

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
LAFAYETTE ROOM
JANUARY 5, 2015
5:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kathy Jensen (District 1); Kady-Ann Davy (District 2) (arrived at 5:08 p.m.); H. Mitchell Colvin, Jr. (District 3); Chalmers McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7); Theodore Mohn (District 8); James W. Arp (District 9) (arrived at 5:15 p.m.)

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
Rusty Thompson, Engineering and Infrastructure Director
Scott Shuford, Development Services Director
Randy Hume, Transit Director
Brian Meyer, Assistant City Attorney
Tracey Broyles, Budget and Evaluation Director
Elizabeth Somerindyke, Internal Audit Director
Craig Harmon, Senior Planner
Susan Fritzen, PWC Chief Corporate Services Officer
Dwight Miller, PWC Chief Financial Officer
Mark Brown, PWC Customer Relations Director
Gloria Wrench, PWC Purchasing Manager
Russ Rogerson, The Alliance Vice President
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 Wright.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Colvin moved to approve the agenda with the following amendments: Closed session to be placed at the end of the agenda; remove Item 5.04, Audit of Navigate Expenditures; and table Item 5.09, Tobacco Ordinance, to the February 2015 work session.

SECOND: Council Member Wright

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

5.0 OTHER ITEMS OF BUSINESS

5.01 Assessing the Future Business Model for the Human Relations Department

Ms. Rochelle Small-Toney, Deputy City Manager, introduced this item. Ms. Small-Toney stated Mr. Ronald McElrath, Human Relations Director, will be retiring on February 28, 2015, from the City of Fayetteville after serving in this capacity for 14 years. In order to ensure that the mission of all human relations and fair housing programs and activities are aligned with the expectations of the City Council, the Cumberland County Commissioners and the community, this is the appropriate time to assess the programs and organizational structure of Human Relations prior to hiring a new Director. Since the establishment of a Human Relations Commission and Department in March 1968, community and organizational issues related to human relations have changed in the City of Fayetteville and Cumberland County, as they have in many other communities across the United States. We should periodically assess our

programs and practices to ensure that they are meeting the expectations of City Council and meeting the needs of the community. An assessment by an outside consulting firm with direct experience and national prominence in the human relations and human rights fields will bring clarity to what our human relations mission is currently and should be for the future. We have received a proposal from WPR Consulting, LLC, to conduct the assessment and to assist in the hiring process for the new Director of Human Relations. Ms. Small-Toney introduced Mr. Willie Ratchford, President of WPR Consulting, LLC.

Mr. Ratchford stated he had met with the City Manager, County Manager, Human Relations Director Ron McElrath, and Ms. Small-Toney to discuss the proposal and next steps. The process for assessing the mission of human relations begins with the elected boards for consensus of what the mission of Human Relations shall be for the City and County. The process also involves consultation with the City and County administrative staff, members of the Human Relations Commission, department staff, and community stakeholders. Staff are also requesting WPR's assistance in the Director's recruitment process. Mr. Ratchford stated the proposal has been provided to Council. Mr. Ratchford stated fostering excellent human relations in all aspects of life in the City of Fayetteville is a longstanding objective for the City of Fayetteville and its residents that dates back to the 1960s when racial integration was sweeping the state and country. The desegregation of the community in the early 1960s was first led by the efforts of two Mayoral Bi-Racial Committees, the Fayetteville Good Neighbor Council and ultimately the creation of the current Human Relations Commission and Department in March 1965. The Human Relations Commission and Department have served the City of Fayetteville for 49 years. In 2005, the Commission and Department began serving the residents of Cumberland County and continue to do so today. The City Charter establishes the Human Relations Commission and assigns the responsibilities for the administrative work of the Human Relations Commission to the City's Human Relations Director. Additionally, Article 8 under Chapter VIII of the City Charter establishes the Fair Housing program, a Title VIII of the Federal Civil Rights Act of 1968, which also establishes a Fair Housing Board. The administrative work supporting this Board is also assigned to the Human Relations Director. Within the City organization the Human Relations program is intimately involved in mediation where discrimination has been alleged, administering the American with Disabilities Act (ADA) compliance program, and the City's employment/employee diversity. In the County, the Human Relations Department is very actively engaged in consultations with corporate and community leaders on human relations and fair housing matters. The activities of the department are funded by the City of Fayetteville. Cumberland County provides for some administrative support through a Senior Aide. Mr. Ratchford concluded by stating the assessment will also recommend the appropriate structure for the department and identify any gaps in resources that are needed to achieve its mission. A completed assessment that involves all stakeholders will better target our recruitment efforts to fill this important vacancy in the City's senior management structure.

