

**FAYETTEVILLE CITY COUNCIL
REGULAR MEETING MINUTES
FULLER RECREATION CENTER
6627 OLD BUNCE ROAD
JULY 13, 2009
7:00 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith A. Bates, Sr. (District 1); Charles E. Evans (District 2); Darrell J. Haire (District 4); Bobby Hurst (District 5); William J. L. Crisp (District 6); Valencia A. Applewhite (District 7); Theodore W. Mohn (District 8); Wesley A. Meredith (District 9)

Absent: Robert A. Massey, Jr. (District 3)

Others Present: Dale E. Iman, City Manager

Doug Hewett, Assistant City Manager

Karen M. McDonald, City Attorney

Lisa Smith, Chief Financial Officer

Jeffrey Brown, Interim Director for Engineering and Infrastructure

Benjamin Nichols, Fire Chief

Terrie Hutaff, Human Resource Development Director

Tom Bergamine, Chief of Police

Rob Anderson, Chief Development Officer

Jimmy Teal, Planning Director

Craig Hampton, Special Project Director

Jackie Tuckey, Communications Manager/Public Information Officer

Nathan Walls, Public Information Specialist

Steven K. Blanchard, PWC CEO/General Manager

Dwight Miller, PWC Chief Finance Officer

Michael G. Lallier, Public Works Commission

Members of the Press

INVOCATION - PLEDGE OF ALLEGIANCE

The invocation was offered by Associate Pastor Jeff Robertson, Covenant Love Family Church, followed by the Pledge of Allegiance to the American Flag.

1. APPROVAL OF AGENDA

MOTION: Mayor Pro Tem Meredith moved to approve the agenda.

SECOND: Council Member Crisp

VOTE: UNANIMOUS (9-0)

2. PUBLIC FORUM:

A. Announcements and Recognition

There were no announcements or recognitions.

B. Comment Period

Mr. Mark Ledger, 430 Lionshead Road, Fayetteville, NC 28311, spoke regarding crime in the City.

Ms. Marsha Jones, 3095 Enterprise Avenue, Fayetteville, NC 28306, spoke regarding bus routes and expressed concerns with a bus stop being removed from her street as there are elderly citizens living on this street who need a bus stop closer to them.

Mr. James Best, 3083 Enterprise Avenue, Fayetteville, NC 28306, spoke regarding the Enterprise Avenue bus route and stated they needed the bus back in the area because of the elderly.

Ms. Gwen York, 5703 Cypress Road, Fayetteville, NC 28304, and stated she was a victim of domestic violence and spoke regarding law enforcement's response to domestic violence.

Mr. Freddie Roberson, 2335 Rosehill Road, Fayetteville, NC 28301, spoke regarding the Prince Hall Youth 34th Assembly that was held. He thanked the Mayor for his kind and encouraging words to the youth and parents and thanked the City Council for its support.

3. CONSENT:

Council Member Bates requested to pull Items 3.F. and 3.M. for discussion.

MOTION: Council Member Bates moved to approve the consent agenda with the exception of Items 3.F. and 3.M.

SECOND: Mayor Pro Tem Meredith

VOTE: UNANIMOUS (9-0)

The following items were approved:

A. Approve minutes:

1. City Council meeting held on May 26, 2009.

B. Adopt new Municipal Records Retention and Disposition Schedule.

Council adopted the state mandated Municipal Records Retention and Disposition Schedule. This schedule was an update to existing NC General Statutes regarding records retention procedures.

C. Authorize waiver of standard procurement bid process and authorize piggyback purchase of fire apparatus.

Council authorized the waiver of the standard procurement bid process for the purchase of a 105 ft. ladder truck for the Fire Department in an amount not to exceed \$670,000.00. This waiver was authorized by General Statute and allowed delivery of the equipment in a timeframe needed by the Fayetteville Fire Department.

D. Bid award for purchase of power transformers.

The Public Works Commission requested Council award bid for purchase of two power transformers to WEG Service Co., the lowest evaluated bidder, in the amount of \$549,850.00.

Bids were received as follows:

WEG Service Company (Suwanee, GA) \$549,850.00

Pennsylvania Transformer (Canonsburg, PA) \$545,837.00

Siemens Energy (Wendell, NC) \$644,400.00

Delta Star (Lynchburg, VA) \$691,317.00

Waukesha (Goldsboro, NC) \$757,746.00

Kuhlman Electric (Versailles, KY) \$774,709.00

GE-Prolec, c/o HD Supply (Wake Forest, NC) \$860,650.00

E. Danger tree easement request from Progress Energy Carolinas, Inc.

The Public Works Commission of the City of Fayetteville requested Council approve and execute a Danger Tree Easement with Progress Energy Carolinas, Inc., over a portion of PWC's Fennix Substation located on South Reilly Road.

