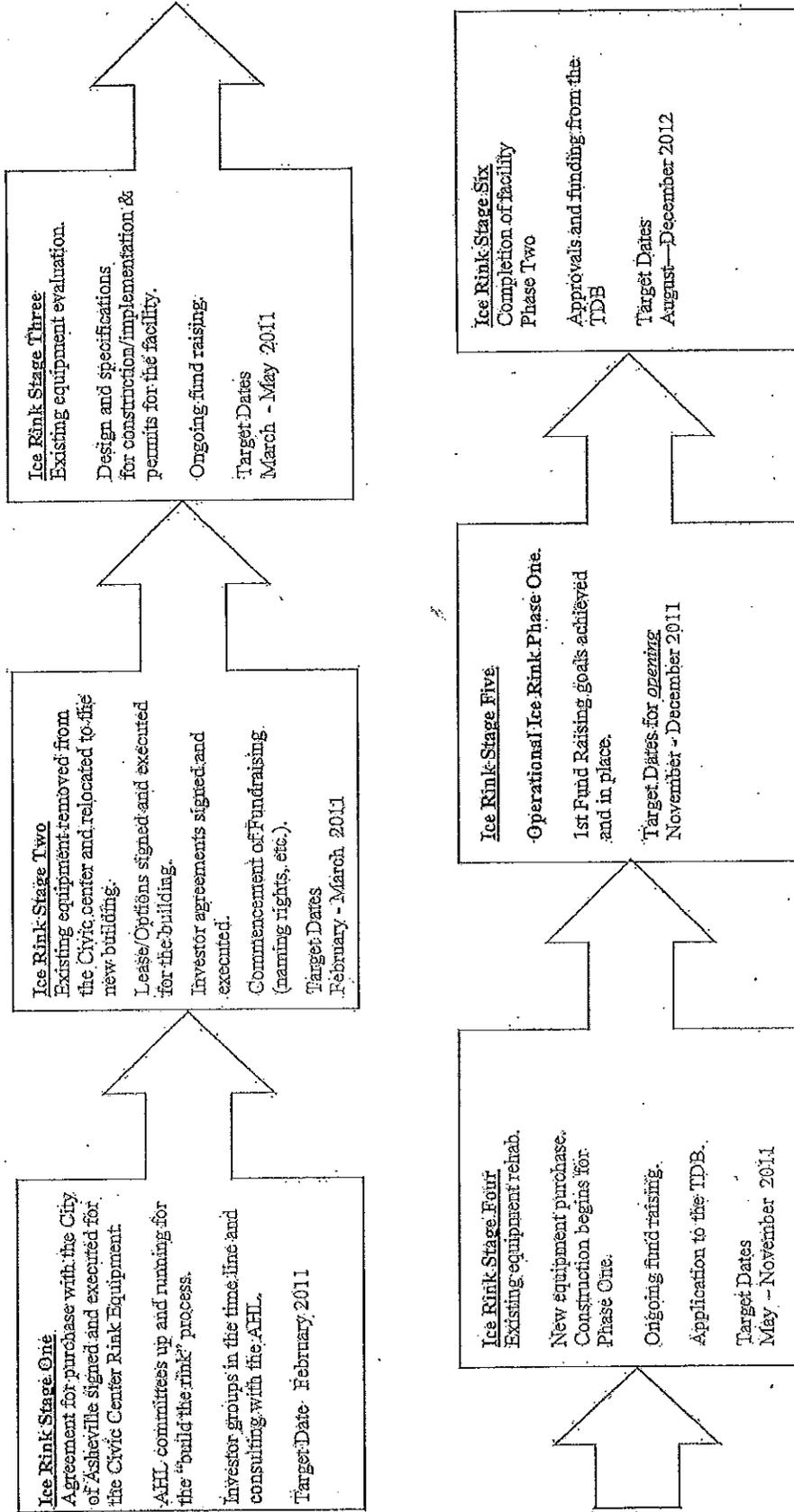
**Proposal for Purchase and Community Reutilization of**

