

**DURHAM CITY COUNCIL WORK SESSION**  
**Thursday, May 9, 2019 @ 1:00 p.m.**  
**2nd Floor Committee Room – 101 City Hall Plaza**

The Durham City Council held a Work Session on the above date and time in the City Council Committee Room located at 101 City Hall Plaza with the following members present: Mayor Steve Schewel, Mayor Pro Tempore Jillian Johnson and Council Members Vernetta Alston, DeDreana Freeman, Mark-Anthony Middleton and Charlie Reece. Absent: Council Member Javiera Caballero.

Also present: City Manager Tom Bonfield, Interim City Attorney Kimberly Rehberg and City Clerk Diana Schreiber.

Mayor Schewel called the meeting to order and welcomed all in attendance.

**MOTION** by Council Member Alston, seconded by Council Member Reece, to request an excused absence for Council Member Caballero. Motion passed unanimously.

Mayor Schewel asked for announcements by Council.

Mayor Pro Tempore Johnson requested that an economic justice, workers' lives resolution be placed on the upcoming Work Session agenda. It was the consensus of Council to do so.

Council Member Middleton spoke to the charge he received from Council at the recent Council Meeting to write a resolution regarding anti-Semitism and Islamophobia and explained that he was contacting stakeholders in order to do so.

Council Member Middleton requested a presentation by Dr. Katz regarding a presentation on the concept to partner with a feasibility study that concerned building a Central Kitchen Facility, a potential collaboration of the City of Durham and Durham Public Schools. It was the consensus of Council to hear a presentation at an upcoming Work Session.

City Manager Bonfield recommended the item be placed on the June 6, 2019 Work Session agenda.

Mayor Schewel called for priority items from the City Manager, Interim City Attorney and City Clerk.

City Manager Bonfield stated that the speaker for Item 36, Molly Stillman, would not be appearing. It was the consensus of Council to accept the City Manager's priority item.

**MOTION** by Council Member Middleton, seconded by Mayor Pro Tempore Johnson, to approve the City Manager's Priority Item. Motion passed unanimously.

Interim City Attorney Rehberg stated that the City Attorney's Office requested a closed session pursuant to NCGS 143-318.11 (a)(3) for attorney-client consultation concerning the handling and/or settlement of threatened litigation.

**MOTION** by Mayor Pro Tempore Johnson, seconded by Council Member Reece, to accept the Interim City Attorney's Item. Motion passed unanimously.

There were no priority items from the City Clerk.

Mayor Schewel read the agenda items on the printed agenda and pulled the following items for further comment and/or discussion: Items 2, 8, 9, 10, 11, 12, 13, 23, 24, 26, 33, 15, 14, 18, 29 and 30.

Mayor Schewel announced it was time for Citizen's Matters.

**CITIZEN'S MATTER: KATHRYN WOLF (ITEM 34/ PR 13191)**

To receive comments from Kathryn Wolf regarding safety in Durham.

Ms. Wolf spoke to her experiences on a safety committee at her children's elementary school and the anti-terror practices; and addressed the attributes of the Israeli anti-terrorism instructional programs and demanded a retraction of its related resolution.

**CITIZEN'S MATTER: CHRIS TIFFANY (ITEM 35/ PR 13192)**

To receive comments from Chris Tiffany regarding quotes from others about public safety issues.

Chris Tiffany spoke to police response to black youth, targeted for searches, in Durham and urged Council to learn how youth were being treated by officers.

**CITIZEN'S MATTER: ANITA KEITH-FOUST (ITEM 37/ PR 13194)**

To receive comments from Anita Keith-Foust regarding Durham Police Department officers being used as tools for harassment.

Ms. Keith-Foust, a vision impaired resident, addressed an incident she had with the Durham Police Department that occurred on Easter Sunday stating that gentrification was causing white people to call the police on black people.

Mayor Schewel encouraged Ms. Keith-Foust to make her comments and share her concerns.

**CITIZEN'S MATTER: JOHN ROOKS, JR (ITEM 38/ PR 13195)**

To receive comments from John Rooks, Jr. regarding Durham education awards.

Mr. Rooks announced that local educators will be honored June 1 at the DPAC for Awards Night; the awards will recognize educators who were doing outstanding work in the community.

Mayor Schewel requested Council's support of the event. The red carpet would begin at 4:30 p.m. that day and the awards would take place from 6-7 p.m.

Mr. Rooks requested financial assistance of the event.

Council Member Freeman arrived at the meeting at 1:33 p.m.

