

REVISED SUMMARY OF MINUTES

FINANCE COMMITTEE

4:02 P.M., MONDAY, MARCH 19, 2007

COMMITTEE ROOM

ROOM 239, CITY HALL

COMMITTEE MEMBERS: Council Member Wanda Merschel, Chair
Council Member Robert C. Clark, Vice Chair
Council Member Vivian H. Burke
Council Member Joycelyn V. Johnson (in at 4:09 p.m.)

OTHERS PRESENT: Council Member Molly Leight
Council Member Dan Besse (in at 4:06 p.m.)
Council Member Nelson L. Malloy, Jr. (in at 5:28 p.m.)

Chair Merschel called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda. She requested to pull Item C-2a for discussion. No other items were pulled.

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

1. RESOLUTION AUTHORIZING THE FINAL DISPOSITION OF PROPERTY LOCATED AT 224 FOREST HILL AVENUE THROUGH A PUBLIC AUCTION AS PERMITTED IN N.C.G.S. 160A-270 - *Lots 061 and 062 of Block 1910 located on Forest Hill Avenue. [Receipt of \$65,000.]*
2. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
 - b. RESOLUTION AWARDED CONTRACT FOR MOBILE DATA COMPUTERS AND ACCESSORIES - *Dell Marketing, LLC - \$112,181.16.*
 - c. RESOLUTION AUTHORIZING THE CITY MANAGER TO RENEW CONTRACTS WITH PROVIDERS FOR ADMINISTRATION OF THE CITY'S HEALTH CARE PLANS AND SUPPORT SERVICES - *Partners National Health Care Plans of North Carolina, Inc. (Medicare Supplement Contract) – \$625,000 (Estimated Amount); Blue Cross/Blue Shield of North Carolina (Medicare Supplements Plan J and Plan A12) \$360,000 (Estimated Amount); Flores and Associates (Administration of Flexible Benefits, Dental Plan, and Tuition Reimbursement Programs)- \$90,000 (Estimated Amount); REACH Employee Assistance Program (Administration of Employee Assistance Services) - \$35,000 (Estimated Amount); Mercer Human Resource Consulting (Health Plan Design and Financial Projection Assistance for Future Plan Development) - \$85,000 (Estimated*

Amount).

2. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION AWARDING CONTRACT FOR CONSTRUCTION OF FIRST STREET SIDEWALK AND GRANITE CURB REPAIRS - *Mayes Landscaping, Inc. - \$111,050 (Estimated Amount).*

In response to Chair Merschel's inquiry, Mr. Gregory Turner, Assistant City Manager, responded the road would be cold milled and the contractor will mill more aggressively on the edges to restore the natural crown of the road. As a result, the gutters will be reestablished to appear more appropriate.

He stated the contractor has sixty days to complete the project, and the street would need to be closed down completely; however, if possible, staff would complete one lane at a time. He further stated it would be daylight duration for a day when the actual closure is effective.

(Council Member Besse arrived at 4:06 p.m.)

Council Member Burke expressed her concern about mud filtrating through residential areas while projects are under construction and better communication with the contractors is needed to prevent such occurrences.

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

(Council Member Johnson arrived at 4:09 p.m.)

GENERAL AGENDA

1. RESOLUTION AUTHORIZING THE CITY TO PROVIDE FUNDS FOR CERTAIN INFRASTRUCTURE IMPROVEMENTS IN THE PUBLIC RIGHT-OF-WAY IN THE GOLER HEIGHTS AREA.

Mr. John Allen, Business Development Administrator, presented the staff report.

In response to Council Member Burke's question, Council Member Johnson stated this is not the site for a proposed amphitheater, which is closer to Martin Luther King, Jr. Drive, Linden and Maple Streets area.

Chair Merschel stated as the City adds residential areas to the downtown, consideration should be given to the installation of greenspace, such as a dog park, for use by residents with pets.

Council Member Johnson added that waste receptacles should be installed for residents' use as well.

Mr. Derwick Paige, Deputy City Manager, stated receptacles have been ordered through the Parks and Recreations Department.

Council Member Johnson requested a receptacle be installed near the intersection of Fourth Street and Patterson Avenue and Council Member Burke requested that these areas are monitored for usage.

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

2. CONSIDERATION OF RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF WATER AND SEWER SYSTEM REVENUE BONDS AND REVENUE REFUNDING BONDS; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE CITY'S WATER AND SEWER SYSTEM REVENUE BONDS AND REVENUE REFUNDING BONDS; AND CERTAIN RELATED MATTERS.

Mrs. Denise Bell, Chief Financial Officer, presented the staff report.

