

## SUMMARY OF MINUTES

### FINANCE COMMITTEE

3:00 P.M., MONDAY, NOVEMBER 13, 2006

COMMITTEE ROOM

ROOM 239, CITY HALL

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*MEMBERS PRESENT:*            *Mayor Allen Joines*  
   *Council Member Wanda Merschel, Chair*  
   *Council Member Robert C. Clark, Vice Chair*  
   *Council Member Vivian H. Burke*  
   *Council Member Joycelyn V. Johnson*

*OTHERS PRESENT:*            *Council Member Molly Leight*

Chair Merschel called the meeting to order and recognized Mrs. Paige Deal, Deputy City Secretary, and Dr. Monica Lett, Director of Housing/Neighborhood Development, for attending their final Committee Meetings and noted that both would soon be retiring. She pointed out that there was a minor change to Item G-1, as it appears on the printed agenda, and indicated that Committee Members have received a replacement for Item C-8(a).

Dr. Lett explained that Item C-8(a) was changed to reflect the deletion of two properties on which the owner plans to rebuild.

#### CONSENT AGENDA

##### Property Matters

8. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
  - a. RESOLUTION ESTABLISHING MINIMUM FAIR MARKET REUSE VALUES FOR PARCELS IN THE HAPPY HILL REDEVELOPMENT AREA AND AUTHORIZING SALE OF DESIGNATED PARCELS PURSUANT TO PROVISIONS OF N.C.G.S. 160A-457 (NEGOTIATED PRIVATE SALE) AND PURSUANT TO THE PROVISIONS OF N.C.G.S. 160A-269 (NEGOTIATED OFFER, ADVERTISEMENT AND UPSET BID PROCEDURE) – *47 Lots on Humphrey, Alexander, Alder, Pitts, Liberia, Willow and Powell Streets.*

Council Member Johnson made a motion to approve Item C-8(a) as amended. The motion was duly seconded by Council Member Clark and unanimously carried.

Chair Merschel asked if any other items needed to be pulled for discussion. No items were removed.

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

### CONSENT AGENDA

#### Property Matters

8. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
  - b. RESOLUTION GRANTING FEE SIMPLE RIGHT-OF-WAY AND EASEMENTS TO THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION PURSUANT TO N.C.G.S. 160A-274 - *Lot 103B of Block 4401D located on Lewisville-Clemmons Road.*
  - c. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTIES FOR OLD LEXINGTON ROAD WIDENING BY DEED OR CONDEMNATION. [*\$98,000 from General Obligation Bond Funds.*]
  - d. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY ON WAUGHTOWN STREET UNDER THE PROVISIONS OF N.C.G.S. 160A-269 AND THE CITY'S FINANCING OF THE SALE – *Lot 011A of Block 0786A located on Waughtown Street.*

#### Finance/Budget

9. RESOLUTION AUTHORIZING SALE OF SURPLUS USED VEHICLES AND EQUIPMENT.
10. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
  - a. RESOLUTION AWARDED CONTRACT FOR POLICE PURSUIT VEHICLES – Capital Ford, Inc. [*\$1,096,500 from NCML Funds.*]
  - b. RESOLUTION AWARDED CONTRACT FOR TAR BRANCH STREAM ENHANCEMENT AT SOUTHEAST GATEWAY – North State Environmental, Inc. [*\$107,309 from COPs.*]
  - c. RESOLUTION AWARDED CONTRACT FOR CONCRETE CURB MACHINE FOR CITY OF WINSTON-SALEM FLEET SERVICES – Southern Equipment Service, LLC. [*\$174,300 from NCML Funds.*]
  - d. RESOLUTION AWARDED CONTRACT FOR READY MIXED CONCRETE – Hartley Ready Mix Concrete Mfg., Inc. [*\$162,305 from the General Fund.*]

### GENERAL AGENDA

1. RESOLUTION AUTHORIZING ASSISTANCE TO WAKE FOREST UNIVERSITY HEALTH SCIENCES FOR THE EXPANSION OF THE PIEDMONT TRIAD RESEARCH PARK. [*\$4,848,060 from General Fund.*]

Mr. Derwick Paige, Deputy City Manager, presented the staff report and noted that Dr. Richard Dean, Piedmont Triad Research Park (PTRP), was in attendance to answer any questions.

Council Member Clark inquired as to how the amount was arrived at for the maximum City assistance fixed funding.

Mr. Paige indicated that the fixed amount is based on 85% of approximately \$50 million, the amount estimated for infrastructure needs, and he indicated that the total maximum grant of \$4,848,060 is a fixed amount.

Council Member Burke pointed out that the PTRP project has greatly enhanced development and job creation in the City.

Council Member Johnson noted that PTRP also has a program in place to attract future college students to the biomedical research field.