**SUBJECT: DURHAM WORKERS' RIGHTS COMMISSION – APPOINTMENTS  
(ITEM 2/ PR 13076)**

Council Member Reece addressed the board, committee and commission ballot presented at the meeting completed by Council Member Caballero, who was not in attendance due to an excused absence.

Council Member Reece indicated that Council's procedures did not account for any sort of remote voting process and that the ballot should not be counted.

Mayor Schewel concurred with Council Member Reece's determination that a council member must be present at the work session in order to nominate individuals to boards, committees and commissions.

Mayor Schewel stated there were two speakers to the item.

Nancy Kalow, Durham resident, expressed support for the Commission and was excited about its formation.

Priscilla Smith, Durham resident, encouraged Council to nominate her for the Commission; and urged Council's support of the living wage in Durham and the work of the Commission and suggested a slate of nominees.

**SUBJECT: DURHAM WORKERS' RIGHTS COMMISSION – BYLAWS (ITEM 8/ PR 13196)**

Council Member Alston referenced parentheticals on page 2, wages per hour and stated that over time, wages per hour figures would become less relevant to the criteria and requested that the parentheticals be removed.

It was the consensus of Council to remove the referenced parenthetical.

Additionally, Mayor Schewel requested the City Attorney to remove the referenced portion of the bylaws for the upcoming regular council meeting.

**SUBJECT: CONSTRUCTION/PERMANENT FINANCING LOAN DOCUMENTS WITH  
WILLARD STREET LLC FOR THE CONSTRUCTION OF THE WILLARD  
STREET APARTMENTS (ITEM 9/ PR 13142)**

Reginald Johnson, Director of the Department of Community Development, deferred to Mike Rogers, DHIC, to respond to the Mayor's question regarding the condo purchase agreement.

Mr. Rogers noted that the condo purchase agreement was determined on ratio of square footage; parking and retail space could not be part of the same ownership entity of the low income housing; and the Self-Help affiliate would take ownership of the condo piece.

Mayor Schewel inquired about development sources and uses and asked for clarification of the the per unit affordable housing cost and its subsidy.

Mike Rogers clarified the calculation; and stated \$17.1 million was the cost of the residential piece.

Dan Levine, representing Self-Help, stated the 82 units of affordable housing rentals divided the \$3.6 million of city support resulting in \$43,902/ subsidy per unit; however, combining the Duke subsidy and others, resulting in \$82,000/ unit subsidy.

Karen Lado, Assistant Manager, explained that parking was included in the \$80,000 figure.

Council Member Freeman asked staff to explore meeting higher MWBE levels and to figure out a gameplan of how to reach higher goals than what was detailed in the contract.

Richard Valzonis, Project Manager for Community Development, explained that there had been meetings focusing on sub-contractors to discuss ways to increase participation.

**SUBJECT: DURHAM COMMUNITY LAND TRUSTEES (DCLT) INC. SOUTHWEST  
CENTRAL DURHAM RENTAL REHABILITATION PROJECT (ITEM 10/ PR  
13080)**

Council Member Alston asked about the major rehabilitation of the units and wanted to understand the plan to undertake such.

City Manager Bonfield noted that there were not enough funds to handle major rehabilitations.

Serena Mack, DCLT, addressed the cost of rehabilitations on a consistent schedule; explained that the units have served low income without capitalization being pulled out of the rent structure to accommodate rehabs every 10-15 years and that recently, DCLT was starting to gut units with major renovations.

Mayor Schewel addressed a larger point of permanent affordability that resulted with the city's subsidies; and stated that the rents focused on low-income folks did not have to capacity to renovate the units.

Assistant Manager Lado responded that in the real estate market, rental properties were sold, and rents were raised to pay for renovations. She continued that as per the city's ownership, this was not possible to achieve and in the case of DCLT, there were much higher capital needs.

**SUBJECT: LOAN AGREEMENT FOR THE DURHAM AFFORDABLE HOUSING LOAN  
FUNDS (ITEM 11/ PR 13180)**

Karen Lado, Assistant Manager in the Department of Community Development, conducted the presentation and announced progress in developing Phase I of the Durham Affordable Housing Loan Fund; explained the purpose of the fund for capital assembly for affordable housing funders and developers and there would be five year terms at below market rate with risk sharing; expected to offer two types of loan products; and provided an overview of the \$10 million fund and ways to generate increases in the amount of funding being available and investors committed.

