

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
LAFAYETTE ROOM
JUNE 4, 2012
5:10 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith Bates, Sr. (District 1); Kady-Ann Davy (District 2) (arrived at 5:15 p.m.); Robert A. Massey, Jr. (District 3) (arrived at 5:50 p.m.); Darrell J. Haire (District 4); Bobby Hurst (District 5); William J. L. Crisp (District 6); Valencia A. Applewhite (District 7); Wade Fowler (District 8); James W. Arp, Jr. (District 9)

Others Present:

Kristoff Bauer, Interim City Manager
Brad Whited, Interim Assistant City Manager
Karen M. McDonald, City Attorney
Brian Meyer, Assistant City Attorney
Lisa Smith, Chief Financial Officer
Tom Bergamine, Police Chief
Ben Major, Fire Chief
Scott Shuford, Development Services Manager
Dwayne Campbell, Chief Information Officer
John Kuhls, Human Resource Development Director
Jerry Dietzen, Environmental Services Director
Rusty Thompson, Engineering and Infrastructure Director
Ron McElrath, Human Relations Director
Kecia Parker, Real Estate Manager
Rebecca Rogers-Carter, Management Services Manager
Craig Gossman, MKSK
Thomas Flynn, Thomas Point Associates, Inc.
Doug Peters, Fayetteville-Cumberland County Chamber of Commerce
Chris Bostock, Merrill Lynch
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 Fowler.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Bates moved to approve the agenda.

SECOND: Council Member Haire

VOTE: UNANIMOUS (8-0)

4.0 OTHER ITEMS OF BUSINESS

4.1 Community Development – Update on Hope VI Business Park Development

Mr. Victor Sharpe, Community Development Director, presented this item. He provided a progress map and stated the City allocated \$1 million to acquire land for the development of a business campus consistent with its commitment for the Hope VI Revitalization project. He stated the City Council passed a resolution on November 24, 2008, authorizing negotiation and acquisition of property in the Hope VI Revitalization area and it had been decided at that time that a decision on the relocation and condemnation would come back to City Council for consideration. He provided an update on the 22 parcels acquired to date and stated negotiations were underway for 7 additional parcels of which 3 were problematic. He advised the City was working with the Fayetteville-Cumberland County Chamber of Commerce to determine the use of the site. He further advised the Chamber hired MSI/KKG along with Thomas Point Associates to provide professional market analytics, site planning, and design

services. He introduced Mr. Craig Gossman, Senior Principal, MKSK, and Mr. Thomas Flynn, Market Analyst, Thomas Point Associates, Inc. Both gentleman addressed the City Council and provided the following information:

- As the City was not using federal funds for the project, they were not required to follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) for the occupied properties.
- Staff was recommending moving forward with the acquisition of the occupied properties and providing the following assistance up to \$5,000.00 per property to the tenant or owner occupant: moving costs, deposits (rent & utilities), 3 months rental assistance, and relocation assistance (staff assistance in locating suitable housing).
- Three properties were occupied with tenants and two were owner-occupied. Currently there were two parcels that had been acquired that had structures on them that would need to be demolished.
- An additional parcel acquired was the former residence of Dr. E. E. Smith. They had been in discussion with Fayetteville State University to determine if they had an interest in preserving the structure.

A brief discussion period ensued.

Mr. Doug Peters, President, Fayetteville-Cumberland County Chamber of Commerce, was also present to respond to questions and receive comments. He introduced Mr. Russ Rogerson, incoming Chamber Executive Vice President for Economic Development, and announced today was Mr. Rogerson's first day on the job.

Mr. Sharpe announced this item would be presented for consideration at the City Council's June 25, 2012, meeting with a recommendation to move forward with the acquisition of the occupied properties along with providing relocation assistance up to \$5,000.00.