In response to Chair Merschel, Mr. Paige explained that the proposal anticipates Buildings A3, A4 and AP2 to be completed within the first six years of the agreement with the City; however, the assistance amount remains fixed as long as the buildings are completed within a ten-year period.

In response to Council Member Burke, Dr. Dean stated that it is the intention of PTRP to draw its workforce from within Winston-Salem.

Council Member Johnson noted that although she works for Wake Forest University Baptist Hospital, she does not work for the Health Sciences Division, and there is no conflict of interest.

Mr. Paige pointed out that there would be a public hearing on this item at the November 20, 2006 City Council meeting.

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

2. CONSIDERATION OF A REQUEST FROM ONE PARK VISTA, LLC. [*\$45,168.*]

Mr. Paige explained that the request for additional assistance was to reimburse developer expense for installation of steel bracing and also unforeseen asbestos removal needs, as provided for in the development contract.

Mr. Kerry Avant, 1645 Westbrook Plaza Drive, explained that the original asbestos survey did not account for the total amount of asbestos tile that needs to be removed. He noted that in response to staff's questions regarding the legitimacy of the request, he has supplied additional information to the City Engineer today.

Council Member Clark indicated he would agree with approving the cost of the steel bracing, but would prefer staff further investigate the asbestos removal needs.

Mr. Russell Byrd, City Engineer, explained that based on the paperwork supplied today, he thinks the request is in order. He responded to Council Member Burke's question, stating that it is not unusual to encounter additional asbestos to be removed when completing these types of projects.

Council Member Clark made a motion to approve the request for the \$5,940 change order. The motion was duly seconded by Council Member Burke and unanimously carried.

Council Member Clark made a motion to forward to the full Council without a recommendation the request for the remaining amount of \$39,228, pending additional review and recommendation by staff. The motion was duly seconded by Council Member Johnson.

Chair Merschel pointed out that upon renovation of her own home, a large amount of unanticipated asbestos was encountered.

The motion to forward the balance of the request to the Council without a recommendation was unanimously carried.

3. RESOLUTION AUTHORIZING A COOPERATION AGREEMENT BETWEEN THE CITY OF WINSTON-SALEM AND THE HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM FOR THREE PROJECTS WITHIN THE HAPPY HILL HOPE VI DEVELOPMENT. *[This item received a vote of No Consideration at the October 9, 2006 Finance Committee meeting.]*

Mr. Paige gave a brief overview of the item and noted that Ms. Karen Durell and Mr. James Rousseau from the Housing Authority of Winston-Salem (HAWS) were present to answer questions.

Ms. Karen Durell, 834 Carolina Avenue, explained that the request for the Cooperation Agreement was submitted to allow taxes that would normally be paid to the City to be used instead on development of the project.

Chair Merschel explained that she had met with Ms. Durell and Mr. DeWayne Anderson to discuss her questions regarding HAWS business practices. She stated that, although there are some issues regarding past performance, she feels confident that HAWS has made significant positive changes in their business practices and all of her questions have been answered.

Council Member Burke pointed out that Mr. Fulton Meacham performed an outstanding job as the previous Interim Executive Director for HAWS. She inquired as to how business would be conducted differently with Happy Hills compared to Kimberly Park, and also what the ratio of ownership percentage is between the limited liability companies (LLC's) and HAWS.

Mr. Sherrod Banks, legal counsel to HAWS, noted that the Happy Hill cooperation agreements were modeled from the agreements drawn up for Kimberly Park. He explained that private entities invest in the LLC's in exchange for super majority interest, resulting in 99% ownership. Mr. Banks stated

that although the Eagan entities own nine-tenth's of 1% and HAWS owns one-tenth of 1% of the LLC's, they have the managerial interest in the LLC's.

Council Member Burke requested Mr. Banks provide information prior to Monday's meeting regarding the amount of tax credit involved for the investors of Kimberly Park and Happy Hills, the percentage of ownership HAWS has in Kimberly Park and Happy Hills, as well as the difference in the way the two projects have been and will be managed.

Chair Merschel asked that information also be included regarding changes in accounting practices from the former cash concentration account to the multiple project accounts and improvements associated with the changes.

Council Member Clark stated he supports this item, but expressed concern over long-term governance issues and the fact that there are three properties for which the City is not being paid interest.

Mr. Paige indicated that staff would bring information to the Finance Committee regarding those properties in the next two months.

Council Member Johnson made a motion to approve the resolution. The motion was duly seconded by Council Member Clark.

In response to Council Member Burke's question, Mr. Ron Seeber, City Attorney, explained that although the Mayor has appointed her as a City Council liaison to the HAWS Board, she has no conflict of interest in voting on the item.

The motion for approval was unanimously carried.

