

**DURHAM CITY COUNCIL WORK SESSION**  
**Thursday, March 6, 2014 – 1:00 p.m.**  
**Committee Room – 2<sup>nd</sup> Floor - 101 City Hall Plaza**

**Present: Mayor William V. “Bill” Bell, Mayor Pro Tempore Cora Cole-McFadden and Council Members Eugene Brown, Diane Catotti, Eddie Davis, Don Moffitt and Steve Schewel. Absent: None.**

**Also present: Deputy City Manager Wanda Page, City Attorney Patrick Baker and City Clerk D. Ann Gray.**

Mayor Pro Tempore Cole-McFadden called the meeting to order asking for priority items from the City Manager, City Attorney and City Clerk.

Deputy City Manager Wanda Page referenced the following:

- Agenda Item #3 – Contract Amendment for Southside West Neighborhood Site Preparation and Infrastructure Improvements with D. H. Griffin Infrastructure, LLC (need to suspend the rules and vote today) this will allow D. H. Griffin to continue their current scope of work and additional services without interruption and for the section of Hillside Avenue and South Street to be re-opened to traffic as soon as possible and also allow for earlier turnover of the building lots to the two builders.

Due to the cancellation of the regular March 3, 2014 city council meeting, the Deputy City Manager stated the following public hearings have been added to the agenda for consideration on March 17, 2014:

- Agenda Item #11 – Public Hearing on FY2014-15 Fiscal Year Budget and FY2015-2010 Capital Improvement Plan
- Agenda Item #12 – Consolidated Annexation Item – Fifty-Four Plaza
- Agenda Item #13 – Zoning Map Change – Bethpage Village Revisions (Z1300030)

The Deputy City Manager’s items were accepted by the council.

City Attorney Baker requested a closed session at the end of the meeting to discuss matters relating to the location or expansion of industries or other businesses in the City of Durham, pursuant to G. S. 143-318.11(a)(4) and for attorney-client consultation, pursuant to G.S. 143-318.11(a)(3), Evans et al vs. City of Durham.

The City Attorney’s items were accepted.

There were no priority items from the City Clerk.

Mayor Bell asked for announcements from the council.

**March 6, 2014**

Council Member Catotti reminded her colleagues that it was Inter-National Women's Day. Also, she said she would not be in attendance at the PAC 4 coffee-with-council session due to previous travel plans.

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

**Subject: Contract Amendment for Southside Neighborhood Site Preparation and Infrastructure Improvements with D. H. Griffin Infrastructure, LLC**

The staff report indicated that on April 15, 2013, City Council approved an agreement with D.H. Griffin Infrastructure, LLC (DHGI) in the amount of \$1,659,881.00 to provide site preparation and infrastructure improvements for the preparation of 48 lots as part of the initial homeownership phase of the Southside West redevelopment effort. As work has progressed, the need for additional services was revealed based on unforeseen conditions at the site to include soil and rock removal, additional site preparation and paving along with third party testing. This will require a contract amendment with DHGI in the amount of \$477,000.00. The original scope of work includes the partial demolition and removal of existing street surfaces and infrastructure, installation of erosion and sedimentation control measures and the mass grading of 48 properties located along South Street, W. Piedmont Avenue, Scout Drive and Hillside Avenue. Additional specifications includes the installation of new street surfaces, curbs, sidewalks, street trees, water and sewer lines and storm drainage to serve all 48 homeowner units.

The Department of Community Development recommends that City Council authorize the expenditure of \$477,000.00 in Community Development Block Grant funds for additional site preparation and infrastructure activities in the Southside neighborhood; authorize the City Manager to amend the existing Agreement to Provide Neighborhood Site Preparation and Public Infrastructure Improvements in the Southside Neighborhood with D.H. Griffin Infrastructure, LLC. in an additional amount up to \$477,000.00 for a total contract amount of \$2,136,881.00.

Council Member Brown raised concern with the additional funds needed in the amount of \$477,000.00 (cost overruns).

