

SUMMARY OF MINUTES

FINANCE COMMITTEE

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

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 requested to pull Items C-1 and C-11. Council Member Clark requested to pull Items C-6(c), C-7 and C-8. Mayor Joines requested that information be provided on Item C-3 at the end of the meeting. Council Member Johnson requested that information be provided on Item C-4 at the end of the meeting. 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 Johnson and unanimously carried.

CONSENT AGENDA

Community and Economic Development

C-2. RESOLUTION AUTHORIZING SUBMISSION OF CONTINUUM OF CARE HOMELESS GRANT APPLICATION, ACCEPTANCE OF GRANT FUNDS, AND EXECUTION OF SUBGRANTEE AGREEMENTS.

Environmental Health

C-3. REPORT ON THE CITY OF WINSTON-SALEM'S GREEN INITIATIVES AND SUSTAINABILITY PROGRAM.

Public Safety

C-4. RESOLUTION AUTHORIZING THE WINSTON-SALEM POLICE DEPARTMENT TO ENTER INTO A CONTRACT WITH THE GOVERNOR'S HIGHWAY SAFETY PROGRAM. [Receipt of \$11,400.]

- C-5. RESOLUTION AUTHORIZING THE CITY COUNCIL TO ACCEPT A DONATION OF EXERCISE EQUIPMENT AND APPROVE PURCHASE OF EQUIPMENT BY THE WINSTON-SALEM POLICE DEPARTMENT.

Finance/Budget

- C-6. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
- a. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF ASPHALT EMULSION - *Seaco, Inc.* - \$101,500 (Estimated Amount).
 - b. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF BOWEN BOULEVARD REALIGNMENT - *Larco Construction, a Division of Sloan Construction Co., Inc.* - \$939,156 (Estimated Amount).
 - d. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF A TANDEM AXLE TRUCK WITH DO-AL BODY - *Herring Tractor and Truck Company, dba White's International Trucks* - \$103,672.
- C-9. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.

General Government

- C-10. RESOLUTION AUTHORIZING SALE OF SURPLUS USED VEHICLES AND EQUIPMENT.
- C-12. INFORMATION ON ADDITIONAL POSITIONS NEEDED TO SUPPORT THE PROPOSED POST CONSTRUCTION STORMWATER CONTROL ORDINANCE.

Transportation

- C-13. CONSIDERATION OF ITEMS RELATING TO THE EBERT STREET AT SILAS CREEK PARKWAY INTERSECTION IMPROVEMENT PROJECT:
- a. RESOLUTION AUTHORIZING FINAL PAYMENT TO THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR INTERSECTION IMPROVEMENTS ON EBERT STREET AT SILAS CREEK PARKWAY FOR \$175,008.33.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.

Property Matters

- C-1. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY OWNED BY JOHN R. OLIVER, JR. RELATING TO BOWEN BOULEVARD REALIGNMENT THROUGH A NEGOTIATED SETTLEMENT - *Lot 004R of Block 3193 located on New Walkertown Road. [\$92,350 from General Obligation Bond Funds.]*

Mr. Turner stated that the item would allow the City to purchase property at New Walkertown and Overlook Roads to aid in the Bowen Boulevard realignment and construction of an intersection in that area. He also stated that Mr. John R. Oliver, Jr. owns several properties along the proposed realignment area and City staff is keeping him abreast of all issues.

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

Finance/Budget

- C-6. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- c. RESOLUTION AWARDING CONTRACTS FOR CHERRY-MARSHALL PARKING DECK ELEVATOR MODERNIZATION - *ThyssenKrupp Elevator - \$328,877.*

In response to Council Member Clark's question, Mr. Randy Rogers, Property Maintenance, stated that the elevators are antiquated and consistently have problems. He also stated that they were installed in 1968 and have been in need of repair for some time. He further stated that there is no difference in the wear and tear on interior and exterior elevators. In response to Council Member Burke's question, Mr. Rogers noted that the elevators are safe, but have undergone heavy usage and are in need of repair.

Mr. Lee Garrity, City Manager, stated that the elevators have surpassed their life expectancy which is why repairs are warranted at this time.

