

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, OCTOBER 20, 2008

COMMITTEE ROOM

ROOM 239, CITY HALL

MEMBERS PRESENT: Mayor Allen Joines
Council Member Wanda Merschel, Chair
Council Member Robert C. Clark, Vice Chair (in at 4:05 p.m.)
Council Member Joycelyn V. Johnson

MEMBER ABSENT: Council Member Vivian H. Burke

OTHERS PRESENT: Council Member Molly Leight

Chair Merschel called the meeting to order and stated that Council Member Clark would be late and that Council Member Burke would not be in attendance. She then stated that, without objection, the Committee would first consider the Consent Agenda.

Council Member Clark sent a message requesting to pull Item C-5 for discussion when he arrives. 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 Chair Merschel and carried unanimously.

CONSENT AGENDA

Finance/Budget

- C-1. CONSIDERATION OF ITEMS RELATING TO THE AIRPORT BUSINESS PARK PROJECT.
 - a. RESOLUTION AUTHORIZING A CHANGE ORDER TO TRIANGLE GRADING AND PAVING, INC. - \$165,000.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.
- C-2. CONSIDERATION OF ITEMS RELATING TO THE WEST CLEMMONSVILLE ROAD EXTENSION PROJECT:
 - a. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF 48" DUCTILE

IRON PIPE - *U. S. Pipe & Foundry Co., LLC* - \$312,082.22.

- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2008-2009.

General Government

- C-3. RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE AND IMPLEMENT AN IDENTITY THEFT PREVENTION PROGRAM.
- C-4. CONSIDERATION OF INTERGOVERNMENTAL AGREEMENTS FOR INSPECTION ZONING ENFORCEMENT SERVICES:
 - a. RESOLUTION RENEWING AN AGREEMENT TO PROVIDE ENFORCEMENT SERVICES TO THE VILLAGE OF CLEMMONS.
 - b. RESOLUTION RENEWING AN AGREEMENT TO PROVIDE ENFORCEMENT SERVICES TO THE TOWN OF LEWISVILLE.
 - c. RESOLUTION APPROVING AN AGREEMENT TO PROVIDE ENFORCEMENT SERVICES TO THE TOWN OF WALKERTOWN.
- C-6. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *September 8, 2008*.

GENERAL AGENDA

- G-1. PRESENTATION OF PROPOSED INFORMATION TECHNOLOGY STRATEGIC PLAN.

Mr. Dennis Newman, Chief Information Officer, gave the presentation.

Council Member Clark in at 4:05 p.m.

In response to Council Member Clark's question, Mr. Newman stated that there is currently a backup system in place at Fleet Services where operations could continue should there be a power outage.

In response to Council Member Johnson's inquiry, Mr. Newman noted that employee kiosks are part of the Information Technology (IT) plan, along with personalized employee email accounts.

In response to Council Member Clark's question, Mr. Newman stated that old personal computers (PCs) are not customarily included in surplus equipment sales held by the City but that old PCs will be offered to current employees.

Mr. Lee Garrity, City Manager, noted that based on the honor system, PCs are offered first to employees who do not have computers in their homes.

In response to Council Member Johnson's question, Mr. Newman stated that, compared to other cities, based on various methods of technology employed, the City of Winston-Salem is more advanced in some areas and less advanced in some areas. He stated that funding has to be balanced to provide the most efficient technology methods. He further stated that the top three items he would employ (if available) would be mobility, to provide access to employees in the field; electronic operations where less paper would be used; and the ability to provide more information to citizens via the Internet. He also noted that the ability to e-pledge for City-wide fund raising campaigns was not available due to limited Internet access.

In response to Chair Merschel's inquiry, Mr. Newman stated that no cost or low cost options would be informational kiosks, personalized email accounts and providing information to the public via the Internet. He also stated that the City is utilizing most of the technologies accessible to it, but there are some restrictions within policies and procedures.

Mr. Garrity noted that department heads are encouraged to provide technological ideas at monthly meetings and showcase any technologically creative ideas.

