

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, DECEMBER 12, 2005

COMMITTEE ROOM

ROOM 239, CITY HALL

MEMBERS PRESENT: *Council Member Wanda Merschel, Chair*
 Council Member Robert C. Clark, Vice Chair
 Council Member Vivian H. Burke
 Council Member Joycelyn V. Johnson (in at 4:20 p.m.)

Chair Merschel called the meeting to order and recognized that Council Member Johnson was in the building in another meeting and would be late. She noted that Council Member Johnson was the newest member of the Finance Committee and also acknowledged that Council Member Clark had been appointed as Vice Chair of the Committee.

Without objection, Chair Merschel stated that the Consent Agenda would first be considered. She requested to pull Item C-9 for information. Council Member Clark requested to pull Item C-6(a), (b), and (c) for information. No other items were pulled for discussion.

Council Member Burke made a motion to approve the balance of the Consent Agenda. The motion was duly seconded by Council Member Clark and unanimously carried.

CONSENT AGENDA

7. RESOLUTION AUTHORIZING RENEWAL OF CURRENT LEASE AGREEMENTS WITH ARLIS E. VERNON, JR., AND DEBORAH A. VERNON FOR SPACE IN TOBACCO SQUARE, 834 OAK STREET, CURRENTLY OCCUPIED BY THE RECREATION DEPARTMENT'S SPECIAL POPULATIONS UNIT. [*\$3,313 per month for 12 months*]

Finance/Budget

8. CONSIDERATION OF ITEMS RELATING TO BIDS:
 - a. RESOLUTION AWARDED CONTRACT FOR CONCRETE PIPE – *Foltz Concrete Pipe Co., LLC - \$93,631.00 (Estimated Amount). [Funds available in 05-06 budget.]*
 - b. RESOLUTION AWARDED CONTRACT FOR ASPHALTIC CONCRETE FOR STREETS DIVISION – *Thompson-Arthur Division, APAC-Atlantic, Inc. -*

\$1,007,000 (Estimated Amount). [Funds available in 05-06 Streets Division operations budget.]

- c. RESOLUTION REJECTING BIDS AND AWARDING PURCHASE ORDERS FOR PURCHASE OF POLICE PURSUIT VEHICLES – *Capital Ford - \$1,042,241.10. [Amount to be financed through NCML.]*

Property Matters

6. CONSIDERATION OF ITEMS RELATING TO ACQUISITION OF PROPERTY THROUGH A NEGOTIATED SETTLEMENT FOR THE COUNTRY CLUB ROAD WIDENING PROJECT:
 - a. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY OWNED BY FAIRWIND PROPERTIES, LLC THROUGH A NEGOTIATED SETTLEMENT. *[\$50,450 in GO Bond Funds]*
 - b. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY OWNED BY HVM PARTNERSHIP NO. 107 THROUGH A NEGOTIATED SETTLEMENT. *[\$107,000 in GO Bond Funds]*
 - c. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY OWNED BY RICHARD E. AND CHRISTINE J. CONRAD THROUGH A NEGOTIATED SETTLEMENT. *[\$50,000 in GO Bond Funds]*

Council Member Clark inquired about the status of property acquisitions for this project.

Mr. Kirk Bjorling, Real Estate Director, stated that in addition to these three properties, there are 10 properties scheduled for condemnation. He noted that the City would take possession of the properties to be condemned as soon as the money is deposited with the court.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Burke and unanimously carried.

General Government

9. RESOLUTION SUPPORTING CONTINUED AUTHORITY OF LOCAL GOVERNMENT REGARDING FRANCHISING OF CABLE SERVICES.

Mr. Dennis Newman, Chief Information Officer, stated that there are several pending bills in Congress regarding cable franchising that could negatively impact local governments in terms of revenue, customer service abilities, and authority to require changes of the local cable service.

Mr. Bill Stuart, City Manager, noted that there is a concerted effort among local governments nationwide to prevent this legislation.

