

DURHAM CITY COUNCIL WORK SESSION
Thursday, May 23, 2013 – 1:00 p.m.
Committee Room 2nd Floor – 101 City Hall Plaza

Present: Mayor William V. “Bill” Bell, Mayor Pro Tempore Cora Cole-McFadden and Council Members Eugene Brown, Diane Catotti, Don Moffitt and Steve Schewel. Absent: Council Member Howard Clement, III.

Also present: City Manager Thomas J. Bonfield, City Attorney Patrick Baker and City Clerk D. Ann Gray.

Mayor Bell called the meeting to order.

Mayor Bell asked for priority items from the City Manager, City Attorney and City Clerk.

City Manager Bonfield referenced the following items:

- Agenda Item #12 – Contract for Transfer, Transport and Disposal Services (presentation will be provided)
- Agenda Item #27 - 2013 United States Marshals Service Equipment Donation (need to suspend the rules and vote today)

The City Manager’s items were accepted by the Council.

There were no priority items from the City Attorney and City Clerk.

After Mayor Bell announced each item on the printed agenda, the following items were pulled for discussion/comments/or action by the council.

Subject: John Tarantino

To receive comments from John Tarantino regarding public safety, public transit and neighborhood improvement.

Note: Mr. Tarantino was not present at the meeting to speak.

Subject: 2013 United States Marshals Service Equipment Donation

To authorize the City Manager to accept the 2013 United States Marshals Equipment Donation of a vehicle for use by the Durham Police Department representative of the USMS Joint Fugitive Task Force; and

To adopt the 2013 USMS Equipment Donation Grant Project Ordinance in the amount of \$35,000.

May 23, 2013

The City of Durham through the Durham Police Department is receiving a donation grant of a vehicle from the United States Marshals Service for law enforcement purposes. The vehicle will be utilized by the Durham Police Investigator representative on the USMS Joint Fugitive Task Force. The cost of the vehicle will be absorbed by the USMS, however, maintenance and fuel costs will not be funded by the USMS at this time. The estimated value of the vehicle is approximately \$35,000.

Motion by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to suspend the rules of the Council and take action on this item was approved at 1:13 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown, Catotti, Moffitt and Schewel. Noes: None. Absent: Council Member Clement.

Motion by Mayor Pro Tempore Cole-McFadden seconded by Council Member Catotti to authorize the City Manager to accept the 2013 USMS Equipment Donation of a vehicle for use by the Durham Police Department representative of the USMS Joint Fugitive Task Force; and

To adopt the 2013 USMS Equipment Donation Grant Project Ordinance in the amount of \$35,000 was approved at 1:13 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown, Catotti, Moffitt and Schewel. Noes: None. Absent: Council Member Clement.

Ordinance #14450

Subject: Contract Amendment with Community Partnerships, Inc. – Youth Framework Services July 1, 2013 – December 31, 2013

To authorize the City Manager to execute a contract amendment with Community Partnerships, Inc. and increase the amount of the contract by \$175,000.00 to provide uninterrupted youth framework services from July 1, 2013 through December 1, 2013.

The purpose of this item is to extend the current contract with Community Partnerships, Inc. from July 1, 2013 to December 31, 2013 and increase the amount of the contract in an amount not to exceed \$175,000.00 to provide Workforce Investment Act Youth program framework services for up to 75 to 85 WIA eligible youth in the Youth Employed and Succeeding (YES) program. Approval of this contract amendment will allow uninterrupted services to be provided to WIA youth beyond the existing contractual completion date which is set to expire June 30, 2013. The total contract amount will not exceed \$1,050,000.00 with this amendment (this is a cumulative amount dating back to the beginning of the contract).

The staff recommends council approve the amendment.

OEWD Director Kevin Dick commented on the extensions of existing contracts and referenced the new data management system that all regions and service providers will need to adapt to.

May 23, 2013

Also, he commented on the number of participants served under the existing contract and services received through March 31, 2013.

Subject: Parking Fee Changes

To adopt an Ordinance to change parking fees.

