

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, JULY 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 (in at 4:20 p.m.)
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 Johnson requested to pull Item C-2. Council Member Clark requested to pull Item C-4. 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 carried unanimously.

CONSENT AGENDA

Property Matters

- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
- a. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTIES FOR BREWER ROAD WIDENING BY DEED OR CONDEMNATION - *Lot 001 of Block 6497 located at 2360 Brewer Road; Lot 003 of Block 6497 located at 2370 Brewer Road; Lot 005 of Block 6497 located at 2380 Brewer Road; Lot 303 of Block 3852 located on Brewer Road; and Lot 004H of Block 3852 located on Brewer Road.*
 - b. RESOLUTION AUTHORIZING ACQUISITION OF EASEMENTS FOR WEST CLEMMONSVILLE ROAD EXTENSION BY DEED OR CONDEMNATION - *Lot 009B of Block 3862 located at 1640 Wharton Avenue; Lot 100A of Block 3864 located at 1600 Wharton Avenue; Lot 100B of Block 3864 located at 1540 Wharton Avenue; and Lot 006A of Block 3864 located at 1492 Pleasant Fork Church Road.*
 - c. RESOLUTION AUTHORIZING THE ACQUISITION OF AN EASEMENT FOR

THE EXTENSION OF THE MUDDY CREEK GREENWAY - Lot 003B of Block 4635 located along property known as Jefferson Elementary School.

Community and Economic Development

- C-3. RESOLUTION APPROVING ECONOMIC DEVELOPMENT ASSISTANCE TO AMPHENOL CORPORATION.

Finance/Budget

- C-5. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
- a. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF RESTROOM AND DORMITORY RENOVATIONS AT FIRE STATIONS 10, 11, 12, 15, AND 16 LOCATED AT 4700 COUNTRY CLUB ROAD, 2745 WAUGHTOWN AVENUE, 3620 NEW WALKERTOWN ROAD, 4548 SHATTALON DRIVE, 1701 POPE ROAD - *Saw Construction Co., Inc.* - \$98,469 (Estimated Amount).
 - b. RESOLUTION AWARDED CONTRACT FOR QUARRY PRODUCTS - *Saw Construction Co., Inc.* - \$98,469 (Estimated Amount).
 - c. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF NEW SIDEWALK CONSTRUCTION, SIDEWALK REPAIRS, AND CURB REPAIRS - *FSL Enterprises, Inc.* - \$226,800 (Estimated Amount).
 - d. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF A TRUCK WITH 21' DUMP BODY AND LOADER - *White's International Trucks* - \$131,178.
- C-6. CONSIDERATION OF ITEMS REGARDING CONSTRUCTION OF OLD LEXINGTON ROAD IMPROVEMENTS:
- a. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF OLD LEXINGTON ROAD IMPROVEMENTS - *Larco Construction, A Division of Sloan Construction Co., Inc.* - \$2,025,122.40 (Estimated Amount).
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.

General Government

- C-7. RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH FORSYTH COUNTY TO SHARE IN A GEOGRAPHICAL INFORMATION SYSTEMS STUDY.
- C-8. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *June 9, 2008.*

Community and Economic Development

C-2. RESOLUTION REQUESTING SPECIAL APPROPRIATION FROM THE NORTH CAROLINA GENERAL ASSEMBLY FOR ASSISTANCE WITH IMPROVEMENTS TO PUBLIC INFRASTRUCTURE FOR THE BROOKSTOWN MIXED-USE DEVELOPMENT PROJECT.

Mr. Derwick Paige, Deputy City Manager, stated that the request is for \$1 million in Special Appropriation from the North Carolina General Assembly to assist with the public infrastructure improvements needed in the Brookstown Mixed-Use Development Project. The total anticipated cost of improvements is \$10.3 million and there will be no increase in the City's participation or commitment the project.

In response to Council Member Johnson's question, Mr. Paige stated that these funds are earmarked so as other projects come up, staff could verify if other funds are available.

Council Member Johnson expressed concern with areas that have issues with motor vehicle-pedestrian traffic such as Martin Luther King, Jr. Drive and Eastway Plaza, and possible solutions, similar to the traffic patterns at New Walkertown Road.

