

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, JUNE 9, 2008

COMMITTEE ROOM

ROOM 239, CITY HALL

MEMBERS PRESENT: Mayor Allen Joines
Council Member Wanda Merschel, Chair
Council Member Vivian H. Burke
Council Member Joycelyn V. Johnson

MEMBER ABSENT: Council Member Robert C. Clark, Vice Chair

OTHERS PRESENT: Council Member Molly Leight
Council Member Dan Besse (in at 4:21 p.m.)

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 Item C-1(a). No other items were removed for discussion.

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

CONSENT AGENDA

Property Matters

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

- b. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY IN THE OLD CHERRY NO. 2 REDEVELOPMENT AREA BY DEED OR CONDEMNATION - Lot 009 of Block 1350 located at 1634 Cherry Street; Lot 006 of Block 1351 located at 1408 Cherry Street; Lot 004 of Block 1340 located at 1469 Cherry Street; Lot 013 of Block 1351 located at 1440 N. Cherry Street; Lot 011 of Block 1351 located at 1436 Cherry Street; Lots 014B, & 107 of Block 1350 located at 1472-74 Cherry Street; Lot 106 of Block 1351 located at 1462-68 Cherry Street; Lot 007 of Block 1350 located at 1648 Cherry Street; Lot 008 of Block 1350 located at 1638 Cherry Street; Lot 007 of Block 1351 located at 1410 Cherry Street; Lot 104 of Block 1351 located at 1452-58 Cherry Street. [\$728,000 from General Obligation Bonds.]
- c. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA,

APPROVING A PURCHASE AND SALE AGREEMENT FOR THE BRYCE A. STUART MUNICIPAL OFFICE CONDOMINIUMS AND PARKING UNITS.

Finance/Budget

C-2. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION APPROVING A CONTRACT WITH DIMENSION DATA FOR COMPUTING INFRASTRUCTURE SUPPORT SERVICES - *Dimension Data* - \$952,149 (\$317,383 each year for three years).
- b. RESOLUTION AWARDED CONTRACT FOR ADVANCED TRAFFIC MANAGEMENT SYSTEM, CENTRAL SYSTEM SOFTWARE UPGRADE, AND RELATED SERVICES - *Econolite Control Products, Inc.* - \$699,579 (*Negotiated Amount*).
- c. RESOLUTION APPROVING ADDITIONAL CONTRACTUAL SERVICES WITH TEKSYSTEMS, INC. - *TekSystems* - \$144,000.
- d. RESOLUTION AWARDED CONTRACT FOR ANNUAL CONTRACT FOR STREET RESURFACING - *Yadkin Valley Paving Co., Inc.* - \$1,778,670.48.

Transportation

C-3. CONSIDERATION OF ITEMS RELATING TO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR THE CONSTRUCTION OF SIDEWALKS ON PETERS CREEK PARKWAY AND BREWER ROAD:

- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR THE CONSTRUCTION OF SIDEWALKS ON PETERS CREEK PARKWAY AND BREWER ROAD.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008.

C-4. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR THE CONSTRUCTION OF A GREENWAY FROM THE SHOPPES AT LITTLE CREEK ON HANES MALL BOULEVARD TO ATWOOD ROAD.

General Government

- C-5. UPDATE REPORT ON FUEL CONSERVATION INITIATIVES.
- C-6. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *May 12, 2008.*
- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
 - a. RESOLUTION AUTHORIZING THE DISPOSITION OF SURPLUS PROPERTY LOCATED AT 1214 PLEASANT VIEW DRIVE THROUGH A PUBLIC AUCTION AS PERMITTED IN N.C.G.S. 160A-270 AND AUTHORIZATION FOR ACCEPTANCE OF A FLAT \$500 BID DEPOSIT - *Lots 021 and 108 of Block 2067 located at 1214 Pleasant View Drive. [Receipt of \$69,900.]*

Council Member Burke requested to know how the property was obtained by the City.

