

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
LAFAYETTE ROOM
NOVEMBER 1, 2010
5:00 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith Bates, Sr. (District 1); Kady-Ann Davy (District 2); Robert A. Massey, Jr. (District 3); Bobby Hurst (District 5); Valencia A. Applewhite (District 7); William J. L. Crisp (District 6) (departed at 9:25 p.m.); Theodore W. Mohn (District 8) (departed at 8:09 p.m.); Wesley A. Meredith (District 9) (departed at 7:25 p.m.)

Absent: Council Member Darrell J. Haire (District 4)

Others Present:

Dale E. Iman, City Manager
Doug Hewett, Assistant City Manager
Kristoff Bauer, Assistant City Manager
Karen M. McDonald, City Attorney
Patricia Bradley, Police Attorney
Jeffery Brown, Engineering & Infrastructure Director
Lisa Smith, Chief Financial Officer
Terrie Hutaff, Human Resource Development Director
Renny W. Deese, Ethics Commission
Stephon A. Ferguson, Ethics Commission
Robert C. Cogswell, Jr, Attorney to the Ethics Commission
Tom Bergamine, Chief of Police
Rob Anderson, Chief Development Officer
Rita Perry, 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 Meredith.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Massey moved to approve the agenda.

SECOND: Council Member Meredith

VOTE: UNANIMOUS (9-0)

4.0 OTHER ITEMS OF BUSINESS

4.1 Storm Water Projects Overview and Financing Update

Mr. Jeffery Brown, Engineering & Infrastructure Director, presented this item and presented the revenue generated from storm water. Mr. Brown presented a power point which identified the improvement areas, explained the project determination process, and ranked the projects.

Ms. Lisa Smith, Chief Financial Officer, then continued the presentation by outlining the financing as follows:

Short-Term Financing

- Issue bonds through private placement
- Counsel develops bond documents - Includes establishing City commitments such as storm water rates and future bond issuance
- Circulate RFP to banks to purchase an estimated \$3 million storm water revenue bond with a 15-year term to finance the short-term project list (actual amount based on projects)
- Submit revenue bond application to Local Government Commission to approve the financing
- Local Government Commission requires permits in hand and bids on approximately 70 percent of the projects
- For planning purposes, assumed 5 percent rate with semi-annual level payments – annual debt service estimated at \$286,666.00

- Approximately four months to complete

Long-Term Financing

- Issue bonds through a public offering
- Select an underwriter and obtain a feasibility study
- Obtain a bond rating for the system
- Submit revenue bond application to Local Government Commission to approve the financing
- Local Government Commission requires permits in hand and bids on approximately 70 percent of the projects
- Timeline to be determined

A question and answer period ensued regarding revenue generated by fees, Local Government Commission requirements, storm water, and small contractors without large bonding rates concerns.

Consensus of Council was to move forward.

4.2 Workforce Options to Balance FY 2011 Budget

Mr. Dale Iman, City Manager, presented this item and explained early retirement incentive plans would require careful and strategic planning. Mr. Iman reviewed actions taken to close the budget gap for FY 2011 to include sustainable actions and one-time fixes. He stated the City ended fiscal year 2010 with 2 percent or \$642,000.00 more in sales tax distributions and 1.4 percent or \$139,000.00 more in utility tax distributions than projected, which could be an indicator of an earlier or healthier economic rebound than projected by the North Carolina League of Municipalities. Mr. Iman identified the following ongoing challenges:

- Pending termination of public safety hiring grants
- Rising pension fund costs
- Little or no room for further operating expense budget reductions due to reductions in recent budgets
- Healthcare inflation
- Maintaining competitive wages

Ms. Terrie Hutaff, Human Resource Development Director, then reviewed the personnel cost. Ms. Hutaff stated personnel cost equaled 61 percent (\$85.4 million) of the general fund budget and personnel cost for Police, Fire, and Transit equaled 42 percent (\$58.4 million) of the total general fund budget. She stated should Council decide not to reduce personnel in Police, Fire, and Transit, the total general fund personnel cost for all other functions would be 19 percent (\$27 million) of the general fund budget. She explained that given the reductions taken in operating cost over the last several years and due to the large percentage (61 percent) of the budget devoted to personnel cost, it was necessary to consider personnel cost reductions to balance the budget. Ms. Hutaff identified the following personnel options to balance the budget:

Reduce the Workforce

- Eliminate vacant positions - last year
- Retirement incentives – once around 1990s
- Reduction in force – last year

Healthcare Initiatives

- Dependent audit - currently underway
- Pre-tax benefits – ongoing for years
- Increase the eligibility for future retirees - 2/1/2008
- Plan design and increasing employee cost sharing - last several years

Longevity

- Stopped this benefit for new employees hired after 7/1/2009

Employee Pay

- Suspend pay increases – 2009/2010
- Maintain pay ranges at current level

Furloughs

- Not recommended

Ms. Hutaff informed Council that without making changes to the personnel cost portion of the budget, Council and management were limited in their choices to make sustainable changes to balance the budget not only this year, but in future years. She explained that Human Resource Development offered retirement incentives in the past but the City had not saved money in the long term because positions were not eliminated. She further stated there should be a 6 to 9 month lead time to offer a retirement incentive plan to meet the legal requirements and to determine whether the budget could be balanced with the voluntary retirements. Ms. Hutaff recommended a targeted workforce based on the service areas which Council would be willing to cut or reduce should it be Council's direction to implement a retirement incentive plan as a method of reducing the workforce.

A question and answer period ensued regarding employee and City healthcare costs, property tax projections, positions eligible for early retirement, possibility of outsourcing, and vacancies. This presentation was presented for information purposes only.

4.3 Proposed Revisions to the Code of Ethics

Mr. Renny W. Deese, Ethics Commission Chair, presented this item and provided an overview of the proposed revisions to the Code of Ethics. Mr. Deese briefed Council regarding the request for advisory opinions or complaints process. He stated generic synopses regarding advisory opinion results would be posted on the website.

Ms. Karen McDonald, City Attorney, explained the scenarios posted on the website would be generic questions. Mr. Iman stated they would be used as references.

Following discussion regarding the submittal process, complaint and inquiry requirement under oath, and potential employee or citizens concerns of ramifications, the consensus of Council was to add the "City Clerk" as an intake option and to bring this item back to Council at the November 8, 2010, meeting for action.

4.4 Youth Protection Ordinance (Curfew)

Mr. Tom Bergamine, Chief of Police, presented this item and provided an overview of statistical data. Chief Bergamine reviewed nighttime and daytime ordinances from various counties and states. He stated public support was strong for juvenile curfew laws; however, the laws were often ineffective for reducing juvenile crime and successful attempts to reduce juvenile crime involved early intervention using a multi-pronged approach that emphasized close partnerships between parents, law enforcement personnel, and school officials. He expressed staff's recommendation to explore the development and utilization of the following comprehensive tools to combat juvenile crime within the community:

- Fayetteville Police Department Juvenile Repeat Offenders Program – Community/Curfew Monitoring Project
- Safe Street Task Force
- S.M.A.R.T (Summer Mobile Analysis Response Team)

Following discussion regarding stakeholder involvement, youth curfew, ensuring equality, available resources, and parent responsibility, the consensus of Council was for staff to engage citizens' input at community meetings for a future Council update.

4.5 Update on the Unified Development Ordinance draft

Mr. Rob Anderson, Chief Development Officer, presented this item and provided a briefing on the following topics:

- Planning Commission recommendations
- Parkland dedication
- Sign code changes
- Big box and "Outparcels"
- Administrative adjustments
- Administrative manual
- Mapping
- Schedule going forward

Following discussion regarding sidewalk requirements, sign regulations, zoning district revisions, and administrative approval of temporary sign permits, the consensus of Council was for staff to

re-examine the following:

- Vehicles adjacent to rights-of-way (relating to advertisement purpose)
- Profit/non-profit temporary signs (proposed administrative approval was questioned and this issue was compared to the proposed weekend signs permitted by realtors)
- Connectivity

4.6 Memorandum of Understanding Establishing the Sustainable Communities

Foundation to Manage the Development of the Campus for Advanced Sustainability

Mr.Dale Iman, City Manager, presented this item and provided a brief overview of the objectives and key elements.

Following discussion regarding entity ownership and development, the consensus of Council was for Council members to forward questions to staff to be addressed at the November 8, 2010, discussion meeting.

5.0 ADJOURNMENT