

**FAYETTEVILLE CITY COUNCIL
REGULAR MEETING MINUTES
CITY HALL COUNCIL CHAMBER
APRIL 13, 2015
7:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kathy Jensen (District 1); Kady-Ann Davy (District 2); Mitchell Colvin (District 3); Chalmers McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7); Theodore Mohn (District 8); James W. Arp, Jr. (District 9)

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
Jerry Dietzen, Environmental Services Director
Lisa Smith, Chief Financial Officer
Brad Whited, Airport Director
Victor Sharpe, Community Development Director
Kecia Parker, Real Estate Manager
Dwight Miller, PWC Chief Financial Officer
Gloria Wrench, PWC Purchasing Manager
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 Pastor Reginald Johnston, My Father's House Christian Church.

3.0 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by Mayor and Council.

4.0 ANNOUNCEMENTS AND RECOGNITIONS

Mayor Robertson presented a proclamation to Mr. Buck Wilson, Chair of the Partnership for Children of Cumberland County, Inc., proclaiming April 12-18, 2015, to be Week of the Young Child.

Mayor Robertson presented Certificates of Achievement to members of the Jack Britt High School Wrestling Team and coaches for winning the State 4A Wrestling Championship.

Mr. Richard McDowell, Run for the Wall (RFTW) NC State Coordinator, announced the Run for the Wall event, was scheduled to take place May 20, 2015.

5.0 APPROVAL OF AGENDA

MOTION: Council Member Arp moved to approve the agenda.

SECOND: Council Member Wright

VOTE: UNANIMOUS (10-0)

6.0 CONSENT

MOTION: Council Member Arp moved to approve the consent agenda with the exception of Item 6.010, pulled for discussion and a separate vote.

Second: Council Member Colvin

VOTE: PASSED by a vote of 9 in favor to 1 in opposition (Mayor Pro Tem Davy)

6.01 Approval of Meeting Minutes:

March 18, 2015 - Agenda Briefing

March 18, 2015 - Special

6.02 Capital Reserve Fund Amendment 2015-2 and Capital Project Ordinance 2015-20 to fund Phase V Annexation Areas 18-19 Water and Sewer Installations

Council adopted Capital Reserve Fund Amendment 2015-2 to implement PWC's Amendment No. 13 to the Annexation Phase V Reserve Fund from inception through FY 2015, and to adopt Capital Project Ordinance 2015-20 to establish the initial budget for Annexation Phase V – Areas 18 through 19.

6.03 Capital Project Fund Ordinance 2015-21 [Airport Improvements – Customer Facility Charge (CFC)]

This capital project ordinance will appropriate \$25,000.00 of collected CFC revenues for special support services to be provided by our airport engineer (Talbert and Bright, Inc.).

6.04 Bid recommendation for the Butler-Warner Generation Plant Heater Recovery Steam Generator (HRSG) Life Extension Project to awarded to Waco, Inc., the lowest responsive, responsible bidder, in the total amount of \$761,506.04.

Bids were received on March 17, 2015, as follows:

Waco, Inc., Bladenboro, NC..... \$761,506.04
United Energy Services, Charlotte, NC..... \$882,944.60

6.05 Capital Project Fund Ordinance 2015-22 (Runway 10/28 Rehabilitation)

This capital project ordinance will appropriate \$246,740.00 of local Airport funds to begin the design phase of the project.

6.06 Capital Project Fund Ordinance 2015-23 (Airline Terminal Improvement)

The source of funding will be \$55,000.00 transferred from the Airport Operating Fund.

6.07 Budget Ordinance Amendment 2015-9 (Emergency Telephone System Fund)

This budget ordinance amendment will appropriate a \$27,998.00 transfer from the General Fund to the Emergency Telephone System Fund to reimburse that fund for expenditures incurred in Fiscal Year 2014 that were subsequently determined to be ineligible for use of State E911 funds. Additionally, the budget ordinance amendment will appropriate \$486,869.00 from fund balance in the Emergency Telephone System Fund to allow for the recording of expenditures for 800 MHz radio equipment to be received in the current fiscal year for which financing proceeds were received in Fiscal Year 2014.

6.08 Budget Ordinance Amendment 2015-10 (General Fund and Environmental Services Fund)

This budget ordinance amendment will appropriate \$29,000.00 of auction proceeds and an additional \$271,000.00 transfer from the General Fund to fund the increased projected expenditures in the Environmental Services Fund. To fund the increased transfer from the General Fund, the budget ordinance amendment will appropriate an additional \$271,000.00 of sales tax revenues.