Director of Community Development Reginald Johnson explained the reasoning for the cost overruns.

Referencing the CDBG funds being recommended for this item, Council Member Schewel asked how were they previously going to be used.

Community Development Director Reginald Johnson said it was his understanding that these funds were to be used for this particular infrastructure (designated for infrastructure).

Larry Jarvis, Assistant Director of Community Development, briefed the council on the availability and source of these additional funds being requested.

**March 6, 2014**

**Motion** by Council Member Schewel seconded by Mayor Pro Tempore Cole-McFadden to suspend the rules of the council and take action on this item.

The motion was approved by a vote of 7/0 at 1:21 p.m.

**Motion** by Mayor Pro Tempore Cole-McFadden and seconded by Council Member Catotti to authorize the expenditure of \$477,000.00 in Community Development Block Grant funds for additional site preparation and infrastructure activities in the Southside Neighborhood; and

To authorize the City Manager to execute an agreement amendment to provide neighborhood site preparation and public infrastructure improvements in the Southside Neighborhood with D. H. Griffin Infrastructure, LLC in an additional amount up to \$477,000.00 was approved at 1:21 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown, Catotti, Davis, Moffitt and Schewel. Noes: None. Absent: None.

**Subject: Substance Abuse and Mental Health Services Administration Grant Project Ordinance and Contract with Alliance Behavioral Healthcare**

According to the staff report, this item recommends acceptance to change the contract end date on the \$60,000.00 Substance Abuse and Mental Health Services Administration (SAMHSA) job training grant from September 30, 2014, to April 30, 2014.

The contract with Alliance Behavioral Healthcare will help transition youth (aged 16-21) who have been identified as (1) having significant functional impairments, and/or (2) disconnected or at risk of becoming disconnected from services and supports. Specifically, the program supports a minimum of 120 youth per year in becoming gainfully employed through the collaborative efforts of the BECOMING project.

To authorize the City Manager to accept the amended Substance Abuse and Mental Health Services Administration (SAMHSA) Grant by executing the grant documents;

To adopt the City of Durham Employment and Training FY 2014-2015 Grant Project Ordinance Superseding Project Ordinance #14546 for Substance Abuse and Mental Health Services Administration (SAMHSA Grant); and

The Office of Economic and Workforce Development (OEWD) further recommends that City Council authorize the City Manager to execute a contract with Alliance Behavioral Healthcare in an amount not to exceed \$60,000.00 to further implement the pilot employment and training program for youth enrolled in the SAMHSA funded program.

Council Member Schewel questioned the end date of this contract being changed from September 2014 to April 2014. He asked why was the grant period being shortened.

**March 6, 2014**

Michael Honeycutt, of OEWD, referenced that the staff mentioned to the council last month that they will be coming back to present a shorter contract, and due to discussions with Alliance they have agreed to end the contract early and they wanted to make this a clean document, noting there will also be a change to the scope of services and allowing them to collect money previously owed under the old contract. Mr. Honeycutt also referenced a proposal going forth for this program. He said this item was separate from the joint work with the county for the funding of the youth outreach coordinator which will be determined.

**Subject: Annual Property/Casualty Insurance Plan 2014-2015**

The staff report indicated that the Finance Department has prepared the annual insurance plan for adoption by the City Council. The plan summarizes all property and casualty insurance related coverage and is the basis for authorization of insurance purchases throughout the year. Most of the City's insurance renewals are due April 1<sup>st</sup>. The City's annual property and casualty insurance plan has been prepared jointly by the Finance Department and Arthur J. Gallagher, the City's property casualty and risk management broker/consultant.

The proposed 2014-2015 plan continues the existing insurance coverage. In addition to the specific coverages listed in the attachment, the City Manager may need to purchase other insurance and/or modify insurance coverage during the year as needed to protect the City's interest.

