

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
LAFAYETTE ROOM
FEBRUARY 3, 2014
5:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kathy Jensen (District 1)(arrived at 5:15 p.m.); Kady-Ann Davy (District 2); Mitchell Colvin (District 3); Chalmers McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Lawrence O. Wright, Sr.,(District 7); Theodore Mohn (District 8); James W. Arp, Jr. (District 9)

Others Present:

Theodore Voorhees, City Manager
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Karen McDonald, City Attorney
Lisa Smith, Chief Financial Officer
Dwayne Campbell, Chief Information Officer
Rusty Thompson, Engineering and Infrastructure Director
Greg Caison, Stormwater Manager
Tracey Broyles, Budget Manager
Steven Blanchard, PWC CEO/General Manager
Dwight Miller, PWC Chief Financial Officer
Carolyn Justin-Henson, PWC Public Information Officer
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Robertson called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member Hurst.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Crisp moved to approve the agenda with the exception of Item 4.3 – Stormwater Utility Fee Presentation and Item 4.6 – Curbside Recycling Collection; both items to be briefly discussed during the Strategic Planning Retreat meeting, and to add Item 4.9 Closed Session.

SECOND: Council Member Davy

VOTE: PASSED by a vote of 8 in favor and 1 in opposition (Council Member Hurst)

4.0 OTHER ITEMS OF BUSINESS

4.1 Presentation from Mr. Paul Myer, Executive Director, NC League of Municipalities

Mr. Paul Myer, Executive Director, NC League of Municipalities stated today was his first day as the newly appointed Executive Director of the NC League of Municipalities. Mr. Myer stated the NC League of Municipalities is a membership association of 540 great hometowns, representing nearly every municipality in the state. The League advocates for its members, from the largest city to the smallest village, on the full range of legislative issues that affect municipalities. For more than 100 years, the League has promoted, and continues to promote good government by offering non-partisan advocacy, insurance and other services as directed by its membership. Mr. Myer introduced his staff members; the NCLM Government Affairs Team: Ms. Whitney Christensen, Ms. Jennifer Webb, Ms. Erin Wynia, Mr. Chris Nada, and Ms. Cara Bridges. Mr. Myer stated the NCLM is the only organization in the state representing the interests of all of North Carolina's cities and towns. Mr. Myer provided an overview of the League services. Mr. Myer reviewed the League accomplishments for 2013 and concluded by inviting elected officials and staff to contact him or his staff with any questions or concerns they may have.

Mr. Voorhees congratulated Mr. Myer on his recent appointment to the position of Executive Director and thanked him for the presentation.

4.2 Stormwater Regulatory Overview

Ms. Erin Wynia, North Carolina League of Municipalities Legislative and Regulatory Issues Manager, presented this item with the aid of a PowerPoint presentation and began with an overview of the related terminology. Ms. Wynia provided an overview of the Clean Water Act, the federal law giving EPA the authority to regulate stormwater discharges, through the National Pollution Discharge Elimination System (NPDES) permitting programs. Fayetteville is a Phase I community. A federal permit issued to a municipality by the state imposes a host of water quality requirements on the city and the permit requirements are law. Components of the Phase I permit are to regulate runoff pollutants, construction site controls, post-construction controls, illicit discharge and detection and elimination, public involvement and participation, public education and outreach, good housekeeping, and an annual report to the State. Ms. Wynia stated as of 2012, 60 NC local governments have stormwater enterprise fees, and many of these communities dedicate a portion of the fee to stormwater quantity projects. Ms. Wynia provided information on the limitations of local environment ordinances and stated cities regulate to comply with federal and state permits, comply with federal and state laws and regulation, run state-delegated programs, and promote economic development. State statutes already limit ordinance powers.

Following the presentation a brief question and answer session ensued. Mayor Robertson thanked Ms. Wynia for her presentation.

4.03 Stormwater Utility Fee Presentation

This item was tabled until the Strategic Planning Retreat, February 7, and 8, 2014.

4.04 Transit Development Plan Update

Mr. Dan Boyle, Dan Boyle and Associates, presented this item with the aid of a PowerPoint presentation and stated a Transit Development Plan (TDP) is a planning tool used to analyze transit needs, evaluate the services that are provided, and develop strategies to match resources and services to the identified needs. The current plan was prepared in 2008-2009 and approved by the City Council in December 2009. In April 2012, Transit engaged a team led by Dan Boyle and Associates to update the TDP considering service improvements implemented over the past few years and changes in both development patterns and demographics that have occurred. The TDP will provide an implementable plan or roadmap to guide future improvements and investments that will best meet the public transit needs of our city. The plan's recommendations are grouped into three categories: 1) 1 to 2 years; 2) 3 to 5 years; and 3) 6 to 10 years. Mr. Boyle stated Council had been provided an Executive Summary as part of the agenda packet. Mr. Boyle presented on the following items: route profiles, peer and trend analysis, intercept survey, unmet needs, future growth, FASTREAC analysis, service recommendations, financial plan, ridership, productivity, passenger activity, running time, at route, route segment, and stop levels. Discussion ensued pertaining to the strengths and opportunities for FAST. Discussion of overcrowding of the buses that service Fayetteville Technical Community College ensued. Mr. Boyle addressed unmet needs pertaining to demographic analysis, development patterns, survey results, public outreach and operator meetings. Future residential growth and future employment growth concerns were addressed.

Mayor Robertson thanked Mr. Boyle for the presentation and thanked Mr. Randy Hume, Transit Director, for his comments and input.

