

## SUMMARY OF MINUTES

### FINANCE COMMITTEE

4:00 P.M., MONDAY, SEPTEMBER 8, 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

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

Council Member Clark requested Items C-5(c) and C-7 be pulled and Council Member Johnson requested to pull Item C-6. 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 Burke and carried unanimously.

#### CONSENT AGENDA

##### Property Matters

- C-1. CONSIDERATION OF ITEMS RELATING TO THE OLD CHERRY NO. 2 REDEVELOPMENT AREA:
- a. RESOLUTION OF THE CITY COUNCIL OF WINSTON-SALEM ESTABLISHING MINIMUM FAIR MARKET REUSE VALUES FOR PARCELS IN THE OLD CHERRY NO. 2 REDEVELOPMENT AREA AND AUTHORIZING THEIR ADVERTISEMENT FOR SALE PURSUANT TO THE PROVISIONS OF N.C.G.S. 160A-269 (NEGOTIATED OFFER, ADVERTISEMENT AND UPSET BID PROCEDURE) & 160A-457 (NEGOTIATED PRIVATE SALE) - *Lots 010 and 110 of Block 1350, and Lots 014 and 016 of Block 1351 located in Old Cherry No. 2 Redevelopment Area.*
  - b. RESOLUTION AUTHORIZING THE SALE OF SINGLE-FAMILY LOTS WITHIN THE OLD CHERRY NO. 2 REDEVELOPMENT AREA TO A REDEVELOPER AT A PRIVATE SALE IN ACCORDANCE WITH N.C.G.S. 160A-457 - *Lots 002 & 003 of Block 1368; Lots 001, 002, 003, 004, 005, 006, 007*

*and 008 of Block 6601; Lot 202 of Block 1340; Lots 011 and 012 of Block 1344; Lots 106 and 201 of Block 1349; Lots 013, 014A, 101, 102, 103A, 104A, 010, 110 and 111 of Block 1350; Lots 014, 015 and 016 of Block 1351 located in Old Cherry No. 2 Redevelopment Area.*

C-2. CONSIDERATION OF ITEMS RELATING TO ERNIE SHORE FIELD:

- a. RESOLUTION CONFIRMING THE SALE OF CITY OWNED PROPERTY AT 401 DEACON BOULEVARD, KNOWN AS ERNIE SHORE FIELD, TO WAKE FOREST UNIVERSITY - *Lot 004B of Block 3408 located at 401 Deacon Boulevard.*
- b. RESOLUTION AUTHORIZING THE EXECUTION OF A SHARED PARKING AGREEMENT WITH WAKE FOREST UNIVERSITY FOR ERNIE SHORE FIELD.

C-3. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY OWNED BY H&V CONSTRUCTION RELATING TO BREWER ROAD WIDENING THROUGH A NEGOTIATED SETTLEMENT - *Lot 303 of Block 3852 located off of Brewer Road. [\$7,100 from General Obligation Bond Funds.]*

Community and Economic Development

C-4. RESOLUTION AUTHORIZING SUBMISSION OF CONTINUUM OF CARE HOMELESS GRANT APPLICATION, ACCEPTANCE OF GRANT FUNDS, AND EXECUTION OF SUBGRANTEE AGREEMENTS.

Finance/Budget

C-5. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION APPROVING A CONTRACT WITH TIME WARNER CABLE FOR DATA COMMUNICATIONS SERVICES - *Time Warner Cable - \$364,627.*
- b. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF ASPHALT EMULSION - *Larco Construction, a Division of Sloan Construction, Inc. - \$238,000 (Estimated Amount).*
- d. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF STORM DRAINAGE IMPROVEMENTS ALONG MCCREARY STREET, RAWSON STREET AND BELLEAUWOOD STREET- *Larco Construction, A Division of Sloan Construction Co., Inc. - \$627,660 (Estimated Amount).*
- e. RESOLUTION AMENDING CONTRACT FOR CONSTRUCTION OF POLICE EVIDENCE STORAGE, TRAINING AND FORENSIC FACILITY - *Davie Construction Company, Inc. - Increase in the Estimated Amount of \$837,264.65.*

- C-8. CONSIDERATION OF ORDINANCES AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE AND PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2007-2008:
- 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.
- C-9. CONSIDERATION OF ORDINANCES AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE AND PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009:
- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.