This item recommends adoption of an Ordinance to change parking fees by generally increasing monthly parking rates by \$10.00 per month and reducing the fee for the first hour of parking in Lot 8, by increasing special events by \$1.00 per vehicle and implementing additional options for residential parking.

With the effective date of October 1, 2013, the amendment anticipates generating an additional \$176,130 in monthly revenue (includes \$32,130 in revenue collected from residential parkers utilizing the parking facilities as a monthly parker during operational hours) and the amendment (Special Events Parking Fees) which consists of \$10.00 residential parking fee (\$7,920) and special events parking fees (\$46,500) for a total expected parking revenue increase of \$54,420. In addition to fee changes within the overall fee schedule, sections within the schedule have been modified for clarity but will not change existing practice.

There have been three parking fee changes within the last twelve years: June 18, 2001; June 18, 2007; and July 1, 2010.

The council held discussion on the residential parking fee; reasons why non-reserved surface lot is less expensive than the parking decks; and the proposed monthly rate increase without residential usage impact.

Council Member Brown said he would have preferred seeing higher rates for special event parking in the Corcoran Street; Church Street and Center Garages at \$4.00 instead of the proposed \$3.00.

The staff noted that the North Garage parking deck will be increased to \$5.00 similar to the South Garage and said that all anticipated parking rate increases will take effect October 1, 2013 to provide ample notification.

Mayor Bell asked what was the elasticity on parking.

Director of Transportation Mark Ahrendsen replied he did not know because they did not factor a loss in this.

Subject: Selection of Electronic Presentation and Payment Vendor – KUBRA, Inc.

To authorize the City Manager to enter into a three-year contract with KUBRA, Inc. to provide Electronic Billing and Payment Services at the quoted per transaction rates herein.

May 23, 2013

In an effort to improve customer service and utility bill collection while minimizing costs, the Department of Water Management issued a Request for Proposal for enhanced electronic billing and payment services. The department received 13 proposals of which 5 vendors were selected for demonstrations. After the demonstrations, 3 vendors were requested to provide service and fee schedules. Based upon the review of software, services and fee schedules, the review committee selected KUBRA, Inc. The proposed contract will provide a new option allowing customers to pay by telephone, as well as supplement current credit card web payment to include e-checks. The new software will also allow customers to sign up for e-billing on line, greatly decreasing time and resources needed for full roll out of e-billing. Additionally, customers will be able to access certain account information such as current balance and copies of bills 24/7 via both phone and web portal.

Council Member Catotti questioned who was paying the fee; the City to KUBRA per transaction or customer payment.

Martha Ziegler, of Water Management, replied the fee will be paid by the City.

Council Member Moffitt said he appreciated the need to modernize but raised a concern with the additional expenses and noted the only reference he saw for off-setting reduced expenses was a possibility of mitigation due to lower postage. He asked are there other off-sets to be expected due to this new software system.

Martha Ziegler, of Water Management, said hopefully it would also result in additional cost savings from the banking fees they are currently paying. She said the software they are currently using only allows credit card payments which is much more expensive than e-checks.

Subject: Public Hearing on the Proposed Economic Development Incentive Agreement Between A Company Known as Project Bull and the City of Durham Outside the Community Development Area and Within the City Limits of Durham

To conduct a public hearing to receive comments on the proposed agreement between Project Bull and the City of Durham regarding incentives for capital investment outside the community development area within the city limits of Durham; and

To authorize the City Manager to execute a contract between a company known as Project Bull and the City of Durham in an amount not to exceed \$400,000.

Project BULL, a proposed economic development project to be undertaken by a firm located outside the Community Development Area, but within the city limits of Durham. The proposed project would create 50 jobs and generate over \$557,000 in new tax revenues within five years of City Council approval of an economic development incentive.

The proposed incentive is for \$400,000 to be paid out over a period of five years, with payments anticipated to begin in FY2015.

May 23, 2013

Council Member Catotti asked how year 1 and 2 would be paid out in a lump sum at the end of year 2, with confirming the capital expenditures in year 3.

