

**DURHAM CITY COUNCIL WORK SESSION**  
**Thursday, May 21, 2015 @ 1:00 p.m.**  
**2<sup>nd</sup> Floor Committee Room – 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 in Attendance: City Manager Thomas Bonfield, City Attorney Patrick Baker and City Clerk D. Ann Gray.

The meeting was called to order by Mayor Pro Tempore Cole-McFadden welcoming all in attendance. There were no announcements from the Council Members.

Mayor Pro Tempore Cole-McFadden asked for priority items from the City Manager, City Attorney and City Clerk.

City Manager Bonfield referenced the following items:

- Agenda Item #14 – Proposed Condemnation of Property Located at 3039 University Drive for the University Drive Sidewalk Project (deferred to the June 15, 2015 Council Meeting)
- Agenda Item #15 – Proposed Condemnation of Property Located at 3033 University Drive for the University Drive Sidewalk Project (deferred to the June 15, 2015 Council Meeting)
- Agenda Item #22 – Sidewalk Project Delivery and Prioritization Presentation (presentation was received at the Special City Council Meeting earlier 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 presentation; comments and/or further discussion.

**SUBJECT: POVERTY REDUCTION INITIATIVE UPDATE – HOUSING TASK FORCE**

To receive an update from the Housing Task Force on the Poverty Reduction Initiative.

Mayor Pro Tempore Cole-McFadden and Council Member Davis are serving as Co-Chairs for the Housing Task Force. The Housing Task Force has been meeting over the past year. Guided by the PRI’s data collection processes that included Community Listening Sessions and PRI Questionnaire, the Task Force members identified the following areas of focus: Energy Efficiency,(2) Homeownership Education, (3) Home Repair, (4) Vacant Lots, (5) Lead Safety;

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and (6) Boarded Structures. For each of the focus areas, the Task Force also noted their action steps that had been completed for each of the priorities.

Mayor Pro Tempore Cole-McFadden recognized Delvin Jones, of the Durham Regional Financial Center, who provided an update on upcoming workshops for homeownership opportunities.

Nick Allen, of Neighborhood Improvement Services, commented on the 3 upcoming workshops to be held at Holton Resource Center regarding homeownership; and stated the initial workshop was scheduled on Tuesday, May 26<sup>th</sup> at 6:00 p.m. He also stated that Habitat for Humanity would be involved with resource sharing.

**SUBJECT: 2014 ANNUAL REPORT – BICYCLE AND PEDESTRIAN ADVISORY COMMISSION**

To receive a presentation from the Chair on the 2014 Annual Report of the Bicycle and Pedestrian Advisory Commission.

Erik Landfried, Chair of the Bicycle and Pedestrian Advisory Commission, shared a Powerpoint presentation commenting on the commission's mission statement; membership; their 4 standing committees; annual retreat; Durham's incomplete streets and safety concerns; the commission's recent accomplishments; and their main goals for the year as outlined below:

- Update to 2006 Bike and Walk Plans
- Increase the number of schools in Durham participating in National Walk and Bike to School Days to 12-15
- Bike share feasibility study
- Add specific questions related to pedestrian/bike safety to the driver's rehabilitation exam
- Work with Durham Police Department to improve safety for pedestrians and bicyclists through increased enforcement and education, and to determine appropriate metrics to track such improvements

Council Member Schewel spoke in support of the City having a Resolution (working in conjunction with the County) on complete streets and suggested the staff provide a draft Resolution for Council's consideration.

Mayor Bell thanked the Recreation Advisory Commission for the report and their work.

**SUBJECT: DURHAM-CHAPEL HILL BOULEVARD (BUSINESS 15-501) ROAD RECONFIGURATION PROJECT**

The City's Transportation Department recommended that the City Council request N. C. Department of Transportation reconfigure the pavement markings on Durham-Chapel Hill

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Boulevard between Chapel Hill Road and University Drive from a five-lane vehicle cross section to a three-lane vehicle cross section consisting of one center turn land, one travel lane in each direction, one bicycle lane in each direction and bus pull-outs and on-street parking accommodations. The proposal would address recommendations from the Durham Comprehensive Bicycle Transportation Plan and on-going speeding and accident concerns. A proposed plan was presented to area residents and business owners at a public meeting in April; and public comments were both supportive and critical of the project.

