

**FAYETTEVILLE CITY COUNCIL
AGENDA BRIEFING MINUTES
LAFAYETTE ROOM
AUGUST 21, 2013
4:00 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith Bates, Sr. (District 1); Council Members Kady-Ann Davy (District 2); D. J. Haire (District 4); Bobby Hurst (District 5); William J. L. Crisp (District 6); Valencia A. Applewhite (District 7); Wade Fowler (District 8); James W. Arp, Jr. (District 9)

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

Others Present:

Theodore Voorhees, City Manager
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Karen McDonald, City Attorney
Scott Shuford, Development Services Director
Karen Hilton, Planning and Zoning Manager
Craig Harmon, Planner II
Rusty Thompson, Engineering and Infrastructure Director
Lisa Smith, Chief Financial Officer
Tracie Davis, Corporate Communications Director
Wilson Lacy, Public Works Commission Chair
Lynn Greene, Public Works Commissioner
Wick Smith, Public Works Commissioner
Mike Lallier, Public Works Commissioner
Steven K. Blanchard, PWC General Manager/CEO
Dwight Miller, PWC Chief Financial Officer
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Chavonne called the meeting to order at 4:00 p.m.

City staff presented the following items scheduled for the Fayetteville City Council's August 26, 2013, agenda:

2.0 ZONING CASES

2.1 P13-12F. Initial zoning of property from R6A County Residential to LC – Limited Commercial or to a more restrictive district, located at 1030 Palm Drive and Honeycutt Road containing 1.32 acres more or less and being the property of James Sanders, Donna Muraski and Charlotte Strickland. (Tabled from July 22nd)

Mr. Craig Harmon, Planner II, presented this item. Mr. Harmon showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan.

Mr. Harmon stated the Planning Department and Legal Department request this item be tabled again due to conflicting acreage amounts that have still not been resolved by the property owner.

2.2 P13-23F. The issuing of a Special Use Permit to allow for a columbarium to be located at Snyder Memorial Baptist Church, 701 Westmont Dr. and being the property of Snyder Memorial Baptist Church.

Mr. Craig Harmon, Planner II, presented this item. Mr. Harmon showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. This project will be located on the campus of Snyder Memorial Baptist Church at 701 Westmont Drive. The church wishes to build a columbarium with a memorial area. The proposed columbarium would be able to house 148 cremations or niches. As shown on the site plan, there will be five walls that will hold these niches. There will also be three

additional areas for future expansion. A walking path and benches will also be included in the project. When complete, the columbarium will be visible from Westmont Drive. This project should have very little impact on the surrounding single family neighborhoods. The Zoning Commission met on July 9, 2013, and recommended approval of this case 5-0. The Zoning Commission and staff recommend approval of the proposed SUP based on (1) minimal impact to the surrounding residences, (2) this project meets the City's requirements for a columbarium, (3) minimal visual impact from Westmont Drive and (4) there are no conflicts with any adopted policies or plans. He further advised that the Zoning Commission and staff recommend approval as presented by staff and based on the request being able to meet the following standards:

1. The special use complies with all applicable standards in Section 30-4.C, Use-Specific Standards;
2. The special use is compatible with the character of surrounding lands and the uses permitted in the zoning district(s) of surrounding lands;
3. The special use avoids significant adverse impact on surrounding lands regarding service delivery, parking, loading, odors, noise, glare, and vibration;
4. The special use is configured to minimize adverse effects, including visual impacts of the proposed use on adjacent lands;
5. The special use avoids significant deterioration of water and air resources, wildlife habitat, scenic resources, and other natural resources;
6. The special use maintains safe ingress and egress onto the site and safe road conditions around the site;
7. The special use allows for the protection of property values and the ability of neighboring lands to develop the uses permitted in the zoning district; and
8. The special use complies with all other relevant City, State, and Federal laws and regulations.

2.3 P13-26F. The rezoning of property from CC – Community Commercial to DT – Downtown District or to a more restrictive district, located at 135 Robeson Street between Robeson, Russell, Winslow and Franklin Streets being the property of the City of Fayetteville.