In response to Council Member Clark, Mr. Newman noted that one of the pending bills would allow State government the option to collect franchise fees from cable companies instead of local governments.

Council Member Burke requested staff monitor the status of this legislation and update the Committee on a regular basis.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Burke.

Mr. Stuart responded to Council Member Clark's question, stating that the Mayor plans to draft letters of concern to our representatives in Washington, DC.

The motion to approve the item was unanimously carried.

GENERAL AGENDA

1. PRESENTATION BY NIEMANN CAPITAL, LLC REGARDING REDEVELOPMENT PLAN FOR THE AREA SOUTH OF FOURTH STREET BETWEEN LIBERTY STREET AND THE STROLLWAY.

Mr. Derwick Paige, Assistant City Manager, explained that Niemann Capital, LLC had been chosen as preferred developer for this project through Statement of Interest (SOI) process. He noted that Mr. Tom Niemann, President and Mr. Josh Parker of Niemann Capital, LLC, as well as a consultant with the Downtown Winston-Salem Partnership (DWSP), Mr. Pat Swann were present for an update to the Committee.

Council Member Burke recognized Mr. Swann as being a former Assistant City Manager in Winston-Salem.

Mr. Niemann introduced himself and gave his address as 3816 Dover Road in Durham, NC.

Mr. Parker, 2318 Heron Street, Durham, indicated that Niemann Capital, LLC was formed in 1994 and noted that the company specializes in urban development and adaptive reuse of historic properties.

(Council Member Johnson entered the meeting at 4:20 p.m.)

Mr. Parker explained that many community meetings as well as stakeholder meetings had been held to determine the wants and needs for the property, as well as constraints and resulting impact on the surrounding community. He stated that the initial plan includes 100 residential units, 220 underground parking spaces, 55,800 square feet for office space, 15,900 square feet for retail space on Fourth Street and the Plaza and would result in 80 employees in the building and approximately 175 residents. Mr. Parker presented an illustration of possible building massing and noted that it had been determined that in order to achieve desired results, it would not be feasible to preserve the Pepper Building. He pointed out that a final decision had not been made for usage of the Courthouse building. The next steps to be taken in the process were outlined by Mr. Parker and included finalizing placement of the proposed usages, developing a timeline, and creating a public/private partnership for financing options. He noted that this project would be a prime candidate for tax increment financing.

Discussion ensued regarding membership of the SOI Committee and Chair Merschel pointed out that there had been a broad base of community representation.

Mr. Paige responded to Council Member Burke's question, stating that the downtown living areas included Broad Street east to U.S. Highway 52 and from Business I-40 north to Eighth Street.

Council Member Burke requested information on the number of residents currently living downtown.

Mr. Paige noted that plans for the pocket parking lot originally planned for Fourth Street east of the Strollway had been temporarily suspended pending the planning process. He stated that people had been parking along the Strollway and no complaints had been received from tenants along Fourth Street. In response to Council Member Burke, Mr. Paige stated that assuming everything goes well, construction should begin in approximately one year.

In response to Council Member Burke, Mr. Niemann explained that his company is committed in working with locally-owned and minority-owned businesses. Through partnership with the City, County and DWSP, financing options would be developed with the taxpayers' best interests in mind.

Mr. Paige answered Council Member Clark's question, stating that the Downtown Foundation owns the Pepper Building and a vacant lot in the area, the City owns the buildings along Third and Fourth Streets over to the Strollway, and Piedmont Federal owns a parking lot located within the project area.

2. CONSIDERATION OF ITEMS RELATING TO FEDERAL GRANT ASSISTANCE:
 - a. RESOLUTION AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH THE FERGUSON GROUP FOR FEDERAL GRANT ASSISTANCE AND APPROVING THE FFY 2007 FEDERAL AGENDA FOR WINSTON-SALEM AND FORSYTH COUNTY.
 - b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM FOR FY 2005-2006.