Assistant Manager Lado continued describing the types of units and organizations to be granted lines of credit, and interest only loan payments were going to be required until the end of loan term or until ready to perform development; explained that a partnership between Self-Help Ventures Fund (overall admin, borrowing all funds from investors) and the North Carolina Community Development Initiative (underwriting the line of credit product) would consist of the fund administrators and expectations of the underwriting requirements of the acquisition loan; and explained the risk tiers (1 through 3) and the goal of growing the fund to \$20 million.

Council Member Freeman inquired about fund growth and investors and asked about the \$10 million distribution of funding, and inquired how to ensure the investments were equitable and how to measure outcomes.

Assistant Manager Lado noted the measurements would be number of loans made, amount disbursed, amount deployed, and number of units projected to be created; eventually, in the future, the number of units actually created would also be tabulated; and asked how to ensure racial equity.

Assistant Manager Lado continued explaining that this was an essential conversation and that expectations could be conducted at the point of outreach and when permanent investment was ready for infusion.

Mayor Schewel appreciated the progress being made and was really excited about the prospects.

**SUBJECT: DEPARTMENT OF WATER MANAGEMENT COMPLIANCE SERVICES –  
AWARD SPECIAL INSPECTIONS AND CONSTRUCTION MATERIAL  
TESTING CONTRACT TO STEWART ENGINEERING, INC. (ITEM 12/ PR  
13168)**

Director of Water Management Don Greeley deferred to Bob Gasper, Water Management's Project Manager, to answer Council's questions.

Mayor Pro Tempore Johnson inquired about a minority owned business with poor minority hiring practices and asked about the company's outreach and diversity efforts underway.

Greg Holmes, Stewart Engineering, responded that he felt the numbers were understated as per his HR Department; explained that his company was an equal opportunity employer and stated there was a Diversity Committee at Stewart who were looking to diversifying their workforce.

Mayor Pro Tempore Johnson inquired about recruitment at local historically black universities and summer youth jobs program; and urged Mr. Holmes to participate in the city's summer youth internship program that was sponsored by the city's Department of Equity and Workforce Development.

Director Greeley would work with Stewart to obtain updated minority statistics and to connect them to OEWD.

**SUBJECT: DEPARTMENT OF WATER MANAGEMENT MIST LAKE FACILITY COMPLEX  
– AWARD SPECIAL INSPECTIONS, CONSTRUCTION MATERIAL TESTING  
AND GEOTECHNICAL RECOMMENDATIONS AND CONSIDERATIONS  
CONTRACT TO FALCON ENGINEERING, INC. (ITEM 13/ PR 13169)**

Director of Water Management Don Greeley deferred to Bob Gasper, Water Management's Project Manager, to answer Council's questions.

Bob Gasper deferred to Chris Noble of Falcon Engineering to respond to programming or work done to ensure a diverse workforce.

Mr. Noble stated his firm was an Equal Opportunity Employer and that the number of recent hires consisted of minorities and would update his statistics.

Mayor Pro Tempore Johnson inquired about recruitment at historically black colleges.

Mr. Noble responded that the firm recruited from technical schools with engineering curriculum, including NC A&T University; and was supportive of participating in the city's summer youth internship program.

**SUBJECT: CONTRACT AMENDMENT NO. 2 OF ST-289-C WITH MA ENGINEERING  
CONSULTANTS INC. FOR UTILITLY LOCATION SERVICES (ITEM 23/ PR  
13179)**

Jeff Lackey, Public Works Engineering, responded to the number of utility locates a month and the number of companies with permits in Durham.

Mayor Schewel inquired about reimbursement for utility locates. There was none.

Mayor Schewel continued asking about utility locates relevant to the hitting of a line associated with the recent explosion in Downtown.

Mr. Lackey responded that Public Works locators were only for water, sewer and stormwater. The gas company was strictly responsible for gas locates. Mr. Lackey continued to explain how city employees conducted locates with GIS mapping and electronic signaling.

**SUBJECT: ORDINANCE AMENDING DURHAM CITY CODE OF ORDINANCES  
CHAPTER 70, ARTICLE III, DIVISION 2 AND DIVISION 3 (NON-CONTIGUOUS  
ANNEXATIONS) (ITEM 24/ PR 13183)**

Mayor Pro Tempore Johnson requested additional information on exceptions (page 8).

Rob Joyner, Public Works, explained the background of the item where utilities for residential lots, two-acres and smaller, whereby the utilities were located directly adjacent to a parcel.

City Manager Bonfield responded that historically there were a number of subdivisions that had city utilities that were put in ten years ago before the policies were enacted about requiring annexations.