OEWD Director Kevin Dick said the cash flow analysis should move a year forward and they would make those adjustments to the chart.

Also, OEWD Director Kevin Dick said the company asked that the name be held until the time of the public advertisement and the advertisement is tomorrow Friday, May 24, 2013.

Subject: Proposed Bus Fare Increases

To conduct a public hearing to receive comments on the proposed DATA Bus Fare Increases.

According to 49 U.S.C. 5307(d) (1) (I), the City must solicit and consider public comment before raising a fare or implementing a major reduction of public transportation service. The City has held two public input sessions during the month of May 2013 to receive feedback from residents and riders on the proposed fare increases. In addition to the public input sessions, the City distributed a proposed fare increase survey to receive feedback from bus riders. Finally, a public hearing on the proposed fare increase is scheduled for June 3, 2013.

Transportation Director Mark Ahrendsen explained what a stored value card was and John Tallmadge, of Triangle Transit, explained how the stored value card works.

Transportation Director Mark Ahrendsen also commented on the rationale for the local day pass.

Council Member Schewel asked would a \$5.00 fee on the state fair express cover the costs.

Transportation Director Mark Ahrendsen said he would look into that and provide an answer. He said he knew there were times when the state fair bus was full, but over the whole duration, he would need to check into that.

Subject: Contract for Transfer, Transport and Disposal Services with Waste Industries, LLC

To authorize the City Manager to execute a contract with Waste Industries, LLC to design, construct and operate a transfer station at the City's Waste Disposal and Recycling Center for the receipt and transfer of municipal solid waste and recyclable materials. The initial term of the contract will be for a period of ten years. At the sole discretion of the City, the contract may be renewed for two additional terms of five years each. The initial cost of the contract over the initial ten years is \$52,575.368.

In March 2011, the City of Durham's Department of Solid Waste Management issued a Request for Proposal seeking qualified consultant firms that specialize in solid waste planning, permitting and design to assist with developing and implementing a Comprehensive Solid Waste Disposal

May 23, 2013

Plan. The resulting plan was implemented in three phases. Phase I included a review and analysis of current Solid Waste Management operations and existing system conditions at the City transfer station with recommended improvements. Phase II generated a Request for Proposal soliciting private-sector partners for the individual recommendations and components of the project which were recommended in Phase I and the review of the responses to the RFP. Phase III consisted of the selection of contractors and contract negotiations and development.

Staff recommends Waste Industries, LLC as the contractor to design, permit, construct and operate the transfer station at the City's Waste Disposal and Recycling Center for the receipt and transfer of municipal solid waste and recyclable materials. The contractor will accept, transfer, transport and dispose of municipal solid waste that is delivered to the City's existing transfer station until such time as the new transfer station is built and operational. The contractor will also accept, transfer, and transport recyclable materials to a designated materials recycling facility. The contractor will be responsible for the operation and maintenance of the transfer station throughout the term of the contract.

Also, the Director of Solid Waste Donald Long, provided a power point presentation commenting on the following topics:

City of Durham Solid Waste Recommendations for Contract Award

- Existing Contracts
- Request for Proposal Process
- Transfer & Disposal Contract & Fees
- Recyclables Processing Contract
- Recyclables Processing Revenue

In summary, Mr. Long noted the overall financial impact as follows:

- The Waste Industries proposal results in savings of \$7,412,059 over ten years versus the current contract
- The Waste Industries proposal results in a savings of \$5,700,000 over ten years versus the other responder
- The Sonoco proposal results in a net increase in revenue of \$2,174,095 over ten years versus the current contract

After the presentation, the council held discussion on per ton rates vs. other localities; timeline for construction of site; risks associated with closure of city site; and maintenance of proposed facility.

A representative from Waste Industries referenced their interest in organics diversion (food waste composting).

May 23, 2013

A representative from Sonoco spoke on the tonnage needed/guaranteed for the operation of MURF and said this operation is something they have been reviewing and discussing with the Solid Waste Department. Also, he commented on the recycling tours that have taken place.

