

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:03 P.M., MONDAY, AUGUST 13, 2007

COMMITTEE ROOM

ROOM 239, CITY HALL

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 stated that, without objection, the Committee would first consider the Consent Agenda.

Council Member Burke asked to pull Items C-1(b), C-1(c) and C-2. Chair Merschel stated staff requested to pull Item C-5 until September Finance Committee. No other items were removed for discussion.

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

1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
 - a. RESOLUTION AUTHORIZING SALE OF SURPLUS USED VEHICLES AND EQUIPMENT.
 - d. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTIES FOR OLD LEXINGTON ROAD WIDENING BY DEED OR CONDEMNATION - *Tax Block 1700 Lot 110 located at 555 Aureole Street. [\$17,700 from General Obligation Bond funds.]*
 - e. RESOLUTION AUTHORIZING THE PURCHASE OF TWO PROPERTIES RELATED TO THE OLD CHERRY NO. 2 REDEVELOPMENT AREA - *Lot 010 of Block 1350 located on North Cherry Street and Lot 110 of Block 1350 located at 520 Seventeenth Street. [\$49,000 from General Obligation Bond funds.]*

Transportation

3. RESOLUTION AUTHORIZING A CHANGE ORDER TO LARCO CONSTRUCTION COMPANY, INC. FOR WORK ASSOCIATED WITH THE WIDENING OF WATERWORKS ROAD IN THE ESTIMATED AMOUNT OF \$140,000.
4. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR THE UPGRADE TO THE EXISTING TRAFFIC SIGNAL SYSTEM.

Finance/Budget

6. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, AUTHORIZING THE CHIEF FINANCIAL OFFICER TO PREPARE AN APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE CITY'S PROPOSED EXTENSION OF BOND ORDERS AND TO SUBMIT SUCH APPLICATION TO THE LOCAL GOVERNMENT COMMISSION.
7. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
 - a. RESOLUTION AWARDED CONTRACTS FOR TRUCKS - *Parks Chevrolet, Inc.* - \$173,558.20.
 - b. RESOLUTION AWARDED CONTRACT FOR GOLF CARTS FOR WINSTON LAKE GOLF COURSE - *Yamaha Golf Cars* - \$125,649.80.
 - c. RESOLUTION AWARDED CONTRACT FOR LEAF COLLECTION MACHINES FOR SANITATION DIVISION - *ODB Company, LLC* - \$103,887.
 - d. RESOLUTION AWARDED CONTRACT FOR ROAD SALT FOR STREETS DIVISION - *The Detroit Salt Company, LLC* - \$136,080 (Estimated Amount).
 - e. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF ROLLOUT REFUSE CARTS UNDER THE COMPETITIVE BIDDING GROUP PURCHASING PROGRAM OF N.C.G.S.143-129(e)(3) - *Toter, Inc.* - \$259,850.
 - f. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF ONE SEWER JET/VACUUM TRUCK UNDER THE BID PROCEDURE WAIVER OF N.C.G.S.143-129(g) - *Adams Equipment Company, Inc.* - \$255,026.90.
 - g. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF TWO FIRE PUMPER TRUCKS UNDER THE BID PROCEDURE WAIVER OF N.C.G.S.143-129(g) - *Sutphen Corporation* - \$727,980.

Property Matters

1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:

- b. RESOLUTION AUTHORIZING THE PURCHASE OF PROPERTY ON THE SOUTH SIDE OF NORTHWEST BOULEVARD FOR A SUPPORT PARKING LOT FOR THE PUBLIC SAFETY EVIDENCE STORAGE AND TRAINING FACILITY - *Lots 101 and 102 of Block 0225 and Lot 102 of Block 0226 located on the south side of Northwest Boulevard between Patterson Avenue and the Southern Railway Tracks. [\$75,000 from Certificates of Participation funds.]*

In response to Council Member Burke's inquiry, Mr. Kirk Bjorling, Real Estate Administrator, stated that in the beginning, it was not evident that additional parking would be needed for the future of the site. To meet the future and existing needs of the Police Department, staff will need to expand the remainder of building for additional parking. Council Member Burke suggested that staff consider these needs when assessing potential projects.

