

CONTINUED DURHAM CITY COUNCIL WORK SESSION

Monday, June 8, 2015 @ 11:00 a.m.

2nd 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 present: City Manager Thomas J. Bonfield, City Attorney Patrick Baker and City Clerk D. Ann Gray.

The meeting was called to order by Mayor Pro Tempore Cole-McFadden.

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

The following items were continued from the June 4, 2015 City Council Work Session:

SUBJECT: PROPOSED SALE OF VARIOUS PROPERTY INTERESTS TO BH-AG DURHAM FOSTER, LLC

The staff report indicated that BH-AG Durham Foster was under contract to purchase the following 3 parcels: 1) parcel #104938; 2) parcel #104939; and 3) parcel #104942, collectively known as 539 Foster Street. The parcels were adjacent to city-owned parcel #104848, which was located at 501 Foster Street and part of Durham Central Park.

BH-AG plans to combine its parcels and construct a building containing approximately 100 residential condominium units and will pay the City \$41,788.76 as compensation for a variety of easements that would be located on the property and would facilitate the project’s construction.

In response to Council Members’ questions at the June 4th work session, the staff provided the following documents:

- Exhibit A to development agreement
- Exhibit B to development agreement – drawings
- Approved Site Plan
- Property Valuation Spreadsheet
- 539 Foster Material Study Option
- 539 Foster Material Study Option 2
- Overhang of the South Roof
- 539 Foster Street boards

Attorney Patrick Byker, representing the developer, stated the project would be developed on slightly more than one acre of land on the north side of Central Park zoned downtown design

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core; the project started last summer, site plan had been submitted and approved by the planning department; property interests needed to be obtained for the completion of the project with the main one being a fire separation easement; and the second one being an encroachment easement for a couple of the buildings features.

Lindsey Crutchman, of Cline Design, provided comments including a Powerpoint presentation on the design of the project; and the President of Durham Central Park Morgan Haynes spoke on how the building would integrate with Durham Central Park; commented on the key improvements agreed by the developer; and referenced the process utilized to reach an agreement on how to move forward. Mr. Haynes stated that Durham Central Park felt comfortable recommending that the Council approve the development agreement.

After the presentation, discussion was held on landscaping being installed along western area of Roney Street and at the north east corner of Hunt and Roney Streets; requirements that specific plans prior to construction needing to be submitted to the Director of Parks and Recreation; the green wall and its purpose; purpose of the overhang; location of the dumpster being south of the American Tobacco Trail; the lack of an appraisal on the property; the zoning allowing construction to the property line; the need for affordable housing or a payment supporting affordable housing; and the developer's suggestion of making a \$41,788 contribution to Durham Habitat for Humanity for affordable housing.

Attorney Sherri Rosenthal noted if the administration wanted the landscaping to be approved it should be added to the provision; and Deputy City Manager Bo Ferguson stated clauses would be added for enforcement.

City Attorney Baker stated he had heard much about integrating the park features with some of the development around the park which would be a policy call; stated there are legal impacts to those decisions; he needed to understand or hear from Council what their vision was for around the park; he spoke on the easement process; a straight sell of land and the downside of that; however, stated a straight sell of the property, pursuant to the statute, would be his preference if that was what the Council desired. The City Attorney stated he had spoken to Attorney Patrick Byker just today about a straight sell of the property. He stated anytime you speak about integration; blurring of the lines; there are questions about liability issues.

Morgan Haynes stated consideration of a straight sell of the land would drastically change the development agreement; and from Durham Central Park's standpoint, he did not believe they would be ready to issue a recommendation by June 15th.

Council Member Brown stated he did see any advantage of proceeding with selling the land; spoke in support of the item utilizing the easement route; and homeowners residing downtown.

Council Member Schewel suggested the item be placed on the General Business Agenda and stated he would like to see the additional clauses be addressed in the development referenced by Council Members Catotti and Moffitt.

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Some of the additional clauses referenced were: 1) contribution to Habitat for Humanity of Durham for affordable housing; 2) addressing the overhang covering only a portion of the southern boundary of the property; 3) the concrete stairs being referred to in the agreement as the Terrace; 4) clear safety separation between the City property and the private property; and 4) provisions for inspection and maintenance obligations.