The Finance Department recommends that the City Council authorize the City Manager to:

1. Maintain the general insurance plan as attached and modify it as needed, provided the modifications are consistent with the City's overall risk management and financial objectives.
2. Purchase additional insurance throughout the year, as needed for special events, lease and contract requirements, new programs, and builders risk insurance.
3. Expend an amount for all insurance premiums not to exceed \$958,058.00 to maintain the annual insurance plan and make additional insurance purchases as needed beginning April 1, 2014.

Council Member Schewel asked if there were other possible large claim settlements on the horizon.

Finance Director David Boyd said there is always the potential but there are not any at the present. He said they do have just over \$8 million in reserves in the risk fund. Mr. Boyd also explained the excess liability of \$10 million referenced in the staff report and the city's SIR dollar amount.

Mayor Pro Tempore Cole-McFadden, inquired as to the Finance Department's involvement with the North Carolina League of Municipalities relative to contractual services rendered. In response, the Finance Department advised there is currently a service contract in place with the

**March 6, 2014**

North Carolina League of Municipalities. The Mayor Pro Tempore raised concerns regarding the North Carolina League of Municipalities lack of diversity and requested information pertaining to the contract expiration.

The administration will provide the additional information pertaining to the contract expiration prior to the March 17, 2014 council meeting.

**Subject: Award of Construction Contract for the North and South Durham Water Reclamation Facilities Chemical Systems and Nutrient Related Improvements and Selection of a Supervisory Control and Data Acquisition System Integrator**

According to the staff report, because of its unique geographical location, Durham's water reclamation facilities discharge into two basins – the Neuse River Basin and the Cape Fear River Basin. Both basins have had nutrient reduction strategies imposed for several years; however rules adopted by the Environmental Management Commission (EMC) in recent years require even greater reductions than those imposed by the facilities' National Pollution Elimination Discharge System permits. The Falls Lake Rules were adopted in January 2011 and established milestone nutrient reductions for the North Durham Water Reclamation Facility (WRF) for 2016 (Stage 1) and 2036 (Stage 2). Similarly, the EMC adopted the Jordan Lake Rules in August 2009 requiring reductions in nitrogen and phosphorus discharge from the South Durham WRF by 2016. The deadline for compliance with the Jordan Lake Rule requirements for WRF discharges was subsequently extended to 2018 by Session Law 2011-394 signed into law July 1, 2011.

In order to address and develop plans to meet the requirements of these rules, the Department of Water Management commissioned Water Reclamation Facility Master Plans for the North and South Durham WRFs. The Master Plans, completed in 2012, recommended the construction of carbon-feed systems, sidestream treatment (AnitaMOX®) systems, and several other plant additions. The master plans also recommended rehabilitation of several existing processes and equipment, and upgrades to both plants' Supervisory Control and Data Acquisition (SCADA) systems.

The City opened public bids for the general construction contract on January 16, 2014. Six bids were received, and Crowder Construction Company is recommended for the general construction contract as the lowest cost, responsible, responsive bidder. Prior to the construction bid opening, DWM sought information technology goods and services proposals from SCADA systems integrators and selected CITI, LLC as the entity that submitted the best overall proposal to subcontract the process control, equipment automation, and technology-related services to the general contractor.

The Department of Water Management recommends that the City Council:

1. Authorize the City Manager to execute a general construction contract with Crowder Construction Company for the North and South Durham WRF Chemical Systems and Nutrient Related Improvements project in the total amount of \$13,527,008.96;

**March 6, 2014**

2. Authorize establishment of a contingency fund for the contract of \$1,353,000.00;
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$1,353,000.00 and the total project cost does not exceed \$14,880,008.96; and,
4. Designate CITI, LLC as the selected subcontractor for SCADA-related services on the Chemical Systems and Nutrient Related Improvements project.

The Council requested additional information about Crowder Construction's good faith effort in meeting City SDBE goals for this project.

This information will be provided to the Council prior to the March 17, 2014 meeting.