Council Member Johnson requested that while the elevators are undergoing repair that an attempt be made to make the area more aesthetically pleasing.

Mr. Garrity stated that staff is currently reviewing that request.

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

- C-7. RESOLUTION APPROVING MODIFICATION OF CITY LOAN TO GOLER COMMUNITY DEVELOPMENT CORPORATION.

In response to Council Member Clark's question, Mr. Derwick Paige, Deputy City Manager, stated that the North Carolina Community Development Initiative is a nonprofit corporation that lends money to other nonprofit groups and Community Development Corporations (CDCs) which they obtain through state funding.

Ms. Evon Smith, 1466 Crestlawn Trail, Pfafftown, stated that the North Carolina Community Development Initiative is an intermediary funded by the state which the General Assembly makes an allotment to every year and whose proceeds go to non-profits participating in community economic development. In response to Council Member Clark's question, Ms. Smith noted that this is an agreement for the City to share a second position in financing.

Council Member Johnson stated that the institute has been in place for 15 years in collaborating with CDCs across the state and she feels comfortable with the agency.

Council Member Burke noted that Latin American and African American groups are making a positive economic impact in the community.

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

C-8. CONSIDERATION OF ITEMS RELATED TO THE APPROVAL OF A CONTRACT WITH BUXTON TO PROVIDE RETAIL RECRUITMENT SERVICES:

- a. RESOLUTION APPROVING A CONTRACT WITH BUXTON TO PROVIDE RETAIL RECRUITMENT SERVICES.
- b. 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 the City will be hiring an out of state company that little is known about.

Mr. John Allen, Development Director, stated that Buxton is a specialized company with a large database and capabilities to provide economic and demographic data. He also stated that they can pinpoint expenditures and target areas for specific retailers that would bring a positive addition to the area.

Mr. Paige stated that Buxton uses data they have collected to locate retail spots as retailers use demographics to determine locations. He also stated that they have an extensive client list and are able to bring retail ventures to underserved areas.

Council Member Clark presented a scenario for clarification. If there are two drugstores in town and there is a need for one more, Buxton will provide data to present to the third drugstore to determine site location.

Council Member Johnson stated that she spoke with Buxton representatives at the National League of Cities Conference and that they consider numbers of people as opposed to the specifics related to those numbers. She also stated that current area plans that the City is working on, such as New Walkertown, Martin Luther King, Liberty, Patterson, and Waughtown, will help create a client base that Buxton is looking for to help draw in the retail and commercial development that is needed in those corridors.

Council Member Burke noted that several studies have been done concerning these areas and they have

been reviewed for some time. She also noted that she hopes Buxton can bring success to these areas of concern. She further noted that the Liberty corridor has been struggling for several years as land is scarce for new development, parking and area beautification.

Council Member Johnson noted that developers working on the Davis Garage and Union Station projects have also spoken with Buxton.

In response to Chair Merschel's question, Mr. Allen stated that the resolution is asking the Committee to approve up to \$63,000 in funding, with the hope that a funding collaborative will fund \$15,000.

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

Council Member Johnson noted that it may be helpful to hear comments from CDCs in attendance.

Chair Merschel noted that speakers will have two minutes each.

She also stated there was a change in the Committee agenda regarding a report from Risk Management Associates (RMA), and called on the Cit Manager, who deferred to Council Member Burke.

Council Member Burke noted that after receiving the information last week, she would like for the RMA item to be presented at the April 21, 2008 City Council General Business meeting and it will then be referred to the Public Safety Committee.

The following citizens addressed the Committee:

Mr. James Shaw, 3471 Cumberland Road, 27105.

Ms. Carol Davis, 5017 Mayberry Lane, 27106.

Ms. Smith stated that she was excited to be included in the information provided by the Buxton group. City staff has assisted Goler CDC by helping them obtain meetings with retailers based on the demographics of a certain area. She also stated that Buxton has discovered that retailers consider lifestyles of constituents in different geographic areas by purchasing data that CDCs do not have access to, along with assessing banking trends and credit card data. She further stated that citizens living in East Winston-Salem appear to be spending more money in West Winston-Salem, so information needs to be presented to retailers that will show viable opportunities in eastern portions of the City.