Mr. Craig Harmon, Planner II, presented this item. Mr. Harmon showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. This request is to rezone a block of properties that are bordered by Robeson, Russell, Winslow and Franklin Streets. This property is the future site of the City's Multi Modal Transit Center. Assembly of all properties under the City's ownership was only recently concluded enabling the rezoning to go forward. The property has a DT - Downtown zoning district on two sides and the rezoning of this property would square off the DT district to Robeson and Winslow Streets. The City's Land Use Plan calls for Downtown which would fit with a transit center. The Zoning Commission met on August 13, 2013, and voted 5-0 to recommend approval of this case. The Zoning Commission and staff recommend approval of the rezoning to DT based on (1) the Land Use Plan calls for Downtown uses, (2) DT zoning fits with the use of a transit center, (3) downtown zoning district is adjacent on two sides and (4) rezoning this property would form a natural end point for the DT district at Robeson Street.

3.0 DEMOLITION CASES

Mr. Scott Shuford, Development Services Director, presented this item with the aid of a PowerPoint presentation and multiple photographs of the properties. He stated staff recommended adoption of the ordinances authorizing demolition of the structures. He reviewed the following demolition recommendations:

219 Hawthorne Road

Mr. Shuford stated the structure is a vacant residential home that was inspected and condemned as a blighted structure on December 18, 2012. A hearing on the condition of the structure was conducted on January 16, 2013, which the owners did not attend. A subsequent Hearing Order to repair or demolish the structure within 90 days was issued and mailed to the owners on January 17, 2013. To date there have been no repairs to the structure. The utilities to this structure have been disconnected since April 2004. In the past 24 months, there has been 1

call for 911 service to the property. There have been 5 code violation cases with no pending assessments. The low bid for demolition is \$1,840.00.

750 Marsh Street

Mr. Shuford stated the structure is a vacant residential home that was inspected and condemned as a dangerous structure on April 11, 2013. A hearing on the condition of the structure was conducted on May 1, 2013, which the owners did not attend. A notice of the hearing was published in the Fayetteville Observer newspaper. A subsequent Hearing Order to repair or demolish the structure within 60 days was issued and mailed to the owners on May 2, 2013. To date there have been no repairs to the structure. The utilities to this structure have been disconnected since January 2006. In the past 24 months, there have been 12 calls for 911 service to the property. There have been 5 code violation cases with pending assessments of \$391.45. The low bid for demolition is \$1,645.00.

715 Winslow Street

Mr. Shuford stated the structure is a vacant commercial building that was inspected and condemned as a blighted structure on March 18, 2013. A hearing on the condition of the structure was conducted on April 24, 2013, which the owner did not attend. A notice of the hearing was published in the Fayetteville Observer newspaper. A subsequent Hearing Order to repair or demolish the structure within 60 days was issued and mailed to the owner on April 25, 2013. To date there have been no repairs to the structure. The utilities to this structure have been disconnected since April 2011. In the past 24 months, there have been 2 calls for 911 service to the property. There has been 1 code violation case with a pending assessment of \$159.67. The low bid for demolition is \$1,200.00.

4.0 OTHER ITEMS

The Fayetteville Public Works Commission was invited to attend the Fayetteville City Council Agenda Briefing to provide input to the Council regarding the following issues discussed in the DavenportLawrence study: Fort Bragg Agreement, Fiber Communication Services, Fleet Services and Purchasing.

Mr. Steven Blanchard, PWC General Manager/CEO, presented this item with the aid of a PowerPoint presentation and provided a handout entitled "DavenportLawrence Report Response" dated August 21, 2013. Mr. Blanchard said his report is not intended to be controversial; the report is to provide additional information. Mr. Blanchard stated the Fayetteville PWC governance structure, as established by the charter, is unique and different from that of other municipal utilities in North Carolina but fairly typical to other municipal public power operations of a smaller size around the country. Fayetteville PWC is the only municipal utility operating electric power generating assets in North Carolina and is subject to rules and regulations not applicable to other municipal operations. Fayetteville PWC complies with all the sunshine laws of North Carolina and welcomes suggestions as to how they can be more responsive and transparent. Fayetteville PWC invests in external messaging, communications, and community relations to meet customer expectations and as necessary for efficient utility operations and customer service. Fayetteville PWC's cost accounting methods are not unusual for utilities the size and complexity of the operations of Fayetteville PWC and are applied consistently both internally and with the City. The "PWC" logo, to their knowledge, was never intended to "further separate itself perceptually from the City," and they are currently modifying the logo to add the tag line, "Fayetteville's Hometown Utility."