In response to Chair Merschel's question, Mrs. Bell responded the synthetic fixed interest rate is truly variable, and it will be reset weekly. She stated there will be an agreement to stabilize the rate so it does not exceed 4.083 percent.

Mrs. Bell responded to Council Member Clark's inquiry by stating the fixed interest rate for thirty years is expected to be approximately 4.3 percent. Council Member Clark also inquired if the baseball stadium financing could be incorporated into this package. She explained that project would be financed through use of Special Obligation bonds backed by sales tax.

In response to Council Member Clark's question regarding biosolids management, Mr. Turner explained the material is currently dried to a certain level, and then land applied, allowing the material to be resold or given away as a Class-A solid inert. Staff is evaluating whether the facility will be operated by City employees or to hire a contractor.

Mr. Turner responded to Council Member Johnson's inquiry by stating the Children's Home is on the list and will be completed under the Sewer Rehabilitation project. He also explained that stormwater infrastructure is separate from utilities, and noted the stormwater issues would be discussed by the Public Works Committee.

Council Member Burke expressed her concerns about flooding, and stated this problem is urgent and the citizens' welfare is most important.

Chair Merschel recommended the City invite a representative from Pilot View, Inc. to attend both Finance and Public Works Committee meetings, and explain the success they have had in facilitating grant funding for the City of Charlotte.

Council Member Johnson stated the Nichols Institute and the North Carolina League of Municipalities (NCLM) are currently working on stormwater issues across the state, and the NCLM is willing to help cities review the overall problem.

In response to Council Member Leight's question regarding the effectiveness of issuing bonds, Mrs. Bell stated that this process allows older debt to be paid off, while incurring new debt. She pointed out that the City's utility system is in much better shape financially than Charlotte, Raleigh and Greensboro.

Mrs. Bell responded to Chair Merschel's inquiry by stating maintenance is required when a system is over one hundred years old, and lines will need replacing. She added that the annexation is playing a major role as well.

Mr. Turner reminded the Committee there are regulatory driven projects and some that are done to comply with good environmental policy regardless of departmental regulations.

Council Member Johnson requested a list of the thirty sites for the two-inch water mains.

Council Member Burke requested a report on the condition of structures and inquired how often they are reviewed. Mr. Garrity explained a list has been kept by Property Maintenance and is updated each year. He stated a new facility plan was put in place last year, and staff is in the process of getting all the buildings assessed.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Burke and carried on a vote of three in favor and one abstaining. Voting in favor of the motion were Council Members Burke, Clark and Merschel, with Council Member Johnson abstaining from the vote.

3. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF TWO FRONT LOADING REFUSE TRUCKS UNDER THE BID PROCEDURE WAIVER OF N.C.G.S.143-129(g) – *Transource* - \$360,166.

Mrs. Martha Wheelock, Assistant City Manager, presented the staff report.

In response to Council Member Clark's question, Mrs. Wheelock stated moving to cleaner diesel fuel has had an emission impact on nitrogen oxide (NOx) but not on particulate matter (PM).

Mr. Turner responded to Council Member Besse's inquiry by stating nine vehicles are active on collection day and added the operational life of each vehicle is ten years.

In response to Council Member Besse's concern, Mrs. Wheelock stated that 2006 engines would arrive nine months sooner than 2007 engines. She also stated when a truck is out of service, another truck is utilized for additional routes at overtime rates.

Mr. Turner added overtime is necessary because the City is not currently operating at a break even point.

Council Member Besse suggested delaying purchase until the 2007 engines are available.

In response to Council Member Clark's inquiry, Mr. Turner stated the 2006 engines are expected in

October and, due to demand, a further delay is anticipated.

Mr. Sandy Barfoot, General Services Director, stated 2007 engines are not being produced until the 2006 engines are sold. He stated June 2007 is the first anticipated date of installation availability for 2007 engines.

In response to Chair Merschel's question, Mr. Barfoot stated if a bid is made now, the City would get 2008 trucks with 2007 engines, and the next oldest trucks will need to be replaced in six months.

Mrs. Wheelock responded to Council Member Leight's question by stating 1998 models are the oldest in fleet.

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

ADDITIONAL ITEM

In response to Council Member Burke's request, Mrs. Wheelock introduced Mrs. Leda White as the new Human Resources Deputy Director.

4. RESOLUTION AWARDDING CONTRACT FOR PURCHASE OF THREE SIDE LOADING REFUSE TRUCKS UNDER THE BID PROCEDURE WAIVER OF N.C.G.S.143-129(g) - *Carolina Environmental Systems, Inc.* - \$606,207.