The following speakers opposing the proposal were recognized for comments: Lee Barnes and James Montague: They expressed concern with the proposed road-diet proposed on 15-501 Business; stated residential areas will be impacted by the addition of vehicular traffic; on-street parking on 15-501 resulting in accidents; inconveniencing shoppers to the businesses on 15-501; concern with adding bike lanes where there is foot traffic; and stated the entire proposed reconfiguration would be dangerous to all involved. Mr. Chip Woods also stated that the beverage company that serves several 15-501 businesses the change would be unsafe for his truck drivers entering and leaving parking lots. Mr. James Montague also referenced more traffic coming onto University Drive which was a concern for him and his neighbors.

The following speakers supporting the reconfiguration were recognized for comments: Jennifer McDuffie, a cyclist, stated she spoke with over 30 others who reside in the area and they were in agreement with the road-diet; stated road-diet would allow them to walk, bike on 15-501 and feel safe; and encouraged Council to accept the proposal for the new reconfiguration for a complete street. Christian Lampkowski, representing Bike Durham, stated they fully spoke the reconfiguration road-diet for 15-501 Business. Also, she stated it was paint upon the road and if it is found that this is not a beneficial change in the area, it can be at minimal cost to change back. Meredith Stewart spoke in support of the reconfiguration of 15-501 (Business) for the health; safety and aesthetic benefits.

Director of Transportation Mark Ahrendsen commented on concerns of speed and capacity; vision impairment; site distances; loading and unloading of trucks. He stated the parking spaces would be located not to interfere with sightlines, and the three vehicle lanes should be adequate to handle the 15,000 cars and trucks a day that use the road. He stated the purpose of the project was to improve safety and reduce the speed of vehicles.

Council Member Catotti stated that she traveled the corridor and it was just treacherous; and voiced support for the reconfiguration as proposed. She stated lowering vehicle speeds would help everyone in the area; and stated if the reconfiguration was problematic it could be reevaluated if needed in the future.

Council Member Schewel stated he was appreciative of the comments in opposition, but was supportive of the reconfiguration for safety and referenced the number of auto vehicle accidents that had occurred; and stated because traffic would be slower, it would be safer for everyone and a friendlier place.

At the request of Council Member Moffitt and for comparison, Mr. Ahrendsen provided the traffic counts on Main Street/Bright Leaf area which had a similar conversion.

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Council Member Moffitt stated people who walk; bike and drive vehicles deserved a safe environment and voiced support for the proposal as recommended.

Mayor Bell inquired if all the property owners along the route had been afforded an opportunity to comment on the proposed reconfiguration.

Mr. Ahrendsen replied they were afforded the opportunity and stated the administration communicated with the property owners advising them of the plan; he referenced the meeting held on April 7<sup>th</sup>; and noted the feedback the administration had received.

Council Member Catotti referenced communication received from Lakewood-Tuscaloosa being in full support of the reconfiguration.

Mayor Bell stated he just wanted to make certain the property owners had an opportunity to understand the proposal/the change and provide comments.

**SUBJECT: COMPLETION OF STREET AND STORMWATER INFRASTRUCTURE  
IN STONE HILL ESTATES AND RAVENSTONE SUDDIVISIONS**

Robert Joyner, of the Public Works Department, provided a brief history of the projects. He referenced during 2008 when the stock market crashed the outcome was the lack of home sales; stated the developers of Stone Hill Estates and Ravenstone subdivisions failed to complete the streets and stormwater infrastructure; commented on complaints received from contractors regarding financial problems and liens being placed on land and houses in the subdivisions. The City recalled the bonds and the process started in late 2008 early 2009; the City informed the insurance companies that it appeared the developer was going bankrupt completely without any restructuring and informing the insurance companies of their obligation. The insurance companies came forward hiring a consultant to evaluate the subdivisions and arrived at some prices and came back to the City stating based on their review under the obligation of the construction securities, they felt they should not complete the work and stated the City should share substantially in the cost.