**City of Asheville's Ice Rink and Equipment**

AHL proposes to purchase the Ice Rink under the following terms and conditions:

- a. AHL will pay the City for the value of the Ice Rink determined by the Depreciated Value of the Ice Rink less the Cost to repair the Ice Rink less the Cost to move the Ice Rink immediately.
- b. AHL is willing and able to move and to store the Ice Rink immediately, AHL will bear all costs connected with the move.
- c. Based on the value of the Ice Rink as determined in (a) above (either by agreement between the City and AHL, or by an independent third party), AHL is prepared to execute a promissory note to the City for that determined value. The promissory note will have a term of five (5) years payable in a lump sum at term. Interest on the note will be 3% per annum. AHL may prepay the note with no penalty. The City will have a security interest in the Ice Rink through a valid UCC financing statement as approved by the City.
- d. AHL will agree that it shall not resell the Ice Rink other than to an organization or other entity dedicated to having ice facilities in Asheville.

# Operational Time Line for Rink Development AHL January 2011



## PURCHASE AND SALES AGREEMENT

THIS PURCHASE AND SALES AGREEMENT, made and entered into this <sup>13<sup>th</sup></sup> day of May, 2011 by and between the **CITY OF ASHEVILLE** ("Seller"), a municipal corporation organized and existing under the laws of North Carolina and the **ASHEVILLE HOCKEY LEAGUE**, a non-profit corporation organized and existing under the laws of the State of North Carolina ("Purchaser").

### WITNESSETH THAT:

WHEREAS, the City of Asheville is responsible for the disposal of excess and obsolete personal property through the disposal of surplus; and

WHEREAS, the Civic Center has deemed the ice rink and associated equipment, which is being sold per this Agreement, as excess;

WHEREAS, North Carolina General Statute 160A-266 authorizes the City to dispose of personal property valued at \$30,000 or more by private negotiation or sales upon resolution of the City Council adopted at a regular meeting; and

WHEREAS, North Carolina General Statute 160A-279 authorizes the City to dispose of property by private sale to a non-profit agency that is carrying out a public purpose; and

WHEREAS, the Asheville Hockey League has presented a proposal to the City for maintaining the ice rink and associated equipment in Asheville for public use; and

WHEREAS, the Asheville City Council believes that the Asheville Hockey League's proposal fulfills a public purpose; and

WHEREAS, the negotiation of this Purchase Agreement and award and sale of the ice rink and associated equipment to the Asheville Hockey League has been authorized by the City Council of the City of Asheville at a meeting held on the 22<sup>nd</sup> day of February 2011; and

WHEREAS, The City of Asheville ("Seller") has authorized and approved the execution of this Agreement for the purposes herein specified; and

WHEREAS, the parties hereto have mutually agreed to the terms of this Purchase and Sales Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the promises and covenants contained and the terms and conditions hereinafter set out, Seller hereby sells, transfers, assigns and sets over to Buyer, on an "as is, where is with all faults" basis, all Seller's right, title and interest in the **Civic Center Ice Rink and Equipment** more particularly described in **Exhibit "A"** attached hereto and incorporated herein by reference.

THE TERMS AND CONDITIONS OF THIS PURCHASE AND SALES AGREEMENT ARE AS FOLLOWS:

1. **Terms of Purchase**-Buyer agrees to purchase and Seller agrees to sell the Ice Rink and Equipment as listed in Exhibit A for the sum of FIFTEEN THOUSAND DOLLARS (\$15,000.00) ["Purchase Price"]. The Purchase Price shall be paid as follows: (a) FIVE THOUSAND DOLLARS (\$5,000.00) upon the execution of this Purchase Agreement; and (b) TEN THOUSAND DOLLARS (\$10,000.00) on or before May 31, 2011 prior to removal and transport of the equipment. Payment shall be made in the form of a Cashier's Check, Certified Check, or Company Check and shall be payable to the City of Asheville. Payments should be delivered to the Purchasing Division at 3 Hunt Hill, Asheville, NC 28802.
2. **Public Purpose**-Buyer acknowledges that a key requirement regarding the sale and purchase of the items and equipment, is that they be used for a public purpose. Buyer has presented the City with a proposed plan which outlines its intention to have the ice rink operational and open to the public within a three year period or by May 31, 2014. For purposes of this agreement, "open to the public" shall mean that the ice rink facility shall be for public use and that the ice rink will be available and accessible for use and enjoyment of the general public. More specifically, the City proposes that skating be offered on the weekends (Friday, Saturday, and Sunday) for at least 60% of time while the ice rink is operational, or such other days and times approved by the City on an annual basis, which approval shall not be unreasonably withheld. This plan proposal, along with biographical information of the current Asheville Hockey League board members, is attached hereto as **Exhibit B**.
3. **Reversion**-Buyer hereby agrees that if the ice rink is not operational and open to the public within the three year time period as described above, the City shall have the right to require the Buyer to return the ice rink and equipment to the ownership of the City. The terms of the reversion will be at the sole discretion of the City. Buyer agrees that it will be responsible for any costs associated with dismantling, removal and return of the equipment back to the City.
4. **Removal and Transport**-Buyer shall be responsible for the dismantling of the ice rink and associated equipment including disconnecting and all electrical, plumbing, and mechanical equipment with the approval of the Civic Center staff. **Buyer shall remove and move all purchased items from the City site no later than May 31, 2011.** Buyer will remove at its expense and assume all liability for itself, its agents and assigns, its property and City property during the removal from City premises. The removal schedule of all items is to be coordinated with the Civic Center Facility Manager, Dan Dover, who may be contacted at 828-259-5741.

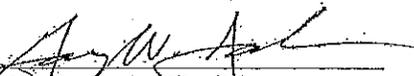
5. **Insurance**-Buyer and/or transporter will be required to provide the City of Asheville with a copy of a current Certificate of Insurance with \$1,000,000 of General Liability with a \$2,000,000 Aggregate, Auto Liability of not less than \$500,000 (\$1,000,000 preferred) and Workers Comp Statutory Limit. The City of Asheville shall be the Certificate Holder and listed as Additional Insured.
6. **Indemnification**-The City of Asheville offers this property for sale "as is where is with all faults." There are no warranties, representations or guarantees, either expressed or implied as to the quality, character or condition of this equipment. The implied warranties of merchantability and fitness for a particular purpose are expressly disclaimed. Purchaser acknowledges that it is its responsibility to inspect and test any and all items and equipment. Purchaser agrees to hold harmless and indemnify the City of Asheville from and against any and all claims or causes of action arising out of or related to the purchase, operation and use of the equipment purchased from the City of Asheville.
7. **Further Assurances**- The parties hereto consent and agree to execute such additional documents and take such further actions as shall be necessary or appropriate to effect the transactions contemplated hereby.
8. **Binding Effect**- This Agreement and all terms, provisions and conditions hereof shall be binding upon and inure to the benefit of and be enforceable by the respective legal representatives, heirs, successors and assigns of the Parties hereto.
9. **Counterparts**- This Agreement may be executed simultaneously in multiple counterparts, all of which together shall constitute one and the same instrument.
10. **Entire Agreement**-This Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof. Any previous agreements or understandings between the Parties regarding the subject matter hereof are merged into and superseded by this Agreement.
11. **Applicable Law**- This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of North Carolina.
12. **Waiver**- Failure by a Party to enforce any provision of this Agreement shall not constitute a waiver of the provisions, nor shall a waiver once granted be construed to waive a subsequent breach of the same or other provision.
13. **Authorship and Construction**- This Agreement has been negotiated by the Parties. In the event of any dispute over the interpretation of this Agreement, there shall be no rule of construction requiring that this Agreement be construed in favor of or against the Party drafting this Agreement.

