

## SUMMARY OF MINUTES

### FINANCE COMMITTEE

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

Council Member Burke requested to pull Item C-1(b). Council Member Clark requested to pull Items C-2(f) and C-5. 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 WEST CLEMMONSVILLE ROAD EXTENSION BY DEED OR CONDEMNATION - *Lot 046 of Block 3845 located at 1639 W. Clemmons ville Road; Lots 047 & 048 of Block 3845 located at 1629 W. Clemmons ville Road; Lots 049 & 050 of Block 3845 located at 1617 W. Clemmons ville Road; Lots 013A & 013B of Block 3846 located at 1642 W. Clemmons ville Road; Lots 012A & 012D of Block 3846 located at 1630 W. Clemmons ville Road; Lots 039A & 039B of Block 3846 located at 1624 W. Clemmons ville Road; Lot 038A of Block 3846 located at 2618 Old Salisbury Road; Lots 038B & 012C of Block 3846 located at 2614 Old Salisbury Road; Lots 007F & 007H of Block 3862 located at 2600 Old Salisbury Road; Lots 051 & 052 of Block 3845 located at 2533 Old Salisbury Road; Lot 001 of Block 3844 located at 2517 Old Salisbury Road; Lots 049B & 050B of Block 3844 located at 2511 Old Salisbury Road; Lot 020 of Block 3862 located at 2532 Old Salisbury Road; Lot 019 of Block*

*3862 located at 2520 Old Salisbury Road; Lot 018 of Block 3862 located at 2518 Old Salisbury Road; and Lots 016C, 016D & 017 of Block 3862 located at 2512 Old Salisbury Road. [\$165,250 from General Obligation Bond Funds.]*

- c. RESOLUTION AUTHORIZING THE EXCHANGE OF EASEMENTS OWNED BY THE CITY OF WINSTON-SALEM FOR EASEMENTS OWNED BY HELEN F. LONG PURSUANT TO N.C.G.S. 160A-271 - *A permanent waterline easement and temporary construction easement on Lot 100B of Block 3864 located at 1540 Wharton Avenue.*

#### Finance/Budget

#### C-2. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION AUTHORIZING FINAL PAYMENT TO CHARLES D. LOWDER, INC. FOR THE BURKE MILL ROAD REALIGNMENT CONTRACT.
- b. RESOLUTION AWARDED CONTRACT FOR ASPHALTIC CONCRETE FOR STREETS DIVISION - *Yadkin Valley Paving, Inc.* - \$2,952,556.25 (*Estimated Amount*).
- c. RESOLUTION AWARDED PURCHASE ORDER FOR TELESCOPIC BLEACHERS FOR SPRAGUE RECREATION CENTER - *Blankenship Associates* - \$19,800.
- d. RESOLUTION AWARDED CONTRACT FOR CONCRETE PIPE - *Foltz Concrete Pipe Co.* - \$164,002 (*Estimated Amount*).
- e. RESOLUTION AWARDED CONTRACT FOR POLICE PURSUIT VEHICLES - *Capital Ford, Inc.* - \$1,049,663.30.
- g. RESOLUTION AWARDED PURCHASE ORDER FOR PURCHASE OF ONE TRACTOR WITH MOWER UNDER THE BID PROCEDURE WAIVER OF N.C.G.S.143-129(g) - *John Deere Company* - \$104,766.96.

#### C-3. CONSIDERATION OF ITEMS RELATING TO THE CONTRACT FOR TRADE STREET STROLLWAY EXTENSION NORTH PROJECT, PHASE 1-C:

- a. RESOLUTION AWARDED CONTRACT FOR TRADE STREET STROLLWAY EXTENSION NORTH PROJECT, PHASE 1-C - *Little Mountain Builders of Catawba County, Inc.* - \$472,475 (*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-4. RESOLUTION REQUESTING SPECIAL APPROPRIATION FROM THE NORTH CAROLINA GENERAL ASSEMBLY FOR ASSISTANCE WITH IMPROVEMENTS TO PUBLIC INFRASTRUCTURE FOR THE DOWNTOWN CENTER FOR THE ARTS.
- C-6. CONSIDERATION OF SUMMARIES OF MINUTES:
- a. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *October 20, 2008.*
  - b. APPROVAL OF COMMITTEE OF THE WHOLE SUMMARY OF MINUTES - *November 10, 2008.*

