

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
LAFAYETTE ROOM
MAY 5, 2014
5:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kathy Jensen (District 1); Kady-Ann Davy (District 2); H. Mitchell Colvin, Jr. (District 3); Chalmers McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Theodore Mohn (District 8); James W. Arp, Jr. (District 9)

Absent: Lawrence O. Wright, Sr. (District 7)

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
Scott Shuford, Development Services Director
Harold Medlock, Police Chief
Karen Hilton, Planning and Zoning Manager
David Nash, Planner
Steven Blanchard, PWC CEO/General Manager
Dwight Miller, PWC Chief Financial Officer
Mike Lallier, PWC Commission Chair
Wick Smith, PWC Commissioner
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 McDougald.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Arp moved to approve the agenda.

SECOND: Council Member Mohn.

VOTE: UNANIMOUS (10-0)

4.0 OTHER ITEMS OF BUSINESS

4.1 Consideration of annexation and/or provision of water service to the Bullard Circle neighborhood

Mr. Theodore Voorhees, City Manager, presented this item and stated there are several residences within the three subdivisions on Bullard Circle that have unsafe levels of arsenic in their wells. To receive PWC water services, under Policy 150.2, the properties must be annexed or exempted by City Council. This area is within the City's Municipal Influence Area(MIA, and is expected to become part of the more urbanized area. The City limits are currently just north of the multifamily development above McCloskey Road. The recent surge in new restaurant and shopping services on Ramsey Street is likely to continue as I-295 opens. The new Carver Creek State Park immediately north and west of Bullard Circle precludes development in that area but it also could accelerate recreation/visitor-oriented development around its periphery in coming years. However, while the neighborhood is in the direct path of growth, the immediate area around Bullard Circle may not continue to build out because of concerns about health of the area and its low-lying character (at least three streams or drainage areas converge beside this neighborhood then appear to go under Ramsey and become part of Carver Falls Creek).

1. To receive PWC sewer and/or water, one of two things must happen: The property must be annexed or the City Council must

exempt the area from Policy 150.2.

2. There are two basic approaches to the annexation:

- Voluntary petitions: Individual property owners could petition for voluntary annexation if they are contiguous to the City or, if not contiguous, if all the properties within that subdivision (there are 3 different subdivisions) also petition.
- Involuntary annexation: Under this approach, an area of 66 properties that includes the United Workers Lodge would meet standards.

3. In terms of the cost and timeliness of extending sewer or water services:

- Under voluntary annexation (the quickest approach), the property owners typically have carried a portion of the cost, but the City could choose to fund more or all of the costs.
- Under involuntary annexation the City must extend the services within a relatively short time and pay for the extension. However, involuntary annexation requires several steps involving a minimum of 1-2 years: adopt a Resolution of Consideration (by September 8, 2014 to allow the referendum in 2015); after one year, adopt a Resolution of Intent; hold a referendum at least 45 days later but as part of a regular municipal election (November 3, 2015). If the vote is favorable, the City could proceed with involuntary annexation. Support may be increased because the City would be responsible for paying for the extension of utilities.

Options:

1. Support voluntary annexation pursuant to Policy 150.2
 - (a) On the same cost basis as all other petitioned annexations seeking services
 - (b) with exploration of alternative funding arrangements
2. Pursuant to Policy 150.2, set a date to consider exempting the Bullard Circle property owners from the requirements for annexation prior to receiving services.
3. Direct staff to prepare a Resolution of Consideration initiating the one year period prior to a Resolution of Intent and a referendum as part of involuntary annexation.

MOTION: Council Member Mohn moved to let PWC professional staff & Board of Commissioners negotiate a financially viable deal with our County Board of Commissioners and the residents of the Bullard Circle area to fix the water contamination. Recipients of the new water utility service will pay out-of-city water rates and help pay for the new infrastructure.

SECOND: Council Member Crisp

Mayor Pro Tem Davy asked Council Member Mohn, if this action (waiving annexation) will be setting a precedence. Council Member Mohn responded this is a local policy and this is a public safety matter. Mayor Pro Tem Davy asked Karen McDonald if the City would be responsible for the upkeep and maintenance of the private streets. Ms. McDonald stated the City would not.

Council Member Colvin asked if there had been any bids from other water service providers to service the Bullard Circle neighborhood. Mr. Blanchard responded there are no other service providers in that area.

Mr. Blanchard stated that PWC had participated in a similar agreement in the Brooklyn Circle neighborhood, and said if PWC worked out a similar agreement with Bullard Circle neighborhood, it would likely discount the cost of installing the water main but not the ancillary connections, which he estimated could cost the PWC \$75,000 - \$80,000. He also stated part of the rationale for participating in the water main installation is having them built to city standards so it can be annexed in the future; Bullard Circle residents would pay "outside" rates, which are about 55% more than City residents pay, and they would likely be required to pay a portion of the cost of installing the lines.