F. Pulled for discussion by Council Member Bates.

G. Special Revenue Fund Project Ordinance Amendment 2010-1 (Wayfinding Signage Project).

This amendment appropriated an additional \$100,000.00 for the Wayfinding Signage Project. The source of funds for this amendment would be a \$100,000.00 contribution from the Fayetteville Area Convention and Visitors Bureau. The funds would be used to plan, design, and implement a complete wayfinding signage system throughout Fayetteville/Cumberland County, with an emphasis on historic and cultural resources.

H. Capital Project Ordinance 2010-4 (Design for the Taxiway A Rehabilitation Project).

This ordinance established a project budget of \$206,710.00 for project development and design services for the rehabilitation of Taxiway A. The source of funds for this project would be a transfer from the Airport Operating Fund.

I. Capital Project Ordinance 2010-5 (Swainy Avenue Drainage Project).

This ordinance established a project budget of \$669,280.00 for the Swainy Avenue Drainage Project. The funding sources for this project consisted of a \$600,000.00 Clean Water State Revolving Loan from the NC Department of Environment and Natural Resources and a \$69,280.00 transfer from the Storm Water Fund.

J. Capital Project Ordinance Amendment 2010-9 (Airport Parking Lot Project).

This amendment reduced the budget for the Airport Parking Lot Project by \$57,031.00 to allow those funds to be used for the Taxiway A Rehabilitation Project. This action could be accomplished since the current cost estimate for the parking lot would be lower than the budgeted amount. If approved, the revised budget for the parking lot would be \$1,542,969.

K. Resolution of The City Council of the City Of Fayetteville, North Carolina, declaring the intention of said City to reimburse itself from the proceeds of one or more tax-exempt financings For certain expenditures made and to be made in connection with public safety computer technology improvements.

The adopted capital improvement plan and Fiscal Year 2009-2010 budget included the planned financing of various public safety technology improvements including the public safety computer-aided dispatch system and records management system. This reimbursement resolution would allow the City to reimburse itself from the financing proceeds for any project expenditures paid prior to the acquisition of the financing. The total amount expected to be financed for the technology improvements within the next 12 months would be \$3,664,000.00.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA, DECLARING THE INTENTION OF SAID CITY TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE AND TO BE MADE IN CONNECTION WITH PUBLIC SAFETY COMPUTER TECHNOLOGY IMPROVEMENTS. RESOLUTION NO. R2009-055A.

L. Russell Street sidewalk project.

1. Municipal Agreement with NCDOT for Russell Street Sidewalk.

Council was asked to approve a Municipal Agreement with NCDOT to allow the City to remove and replace the sidewalk as part of the Russell Street improvement project.

2. Capital Project Ordinance 2010-6 (Russell Street Sidewalk Project).

This ordinance established a project budget of \$470,000.00 for the Russell Street Sidewalk Project. The funding sources for this project would consist of a \$70,000.00 contribution from the North Carolina Department of Transportation (NCDOT), a \$151,489.00 transfer from the General Fund and a \$248,511.00 transfer from the Bond Fund. This project would be included in the FY 2010-2014 Capital Improvement Plan adopted by City Council. The project would also be related to the NCDOT municipal agreement for Russell Street sidewalks which appears on this agenda.

M. Pulled for discussion by Council Member Bates.

F. Resolution for Series 2009 Refunding Revenue Bonds.

This item was pulled for discussion by Council Member Bates.

Mr. Dwight Miller, PWC Chief Finance Officer, briefed the Council on the Series 2003, 2003A, and 2003B bonds and stated in March 2008 they received notice that Citigroup would not be able to remarket some of the bonds and the bonds would go to Dexia. He explained Dexia was the provider of liquidity if bonds could not be remarketed and when bonds go to Dexia they have 180 days to find a solution. He stated to meet the 180-day deadline, Citigroup was replaced with Wachovia as the remarketing agent on the Series 2003 bond and Citigroup remarketed the remaining bonds. He stated approximately six months later they received notice that Citigroup would not be able to remarket the 2003A and 2003B bonds and were again sent back to Dexia in October 2008. He stated a decision was made to redeem the Series 2003B bond six months early and replace Citigroup with Bank of America on the Series 2003A bond. He stated the bondholders were unsure as to whether Dexia would be able to provide the liquidity, therefore banks were solicited to provide liquidity. He stated that Dexia had sent a notice that they would not renew the liquidity that would be up in January 2010. He stated they had received responses from Wachovia, Bank of America, and one bank outside North Carolina in the form of letters of credit to provide liquidity for the 2003 and 2003A bonds. He stated the Public Works Commission adopted a resolution making certain findings and determinations, authorizing the filing of an application with the Local Government Commission, requesting the Local Government Commission to sell bonds at a private sale and approve the financing team and were asking that City Council also adopt a similar resolution.

A question and answer period ensued regarding the informal and formal bid process with Mr. Miller responding informal bids had gone to the banks to provide liquidity for the bonds in the amount of \$130 million and Wachovia had the best rate of those that responded and was willing to provide 100 percent.

