

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
LAFAYETTE ROOM
MARCH 7, 2011
5:00 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith Bates, Sr. (District 1); Kady-Ann Davy (District 2); Darrell J. Haire (District 4); Bobby Hurst (District 5); William J. L. Crisp (District 6); Theodore W. Mohn (District 8); James W. Arp, Jr. (District 9)

Absent: Council Members Robert A. Massey, Jr. (District 3); Valencia A. Applewhite (District 7)

Others Present:

Dale E. Iman, City Manager
Doug Hewett, Assistant City Manager
Kristoff Bauer, Assistant City Manager
Karen M. McDonald, City Attorney
Brian Meyer, Assistant City Attorney
Renner Eberlein, Assistant City Attorney
Lisa Smith, Chief Financial Officer
Tracey Broyles, Budget and Evaluation Manager
John Kuhls, Human Resource Development Director
Tom Bergamine, Chief of Police
Patricia Bradley, Police Attorney
Christopher Davis, Police Lieutenant
Jerry Dietzen, Environmental Services Director
Victor Sharpe, Community Development Director
Randy Hume, Transit Director
Bart Swanson, Housing and Code Enforcement Division Manager
Jeff Thompson, Chairman, Fayetteville Advisory Committee on Transit
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 Crisp.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Mohn moved to approve the agenda.

SECOND: Council Member Arp

VOTE: UNANIMOUS (8-0)

4.0 OTHER ITEMS OF BUSINESS

4.1 Fayetteville Advisory Committee on Transit Service Enhancement Recommendations

Mr. Randy Hume, Transit Director, presented this item. He provided background information on the Transportation Development Plan (TDP) and stated the service recommendations of the TDP were included in the FY 2010 budget and had been implemented. He stated no service improvements were made last year because of the budget situation, but several capital improvements were made. He introduced Mr. Jeff Thompson, the Chairman of the Fayetteville Advisory Committee on Transit Service (FACT).

Mr. Jeff Thompson, FACT Chairman, stated the Committee's goal was to offer a comprehensive and complete system for the next several years and develop the system into a metropolitan bus system. He stated they wanted to continue to focus on the needs of the elderly and disabled and issues such as fare changes, long-range plans, and projects were not on the table at this time. He reviewed the following service enhancement recommendations for FY 2011-2012:

	Weekday		Saturday		Annual Hours	Annual Operating Cost
Hours	# Week Days	Hours	# Sat	Route 15 – Evening Service		
Weekday	6.0	256			1,536	\$ 96,768
Saturday			6.0	53	318	20,034
Route 7 – Evening Service						
Weekday	3.0	256			768	43,384
Saturday			3.0	53	159	10,017
Route 8 – Evening Service						
Weekday	3.0	256			768	48,384
Saturday			3.0	53	159	10,017
Route 5 – Evening Service						
Weekday	3.0	256			768	48,384
Saturday			3.0	53	159	10,017
Extend Paratransit – Evening Service						
Weekday	5.5	256			1,408	88,704
Saturday			5.5	53	292	18,365
Extend Service to CFV – North Pavilion						
Weekday	1.5	256			384	24,192
Saturday			1.5	53	80	5,009
Total						\$428,274

Council Member Hurst inquired when they would begin discussions on the bus fares. Mr. Thompson responded he could not put a date on it but could bring the matter to the Committee’s attention if Council desired.

Council Member Mohn inquired if shelters and benches should be considered in the Capital Improvement Plan (CIP). Mr. Dale Iman, City Manager, responded those were budgeted in the operations budget as well as in the vehicles budget.

Discussion ensued regarding the age of the buses on the road and advertising on the buses and concerns were raised that advertising would damage the buses. Mr. Iman stated the state had given a strong indication that they would no longer participate in funding the TDP annual capital plan.

No action was taken on this item.