Mr. Shaw stated that CDCs need support of the City Council and City staff to get things accomplished in the eastern portion of the City.

Ms. Davis noted that CDCs have had many struggles in attracting retailers to target areas. Buxton will help CDCs to make the sale and help them better understand the economics of target areas.

Chair Merschel made a substitute motion to recommend funding of \$48,000 as there is a possibility of an additional \$15,000 from a funding collaborative. The motion was duly seconded by Council Member Clark.

Council Member Johnson stated that various areas of the City will benefit from this item and will

provide tremendous help to those areas.

Council Member Burke stated that money has been spent in the past and little to no information was received. She also stated that there is nothing to show for any funding put in place east of Highway 52. She further stated that even if the full \$63,000 is approved, that entire amount may not be spent.

Council Member Clark stated that he does not doubt there is a need for this information, but requested a meeting or teleconference with Buxton to discuss the company and whether or not the information presented will be accurate and thorough enough to meet the City's needs.

Mr. Allen stated that references were checked in six cities of comparable size with four noting a positive experience and two noting a negative experience.

Council Member Clark requested to know if any private retailers were utilizing Buxton's services and the experience they were having.

In response to Mayor Joines question, Council Member Johnson stated that if \$63,000 is not approved, she does not feel that the City will lose any abilities with Buxton.

Chair Merschel stated that the item will be forwarded to full Council with two in favor of providing \$48,000 and two in favor of providing \$63,000. Council Members Merschel and Clark are in favor of providing \$48,000. Council Members Johnson and Burke are in favor of providing \$63,000.

C-11. REPORT ON THE YOUTH TASK FORCE.

Mrs. Martha Wheelock, Assistant City Manager, stated that this is an updated report that identified activities necessary for youth and recognition from City staff that the review needed to be expanded. She also stated that staff held a forum with the community in November 2007 and comments from that forum are included in the report. She further stated that staff has worked with the local school district and has introduced a survey into schools to target needed information. Mrs. Wheelock noted that there are two goals of the task force: a short term goal of identifying opportunities for youth entertainment this summer, which will be presented in May, as well as a long-term strategic plan for addressing all needs that local youth have expressed.

Council Member Burke stated that Mr. George Bryan, President of the Children's Home, was contacted via telephone and mail regarding this item and that staff will continue to work with appropriate community groups.

Mrs. Wheelock stated that staff has refocused the intention of the task force to make it more viable and more organized.

Council Member Johnson requested that staff notify those groups interested in participating to make them aware of where staff is in the process.

GENERAL AGENDA

G-1. RESOLUTION APPROVING THE FY 09 HOUSING AND COMMUNITY DEVELOPMENT PROGRAM AND AUTHORIZING SUBMISSION OF THE 2009-2013 CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

Ms. Mellin Parker, Director, Housing/Neighborhood Development Department, stated that staff is in the process of submitting the five-year plan to Housing and Urban Development which will cover 2009-2013. She also stated that this plan will allow the City to receive Community Development Block Grant, HOME Allocation, Down Payment Initiative, and Emergency Shelter Grant funds. She further stated that the five areas of the plan are housing conservation/neighborhood revitalization areas, local development and housing production, expand access and opportunities in transitional housing, expand economic development activities, and enhance/leverage funding for other programs. Ms. Parker outlined the Fiscal Year 2009 Budget Appropriations and noted changes in two amounts concerning the Program Income: Loan Repayments/Interest, and the General Fund HFF Program Income/Fund Balance. In response to Council Member Burke's question, Ms. Parker noted that the American Dream Down Payment Initiative program is still very active. She also noted that there have been two foreclosures within City-sponsored subdivisions, and staff continues to monitor these programs and urges citizens to work with Centers for Home Ownership.

Council Member Burke requested that Ms. Parker provide the number of citizens utilizing the City's first time home owner program to illustrate the City's track record by Monday.

Council Member Johnson requested to know how many within foreclosure in the City have been identified as victims of subprime/substandard lending and if the loss was due to other economic conditions. She also noted that the City's Housing Program warrants review to show how well it has done and it should be recognized for its efforts.