4.2 Presentation of Key Findings from the Garner Report on Economic Development

Mr. Kristoff Bauer, Interim City Manager, presented this item and stated on May 2, 2012, Garner Economics, LLC, provided its report entitled "A Blueprint for Success: A Holistic Economic Development Strategy for Fayetteville and Cumberland County, NC". He stated the report took a realistic look at the region's economic conditions and made several suggestions focused at improving economic vitality. He introduced Mr. Doug Peters, President, Fayetteville-Cumberland County Chamber of Commerce.

Mr. Peters stated the Fayetteville-Cumberland County Chamber of Commerce retained Garner Economics, LLC, in late November of 2011 to conduct an economic development strategy for Fayetteville and Cumberland County. He further stated the scope of services included analyzing the local and regional economy, conducting an assets and challenges assessment of the County from the eyes of a site location consultant, recommending industry clusters suitable for the area based on their research and analysis, and finally providing a set of implementable recommendations that the stakeholders in the community could utilize to enhance the economic well-being of the region. He announced Mr. Jay Garner, President of Garner Economics, served as the lead consultant with the project for the Chamber and Mr. Tom Tveidt, research economist for Garner Economics, provided the analytical analysis and business target recommendations.

He advised the focus of the engagement was for the Chamber, City of Fayetteville, and Cumberland County to understand and gain a competitive advantage in business development and economic growth opportunities. Mr. Peters introduced the Chamber Chairman, Mr. Chris Bostock of Merrill Lynch.

Mr. Bostock stated the objectives of the assessment were to identify key strengths to emphasize in economic development marketing efforts and identify key weaknesses that could limit investment in the region so that remediation of the local challenges could occur. He further stated as it related to the completion of the Competitive Realities Report, they evaluated key demographic and economic indicators for the region as compared to state and national trends as well as the comparison of the MSAs of Huntsville, Alabama, and Augusta, Georgia, which were selected as benchmark communities by the Chamber. He advised the areas both have or had a high concentration of similar industry specialization to the Fayetteville area. He briefed

the Council on the assets and challenges assessment, demographic and labor dynamics, economic dynamics, local specialization and growth, optimal targets for Fayetteville and Cumberland County, observations, and recommendations and performance benchmarks.

4.3 Report – Boarded-Up Structures

Mr. Scott Shuford, Development Services Manager, presented this item with the aid of a power point presentation. He stated the City Council had requested that staff study the issue of boarded-up buildings and provide a report with options and recommendations. He further stated the City had a large number of boarded-up structures in its residential and commercial neighborhoods, which was related to the transient nature of the residents and to the need to secure structures from vandalism and illegal entry. He further stated neighborhoods with boarded structures faced impacts that included appearance, crime, and property value issues and there was a local economic development impact associated with boarded structures as well. He advised state law would not allow the City to demolish boarded structures unless other conditions prevailed. He further advised the City was able to establish time limits for boarding structures and the challenge was how to address the complicated issue in a way that balanced property rights with neighborhood and community impact. He provided the following three options for consideration:

- Option One – Establish a time limit as to how long a structure could be boarded and apply universally. This would be easy to implement but it would not account for extenuating circumstances such as deployment and would not penalize poor property upkeep.
- Option Two – Establish a generous time limit (3 years) on how long a structure could remain boarded and provide reductions in that time limit based on extent of code violations. This would penalize poor property upkeep and account for extenuating circumstances, but would be more difficult to implement.
- Option Three – Establish a limit as to how long a structure could be boarded and provide for a hearing to consider circumstances like deployment or poor property upkeep. This would account for extenuating circumstances and could penalize poor property upkeep but would be the most difficult to implement.

Council Member Massey stated he did not think the City should intervene and force a property owner to remove boards.

Council Member Crisp stated this was a community problem.

Council Member Fowler inquired how many property owners had been cited for not painting the boards the same color as the house. Mr. Shuford responded he did not have that information readily available.

Further discussion ensued.

Mayor Chavonne concluded by requesting staff gather more information, research an appeals process, and bring back to a future work session.