4.2 Residential Recycling Program Update

Mr. Jerry Dietzen, Environmental Services Director, presented this item and provided an update. He stated the recycling fee was adjusted last year from \$42.00 to \$38.00. He stated the participation rate was between 65 and 70 percent and they recycled 1,122 additional tons more than last year. He stated the recycling fund at this time was healthy and at the current rate they could maintain the \$38.00 fee for four years. He stated there were a couple of issues such as recycling not being collected on holidays and creating overflow in the carts and 35-gallon carts not being large enough for the super recyclers. He stated a solution for holiday collection would be to modify the existing contract. He stated they received a quote from Waste Management for \$35,700.00 per year which would be \$5,100.00 per holiday. He stated a cart exchange program could be established in which customers would exchange their smaller carts for a large cart and pay the difference. He stated they would come back with a cost for that option. He stated they were recommending as part of the exchange program that the large cart remain with the home and that a cap be placed on the number of transfers.

A question and answer period ensued regarding holiday collection with Mr. Dietzen explaining they were looking for an alternate day for collection.

Mr. Iman inquired if they would have the equipment and staffing. Mr. Dietzen responded in the affirmative.

A question and answer period ensued regarding the size of the recycling carts and the option of homeowners having two carts. Mr. Dietzen responded he would have to get a quote on that option.

No action was taken on this item.

4.3 Presentation of Recommended Fiscal Year 2012-2016 Capital Improvement Plan (CIP) and Information Technology Plan (ITP)

Mr. Dale Iman, City Manager, presented this item and explained an Information Technology Plan had been created. He explained the minimum estimated project cost for the Capital Improvement Plan (CIP) was \$50,000.00 and included infrastructure and facility projects, as well as significant maintenance projects, and excluded vehicle and operating equipment (new and replacement). He explained the minimum estimated project cost for the Information Technology Plan (ITP) was \$25,000.00 and included technology and software projects and upgrades. He stated the adopted 2011-2015 CIP was updated with current estimated costs, funding sources, and timelines; additional project needs identified by departments; priority projects matched to projected available resources; and technology projects separated into an ITP. He stated operational mandates and safety considerations were important and would be a part of the prioritization process. He reviewed the funding sources for the plans.

Mr. Iman briefly highlighted the funding projections during which discussion ensued with questions and answers regarding the funding. Mr. Iman explained this was a plan and not the budget which would change every year based on opportunity and as needs changed.

Mr. Kristoff Bauer, Assistant City Manager, explained the purpose of the CIP and reviewed the projects on the CIP and ITP plans during which discussion ensued with questions and answers regarding the projects.

Mr. Bauer explained the purpose of the ITP and stated the challenge they were facing was matching the level of service expectations with the resources allocated to the service. He stated they were moving forward with a study with the School of Government to take a look at the available resources and level of service being provided.

Discussion with a question and answer period ensued regarding outsourcing Information Technology services. Mr. Iman explained they were losing staff because they were not paying competitive wages. Mr. Bauer stated they would need to do more research on this type of investment. Mr. Iman further explained the Jacobstein Study had suggested an \$800,000.00 increase to outsource and suggested using City and PWC employees.

Mayor Chavonne requested bringing the study back to a future work session.

Ms. Lisa Smith, Chief Financial Officer, explained the next steps in the CIP and reviewed the following future debt capacity:

Capital Funding Plan

- Maintain tax rate equivalent contribution at 5.65 cents per fiscal year
- Dedicate Hope VI incremental tax revenues to the CFP through FY 2021 to pay back interfund loan for the project
- Dedicate incremental tax revenues in CBTD and other funding to pay debt service for parking deck
- Low point in debt capacity is FY 2015
- Significant debt capacity in FY 2018 and beyond as portions of existing debt are retired
- Does not include debt service for proposed parks and recreation bond projects

Storm Water Funding Plan

- Have sufficient capacity to issue \$8.9 million in summer 2011
- Based on preliminary funding model, future debt issuances will require a fee increase

No action was taken on this item, however, Mayor Chavonne earlier in the presentation requested the Jacobstien study be brought back to a future work session.