#### Transportation

- C-10. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONGESTION MITIGATION AND AIR QUALITY AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION.
- C-11. UPDATE ON STREETCAR FINANCING OPTIONS.

#### General Government

- C-12. CITY MANAGER REPORT ON PROPOSED KEY WORK ITEMS FOR FY 08-09.
- C-13. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *August 11, 2008*.

#### Finance/Budget

- C-5. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
- c. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF ROLLOUT

REFUSE CARTS UNDER THE COMPETITIVE BIDDING GROUP  
PURCHASING PROGRAM OF N.C.G.S.143-129(E)(3) - *Toter, Inc.* - \$275,282.50  
(*Estimated Amount*).

In response to Council Member Clark's question, Mr. Gregory M. Turner, Assistant City Manager/Public Works, stated this item was not related to the recycling test project, rather it is in response to customer demand for voluntary roll out carts to add convenience to waste disposal. He also stated that staff is still reviewing neighborhood recommendations for a recycling test project and that the roll out carts will be 64 gallon containers.

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

C-6. RESOLUTION AUTHORIZING FINAL PAYMENT TO ALLIED ROOFING CO.,  
INC. FOR THE ROOFING OF THE POLICE EVIDENCE STORAGE, TRAINING  
AND FORENSIC FACILITY CONTRACT.

In response to Council Member Johnson's question, Mr. Ruben Gonzales, Small Business and Economic Development Specialist, stated that the overstatement came from the engineering estimate base percentage of what Minority and Women Owned Business Enterprise (M/WBE) participation could be expected. He also stated that the number of truckloads of debris and hauling was over-estimated.

Council Member Johnson requested that staff ensure the M/WBE Advisory Board puts forth a good faith effort to ensure participation by M/WBE businesses and identify other M/WBE businesses in the area.

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

C-7. CONSIDERATION OF ITEMS RELATED TO FEDERAL EMERGENCY  
MANAGEMENT ASSISTANCE (FEMA) GRANT FUNDING:

- a. RESOLUTION APPROVING CITY PARTICIPATION IN A FLOODING ASSISTANCE PROJECT ACROSS PRIVATE PROPERTY AND APPROVAL OF A FEMA GRANT PROJECT AT 550 KINARD DRIVE. [*\$26,342 from Stormwater Funds.*]
- b. RESOLUTION APPROVING CITY PARTICIPATION IN A FLOODING ASSISTANCE PROJECT ACROSS PRIVATE PROPERTY AND APPROVAL OF A FEMA GRANT PROJECT AT 164 QUEENSBURY ROAD. [*\$26,013 from Stormwater Funds.*]
- c. RESOLUTION APPROVING A DESIGNATION OF APPLICANT'S AGENT FORM ALLOWING STAFF TO EXECUTE AND FILE APPLICATIONS FOR FEMA GRANT ASSISTANCE.

In response to Council Member Clark's inquiry as to whether or not the land could be utilized as a

neighborhood park, Mr. Turner stated that the City will own the land and maintain it and noted that a park would be feasible, as long as the amount of impervious surface is not increased. In response to Council Member Burke's question, Mr. Turner noted that all properties that have been presented to the Council for a Federal Emergency Management Assistance (FEMA) grant have been approved and also noted that he will bring a list of other properties in the flood plain that do not qualify or have not approached the City for assistance.

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

In response to Mayor Joines question, Mr. Turner stated that any FEMA grant money must be present before the projects can move forward.

The motion for approval carried unanimously.

Although the balance of the Consent Agenda had been voted upon, Council Member Johnson inquired about two additional items.