In response to Council Member Clark's question, Mrs. Parker noted that the Ten Year Plan does not overlap this plan because there are different funding sources.

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

G-2. CONSIDERATION OF ITEMS RELATING TO THE ISSUANCE OF \$5,105,000 TWO-THIRDS GENERAL OBLIGATION BONDS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA:

- a. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE.
- b. INTRODUCTION OF BOND ORDERS:

BOND ORDER AUTHORIZING THE ISSUANCE OF \$875,000 PUBLIC SAFETY BONDS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA.

BOND ORDER AUTHORIZING THE ISSUANCE OF \$1,750,000 STREET AND SIDEWALK BONDS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA.

BOND ORDER AUTHORIZING THE ISSUANCE OF \$2,480,000 PARKS AND RECREATION BONDS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA.

- c. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA CALLING A PUBLIC HEARING ON BOND ORDERS, DIRECTING PUBLICATION OF NOTICE OF SAID PUBLIC HEARING AND FILING OF A DEBT STATEMENT.

Mrs. Denise Bell, Finance Director, stated that this is the first document brought forward to issue two-thirds bonds which under State statutes, the City is allowed to issue every other year based on previous net debt reduction of General Obligation debt. She also stated that a list of projects that will be covered is provided. She further stated that bonds will be serviced through the budget set aside in the debt service fund with no additional new revenues required.

Council Member Johnson noted that the City is essentially paying itself back \$100,000 for the 14th Street project and hopes that within the re-entry program, the City can consider personnel changes internally and help with the re-entry process for those ex-offenders that have skills to offer to the City.

In response to Chair Merschel's question, Mrs. Bell stated that projects are subject to change within categories of the bonds. She also stated that approval of the bonds is based on general categories, but there is still discretion within those categories. Based on the Committee's approval, the sale date is June 10, 2008 with a Public Hearing scheduled for May 5, 2008. Mrs. Bell noted that the bond is sold as a General Obligation issue through competitive bids.

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

G-3. PRESENTATION BY THE ARTS COUNCIL.

Mr. J.D. Wilson, 1069 East Kent Road, stated that arts are successful in bringing people together and that people will relocate to the City of Winston-Salem due to its focus on the arts. He also stated that it is timely and critical to compliment movement within the City to fund arts projects and revitalize the center city area. He further stated that additional square footage of entertainment space will allow for more arts-related events and attract larger performances to the City as additional sources of revenue. Mr. Wilson noted that a partnership between the City and the Arts Council will reiterate a need of public participation to move forward with arts programs. He also noted that the Arts Council has been fundraising in the private sector and will begin to solicit funds from the public sector soon. He further noted that he is excited to see the community coming together to become involved in the arts.

Mr. Tom Ingram, 3711 Squirewood Drive, Clemmons, NC 27012, stated that there is a need for development to attract more people to communities and strong arts and theatre districts attract people. He also stated that the Arts Council Center City project will obtain \$8 million of its \$11 million goal from the private sector and will be looking to the City for approaches on obtaining the remaining \$3 million from the public sector. He further stated that the Arts Council will work with the City to find resources for development as well as redeveloping Winston Square Park.

Mr. Milton Rhodes, 219 Tar Branch Court, stated that the Arts Council will review ways to work through the \$3 million need. He also stated that while arts districts are improved, sidewalks and street lights will be improved as well. He further stated that some money from the 2008 budget could be used to hire architects to review the noted areas and see what improvements could be made on existing structures.

Council Member Clark expressed his thanks to the Arts Council for their effort and noted that the Arts Council and City staff will need to be creative to find funding sources.

Council Member Johnson expressed concern that re-tooling the Sawtooth Center with one entrance could have a negative impact and noted that entrances on each side of the building may be a better solution. She also noted that development needs to be inclusive of surrounding communities. She further noted that more effort should be made to include the Research Park area in these developments.

Council Member Burke noted that diversity is helping to move arts forward within the City and that Winston-Salem is known as the City of the Arts. She expressed her thanks to volunteers and noted that she appreciates their efforts. She also noted that all community groups should be considered and involved in the development process to appeal to all citizens. She encouraged the City Manager and City staff to help in any way possible to move the ideas of the Arts Council forward.