SUBJECT: PROJECT MANAGEMENT SERVICES FOR THE INSTALLATION OF FIBER OPTIC CABLE CITY-WIDE (ST-277) - CONTRACT WITH KIMLEY-HORN & ASSOCIATES

The administration recommended that the City Council authorize the City Manager to execute a contract with Kimley-Horn and Associates, Inc. for the installation of fiber optic cable city-wide in the amount of \$995,000.00 for the remainder of the calendar year; and authorize the City Manager to negotiate and extend the contract, so long as the total contract cost does not exceed \$2,400,000.00.

Council Member Catotti stated there were several options referenced in the staff memo and she was currently in favor of Option B which called for increasing permit fees.

Deputy City Manager Bo Ferguson stated they would like to be able to move forward with the contract because the workload was present currently; and that Option B could be pursued in conjunction with the preferred alternative which was moving forward with the contract. He stated there was not a recommended fee schedule at the present, but the administration would be able to come back very quickly to the Council to implement a new fee schedule providing the alternatives with an analysis showing which one would be appropriate.

For clarification, Council Member Catotti stated she meant to say Option G which was a combination of Option A moving forward with the contract and adding on Option B which was the fees.

SUBJECT: FY2015-16 BUDGET FOLLOW-UP

The administration provided responses to follow-up items discussed during the May budget deliberations; and the administration recommended that the Council receive the responses to the follow up items outlined in the staff report regarding the Fire Department's Diversity Makeup; Police Department's Grant Allocation Table Summary; Police Department's 2015 Durham Resident Public Safety Survey; 2015 Employee Satisfaction Survey; and Revenues Proposed Customer Costs for Municipal Services.

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

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Referencing the proposed Durham-Chapel Hill Boulevard (Business 15-501) Road Reconfiguration Project, Council Member Brown noted that Bob Chapman was present to make comments on his involvement with these types of projects.

Mr. Bob Chapman, representing the National Board for New Urbanism, stated they reviewed street and road diets across the country and shared a Powerpoint presentation of places that looked like 15-501 (Business) and what could happen if the City began the process of a road diet. In addition, the illustrations he provided referenced the positive aspects of road diets and what they could look like if built.

The Council thanked Mr. Chapman for the information.

SUBJECT: ADDRESSING MINORITY/WOMEN BUSINESS AVAILABILITY AND UNDERUTILIZATION

The Department of Equal Opportunity/Equity Assurance recommended that the City Council receive a presentation on addressing the Disparity Study's recommendations regarding availability and utilization of minority and women firms; and provide input and guidance to the administration on implementing changes to the Equal Business Opportunity Program.

EOEA Director Deborah Giles stated she was present today to seek Council's input on implementing changes to the Equal Business Opportunity Program. In addition, a Powerpoint presentation was provided referencing the following:

- Disparity Study Recommendations for Availability and Utilization
- GSPC provided availability data on all procurement categories
- Use of Historically Underutilized Business Database Increases Availability
- Use of HUB Database Feasible Under State Law
- HUB Certification Eligibility
- Durham Certification Eligibility
- Considerations If Change Made
- Discussion Question – Is there benefit for greater MWBE availability and utilization of MWBE firms through the use of HUB certification process and database?

Mayor Bell stated what the objective was is to try and make more Durham based businesses involved in city contracting; and asked if it was possible to assign points to firms located in Durham.

Ms. Giles replied stated that was something they probably would need to be reviewed with the legal staff.

Mayor Bell asked that assigning points to firms located in Durham be reviewed with the legal staff.

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Mayor Pro Tempore Cole-McFadden stated that changes needed to be a part of the institutional culture of the city's organization; a part of performance evaluations; and stated the EOEA Department should not carry the entire burden of success; and stated it needed to be every department head within city government being graded on this; being a part of what they do.

The staff report also outlined four items for consideration should the City choose to discontinue its certification and utilize the HUB certification process.

Referencing the timeframe, City Manager Bonfield stated they wanted to bring back changes/recommendations to the ordinance in the fall; and stated this was a significant policy issue and they needed to obtain some clarity.

EOEA Director Deborah Giles stated that the consultant did not come up with a specific recommendation; noted the Griffin firm just stated this is what you need to do and did not state how the City needed to accomplish the task.