6.09 Bid recommendation for the Outfall Rehabilitation – US 301 to Research Drive, awarded to Instituform Technologies, the lowest responsive, responsible bidder, in the total amount of \$1,947,763.90.

Bids were received on February 27, 2015, as follows:

Instituform Technologies, Chesterfield, MO..... \$1,947,763.90
Layne Inliner, LLC, Gastonia, NC..... \$2,143,850.00

6.10 Pulled for discussion and a separate vote by Council Member Arp.

6.11 Award Contract for Resurface Various Streets 2015 - Phase II, to Barnhill Contracting Co., the lowest responsive, responsible bidder, in the amount of \$1,751,570.90

Bids were received as follows:

Barnhill Contracting Co., Fayetteville, NC..... \$1,751,570.90
Highland Paving Co., Fayetteville NC..... \$1,883,139.98

6.12 Adopt a Resolution Confirming Non-Inclusion of Shuford Street in the City of Fayetteville Street Plan

A RESOLUTION CONFIRMING NON-INCLUSION OF SHUFORD STREET IN THE CITY OF FAYETTEVILLE STREET PLAN. RESOLUTION NO. R2015-029

6.13 PWC - Phase 5 Annexation Areas 14 and 15 Resolution Declaring Cost

RESOLUTION DECLARING COST AND ORDERING PREPARATION OF PRELIMINARY ASSESSMENT ROLL AND SETTING TIME AND

PLACE FOR A PUBLIC HEARING ON PRELIMINARY ASSESSMENT ROLL.

RESOLUTION NO. R2015-030

6.14 Tax Refunds Greater Than \$100.00

<u>Name</u>	<u>Year</u>	<u>Basis</u>	<u>City Refund</u>
Smith, Terrance	2012-13	Corrected Assessment	\$ 109.18
Hughes, Edward	2011-12	Corrected Assessment	115.13
Olsen & Olsen PLLC	2012-13	Corrected Assessment	302.28
MBM Hospitality LLC	2013	Corrected Assessment	20,765.59
MBM Hospitality (LVMSD)	2013	Corrected Assessment	15,710.81
MBM Hospitality (LVMSD)	2014	Corrected Assessment	<u>10,634.29</u>
Total			<u>\$47,637.28</u>

6.10 Award Contract for Alterations to the Fayetteville City Hall Third Floor

Council Member Arp pulled this item for discussion and a separate vote. He stated he has three reasons for pulling this item; the item appears on the consent without any fore prep, this item represents a 20 percent cost increase over the original project estimate and we continue to have contracts bid and awarded to companies outside of our community, and finally, why are we going to spend \$1.5 million when there was a memo (dated April 1, 2015, from the City Manager's office) stating we would have a \$1.6 million budget shortfall, based on the new house bill; if we have a projected shortfall and do not know what the outcome of our budgetary issues are, we should wait until we can define what our budgetary issues are.

Council Member Mohn stated we need to be aware, next year staff will be asking for about \$1.6 million in the Capital Improvement Program (CIP) for the second floor renovations, and that estimate could run over as this one has. We are approximately 60 days away from approving the new budget, and I think the timing is not right, we should wait and see what the General Assembly does with the new bill, and we should encourage local contractors to bid on this project.

Council Member Colvin asked Mr. Kristoff Bauer, Deputy City Manager, how many bids were received for the project. Mr. Bauer stated there were three bids received on March 26, 2015, as follows:

PRO Construction, Jacksonville, NC.....	\$1,521,685.00
Kevin K. Jacobs General Contracting, Lumberton, NC.....	\$1,758,536.20
WECC, Inc., Fayetteville, NC.....	\$1,891,760.00

Mr. Bauer stated the bid amounts listed include the base bid and all alternates. A total of six contractors requested plans and specifications for this project, with three contractors submitting bids. PRO Construction will be utilizing a minority subcontractor for 12 percent of the work on this project. Additionally, PRO Construction will be utilizing local contractors for the mechanical and plumbing work for this project.

Council Member Colvin stated folks in Fayetteville voted for the Council to help improve the economy and asked what we are doing, what is staffs' goal to raise the level of participation of local contractors to bid on projects. Mr. Bauer stated we are paying attention to who is bidding, but we do not have the legal opportunity to restrict bidding to local bidders at this time.

Council Member Colvin stated there are other communities that utilize a project manager or developer in our case the city serves as that, if we allow a project manager we would have more flexibility. Mr. Bauer stated we will definitely research the resources of the opportunity you have addressed, and see if this is something that could be used in this community.