Mr. Joyner commented on the number of homes that were in existence and impacted when the deterioration occurred; and the number of homes that had been constructed since that time.

City Attorney Baker commented on the insurance company filing a declaratory judgment against the City and its purpose; and spoke on the outcome of the judgment.

The Public Works Department recommended that City Council direct Public Works to schedule and notice a public hearing for City Council to order the completion of the street infrastructure in Stone Hill Estates and Ravenstone subdivisions in accordance with Alternative 2 – 10% City Contribution. The costs to complete the improvements would be paid through a combination of assessments of subdivision property owners, collected securities, security litigation proceeds, and funding provided by the City. Public Works recommended that City Council allow the residents 8 years to pay the assessment balance to the City at a 0% interest rate.

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Discussion was held on the recommended 10% contribution by the City which was the initial position suggested by the City Council; the 11 remaining subdivisions remaining to be completed and their status; and what the City could have done earlier in the process which could have avoided this situation.

Mayor Bell recognized the following residents of Ravenstone and/or Stone Hill Estates subdivisions for comments: Michael Kerkau; Sharyn Schleich; Ryan Lanci; Jennifer Kazmierczak; Shauna Talley; Johnathan Talley; James Williams; Gwyn Silver; Berma Norris; Vanessa Brown; Seth Parfitt; Mark Pogers; Denise Matthewson; Sharon Neal; Barbara Lowe; Teea Barnett; Brian Ackerman; Junius Cornel Campbell; John Labuda; Pamela Davis; Mariam Kalala; Aguedo Cordero; and Mr. Whiteside.

The residents expressed concern with the recommended 10% contribution from the City; stated there was mismanagement in the development process by the City; City not writing the bond language properly; no one within the City being held accountable; families being forced to pay \$5,000 assessment on top of the millions in property taxes they have already paid; requested the City to find alternate source of funds for street repairs rather than assessing the homeowners; such as taxing each property owner in Durham or pursuing a general obligation bond; the residents stated they were unable to receive city services due to unfinished streets; questioned the lack of compassion by members of city council; resented being penalized for the mistakes of others; the hardship their families would endure being assessed \$5,000; referenced tax increases imposed by the City over the years; taxpayer monies spent on failing Rolling Hills numerous times; due to current condition of unpaved roads; their homes were depreciating in value; and noted numerous damage that has been done to vehicles traveling on the unpaved streets which they have spent money to have repaired.

Council Member Moffitt stated he and his colleagues have always worked toward reaching the most equitable fair solution; and stated he did not feel the recommended 10% contribution by the City would be appropriate at this time. He asked the residents to be patient and know that the Council had heard their concerns.

Council Member Schewel thanked the citizens for coming out and voicing their concerns; he stated he felt the 10% contribution by the City was too low; but stated the 10% was a guideline that was set by the City Council; which the administration followed; stated he felt the City did bear some responsibility for the original bond language; and the loss of the lawsuit. Mr. Schewel stated if an individual came to Ravenstone or Stonehill in 2009 or saw the condition of the roads; then you would have some responsibility to ask questions and to know; which he stated was between 30 and 40 percent of homebuyers in the two neighborhoods; he referenced the responsibility of the developer; and stated the general taxpayer in Durham should not have to pay the entire bill. Mr. Schewel referenced the not so pleasant emails received from some of the residents addressed to the Council; which was not the best tactic he said.

Council Member Catotti stated in terms of the item returning to the administration, she asked the City Manager if they would do anything differently because the staff report currently had a number of other possibilities/alternatives.