Mayor Bell stated knowing what the City's issues were and what they were trying to accomplish he would think the consultant could make a recommendation on how to proceed.

EOEA Director Giles stated the consultant did not recommend the use of a HUB; they stated there was a broader pool available and noted how they determined it.

Council Member Catotti suggested the possibility of providing a two-tier reporting including other contracts; and referenced the consultant's report stating more outreach to the Hispanic community was needed.

Due to the limited base, Council Member Schewel stated the current process being used dooms the City for having lowing minority participation; and referenced the problems with the HUB certification which had been voiced, and stated something had to be done to expand beyond the current situation.

City Manager Bonfield stated if there were thoughts and/or recommendations he asked that the Council forward them to him; and the administration would continue to work on the item over the summer he stated.

SUBJECT: 2015-16 EMPLOYEE HEALTH BENEFITS RECOMMENDATIONS

To approve the staff recommendation for the health benefit vendor recommendations for the 2015-2015 Employee Benefits Program for the plan year September 1, 2015 through August 31, 2016; and

To authorize the City Manager to execute the contract with the recommended health vendor.

City Manager Bonfield stated since the June 4th Work Session, the staff had updated the memorandum associated with the item as well as the various spreadsheets that were previously

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provided. He also noted there was additional information provided by Blue Cross Blue Shield regarding some of the concerns and questions raised at the June 1st Council Meeting.

The administration recommended AETNA be awarded the contract to provide health insurance coverage.

Discussion was held on the qualitative differences in the plans by BCBS and AETNA; the 3 different plans being offered by AETNA in year one; vs. the 2 plans being offered by BCBS in year one; and in year two, BCBS offering 3 plans; the ACO “accountable care organization” which was an outgrowth of the affordable care act; how discounts are claimed if employees use the ACO network; supplemental proposals received by BCBS; AETNA being a member of the Civic 50; and AETNA’s claim service and customer service.

The staff memo noted because Blue Cross Blue Shield’s ACO network was not yet established the risk to the City of Durham was higher. To offset these risks, Blue Cross Blue Shield commits to guarantee the dollar value difference of the allowed claims based on the actual in-network discounts and the guaranteed discounts up to \$2 million over three years.

AETNA will guarantee the City of Durham up to \$651,000 over three years if they do not achieve their stated discount. The City of Durham has a higher level of confidence in AETNA’s ability to achieve the stated discounts because they are based on actual performance with an established ACO network in place.

Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown and Davis spoke in support of Blue Cross Blue Shield providing health insurance coverage.

Council Members Catotti, Moffitt and Schewel spoke in support of AETNA providing health insurance coverage for city employees.

MOTION by Mayor Pro Tempore Cole-McFadden seconded by Council Member Brown to suspend the rules of the City Council to provide direction to staff on the health insurance provider was approved at 3:11 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown, Catotti, Davis and Schewel. Noes: Council Member Moffitt. Absent: None.

MOTION by Mayor Pro Tempore Cole-McFadden seconded by Council Member Brown to direct staff to move forward with developing a contract with Blue Cross Blue Shield for health insurance coverage to include guaranteed language commitment/stipulations (\$6,857,314 gap with annual settlement) was approved at 3:13 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown and Davis. Noes: Council Members Catotti, Moffitt and Schewel. Absent: None.

Settling the Agenda – June 15, 2015 City Council Meeting

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City Manager Bonfield referenced the following items for the June 15, 2015 City Council Meeting agenda: Consent Agenda Items 1; 2; 3; 5-28; 30-39; 42-48; General Business Agenda Items 29-40; 41; 63; 64; and Public Hearings 54; 55 and 56.

MOTION by Council Member Moffitt seconded by Council Member Davis to settle the agenda for the June 15, 2015 City Council Meeting agenda as stated by the City Manager was approved at 3:16 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.

City Clerk Gray announced the ballot results for the following committees: Audit Services Oversight Committee; Durham Open Space & Trails Commission; Durham Board of Adjustment; Citizens Advisory Committee; Durham City/County Environmental Affairs Board; Durham Cultural Advisory Board; Durham Homeless Services Advisory Committee; Human Relations Commission; and Housing Appeals Board.

There being no further business to come before the Council, the meeting was adjourned at 3:17 p.m.

D. Ann Gray, MMC, NCCMC
City Clerk