14. **Time-** Time is and shall be of the essence with respect to all dates and times in this Agreement.

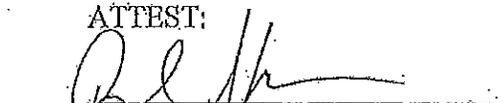
15. **Severability-** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement.

IN WITNESS WHEREOF, the Seller has caused this document to be executed by its duly authorized officers and its corporate seal hereunto affixed, and the Buyer has here unto set its hand and seal, or if corporate, has caused this document to be executed by its duly authorized officers and its corporate seal hereunto affixed, the day and year first above written.

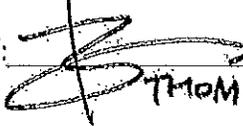
CITY OF ASHEVILLE, SELLER.

BY:   
Gary W. Jackson, City Manager

ATTEST:

  
Deputy City Clerk

ASHEVILLE HOCKEY LEAGUE, PURCHASER

BY:   
THOMAS H. FERNS, PRESIDENT

**EXHIBIT A:**

**ITEMS TO BE PURCHASED**

- **Refrigeration Plant:**

Burley's Rink Supply  
 Model – BRS240x60PG  
 Serial – 0301-98-320  
 Voltage – 480 volts – 60 hertz – 3 phase  
 R – 22 System  
 (4) – 60 Ton Compressors

- **Spare Parts:** (1) 60 Ton Compressor and (1) Condenser Pump (complete with motor and pump)

\*\*The glycol pipe system is PVC and will need to be removed by the Purchaser.

- **Ice Resurfacers:**

Zamboni  
 Model 400  
 Serial Number -- 4085

- **Ice Edger:**

Thomsen Mfg.  
 Model – T-1B  
 Serial Number 434

- **Hockey Goal Nets and Pads**

- **Ice Skates; 560 Pair**

Sizes	Children		Adult	
	Figure Skates	Hockey Skates	Figure Skate	Hockey Skates
1	10	8		
2	10	8		
3	12	10		
4	13	10		
5	14	9		
6	29	16	29	16
7	4	16	48	16
8	4	4	48	20
9	4	4	34	14
10	4	6	25	11
11	6	6	12	11
12	8	6	12	12
13	9	6	8	8

- **Skate Sharpener:**

Mfg – GUS PRO Inc.  
 Blade Master  
 Model – BR902XF  
 Serial Number 6361199  
 Voltage – 220/110 single phase  
 Hz – 60

EXHIBIT A (Continued)

- **Jet Ice Paint System:**

The package includes:

Calibrated Mixing Tank

Spray Paint Applicator

Electric Paint Mixer

Spray Pump System (gasoline driven pump)

100 Feet of Hose

- **Ice Floor Cover – 460 pcs – 4' x 8'**

Manufacturer; Arena Deck

Type 1" x 4' x 8' Waffle Board #AD896WAFFLEXT

460 4' x 8' pcs plus cut pcs for the end radius

(8) Storage Carts

# Ex. B

## ASHEVILLE HOCKEY LEAGUE -- EXECUTIVE BOARD

### Hutch Kerns, AHL President, 2010-present

Hutch Kerns, President of the Asheville Hockey League has been involved with every aspect of league organization, policy, and operations since June 2010. As President, Hutch presides over monthly Executive Board meetings, upholds and enforces League By-laws and Rules, and serves on all sub-committees, including the current ICE Rink Steering Committee and the League Disciplinary Review Committee. Hutch is also active in the league as an adult hockey player, referee for the Adult and Youth Leagues, and as a youth coach.