Property Matters

- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
- b. RESOLUTION AUTHORIZING RIGHT-OF-WAY ACQUISITION BY THE N.C. DEPARTMENT OF TRANSPORTATION, AN AGENCY OF THE STATE OF NORTH CAROLINA, PURSUANT TO N.C.G.S. 160A-274 - *Right-of-way on Lots 019-043 of Block 1964 located on Liberty Street between Highway 52 and Thirtieth Street. [Receipt of \$88,200.]*

In response to Council Member Burke's question regarding improvements along Liberty Street and Highway 52, Mr. Derwick Paige, Deputy City Manager, stated that the ramp from Highway 52 to Liberty Street will be closed and realigned at 26<sup>th</sup> Street, allowing for the widening and redirection of traffic along 25<sup>th</sup> and Liberty Streets, toward the Airport Business Park.

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 noted that the progress of this project, as well as other projects along Highway 52 and Martin Luther King, Jr. Drive (MLK) will be included in a list of projects being prepared for the Public Works Committee.

Finance/Budget

- C-2. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
- f. RESOLUTION AWARDDING CONTRACT FOR READY MIXED CONCRETE - *Hartley Ready Mix Concrete Mfg., Inc. - \$277,585 (Estimated Amount).*

Council Member Clark expressed concern that only one bid was received for this item. Mr. Marshall Mathers, Purchasing Director, stated that it has become increasingly difficult to obtain bids for concrete and other companies get discouraged when it appears that the contract is won repeatedly by the same company. He also stated that he reached out to a previous bidder who noted that

they did not submit a bid.

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

C-5. ORDINANCE AMENDING CHAPTER 2 OF THE CITY CODE ESTABLISHING A PUBLIC ART COMMISSION.

Council Member Clark questioned whether or not there was an existing commission that would be able to address this need.

Mrs. Martha Wheelock, Assistant City Manager, noted that the Community Appearance Commission felt this project was not within its scope.

Mr. Lee Garrity, City Manager, noted that art and aesthetics are similar and it would be possible to hold the item in Committee for further discussion.

Council Member Leight noted that the project could be addressed by the Community Appearance Commission or Keep Winston-Salem Beautiful.

In response to Chair Merschel's question, Mrs. Wheelock noted that the Planning Department assisted with the landscape and design of Walmart on Peters Creek Parkway.

Council Member Burke noted that the Council has the authority to expand the duties of a Board or Commission.

Mayor Joines stated that a subcommittee could be formed within an already existing commission to meet these needs.

Council Member Johnson noted that an individual within a commission could be assigned to address public art needs or an additional member could be added rather than creating a new commission.

By consensus, this item will remain in Committee pending further discussion to determine if the task could be incorporated into the Community Appearance Commission's duties.

GENERAL AGENDA

G-1. RESOLUTION AUTHORIZING PARTIAL FORGIVENESS OF LOANS TO THE HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM FOR JOHNSON SQUARE APARTMENTS.

Mr. Paige stated that this request was from the Housing Authority of Winston-Salem (HAWS) to forgive a portion of a loan previously granted by the City. He stated that occupancy at Johnson Square Apartments is at 46% and the Council has suspended their payment on the rehabilitation loan due to this. He also stated that HAWS' plan is to convert 32 existing three and four bedroom units to 48 one, two and three bedroom units through funding obtained from Housing and Urban Development (HUD). With this resolution, the acquisition loan will be paid in full, 20% of the rehabilitation loan would be

repaid and HAWS will dedicate 10 units to working graduates of the Experiment in Self Reliance (ESR). Mr. Paige noted that staff recommends approval of this item as there is a clear need for affordable housing in this area, the current conditions of the units are not up to market standard and the current debt of the property exceeds its ability to collateralize. He also noted that it will be a significant investment in the area as HAWS is involved in the redevelopment efforts from Cleveland Avenue, along MLK to 25<sup>th</sup> Street.

