

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, MAY 12, 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.

No 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. Council Member Burke abstained from the vote. The motion passed with four in favor and one abstaining. Those voting in favor of the motion were Council Members Merschel, Clark and Johnson.

CONSENT AGENDA

Community and Economic Development

- C-1. RESOLUTION AUTHORIZING FUNDING TO HABITAT FOR HUMANITY OF FORSYTH COUNTY, INC. FOR PROPERTY ACQUISITION IN THE OLD CHERRY #2 REDEVELOPMENT AREA.

Public Safety

- C-2. CONSIDERATION OF ITEMS RELATED TO A GRANT FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY:
- a. RESOLUTION AUTHORIZING THE CITY OF WINSTON-SALEM TO ACCEPT A GRANT FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY, AND THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY FOR THE 2007 FIRE ACT GRANT'S FIRE PREVENTION AND SAFETY GRANT FOR PURCHASING A FIRE SAFETY HOUSE. [*\$39,419.*]
 - b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY

ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA
FOR THE FISCAL YEAR 2007-2008.

- c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.

Finance/Budget

- C-3. RESOLUTION APPROVING THE FISCAL YEAR 2008-2009 OPERATING MEMORANDUM BETWEEN THE CITY OF WINSTON-SALEM AND THE RISK ACCEPTANCE MANAGEMENT CORPORATION (RAMCO).
- C-4. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
 - a. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF POLICE EVIDENCE STORAGE, TRAINING AND FORENSIC FACILITY - *Davie Construction Company, Inc.* - \$4,801,130 (Estimated Amount).
 - b. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF ONE FRONT LOADING GARBAGE TRUCK UNDER THE BID PROCEDURE WAIVER OF N.C.G.S.143-129(g) - *Mack of Charlotte* - \$190,124.
- C-5. CONSIDERATION OF ITEMS REGARDING STORM DRAINAGE IMPROVEMENTS CONSTRUCTION:
 - a. RESOLUTION ALLOWING WITHDRAWAL OF BID FOR CONSTRUCTION OF STORM DRAINAGE IMPROVEMENTS - *Yates Construction Co., Inc.* - \$885,820.
 - b. RESOLUTION REJECTING ALL BIDS FOR CONSTRUCTION OF STORM DRAINAGE IMPROVEMENTS.

General Government

- C-6. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *April 14, 2008.*

Transportation

- C-7. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO MUNICIPAL AGREEMENTS WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR LANDSCAPING ON BUSINESS 40 AND US 52 IN WINSTON-SALEM.

GENERAL AGENDA

- G-1. CONSIDERATION OF ITEMS RELATED TO AN INSTALLMENT FINANCING CONTRACT WITH BRANCH BANKING AND TRUST COMPANY:
- a. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT, A DEED OF TRUST WITH RESPECT THERETO AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS.
 - b. RESOLUTION APPROVING FINANCE PLAN FOR TAXABLE PORTION OF THE BROOKSTOWN ECONOMIC DEVELOPMENT PROJECT.
 - c. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.
 - d. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.

Mrs. Denise Bell, Finance Director, stated that the initial date for the issuance of Certificates of Participation was March 16, 2008 but due to rising interest rates, that date was delayed. She also stated that staff decided to review private banking funds and a request for proposal was issued, returning two bids, one from Branch Banking and Trust (BB&T) and one from Wachovia. She further stated that the bid from BB&T will save the City money long-term with a total tax-exempt cost of \$23.6 million and taxable cost of \$4.4 million. Mrs. Bell noted that the City could internally finance the \$4.4 million and pay itself back at 5.5% interest from the Debt-Service Fund over a 15 year term.

In response to Council Member Clark's question, Mrs. Bell stated that she expected to see 4.2% interest for the tax-exempt rates. She also stated that last year's interest earned rates for overall fixed and equity interests within the City were approximately 9% while the City is currently seeing 5%.

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

Council Member Burke stated that she was pleased to see the involvement of BB&T as it knows the needs of the City and appears to have a sincere and genuine interest in helping the City.

The motion carried unanimously.

- G-2. RESOLUTION AWARDDING CONTRACT FOR EXAMINATION OF ANNUAL FINANCIAL STATEMENTS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR FISCAL YEAR 2008 - *Cherry, Bekaert & Holland, L.L.P.* - \$77,000.

Mrs. Bell stated that due to risk based audit standards requiring increased audit hours, Dixon Hughes would not be able to fulfill their third year proposal fee of \$55,500 and requested an increase to

\$99,000. She also stated that staff received three bids on a request for proposal and is recommending the use of the firm Cherry, Bekaert & Holland, L.L.P., which has local government experience.

In response to Council Member Johnson's question, Mrs. Bell stated that the firm has a local office based in Raleigh.

In response to Chair Merschel's inquiry, Mrs. Bell noted that Dixon Hughes originally had a one year contract with the option of a two-year extension, and is not able to fulfill the third year.

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

Council Member Clark stated that the proposed bid of Cherry, Bekaert & Holland, L.L.P. seems reasonable for the size of the City.

In response to Council Member Burke's question, Mrs. Bell stated that there are no comparable firms within the City that have local government experience.

The motion passed unanimously.

ADDITIONAL ITEM

Council Member Johnson requested a brief review of the Mid-Eastern Athletic Conference (MEAC) meeting from Mrs. Martha Wheelock, Assistant City Manager.

Mrs. Wheelock stated that the City has bid to host the 2009-2011 MEAC tournament, and while the MEAC officials were displeased with the City's initial offer, several community organizations, such as the Millennium Fund and Winston-Salem State University, have offered additional funding. She stated that the discussion included tournament logistics and that MEAC officials continued to press for additional funding commitments. She further stated that additional language can be added to the contract to trigger additional funding if certain criteria are met. Mrs. Wheelock suggested that a committee of corporate and private business owners be formed to review funding capabilities.

In response to Chair Merschel's question, Mrs. Wheelock noted that 39,000 people attended the MEAC over a one week time period in 2007.

Council Member Burke noted that the Central Intercollegiate Athletic Association (CIAA) tournament was held in Winston-Salem for several years and that a strong basketball team presence would draw a crowd to the tournament. She also stated that if the basketball tournament itself does not draw a crowd, the social aspect of the tournament will attract visitors to the city. She further stated that the City helped the CIAA to formulate events and procedures that they continue to follow for a successful tournament.

Mrs. Wheelock noted that the CIAA tournament continues to benefit from marketing strategies developed in Winston-Salem and that those same strategies were offered to MEAC. She also noted that the City offers a good geographical location for the MEAC tournament. She further noted that some participating MEAC schools are Delaware State, South Carolina State, Florida A&M, along with others to form a 12-team conference.

In response to Council Member Clark's question, Mrs. Wheelock stated that the City may be competing against Norfolk, Virginia and Raleigh, North Carolina as possible tournament locations.

Council Member Clark requested a copy of the budget workshop meetings schedule.

Mr. Lee Garrity, City Manager, noted that information would be included in the Council Member's Thursday packets for their convenience.

ADJOURNMENT: 4:20 p.m.