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City Manager Bonfield replied that he did not know if there was much more for the staff to do unless they spoke to each of the council members to ascertain an average contribution; without the policy guidance he stated he would not know what to do.

Council Member Catotti echoed her colleagues comments about shared responsibility; which she stated started with the developer; noted the residents' realty companies shared some responsibility; the insurance company doing the City great harm; stated the City never accepted the streets and voiced her thoughts on the residents moving into a home with unfinished streets after 2009; noted what the tax rate would be for everyone in the City; and stated the homeowners in both subdivisions should bear some responsibility; referenced further discussion about a higher contribution percentage by the City; and stated shared responsibility does not mean free; and she commented on the many other issues that the City was currently facing.

Robert Joyner shared cost comparisons referencing 3 estimates that were prepared; one in 2009 slightly less than \$500,000 for streets for both subdivisions; with an estimate around \$250,000 for the stormwater; in 2011 an estimate was done for both subdivisions which included streets and stormwater was \$1.45 million; and in 2014 there was an update provided to the Council which was \$2.8 million for the streets and stormwater.

It was noted eventually the stormwater facility would belong to the homeowners' association.

The administration stated if a decision was made sometime soon the base repair work for the streets would begin by the first of July; and the bidding process for the paving would take about 3 months; and paving would start in the fall.

Council Member Brown also spoke in support of a higher contribution from the City.

Mayor Bell stated he and his colleagues had listened carefully to the concerns and stated he could not support the 10% recommended contribution; and suggested that another proposal be sought to deal with the matter. In addition, Mayor Bell stated he felt the property owners did bear a certain amount of responsibility; including the City; and the question was how would the City and residents share that responsibility.

The item was referred back to the administration.

## **SUBJECT: 2015-16 EMPLOYEE BENEFIT RECOMMENDATIONS**

Human Resources Director Regina Youngblood shared a Powerpoint presentation and briefed the Council on the employee benefit recommendations reviewed by the Council's Insurance Subcommittee on May 13<sup>th</sup>.

The administration recommended the City Manager execute contracts with the following vendors:

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- Aetna for Health Insurance
- Delta Dental for Dental Insurance
- Reliance Standards Life Insurance for basic and supplemental life, accidental death and dismemberment, and long term and short term disability
- Reliance Standard Life Insurance for stop loss insurance
- ComPsych for EAP & Work/Life benefits
- P&A Group for Administration of the medical and dependent care Flexible Spending Account Programs and administration of the City's Healthcare Reimbursement arrangement
- TransAmerica for voluntary benefits (accident, cancer, critical illness, and life and disability insurance)
- Superior Vision for vision benefits
- Liberty Mutual for home, auto, and umbrella
- Hyatt Legal for prepaid legal services
- Mattioli and Associates for long term care

Mayor Pro Tempore Cole-McFadden stated the major concern for her was using a firm from Connecticut vs. Blue Cross and Blue Shield to provide health coverage.

Human Resources Director Youngblood shared the differences between the Aetna proposal and the Blue Cross Blue Shield proposal. She stated there were several financial factors that contributed to the decision to recommend Aetna for health coverage; the administrative fee with Aetna was less and the savings the City would gain; the City would receive a greater claims discount; referenced the savings if at least 60% of the employees enrolled in the new ACO product; and she commented on the greater discount penalty for the Aetna providers if they did not reach the discount rate guarantee.

Mayor Pro Tempore Cole-McFadden commented on the positive attributes that Blue Cross Blue Shield provided in the Durham community. She stated since the Council's Insurance Subcommittee meeting, Blue Cross Blue Shield had come to the table with a counter proposal and they deserve to be heard by the Council.

It was noted that Blue Cross Blue Shield had provided an alternative proposal which Ms. Youngblood briefed the Council on and stated there would be no additional savings.

Finance Director David Boyd addressed the plan comparisons Aetna vs. Blue Cross Blue Shield; referenced the \$6.7 million savings for the plan by Aetna over the next 3 years; the Accountable Care Organization plan being offered by Aetna; and Blue Cross Blue Shield not having an ACO plan until next year.