Hutch Kerns is the founder of Kerns Landscape Architecture and has been practicing landscape Architecture and land planning for 17 years. He has been guiding the firm towards a responsive practice by adhering to a design process and providing a high level of detail to each of the firm's projects. Hutch's experience in personnel organization and careful project management has provided for the firm a steady growth path, and clients with exceptional design and service.

#### EDUCATION

Bachelor of Landscape Architecture  
present  
Auburn University

#### ORGANIZATIONS + ACTIVITIES

Recreation Board Member, City of Asheville, , 2009-

#### PROFESSIONAL AFFILIATIONS

Registered Landscape Architect, State of North Carolina

### Jason Sampler, AHL Vice President, 2010-present

Jason Sampler, Vice-President of the Asheville Hockey League serves the League and its members as Referee-In-Charge; scheduling our referees for the Adult and Youth Leagues and communicating all rule and guideline changes to the membership. In addition to serving the league as a referee for the Adult and Youth Leagues, Jason is our IT specialist, managing the AHL's technology and communications infrastructure, including our website, email, domain administration, and online registrations. Jason is also active in the league as an adult hockey player and referee for the Adult and Youth Leagues.

### Robert Dungan, AHL Treasurer, 2010-present

Robert Dungan, Treasurer of the Asheville Hockey League reviews league financial reports, prepares annual reports and tax returns and advises the Executive Board on legal matters. Robert is also active as an adult hockey player.

Robert is Principal, along with four associate attorneys, in The Dungan Law Firm, P.A. with offices in Asheville, North Carolina; Robert established his law practice in July, 1985 and his firm concentrates in Community Associations, Employment, Construction, Corporate, Personal Injury, and Real Estate; both transactional and trial practice in state and federal courts.

#### PROFESSIONAL AFFILIATIONS

Member North Carolina Bar  
Georgia Bar  
North Carolina Bar Association,  
Community Association Institute.

**Tadd Cole, AHL Youth Commissioner, 2010-present**

Tadd Cole, Youth Hockey Commissioner for the Asheville Hockey League, operates our Youth Inline Hockey Leagues. Through his efforts the youth league has seen 400% growth in just over two seasons. With his ability to organize volunteers and create enthusiasm amongst players and youth parents, the league has experienced "new life" and is on a sturdy footing for future seasons. Tadd is also active as an adult hockey player and as a youth coach.

**YOUTH HOCKEY EXPERIENCE**

USA Hockey Certified LEVEL 3 Coach 1 year (ages 5- to high school)

Asheville Hockey League

ICE Rink Steering Committee-2011

Youth Commissioner 2009-present

Youth Ice Hockey Ass't Coach-2008

Youth League Volunteer-2009

USA Hockey One-Goal Program - AHL Coordinator

USA Hockey Try Hockey for Free Day (National Event) - AHL Coordinator

**Jim Gelleny, AHL Ice Commissioner, 2006-present**

Jim Gelleny, Ice Commissioner for the Asheville Hockey League, has been involved in every facet of League operations since its inception. Having travelled across the southeast and in Canada touring numerous rink facilities, Jim brings valuable knowledge of rinks and their operations, including required staffing, room layout, necessary equipment, etc.

**YOUTH HOCKEY EXPERIENCE**

USA Hockey Level 4 Coach (1999-2011 Ice Hockey)

Greenville Hockey Association (SC) - Coach/Asst Coach for Youth Travel Teams

PeeWeeU12/BantamU14/MidgetU16/MidgetU18 over 7 years from 2002 - 2009

Everblades Hockey (Florida)

Coach/Asst Coach Youth Ice Hockey Travel Team 1998-2000 MiteU8/SquirtU10

Asheville Hockey League

Youth Ice Hockey Commissioner 2006-2011

President 2009/2010, Board 2007-2010,

Ice Hockey Scheduler 2006-2009 (Youth & Adult)