Mr. Paige presented the staff report and introduced Ms. Leslie Mozingo with The Ferguson Group for an update on the Federal FY2006 and FY2007 agendas.

Ms. Mozingo noted the success of the first year of joint efforts between the City, County and Chamber of Commerce and pointed out that Wake Forest University Health Sciences has its own lobbying firm that served as the lead on acquiring Federal funding for the rail relocation at PTRP. She provided a draft agenda for FY2007 Federal funding requests and stated that changes could be made and that all of the requests may not ultimately appear on the final agenda.

Council Member Johnson requested that items be added to obtain funding for ex-offender re-entry programs, as well as summer youth programs. She pointed out that the National League of Cities (NLC) had approved a resolution supporting re-entry programs and stated that she would bring that item to the Public Safety Committee in January.

In response to Council Member Johnson's inquiry, Ms. Mozingo stated that Item 5 under Transportation was a previously secured earmark and the City has three years to assign a project or request an extension to assign projected use of the funds.

Mr. Paige stated that was the funding that had been requested for the Union Station project. He responded to Council Member Clark, stating that Ms. Mozingo works with staff to develop a final agenda of the City's priorities and then balances those needs with the County and the Chamber of Commerce to benefit the community.

Ms. Mozingo explained to Council Member Burke that Item 4 under Transportation was for development of the currently unused Piedmont Building at Smith Reynolds Airport.

Council Member Burke expressed a concern that many residents have complained about low-flying airplanes landing at the Airport.

In response to Council Member Burke, Ms. Mozingo stated that Item 1 under Public Safety is being reviewed to determine community priorities. She noted that last year's request was \$1.5 million and she had backed out the FY06 funding that had been secured, resulting in the \$1.2 million currently being requested. Ms. Mozingo explained that she takes direction from senior City staff on which community agencies to work with in coordinating funding requests.

Council Member Johnson requested that the City seal be used on the formal FY2007 funding requests agenda.

Chair Merschel requested a breakdown by dollars of the beneficiaries of the proposed requests.

Council Member Clark made a motion to extend the contract as outlined by the resolution and approve Item G-2(a) and (b). The motion was duly seconded by Council Member Johnson.

Council Member Burke expressed a concern over utilizing lobbying organizations and noted that the delegation is doing their job in representing local government. She commented that the City continues to need assistance with the Liberty Street Corridor and stated she would be abstaining from voting on the item.

The motion to approve the item carried on a vote of three in favor, none opposed and one abstaining. Voting in favor of the item were Council Members Clark, Johnson and Merschel, with Council Member Burke abstaining from the vote.

3. CONSIDERATION OF ITEMS RELATING TO VECTOR CONTROL:

- a. RESOLUTION ADOPTING A MULTI-YEAR VECTOR CONTROL BAITING PLAN THAT ALLOWS FOR BAITING STORMWATER DRAINS, CREEK BEDS AND SANITARY SEWER DRAINS.
- b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM FOR FY 2005-2006.

Mr. Paige presented the staff report, stating that baiting would be done in each quadrant of the City on a regular basis, but private property owners would be responsible for their own baiting. He noted that complaints would be handled as needed, regardless of location in relationship to the baiting program.

Mr. Gregory M. Turner, Assistant City Manager/Public Works, responded to Council Member Burke's question, stating that the bait used inside sanitary sewers would kill rats, preventing them from relocating to other areas in the City. He explained that lifestyle issues on certain private properties create rat problems in storm drains and notifications as well as citations are given to problem property owners.

Council Member Burke requested that staff speak with property owners and realtors instead of tenants to ensure proper handling of issues causing the rat problems.

Council Member Clark suggested using ambiguous markings for baited storm drains and manhole covers to lessen negative aesthetic effects in neighborhoods. He suggested staff consider a more aggressive program by investing a little more money in the program for the first year, with smaller investments in subsequent years.

In response to Council Member Johnson, Mr. Paige stated that Housing Services' proposed contribution would be \$10,000 for the baiting program, and an additional \$1,000 for creekbed baiting only.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Burke, with the understanding that additional information would be provided on the option of a more aggressive program as previously suggested.