4.4 Update on Probationary Rental Occupancy Permit

Mr. Doug Hewett, Assistant City Manager, presented this item and provided an overview of the Probationary Rental Occupancy Permit (PROP) program. He stated PROP was designed for problem residential rental properties that repeatedly violate the City Code or were locations of criminal activity. He explained the process and stated if an event such as a code violation or criminal activity was sighted at a residential rental property, the owner would be notified and informed of the PROP program. He stated at that time each additional event would be tracked for a two-year period until a threshold was met at which time the property would be required to go into the PROP program. He stated once in PROP, the property would have to be in compliance for two years. He stated if there was compliance and no additional violations at the end of the two-year period, the property would be automatically removed from PROP. He stated if there was failure to comply within the two-year period, it could lead to the City restricting rental of the property for a two-year period. He stated there was also an annual fee required for all PROP properties.

Council Member Applewhite inquired if the owner of the rental property had other rental properties, would the other properties be affected by PROP also. Mr. Brian Meyer, Assistant City Attorney, responded if there was a third violation on the problem property while in PROP, then the restriction would also apply to any other property they have in the PROP program.

A question and answer period ensued regarding problems occurring at apartment complexes.

Mr. Hewett explained apartment buildings could be subject to PROP as well as individual apartments depending on the situation, but PROP would not deal with large apartment complexes. He stated the PROP program was designed to deal with single-family homes, duplexes, and triplexes that were in established residential neighborhoods.

Mr. Christopher Davis, Police Lieutenant, provided information on criminal activities and stated they would initially be looking for activities involving drugs, prostitution, alcohol, weapons, and public disturbances. He stated they would be going with arrests as opposed to convictions as it would be a logistical nightmare to keep track of convictions from an administrative standpoint. He stated from a police standpoint, if they were going to have any impact, they would need to go with arrests.

Mr. Bart Swanson, Housing and Code Enforcement Division Manager, reviewed the code violations included in the ordinance to include violations by re-occupancy of a dwelling previously found unsafe, noise, solid waste, housing, junked vehicles, animal, and home occupation.

Mr. Doug Hewett, Assistant City Manager, reviewed the following assumptions for the PROP program:

Costs

- One-time costs of \$16,400.00
 - Initial advertising, marketing, and education
 - Office setup and computers
- Annual reoccurring costs of \$118,553.00
 - 1 full-time Inspector, 1 full-time Paralegal, 1 part-time Office Assistant (94% of annual reoccurring costs)
 - Minimal education and marketing
 - Cell phone, training, supplies, memberships, and mileage
- Costs Not Included
 - No additional software costs
 - No indirect costs
 - No court costs

Revenue

- \$500.00 per year for two years per property
- 100% of fees are collected
- Owners enrolled in PROP are kept to a minimum
- No rental registration fee

- 15 properties the first year, average 30 per year thereafter

Mr. Hewett explained for four years the total direct cost of the program would be \$490,613.00, total revenue assumed would be 52,500.00, and total investment of General Fund would be \$438,113.00.

Discussion and a question and answer period ensued regarding whether other staffing could be utilized until the program was fully operational. Mr. Hewett responded in the affirmative.

A question and answer period ensued regarding whether additional penalties or fees could be put on the violators to increase the revenue or whether the penalties could be increased. Ms. McDonald responded on the inspection side each of the violations had penalties and those could be increased.

Council Member Davy inquired what the next step would be. Mr. Hewett responded the next step would be to hold a public hearing before adoption of the ordinance.

Consensus of Council was to move forward with the public hearing.

4.5 Update on the Murchison Road Redevelopment Plan

Mr. Victor D. Sharpe, Community Development Director, presented this item and provided an update on the project. He stated there were funding issues with the cut of the Community Development Block Grant (CDBG) funding and the current Section 108 loan default. He stated it was likely the City would not recoup those funds and it was being recommended that the funding plans be reviewed. He stated the first phase of the project would involve acquiring the property, demolishing, and relocating the property owners. He stated the first phase of \$2.7 million would be funded with a Section 108 loan. He suggested optional funding of using existing funding sources such as CDBG funds with the Hope VI project, for which they were reaching the end of the five-year period, and transitioning those funds for the first phase of the project.

Discussion and a question and answer period ensued regarding the grant cuts, acquisition of the properties, condemnation, and locating another site.