Council Member Wright asked the City Manager what are the priorities for the renovations of City Hall. Mr. Ted Voorhees, City Manager, stated this building was purposed for a City Hall from a prior use 25 years ago. The building is deficient in certain ADA compliance; the heating, ventilation and HVAC is inadequate, some areas of the building have exposed ducts; Council does not have adequate space to conduct meetings; and the first floor is not customer service friendly, it looks like a bureaucratic maze; our goal is to rectify these problems. The funding for the project is a one-time funding; I do not recommend we use this funding to support ongoing expenses or support a permanent change in our revenue. Council Member Wright stated he

also is in favor of supporting local.

Council Member McDougald asked if the new Economic Development Department could assist local companies with the bidding processes; we want to grow local business.

Mayor Pro Tem Davy stated we are working on a live bid that is good for 60 days, I do not think it is fair to penalize those that have already gone through this bid process. We should have a user friendly building that is ADA compliant, and not have employees working in areas with exposed ducts.

Council Member Crisp stated if we do not approve this bid, the third floor (which is gutted) will sit vacant until we do decide; Council already did decide when they appropriated the funds for this project. Is it fair to our citizens to put this project on hold, when the money was already appropriated for this one-time expenditure.

Council Member Arp stated we owe it to our citizens to not manufacture a budgetary crisis. We know there are going to be budgetary impacts from the legislative action on the PWC Charter, the Privilege License change, and State Sales Tax we have to renegotiate with the County. Before we ever discuss a hiring freeze we should table this item until we realize these budgetary issues.

MOTION: Council Member Arp moved to table this item until we can answer the budgetary issues.

SECOND: Council Member Colvin

Mayor Pro Tem Davy stated she wanted to make sure everyone understands that we are talking about two separate budgets. This project is funding from the current budget, the issues Council Member Arp has addressed are for next year's budget. The citizens deserve an ADA compliant building.

Council Member Crisp stated he agreed with the alert memo from the City Manager, it is wise to give a warning to staff and prepare for a worse case scenario.

Council Member Colvin stated his main concern is that the money for this project will be sent to Jacksonville, North Carolina, and not here in Fayetteville.

Council Member Arp stated he has been in support of renovations to City Hall, although he is not in favor of moving this project forward for a multitude of reasons that he has stated.

Mayor Pro Tem Davy stated the City Manager's memorandum was a recommendation, which is not the same as an action going into effect.

Council Member McDougald stated it is inappropriate to put this item on hold; it is time to move forward, it is childish and immature to pull something like this because you do not like or agree with something that has been done.

Council Member Mohn stated staff will be asking for \$1.62 million next month for the next phase.

Mayor Robertson asked Council Member Arp to restate his motion.

RESTATED MOTION: Council Member Arp moved to table the award of the contract for alterations to the Fayetteville City Hall third floor, until we have disclosed and discovered all the budgetary impacts we are facing.

SECOND: Council Member Colvin seconded the motion and made a friendly amendment that the project be rebid during the tabling of the item.

Council Member Arp accepted the friendly amendment and restated the motion.

RESTATED MOTION: Council Member Arp moved to table the award of the contract for alterations to the Fayetteville City Hall third floor for 90 days until we can clear the budgetary issues.

SECOND: Council Member Colvin

VOTE: FAILED by a vote of 5 in favor (Council Members Jensen, Arp, Robertson, Colvin and Mohn) to 5 in opposition (Council Members Davy, McDougald, Hurst, Crisp, and Wright)

Council Member Crisp requested to call for a revote on the previous motion.

MOTION: Council Member Arp moved to table the award of the contract for alterations to the Fayetteville City Hall third floor for 90 days until we can clear the budgetary issues.

SECOND: Council Member Colvin

VOTE: PASSED by a vote of 6 in favor to 4 in opposition (Council Members Davy, McDougald, Hurst, and Wright)

7.0 PUBLIC FORUM

Ms. Angie Wells, 9504 Fairlane Drive, Charlotte, NC 28214, expressed concerns regarding communication workers potential job losses due to the proposed Trans-Pacific Partnership.

Mr. Ben Stout, 317 McAllister Street, Fayetteville, NC 28305, expressed concerns regarding ongoing electrical inspection delays.

Mr. David Gibson, 517 Greensboro Street, Fayetteville, NC 28301, expressed concerns regarding the City purchase of his property.

Ms. Susan Bullock, 5612 Toggle Avenue, Fayetteville, NC 28306, expressed concerns regarding trailer parking in front yards in her neighborhood. Ms. Bullock provided photographs of the offending vehicle parking.

Mr. Christopher Tober, no address provided, provided suggestions for fundraisers to assist the homeless.

Ms. Kris Veno, 3286 Yarmouth Drive, Fayetteville, NC 28306, expressed concerns regarding two vacant positions at the Dorothy Gilmore Center.