Council Member McDougald stated he would like for the Bullard Circle residents to have clean water, but gave mention to a request for water without annexation from a business owner was denied.

Council Member Crisp stated we have a health situation with this item, and every rule is subject to amendment.

Council Member Arp stated it would overall be more cost effective for the Bullard Circle residents if they were annexed.

Council Member Colvin asked how you can ask City tax payers to pay for this item, with no return on the investments.

Council Member Jensen stated the residents of Bullard Circle neighborhood have no interest in becoming a part of the City of Fayetteville; they do not want to be annexed.

MOTION RESTATED

MOTION: Council Member Mohn moved to follow option 2; Pursuant to Policy 150.2, set a date to consider exempting the Bullard Circle property owners from the requirements of annexation prior to receiving services.

SECOND: Council member Crisp

VOTE: Voting in favor: Robertson, Hurst, Mohn, Jensen and Crisp

Voting in opposition: Colvin, Arp, McDougald, and Davy

Consensus was to direct staff to move forward with this item, and place it on the May 27, 2014 - Regular Agenda.

4.2 PWC FY 2015 Recommended Budget Presentation

Mr. Steven Blanchard, PWC CEO/General Manager, presented this item with the aid of a PowerPoint presentation and stated a copy of the recommended PWC FY 2014-15 annual budget has been provided to Mayor and Council. The PWC during their meeting on April 16, 2014 adopted the FY 2014-15 recommended annual budget as presented and approved to forward to the City Council for consideration. Mr. Blanchard gave an overview of the following: Electric Fund Revenue, Electric Fund Expenditures, Water and Waste Water Fund Revenue, Water and Waste Water Fund Expenditures, Fleet Maintenance Internal Service Fund Revenue, Fleet Maintenance Internal Fund Expenditures, Electric Fund Capital, Water and Waste Water Fund Capital, NCDOT Projects, City of Fayetteville Related Projects, Electric Fund Transfer to the City of Fayetteville, Economic Development Direct Funding, Personnel Costs, Rate Changes, Rate Stabilization Funds, Cash Reserves, and the Recommended Budget Ordinance.

Mr. Blanchard asked the Mayor and Council to e-mail all PWC budget related questions to him, and stated all responses will be copied to Mayor and Council. Mr. Voorhees stated the recommended PWC FY 2015 budget will be brought back to Council at a future Budget Work Session for further discussion.

4.3 City Council Agenda Item Request – Community Service Clean-Up

Council Member Colvin presented this item and stated as Chair of the Gateways Committee he is always looking for ways to beautify the city. Council Member Colvin stated he would like for the Council to consider adopting a policy of partnership with the Cumberland County District Attorney's Office and the Cumberland Bar and local legal community in which clients who were required to complete community service hours would perform those hour through our Parks, Recreation, and Maintenance Department and assist the litter pick-up crews.

Council Member Crisp asked Ms. McDonald what the liability risk would be. Ms. McDonald responded after staff had gauged the interest of the Council they would work to minimize the liability and would research further.

Mr. Michael Gibson, Parks, Recreation, and Maintenance Director stated he often has community service citizens working at Clark Park on the weekends.

Consensus of Council was to direct staff to move forward with this item and to place the item on the May 27, 2014 – Regular Agenda – “Other Item of Business” section.

4.4 City Council Agenda Item Request – Run for the Wall

Mayor Nat Robertson presented this item and stated the Run for the Wall (RFTW) event will bring approximately 750-1000 visitors to Fayetteville. This is the first year the RFTW is routing its southern route through Fayetteville. Mayor Robertson asked the Council to consider waiving the fees associated with this event, and attach Fayetteville's name to the sponsors of this worthy event.

Consensus of Council was to direct staff to move forward with this item and to place the item on the May 12, 2014 – Regular Agenda – “Consent Agenda” section.

5.0 CLOSED SESSION

MOTION: Council Member Arp moved to enter into Closed Session for Attorney-Client privileged matter.

SECOND: Council Member Jensen

VOTE: UNANIMOUS (9-0)

The regular session recessed at 6:15 p.m. The regular session reconvened at 6:44 p.m.

MOTION: Council Member Colvin moved to enter back into Open Session

SECOND: Council Member Mohn

VOTE: UNANIMOUS (10-0)

6.0 ADJOURNMENT

There being no further business, the meeting adjourned at 6:45 p.m.