Mr. Gregory M. Turner, Assistant City Manager stated that the Transportation Safety Program identifies areas with patterns of accidents and implements low-cost improvements or identifies areas where larger capital improvements are necessary, such as the Reynolda Road area.

Council Member Johnson requested that the area surrounding Highway 158 at Gaither Avenue and Belews Creek Road be reviewed. She also expressed concern as to whether or not the verbiage of "young professionals" was necessary in the resolution, as local interest could be lost by specifying certain age groups and suggested that additional language be added to be more inclusive.

Mr. Paige stated that while there is a need for an inclusive downtown community for all citizens, the focus of the baseball stadium is one piece of a concerted effort of construction to create an environment that will attract a younger population to the downtown area, but that it should not be singled out as only being offered to a younger population.

Chair Merschel noted that some additional language could be added to the resolution to clarify the issue. She requested that any changes be made and provided to Council Members prior to Monday night's meeting.

Mayor Joines noted that verbiage regarding an improved quality of life, boost to the economy and overall community impact could be added to the resolution and that the General Assembly should be encouraged to aid in this effort.

In response to Chair Merschel's questions, Mr. Paige stated that there is no final approved site plan at this time, therefore this resolution will have no impact on what the Council has voted on thus far. He also stated that the project will be brought back before full Council for approval of Phase II as the project is currently in Phase I.

Council Member Johnson requested that grass surrounding in the medians around the stadium area be cut.

Council Member Leight noted that some of the structures opposite the stadium on the other side of Peters Creek Parkway may be moved to preserve the homes.

Chair Merschel noted that Council has discussed the importance of maintaining housing stock within the City and that moving these structures will aid in that effort.

Mr. Paige noted that staff will bring an item before Council next month regarding the preservation of structures.

Council Member Johnson made a motion to approve the item with recommended changes to language in paragraph five. The motion was duly seconded by Council Member Clark and carried unanimously.

Finance/Budget

C-4. RESOLUTION AUTHORIZING THE CITY MANAGER TO PURCHASE PROPERTY, BOILER, AND MACHINERY INSURANCE FROM THE BERKLEY MID-ATLANTIC GROUP THROUGH THE BROKER, SURRY INSURANCE.

In response to Council Member Clark's question, Mr. Tony Baker, Risk Administrator, stated that \$813 million of coverage is spread over the County and City while the \$250 million of coverage was purchased at no extra cost and was offered at the lowest rate. He also stated that \$25,000, \$50,000 and \$100,000 deductibles were reviewed and quotes were requested from various companies for coverage of those amounts and the added premium savings were not worth the risk of the higher deductible. He further stated that there was only about \$150 million claimed on the policy this year, and there have been very few property claims in the last five years.

Council Member Clark made a motion for approval. The motion was duly seconded by Council Member Johnson and carried unanimously.

GENERAL AGENDA

G-1. CONSIDERATION OF ITEMS RELATING TO FEDERAL TRANSIT ADMINISTRATION FUNDS FOR JOB ACCESS REVERSE COMMUTE:

- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO GRANT AGREEMENTS WITH SUBRECIPIENTS AND PASS-THROUGH FEDERAL TRANSIT ADMINISTRATION FUNDS FOR JOB ACCESS REVERSE COMMUTE AND NEW FREEDOM PROJECTS IN THE WINSTON-SALEM URBAN AREA.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR

2008-2009.

Mr. Turner stated that this will be a funding source to pay for expanded transit service offerings, such as expanded night and weekend service, as well as servicing the southeastern portion of the City.

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

- G-2. CONSIDERATION OF ITEMS RELATING TO THE COOPERATIVE EFFORT BETWEEN THE PIEDMONT TRIAD RESEARCH PARK AND THE CITY TO CONSTRUCT REGIONAL STORMWATER MANAGEMENT CONTROLS IN DOWNTOWN WINSTON-SALEM:
- a. RESOLUTION APPROVING A REVISED MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE PIEDMONT TRIAD RESEARCH PARK FOR A STORMWATER STUDY.
 - b. RESOLUTION TO ACCEPT FUNDING FROM THE 2008 WATER RESOURCES DEVELOPMENT ACT TO CONSTRUCT PHASE I OF THE BATH BRANCH REGIONAL STORMWATER CONTROL PROJECT.
 - c. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AMENDED AGREEMENT WITH THE PIEDMONT TRIAD RESEARCH PARK TO SHARE IN THE EXPENSE OF CONSTRUCTING REGIONAL STORMWATER MANAGEMENT CONTROLS IN DOWNTOWN WINSTON-SALEM.
 - d. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.

