

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
LAFAYETTE ROOM
MARCH 5, 2012
5:00 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith Bates, Sr. (District 1); Kady-Ann Davy (District 2) (arrived at 5:25 p.m.); Robert A. Massey, Jr. (District 3); Darrell J. Haire (District 4); Bobby Hurst (District 5); William J. L. Crisp (District 6); Valencia A. Applewhite (District 7) (arrived at 5:15 p.m. and departed at 9:30 p.m.) ; Wade Fowler (District 8); James W. Arp, Jr. (District 9)

Others Present:

Dale E. Iman, City Manager
Kristoff Bauer, Assistant City Manager
Karen M. McDonald, City Attorney
Brian Leonard, Assistant City Attorney
Brian Meyer, Assistant City Attorney
Renner Eberlein, Assistant City Attorney
Lisa Smith, Chief Financial Officer
Rusty Thompson, Engineering and Infrastructure Director
Scott Shuford, Development Services Director
Randy Hume, Transit Director
John Kuhls, Human Resource Development Director
Ben Major, Fire Chief
Jerry Dietzen, Environmental Services Director
Kecia Parker, Real Estate Manager
Rebecca Rogers-Carter, Management Services Manager
Jennifer Lowe, Public Information Officer
Steven Blanchard, PWC CEO/General Manager
Dwight Miller, PWC Chief Finance Officer
Heather Kazemi, The Segal Company
Suzy Nisbet, Strategic HR Solutions
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Chavonne called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member Haire.

3.0 APPROVAL OF AGENDA

MOTION: Mayor Chavonne moved to remove Item 4.4 from the agenda and add a closed session to the agenda for consultation with the City Attorney regarding litigation in the matter of the *Jarryd Rauhoff, et al. v. City of Fayetteville* and a personnel matter.

SECOND: Mayor Pro Tem Arp

VOTE: UNANIMOUS (8-0)

4.0 OTHER ITEMS OF BUSINESS

4.1 Compensation Study Update and Recommendations Review

Mr. John Kuhls, Human Resource Development Director, presented this item and stated the Segal Company completed its market surveys using the ten benchmark organizations that Council approved during the October work session. He stated Segal's survey results would be reviewed, along with recommendations and proposed actions to support fair and equitable pay structures. He stated the desire of the City was to successfully attract, recruit, and retain talent for City employment across all departments to provide efficient, high quality, customer-focused services for all citizens. He stated ensuring they had competitive pay and benefits was a critical foundation for employee morale and productivity. He introduced Ms. Heather Kazemi, Vice

President of The Segal Company.

Ms. Heather Kazemi, Vice President of The Segal Company, gave a power point presentation on the City of Fayetteville market study results. She stated the City needed to be able to recruit, reward, and retain the best employees possible in order to provide high quality and professional services to its constituents. She stated the primary goal of the project was to ensure that the City's total compensation plans were efficient, equitable, market sensitive, and performance based. She stated there were 52 job titles included in the market study, which represented 59 percent of the City employees and covered all functional areas. She stated sworn police positions were excluded from the study. She stated a review of pay policies and practices were provided. She gave an overview of the overall findings for paid time off, medical benefits, and retirement plans. She presented the following recommendations to successfully recruit, retain, and reward qualified and high-performing employees:

1. Implement the pay grade recommendations outlined in the report.
2. Evaluate the need to adjust the pay schedules annually.
3. Consistently fund an annual merit pool sufficient to provide meaningful performance based increases.
4. Continuously address pay compression between new and existing employees.
5. Modify the vacation accrual to more closely match prevailing practices.
6. Implement an employer match to the 401k plan to assist in recruiting employees.
7. Increase the City's contribution to the POS health plan costs for family coverage.