In response to Council Member Clark's question, Mr. Bjorling commented that a brother and sister in Charlotte currently own the property but they will be willing to sell to the City if there is a need. He also stated that the sister sees benefit in the City owning the property.

Council Member Johnson asked staff to work with the owner to improve the appearance of the property whether or not the City purchases it.

Council Member Johnson made a motion for approval of the item. The motion was duly seconded by Council Member Burke and unanimously carried.

- c. RESOLUTION AUTHORIZING THE FINAL DISPOSITION OF PROPERTY LOCATED AT 1300 WOODRUFF GLEN DRIVE THROUGH A PUBLIC AUCTION AS PERMITTED IN N.C.G.S. 160A-270 - *Lot 001 of Block 6380 located at 1300 Woodruff Glen Drive. [Receipt of \$95,000.]*

In response to Council Member Burke's question, Mr. Greg Turner, Assistant City Manager/Public Works, stated that a first time homeowner is the prospective buyer of the property.

Council Member Burke made a motion for approval of the item. The motion was duly seconded by Council Member Johnson and carried unanimously.

GENERAL AGENDA

1. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY UNDER THE PROVISIONS OF N.C.G.S. 160A-269 - *Lot 29E of Block 3017 located on the north side of Old Walkertown Road across from Carver School Road. [Receipt of \$594,000.]*

Mr. John Allen, Development Director, commented that the Tabernacle of Faith Church has made an offer to purchase the property for a future building site and has been given 24 months to obtain financing for the multi-purpose arena. In response to Council Member Johnson's question, Mr. Allen stated that the multi-purpose arena to be constructed will require financing.

In response to Council Member Johnson's inquiry, Attorney Wayne Patterson, 8 West 3rd Street, Suite 220, stated that the church would be selling their current property and relocating to the new location at Old Walkertown Road.

In response to Council Member Clark's concern, Mr. Turner commented that the purchase site is near the proposed land for Evergreen Cemetery, but a disclaimer was placed on that land that it would be reserved until a higher or better use presented itself. If no such use was presented, the land would be used to construct a cemetery. Mr. Allen also commented that a 5% deposit has been received for the land and the church has been given 24 months to pay the balance.

Mr. Patterson stated that the multi-purpose arena will serve several purposes, such as a worship center, athletic court, and computer/GED training area.

In response to Chair Merschel's question, Mr. Patterson stated that the church started their building fund in 2005, that they have reached 40-60% of their goal, and the church has requested 24 months to fulfill the balance of the funding.

In response to Council Member Clark's concern, Mr. Turner commented that it would be difficult to find other adequate land for a cemetery.

Council Member Burke commented that the church has outgrown their current building, there is inadequate parking and she is confident that their plan to move forward with the new building will succeed.

Council Member Burke made a motion for approval of the item. The motion was duly seconded by Council Member Johnson.

Council Member Johnson requested that no signage be placed at the future site of the church until the financing has been secured.

Chair Merschel requested a commitment letter from the lender that will be financing the project prior to the August 20 City Council Meeting.

The motion for approval carried with a vote of three in favor, one abstaining, and none opposed. Voting in favor of the motion were Council Members Johnson, Clark, and Burke with Chair Merschel abstaining from the vote.

2. RESOLUTION EXTENDING THE FINANCIAL COMMITMENT OF AND APPROVING PROGRAM GUIDELINES FOR THE HAPPY HILL GARDENS HOPE VI HOMEOWNERSHIP PROGRAM.

Ms. Mellin Parker, Director, Housing/Neighborhood Development Department, commented that additional funding will not be needed, but rather the home ownership program will be revised to accommodate additional needs and to establish guidelines for the program.

In response to Council Member Burke's question, Mr. Larry Woods, Executive Director of HAWS, stated that the current three developments are all occupied. The developer for the project has

received a full letter of commitment from Bank of America for beautification and security updates. In response to Council Member Burke's request, Mr. Woods stated that he would provide a report on how many former residents have returned to the area.

In response to Council Member Johnson's inquiry, the developer, Mr. Ryan Roberts, 1230 West Morehead Street, Charlotte, commented that the cost of the units is on par with other similar ventures in the market. He further commented that the town homes allow for two parking spaces and the single family homes have a driveway that allows for parking.

