

## SUMMARY OF MINUTES

### FINANCE COMMITTEE

4:00 P.M., MONDAY, JANUARY 14, 2008

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  
Council Member Evelyn Terry (in at 4:11 p.m.)

Chair Merschel called the meeting to order and stated that, without objection, the Committee would first consider the Consent Agenda.

Council Member Clark requested to pull Item C-4. Chair Merschel requested to pull Item C-3(c). No other items were removed 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

##### Property Matters

C- 1. RESOLUTION AUTHORIZING THE DISPOSITION OF PROPERTY LOCATED AT 5455 WOODCLIFF DRIVE THROUGH A PUBLIC AUCTION AS PERMITTED IN N.C.G.S. 160A-270 - Lot 102 of Block 3643 located at 5455 Woodcliff Drive. [Receipt of \$150,000.]

##### Community and Economic Development

C- 2. RESOLUTION APPROVING ECONOMIC DEVELOPMENT ASSISTANCE TO ROCK-TENN CONVERTING COMPANY. [THIS ITEM HAS BEEN WITHDRAWN BY THE PETITIONER.]

##### Finance/Budget

C- 3. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF BURKE MILL ROAD REALIGNMENT - Charles D. Lowder, Inc. - \$1,081,417.10 (Estimated Amount).

- b. RESOLUTION APPROVING A CONTRACT FOR HDR ENGINEERING OF THE CAROLINAS TO PROVIDE PROFESSIONAL ENGINEERING SERVICES FOR A STORM SEWER INVENTORY OF THE ANNEXED AREAS OF THE CITY. [*\$626,400 from Stormwater Funds.*]
- d. RESOLUTION AUTHORIZING AN INCREASE IN THE PURCHASE ORDER TO TRIANGLE GRADING AND PAVING, INC. FOR WORK ASSOCIATED WITH THE WIDENING OF COUNTRY CLUB ROAD - *\$830,000 (Estimated Amount).*

Finance/Budget

C- 3. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- c. RESOLUTION APPROVING A CONTRACT WITH WILBUR SMITH ASSOCIATES TO CONDUCT A FEASIBILITY STUDY FOR THE PROPOSED MARTIN LUTHER KING, JR. DRIVE EXTENSION. [*\$101,550*]

In response to Chair Merschel's request, Mr. Gregory M. Turner, Assistant City Manager/Public Works, stated that the purpose of the feasibility study will be to determine the route for the proposed Martin Luther King, Jr. Drive extension from its origination point at Trade Street to the proposed termination point at Reynolda Road.

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

C- 4. CONSIDERATION OF MULTIPLE RESOLUTIONS REGARDING THE COOPERATIVE EFFORT BETWEEN THE PIEDMONT TRIAD RESEARCH PARK AND THE CITY TO CONSTRUCT REGIONAL STORMWATER MANAGEMENT CONTROLS IN DOWNTOWN WINSTON-SALEM:

- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE PIEDMONT TRIAD RESEARCH PARK TO SHARE IN THE EXPENSE OF CONSTRUCTING REGIONAL STORMWATER MANAGEMENT CONTROLS IN DOWNTOWN WINSTON-SALEM.
- b. RESOLUTION TO APPROPRIATE FEDERAL GRANT FUNDING AS A PORTION OF THE CITY'S CONTRIBUTION TO CONSTRUCT PHASE I OF THE BATH BRANCH REGIONAL STORMWATER MANAGEMENT PROJECT.
- c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.

Council Member Clark expressed concern that a cap of \$7 million seemed high according to his calculations.

In response to Council Member Clark's inquiry, Mr. Turner stated that staff will review the proposed

cap for funding as it appears that a lower amount would be sufficient.

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

#### GENERAL AGENDA

#### G- 1. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, APPROVING THE LEASE AGREEMENT WITH NORTH CAROLINA MUNICIPAL LEASING CORPORATION AND RELATED MATTERS.

Mrs. Denise Bell, Chief Financial Officer, stated that every other year, Certificates of Participation (COPs) are awarded to the City to provide any equipment needs for the next 18 to 24 months. The previous COPs were issued August 2006. In response to Council Member Clark's question, she stated that a new package must be created each year for the COPs.