In response to Chair Merschel's question, Mr. Newman stated that computer tips are provided in a monthly newsletter to employees.

In response to Mayor Joines' inquiry, Mr. Newman noted that staff is reviewing methods of initiating inter-departmental plan reviews.

Mr. Garrity noted that due to current budget restraints, some IT options proposed in the strategic plan will have to be re-assessed.

C-5. REPORT ON FLOODED PROPERTIES.

In response to Council Member Clark's question, Mr. Gregory M. Turner, Assistant City Manager/Public Works, stated that individuals do not have to have flood insurance for a specified number of years to qualify for assistance, rather they have to have a certain number of flood incidents within a given time period. He also stated that citizens are contacted each year by Emergency Management officials and notified if they are living in a flood plain and are provided information about flood insurance.

In response to Council Member Johnson's inquiry, Mr. Turner noted that vacant lots will become property of the City once a house is removed and the City can do with it what it chooses. He also noted that access to Brushy Fork Greenway could be provided between two residential lots via a permeable parking lot or on-street parking, but no impervious surface or pedestrian access can be created.

In response to Mayor Joines' question, Mr. Turner stated that property ownership must be indefinitely retained by the City and lots cannot be sold to adjoining property owners.

In response to Council Member Johnson's question, Mr. Turner stated that staff will check for a provision where the City could sell a lot and retain the easement, but allow adjoining property owners to maintain the lot.

G-2. UPDATE ON TEMPORARY FISCAL RESTRAINT MEASURES.

Mrs. Ann Jones, Budget/Evaluation Director, gave the presentation.

Mr. Garrity noted that the North Carolina League of Municipalities has sought legal counsel and will sue if the Governor decides to withhold any State-collected revenues and feel confident that they would win the suit.

In response to Council Member Leight's question, Mrs. Jones noted that income is recovered from the state each quarter.

In response to Council Member Johnson's question regarding re-valuation, Mrs. Jones stated that January 2009 is the scheduled re-valuation period. Mr. Garrity noted that there have been conversations with the County Manager as well as County Commissioners and there is an estimated 5% overall increase so County Commissioners do not want to change the year for re-valuation because of the negative perception this delay could cause.

In response to Chair Merschel's question, Mayor Joines' stated that a letter has been sent to the Governor regarding budget concerns. Chair Merschel noted that she is pleased with the City's proactive steps.

Mr. Garrity noted that salary savings presented are based on projected numbers assuming there is no salary freeze.

Council Member Clark requested a chart showing monthly salary savings.

In response to Council Member Clark's question, Mrs. Martha Wheelock, Assistant City Manager, stated that fuel storage is based on the number of days available and she will provide the actual fuel storage amounts.

Mr. Garrity noted that fuel can be stored approximately seven to ten days.

Council Member Clark requested to know if a contract could be negotiated to lock in a set price for fuel purchase.

In response to Council Member Johnson's question, Mrs. Wheelock stated that fuel pumps can only be accessed via a key card. Additionally, staff is on-site from 6:00 a.m. to 11:00 p.m. and police regularly patrol the area where fuel is stored.

Council Member Johnson requested to know if alternative-fuel vehicles were comfortable for the staff utilizing them, as they are more compact.

Mr. Garrity noted that there has been positive feedback for alternative fuel vehicles and staff will review usage needs.

In response to Council Member Clark's question, Mrs. Jones stated that budgeted property tax growth is

1.5%. She also stated that two inspector positions have been held open but with the hiring freeze, any additional hiring will be a growth within frozen positions.

Mr. Garrity noted that there is turnover in inspector positions when there is an increase in the construction industry.

Council Member Johnson requested real numbers rather than percentages regarding construction permits and inspector positions.

Mr. Garrity noted that the current situation is a \$5 million problem because the fund balance is budgeted each year with anticipation of not having to spend it. Revenues received are typically higher than expected and expenditures are typically lower than expected so there is a gain, but this is a budgetary shortfall of \$2.5 million, and a portion of the fund balance may have to be spent. He also noted that staff is reviewing any approved prepaid travel plans in cooperation with the freeze on travel and training.