Mr. Derwick Paige, Deputy City Manager, stated that the City acquired the home via demolition order and once the house was demolished, the property was acquired through foreclosure.

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

In response to Council Member Burke's question, Mr. Paige stated that staff would have liked to rehabilitate the home and save the property but the City had no authority to do so. The City is currently seeking legislative consideration of this authority.

GENERAL AGENDA

- G-1. RESOLUTION AUTHORIZING THE CITY OF WINSTON-SALEM TO ALLOCATE OUTSIDE COUNTY UTILITY SERVICES ECONOMIC DEVELOPMENT FUNDS.

Mr. Paige stated that staff is working on a project to construct two buildings of 500,000 square feet each in the Union Cross Business Park and public assistance was requested for a sewer line to serve these buildings. This construction will open an additional 100 acres of land for future development. There will be an estimated cost of \$350,000 to install the sewer line, and the request for assistance will provide \$175,000 of public funding using outside County Utility funds. There is a surcharge on outside County water charges and up to 50% of that surcharge is returned to the Utility Fund, which was established by the City Council and Forsyth County Commissioners. As the Chairman of the City/County Utility Commission is the agent representing the seller in the land transaction, Mrs. Angela Carmon, City Attorney, spoke with the School of Government to see if a conflict of interest exists. Since funds are open for any economic development project where a water or sewer need exists, and the developer is the one who requested assistance, there is no legal conflict of interest for the City.

In response to Council Member Johnson's question, Mrs. Carmon noted that she referred to the appropriate statutes regarding contracts and conflicts of interest, which she discussed with the School of Government and there has been no legal violation.

Mr. Paige confirmed that the sewer line does run along Dell Boulevard, serving two other sites and will open approximately 100 additional acres in that area.

In response to Council Member Burke's inquiry, Mr. Lee Garrity, City Manager, noted that the source of funds is from water and sewer rate customers outside of Forsyth County but it is public governmental money.

In response to Council Member Burke's question, Mrs. Carmon stated that although a previous employee of the City is part of the company involved with the request, it does not appear that person had any inside information that would violate the statute.

Council Member Burke noted that staff should ensure fairness is considered with projects when ex-employees are involved.

Chair Merschel made a motion to forward the item to full Council without a recommendation. The motion was duly seconded by Council Member Johnson and carried unanimously.

In response to Council Member Burke's question, Mr. Paige noted that Mr. Brian Nash and Mr. Jeff Gartska were in attendance representing the company.

Council Member Johnson requested that the Human Resources Department develop an ethics policy stating that a certain amount of time must pass prior to a previous City employee being able to participate in City business.

Mr. Garrity stated that staff is currently working on an ethics policy that will apply to Boards and Commissions members as well.

G-2. CONTINUATION OF CONSIDERATION OF PROPOSED FY 2008-2009 BUDGET.

Mr. Garrity noted that Mrs. Ann Jones, Budget and Evaluation Director, has prepared responses from last week's questions and has noted recommended staff changes and technical corrections.

Chair Merschel noted that if the Committee has reasonable time to address any budget-related questions, there will be a possibility of cancelling the Tuesday, June 10, 2008 Budget Workshop scheduled for 2:00 p.m.

Council Member Besse in at 4:21 p.m.

- Council Member Johnson inquired if the information presented regarding Tanglewood reflected the elimination of tennis tournament activities and whether or not the City would benefit from additional cuts in County tournament activities for 2009-2010.
- Chair Merschel noted that there was some citizen concern regarding the sale of alcoholic beverages.
- Council Member Leight requested clarification on the comparison of adjusted costs of police officers within the City in contrast to other cities.