Subject: 2012-2013 Durham Workforce Development Board Annual Report

Steven Williams, Chair of the Durham Workforce Development Board, provided a power point presentation, along with a video, summarizing accomplishments as part of the 2012 -2013 Durham Workforce Development Board Annual Report based upon program results from the July 1, 2012 through March 31, 2013.

The following challenges and opportunities are as follows:

- Continued Demand on Resources: Higher level of unemployment continues to create a greater demand on resources throughout 2012-13
- Tighter Resources: With a greater demand on resources, staff has continued aggressive resource development throughout 2012-13 in order to maintain service levels and will continue efforts in 2013-2014.
- Technology: Replacement of current State integrated JobLink technology system (Job Connector) with new systems (Geographic Solutions) and (W.I.S.E.)
- Uncertainty: Due to merger of former Employment Security Commission and Department of Commerce planning/structure of future delivery of services and budgetary allotment
- Loss: Sr. Workforce Development Manager resigned March 2013 to take position with international agency that promotes child labor reform globally. Position to be filled by June 2013.

Also, OEWD Director Kevin Dick informed the council of a 46% decrease in federal funding for dislocated worker funding.

Subject: FY 2012-13 Third Quarter Financial Report

To receive a presentation on the FY 2012-13 Third Quarter Financial Report.

The administration presented the Third Quarter Financial Report for FY 2012-13. This report is based on nine months of financial information.

In conclusion, the administration noted the general fund is tracking close to budget, personnel and operating cost savings balancing property tax shortfall. The water/sewer looking favorable - challenges in Transit and Parking funds, and mixed economic news point to continuing slow growth.

May 23, 2013

Subject: Consolidated Annexation Item – 751 South - Southern Durham Development LLC

To conduct a public hearing to receive comments on the Utility Extension Agreement and Voluntary Annexation Petition;

To authorize the City Manager to enter into a water and sewer extension agreement with Southern Durham Development, LLC;

To adopt an Ordinance Annexing the 751 South Development into the City of Durham effective June 3, 2023; and

To authorize the City Manager to make a one-time debt service payment to the Parkwood Volunteer Fire Department in connection with 751 South.

A request for utility extension agreement and voluntary annexation has been received from Southern Durham Development, LLC to provide water and sewer service to a mixed-use development and single-family residential development outside of the City limits. The proposed effective date of the annexation is June 3, 2023, pending changes to the City Charter that are being considered by the General Assembly in its 2013 Session.

At this time, Mayor Bell recognized the following citizen for comments on this item.

Steve Bocckino urged the council to oppose extending utilities to the site. He said this project has only a handful of supporters versus hundreds of opponents who think it is too dense, too close to Jordan Lake and will trigger a retail tsunami down into Chatham County, the arithmetic is against it and the citizens are against it. He said people say that politics is the art of compromise, but this is not compromise and a vote to approve 751 South would be nothing but preemptive surrender in the face of a flagrant shakedown by the developer's pals in Raleigh. Mr. Bocckino said he has known all of the council members for years, and he believed Durham's leaders are made of stronger stuff.

Council Member Catotti asked that individuals on the council that are planning to support this item seek an additional concession from the developers about widening N. C. 751.

Also, it was noted that the 751 South developers had not, as a part of the deal, agreed to reduce the project's density.

A public hearing on this item will be held at the June 3, 2013 City Council Meeting.

At this time, City Clerk Gray announced that all the applicants that applied for the Durham Cultural Advisory Board and Housing Appeals Board received six votes for appointment.

Settling the Agenda - June 3, 2013 City Council Meeting

May 23, 2013

City Manager Bonfield referenced the following items for the June 3, 2013 City Council Meeting agenda: Consent Items 1 thru 15 and GBA Public Hearing Items 18 thru 25.

Motion by Council Member Moffitt seconded by Council Member Brown to settle the agenda for the June 3, 2013 City Council Meeting as stated by City Manager Bonfield.

The motion was approved by a vote of 6/0 at 3:00 p.m.

There being no further business to come before the Council, the meeting was adjourned at 3:00 p.m.

D. Ann Gray, MMC, NCCMC
City Clerk