Fort Bragg Agreement

Mr. Dwight Miller, PWC Chief Financial Officer, presented this item and provided an overview of the sequence of events of the Fort Bragg agreement. Mr. Miller provided a list of the many people that were involved in the process. Mr. Miller stated the Fort Bragg Water Supply is a loan agreement between Fayetteville PWC and Fort Bragg (not the City) using the principal and agreed to estimated, taxable bond interest at the time the agreement was executed. Added to the agreement was a clause that if the base was ever annexed, the City would reimburse Fort Bragg 75% of the gross receipts tax to be used to pay on the outstanding loan Fort Bragg had with Fayetteville PWC.

Mayor Chavonne stated City and utility records show the City has overpaid by \$2,000,000 for the water agreement and asked Mr. Miller where that money is being held. Mr. Miller responded Fayetteville PWC is holding the money in an account for the water project and acknowledged that PWC is receiving a modest amount of interest on the account.

Mayor Chavonne stated he was not disputing the terms of the water contract, but the confusion and miscommunication among City and Fayetteville PWC officials illustrate the dysfunctionality that exists between the City and PWC.

Phase V Annexation

Mr. Blanchard stated prior to the Phase V Annexation, Fayetteville PWC advised the City that Fayetteville PWC did not have sufficient revenues to support the installation of water and sewer in that large of an area. City Manager Roger Stancil stated that there would be sufficient tax revenues to pay for the installation of water and sewer. However, after annexation, taxes were not sufficient so the City staff's funding plan changed to 100% assessment to cover the utility installation costs. At the first public hearing, the City Council decided to cap the estimated \$10,000 - \$15,000 assessment at \$5,000. Fayetteville PWC offered a plan to help subsidize the City's cost over time that led to the present agreement. The City Council agreed to that arrangement.

Mayor Chavonne asked Mr. Blanchard if he thought property tax payers are subsidizing utility services. Mr. Blanchard replied they are indirectly.

Council Member Applewhite addressed her concern to Mr. Blanchard and stated we have to find another way in fairness to the tax payers.

Fiber Communication Services

Mr. Blanchard stated the Fayetteville PWC fiber system was installed mainly to support the utility functions including the anticipated smart grid applications such as smart meters and distribution automation. An intergovernmental loop of fiber was also installed mainly to support the interoperability of the City, County and Fayetteville PWC GIS systems. The scope of intergovernmental services has expanded and Fayetteville PWC is in the process of segregating all the fiber costs into a separate accounting model. The primary purpose to have fast high speed access at a cost lower than market rates has been successful. The City is benefiting from that decision, as stated by DL, "Rates charged by Fayetteville PWC for City locations represent a good value for comparable private sector service..." Future staff discussions are planned to come to an equitable resolution on this issue.

Fleet

Mr. Blanchard stated while the costs of the Fayetteville PWC fleet operations may be higher than other municipalities, DL stated "the cost was, however, within ranges generally used on a national level for private sector fleets to evaluate fleet performance." This is what Fayetteville PWC found when evaluating the outsourcing of the fleet operations several years ago. Costs are not as high as outsourcing. DL mistakenly identified medical insurance as a prime example of Fayetteville PWC excessive cost. The reality is that both the City and Fayetteville PWC are independently self-insured and employee participation is close to being the same. The Fayetteville PWC share of the high employee cost is reflective of high medical expenses incurred due to several catastrophic illnesses of Fayetteville PWC employees and their dependents. It does not reflect a higher level of benefits. Future staff discussions are planned to come to an equitable resolution on fleet maintenance cost allocation.

Purchasing

Mr. Blanchard stated future staff discussions are planned to come to an equitable resolution on this issue.

Consensus of Council was to bring this item to the September 3, 2013, Work Session for further discussion.

5.0 ADJOURNMENT

There being no further business, the meeting adjourned at 6:35 p.m.