Ms. Lisa Smith, Chief Financial Officer, explained that the Public Works Commission thought they were doing what was in the best interest of the Public Works Commission. She stated that whether they do a formal or informal bid process they would still have to identify a list of banks to contact whether verbally or in writing. She stated they do not contact all banks across the country as they have to define the group they are going to contact. She stated the Public Works Commission was asking that Council adopt the resolution which would include Citigroup but would have Wachovia as the lead underwriter. She stated the deadline was January 2010 and would take a number of months to move through the Local Government Commission process before that deadline.

Mr. Michael G. Lallier, Public Works Commission, further stated they were dealing with a \$130 million variable rate debt and were concerned that as a result of this they would have to go into their reserves to pay the debt. He stated the reserves were intended for weather related issues not financial related issues. He stated the Public Works Commission had discussed this issue and made a unanimous decision to support the resolution.

Discussion ensued as to why this was coming before Council now with Mr. Miller responding the paperwork had not been ready and an application could not be filed with the Local Government Commission until now. He stated the Public Works Commission had been receiving regular updates on this issue.

MOTION: Council Member Bates moved to ask staff to request that the lead underwriters submit bids for remarketing the bonds.

SECOND: Council Member Evans

Discussion ensued on the risk of delaying approval of the resolution with Ms. Smith explaining the risk could be favorable or unfavorable depending on the market. Mr. Miller also explained Wachovia could pull the letter of credit anytime which would result in being without liquidity and having to go to fixed rate bonds.

Ms. Karen McDonald, City Attorney, stated the appropriate motion would be to utilize the formal bid process for the refunding of the 2009 Revenue Series Bond.

RESTATED MOTION:

Council Member Bates moved to ask staff to request that the lead underwriters submit bids for remarketing the bonds. This does not include the bond counsel, the underwriter counsel, the financial advisors or the trustee bond register, just the lead underwriters.

VOTE ON RESTATED MOTION:

FAILED by a vote of 3 in favor (Council Members Bates, Evans, and Hurst) to 6 in opposition

MOTION: Mayor Pro Tem Meredith moved to adopt the resolution making certain findings and determinations, authorizing the filing of an application with the Local Government Commission, requesting the Local Government Commission to sell bonds at a private sale and approving the financing team all in connection with issuance of revenue refunding bonds by the City of Fayetteville, North Carolina.

SECOND: Council Member Evans

VOTE: PASSED by a vote of 6 in favor to 3 in opposition (Council Member Bates, Evans, and Hurst)

M. Resolution related to grant applications.

This item had been pulled for discussion by Council Member Bates.

The Public Works Commission of the City of Fayetteville requests Council adopt a Resolution authorizing the PWC General Manager to apply for Grants made available through the American Recovery Reinvestment Act of 2009.

MOTION: Council Member Bates moved to adopt the resolution.

SECOND: Mayor Pro Tem Meredith

VOTE: UNANIMOUS (9-0)

INFORMATION ITEMS:

1.Statement of taxes collected for the month of June 2009 from the Cumberland County Tax Administrator.

2008 Taxes.....	\$204,165.13
2008 Vehicle Taxes.....	434,726.20
2008 Revit.....	70.08
2008 Vehicle Revit.....	281.01
2008 FVT.....	44,836.23
2008 Transit Tax.....	39,472.98
2008 Storm Water.....	10,182.25
2008 Fay Storm Water.....	11,391.93
2008 Recycle Fee.....	17,631.38
2008 Annex.....	17.80
2007 Taxes.....	5,447.79
2007 Vehicle Taxes.....	7,607.99
2007 Revit.....	0.00
2007 Vehicle Revit.....	7.04
2007 FVT.....	1,323.18
2007 Storm Water.....	383.03
2007 Fay Storm Water.....	424.60
2007 Annex.....	0.00
2006 Annex.....	1,682.81
2006 Taxes.....	2,271.17
2006 Vehicle Taxes.....	1,504.40
2006 Revit.....	0.00
2006 Vehicle Revit.....	0.00
2006 FVT.....	357.11
2006 Storm Water.....	163.72
2005 Taxes.....	1,615.18
2005 Vehicle Taxes.....	579.61
2005 Revit.....	0.00
2005 Vehicle Revit.....	0.00
2005 FVT.....	146.39
2005 Storm Water.....	144.00
2004 and Prior Taxes.....	1,417.91
2004 and Prior Vehicle Taxes.....	2,022.63
2004 and Prior Revit.....	0.00
2004 and Prior Vehicle Revit.....	2.46
2004 and Prior FVT.....	439.40
2004 and Prior Stormwater.....	168.00
Interest.....	23,934.45
Interest (Revit).....	8.06
Interest (Storm Water).....	802.45
Interest (Fay Storm Water).....	712.09
Interest (Annex).....	131.20
Interest (Fay Recycling).....	1,009.73
Total Collections.....	\$817,135.39
There being no further business, the meeting adjourned.	