Ms. Kazemi provided an executive summary and stated over the last several years the City had experienced significant difficulties recruiting, retaining, and rewarding qualified and talented employees. She stated in FY 2010-2011 the turnover rate for all City employees was 13.2 percent and only 8.3 percent for sworn police. In addition, she stated the City's Human Resource Development Department needed to post some jobs two or three times in order to find qualified candidates. She stated the City's pay schedules had not been adjusted since FY 2008-2009 and pay increases had not been consistently funded in the past several years. Consequently, she stated internal pay compression had occurred as salaries for employees have not kept pace with new hire pay levels. She stated several department managers had expressed frustration with losing talented employees, low morale among the remaining staff, and difficulties giving staff strong reasons to stay with the City.

Mr. Kuhls introduced Ms. Suzy Nisbet, President of Strategic HR Solutions.

Ms. Suzy Nisbet, President of Strategic HR Solutions, provided a power point presentation on the proposed implementation of the City of Fayetteville Compensation Study. She gave an overview of the market measures which were cost of living, consumer price index, and cost of labor.

A question and answer period ensued.

Discussion ensued regarding the compensation structure recommendation, market practices for merit calculations, pay adjustment recommendations, vacation leave, retirement plans, impact of turnover, and market data took place.

Mr. Kuhls requested the Council consider Option 1 which was to direct the City Manager and staff to move forward with implementing recommendations from the study, while providing any feedback that was felt to be critical towards ensuring a successful implementation phase.

Consensus of Council was to request hard numbers and actual dollar amounts, and to be kept in the loop regarding further study.

4.2 Fayetteville Advisory Committee on Transit (FACT) Service Improvement Recommendations

Mr. Randy Hume, Transit Director, introduced the following FACT members to the Mayor and Council: Mr. Jeff Thompson (FACT chair), Ms. Sharon M. Collins, Mr. David Wendelken, and Mr. Carlos Manuel. Mr. Hume presented this item with the aid of a power point presentation and stated in October 2010, City Council established the Fayetteville Advisory Committee on Transit to address the public transportation needs of the City by providing recommendations for implementing the Transit Development Plan (TDP). He stated since September 2011, FACT

had been working with staff to develop recommendations to be considered by Council as it prepared for the FY 2013 budget process. He stated the Committee's recommendations were consistent with the TDP and included enhancements to the current fixed route structure that should improve the convenience and availability of transit services to citizens and visitors. He stated FACT also encouraged the use of partnerships and non-tax resources when possible to expand ridership and funding. He stated given the continued economic uncertainty and challenges faced by federal, state, and local governments and agencies, most transit systems had seen the need to cut back on services and/or increase customer fares, while also dealing with increased transit demand due to higher fuel prices and strained family budgets. He stated last year the City maintained the momentum started when the TDP was adopted by providing additional funding to support new evening services and extended services to Andrews Road. He stated continued improvements to the transit options available to the citizens would largely depend on additional resources, while also facing the prospect of reduced state and federal grants in the future. He presented the following new system expansion improvement recommendations:

- 1.Route 14 – Peak Period Express
- 2.Fort Bragg AM/PM Work Trips
- 3.City-wide Paratransit Service
- 4.Strickland Bridge RoadRoute

Mr. Hume then presented the following future route considerations:

- 1.TDP Update
- 2.Split and Streamline Route 3 (FY 14)
- 3.Mountclair/Aran Lake (FY 15)
- 4.Fort Bragg After Hours Express
- 5.Evening Service to Coliseum area

A brief discussion period followed regarding the potential for increasing fares.

Mr. Dale Iman, City Manager, stated that the Council could look at implementing fares on the “free days”.

4.3 PWC - Financing Team Resolution

Mr. Steven K. Blanchard, PWC CEO/General Manager, and Mr. Dwight Miller, PWC Chief Finance Officer, presented this item. Mr. Blanchard stated the Public Works Commission adopted a resolution approving certain members of the Financing Team for a five-year term and requested that Council adopt a similar resolution. He stated the Financing Team members approved in the resolution were Womble Carlyle Sandridge and Rice as the Bond Counsel; The Bank of New York Mellon Trust Company, N.A., as the Trustee; and Davenport and Company as the Financial Advisor. He stated with several bond issues being anticipated during the next five to seven years, selecting a Financing Team for a stated term would provide stability, continuity, and progressive knowledge in the financing process and related matters that would be lost if team member changes were made with each bond issue or tax-exempt debt related matters. He stated a longer, stable term would provide economic advantages also. He stated the bonds would probably not need to be sold until November of this year. He requested Council solidify the group of chore team members.