Council Member Leight stated that she feels the Arts Council plan is a logical extension of what is already happening downtown by way of development and urged the expansion from east to west to connect the entire City.

Mayor Joines noted that this would be a great project for the City as it fits with its strategic vision and will help attract a younger generation to the City. He also noted that staff will need to be innovative with funding and suggested the use of the Ferguson Group to help identify federal funding sources.

Council Member Burke noted that in the past, the North Carolina School of the Arts was isolated and not connected to the Happy Hill community and surrounding developments. She also noted that with further developments in Old Salem and the addition of the Gateway YWCA, the area seems more connected and inclusive. She further noted that people should be encouraged to visit downtown because if they invest money there, they may also decide to live there. She requested that City staff maintain a close relationship with the Arts Council to help move these projects forward.

Chair Merschel stated that when visiting other cities, she is proud of Winston-Salem and its surrounding communities. She also stated that she feels challenged as the City is no longer competing on a local level, but rather a national level against large arts-related cities such as Boston, New York and Atlanta. She requested that City staff consider the two requests made from the Arts Council: a City staff contact and working with the architectural team to review Winston Square Park.

Mr. Garrity stated that he or Mr. Paige would most likely be the staff contact and that he will review the second request and report back to the Arts Council.

Council Member Burke noted that everyone seems motivated and it would behoove the City to take action at this time. She also noted that there is financial wealth within the City and the City can only benefit from this partnership with the Arts Council.

Council Member Johnson requested that when the map is displayed, that community arts centers such as the Delta Fine Arts Center be highlighted and that public art displays be used as a connective piece going forward. She also requested that the letter requesting funding be restated to reflect \$1 million rather than \$3 million.

Mr. Rhodes noted that it should be considered that a portion of the money generated by these projects will ultimately be put back into operations of these venues. In response to Council Member Johnson's question, he stated that as far as the Levitt Complex is concerned, there is a \$750,000 grant where \$250,000 will be applied to construction and \$500,000 will be applied over five years for programming.

Chair Merschel noted that it is an asset to have ambassadors of the arts and supporters and that it is important to engage neighborhoods and citizens to make them aware of plans.

G-4. PRESENTATION BY RISK MANAGEMENT ASSOCIATES, INC.

This item was pulled by staff to be heard at the City Council General Business Meeting on Monday, April 21, 2008.

Environmental Health

C-3. REPORT ON THE CITY OF WINSTON-SALEM'S GREEN INITIATIVES AND SUSTAINABILITY PROGRAM.

Mrs. Wheelock stated that this report is an update leading into budget and Mr. Rogers is overseeing the City-wide effort. She also stated that the program will be ready in June and an item regarding the target and proposed action of the program will be brought back to the Committee in June or July. She further stated that the program involves 16 departments and an item regarding best practices will also be brought back for review.

Public Safety

C-4. RESOLUTION AUTHORIZING THE WINSTON-SALEM POLICE DEPARTMENT TO ENTER INTO A CONTRACT WITH THE GOVERNOR'S HIGHWAY SAFETY PROGRAM. *[Receipt of \$11,400.]*

Council Member Johnson expressed concern regarding the Juvenile Crime Prevention Council and the loss of dollars there. She also noted that there has been some lost funding for a number of agencies that the City is coordinating with and suggested that this item be put on the City's Legislative Agenda as the program affects several local groups. She further noted that there appears to be a disjoint with District Attorney's (D.A.) office and perhaps a lack of communication or workforce issues.

Mr. Garrity stated that he is unfamiliar with the issue, but he will look into it.

Mr. Paige stated that there is a meeting on May 22, 2008 in Raleigh to discuss gang-related issues with legislators.

Council Member Burke requested that City staff get more local groups involved in these issues to give the City a greater presence. She also suggested that local community development groups be invited to attend.

In response to Chair Merschel's question, Mr. Garrity stated that the City is using the state level definition of gang.

Mr. Paige noted that there is an effort to add more structure to the gang task force as well as to get the D.A., school systems, and civic agencies involved.

ADJOURNMENT: 5:38 p.m.