C-9. CONSIDERATION OF ORDINANCES AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE AND PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009:

- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.

In response to Council Member Johnson's question regarding the use of U.S. Department of Justice Forfeiture Funds, Mrs. Ann Jones, Budget and Evaluation Director, stated that she was unsure of the youth programs participating but would provide that information.

Transportation

C-10. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONGESTION MITIGATION AND AIR QUALITY AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION.

In response to Council Member Johnson's question, Mr. Turner stated that sites were determined via a list of deficient traffic detection devices and named several intersections where a video camera or closed circuit video would be more effective. He also stated that the Interstate 40 Business and Highway 52 corridor may not be eligible within the agreement because it mainly applies to signalized intersections, but noted that he would look into the matter.

GENERAL AGENDA

G-1. RESOLUTION AUTHORIZING RESTRUCTURING OF TWO REHABILITATION LOANS TO DELTA VISIONS.

Ms. Mellin Parker, Housing/Neighborhood Development Director, gave an overview of the item. In response to Mayor Joines question, she stated that a portion of the loan would amortize, rather than be forgiven. She also stated that the loan rate would be reduced to 3% from 9% and that Delta Visions would begin making monthly payments in March 2009, to be paid quarterly for five years. After that five year period, the balance of the loan will be paid off in monthly increments at 3% for 15 years and fully amortize. The \$16,450 loan would be a deferred payment loan.

Chair Merschel clarified that Delta Visions is requesting a modification on an existing loan, rather than requesting additional funding.

In response to Council Member Johnson's request, Ms. Parker stated that Item 4 within the Council Action Request Form will be clarified to note that the existing penalties and accrued interest portion will not be waived, but rather added back into the loan amount and paid off during the duration of the loan. In response to Chair Merschel's inquiry, she noted that \$13,000 cited on page seven, item one, is part of the \$16,450 original loan and it will be paid back, rather than forgiven. She also noted that 3% is the standard loan rate for Community Development Block Grants.

Mr. Derwick Paige, Deputy City Manager, stated that there are several types of loans and a standard investor loan would have a 9% rate and Delta Visions' project should have been considered a non-profit loan at the 3% rate.

Council Member Clark clarified that the original balance of \$82,000 is now \$77,547, the interest rate will be reduced from 9% to 3%, interest only will be paid for the next five years, and amortize over for 15 years after that time. He also stated that approximately \$16,450 is comprised of accrued interest and penalties that will be kept as a deferred loan until the property is sold. He further clarified that the City is currently in a second position behind Wachovia and once the loan is taken out, Wachovia will be taken off and the City will be in a shared first position.

In response to Mrs. Angela I. Carmon, City Attorney's question, Ms. Parker stated that the Council Action Request Form would be corrected to clarify the repayment schedule and address the Committee's questions and concerns.

Council Member Johnson requested to know the time frame before construction on the development would begin.

Ms. Doris Herrell, 1735 Ardmore Road, stated that she is the President of Delta Visions and the \$16,450 loan was a federal loan that was used to remove asbestos from the house and as long as ownership is maintained, the loan would not have to be repaid.

Mr. Andre Wallace, Senior Vice President for the North Carolina Community Development Initiative, 2209 Century Drive, Raleigh, stated that he was working with Delta Visions as a lender and as a redeveloper. The intention of the development is to create a sustainable community development with single-family homes, and that in speaking with contractors and architects involved, it will be 24 months before construction begins. In response to Council Member Johnson's question, he stated that 24 months will allow time to remove the existing structures on the property. In response to Council Member Burke's question, he stated that he is working with Bleecker Construction Company.

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

Council Member Clark requested more information regarding use of the \$16,450 loan and asbestos removal to be provided at the September 15, 2008 Council meeting.

Council Member Burke expressed her appreciation in the redevelopment of Old Greensboro Road.

Council Member Johnson expressed her appreciation in making the neighborhood friendlier and for creating a sustainable, green community.

The motion for approval of the item as amended carried unanimously.