Council Member Burke expressed her appreciation for the units dedicated to ESR and requested an update on the refurbishing of units located from 18<sup>th</sup> to 21<sup>st</sup> Streets.

Mr. Larry Woods, HAWS Director, stated that there has been a lot of response from planners who are interested in the redevelopment of this area and the goal is to preserve its historic nature. Planners are reviewing requests from the community for additional green space and retail options and have approached Colony Place to pursue redevelopment efforts in that neighborhood. He also stated that HAWS is working closely with ESR in an effort to aid the City's 10-Year Plan to End Chronic Homelessness and have also committed to place a full time property manager at Johnson Square Apartments. Mr. Woods noted that HAWS hopes to begin this project in June 2009 and will address its master plan in future meetings with stakeholders. He also noted that HAWS is training volunteers and staff members through similar programs that have been utilized in Texas and its main goal is to keep current homeowners invested and in the community.

Council Member Johnson noted that HAWS does not have site control over each community that has been mentioned and requested that Mr. Woods provide a map of the area, detailing HAWS involvement.

Mayor Joines expressed his appreciation in HAWS' effort to help end homelessness within the City.

Council Member Burke questioned whether or not HAWS had any programs to help provide housing for homeless veterans.

Mr. Woods noted that there is a plan to develop housing for homeless veterans but HUD funding only provides permanent housing, so HAWS is working to identify potential funding sources and that the City is a last option. He also noted that HAWS will contact Council Member Burke's source within the Northeast Ward to discuss options for the development of veteran housing.

Council Member Johnson commended HAWS for the development of permanent rather than transitional units to aid in the rebuilding of the community.

Mr. Woods stated that HAWS' plan is to bring Johnson Square Apartments up to market rate and renovations have been completed at Holland Homes, where vacancies are move in ready. He noted that recommended updates have been made, police patrol has been increased, staff is proceeding with evictions and it is apparent that the community is beginning to stabilize.

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

G-2. RESOLUTION APPROVING THE CITY OF WINSTON-SALEM'S LEGISLATIVE PROGRAM FOR THE 2009 LEGISLATIVE SESSION.

Mrs. Angela I. Carmon, City Attorney, noted that the first of the three local bills in the legislative program deals with properties that have been vacant two or more years, and is similar to a program in Greensboro and Charlotte.

Council Member Johnson questioned whether or not the City has adequate technology to support the tracking of these properties should the bill be passed.

Mr. Paige noted that staff would review any technology needs.

Council Member Johnson noted that there is a need for a tracking system for vacant properties, as there are some properties that remain abandoned for years before action is taken.

In response to Council Member Burke's question, Mr. Paige stated that the administrative offices receive a notice that a property has been vacant for six months and are prompted to take action.

Council Member Burke expressed concern that time and money is being wasted as staff members review properties multiple times in some areas, before action is taken.

In response to Mayor Joines question, Mrs. Carmon stated that the City could not be added on to current bills within Greensboro or Charlotte because they are charter amendments.

In response to Council Member Clark's question, Mrs. Carmon stated that the City's current policy is to repair or demolish a property that has been vacant for six months or longer, but there is a question of whether or not the City would acquire the property, then sell it to an entity that will use it to provide low to moderate income housing. The acquiring entity would also have to provide fair market value of the property to the property owner upon demolition.

Mr. Paige noted that this policy would be most beneficial within historic districts, in an effort to save historic properties.

Chair Merschel requested that staff contact Mr. Dennis Newman, Chief Information Officer, to determine if properties could be tracked through Microsoft Outlook, by setting reminders on the calendar.

Council Member Johnson requested that reminders for other time variances be included as well.