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

#### G- 2. RESOLUTION AUTHORIZING A COMMITMENT OF FUNDS TO NORTHWEST CHILD DEVELOPMENT CENTERS, INC. [*\$17,000 from Housing Finance Assistance Funds.*]

Ms. Mellin Parker, Director, Housing/Neighborhood Development Department, stated that the \$17,000 request for funds will provide air conditioning and heating units to various centers within Northwest Child Development Centers, Inc. (NWCDC). In response to Council Member Johnson's question, Mrs. Parker commented that funding has not been sought from other entities and that there are no reserve funds in escrow due to a recent roofing project that depleted those resources.

Council Member Johnson expressed concern that granting these funds may set a precedent for other projects and other agencies may request funding as well, and guidelines for this type of request may need to be developed.

Ms. Parker stated that the urgency of winter and approaching cold weather is driving the need for this request, as the NWCDC would normally apply for funding under the Community Development Block Grant (CDBG) Fund. In response to Council Member Johnson's inquiry, Ms. Parker stated rather than a deferred payment loan, the usual procedure would be to develop an agreement that states if the use of the facility changes, the funds will have to be paid back immediately to the City.

*(Council Member Terry in at 4:11 p.m.)*

Council Member Johnson stated that NWCDC is a longstanding institution in the city and if there are similar requests for funding, she does not want to create an open door. She also stated that there needs to be a structure in place for assessing and granting these types of requests.

Council Member Burke stated that many children in the city attend these daycares and the process needs to be properly addressed. She also stated that the City Manager and the Housing/Neighborhood Development Department should set aside money for these types of requests.

Council Member Merschel stated that if the request is filled, NWCDC could still apply for the CDBG funds, and if granted, those monies could serve as reimbursement to the City.

Mr. Derwick Paige, Deputy City Manager, stated that NWCDC has reached its cap for CDBG funds allocated to repairs and a request would be a part of the Fiscal Year 2008-2009 budget, even though the request is a CDBG eligible expense.

In response to Council Member Clark's suggestion, Mr. Paige stated that the request was made using the CDBG guidelines and the benefit would be to provide a better service to low to moderate income families and their children.

In response to Mayor Joines' question, Ms. Parker stated that NWCDC is not currently supported through the Community Agency Provision within CDBG, but it does meet the qualifications.

In response to Council Member Burke's question, Mr. Tony Burton, NWCDC, 530 N. Spring Street, 27101, stated that there are six facilities in the area where 500 children are served. He also stated that they have the capacity to serve 600 children and that 85% of the children served receive some type of Department of Social Services funding. He further stated that NWCDC is not a United Way funded agency. In response to Council Member Johnson's inquiry, Mr. Burton stated that the roof of the facility needed to be replaced and that repair depleted any reserve funds that may have been used to replace the heating and air conditioning units. In response to Council Member Johnson's question, Mr. Burton stated the location facility in question is the school on Hattie Avenue which is rented from the Catholic Diocese.

Mr. Paige stated that NWCDC borrowed \$100,000 to replace the roof and cannot afford additional debt capacity at this time.

Council Member Johnson stated that she would be in favor of approving the request as a deferred loan process by Tuesday's meeting if staff is able to generate some guidelines for future similar requests.

Council Member Burke requested to know the number of daycare locations, the income of families served, and requested a review of the daycare's lease agreement with the Catholic church.

In response to Chair Merschel's question, Mr. Burton stated that NWCDC is developing a maintenance plan and looking at other funding sources for future needs.

Council Member Johnson suggested that Mr. Burton apply to the County for additional funding as well as all daycare locations are not within the city limits.

Council Member Johnson made a motion to approve the request on a deferred loan process, provided that staff provide guidelines for future requests. Council Member Burke seconded the motion provided that all requested information is provided. The motion carried unanimously.

### G- 3. CONSIDERATION OF ITEMS RELATING TO THE CREATION OF A HUMAN RELATIONS SPECIALIST POSITION:

- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.

Mrs. Wanda Allen-Abraha, Human Relations Director, stated that local government Fair Housing Assistance Program agencies within North Carolina were moved to the Chicago reporting region of Housing and Urban Development (HUD) and created added jurisdiction for fair housing cases. The Human Relations Department is now expected to fully investigate any complaints generated in public housing units rather than turning them over to HUD. She also stated that Human Relations would like to partner with the Housing and Neighborhood Development Department to meet these needs.

In response to Council Member Johnson's question, Mrs. Allen-Abraha stated that the Human Relations Department is expected to assume these duties immediately. She also stated that HUD of Atlanta is in a transition phase and statistics regarding the number of cases that have already been filed are not readily available. She further stated that there is a concern that Human Relations is not in compliance with the cooperative agreement with HUD and any grant monies could be jeopardized.