Council Member Haire stated the original recommendation was to adopt the resolution approving certain members of the Financing Team for a five-year period and the alternate recommendation was to adopt the resolution approving certain members of the Financing Team for a five-year period and direct staff to issue a RFP to identify a legal firm that could be used as a Co-Bond Counsel when needed. He inquired as to how the team was set up now and requested the names of the present team players. Mr. Blanchard responded that various teams had been used.

Council Member Haire inquired why PWC would dismantle along with help from staff to change what they had used in the past when Council had been strong advocates for the small and local contractors. He further inquired how they could even have a recommendation. He stated that at the February 23, 2012, meeting Mr. Dwight Miller had stated there would be an approximate

saving of \$100,000.00 as a result of negotiating. He inquired as to who PWC negotiated with and stated the minority and local contractors were not included in the negotiations. He further stated he would not support the resolution.

Council Member Bates stated he was in agreement with Council Member Haire.

Mr. Miller stated they could expect a significant dollar savings by going to a competitive sale rather than a negotiated sale.

Council Member Applewhite stated she agreed that they should stay with the folks that had already been in place and keep the business in town.

Council Massey stated he wanted local business owners to be involved in the process whenever possible.

Council Member Fowler stated he believed the Council had a fiduciary responsibility to its constituents and it made sense to save the money. He stated they should look for the most qualified to do the job.

Further discussion followed.

Mayor Chavonne stated the competitive bid process had not created the need for some of the bond counsels they have had in the past.

Mr. Miller stated they needed a team that could provide expert advice.

Council Member Applewhite inquired if they could allow time for Rand & Gregory and The Charleston Group to have the opportunity to negotiate their rates to be more competitive and considered part of the bond process.

Mayor Chavonne requested the item be brought back for further consideration at a later time.

He inquired if PWC could find a way that rate payers/taxpayers save the same amount of money and keep the local players in place.

4.4 Renewable Energy Revolving Loan Fund

This item was removed from the agenda.

4.5 Evaluation of policy on Disposal of City-Owned Property

Ms. Kecia Parker, Real Estate Manager, presented this item and stated the City occasionally received requests from citizens and entities wishing to purchase City property. She stated Council had requested staff review its policy for the disposal of City property to address these requests. She stated staff reviewed the State laws for disposal of property by municipalities, and the City's existing policy, and suggested revisions to the policy. She stated the Council wished to have a policy for the disposal of the City's surplus property which complied with North Carolina law and which assured the dispositions were fair, non-discriminatory, served the general public welfare, and increased the ad valorem tax base. She requested Council approve the revised policy at the next regular City Council meeting.

A brief discussion period ensued.

Consensus of Council was to place this item on a regular meeting agenda under consent.

4.6 Response to Request to Sell City Lot on Mann Street

Ms. Kecia Parker, Real Estate Manager, presented this item. She stated St. Paul Full Gospel Baptist Church made an offer of \$100.00 for said parcel and Council rejected the offer due to it being below tax value. She stated after that, the City received an offer requesting the property be donated to the Church and Council rejected the offer due to it being below tax value. She stated the City was now in receipt of another letter from St. Paul Full Gospel Baptist Church requesting the City sell the parcel for \$3,000.00 so that the church could use the property for public off-street parking. She stated staff circulated the request to the Senior Management Team and found no need for the property. She stated the church deposited a 5 percent deposit of \$150.00 with the City. She stated the City would incur the cost of publication of the approved resolution once Council approved it at a regular Council meeting and stated the cost would be approximately \$500.00 to \$1,000.00. She stated the tax value of said parcel was \$6,000.00.

She stated the compensation the church was offering would be \$3,000.00 and in addition to this the public off-street parking which would be addressed as a restriction on the deed that would mandate the property be used for this and would revert back to the City in the event it ceased to be used as such. She stated due to the tax exempt status of the church, no future taxes would

be collected if the property sold.