**Subject: Supplemental Article #5 for Jordan Lake Partnership and Contract with Hazen and Sawyer for the Regional Interconnections Study, Phase 2 for the Jordan Lake Partners**

According to the staff report, in March 2008, the City Council adopted a Resolution Supporting Regional Partnerships for Water Supply Planning and the Establishment of a Western Water Intake on the B. Everett Jordan Reservoir. Following that action, a Memorandum of Understanding (MOU) was developed and approved by 12 entities in the greater Triangle area. The MOU establishes Durham as the lead agency for general activities regarding the Jordan Lake Regional Water Supply Partnership (JLP), and allows for Supplemental Articles to the MOU which will define participation by some or all of the partners in further activities. The Partnership has already completed Volume 1 – *Regional Needs Assessment* of the Triangle Regional Water Supply Plan through a contract with the Triangle J Council of Governments. Volume 2 of the *Triangle Regional Water Supply Plan* is near completion and will be used by individual partners to develop their allocation requests for Jordan Lake water. A critical element of the long range plan will be the ability of local water systems to transfer water to and from each other without diminishing their respective capacities to meet customer needs. The hydraulic modeling effort to be conducted by Hazen and Sawyer will evaluate the capacities of existing interconnections to transfer water during extended periods (multi-day) of time. Where feasible, these analyses will include water transfers in both directions. The project will focus on the technical and financial aspects of water transfers among Triangle area systems.

As the fiscal agent for the Jordan Lake Partnership, Durham Department of Water Management staff was directed by the members to develop and execute a contract with Hazen and Sawyer to evaluate the interconnections between the various JLP entities. By mutual agreement of the Jordan Lake Partners as indicated in Supplemental Article # 5, Town of Cary professional staff will manage the technical efforts associated with this task while City staff will oversee contract management. The cost-sharing mechanism is also outlined in the supplemental article.

The administration recommends that:

**March 6, 2014**

- 1) The City Council authorize the City Manager to execute Jordan Lake Partnership Supplemental Article #5 and;
- 2) The City Council authorize the City Manager to execute the contract with Hazen and Sawyer for the Regional Interconnections Study, Phase 2 for the Jordan Lake Partners in the amount of \$481,320, and;
- 3) The City Council adopt an ordinance amending the Water and Wastewater Capital Improvement Project Ordinance, Fiscal Year 2013-2014, as amended, the same being Ordinance # 14465 for the purpose of adding funding in the amount of \$500,000.00 to the Jordan Lake Capital project account.

Council Member Brown questioned the following language in the staff report “the total amount of the contract is \$481,321; however, the City of Durham’s share is \$76,809. According to the supplemental agreement, the City shall be reimbursed for the remainder of the amount by participating members of the Jordan Lake Partnership.” He asked if the city is paying the \$481,321 minus the \$76,809, being reimbursed a little over \$400,000 by the partnership.

Vickie Westbrook, of Water Management, replied that is correct.

Mayor Pro Tempore Cole-McFadden stated there were no workforce statistics for Hazen and Sawyer referenced in the staff report.

The administration will provide the workforce information prior to the March 17, 2014 council meeting.

**Subject: Southside Multi-Family Rental and Homeownership Update**

To receive an update on the Southside Multi-Family Rental and Homeownership.

Reginald Johnson, Director of Community Development, presented a power point presentation on Southside East referencing the development name “The Lofts at Southside”; Phase 1 consisting of 119 rental units and 13 live/work units; the rental rates for 1 bedroom and 2 bedrooms; construction delay/tax credit exchange; building schedule/anticipated completion dates; site work; marketing efforts; Section 3 and SDBE efforts.

He also updated the Council on Southside West referencing site preparation and infrastructure improvements underway for 48 homeownership parcels; new construction; and the development name “The Bungalows at Southside.”

Mr. Johnson informed the council of the upcoming agenda items:

**The Lofts at Southside**

- Request from MBS for additional financial assistance for delay of building pad turnover due to environmental remediation (amendment to existing loan agreement)

**March 6, 2014**

- Phase 2 predevelopment and design costs in preparation of 2015 Tax Credit Application (architectural, mechanical, plumbing and electrical design for approximately 79 units)
- Phase 2 site preparation and infrastructure design costs

**The Bungalows at Southside**

- Design costs for Beamon Place Redevelopment Effort
- Contract amendment with DHGI March 6, 2014 work session (additional site preparation and infrastructure improvements)

At this time, a short video was shown of Southside East and Southside West.