In response to Council Member Clark's question, Mrs. Allen-Abraha stated that all districts may have a different philosophy of who should be maintaining various guidelines.

Mr. Paige stated that within the different regions, there may be different interpretations of guidelines.

Council Member Clark expressed concern regarding the number of cases generated by the Housing Authority of Winston-Salem (HAWS) that have to be investigated and that a full-time position would need to be created for that.

Mrs. Allen-Abraha stated that some cases may start as a complaint, but if the tenant alludes that he/she is being treated a certain way because of a disability or income level, the situation has to be investigated as a fair housing complaint. In response to Council Member Clark's question, she stated that the majority of people in the program fall under the race protected class, but there are also protected classes of disability, religion, etc. She further stated that Human Relations has to work closely with case managers at HAWS to investigate only the necessary cases. She also stated that the new position will also be responsible for holding training sessions, organizing outreach opportunities and conducting investigations.

Council Member Burke requested that staff from Housing and Neighborhood Development, along with Mr. Paige, meet with Mr. Larry Woods, HAWS Director, to work together on investigating the cases as the case workers alone cannot be held accountable.

In response to Council Member Leight's question, Mrs. Allen-Abraha noted that it has been made clear to HAWS that anything classified as a landlord-tenant complaint will be addressed by Human Relations, but any fair housing issues need to be directed to HUD.

Council Member Johnson requested to know the number of HUD assisted properties that Human Relations services.

In response to Mayor Joines question, Mr. Paige stated that staff reviewed the current Human Relations Specialist position and the caseload is expected to double based in the number of properties within HAWS. He also stated that there will be other responsibilities given to the new position and additional needs may arise.

In response to Council Member Leight's question, Mrs. Parker stated that the position will be 75% funded under the administrative category within CDBG funds.

Mr. Lee Garrity, City Manager, noted that staff will find a way to meet the needs of the Human Relations Department until budget time.

Chair Merschel requested that staff bring back more definitive current numbers and potential needs to make the case clear, as it does not appear to be an immediate documented need.

Council Member Burke requested that Mr. Paige meet with Mr. Woods to determine the feasibility of housing the position within HAWS.

Council Member Johnson stated that if staff can prove an urgent need prior to budget time, to bring the item back for consideration.

Chair Merschel stated that the item will be held in the Finance Committee pending further information.

In response to Council Member Burke's question, Mrs. Allen-Abraha stated that there are currently ten investigators on staff in the Human Relations department.

#### G- 4. PRESENTATION OF FISCAL YEAR 2007 ANNUAL FINANCIAL REPORT FOR THE CITY OF WINSTON-SALEM.

Mrs. Bell introduced Mr. John Frank and Ms. LaVonne Montague, auditors from Dixon Hughes, and presented the FY 2007 Annual Financial Report.

Ms. Montague stated that there were two types of audits performed and no significant errors were found. She noted that the required communication letter outlined any adjustments made during the audit and the management letter lists recommendations and new standards.

In response to Council Member Johnson's question, Mrs. Bell stated that doubtful accounts are accounts that can reasonably be suspected not to collect. She also stated that she will provide the number of doubtful accounts and the total amount to Council.

In response to Council Member Johnson's inquiry, Ms. Montague noted that audit standards have changed from Sarbanes-Oxley and that all entities subject to audit will be affected by the changes.

Chair Merschel stated that Item C-2 had been withdrawn by the petitioner but was approved with the balance of the Consent Agenda and a new motion would need to be entertained to set aside the previous

vote.

Council Member Clark made a motion to set aside the previous vote approving the balance of the Consent Agenda. The motion was duly seconded by Council Member Burke and carried unanimously.

Council Member Burke made a motion to withdraw Item C-2 from the Consent Agenda. The motion was duly seconded by Council Member Clark and carried unanimously.

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

#### ADDITIONAL ITEMS

Council Member Johnson requested that staff look at predatory lending when reviewing fair housing practices and that the community be educated about home-ownership.

In response to Chair Merschel's question, Mayor Joines stated that the Nissen Building will become eligible to purchase as condominiums in 2009.

Council Member Burke requested to know the itinerary for the Hanes Geo-Components opening.

ADJOURNMENT: 4:57 p.m.