A brief discussion period ensued.

Consensus of Council was to direct staff to draft a policy that would provide for a discount of 50 percent on tax value plus any costs associated if the requesting party was a valid public service/nonprofit and place the policy on a future consent agenda.

4.7 Environmental Services Pilot Study Regarding Solid Waste Collection

Mr. Jerry Dietzen, Environmental Services Director, presented this item with the aid of a power point presentation and stated in February 2011, Council tasked City staff with investigating potential savings in contracting for a portion of the City's garbage collection services. He stated competition with the private sector could increase government efficiency and contracting also had risks. He stated the government's role of protecting the public health, safety, and wellbeing would make it necessary to ensure that contracting would not place those services beyond the control of the public's representation. He stated the City undertook a thorough analysis to determine the effects of contracting for a portion of the City's garbage collection. He stated staff developed a Request for Proposal (RFP) from local vendors for the collection of what were currently the City's Monday garbage routes. He stated the RFP was developed by the Purchasing Department at PWC in consultation with the City Attorney's office, the City Manager's office, and Environmental Services. He stated the proposal was based on the City of Charlotte's managed competition model of waste collection. He stated the current contract with the City held with Waste Management for curbside recycling was used as a template to ensure similar language and service standards. He stated the performance requirements and service quality were established. He stated also included in the RFP were elements of policy from other local municipalities that had investigated outsourcing for their garbage collection services. He stated research with other municipalities indicated that the best practice for beginning a contracting program should involve only a portion of the City's service to allow the City to maintain control. He stated the RFP was therefore developed on the basis that a quarter of the City's routes would be considered for outsourcing. He stated PWC received five submissions from local vendors who submitted proposals with a base first-year cost per household, and a Consumer Price Index (CPI) inflation allowance that would be applied each June for a period of four additional years, for a total five-year contract. He stated City staff developed a thorough cost analysis of the Environmental Services curbside waste collection program to determine the human and financial impact of the Department should the contract for service be approved. He stated the analysis determined that the cost per household per month (CPHHPM) under our current service delivery structure which utilized both semi-automated and automated trucks was \$3.59 CPHHPM. He stated City-wide indirect costs and Environmental Services administration costs were not included in the CPHHPM. He stated if the City entered into an agreement with the lowest bidder, the annual cost would be \$718,200.00. He stated the City would then reduce the equipment and staff accordingly, choosing the most inefficient service delivery options to cut, which would further increase overall efficiencies. He stated in this case, it would result in cutting five semi-automated trucks and ten employees. He stated the net result would be an estimated increase in the General Fund appropriation of \$34,200.00. He stated the Environmental Services Department could perform the job at the lowest cost to the City, while still maintaining desired service levels and protecting the public interest. He stated if the City Council decided to contract the service collection, route days would change for nearly all citizens in Fayetteville. Council Member Crisp stated he had several constituents who had trash pick-up issues on a regular basis, and stated he needed the problems resolved, as they should be providing an ideal service. Mr. Dietzen stated a customer service course would begin in April and the training would be provided to all employees in his Department.

Mayor Chavonne requested that Mr. Dietzen look into the Friday pick-up issues.

Council Member Bates stated the Council had heard analysis of outsourcing twice and would like to stay with what they had.

A majority of Council was in agreement with Council Member Bates.

4.8 City Ordered Demolition Process Update

Mr. Scott Shuford, Development Services Director, presented this item with the aid of a power point presentation. He reviewed the steps and the days required to complete each step of the City-ordered demolition process as follows:

Steps	Time
Detect violation-post as dangerous building	1 day
Order property title search and file lis pendens with Clerk of Court	7 days
Issue administrative hearing notice (Hearing notice published if owner cannot be found or property is in probate – add 14 days)	10 days
Administrative hearing and issuance of order to repair or demolish (May be appealed to Board of Appeals – Add 10 to 14 days)	60 days
Demolition ordinance submitted for City Council adoption - Conduct initial asbestos inspection; solicit demolition bids	15 to 30 days
Demolition ordinance recorded with Register of Deeds Office - Award demolition contract	4 days
Asbestos testing if needed - Award asbestos removal contract	5 days
Demolish structure	Cumulative Minimum Time – 97 days