Mrs. Carmon stated that the second local act relates to unpaid parking tickets, in particular, those tickets that have been reduced to a judgment by going through the court process for offenders to be heard. She also stated that the third bill affords the City Council the opportunity to have input regarding where ABC stores may be located. There would be a public hearing held by City Council to receive input regarding where a store is intended or proposed, which would be forwarded back to the local board for consideration. In response to Council Member Leight's question, Mrs. Carmon confirmed that City Council can make a recommendation or objection as to where a store would be located, but it would be unenforceable because the local and state commissions still make the final determination. She also

noted that this would be an additional tool to receive and provide input about the location of stores.

Council Member Merschel expressed concern with the location of the stores as well as the renewal of permits.

Mrs. Carmon stated that the legislative program also includes two resolutions dealing with annexation and the communication of information to citizens and business licenses.

Council Member Johnson noted that Senator Clodfelter indicated he may submit an annexation bill and requested that staff review his bill for any similarities, in particular, economic value created by a larger municipality.

Mrs. Carmon noted that the last resolution relates to business licenses and the City's authority to levy a privilege license. That mechanism has been beneficial to the City and for Fiscal Year 2007-2008, the City may collect approximately \$2.5 million from privilege licenses.

Mrs. Denise Bell, Chief Financial Officer, noted that there is a concern that there are businesses required to have a license in several different jurisdictions to do business within those jurisdictions and concern that if there was a state-wide license, they would not have to have an individual license. In response to Council Member Johnson's question, Mrs. Bell stated that exempt businesses would be professional businesses such as Certified Public Accountants and attorneys.

Chair Merschel noted that those businesses have been licensed as professionals by the state.

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

Mr. Garrity noted that staff will schedule a meeting for City Council to meet with the local delegation in January.

Council Member Johnson requested that the City's list of public works projects be included on the President Elect's list.

Mr. Gregory M. Turner, Assistant City Manager/Public Works, stated that he is coordinating with all groups on the local and state level to compile a list of all projects that will benefit the community.

Council Member Johnson requested that a letter be sent to Governor Elect Perdue outlining the City's priorities and have a copy sent to all involved parties.

Mr. Turner noted that a list of transportation projects has been forwarded to the North Carolina Department of Transportation Division office, and the total list has been forwarded to the County Manager's Office.

Council Member Johnson requested that the Governor Elect receive a copy of the list as well.

- G-3. PRESENTATION BY TWIN CITY QUARTER ABOUT HOTEL INDUSTRY TRENDS AND REVIEW OF BENTON CONVENTION CENTER FIRST QUARTER FINANCIAL STATEMENTS.

By consensus, this item will be continued to the January 12, 2009 Finance Committee meeting.

G-4. PRESENTATION OF FISCAL YEAR 2008 FINANCIAL AND AUDIT REPORT.

Mrs. Bell introduced Ms. Lonnie Key of Cherry, Bekaert and Holland, L.L.P., to present the report. She also noted that audit standards have changed and due to the amount of time that auditors must spend reviewing internal controls, the audit fee has increased.

Ms. Key reviewed the financial reports.

In response to Council Member Johnson's question, Mrs. Bell stated that there have been no changes from the original draft that Council previously received. She also stated that the comprehensive report is available upon request.

Council Member Burke requested that neighborhood groups, Neighborhood Assistant Specialists and the Business and Economic Department at Winston-Salem State University receive copies of the report.

Council Member Clark made a motion at 4:47 p.m. that City Council enter into Closed Session to consult with the City Attorney to preserve the attorney-client privilege and to consider and give the City Attorney instructions concerning legal matters pursuant to N.C.G.S. 143-318.11(a)3. The motion was duly seconded by Council Member Johnson and carried unanimously.

Council Member Clark made a motion to end Closed Session and resume Regular Session at 5:49 p.m. The motion was duly seconded by Council Member Burke and carried unanimously.

ADJOURNMENT: 5:49 p.m.