Consensus of Council was to come back in April with a new model for Council to consider based on the different factors. Mr. Sharpe stated they would be coming to Council with the Annual Action Plan that would deal with the funding.

4.6 Limited English Proficiency Policy Update

Mr. John Kuhls, Human Resource Development Director, presented this item and provided background information. He stated the census data demonstrated a significant growth in a variety of populations including the Hispanic population. He stated the City currently used a departmental approach to address Limited English Proficiency (LEP) and supporting practices where applicable. He stated they were seeking feedback from Council.

Council Member Applewhite inquired if they were in compliance with the Civil Rights Act. Ms. McDonald responded that all departments receiving federal funds were required to have a plan. She stated the departments were in compliance but there was a push at the national level for adoption of a comprehensive plan. She stated the Human Relations Department was in the beginning stages of creating a comprehensive plan.

Mr. Doug Hewett, Assistant City Manager, stated they have held several meetings and plan to have something for review by the City Manager and City Attorney.

4.7 City Attorney Items

(a) Council Policy Nonprofit Funding

Ms. Karen McDonald, City Attorney, presented this item and provided background information. She stated the directive of Council at the last work session was to revise the policy consistent with current practices. She reviewed the proposed revisions and requested direction from Council.

Mr. Dale Iman, City Manager, inquired what the Council wanted to do with the agencies that were providing services to the City and the City was currently funding with nonprofit funding. Discussion ensued regarding the organizations with Mr. Iman reviewing their placement on the list.

Discussion ensued regarding Fascinate U Museum and the Aiborne and Special Operations Museum qualifying for money out of the hotel occupancy tax and how the organizations were chosen for funding. Mayor Chavonne explained the Council would make a decision every year on which organization would be on the list and a change could be made in the upcoming budget. Discussion ensued regarding moving the Child Advocacy Services to the Police Department for evaluation and reviewing the other four against the current practices of the Arts Council and Community Development Department to see if they would have an opportunity to apply and report the findings to Council. Mr. Sharpe explained the only way they would be able to do that was if the goals were for the programs they offer to benefit low- to moderate-income persons. Consensus of Council was to hold off on modifying the policy.

(b) Approval of City Council Minutes:

- August 2, 2010 – Work Session Meeting
- August 9, 2010 – Regular Meeting
- August 23, 2010 – Dinner and Discussion Meeting
- October 6, 2010 – Agenda Briefing
- October 11, 2010 – Dinner and Discussion Meeting
- October 11, 2010 – Regular Meeting

Ms. Karen McDonald, City Attorney, presented this item and stated they were requesting approval of the minutes as the minutes were needed as part of pending litigation.

MOTION: Council Member Hurst moved to approve the minutes.

SECOND: Council Member Bates

VOTE: PASSED by a vote of 7 in favor to 1 in opposition (Council Member Arp)

4.8 Council Member Request(s): (In order of receipt date)

(a) Council Member Mohn - City Council Policy 115.11 - Replacing a Vacancy on the City Council

Council Member Mohn presented this item and reviewed the proposed revisions to the policy. He stated the revisions would cover identifying the event that would mandate the replacement, the timeframe to make a selection, and the requirement that a sitting Council member would be required to vote on their replacement unless they had vacated their position prior to the City Council calling for a vote. He further reviewed the proposed process.

Discussion ensued regarding the proposed revisions.

Consensus of Council was to bring the proposed revisions back to Council for approval.

(b) Council Member Arp - Small Business Defense Contract Network Opportunity

Council Member Arp presented this item and stated they should encourage the Chamber of Commerce or other organizations to look at a small business defense contract network. He stated the Charleston Defense Contracting Association at their quarterly meetings invite small defense contractors and large defense contractors and the Navy. He stated the purpose of the meetings was for entities to network with each other and look at the contract opportunities that were coming out of the command for the next year plus. He stated it would be good from an economical standpoint if they could assimilate the same type of program here and build that kind of synergy here within the community to help their growing defense contracting network.

Discussion ensued regarding adding this to the contract with the Chamber of Commerce.

Consensus of Council was to have the Chamber of Commerce look into this matter.

5.0 ADJOURNMENT

There being no further business, the meeting adjourned.