Mrs. Wheelock presented the staff report.

In response to Council Member Clark's inquiry, Mr. Barfoot stated that grant funding is available to test diesel oxidation catalysts on mid-level and larger trucks.

Mr. Barfoot responded to Chair Merschel's question by stating staff has applied for the grants through the North Carolina Solar Center.

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

In response to Council Member Besse's concern, Mr. Garrity clarified that all three trucks would be used for newly annexed areas.

The motion for approval carried on a vote of three in favor and one in opposition. Voting in favor of the motion were Council Members Johnson, Burke and Clark, with Chair Merschel voting in opposition.

5. ORDINANCE AMENDING SECTION 74-179 OF THE CITY CODE RELATING TO CITY PARTICIPATION IN LOCAL IMPROVEMENTS OF PRIVATE STREETS.

Mr. Turner provided the staff report. In response to Council Member Burke's question, he stated

eighteen miles of those types of streets are in annexed areas and the cost would be \$100,000 per mile to pave, with the property owner responsible for the material. He further explained the community would have to provide the funding, and the City does not require each property owner to participate.

Mr. David Saunders, Utilities Director, responded to Council Member Clark's question by stating sewer and water both are installed under the pavement in new subdivisions, and in annexed areas are typically placed on the shoulders.

In response to Council Member Clark's inquiry, Mr. Turner stated on a public street, the right-of-way follows the same rules as any street right-of-way.

Mr. Turner clarified the cost of the project by stating the responsibility of the homeowner is driven by the cost of the materials.

Council Member Clark requested a list of streets by Wards.

By consensus, it was recommended to forward the item to Council without a recommendation, pending discussion by the Public Works Committee.

In response to Council Member Besse's question, Mr. Turner stated to repave an existing street, the cost is approximately \$100,000.

Chair Merschel requested staff to provide Council Member Besse additional information regarding legal impediments for paving projects.

6. REPORT ON THE SOLID WASTE FUND AND RECYCLING.

Mr. Saunders presented the staff report.

In response to Chair Merschel's inquiry, Mr. Saunders stated the emphasis on public education for recycling has decreased, and with the renewed contract there should be some improvement on gross collection. Responding to her second question, he explained unbundling recycling from the tipping fee would mean the tipping fee would not pay for recycling cost.

Chair Merschel recommended detailed conversations start in August 2007, and Mr. Garrity suggested special workshops be scheduled to discuss solid waste funding issues.

(Council Member Malloy arrived at 5:28 p.m.)

7. CONSIDERATION OF A LOCAL GOVERNMENTS JOINT RESOLUTION CONCERNING THE HEART OF THE TRIAD.

Mr. Paul Norby, Director of Planning, and Ms. Gail Anderson, Winston-Salem Chamber of Commerce, were available for questions.

In response to Chair Merschel's question, Mr. Norby stated that the City is the third to take action on the resolution.

Responding to Council Member Burke's inquiry, Mr. Norby stated some of the citizens criticized the plan because they were not on the Steering Committee. He stated the process is still in the planning stage and there will be further discussion on how the needs of each jurisdiction are balanced at a later date. He also stated the Utility Commission could play a major role in seeing this area grow into a business center for the region.

Mr. Norby responded to Council Member Burke's question by stating when it is time to put a finance plan in place, the managers and elected officials will decide on an equitable way to share in the benefits.

Council Member Besse expressed concern about the disproportionate representation of the Steering Committee, and that there were no agricultural and conservation representatives designated; however, he supported the concept of the resolution.

Council Member Johnson stated the initial concern of the Steering Committee was to try to find a manageable group and if the group needed community input, representatives would be on the committee to make that happen.

Chair Merschel recommended the larger cities have three representatives versus the same as the smaller cities. She also stated there should be another entity as the regional authority other than Piedmont Triad International Airport and High Point Furniture Market.

Council Member Besse suggested the Committee endorse the concept of the plan but not the composition of the Steering Committee with further negotiations needed.

In response to Council Member Burke's inquiry, Mr. Turner stated the Steering Committee wanted to include as many individuals as possible with an interest in this area. The Utility Commission was selected because of the need of the community to have water and sewer.

By consensus, it was agreed to change the language in II(a) to three (3) representatives from Winston-Salem and Greensboro, two (2) representative from High Point and Kernersville, and one (1) representative from Oak Ridge. Also, it was agreed to leave II(f) open for any Council Members to get back with staff with recommendations for alternatives to the Utility Commission prior to the Council Meeting.

ADJOURNMENT: 6:04 p.m.