G-2. RESOLUTION APPROVING CONCEPT FOR CITY PARTICIPATION IN CIVIC PLAZA.

Mr. Paige stated that the resolution will give authority, in concept, for City participation in the Civic Plaza project, which is located to the east of One Park Vista, and is currently under construction. He also stated that the City is being asked to participate in the funding of parking spaces and a parking deck. The total cost of the parking project will be \$6.5 million and the City is being requested to fund \$3.25 million. The project will generate \$300,000 in property tax that will help cover the cost of the debt service. He further stated that staff will work with the developer to determine a funding source for the remaining \$6.5 million cost. Mr. Paige noted that 95% of the total increment will be put into the project over 20 years to provide adequate cash flow. He also noted that in conversations with the developers regarding guarantees, the project will build-out over the next seven to eight years and new increments will be applied toward the debt service. In response to Council Member Burke's question, Mr. Paige stated that the project is not being treated as an economic development project and he does not know how many jobs would be created.

Mr. Kerry Avant, 1645 Westbrook Plaza Drive, stated that construction, retail and office jobs will be created by the project, and that the space will be an asset to the city.

In response to Council Member Clark's question, Mr. Paige stated that the City will own 177 spaces within the parking deck, as well as 163 additional spaces.

Council Member Johnson requested that staff ensure local community groups are included in the development process and that M/WBE participation is identified.

Mr. Paige noted that M/WBE goals will be established as part of the City's participation in the project and that community meetings will be planned to solicit citizen input.

Chair Merschel stated that this is a good project to anchor the center of the city with Goler Community Development Corporation's project to the north, the Research Park project to the east and the Gateway project to the south.

In response to Council Member Johnson's question, Mr. Paige stated that there will be enough revenue generated from the parking deck and rental revenues within the park to offset the cost of maintenance.

Council Member Clark made a motion to approve the item. Council Member Johnson seconded the motion, with the amendment to create a community advisory board, including representatives from local Greek organizations, for the creation of the park, as well as M/WBE involvement in construction efforts.

The motion carried on a vote of three in favor, none opposed and one abstaining. Voting in favor of the motion were Council Members Clark, Johnson and Merschel, with Council Member Burke abstaining from the vote.

### G-3. REPORT ON THE DEVELOPMENT REVIEW PROCESS, FINDINGS AND RECOMMENDATIONS.

Mr. Paige noted that Ken Millet, Small Business Liaison, has worked with the City Manager's office in a benchmarking study to see how other cities compare in the development review process. He presented the findings from the study and how the City can improve its role in the development review process going forward. In response to Council Member Johnson's question, Mr. Paige noted that with an online submittal component, the process of providing hard copies of documents will no longer be necessary.

Mr. Millet noted that the equipment for the online submittal component is expensive and the City is considering its purchase.

Mr. Lee Garrity, City Manager, stated that the City will purchase the equipment as soon as possible to make the submittal process easier.

Council Member Clark noted that Mr. Millet's salary has been partially funded by a private corporation and that he should now become a solely City-paid employee. He expressed concern that he continually receives phone calls from well-established companies within the city that have the same complaints as they did 20 years ago, regarding City Inspections processes. He also expressed concern with inconsistencies in inspections and the demonstration of personal preference rather than following procedure when conducting City inspections.

Council Member Burke expressed concern with inconsistencies in inspections and miscommunication between City Inspectors and the development community. She noted that developers provide a positive impact within the City and City staff should be willing to help them in their efforts.

Mayor Joines stated that the attitude of some staff will have to change with new processes and that inconsistency is the biggest complaint from the development community.

Council Member Johnson requested that staff accelerate the time schedule for implementing the new

processes.

Chair Merschel requested to know the top three obstacles that prevent fast tracking of a project and the costs associated with the Mobile Solution. She also requested that employee evaluations be modified so that behavioral changes are seen in two to three months rather than two to three years.

ADJOURNMENT: 5:30 p.m.