Youth Ice Hockey Recreational Coach 2006-2009

Youth Ice Hockey High School Coach 2008-2010,

New Rink Committee 2006-2011

USA Inline Hockey Level 2 Coach

AHL recreation league coach (u12/U14/U16/U17) 2002-2008

AHL youth travel team coach 2002-2004

Naples Roller Hockey League-recreation and travel team coach 1996-1998

North Naples Little League - baseball youth coach 1995-1998

## STAFF REPORT

To: Mayor & City Council Date: February 22, 2011  
From: Lauren Bradley, Administrative Services Director  
Via: Gary W. Jackson, City Manager *AG*  
Subject: Disposal options for Civic Center ice rink and equipment

**Summary Statement:** The consideration of resolution authorizing the City Manager to enter into a negotiated purchase agreement with the Asheville Hockey League and award the sale of the Asheville Civic Center ice rink and all related equipment.

**Background:** On December 14, 2010, Asheville City Council delayed consideration of a resolution authorizing the City Manager to award sale of Civic Center ice rink and equipment to the highest bidder in order to provide time for staff to explore options for privately negotiating a sale of the equipment to the Asheville Hockey League (AHL).

After the December 14 meeting, staff completed legal research regarding the disposal of the equipment. Normally, personal property with a value in excess of \$30,000 cannot be disposed of by private sale and negotiation. Advertised bids would be required. However, GS 160A-279 provides an exception to this rule. This statute authorizes a City to dispose of property by private sale to a non-profit agency that is carrying out a public purpose. Conveyance of the property is conditioned on the use of the property for a public purpose. Based on this research, staff concluded that the AHL could meet the requirements of the statute and carry out a public purpose by allowing public access to the rink and equipment.

At the January 25, 2011, Finance Committee meeting, representatives from the Asheville Hockey League presented staff with a plan for putting the ice rink into use. The Finance Committee directed staff to review the proposal and discuss options for negotiating a sale of the ice rink and equipment for City Council consideration.

After the January 25 Finance Committee meeting, staff met with AHL representatives to review the plan and determine mutually acceptable terms by which the ice rink and equipment could be conveyed to the league. These terms would be summarized in an agreement between the City and AHL and would include:

- AHL will provide an up-front payment to the City for the purchase of the ice rink and associated equipment in the amount of \$15,000 with one payment of \$5,000 at the execution of the agreement and the remaining \$10,000 paid by May 31;
- The ice rink would be operational and open to the public within three years. If the ice is not open within three years, the City would have the right to exercise a reversion clause;
- AHL would agree to move the equipment out of the Civic Center by May 31, and would have a signed contract with a contractor to remove the equipment as well as evidence of a reserved storage space no later than May 1, and;
- The City would require as exhibits to the agreement a bio of AHL board members and others who would be involved to demonstrate that the group has the background and experience to operate the ice rink.

## STAFF REPORT

To: Mayor and City Council Date: December 14, 2010  
Via: Gary Jackson, City Manager  
From: Lauren Bradley, Administrative Services Director Prepared by: Amy Patterson, Purchasing Manager  
Subject: Disposal of Surplus Greater than \$30,000

Summary Statement: The consideration of a resolution authorizing the City Manager to award sale of Civic Center Ice rink and equipment to the highest bidder.

Review: Per NC General Statute 160A-266, City Council may dispose of personal property valued at \$30,000 or more by private negotiation or sale. The Civic Center has requested the disposal of property for the Ice rink and all related equipment which is listed below.

Refrigeration Plant with spare parts  
Ice Resurfacers  
Ice Edger  
Hockey Goals, Nets and Pads  
Ice Skates  
Skate Sharpener  
Jet Ice Paint System  
Ice Floor Cover

Strategic Operating Plan: This action complies with the City of Asheville's strategic plan that supports a fiscally responsible city government through identifying opportunities for revenue diversification.

Pros:

- Promotes City of Asheville fiscal responsibility by disposing of surplus property which generates revenue
- Space Utilization-eliminates the need to store large, bulky, unused equipment

Cons:

- None

Fiscal Impact: Proceeds from the sale are estimated to be over \$30,000.