The motion was unanimously carried.

4. CONSIDERATION OF ITEMS RELATING TO A PROPOSED LOAN:

- a. RESOLUTION AUTHORIZING A \$100,000 DEFERRED LOAN TO THE GOLER COMMUNITY DEVELOPMENT CORPORATION FOR THE DEMOLITION OF PATTERSON AVENUE APARTMENTS LOCATED AT 740 AND 760 N. PATTERSON AVENUE.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM FOR FY 2005-2006.

Mr. Paige presented the staff report. In response to Chair Merschel, he noted that three of the four cluster homes on Chestnut Street had been sold, and two more were scheduled for construction.

Ms. Evon Smith, Executive Director, Goler Community Development Corporation (CDC), explained to Council Member Johnson that as soon as Council approves this item, demolition of the problem properties would begin within two weeks.

Council Member Johnson made a motion to approve the item and pointed out there are graffiti problems in this area.

The motion was duly seconded by Council Member Burke.

Council Member Clark inquired about the status of the parking lot issue between the Arts Based Elementary School and Goler CDC.

Ms. Smith indicated that both parties are currently in mediation and positive negotiations are taking place.

Chair Merschel suggested that, in future loans, the City should consider shortening its term limits.

Mr. Paige noted that the non-profit nature of the venture had been taken into consideration in setting the limits.

The motion to approve the item was unanimously carried.

5. REPORT REGARDING FINANCIAL RELATIONSHIP BETWEEN THE CITY AND THE HOUSING AUTHORITY OF WINSTON-SALEM – *For Information.*

Mr. Paige presented the staff report.

Dr. Monica Lett, Housing/Neighborhood Development Director, explained to Council Member Johnson that the first two phases of the HOPE VI development are under construction, and construction should begin on the third phase, multi-family development within nine months. She indicated that the Housing Authority of Winston-Salem (HAWS) had assumed responsibility of the remaining phases and she did not know the status on those. Dr. Lett explained to Council Member Burke that all three phases of Gateway Commons had been completed and the permanent loan commitment on Phase III should be closing within four weeks.

Council Member Burke expressed a concern that the area leading into these developments needed to be cleaned up and be made more presentable.

Dr. Lett commented that there were two structures completed to be sold in Glenn Oaks and four lots to be built, and there were another 140 units to be part of the Phase IV plan in Kimberly Park.

Council Member Clark requested a breakdown of the amount of money paid to administer the program versus the amount of money provided to the actual scholarship fund in the HAWS scholarship program.

Council Member Burke responded to Chair Merschel's question, stating that the scholarship endowment fund is currently \$400,000 and being funded through contributions, and pilot funds are currently used to administer the endowment.

In response to Chair Merschel's question, Mr. Paige stated that staff works with HAWS on a regular basis to bring their loans up to date and noted that the City is currently working on a package to market the developments on their own.

Chair Merschel expressed a concern about the amount of loans that are in default.

Dr. Lett indicated that maintenance and upkeep of the housing units is good.

Council Member Burke pointed out that drug activity in these areas has made it difficult to get tenants for the units.

Council Member Clark requested a comprehensive and concise list of all money owed to the City and money the City owes to other organizations; the list should include the Utility Commission, General Obligation (G.O.) Bonds, economic development loans, etc., with original amounts, current balance, payee or payor, and status. He requested to meet with staff to discuss the information prior to it being sent out and asked that the information be updated on a regular basis. Council Member Clark also expressed a concern regarding the City's record in evaluating the housing market.

Council Member Johnson suggested that there may be an opportunity for student housing at the Happy Hills site.

Chair Merschel requested staff bring monthly updates to the Finance Committee on the status of the \$5 million owed on the multi-family housing developments.

The Committee members indicated their desire to ride through the public housing developments.

ADJOURNMENT: 5:55 p.m.