4.05 Recommended CIP/ITP Presentation

Mr. Theodore Voorhees, City Manager, introduced this item and stated some of the items are a one-time purchase and some are sustainable items; they would have to be funded for additional fiscal years.

Mr. Rusty Thompson, Engineering and Infrastructure Director, presented the recommended Capital Improvement Program (CIP) for FY 2015 - FY 2019. Mr. Thompson stated the CIP project definition:

1. Specific facility or infrastructure improvement project with a total cost of \$50,000 or greater.
2. Significant maintenance projects (roof replacements, HVAC systems etc.) meeting the \$50,000 threshold.
3. Vehicle and equipment purchases (new and replacement) are not included in the CIP.

Mr. Thompson identified 34 CIP projects and provided an overview of each. A discussion ensued pertaining to the repair and resurfacing of city roads. Mr. Thompson stated the city owns 750 miles of road and it costs approximately \$170,000 for each mile to be repaved.

Mr. Dwayne Campbell, Chief Information Officer, presented the recommended Information Technology Program (ITP) and stated the ITP definition:

1. Replacement, upgrade or new technology purchases with a combined implementation cost of \$25,000 or greater (hardware, software communication devices etc.).
2. Expansion, renovation, or replacement of an existing system if the cost is greater than \$10,000.
3. Multi-year technology project.
4. Project with enterprise-wide impacts.

Mr. Campbell identified 29 ITP projects and provided an overview of each. A discussion ensued pertaining to evaluation criteria and the layered architecture. Mr. Campbell listed the ITP benefits to date.

Ms. Lisa Smith, Chief Financial Officer, provided an overview of the CIP/ITP funding plan with the aid of a PowerPoint presentation.

Mayor Robertson thanked Mr. Thompson, Mr. Campbell. and Ms. Smith for their respective presentations.

4.06 Curbside Recycling Collection

This item was tabled until the Strategic Planning Retreat, February 7, and 8, 2014.

4.07 PWC Budget Guidelines

Mr. Theodore Voorhees, City Manager, presented this item and stated Budget Guidelines are an industry best practice used by policy bodies to set the tone for the preparation of the budget. This practice is particularly valuable in instances of delegated authority to an appointed Board or Commission. The Public Works Commission's budget process is completed early and the resulting recommendations forwarded to the Council for consideration along with other operational budget recommendations during the budget process. The adoption of budget guidelines now will provide the Commission direction early in their process. This will be particularly helpful if the Council is seeking specific changes from past budgeting decisions as it provides the Commission and supporting staff time to develop and consider alternatives consistent with Council's stated interest. This is a new process for Fayetteville. Last year was the first time that budget guidelines were proposed. While last year's draft guidelines for PWC were not adopted by Council, they did provide a basis for a number of productive conversations. Staff presented the PWC Budget Guidelines at the January 6, 2014, Council Work Session. The consensus was to delay consideration to February 3rd and Council was invited to provide suggested changes or questions to Lisa Smith, Chief Finance Officer. As of this time no comments, suggestions or questions have been received. Mr. Voorhees said the Budget Guidelines is a way for this governing body to communicate to the Commission; lack of communication was one of the reasons for the disconnect.

Council Member Arp stated he serves as the Council liaison to PWC and stated he agrees with Mr. Voorhees statements and said Council needs to orchestrate the synchronization of the budget preparation to PWC.

A brief discussion ensued.

Consensus of Council was to move this item forward for further discussion at the City Council February 24, 2014 regular meeting.

4.08 Health Benefits Overview and Plan Comparisons

Mr. Kristoff Bauer, Deputy City Manager, presented this item with the aid of a PowerPoint presentation. Mr. Bauer stated the City's benefit plan year coincides with the fiscal year. The City determines employee benefit premiums annually in late February in preparation for annual

open enrollment in April. This has consistently been an administrative process that does have an impact on personnel costs for the next fiscal year. The benefit premiums must be established prior to the budget being adopted. Claims experience is a significant component of setting premiums and that estimate improves with each additional month of actual claims data. As a result, premiums are set as close to the open enrollment period as possible on a very tight decision timeline. Other municipalities with concurrent budget and benefit plan fiscal years establish premiums in the same way. Some cities have established plan years that start after the budget is adopted; budgeting on a fiscal year and providing benefits on a calendar year basis for example. This provides some opportunity for policy discussions regarding benefit expenditures to occur during the budget process. Decisions would be based on less claims data and would be effective for half of the upcoming budget year. The City's current practice is administratively effective, but hasn't provided transparency for the policy body regarding the decisions being made and estimated impact on the recommended budget. The purpose of this presentation is to increase Council's awareness of this process and the decisions that the City Manager's Office will need to make in the next few weeks. The current estimate for the increase to the healthcare budget for plan year effective July 1, 2014 is 4.5% or \$453,000. This increase is due in part to claims history, but the increase is higher than last year due to higher administrative and Affordable Care Act fees. The presentation included a benefits overview, plan comparison data, and budgetary process for establishing premiums.

A brief question and answer session ensued.

Mayor Robertson thanked Mr. Bauer for his presentation.

MOTION: Council Member Arp moved to go into closed session for consultation with the attorney for an attorney-client privileged matter.

SECOND: Mayor Pro Tem Davy

VOTE: UNANIMOUS (10-0)

The regular session recessed at 9:45 p.m. The regular session reconvened at 10:30 p.m.

MOTION: Council Member Arp moved to go into open session.

SECOND: Council Member Jensen

VOTE: UNANIMOUS (10-0)

5.0 ADJOURNMENT

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