- Mayor Joines requested clarification that the comparison of facilities for water and sewer service shows Winston-Salem being higher because it is part of a County system and several municipalities are served within that system.
- Council Member Leight expressed concern that even though the City has a more extensive system, the number of employees is not equivalent.
- Council Member Burke requested that staff ensure that when issuing grants, such as to Old Salem, that grantees are operating as an extension of the City and held to the same standards.
- Council Member Johnson requested to know whether or not agencies were deleted from the list or if the funding method was restructured.
- Council Member Burke requested to know if there was a list of guidelines to determine how agencies were selected for grants and that staff ensure those guidelines are followed.
- Chair Merschel clarified that the request from Old Salem will be funded from the Occupancy Tax Fund rather than the Fund Balance.
- Council Member Johnson requested that agencies be rotated within the grant system where every so often they will receive no funding, allowing more agencies to be served.
- Council Member Leight requested a Capital Campaign Calendar and information on community support to the agencies.
- Chair Merschel requested that staff review agencies that are funded through departmental budgets listed in the documentation.
- Council Member Besse requested that staff review the smaller bus quote provided by the Winston-Salem Transit Authority as it receives the same gas mileage as larger buses.
- Council Member Johnson questioned whether or not there would be a risk in not replacing uniforms for the Fire Department.
- Council Member Besse requested to know the estimated time to change over uniforms that do not meet the new uniform standard effective in 2009, and the cost associated with replacing uniforms in one year, rather than two to three years.
- Council Member Johnson expressed concern that if the appearance of the new uniforms will not be the same professional quality that citizens are used to seeing, it may affect the ability to recruit new firefighters.
- Mayor Joines requested to know if Mr. John Gist, Fire Chief, had ever witnessed pants melt inside turnout gear.

- Council Member Burke questioned whether or not staff was monitoring the number of people walking and riding bikes to work to combat local transit issues.
- Council Member Johnson inquired if anything was being done to serve the area along Third Street as the lunch trolley service was removed. She suggested that staff reinstall the services of the trolley to pass by the Forsyth County Government Center, Forsyth County Courthouse, Bryce A. Stuart Municipal Building, City Hall and other buildings where citizens are served.
- Mayor Joines questioned whether or not the farebox increase option reflects both ridership and rates.
- Council Member Besse noted that Greensboro has seen an increase in ridership of mass transit and have created a late-night and weekend route for college campuses. He also noted that research shows the biggest increase in ridership in small and medium sized cities due to the increasing cost of fuel.
- Chair Merschel requested that staff have conversations with mass transit stakeholders including Dash regarding late-night and weekend routes.
- Council Member Leight questioned whether or not businesses and colleges will help support late-night and weekend routes.
- Council Member Johnson suggested that Winston-Salem State University's Ram Express could possibly extend to downtown and circle back to the campus.
- Council Member Burke requested mass transit student ridership information.
- Council Member Johnson questioned whether or not the list including the revised bond amount was included in the documentation provided. She also questioned if signage at the stadium would be included in the documentation. She further questioned if renovations at an existing City pool could possibly be included or would it need to be pushed to the 2009 budget.
- Chair Merschel stated that the new Police Chief will determine the most critical public safety needs once he takes office.
- Council Member Leight noted that she prefers to see the cost of living factored into figures as it more accurately reflects necessary pay raises.
- Council Member Besse requested that marketing to institutions and businesses for ridership passes for employees be included in the Transit Service Enhancements as an incentive for employers and to help increase ridership.
- Council Member Johnson noted that in previous years, tracking of bus passes for employees has been difficult.
- Chair Merschel requested that staff provide copies of documentation provided to Council Member Clark.

Council Member Johnson made a motion to forward the budget to the full Council without a recommendation but expressed concern with the rates proposed by the City/County Utility Commission.

Chair Merschel requested that the motion incorporate the staff reduction in Utilities as a change from the original document.

Council Member Johnson noted that while the City Council does not set Utility rates, she made a motion to approve the budget incorporating proposed staff changes. The motion was duly seconded by Chair Merschel and carried unanimously.

Mrs. Jones noted that transit changes will be incorporated as well.

Chair Merschel noted that there would be no Budget Workshop on Tuesday, June 10, 2008.

ADJOURNMENT: 5:20 p.m.