

**FAYETTEVILLE CITY COUNCIL  
WORK SESSION MINUTES  
LAFAYETTE ROOM  
MARCH 4, 2013  
5:00 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith Bates, Sr. (District 1); Kady-Ann Davy (District 2) (arrived at 5:17 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); Wade Fowler (District 8); James W. Arp, Jr. (District 9)

Others Present:

Ted Voorhees, City Manager  
Kristoff Bauer, Assistant City Manager  
Karen McDonald, City Attorney  
Harold Medlock, Police Chief  
Brian Meyer, Assistant City Attorney  
Dana Clemons, Assistant City Attorney  
Rusty Thompson, Engineering and Infrastructure Director  
Lee Jernigan, Traffic Engineer  
Randy Hume, Transit Director  
Jerry Dietzen, Environmental Services Director  
Karen Hilton, Planning and Zoning Manager  
Pamela Megill, City Clerk  
David B. Phipps, PE, Sandhills Regional Traffic Engineer, NCDOT  
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:** Council Member Haire moved to approve the agenda with the addition of Item 4.7, sales tax.

**SECOND:** Council Member Fowler

**VOTE:** UNANIMOUS (10-0)

**4.0 OTHER ITEMS OF BUSINESS**

**4.1 NCDOT Presentation for Owen Drive Project**

Mr. Lee Jernigan, Traffic Engineer, explained this item and stated NCDOT was proposing a project to improve the safety and operation of Owen Drive from Eastern Boulevard to the All American Expressway. He introduced Mr. David B. Phipps, PE, Sandhills Regional Traffic Engineer, NCDOT. Mr. Phipps presented the item with the aid of a power point presentation and stated the project was being developed with NCDOT Division 6 and City of Fayetteville staff.

He further stated the investigation included a five-year crash analysis, field review, and pedestrian and vehicular volume data. He noted that Owen Drive was one of the heaviest traveled roadways in Fayetteville with 38,000 to 60,000 vehicles per day. He also noted there had been a total of 1,092 crashes in the past five years, to include 8 fatal collisions. He explained the proposal was to construct a grass and concrete median with additional landscaping at the City's cost. He further explained the medians would provide left turns and u-turns at signals and identify median openings and would provide marked and signalized pedestrian crossings. He stressed that medians do improve safety and traffic flow and as an example stated the Ramsey Street project had reduced total crashes per year by 47 percent. He concluded by stating the project was eligible for Federal Highway Safety Improvement Program funding, and requested support of the City Council in the form of a resolution for the project.

A brief discussion period ensued.

Consensus of the Council was to bring a resolution of support for the item to the March 25, 2013, City Council meeting.

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

Mr. Randy Hume, Transit Director, presented this item with the aid of a power point presentation. He stated in December 2008 City Council adopted the Transit Development Plan (TDP) to provide a roadmap for improving services provided by FAST within the City of Fayetteville. He further stated City Council established the Fayetteville Advisory Committee on Transit (FACT) to address the public transportation needs of the City by providing recommendations for implementing the TDP. He noted since October 2012, FACT had been working with Transit staff to develop recommendations to be considered by City Council as it prepared for the FY 2014 budget process. He further noted FACT's recommendations were consistent with the TDP and included enhancements that should continue to improve the availability and convenience of services to citizens and visitors. He reviewed the following proposed enhancements listed in order of preference by FACT:

- 1.New Strickland Bridge Road Route
- 2.Route 3 – Early Saturday Hours
- 3.Route 4 – Early Saturday Hours
- 4.Route 12 – 60-Minute Service after 8:00 p.m. (savings)
- 5.Route 14 – Express/Limited
- 6.Route 17 - Night Service
- 7.Route 3 - Night Service
- 8.New Pamalee/Country Club Route
- 9.Fort Bragg AM-PM work trips

Mr. Hume concluded by stating the preliminary cost would be \$394,000.00 to the City's General Fund after deducting estimated fare and grant revenue.

A brief discussion period ensued.