Mr. Turner stated that this item will complete four objectives in response to a requirement to redesign the Bath Branch Stormwater Pond System to satisfy state and environmental regulators. The four objectives are a revised memorandum of understanding for the redesign work, a resolution to pursue and accept federal funding if received for the project, a revised memorandum of understanding for the construction, and an ordinance revising the design costs and providing funding for those costs. The total project will cost approximately \$21 million and funding is being pursued from the state in the amount of \$3 million. The City will be responsible for two-thirds of the project cost and Piedmont Triad Research Park (PTRP) will be responsible for one-third. The \$14 million cap reflects the assumption that if no state or federal funding is not received, two-thirds of \$21 million would be the City's responsibility.

Council Member Burke in at 4:20 p.m.

In response to Chair Merschel's question, Mr. Turner stated that City funding requested comes from the Clean Water Trust Fund, but as the project has been revised, the request to the state for approval of the design has to be renewed. The Water Resources Development Act is a federal program and funding has been earmarked, but not authorized. Other funding sources would be the City's Stormwater Fund and PTRP funds. He also stated that the Stormwater Fund is funded by stormwater fees and that bonds can be issued from that fund, or paid as the project progresses. Once funding from other sources is discovered and once the construction schedule is known, the City's commitment will need to be established. Mr. Turner noted that if funding fails to be earmarked, the project would not be able to move forward without coming back to Council for additional authorization. Mr. Turner also noted that the project had to be redesigned to meet stormwater requirements while maintaining the ability to serve both the citizens of Winston-Salem and PTRP.

Chair Merschel requested that staff provide a diagram defining the project area that is outside of the park but within the downtown area.

In response to Council Member Leight's question, Mr. Turner stated that runoff will have to be redirected so it will not impound against the bank system of Interstate 40.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Johnson and carried on a vote of three in favor, one abstaining and none opposed. Voting in favor of the motion were Council Members Clark, Johnson and Merschel, with Council Member Burke abstaining from the vote.

Council Member Johnson noted that Council Members will be receiving an invitation to participate in a community discussion about the project on August 4, 2008 at 4 p.m. in the auditorium at PTRP.

G-3. RESOLUTION AWARDING A PUBLIC ART INITIATIVE GRANT TO THE CHILDREN'S MUSEUM.

Mrs. Martha Wheelock, Assistant City Manager, stated that Mr. Eric Kerchner, Executive Director of the Children's Museum, contacted City staff about the public art initiative. She also stated that there are three components that remain to be determined: a process to inventory public art, accepting public art donations and identifying ways and means of using public art initiative money.

Mr. Kerchner stated that there is a need to create space within the Children's Museum for future large-scale traveling exhibits that will be housed there. He also stated that there is a 2,200 square foot area on the second floor of the museum that houses letter sculptures and museum officials would like to identify potential locations and distribute the letters throughout downtown Winston-Salem. The letters will need to be moved and bases made to secure them to, then they will remain in the community for eight months and possibly moved to other locations in the surrounding City and County. Mr. Kerchner noted that some businesses have expressed interest in letters that correlate with their business name to be put on display along with several schools and libraries that have expressed interest.

Council Member Burke stated that she supports the idea and questioned how children from lower income homes would be exposed to this museum opportunity.

Mr. Kerchner stated that Cook and Kimberley Park Elementary Schools have been identified as possible sites for letter placement, and suggested the possibility of some recreation centers. He also stated that there will be two City-wide scavenger hunts once the letters are placed to draw people into the downtown area.

In response to Council Member Johnson's question, Chair Merschel stated that the Children's Museum request is specifically to the City's Public Art Fund and no request has been made to the County.

Mr. Kerchner noted that funding is needed to finance moving each letter and to construct bases and fixtures.