#### 4. CONSIDERATION OF A BUDGET ORDINANCE CREATING THE POSITION OF ECONOMIC DEVELOPMENT SPECIALIST (SMALL BUSINESS LIAISON).

Mr. Paige presented a brief overview of the item. In response to Council Member Johnson, he explained that although it was staff's goal to select an internal candidate, no one had yet been identified for that position.

Council Member Burke requested staff carefully document the need and recommendations for this position and she inquired as to which department would house the position.

Mr. Paige indicated that this position would be located in the Development Office, First Floor of City Hall.

Council Member Clark noted that this Items 4, 5 and 7 were all directed at providing better customer service to the citizens of Winston-Salem and stressed the importance of staffing all of the positions with qualified candidates. He pointed out that he is on the Board of DātaMax, and the intent of offering five-years funding for the position was solely to get the position started and it is not the intent of DātaMax to provide long-term funding.

Council Member Johnson pointed out that these three items, insofar as administration of the positions, should be included as part of the economic development components of the Strategic Plan.

Mayor Joines pointed out that to ensure Winston-Salem's economic development success, the City must differentiate itself as much as possible. He noted that staff will ensure that there are no conditions placed on the funding being offered by DātaMax and the position would be evaluated annually to review results of the program.

Council Member Johnson inquired if the funding could be utilized instead for training programs offered to new businesses coming into the City.

Mr. Paige indicated staff had determined that it would be best to utilize the funds for compensation of the position.

Council Member Leight noted that knowledgeable City staff are already in place and there are programs offered by the Chamber of Commerce, Forsyth Technical College and Winston-Salem State University. She expressed concern about the difference between this position and other mentoring options.

Mr. Paige explained that the other mentoring programs are not sufficient to guide businesses through the entire process which could involve several City and County departments.

Council Member Burke pointed out that many business owners have been frustrated by the process and expressed support for the position.

Council Member Johnson noted that in working with contractors on the PTRP projects, many businesses have expressed concern with the process of dealing with the City.

Chair Merschel indicated her concern that creation of the position as presented may perpetuate underlying issues with internal customer service, and stated that if the position is going to be identifying these issues, the position should be identified as an office for efficiency review for small business procedures. She also noted that the City should not share with DātaMax any personnel issues associated with the position.

Council Member Clark pointed out the difficulty for citizens to know what department to call on for very specific requests. He noted that liquor licenses are a common point of contention for business owners and there is a need for written instructions and guidance on how to pursue that type of need.

Mayor Joines stated that the position would be empowered to answer questions on behalf of the City Manager and Assistant City Managers.

Mr. Tom Blair, 592 West Second Street, CEO of DātaMax, indicated that his organization does not want any control over the position and would not that in the contract for the funding. He noted that they do expect results from the position and would conduct their own annual evaluations through

meetings with the business community and make suggestions for improvements as needed.

Mr. Paige explained to Council Member Johnson that a Memorandum of Understanding (MOU) had not yet been developed.

By consensus, it was agreed to hold the item in Committee for a more comprehensive work program definition, including language empowering the position to address internal issues and make suggestions for changes, as well as shepherding small business owners through the City's processes.

Council Member Johnson suggested incorporating the language into the MOU for the position.

Council Member Burke thanked Mr. Blair for DātaMax's assistance and willingness to provide funding for the project.

Council Member Clark noted that he would not support this position if it involved circumventing the process and noted that the position could be overwhelming and a very qualified person would need to be placed in the position.

#### ADDITIONAL ITEM

Council Member Johnson inquired about the source of the Good Samaritan statue that had been placed in front of the Courthouse.

#### 5. CONSIDERATION OF A BUDGET ORDINANCE CREATING THE POSITION OF NEIGHBORHOOD ASSISTANCE SPECIALIST.

Mr. Paige presented an overview of the report and provided a map of 15 service areas to be covered by the proposed positions, encompassing different wards within each area. He noted that the areas were identified by the Housing Services Department using households data from the 1990 Census, and could be moved as needs are further identified.

Council Member Burke stressed the need for balancing the service areas between the positions for fair coverage based on the needs of each Ward.

In response to Council Member Leight, Mr. Paige explained that there are currently three Community Service Advisors, of which one is retiring, one is moving to another department at the end of the year, and the other would remain in the Housing Services Department, dealing mainly with relocation assistance and other special programs. He stated that these positions would carry out the same work as the Community Service Advisors with greater expectations involving communication with several different departments.

Mr. Garrity noted that these positions would have greater authority and could speak on behalf of the City Manager's office. He stated that they would provide feedback on needed improvements as well as assist citizens.

Chair Merschel pointed out the ability of staff to identify vacant positions from which funding could be identified for Items G-4 and G-5 and that additional staff requests are being made. She expressed concern over the expense associated with adding staff and past budget issues.