City Manager Bonfield explained other circumstances that would fall within the policy.

**SUBJECT: SD-2019-09, STORMWATER INFRASTRUCTURE REPAIRS (ITEM 26/ PR 13167)**

Dana Hornkohl, Stormwater Division, deferred to Bradley Cohen representing Bruce Allen Construction.

Mayor Pro Tempore Johnson inquired about recruitment practices in regard to minority employees.

Mr. Cohen explained his company was young, being in business for three years; noted that there was not a need for recruitment practices and hiring just yet due to being in the position of keeping his current employees working.

Mayor Pro Tempore Johnson informed Mr. Cohen about the city's youth internship program.

Council Member Freeman inquired about promotion process of minority laborers.

Mr. Cohen responded that there was promotion from within practices and that his company was trying to keep the current staff working.

Mr. Hornkohl would explain how Mr. Cohen could connect with OEWD about the city's youth internship program.

**SUBJECT: CITY CODE TEXT AMENDMENTS, REVISIONS REGARDING THE STORMWATER PERFORMANCE STANDARDS FOR DEVELOPMENT (ITEM 33/ PR 12528)**

City Manager Bonfield stated this was a public hearing item and had staff available to answer any questions for Council along the permitting process and state law.

Marvin Williams, Director of Public Works, deferred to Paul Wiebke, Stormwater Division, explained performance standards for development.

Mr. Wiebke stated that the performance standards were necessary to comply with state and federal requirements, the current standards within the current ordinance had been in effect since 2012; explained Jordan Lake Rules' strategies and session laws related to the NPDES (National Pollutant Discharge & Elimination System) Permit; stated the city would be enforcing Phase II of the permit and that the Jordan Lake Rules were being restudied; and was available to answer Council's questions.

Shea Bullock, Public Works, explained stormwater treatment for pre-existing development and reiterated the Phase II requirements would be replacing the Jordan Lake requirements and treatment would still be required for total suspended solids.

**SUBJECT: \$95,000,000.00 GENERAL OBLIGATION BOND REFERENDUM (ITEM 15/ PR 13161)**

David Boyd, Director of Finance, made the presentation pertaining to the public offering of the bond referendum.

Mayor Schewel spoke to the official process of beginning the affordable housing bond referendum process; referred to Attachment 7/Exhibit, and asked for explanation of the differences between the three scenarios.

Director Boyd stated that it was not known how or when bonds would be issued and to minimize the cost of borrowing, it was best to match when to borrow with the time of spending. Director Boyd explained the tax rate implication of the debt service necessary to repay the debt and stated that all will be impacted by interest rates, the amount borrowed and the repayment structure. He continued discussing funding scenarios at constant and variable interest rates, varying debt service ratios and consideration of when the Housing Authority needed the funding; and estimated an approximate one penny tax increase in 2021 would not including staffing and additional operating costs.

Council discussed the parameters of the bond funding for affordable housing and spoke to the upcoming community discussions that were being planned for the Fall 2019; there was a specific request for \$20 million of the bond for minority participation and urged clarity; and minority contractors would be included in the bond and that Durham workers and businesses would also be a focus.

Interim City Attorney Rehberg explained that the language utilized in the bond issuance was dictated by statute.

Director Boyd emphasized the \$95 million bond funds were restricted to be used strictly for affordable housing purposes.

Mayor Schewel offered to send the chart of how the bond will be used and other work that the bond was intended to pay for to Council Member Freeman.

**SUBJECT: ORDINANCE TO ADOPT WATER AND SEWER RATES FOR FY2019-2020 (ITEM 14/ PR 13190)**

Don Greeley, Director of Water Management, made a PowerPoint presentation about water and sewer rates; with growth of Durham, there were more water lines to maintain, accounts were growing by 2000 accounts annually; and spoke to department's policies avoided rate shock of customers.

Heidi Hackett, Billing Manager, addressed special needs customers who met specific criteria and had difficulties submitting payments could register for the Durham County Hardship Fund; and noted that a special condition code existed for customers who were having health concerns, especially those consisting of medical necessities.

Vicki Westbrook, Assistant Director Water Management, explained that the toilet replacement rebate program was slowing since its inception.

Council discussed multi-year rate strategy, revenue bond/debt strategy of the \$263 million long-term financing that passed at the 5/6/19 regular council meeting and key issues involved with funding the capital programs. Additionally, council discussed the life expectancy of water and sewer pipes and water treatment plants and addressed the stormwater question about preparations for the 100 year storm.