Discussion ensued.

This item was for information only. Council was asked to complete a poll that was included in the packet they were provided.

5.02 Transit Advertising

Mr. Jeff Thompson, FACT Chairperson, presented this item with the aid of a PowerPoint presentation and stated transit advertising is used by many transit systems to generate revenues to supplement other traditional tax based revenues in support of transit services. Prior to 2008, when new buses and a new paint scheme were introduced, FAST sold advertising on buses. Advertising generated approximately \$40,000.00 each year. The potential for advertising was reexamined in 2012, when FAST issued a Request for Proposals for a third party to sell and manage a transit advertising program. Council at that time decided the revenues that might be generated did not offset the negative impacts such as aesthetics, branding, controversial ads, etc. FACT has continued to review the revenue potential related to transit advertising. After much discussion, FACT has again recommended that FAST reintroduce advertising and has further recommended the resulting revenues be used to place

more benches and shelters along FAST bus routes. Transit systems in Chapel Hill, Durham, Greensboro, Raleigh, Wilmington and Winston-Salem do accept advertising on the exterior of their buses. Asheville, Cary, High Point and Triangle have elected to not advertise. Raleigh generated the most annual revenues in FY 2014 with \$190,790.00 on 80 buses available for advertising. Raleigh's \$2,385.00 per bus was also the highest among these systems. The average annual revenue per bus was \$1,323.00. FAST has 27 fixed route buses (21 large/6 small). While alternate revenue sources are desirable, transit advertising can be and has been controversial at times. Most transit systems have tried to control advertising content and avoid controversial issues to some degree with a "commercial only" advertising policy. Transit in conjunction with the City Attorney's Office developed such a policy prior to seeking proposals in 2012. Over the past few years, some courts have ruled these limits overly restrict free speech and have forced transit systems to accept ads many find objectionable. Mr. Thompson provided a draft advertising policy to Council. Mr. Thompson stated that controversial or objectionable ads may detract from transit's image and/or embarrass the City. Such controversies are likely to be infrequent and may not arise for several years, but the potential is real. Within the past two years Chapel Hill was challenged after rejecting issue ads. Initially, Chapel Hill suspended all advertising, but later decided to accept advertising and post a disclaimer on all ads. Chapel Hill's budget shows \$150,000.00 projected advertising revenues for FY 14-15 from its 100 bus fleet. The revenue potential ranges from \$40,000.00 to \$100,000.00.

Discussion ensued.

Consensus of Council was to direct staff to move forward with this item and issue a request for proposal.

5.03 2014-2015 Action Plan for the NC Alliance and First and Second Quarter Reports

Mr. Russ Rogerson, Vice President of the NC Alliance, presented the 2014-15 Action Plan and the first and second quarter progress reports. The reports are required by the recently authorized Memorandum of Agreement. Mr. Rogerson provided an overview of active projects, capital investment, job creation, local economy, top 25 employers, existing industry and retention, community marketing and industry attraction.

Discussion ensued.

Consensus of Council was to accept the quarterly report.

5.04 Audit of Navigate Expenditures

This item was removed from the agenda by Council Member Colvin.

5.05 Risk Management Best Practices – Implementation

Mr. Kristoff Bauer, Deputy City Manager, presented this item with the aid of a PowerPoint presentation, and presented the steps and milestones relating to the implementation of the recommendations in the Risk Management Best Practices Review report that was presented to Council on December 1, 2014. Mr. Bauer stated there is consensus among those participating in the Best Practices Review that the recommendations are supported by the analysis performed and the potential savings in this case are consistent with the effort's objectives.