Mayor Chavonne stated this item would be discussed further during the upcoming budget work sessions.

#### **4.3 Five-Year Reauthorization of the Downtown Municipal Services District**

Ms. Karen Hilton, Planning and Zoning Manager, presented this item and provided an overview regarding the creation and purpose of the Municipal Service District (MSD) for the downtown area. She then explained the reauthorization process. She stated each year the City establishes the tax rate for the MSD and identifies the proposed expenditures. She explained the tax rate had remained 10 cents per \$100.00 for several years and the revenues helped to support the downtown parking program and special projects such as bicycle racks, wayfinding, upgraded brick paving, and related streetscape projects. She stated the statutes do not set a time limit on how long a MSD may exist but City Council had chosen to limit the authorization for the Downtown MSD to five years. She further stated the current authorization of the MSD would expire June 30, 2013. She outlined the boundaries for the MSD and advised with very minor changes the boundaries had been the same since the initial creation of the MSD. She further advised that staff was not proposing any change to the existing boundaries. She cautioned that denial of a reauthorization of the MSD for the downtown area would eliminate the special revenue source for support of downtown projects and services. She stated for the parking garage alone, at least \$25,000.00 would have to be provided from the General Fund or another source. She stated other projects or services supported by the revenue during FY 2013 were parking enforcement, paver bricks, signage, a portion of the downtown manager's position, promotional materials, security cameras, and holiday decorations including replacement of flags. Consensus of the Council was to hold a public hearing on the item at the March 25, 2013, City Council meeting.

#### **4.4 Commercial Recycling Program Update**

Mr. Jerry Dietzen, Environmental Services Director, presented this item with the aid of a power point presentation. He provided background information on the success of the curbside recycling program for multifamily communities and advised that program was used as a template for the commercial recycling program. He stated in preparation for the expansion of the program to commercial businesses, Fayetteville State University was enlisted to assist with gathering input from the local business community about the possibility of a recycling program. He advised Dr. Stacey Blount, Ph.D., and Dr. Nicole Lucas of the Department of Sociology, with the City's input, developed the survey that was used for commercial/business input on the potential program. He stated the survey was initiated in the fall of 2012 and the report was made available on January 4, 2013. He further stated following the review of the report, they found there to be general support for a recycling program across the business community with the request that businesses be able to use their current hauler and that most would be willing to pay for their service and that most support a reasonable fee for start-up guidance, promotion, and education of the program. He stated the information gathered from the respondents in the survey was in line with the information they received during the multifamily recycling development process; therefore, using the multifamily recycling ordinance as a template appeared to be in order.

A discussion period ensued.

Consensus of the Council was not to pursue commercial recycling at this time.

#### **4.5 FY 2014 City Council Budget Guidelines**

Mr. Ted Voorhees, City Manager, presented this item and stated based on feedback from the Strategic Planning Retreat, staff was recommending that Council consider adoption of the budget development guideline documents which would be used by staff as the foundation for creation of the FY 14 proposed budget. He provided the Council with a draft handout of the City of Fayetteville FY 2014 Budget Development Guidelines dated March 2013 as follows:

Federal political gridlock has yielded a series of budgetary and fiscal uncertainties that impact the usual budget planning environment. The latest in the series is referred to as the "sequester" which is an "across the board" reduction in federal spending of approximately \$45 billion. In our community, which is especially vulnerable to federal spending reductions on workforce payroll, the situation is being realized through scheduled furloughs and immediate reductions in the purchase of goods and services. Fayetteville will likely see a corresponding decrease in retail activity, and a weakening in the land development sector. These impacts may not be readily apparent as the retail activity may be somewhat offset by the return of deployed soldiers. Likewise, land development activity had continued at a steady pace, much higher than most other communities, throughout the recent recession, and is likely to continue, perhaps at a slower rate, due to the major realignments created by the past round of BRAC decisions. Budget reductions at the State level, including a variety of proposals to change or eliminate corporate and personal income taxes, further added to the uncertain budget planning environment. Fortunately, State leaders have pledged to minimize the impact of State budget shortfall on local governments and have largely delivered on that pledge over the most recent biennium. Despite the negative outlook, Fayetteville appears to be weathering the storm better than many communities.