**Subject: Neighborhood Compass Project Overview**

To receive a presentation on the Neighborhood Compass Project Overview.

John Killeen, of the Neighborhood Improvement Services Department, provided a power point presentation of the Durham Neighborhood Compass, a community indicators tool and an initiative of Strategic Plan Goal 3.

Mr. Killeen commented on the following:

**Strategic Plan Goal 3:**

**Thriving, Livable Neighborhoods**

*Strengthen the foundation, enhance the value, and improve the quality and sustainability of neighborhoods.*

Initiatives

- Develop a Neighborhood Compass model and use the data to improve the quality of neighborhoods
- Use the annually updated data to target resources to areas of need

Project Background

- Strategic planning group – 2010
- First Goal 3 Subcommittee – 2011
- Creation of project plan and teams – 2011-2012
- Consulting with NCSU/UNCC – 2011-2012
- Dedication of full-time staff person – 2013
- Project 1.0 ‘completion’ – Spring 2014

Goals

- Provide decision-makers with a data tool to help inform decisions
- Provide residents with data they can use to help improve their communities
- Track over time the quality of life in Durham’s neighborhoods

**March 6, 2014**

- Achieve efficient and effective service delivery

#### County Support

- Data provision – health, social services, library circulation, voter participation
- Participation in project development – compass policy team, partnership for healthy Durham, DSS, Durham Public Schools

#### Relationships

- Nonprofits
- Advisory boards
- Community volunteer groups
- City, County departments
- Universities
- Statewide and national ‘peer’ projects

#### What it is

- A user-friendly tool for viewing high quality local data and Census measurements for neighborhoods
- A tool for measuring the impact of local programming and attainment of Strategic Planning goals

#### What it is not

- An index that summarizes broad and disparate values for neighborhoods into codes (1, 2, 3: bad, good, best)
- A catch-all “data dump” that published everything available

#### Neighborhood Compass Dimensions

- Demographics
- Housing
- Safety
- Economy
- Education
- Environment
- Infrastructure & Amenities
- Engagement
- Health

Also, Mr. Killen provided a demonstration on how data would allow residents and local governments to track progress on neighborhood improvements and shifts in overall quality of life. It would show how people in local communities get information and identify information.

The council said this tool would be great for the citizens of Durham.

**March 6, 2014**

At this time, City Clerk Gray stated that Phillip Powell received 6 votes and Susan Callaghan received 4 votes for appointment to the Durham Performing Arts Center Oversight Committee.

**Settling the Agenda – March 17, 2014 City Council Meeting**

Deputy City Manager Wanda Page referenced the following items for the March 17, 2014 City Council Meeting agenda: Consent Items 1 thru 2; 4 thru 7; and Public Hearing Items 10 thru 13.

**Motion** by Council Member Catotti seconded by Council Member Brown to approve the agenda for the March 17, 2014 City Council Meeting as stated by the Deputy City Manager.

The motion was approved by a vote of 7/0 at 2:52 p.m.

**Closed Session**

**Motion** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Catotti to go into closed session to discuss matters relating to the location or expansion of industries or other businesses in the City of Durham, pursuant to G. S. 143-318.11(a)(4), and for attorney-client consultation, pursuant to G.S. 143-318.11(a)(3), Evans et al vs. City of Durham.

The motion was approved by a vote of 7/0 at 2:52 p.m.

**Open Session**

**Motion** by Council Member Schewel seconded by Council Member Catotti to return to open session.

The motion was approved by a vote of 7/0 at 4:13 p.m.

No action was taken by the council in open session.

There being no further business to come before the council, the meeting was adjourned at 4:13 p.m.

D. Ann Gray, MMC, NCCMC  
City Clerk