Recommendation: City staff recommends City Council adopt a resolution authorizing the City Manager to award the Ice rink and all related equipment to the highest sealed bidder.

Attachment:  
(1) Resolution

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO AWARD THE SALE OF SURPLUS TO THE HIGHEST BIDDER FOR THE CIVIC CENTER ICE RINK AND EQUIPMENT

WHEREAS, the City of Asheville is responsible for the disposal of excess and obsolete personal property through the disposal of surplus

WHEREAS, the Civic Center has deemed the ice rink and equipment as excess; and

WHEREAS, pursuant to N. C. Gen. Stat. 160A-266 authorizes the City to dispose of personal property valued at \$30,000 or more by private negotiation or sale upon resolution of the City Council adopted at a regular meeting

WHEREAS, the Purchasing Manager will issue a bid for the above equipment; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to award the sale of the ice rink and equipment to the highest bidder on behalf of the City of Asheville.

Read, approved and adopted this 22nd day of February, 2011.

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

Approved as to form:

\_\_\_\_\_  
City Attorney

The purchase price was negotiated based on the AHL's estimates for moving and repairing the ice rink, which is estimated by the league to be \$57,000-\$85,000.

The Finance Committee was updated on progress at its February 8, 2011, meeting, where the Committee voted to move the item forward for City Council consideration at its February 22, 2011 meeting.

The consideration of this action does not specifically relate to the city's Strategic Plan.

**Pros of the negotiated sale:**

- Allows the ice rink and equipment to remain in the Asheville community for public use.
- Supports the City's goal to partner with outside groups and agencies to provide recreational programming.
- Provides a certain date and specified sale amount by which the rink will be disposed.

**Cons of the negotiated sale:**

- AHL plans for utilizing the rink and equipment are still somewhat conceptual and will rely on fundraising; therefore, implementation is not guaranteed.
- The value of the rink and equipment has been estimated by staff to be around \$100,000. The negotiated purchase price is below this amount and could result in the loss of additional revenue generated through a competitive bid process.

**Fiscal Impact:** A negotiated sale to the AHL would result in \$15,000 in revenue. A competitive disposal process could yield a higher amount of revenue for the Civic Center Fund; however, this potential loss of revenue could be offset by the benefit of putting the ice rink and equipment into public use for the Asheville community. It also recognizes the capital investment AHL will have to make in order to make the ice rink operational in Asheville.

**Recommendation:** Staff is seeking City Council consideration of a resolution authorizing the city manager to enter into a negotiated agreement with the Asheville Hockey League for the sale of the Civic Center ice rink and all related equipment. If City Council is not supportive of the negotiated sale, staff would further seek City Council's consideration of resolution authorizing the City Manager to award the ice rink and all related equipment to the highest sealed bidder.

**Attachments:**

- (1) Resolution
- (2) December 14, 2010, Staff Report

Minutes  
Finance Committee Meeting  
12:15pm, October 26, 2014  
First Floor-North Conference Room, City Hall

Present: Vice Mayor Marc Hunt (Chair), Councilman Gordon Smith,  
Councilwoman Gwen Wisler

Staff: Gary Jackson, Paul Fetherston, Sam Powers, Barbara Whitehorn,  
Tony McDowell, Frank McGowan, Cheryl Heywood

Guests: Tom Youngblood, Aston Park Tennis Center member; Dan Costante,  
Aston Park Tennis Center member

#### **Approval of 8/27/2014 Minutes**

Councilman Smith made a motion to approve the 8/26/2014 minutes (attachment #6). This motion was seconded by Councilwoman Wisler and was unanimously approved by the committee.

Ms. Barbara Whitehorn said that because of a previous council member's request the minutes are currently very detailed. Ms. Whitehorn asked the committee if they had any objection to summarizing the minutes. All committee members agreed to have future minutes summarized.

