

## SUMMARY OF MINUTES

### FINANCE COMMITTEE

4:00 P.M., MONDAY, AUGUST 11, 2008

COMMITTEE ROOM

ROOM 239, CITY HALL

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*MEMBERS PRESENT:* Mayor Allen Joines (in at 4:07 p.m.)  
Council Member Wanda Merschel, Chair  
Council Member Robert C. Clark, Vice Chair  
Council Member Vivian H. Burke

*MEMBER ABSENT:* Council Member Joycelyn V. Johnson

*OTHERS PRESENT:* Council Member Molly Leight

Chair Merschel called the meeting to order and stated that Council Member Johnson would not be attending the meeting. She then stated that, without objection, the Committee would first consider the Consent Agenda.

Chair Merschel requested Items C-3 and C-5 be pulled and Council Member Clark requested to pull Items C-1(a,b,e). No other items were removed for discussion.

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

#### CONSENT AGENDA

##### Property Matters

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

- c. RESOLUTION AUTHORIZING THE FINAL DISPOSITION OF PROPERTY LOCATED AT 1214 PLEASANT VIEW DRIVE THROUGH A PUBLIC AUCTION AS PERMITTED IN N.C.G.S. 160A-270 - Lots 021 and 108 of Block 2067 located at 1214 Pleasant View Drive. [Receipt of \$69,900.]
- d. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY ON SPRING STREET UNDER THE PROVISIONS OF N.C.G.S. 160A-269 - Lot 118B of Block 0143 located on Spring Street. [Receipt of \$13,050.]
- f. RESOLUTION AUTHORIZING THE EXCHANGE OF CERTAIN CITY OWNED PROPERTY FOR AN EASEMENT OWNED BY KMR BURKE MILL, LLC PURSUANT TO N.C.G.S. 160A-271 - Lot 030 of Block 3935 located on Burke Mill

*Road and Lot 110 of Block 3935 located on Burke Mill Road and Griffith Road.  
Public Hearing: August 18, 2008.*

Environmental Health

- C-2. RESOLUTION AUTHORIZING A NOTICE AND PERPETUAL LAND USE RESTRICTION BE ATTACHED TO THE DEED FOR THE PROPERTY AT 1515 EAST FOURTEENTH STREET - *Lot 039 of Block 6284 located at 1515 E. Fourteenth Street.*

Finance/Budget

- C-4. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
- a. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF TWO FIRE PUMPER TRUCKS UNDER THE BID PROCEDURE WAIVER OF N.C.G.S.143-129(g) - *Sutphen Corporation - \$831,945.10.*
  - b. RESOLUTION AWARDED CONTRACT FOR ROAD SALT FOR STREETS DIVISION - *Cargill, Inc. – Deicing Technology - \$106.75 per ton (Total Estimated Amount of \$213,500).*
  - c. RESOLUTION AWARDED CONTRACT FOR YARD WASTE CONTAINERS - *Toter Incorporated - \$105,520 (Estimated Amount).*

Transportation

- C-6. CONSIDERATION OF ITEMS RELATING TO THE BURKE MILL ROAD REALIGNMENT PROJECT:
- a. RESOLUTION AUTHORIZING AN INCREASE IN THE PURCHASE ORDER TO CHARLES D. LOWDER, INC. FOR WORK ASSOCIATED WITH THE BURKE MILL ROAD REALIGNMENT PROJECT FOR \$150,000.
  - 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 AUTHORIZING SALE OF SURPLUS USED VEHICLES AND EQUIPMENT.
- C-8. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *July 14, 2008.*
- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:

- a. RESOLUTION AUTHORIZING THE ACQUISITION OF PROPERTY LOCATED ON GLENN HI ROAD AS A SITE FOR THE NEW FIRE STATION #19 BY DEED OR CONDEMNATION - *Lots 001 and 002 of Block 5654 located on Glenn Hi Road. [\$73,900 from Two-Thirds Bonds Funds.]*

Council Member Clark expressed concern that the higher of the two bids was being considered, that the property owner wants more money than the property is worth and requested to know if there was any option other than condemnation.

Mr. Kirk Bjorling, Real Estate Administrator, stated that in comparison to other lots in the surrounding area, many of the homes seem to have property owners that see the value as being higher than established by tax value, and this proposal is the best possibility with the criteria given for the fire station. In response to Council Member Clark's question, he noted that the tax value of the lot is \$51,808 and indicated that some property owners seem to consider their property being valued at a higher amount due to the proximity of the DELL plant.

*Mayor Joines in at 4:07 p.m.*

In response to Chair Merschel's question, Mr. Bjorling stated that given the specific criteria for the station and the limited land available in the area, this property is the best option.