4.4 Limited English Proficiency (LEP) Update

Mr. John Kuhls, Human Resource Development Director, presented this item with Mr. Ron McElrath, Human Services Director. Mr. Kuhls stated Limited English Proficiency (LEP) was identified as a management agenda priority in the City's Strategic Plan for 2011-2012. He stated the City implemented its LEP policy with an effective date of July 15, 2011, and it was distributed to all City employees in August 2011. He further stated the Human Relations Department was the responsible Department for monitoring and updating the LEP Plan, and the City would review and update the LEP policies and procedures every third year beginning in May 2011. He informed Council that interpreter resources had been identified and training had been developed. He advised communication of the City's policy and available resources would ensure efficient delivery of language assistance for LEP persons who were seeking City of Fayetteville services. He further advised a LEP person was one who was not speaking English as his or her primary language and who had a limited ability to read, speak, write, or understand English.

Mr. McElrath stated the language list would be added to as the City received additional volunteer translators and announced they now had 40 employees covering 13 languages.

Council Member Applewhite stated there was a significant amount of citizens in Fayetteville that do not speak English.

Mayor Pro Tem Arp stated there were several free internet applications for translating languages.

4.5 Parks and Recreation – Park Bond Proposal Update

Mr. Michael Gibson, Parks, Recreation and Maintenance Director, presented this item with the aid of a power point presentation. He provided a handout entitled “Bond Proposal” and stated the following projects were being proposed: multipurpose aquatic center with senior center, neighborhood family aquatic centers, Cape Fear River Park, tennis center, sports complex, skateboard park, neighborhood/community parks, greenways, existing parks and building renovations, parkland acquisition, and planning and design. He explained the project goal was to construct an approximate 120,000 to 140,000 square foot facility that would consist of a senior center, aquatic center, fitness center, field house with an indoor track, and community spaces. He further explained the multipurpose aquatic center with senior center would provide a large indoor multipurpose facility located in an area that was easily accessible and close to the geographical center of Fayetteville/Cumberland County. He further explained the multipurpose facility would include three major spaces, each of which could operate independently as a stand-alone facility. He stated there would also be additional smaller areas. He stated the senior center would provide a separate entrance for its participants, but would be connected to other parts of the building by a large atrium featuring an indoor cafe, apparel shop, and lobby with an information desk. He stated the multipurpose aquatic center with senior center would provide a variety of recreation for all ages and abilities including activities specifically designed for seniors, water activities, running and fitness programs, and common areas. He stated the senior center would provide approximately 18,000 square feet to house current Fayetteville-Cumberland Parks and Recreation senior staff and all current programming. He stated the aquatic center would house approximately 35,000 square feet for aquatic spaces such as an 8-lane lap pool with zero entry depth, a recreation pool with play structures, and spectator seating for 1,500. He stated the fitness center would provide 5,000 square feet fully outfitted with exercise equipment. He stated the field house would provide approximately 58,000 square feet to include a 200-meter, 6-lane indoor running track, a multipurpose floor for indoor soccer, tennis, wrestling, gymnastics, etc., and spectator seating for 1,500. He provided maps identifying the location of each project and the location of each project by Council district. He reviewed the proposed facility renovations and respective proposed renovation cost. He explained the capital bond cost for a property owner at a 2.25 cent tax rate. He stated all of the facilities would be on a bus route.

A discussion period ensued.

Mr. Kristoff Bauer, Interim City Manager, explained the next step would be to adopt a resolution granting preliminary authorization to proceed with a general obligation bond referendum to finance various parks and recreation improvements for the City.

Mayor Chavonne stated this was a bold move and asked for a show of hands to place the resolution on the June 11, 2012, City Council meeting agenda. A show of hands was unanimous (10-0).