8.0 OTHER ITEMS OF BUSINESS

8.01 Update on PWC Audit Deficiencies

Mr. Dwight Miller, PWC Chief Financial Officer, presented this item with the aid of a PowerPoint presentation and stated two significant control deficiencies were identified as part of the fiscal 2014 audit; system access and Segregation of Duties (SOD); timely closing and properly accounting of work orders and capital projects in Oracle Work and Asset Management (WAM). The Public Works Commission as part of its remediation efforts engaged Cherry Bekaert Risk Advisory Services and Baker Tilly to assist in mitigating the identified deficiencies. Mr. Miller stated they have formalized and will place in service a Periodic Access Review (PAR). We expect the PAR will be in place sometime in May 2015. The Risk Advisory staff is also working on this project. Mr. Miller provided a spreadsheet of the WAM milestones.

Council Member Colvin asked Mr. Miller to restate the two deficiencies. Mr. Miller responded it was the system access and controls and need to have access to certain areas; and a proper segregation of duties, and timely closings of work orders.

Council Member Crisp asked if there was still a backlog on some of the work orders. Mr. Miller responded that was correct, as not everything has been properly recorded.

Mayor Pro Tem Davy asked for the PowerPoint to be e-mailed to the Council, as the information was not included in the agenda packet.

Council Member Wright stated he understands there is a backlog and you have a timeline to clear the backlog, and asked what is in place to meet the deadlines. Mr. Miller responded they have dedicated six employees to work on the recordings.

PUBLIC HEARING

Ms. Karen McDonald, City Attorney, stated Ms. Patricia Gibson who had signed up to speak at a public hearing, and was asked to step out to speak with Ms. Rochelle Small-Toney, Deputy City Manager, has returned to this meeting and requests permission to address the Council.

Ms. Patricia Gibson, 517 Greensboro Street, Fayetteville, NC 28301, stated she is speaking on behalf of her father, Mr. David Gibson, in reference to the City purchasing his property, and asked the City compensate her father in a fair and just manner.

9.0 ADMINISTRATIVE REPORTS

9.01 Monthly Statement of Taxes – March 2015

2014 Taxes.....	\$625,003.17
2014 Vehicle.....	91.32
2014 Taxes Revit.....	2,228.52
2014 Vehicle Revit.....	0.00
2014 FVT.....	10.00
2014 FTT.....	10.00

2014 Storm Water.....	25,009.27
2014 Fay Storm Water.....	45,016.66
2014 Fay Solid Waste Fee.....	39,071.12
2014 Annex.....	0.00
2013 Taxes.....	11,298.57
2013 Vehicle.....	10,055.19
2013 Taxes Revit.....	29.96
2013 Vehicle Revit.....	5.77
2013 FVT.....	1,130.86
2013 FTT.....	1,130.87
2013 Storm Water.....	250.92
2013 Fay Storm Water.....	501.86
2013 Fay Recycle Fee.....	696.28
2013 Annex.....	0.00
2012 Taxes.....	2,346.92
2012 Vehicle.....	2,568.92
2012 Taxes Revit.....	0.00
2012 Vehicle Revit.....	0.82
2012 FVT.....	425.78
2012 FTT.....	425.77
2012 Storm Water.....	42.89
2012 Fay Storm Water.....	85.78
2012 Fay Recycle Fee.....	131.90
2012 Annex.....	0.00
2011 Taxes.....	668.62
2011 Vehicle.....	1,325.15
2011 Taxes Revit.....	0.00
2011 Vehicle Revit.....	0.00
2011 FVT.....	224.90
2011 FTT.....	224.92
2011 Storm Water.....	12.00
2011 Fay Storm Water.....	24.00
2011 Fay Recycle.....	38.00
2011 Annex.....	0.00
2010 and Prior Taxes.....	2,185.40
2010 and Prior Vehicle.....	2,031.13
2010 and Prior Taxes Revit.....	0.00
2010 and Prior Vehicle Revit.....	0.00
2010 and Prior FVT.....	505.98
2010 and Prior FTT.....	243.47
2010 and Prior Storm Water.....	46.22
2010 and Prior Fay Storm Water.....	68.42
2010 and Prior Fay Recycle Fee.....	110.25
2010 and Prior Annex.....	0.00
Interest.....	29,816.06
Revit Interest.....	61.31
Storm Water Interest.....	891.65
Fay Storm Water Interest.....	1,615.74
Annex Interest.....	0.00
Fay Recycle Interest.....	1,467.95
Fay Transit Interest.....	473.96
Total Tax and Interest.....	\$809,604.23

10.0 ADJOURNMENT

There being no further business, the meeting adjourned at 8:39 p.m.