Implementation of those recommendations, however, will require significant organizational change and the development of some key new resources and operational procedures. The Implementation Memorandum is intended to establish a framework for moving forward to respond to the recommendations and achieve the recommended organizational structure over time. The formation of a number of teams to address specific areas of change is recommended.

Most of this work is administrative in nature, but there will be budgetary decisions that Council will consider. There may not be sufficient time to complete all of the work necessary to include these decisions in the scheduled FY 16 process. Council may be asked to consider a budget amendment at the appropriate time.

Discussion ensued.

MOTION: Council Member Hurst moved to support implementation of the report recommendations through the administrative process outlined in the report; not authorizing the actual implementation.

SECOND: Council Member Colvin

VOTE: FAILED by a vote of 5 in favor (Council Members Hurst, Crisp, Davy, Colvin, and Wright) to 5 in opposition (Council Members Robertson, Jensen, McDougald, Mohn and Arp)

MOTION: Council Member Arp moved to direct staff to work through the FPWC Steering Committee, based on the Davenport Lawrence report recommendations, develop a plan for the consolidation of the COF/FPWC Risk Management no later than 60 days for implementation in the FY 16 budget.

SECOND: Council Member Mohn

VOTE: PASSED by a vote of 9 in favor to 1 in opposition (Council Member Crisp)

5.06 Overview of the Procurement Process

Ms. Gloria Wrench, PWC Purchasing Manager, introduced this item. Consensus of Council was not to view the PowerPoint presentation as they had already reviewed the slides.

Council Member Colvin stated he is interested in seeing an improved alignment and a more local policy, and said whatever we are doing is not adequate because we do not have significant participation, and would like to see more dollars put back in the community. Council Member Colvin stated he had spoken with some delegation members and they have agreed there are some misinterpretations of the NC General Statutes related to procurement.

MOTION: Council Member Colvin moved to direct staff to gather necessary information to give to the steering committee or Davenport Lawrence to review realignment or recommendations on the procurement process, so we can better monitor our goals and increase participation.

SECOND: Mayor Pro Tem Davy

VOTE: UNANIMOUS (10-0)

5.07 Consideration of Revised Logo/Branding recommended by staff for the City of Fayetteville PWC in accordance with City Council Resolution No. R2013-052

Mr. Jay Reinstein, Assistant City Manager, presented this item with the aid of a PowerPoint presentation and stated in response to the Fayetteville City Council's request in City Council Resolution No. R2013-052, the City of Fayetteville Public Works Commission discussed and reviewed logo/branding options, as well as estimated costs for the logo replacement for FPWC during meetings of September 24, October 8, and October 22, 2014. The City of Fayetteville Public Works Commission selected the logo/style of "PWC, Fayetteville's Hometown Utility" as their recommendation for the FPWC logo. During their work session of November 3, 2014, the City Council was presented and reviewed the City of Fayetteville Public Works Commission's branding recommendation "PWC, Fayetteville's Hometown Utility". City Council by consensus directed City staff to revise the proposed FPWC logo in order for it to mirror the logos of City Departments, and for it to read "City of Fayetteville, North Carolina, Public Works Commission". During their work session of December 1, 2014, City Council by consensus asked that Corporate Communications staff coordinate with FPWC Communications/Community Relations Officer Carolyn Justice-Hinson and come back to the January work session with a simpler design incorporating the City of Fayetteville logo with the PWC logo utilizing one color. Mr. Reinstein displayed the four options and stated they were not developed as a team, they were developed in silos (Options A, B, and D created by Corporate Communications, Option C created by Ms. Justice-Hinson).

Discussion ensued.

Consensus of Council was to select option "D" in the single burgundy color, with electric and water utility written underneath, to be phased in over the next 4 to 5 years.