Council Member Reece inquired about the odor emanating from the water supply.

Assistant Director Westbrook explained that there had been an abundance of algae growth in the reservoirs and additives were used to control the growth; this was a common seasonal occurrence. Assistant Director Westbrook emphasized the public's water supply was safe to drink.

**SUBJECT: RESOLUTION TO SUPPORT THE UPPER NEUSE RIVER BASIN ASSOCIATION (UNRBA) FY2020 BUDGET (ITEM 18/ PR 13162)**

Michelle Woolfolk, Stormwater Division, made a PowerPoint presentation regarding the Stage 2 Falls Lake UNRBA budget and discussed the completed projects, evaluations, feedback sessions.

Sandy Wilbur, Public Works, explained the existing developmental requirements, noted the city continued trying to reduce the nitrogen and phosphorous in municipal water supplies, encouraged using cisterns, rain gardens and tree filters and spoke to the scrubber project.

**SUBJECT: URBAN TIER, HOUSING AND HOUSEHOLDS PRESENTATION (ITEM 29/ PR 13156)**

John Killeen, presenter, made a PowerPoint presentation on the Housing, Households in Durham's Urban Tier.

Mr. Killeen explained the conditions of renters, race, ethnicity and median household income; spoke to the impact of stagnant wages on the renter and real estate markets; and noted the average rent was \$1700/month in the city, \$1300/month in Durham County.

Council Member Freeman expressed concerns about Council policies were impacting gentrification 'systems' and observed that many of the owners of real estate were coming from out of state.

Council Member Freeman requested to bring forward a resolution at the June 6, 2019 Work Session.

**SUBJECT: FY2018-2019 DOWNTOWN DURHAM MUNICIPAL SERVICES DISTRICT ANNUAL REPORT (ITEM 30/ PR 13181)**

Summer Alston, OEWD, made a PowerPoint presentation and provided the staff report.

Nicole Thompson, CEO/President of Downtown Durham Incorporated (DDI), updated activities on the BID (Business Investment District); provided the background of the BID and its operations; addressed the activities of the Ambassador Program who help clean graffiti and

cleaned the Duke Street area following the gas explosion. Ms. Thompson continued explaining the use of pop-ups and new African-American businesses who have relocated into Durham; spoke to retail initiatives (Shop 2<sup>nd</sup> Saturdays & 3<sup>rd</sup> Fridays) and the BID Newsletter.

Council Member Middleton served on a DDI Board and mentioned that DDI was complaint driven, from homelessness to panhandling.

Council appreciated the efforts of DDI, with special mention about the Ambassadors, in Downtown Durham.

City Clerk Schreiber announced Council's nominations to the Workers' Rights Commission: Bennett Carpenter, Dominic Castro-Wehr, Rob Davis, Brian Powell, Stephanie Smith, Kenneth Amandolia, Bertha Bradley, Antonio Luster, Bianca Olivares, Christopher Agovanos, Charles Gooch, Nancy Kalow and Priscilla Smith.

Mayor Schewel stated there would be seven members with one year terms and six members with two year terms on the Workers' Rights Commission.

Regarding the Mayor's Council for Women, Amie Koch was nominated to the Fair Housing/Economic Development category and Rebecah Miel to the Cultural, Recreation Fine Arts Sector. After discussion, Grace Kaissal was nominated to the at-large position on the Mayor's Council for Women.

Cristian Santiago was nominated to the Durham Planning Commission; Dwayne Atkins, representing students/facilities was nominated to the Durham Bicycle and Pedestrian Advisory Commission; and Jenn Frye was nominated to the Participatory Budgeting Steering Committee, representing Ward 1.

### **Settling the Agenda – May 6, 2019 City Council Meeting**

City Manager Bonfield stated the Consent Agenda consisted of Items 1 through 28; General Business Agenda Item 31 and General Business Agenda – Public Hearings Item 32-33.

**MOTION** by Council Member Middleton, seconded by Council Member Reece, to settle the Agenda as stated by the City Manager. Motion passed unanimously.

### **Closed Session – Entered at 4:31 p.m.**

**MOTION** by Council Member Middleton, seconded by Council Member Reece, to go into Closed Session. Motion passed unanimously.

### **Return to Open Session at 5:11 p.m.**

**MOTION** by Council Member Middleton, seconded by Council Member Freeman, to return to Open Session. Motion passed unanimously.

No action taken.

Being no further business to address, the Work Session was adjourned at 5:12 p.m.

Diana Schreiber, NCCMC, CMC  
City Clerk