The two largest sources of revenue to support General Fund operations are local property taxes, and local sales taxes. Based on current economic trends, it appears that residential real estate and personal property tax growth will remain very modest and sales tax revenue growth may be impacted by reductions in federal spending. As a result, increases in City spending will be limited in FY 2014 and must be targeted to high priorities. Accordingly, the City Council directs the City Manager to develop a budget for Fiscal Year 2014 that limits increases to what is needed to accommodate population growth and cost factors, and clearly identifies funding requirements driven by State and/or federal mandates and the City's strategic initiatives.

The City Council recognizes the significant potential for resource optimization associated with the realignment and consolidation of the City and Public Works Commission's workforces in key administrative support functions. This issue had been under consideration for some time and is

included in the FY 2013 Strategic Plans for both organizations. Seeking increased operational efficiency and coordination should be a priority for all City operations.

Competitive tax rates are a high priority. Accordingly, the City Manager should review the City's property tax rate in comparison to peer communities, prepare the FY 2014 budget based on the existing tax rate, and evaluate where the City should focus resources consistent with the City Council's priorities. In order to balance the factors outlined above, the City Manager shall use the following Budget Development Guidelines in the preparation of the FY 2014 Proposed Budget:

### **REVENUES**

- The base budget will be developed utilizing the existing property tax rate of \$.456 per \$100.00 of assessed valuation.
- Develop options for the creation of a revolving financial resource dedicated to neighborhood and corridor revitalization.
- Existing Municipal Service District tax rate in the downtown shall remain at \$.10 per \$100.00 of assessed valuation.
- The Local Government Commission has established an 8% minimum available General Fund balance for all North Carolina municipalities. Council policy establishes a 10% minimum unassigned fund balance for Fayetteville. The budget shall be developed with an estimated unassigned General Fund balance of no less than 12% at the end of FY 2014.
- Conduct a review and discussion of opportunities for non-tax revenue enhancements such as user fees, transit fares, and similar charges for service. At a minimum, fee adjustments will be evaluated in the following areas:
  - Solid waste fees
  - Stormwater fees
  - Excavation Permits
  - Asphalt Degradation Fee
  - Hourly/Daily parking rates and Citation rates
  - Parks and recreation fees
  - Accident response fees
  - Plan review fees
- Non-recurring funds shall be directed toward recurring uses.
- Shared service delivery models should be considered to eliminate duplication of service and administrative overhead, and improve efficiency.
- Fully fund public safety, Police and Fire positions that are no longer supported by federal grants.
- Employee pay and benefits are a substantial portion of the City's overall cost of operations. The following compensation components will be evaluated with appropriate adjustments included in the proposed budget:
  - Continued implementation of the compensation study.
  - Market adjustment of the police step plan.
  - Maintain the City's pay for performance program.
  - Consider changes to post employee benefits for newly hired employees to reduce future liability accrual.
  - Consider funding benefit changes recommended by the compensation study.
- New positions shall only be funded for a partial year when warranted by the timing of the actual operational impact on the budget.
- Dedicate, at a minimum, 5.65 cents of the City's 45.6 cent property tax rate to the City's capital funding plan.
- Fund the Capital Improvement and Information Technology Plans as presented to Council during the strategic planning retreat.
- Adoption of a goal for 85% City streets to be rated at 85 or better. Work towards reducing our paving cycle through increased funding, including identification of alternative revenue sources or funding models.