Council Member Johnson suggested potential locations: Diggs Elementary School, Hanes Lowrance Middle School, the Delta Fine Arts Center, local Alpha Kappa Alpha Sorority, Inc. sponsored facilities and the Head Start Center.

Mr. Kerchner stated that the Children's Museum hopes to reach all areas of the City with the project and noted that incoming exhibits to the museum will have funding sponsors.

Council Member Leight expressed concern that the idea may be better suited to downtown revitalization rather than public art.

Mr. Kerchner stated that each sculpture is unique to the Museum and community, the pieces are interactive and the project will assist the Museum in reaching out to the community.

Chair Merschel expressed her belief that the exhibit is entry-level art paired with art and education and stated that she is excited at the possibility that the first public art funded project would be geared toward youth and education. She also noted that the City will be listed as the sole sponsor of the project which reinforces it as a City of the Arts.

Council Member Johnson expressed concern that this may not be the best initial test project as no formal process for identifying and defining public art has been established.

Mrs. Wheelock stated that there is no formal process as of yet and that the public arts initiative is part of the Occupancy Tax Fund.

Council Member Burke suggested that public art be defined for clarity within the guidelines of the Public Art Fund.

Chair Merschel noted that criteria for defining public art is less subjective than art in general. She also noted that the project has educational value, it will be based within the community and it is supporting local business. She further noted that this project could be considered separately for its particular value to the City.

Mayor Joines noted that the project will provide 26 locations for art and arts education within the community which can create excitement and draw attention to the City.

Council Member Clark requested that staff provide the costs associated with significant public art pieces in other locations within the country.

Council Member Leight expressed her preference for a more permanent public art piece so it becomes a symbol of the City.

Council Member Burke requested that staff obtain input from the Arts Council.

Chair Merschel requested that Council Members provide additional thoughts or additional criteria they would like considered when defining public art.

Council Member Leight suggested that the letters be leveraged to obtain contributions from local businesses to help fund the project.

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, one abstaining and none opposed. Those voting in favor of the motion were Council Members Burke, Clark and Merschel, with Council Member Johnson abstaining from the vote.

G-4. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH BLUE CROSS/BLUE SHIELD OF NORTH CAROLINA AS ADMINISTRATOR OF THE CITY'S HEALTH CARE PLAN - *Healthcare for Employees and Retirees under Age 65 - \$3,178,000 (Three Years - Estimated Amount)*.

Mrs. Melissa Hasty-Taylor, Human Resources Director, stated that the City's contract with United Health Care (UHC) will end December 31, 2008 and bids were obtained from other companies to provide health care insurance to the City. She also stated that an evaluation team was established to address proposals from Aetna, Cigna, Blue Cross/Blue Shield (BC/BS), MedCost and UHC, with the help of Mercer Human Resources Consultants. She further stated that the two finalists were interviewed and BC/BS was chosen as the most economical option. Mrs. Taylor presented a summary of vendor proposals from the two finalists as well as an estimated cost per employee per month.

In response to Council Member Clark's question, Mrs. Wheelock stated that the current net cost is \$29.67 per employee per month and the current gross cost is a bit higher. She also stated that the discount savings were estimates and not guaranteed. She further stated that the overall network discount from BC/BS made it the best choice for the City.

Mr. Lee Garrity, City Manager, noted that the majority of City staff preferred BC/BS as their health insurance provider.

Council Member Johnson requested that annual health care screenings be scheduled and made mandatory for those staff members who are in constant contact with the public. She noted that identification of early onset diseases, such as cancer, stroke and heart disease risk and body mass index, can be beneficial and save money in the long run.

Mrs. Taylor stated that there is a plan in place to enhance wellness initiatives and staff is working on an incentive package to encourage staff participation. She also stated that individual counseling and nutrition classes may be a part of the package.

Mrs. Wheelock noted that staff participated in a demo of the BC/BS website, as well as online tests and tools that are offered.

Council Member Johnson requested that City Scene be utilized as part of the initiative to include menus or health tips in each issue.

Mrs. Taylor noted that staff will be strongly encouraged to participate in wellness initiatives and health risk assessments.

Council Member Burke suggested that some staff members can serve as examples.