5.08 Fiscal Year 2016 Budget Development Guidelines

Ms. Tracey Broyles, Budget Director, presented this item and stated the budget development guidelines provide Council direction to the City Manager and Public Works Commission on key issues impacting the development of a recommended budget for the coming fiscal year. By providing early guidance, staff is better able to deliver a recommended budget that more closely aligns with Council interests. Council is asked to review the suggested guidelines in advance of

the City Council retreat. Discussion and adoption of the guidelines will be on the agenda for the annual retreat. Ms. Broyles concluded by stating Council committees that may be developing project proposals for the coming fiscal year will be asked to provide those proposals for consideration of the full Council at the retreat.

Discussion ensued.

This item was for information only.

5.09 An ordinance to amend Chapter 30 Unified Development Ordinance to establish regulations regarding tobacco oriented businesses, to create definitions for cigar bar/lounge, cigarette tobacco, electronic cigarettes, hookah cafés, pipe tobacco, roll-your-own tobacco, shisha, smokeless tobacco and tobacco shops and to assign cigar bar/lounges, hookah cafés, and tobacco shop uses to zoning districts.

This item was tabled for the February 3, 2015, work session.

5.10 City Council Agenda Item Request - Mayor Robertson Consideration of Term for Fayetteville City Council Mayor Pro Tempore

Mayor Robertson introduced this item and stated the Mayor Pro Tem traditionally has been elected following elections only; some interest was shown last year in changing that and electing a new Mayor Pro Tem annually.

Council Member Crisp stated when Mayor Pro Tem Davy was elected as Mayor Pro Tem, it was with the understanding the position was for a two-year term.

Council Member Colvin stated he would like to see a rotation of leadership.

Council Member Arp stated he was not inclined to make this suggested change, and Council should stay the present course and leave the decision of term of office to the next Council that will take office in December 2015.

Consensus of Council was to leave the two-year term for Mayor Pro Tem in place.

5.11 City Council Agenda Item Request - William Crisp - Audit of PWC Navigate Project

Council Member Crisp introduced this item and stated he has great concerns regarding this item and would like for the City to engage an outside independent audit of the PWC Navigate Project.

Council Member Mohn stated he would like to allow PWC staff the opportunity to report on the project; allowing our own enterprise to report first, and thus saving the taxpayers the expense of an outside auditor.

Council Member Hurst stated Council had asked for a full report of the Navigate Project from PWC and we have never received it.

Council Member Colvin asked who would bear the cost of the audit.

Council Member Arp stated it is in the best interest of everyone involved to have an outside audit due to the insinuations of mismanagement and split the cost of the audit; half to the City and half to FPWC.

MOTION: Council Member Crisp moved to engage an outside independent audit of the PWC Navigate Project at the City's expense.

SECOND: Council Member Hurst

VOTE: PASSED by a vote of 6 in favor to 4 in opposition (Council Members Robertson, Jensen, Mohn, and Arp)

5.12 Council Agenda Item Request - Council Member Mohn FAYPWC Detailed Briefing on ProjectNavigate

Council Member Mohn withdrew this item.

5.13 City Council Agenda Item Request - Ted Mohn - \$500,000.00 Put Back into our Street Resurfacing Fund/Program

Council Member Mohn presented this item and stated he is requesting the City allocate \$445,000.00 from the \$983,779.00 in the General Fund – Revenue and other Financing sources over expenditures and other financing issues as identified in our 2013-2014 budget and CAFR presentation.

MOTION: Council Member Mohn moved to direct staff to present this item, \$445,000.00 to the street resurfacing fund/program, as a budget amendment on a consent agenda.

SECOND: Council Member Crisp

VOTE: UNANIMOUS (10-1)

4.0 CLOSED SESSION

MOTION: Council Member Arp moved to go into closed session for consultation with the attorney discussion of litigation in the matter of *Public Works Commission, et al. v. City of Fayetteville, et al.*

SECOND: Council Member Crisp

VOTE: UNANIMOUS (10-0)

The regular session recessed at 9:20 p.m. The regular session reconvened at 9:50 p.m.

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

SECOND: Council Member Colvin

VOTE: UNANIMOUS (10-0)

6.0 ADJOURNMENT

There being no further business, the meeting adjourned at 9:55 p.m.