The City Council had appointed a Public Works Commission to manage the City's water, sewer, and electric utilities in the best interests of the City of Fayetteville. The Council provides the following guidelines to assist the Commission in fulfilling its responsibilities:

#### **CAPITAL PLANNING**

- All utility capital projects should be fully supported by utility funds without contribution or set-off from the City's General Fund.
- All utility costs associated with City capital projects should be fully supported by utility funds, whether planned and included in the City's adopted Capital Improvement Plan or unplanned due to emergency repair or infrastructure failure.
- Projects related to the provision of basic utility services should be prioritized over service enhancement or automation initiatives. Additional or expanded projects to hasten the provision of water and sewer service to current City residents should be a priority.
- The utility Capital Improvement Plan shall be presented to the City Council in advance of the general budget consideration with sufficient time and information to allow the Commission to consider Council comment prior to adoption and submission to Council as part of final budget review.

#### **PERSONNEL COSTS**

- Consistent with open government and state law, all compensation policies and procedures will be memorialized and available for review.
- The amount budgeted for pay adjustments and how that funding will be applied shall be clearly articulated in the budget document and relevant published personnel policies.
- The Commission is encouraged to move employee benefit programs into consistency and coordination with those provided the non-utility City employees in order to reduce costs through improved purchasing power, greater dispersion of risk, and reduced overhead.

#### **CHARGES FOR SERVICE**

- Other than standard water, sewer, and electric service rates, the Commission should no longer authorize requests for payments or presentation of charges to other City's operations without prior coordination and agreement regarding an appropriate cost allocation methodology as exists, for example, through the operational memoranda and practice for Purchasing and Fleet Maintenance operations.

#### **SHARED SERVICE PROJECT**

- The Commission is discouraged from authorizing additional positions or revisions to existing positions in the operational areas or functions being studied until such time as the analysis and recommendation has been completed, considered, and acted upon.

Mr. Voorhees requested that Council review the draft budget guidelines over the next couple of weeks and advised this was a new step in the annual budget process.

Mayor Chavonne stated it was very important to communicate individually with feedback to the City Manager on the item in order for the City Manager to have a clear understanding from each of the ten elected officials.

Consensus of Council was to bring this item back to the March 25, 2013, City Council meeting.

#### **4.6 Mayor and City Council Protocol and Code of Conduct**

Mr. Ted Voorhees, City Manager, presented this item and stated in recent years, the City Council had reviewed the existing City Council Protocol document during their strategic planning retreats and had reached a strong consensus regarding the protocols. However, he stated the protocols had never been formally adopted. He provided a copy of the draft Mayor and City Council Protocol and Code of Conduct.

After a lengthy discussion, it was established that in order to take an official binding vote during a work session, a vote would need to be taken to "suspend the rules" and if a majority of the Council voted in favor of suspending the rules, then the motion, second, and vote could be taken on the items requiring action.

Further discussion took place on Protocol 10, Work Session Agenda Items; Protocol 11, City Council Member placing new business on work session agenda; and Council Member placing new business directly on regular agenda.

Consensus of Council was to discuss this item further at a later date to be determined.

**Resolution Response to Cumberland County Sales Tax Distribution Proposal, March 2013**

Mr. Ted Voorhees, City Manager, presented this item and provided the Council with a draft resolution.

Mayor Chavonne stated it would be nice to take the lead and pass the resolution at the current meeting.

**MOTION: Council Member Crisp moved to suspend the rules.**

**SECOND: Mayor Pro Tem Arp**

**VOTE: UNANIMOUS (10-0)**

**RESPONSE TO CUMBERLAND COUNTY SALES TAX DISTRIBUTION PROPOSAL, MARCH 2013. RESOLUTION NO. R2013-014.**

**MOTION: Council Member Hurst moved to adopt the response to the Cumberland County Sales Tax Distribution Proposal dated March 2013 with the modification in the “Now, therefore, be it resolved” paragraph to read: Now, therefore, be it resolved by the City of Fayetteville, North Carolina, this 4th day of March, 2013, that the City of Fayetteville requests a one-year interlocal agreement for sales tax distribution in Cumberland County, with financial terms (50/50) identical to the existing expiring agreement, to govern sales tax distribution in FY 2014; and**

**SECOND: Mayor Pro Tem Arp**

**VOTE: UNANIMOUS (10-0)**

**5.0 ADJOURNMENT**

There being no further business, the meeting adjourned at 8:02 p.m.