#### **Aston Park Tennis Center**

Mr. Frank McGowan presented the update (attachment #1) on the public progress of the Aston Park Tennis Center. The committee had asked for a public process to get input on any proposed changes to the operation of the facility. Mr. McGowan said the process was for public comments to be gathered through the public portal and to get information from the focus group. The information gathered is included in the report (attachment #2). Staff is in the process of hiring an outside consultant to look at all of the Parks and Recreation fees to include Aston Park.

Councilwoman Wisler said the ideal timeframe would be to implement the fee increases at the beginning of the tennis season. Councilman Smith wanted to confirm that the managing company would not be able to set rates and Mr. Jackson said that council would be able to set the rates. Vice Mayor Hunt said that the subsidy we support is out of balance and a burden to taxpayers for a relatively small group of people and is not justifiable. We now have a subsidy of around one hundred and fifty thousand dollars, and would be comfortable with a subsidy of around seventy thousand dollars over a period of time.

#### **Public Comment**

Councilman Hunt acknowledged the guests, and said that he would take public comment at this time, rather than at the end of the meeting.

Mr. Tom Youngblood, a member of the Aston Park Tennis Center said that if you miss the fee increase for April, you have missed it for the year because April is when the pass holders come in and sign up. You can not affect the deficit until you look at both the revenue and the expense side of the operation.

Mr. Dan Costante, a member of the Aston Park Tennis Center said that the focus group was shocked when they saw the amount of subsidy from the city and that we have the same goal of reducing the amount of the subsidy the city is providing the Center. What we would like council to do is give us the empowerment to work with staff to come up with a strategic plan that would be beneficial to all stakeholders.

Councilman Hunt said that he appreciated that the group has stepped up and provided substantive recommendations and there should be a way that the group can continue to stay engaged. Council will look primarily to staff to recommend solutions with participation from the user group.

Councilwoman Wisler said that the action steps would be that we are going to work on the user fee study and a detailed operational plan will be completed in connection with the project analysis at which time staff will come back and propose how the user-advisory group will be involved.

#### **Audit Update**

Mr. Tony McDowell said that staff will be coming to council on December 9<sup>th</sup> with the audit presentation and then he introduced city staff that played a role in this years' audit. He then introduced Mr. Eddie Burke, from Cherry Bekaert, our auditing firm, who provided the committee with an update on the FY 2013-14 audit (attachment# 3).

#### **Civic Center Sale of Surplus Ice/Hockey Equipment**

Mr. Sam Powers summarized the staff report (attachment #5) for the committee. Four years ago, Council gave direction to give this equipment to a non-profit, but they did not meet the terms of the contractual obligation. The equipment is currently in storage and staff would like to proceed with the surplus equipment disposition as expediently as possible. Staff would like for a portion of the proceeds of the sale to be used for repairs at the roller hockey rink at Carrier Park.

#### **Review Property Tax Billing Research**

Ms. Barbara Whitehorn said that since the committee read the report, (attachment #4) and in the interest of time, asked if it would be alright if she just took questions from the committee.

Councilman Wisler said that perhaps the county might be open to negotiation. The City of Asheville's property tax value is going to go up, but the number of bills will remain low, so how the billing is being done with no limitation, gives opportunity. Vice Mayor Hunt said in situations where cost is shared proportionally, is there a way that the finance department could work with the county's finance department on what the costs are and agree to split that on a pro rata basis. Ms. Whitehorn said that the pro rata share is calculated in two different ways: 1.) the number of bills and 2.) annual levy based. One approach would be to appeal to the county to do this together and ask it be reflective of real costs and consider cost sharing or fee reduction. Any changes need to be made prior to December 31<sup>st</sup>. because the bills go out January 1st. The committee asked that Gary approach the county about the possibility of making changes this year.

The Chair adjourned the meeting at 1:40p.m

DRAFT