In response to Council Member Burke's concern, Mr. Roberts stated that garages or carports can be added at an additional cost. He further explained that the developer was given a site plan to work within and the project had to conform to that area. Mr. Roberts also encouraged citizens and Council Members to attend the groundbreaking ceremony to be held at 4 p.m., August 23rd at the Happy Hill Site.

In response to Chair Merschel's concern, Ms. Parker stated that first time homebuyers must show proof of divorce or family status change to receive HUD assistance. Since individuals receive financing, they are subject to interest rate increases. Chair Merschel commented that it is important to utilize good lending practices in this situation.

In response to Council Member Clark's question, Mr. Derwick Paige, Deputy City Manager, stated that no adjustable rate mortgages are allowed in this housing project.

Council Member Johnson made a motion for approval of the item. The motion was duly seconded by Council Member Clark and unanimously carried.

3. RESOLUTION OF THE CITY COUNCIL AUTHORIZING ADDITIONAL FUNDING TO THE NORTH CAROLINA HOUSING FOUNDATION FOR PROPERTY ACQUISITION AND ENVIRONMENTAL CLEAN-UP. [*\$26,300 from General Obligation Bond funds.*]

Ms. Parker commented on the need of additional funding to clean up the property at 1500 East Fifth Street.

Council Member Clark made a motion for approval of the item. The motion was duly seconded by Council Member Burke and carried unanimously.

In response to Council Member Burke's concern, Mr. Paige stated there are strict federal guidelines and restrictions that must be complied with, thus the clean up project was more expensive than originally planned.

4. REQUEST FROM SENIOR RESIDENCES, INC. (SRI) FOR FORGIVENESS OF A \$250,000 LOAN FROM THE CITY OF WINSTON-SALEM.

Dr. Eva Evans, President of Senior Residences, Inc. gave a brief overview of the assisted living facility project.

In response to Council Member Clark's question, Mr. Paige stated that if financing from Housing and Urban Development and Alpha Kappa Alpha Sorority, Inc. is not in place by a previously set

date, the property will be signed over to the City.

Dr. Evans stated she is confident that the funding will be fulfilled by HUD and Alpha Kappa Alpha Sorority, Inc. Mr. Bill Benton, Diversified Senior Services, commented that 50% of the residents will receive state assisted financing while 50% will receive private financing.

In response to Council Member Clark's concern, Dr. Evans stated that the urgency of forgiving the loan will give a moderate degree of security to Senior Residences, Inc., but will not impact the funding from HUD or Alpha Kappa Alpha Sorority, Inc.

Council Member Clark suggested that staff establish a project performance guideline and base the forgiveness on project progress as it is completed.

Mr. Benton commented that without the HUD financing, they will be unable to complete the project. He stated that the loan forgiveness will help bring HUD and Alpha Kappa Alpha Sorority, Inc. together to reach a final agreement.

Chair Merschel suggested that the September deadline date be pushed back to allow HUD and Alpha Kappa Alpha Sorority, Inc. more time to negotiate, and also give staff time to develop a project progress rate reward for forgiveness of the loan.

Mr. Paige commented that staff would be willing to develop a performance based reward provision program, and that during the forgiveness period, the City will be responsible for paying property taxes.

Council Member Clark proposed that the forgiveness rate be the equivalent of property tax paid per year.

Chair Merschel asked staff to bring a performance based forgiveness provision to the September Finance Committee meeting and to extend the September deadline date with HUD and Alpha Kappa Alpha Sorority, Inc. if needed.

Community and Economic Development

2. RESOLUTION APPROVING FINANCIAL ASSISTANCE TO PIEDMONT TRIAD RESEARCH PARK.

Mr. Paige gave a report on the requested economic development assistance to Piedmont Triad Research Park.

In response to Council Member Leight's question, Mr. Tom Ingram, Project Manager for Piedmont Triad Research Park, stated that there is a development plan for the length of time that a Wet Lab can exist.

Council Member Burke made a motion for approval of the item. The motion was duly seconded by Council Member Clark and unanimously carried.

ADJOURNMENT: 5: 20 p.m.