4.6 Compensation Policy Discussion

Mr. John Kuhls, Human Resource Development Director, presented this item and stated the pay changes would be effective in mid-August, which would include a 4 to 5 percent police pay step plan and a merit increase based upon performance for general employees of 2.5 percent of salary range mid-point. He stated the turnover rate for all City employees had increased over recent history and the additional cost for recruitment, training, and loss of productivity was substantial. He stated in many cases employees were trained by the City and after several years they chose to work for a different employer utilizing the same skills for more money. He stated PWC recently stated that 44 percent of their employees were paid at mid-point or better in their respective pay range, while the City had only 34 percent of all general fund employees paid at mid-point or better. He stated key questions for discussion included whether they should

have a more aggressive merit pay plan, while striving for greater than 34 percent of employees at or above mid-point. He stated the Police step plan had proven to successfully reduce turnover, and PWC had utilized annual benchmark surveys with more frequent salary structure adjustments to stay competitive, while the City's most recent pay structure changes were made in 2008. He stated the Market Study results by Segal in the compensation study adjusted the findings for each job title by using the Economic Research Institute (ERI) data. He stated the methodology increased or decreased the reported pay from other public and private sector peers by a factor determined by whether employers were paying a competitive wage for a given area. He stated examples included Durham salaries being reduced by 9.6 percent, Greensboro salaries being reduced by 6.1 percent, and all others used being reduced for an average of 9.4 percent before comparing to Fayetteville salaries. He inquired if the Council preferred to use the Market Study results with or without the ERI adjustments. He stated was it important to be competitive with both the Triangle and Triad when trying to attract professional local government employees. He stated other secondary questions could be discussed over time, as these primary questions would help establish a clearer future policy.

Council Member Applewhite stated she thought the Council was going to decide how to distribute the \$700,000.00.

Mr. Bauer stated he needed direction from the Council as to what the goal of the Council was. He stated the \$700,000.00 would be kept as a reserve until the implementation of the compensation policy.

Mayor Chavonne stated the funds would not be utilized until January 2013.

Council Member Applewhite requested staff provide a proposed compensation policy.

Council Member Bates stated he would not support a tax increase for the intent of raising salaries.

Council Member Fowler requested staff find within the budget the best practice to retain employees.

Mayor Chavonne stated he thought a pay increase was more beneficial than an extra paid vacation day.

Mr. Bauer stated this item would appear on every Council workshop from now on until the funds were appropriated.

4.7 Response to Request to Donate 0.92 acre to Cape Fear Botanical Garden

Ms. Kecia Parker, Real Estate Manager, presented this item and stated the old fire tower on Eastern Boulevard was constructed in the late 1950s. She stated the City had constructed a new fire tower facility and was no longer utilizing the parcel on Eastern Boulevard of approximately 0.92 acres. She stated in 2007 Cape Fear Botanical Garden requested the City remove the fire tower and deed the old fire tower property to them. She stated funding was received to build the new facilities but there was not enough money to demolish the fire tower.

She stated the Cape Fear Botanical Garden requested a status on the donation. She stated the parcel was no longer utilized by the Fire Department and North Carolina General Statute § 160A-279 provided authority and the method for response to a request for City-owned property to be disposed of. She stated the tax value of said parcel was \$78,908.00, and the compensation for the parcel would be the public use of a Visitors Pavilion Complex and the enhancement provided to the Eastern Boulevard Corridor.

Council Member Crisp stated the City should sell the property at a 50 percent discount and not give the property away, that this was setting a precedent.

Council Member Bates inquired if the City had funding for removing the fire tower. Ms. Parker responded no funding had been appropriated.

Mayor Chavonne announced this item would be on the City Council June 11, 2012, meeting agenda for further discussion and vote.

5.0 MANAGER'S REPORT

Mr. Kristoff Bauer, Interim City Manager, presented this item and reviewed the following information:

- June 6, 2012 – Town Hall Day in Raleigh, NC. The bus will depart Town Hall at 9:00 a.m.
- 250th City Birthday Celebrations – The City is working with the Arts Council to secure a national name blues act and country rock act.
- The Bragg Boulevard Corridor Redevelopment Plan will kick off with a meeting on Monday, June 11, 2012, at 6:00 p.m.
- The Days Inn request for proposal timeline will be forwarded to the Council along with an item for rezoning the property.
- The Police supplemental duties policy that does not allow double dipping has been implemented.

6.0 ADJOURNMENT

There being no further business, the meeting adjourned at 8:51 p.m.