Mr. Garrity pointed out the he was not City Manager during consideration of the current Budget, and noted that four of the positions identified for funding purposes have recently been vacated. He indicated that the departments were resistant to giving up those positions and will be handling the same workload without the possibility of additional staff.

Council Member Clark pointed out the need for the Call Center to utilize a program that would allow them to take service requests, track them and provide feedback on the effectiveness of addressing those requests. He expressed concern over the need for a Neighborhood Assistance Specialist if the Call Center is correctly managed.

Mr. Garrity explained that the Neighborhood Assistance Specialists would work closely with neighborhood groups and representatives to ensure that all their needs are being met. He noted that all of the positions would work towards providing better customer service to the citizens.

Council Member Johnson pointed out that that the Call Center should not direct callers into a recorded voice messaging system.

Council Member Burke stated that there should be clearly defined roles and accountability for these positions. She requested that staff report back to the Council every six months on the efficiency of the positions.

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

6. CONSIDERATION OF ITEMS RELATING TO THE CITY'S STRATEGIC PLAN:
  - a. REVIEW OF STRATEGIC PLAN DRAFT.
  - b. RESOLUTION ADOPTING THE CITY'S 2006-2009 STRATEGIC PLAN

Mrs. Martha Wheelock, Assistant City Manager, presented a brief summary of the report.

Council Member Johnson requested that the Black Chamber of Commerce and the East Winston Area Council be added for assistance as part of Strategy EVD-1, and under the Public Safety Committee Strategy SV-1, add skill training of re-entry candidates prior to their release. She also requested the addition of an item to improve the street cleaning process under Public Works Committee Strategies, and noted that there is debris along many of the major roadways.

Mr. Garrity noted that staff has planned an audit of the City's street cleaning contractor.

Council Member Burke pointed out the need to coordinate with local agencies on re-entry issues.

Assistant Police Chief Ronnie Abernathy explained that staff is working with the Center for

Community Safety and the Public Safety Committee would be briefed on efforts. He noted that there are three different re-entry projects currently being operated.

Council Member Johnson noted that many individuals receiving services through the Public Defender's office are not aware of conditions being placed on their pleas. She noted that those individuals should not have additional charges or responsibilities placed upon them for acts they did not commit.

Chair Merschel stressed the importance of Items G-4, G-5 and G-7 as related to Finance Committee Strategy G-3, as well as tracking customer service requests under Community Development/Housing/General Government Committee Strategy SE-1.

Council Member Johnson inquired about the efficiency of a zero-based budget.

Mrs. Ann Jones, Budget Director, explained that staff has worked with the Citizen Budget Advisory Council on improving the process. In response to Chair Merschel, she stated that the City conducts a more detailed study of the budget than a normal zero-based budget.

Council Member Johnson requested that the Northeast Winston Area Plan be worked in the Strategic Plan as much as possible.

Mr. Garrity noted that the Strategic Plan would be periodically reviewed for necessary amendments.

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

#### 7. REPORT ON A PROPOSED CITIZEN CONTACT CENTER.

Mr. Dennis Newman, Chief Information Officer, presented the staff report. He responded to Council Member Johnson's question, stating that the Motorola system is not the same as the system previously used in which Council Members and citizens could call in and leave concerns on a recording device.

Council Member Johnson inquired about the effect of the Contact Center on the 727-8000 line and staff within the City Secretary's office.

Mr. Newman noted that the 727-8000 line could become the direct line into the Contact Center.

Mr. Garrity explained that although staffing issues had not been decided upon, positions would be moved from different departments.

Mr. Newman indicated that although the Contact Center would operate on extended hours, it would not be a 24-hour call line. He noted that the after hours calls would be directed to City Yard.

Council Member Clark inquired about how the Contact Center would interface with County services.

Mr. Newman indicated that the City would interface with the County as much as possible, but the staff in the Contact Center would be educated on how to efficiently refer calls that are not City-related issues. He stated that the Contact Center could be adequately staffed approximately 30 full-time personnel.

Council Member Leight noted that the 911-system was overwhelmed by calls regarding earthquakes earlier this month and pointed out that the Contact Center would have helped to decrease the number of calls to the 911-system.

Chair Merschel requested that staff consult various types of businesses with excellent customer service reputations to gather ideas for managing the Contact Center.

Council Member Burke stated that current departmental staff should also receive customer service training to improve their skills.

By consensus, the Committee decided to bring the item back for further discussion in December.

Council Member Johnson inquired if this should be adopted as part of the next budget cycle.

Mr. Garrity noted that if considered during the budget process, the Contact Center creation would be delayed six months.

Mr. Newman indicated that staff intends to request funding next month.

#### ADDITIONAL ITEM

Mr. Paige introduced Mrs. Vanessa Smith as a new employee in the City Secretary's office.

ADJOURNMENT: 5:13 p.m.