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

**G-5. RESOLUTION AUTHORIZING REAL ESTATE ACQUISITION NEGOTIATIONS
BY THE CITY MANAGER OR HIS DESIGNEE(S).**

Mr. Kirk Bjorling, Real Estate Director, stated that occasionally within the negotiation process of projects approved by Council, there are legitimate needs for small increases due to a variety of matters where property owners do not feel they are being adequately compensated. These situations may delay a project or risk the loss of a contract, and this resolution will authorize the City Manager or his designee to negotiate increases up to \$1,000.

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

Council Member Johnson expressed concern regarding a property owned by the City located on Patterson Avenue at Northwest Boulevard that was in violation of the City code regarding the upkeep of the property. She also noted that some surrounding City-owned properties on Main Street and Northwest Boulevard may also be in violation of the code.

Council Member Clark suggested that staff proactively pursue disposing of small unbuildable City-owned lots and stated they could possibly be sold for a nominal fee to adjoining property owners.

Mr. Paige noted that the North Carolina General Assembly approved a statute which will allow the City to attach conditions to the sale of property. He also noted that staff will be bringing an item to Council to look at ways of removing small, unbuildable lots from the City's books. He further noted that maintenance of the small lots is ongoing and costs increase annually. In response to Council Member Leight's question, Mr. Paige stated that the small lots were acquired via foreclosure or demolition liens and the lots are not buildable under current zoning regulations.

- G-6. CONSIDERATION OF ITEMS RELATING TO AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF WINSTON-SALEM, NORTH CAROLINA AND THE COUNTY OF FORSYTH, NORTH CAROLINA TO SHARE 2008 BYRNE JUSTICE ASSISTANCE GRANT PROGRAM AWARD:
- a. RESOLUTION AUTHORIZING INTERLOCAL AGREEMENT BETWEEN THE CITY OF WINSTON-SALEM, NORTH CAROLINA AND THE COUNTY OF FORSYTH, NORTH CAROLINA TO SHARE 2008 BYRNE JUSTICE ASSISTANCE GRANT PROGRAM AWARD.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.

Mr. Scott Cunningham, Police Chief, stated that the Forsyth County Sheriff's Office (FCSO) and the Winston-Salem Police Department (WSPD) will share Byrne Justice Assistance Grant (JAG) funding of \$66,400 to be split evenly between the two. The WSPD funding will be used for an evidence shelving system that will aid in evidence management operations at a cost of \$26,000 and the remaining \$7,200 will be used for equipment to assist in better evidence procedures, specifically acquisition and raising of fingerprints.

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

In response to Council Member Johnson's request, Mr. Paige stated that he will verify if the Juvenile Crime Prevention Council funding was received.

Council Member Johnson noted that there are upcoming gang conferences to be held at United Metropolitan Church and on the campus of Salem College, and questioned whether or not the FCSO and WSPD are working together as a community to address the issue.

Chief Cunningham stated that both he and Sheriff Bill Schatzman share the concern of duplicating efforts and are working towards coordinating their resources. He also stated that both agencies intend to compliment one another's efforts and share information for the good of the City. He further stated that the WSPD also intends to use some of the JAG funding for the Police to Citizen program to disperse information into the community. Chief Cunningham noted that various agencies sponsor gang conferences and information is sent to differing groups to get a broader perspective.

Council Member Burke requested that entire groups or departments not be sent to each conference, but rather one representative that can report back and share the information. She also noted that the Center for Community Safety is in the process of providing ideas for programs to address the gang concerns in the community.

Mr. Paige noted that the WSPD received approval for a two-year grant to hire a gang resource coordinator to work with various groups and coordinate gang symposiums.

Council Member Johnson requested that in addition to the gang concerns, staff should not lose sight of other present criminal activity, particularly drug trafficking.

Mayor Joines noted that the governor signed the Gang Prevention Bill which will provide \$10 million to aid in these efforts.

Council Member Burke requested an update and status report on this initiative be presented to the Public Safety Committee.

Chief Cunningham noted that he met with a Hispanic clergy group that is interested in working with City staff on any gang initiatives.

Chair Merschel requested that while gang and drug initiatives are being discussed, that gun violence should be addressed as well.

ADJOURNMENT: 5:25 p.m.