Steve Crist, representing Blue Cross Blue Shield, provided the following statement on behalf of Blue Cross Blue Shield and Duke University Health System:

In response to a request from the City of Durham, this correspondence serves as a confirmation that Blue Cross and Blue Shield of North Carolina and Duke University Health System have formed an accountable care offering that will be available for the insured market in the Triangle

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Region. Diligence for this effort was initiated in 2014 and subsequently formalized in an executed term sheet agreement dated April 3, 2015. We are in the final stages of expanding that offering to include self-funded business with a target effective July 1, 2016. The new product, marketed as BlueLocal, will positively impact affordability, care quality and member/patient satisfaction.

In addition, Mr. Crist spoke to their proposal submitted on Friday, May 15<sup>th</sup> stating that Blue Cross Blue Shield would have an accountable care model available July 1, 2016 for the City of Durham to access; for the taxpayers he stated they have placed \$500,000 at risk to insure that the City of Durham Finance Director's budget and financial projections are met on a first half of 2016; they stand by their analysis and feel they were very competitive in light of the Aetna proposal and felt they were within one percent of the offer. He stated they would like to have the opportunity to continue to serve the City of Durham employees with health care.

Mayor Bell recommended that the Council's Insurance Subcommittee meet again next week to review the counter offer provided by Blue Cross Blue Shield.

The Council Insurance Subcommittee will meet on Thursday, May 28<sup>th</sup> at 2:00 p.m. in the 2<sup>nd</sup> Floor Committee Room.

**SUBJECT: SPEED HUMP POLICY REVISIONS**

To approve the revised City of Durham Speed Hump Policy.

The staff reported indicated that since the City Council first adopted a Speed Hump Policy in 1996, more than 700 speed humps have been installed on City streets. Speed humps have proven to be very effective, relatively low-cost measures which have reduced excessive speeding on residential streets. However, it was noted there was an increasing cumulative negative impact to first responders and response times to medical emergencies, structure fires and other emergencies. To address the concern, the Transportation and Fire Departments recommended several speed hump policy revisions to limit speed hump eligibility criteria to streets with more significant excessive speeding.

The Department of Transportation recommended that the City Council approve a revised City of Durham Speed Hump Policy.

Wesley Parham, of the Transportation Department, stated a street can only have speed humps if it is posted at 25 mph; streets posted higher than that are not eligible for speed humps.

Also, there was a brief discussion on the percentage of property owners signatures needed to obtain speed humps vs. percentage of signatures needed to remove them.

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**SETTLING THE AGENDA – JUNE 1, 2015 CITY COUNCIL MEETING**

City Manager Bonfield announced the following items for the June 1, 2015 City Council meeting agenda: Consent Items 1 thru 13; 17 thru 19 & 21; General Business Agenda Item 16; Public Hearings Items 25 thru 33.

The City Manager stated Items 14; 15; 20; 22; 23 & 24 were disposed of at the Work Session meeting on today.

**MOTION** by Council Member Catotti seconded by Council Member Schewel to settle the agenda for the June 1, 2015 City Council Meeting as stated by the City Manager was approved at 4:46 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.

**CLOSED SESSION – 4:47 p.m.**

**MOTION** by Council Member Moffitt seconded by Council Member Schewel to hold a 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) was approved at 4:47 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.

**OPEN SESSION – 5:51 p.m.**

**MOTION** by Council Member Moffitt seconded by Council Member Brown to return to open session was approved at 5:51 p.m. by the following vote: Ayes: Mayor Pro Tempore Cole-McFadden and Council Members Brown, Catotti, Davis, Moffitt and Schewel. Noes: None. Absent At Time of Vote: Mayor Bell.

No action was taken by the City Council in open session.

There being no further business to come before the Council, the meeting was adjourned at 5:51 p.m.

D. Ann Gray, MMC, NCCMC  
City Clerk