Mr. Shuford stated the title search process involved researching the ownership of the property for at least 30 years; identifying liens, judgments, deeds of trust, and heir ownership issues; ensuring that all interest holders were notified; identifying any discrepancies in legal descriptions to ensure that the right houses were demolished; and identifying title problems that could have an adverse effect on ownership. He stated the tornadoes in April 2011 resulted in a backlog of 109 title searches which would be eliminated by June. He stated staff intended to accelerate the City-ordered demolitions and focus on the following five priority areas: Murchison Road Area (30), Bonnie Doone (5), Massey Hill (5), Ramsey Street/North Street/ Brookwood Avenue/Windsor Terrace Area (26), and Savoy Heights/Branson Street Area (34). He stated the Council would see more cases per meeting, more details presented at agenda briefings, more cases on consent agendas, and significant neighborhood improvements. He stated this would happen because (1) there was great cooperation between the Real Estate and Code Enforcement Divisions, (2) fewer commercial demolitions could free up funding to expedite process, (3) some title searches could be “farmed out” to keep them on schedule, and (4) Council’s support for the process.

Council Member Davy requested the demolition cases not be placed on consent but placed on the regular agenda in a condensed form.

A brief discussion period ensued.

Consensus of Council was to place demolition cases on the “Other Items of Business” section of the agenda in an abbreviated form to include one slide with bullets and one photograph per case.

4.9 City Council Agenda Request – Boarded Up Buildings

Council Member Haire presented this item and stated the City had houses that were boarded up for periods of up to ten years. He stated he was requesting a limit be placed on how long a house could be boarded up before proceeding to the demolition process.

Mayor Chavonne inquired of the City Attorney if she could provide research on Council Member Haire’s request. Ms. Karen McDonald, city Attorney, replied in the affirmative.

Consensus of Council was to request staff research limiting the amount of time a property could remain boarded up.

4.10 City Council Agenda Request – Establish Procedures for ensuring Council members are informed prior to public release of information.

Mayor Pro Tem Arp presented this item and stated he would like to establish a procedure for ensuring Council members were informed prior to public release of information. He stated there had been numerous instances of key information being released to the press or the public by the City that he was unaware, uninformed, or had no knowledge that the information was going to be presented. He stated as an elected official he had a responsibility to answer to citizens or the media and as it was to their detriment when they were not able to articulate to citizenry on issues that had been expounded upon in a public manner that they had not been prepared for.

Council Member Haire stated he was in agreement with Council Member Arp.

Council Member Applewhite stated she thought it was a waste of time when the City Manager's executive assistant had to call each Council member to ask them to check their e-mail.

Mayor Chavonne stated that each individual Council member may have a preference of what form of media they wished to be notified.

Consensus of Council was to agree to establish procedures for ensuring Council members were informed prior to public release of information.

4.11 Closed session for consultation with the City Attorney regarding litigation in the matter of the *Jarryd Rauhoff, et al. v. City of Fayetteville* and a personnel matter.

MOTION: Council Member Arp moved to go into closed session for consultation with the City Attorney regarding litigation in the matter of the *Jarryd Rauhoff, et al. v. City of Fayetteville* and a personnel matter.

SECOND: Council Member Bates

VOTE: UNANIMOUS (10-0)

The regular session recessed at 8:40 p.m. The regular session reconvened at 10:30 p.m.

MOTION: Mayor Pro Tem Arp moved to go into open session.

SECOND: Council Member Crisp

VOTE: UNANIMOUS (9-0)

MOTION: Council Member Arp moved to amend the traffic stop plan and rescind the moratorium thereby alleviating the need for a Preliminary Injunction Hearing.

SECOND: Council Member Crisp

VOTE: UNANIMOUS (9-0)

Consensus of Council was to amend the traffic stop plan and to rescind the moratorium.

5.0 ADJOURNMENT

There being no further business, the meeting adjourned at 10:30 p.m.