In response to Council Member Johnson's question, Mr. Garrity stated that Public Safety positions, excluding Police Officers, and Sanitation positions are being reviewed and City Council will be notified of any potential impacts.

Mrs. Wheelock noted that staff is working with the Human Resources Department to review non-sworn Police Officer positions as some will be posted and filled and some will be frozen. She also noted that no Public Safety positions are included in the figures presented. She further noted that the Sanitation Department works with Debbie's Temporary Staffing to fill vacancies. There are currently 108 vacancies City-wide, mostly within public utilities and there are also 21 pending retirements.

In response to Council Member Clark's question, Mrs. Jones stated that the Capital Budget is currently \$7 million.

Council Member Clark expressed concern with the ability to pay for projects of the Utility Commission totaling \$100 million.

Mrs. Denise Bell, Chief Financial Officer, noted that staff reviewed these projects with the Utility Commission and there is the option to defer financing to the end of Fiscal Year 2009, options for short-term financing and hopes that the bond market will normalize within the next six to nine months. She also noted that BB&T has offered to participate in the funding of these projects, should it be needed.

Council Member Johnson requested that staff review other banks' willingness to participate in financing. She also requested that staff put any pertinent information on TV-13 so citizens can be informed and that information is communicated to City Link staff as they may begin receiving phone calls.

Mr. Garrity noted that there may be some additional communication to internal and external employees to clarify any misconceptions.

Mrs. Jones noted that monthly updates will be provided to City Council as the situation is monitored. In response to Council Member Leight's question, Mrs. Jones noted that freezes and cutbacks may or

may not affect the City Council's production, but in similar economic times in 2002-2003, bulky pickup was canceled, yard waste cart fees were initiated and there was a reduction in force to meet budgetary constraints.

Council Member Johnson expressed concern that there may be fewer community projects.

In response to Council Member Leight's question, Mayor Joines stated that current projects, such as Piedmont Triad Research Park and Goler must ensure that the projects carry their own weight and that revenues received will cover their debts.

Mr. Garrity noted that developers have been asked for guarantees on projects because the City cannot increase funding.

Mayor Joines noted that there has been some discussion in regards to a public forum where City Council can hear the public's concerns and answer questions, and a possible date could be November 13.

Council Member Johnson noted that most of the Council Members will be at the National League of Cities Conference on November 13 and suggested that agenda items be limited for the General Business meeting in November and expand the public comment period to entertain citizen questions and concerns.

Mayor Joines noted that the November 13 date was tentative and that hopefully the forum can be held sometime after the election. He also noted that he would like to discuss options for this meeting with the full Council.

Chair Merschel stated that she envisioned a separate called meeting that would be more than could be accommodated in a regular meeting format, devoted entirely to the citizens. She also stated that speakers or representatives from current projects could possibly be included.

Council Member Johnson requested to know if the proposed Pepsico facility in Kannapolis will affect the local Pepsico operation.

ADDITIONAL ITEM

Mr. Garrity stated that the Arts Council has requested to utilize a portion of Winston Square Park for the proposed expansion of the Sawtooth Center for Visual Art and that Council approval is required of a long-term lease to begin construction on the property. He also stated that in 2004, the City purchased the A\C Delco Building which the Arts Council will acquire via lease payment and at the same time City Council approved the sale of this portion of parkland. Although authority was granted to sell the property to the Arts Council and a lease is needed to move forward with the construction project. The lease will need to be advertised for ten days, and if the City Council wishes to expedite the project, staff can bring the item back to full Council for the first meeting in November to approve the lease.

In response to Council Member Johnson's question regarding lease terms, Mr. Derwick Paige, Deputy City Manager, stated that it will be a 99 year lease for \$1 per year and that the Arts Council will incur all maintenance and liability. He also stated that the land is approximately one-quarter of an acre.

Council Member Johnson requested to know if the lease terms could be increased to \$50 per year.

ADJOURNMENT: 5:27 p.m.