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

- b. RESOLUTION AUTHORIZING ACCEPTANCE OF A GIFT DEED OF PROPERTY LOCATED IN THE SALEM LAKE WATERSHED AREA FROM JAMES W. ARMENTROUT - *Lots 052 and 000A of Block 3220B located off Old Greensboro Road via Salem Landing Drive.*

Council Member Clark requested to know where Salem Lake was on the map provided.

Mr. Bjorling pointed out the lake area and stated that the property owner felt it best to donate the land being considered. In response to Chair Merschel's question, he stated that the main property access is off Grover Road but there is another limited access location on the property. He also stated that the lot is covered in large trees and due to the land being undevelopable, provides open green space.

Council Member Burke requested that any time land is donated, staff should ensure there are no problems that could result in issues for the City.

Mr. Bjorling noted that this land will provide protection to the Salem Lake Watershed.

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

- e. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY ON SALEM POINTE LANE UNDER THE PROVISIONS OF N.C.G.S. 160A-269 - *Lots 004, 005, 006, 007, 008, and 009 of Block 6181 located on Salem Pointe Lane. [Receipt of \$30,000.]*

Council Member Clark expressed concern that by moving the homes, the City may be losing money.

Mr. Derwick Paige, Deputy City Manager, stated that it will be beneficial to the City to have the lots removed from City ownership, and relocate some houses from the baseball stadium area to these lots to benefit the City in the future.

Council Member Leight noted that the West Salem Neighborhood is supportive of the move.

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

#### Leisure Services

#### C-3. RESOLUTION APPROVING THE LEASE OF REYNOLDS PARK GOLF COURSE TO T-SQUARE CORPORATION.

Chair Merschel indicated that Council Member Johnson asked her to pull this item and questioned whether or not City staff were considered to operate the golf course.

Mr. Tim Grant, Recreation and Parks Director, stated that staff outside of the City can operate the course cheaper, they have more personnel readily available and can maintain any equipment utilized by the course. He also stated that T-Square Corporation has a lot of industry experience, they are a local company, they are certified golf professionals, they have experience managing golf courses and they are financially stable.

In response to Council Member Leight's question, Mr. Grant stated that he would not advise the City to operate or manage the Heather Hills Golf Course as it is in poor condition and would be very costly. He also noted a decline that has been seen in the golf industry involving youth and junior golf programs. In response to Mayor Joines' inquiry, Mr. Grant confirmed that the City will receive a 10% return on any revenue above \$900,000 generated by the Reynolds Park Golf Course.

Mayor Joines noted that an additional company bidding for the lease of Reynolds Park Golf Course did not have a realistic projection for the project and was not as financially stable as T-Square Corporation.

Chair Merschel expressed her thanks to Mr. Harold Kincaid and Mr. Mark Hartis for being involved with the community.

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

#### C-5. RESOLUTION ACCEPTING THE FISCAL YEAR 2008 ANNUAL TAX SETTLEMENT AND ADOPTION OF AN ORDER TO COLLECT CURRENT TAXES FOR 2008 (FISCAL YEAR 2008-2009) AND DELINQUENT TAXES FROM 1998 THROUGH 2007.

Chair Merschel questioned whether or not there was anything City Council could do to improve the collection of fees.

Mrs. Denise Bell, Chief Financial Officer, stated that the difficulty occurs after vehicle taxes are collected when trying to collect vehicle registration fees.

Mr. Lee Garrity, City Manager, stated that legislation has been passed to aid in the collection of vehicle registration fees and within the next one to two years, vehicle owners will be required to pay vehicle tax and registration fees at the same time.

Mrs. Bell noted that Winston-Salem is rated in the middle of the five largest cities of North Carolina on collections of fees. In response to Chair Merschel's question, Mrs. Bell stated that the City is not able to identify repeat offenders for non-payment but the County may have that information.

Chair Merschel requested that a mechanism be employed to filter out repeat offenders and that staff seek out any companies or industries that may aid in the City's collection efforts.

In response to Council Member Clark's question, Mrs. Bell stated that the figures reflect the previous year's fees and they are late on being received.

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

#### GENERAL AGENDA

- G-1. RESOLUTION APPROVING A CONTRACT FOR HDR ENGINEERING OF THE CAROLINAS TO PROVIDE PROFESSIONAL ENGINEERING SERVICES FOR STORMWATER MASTERPLAN UPDATES OF THE UPPER SALEM AND MIDDLE SALEM CREEK WATERSHEDS. [*\$715,238 from Stormwater Funds.*]

Mr. Gregory M. Turner, Assistant City Manager/Public Works, stated that this item will allow City staff to engineer updated basin needs and that all watersheds will be updated eventually, but the most critical ones will be done first. In response to Chair Merschel's question, Mr. Turner stated that under North Carolina law, no bidding for professional services is allowed. He also stated that with the proposed services, figures will be accurate for 15 to 20 years, electronically accessible and there will be the ability to immediately update data.

In response to Council Member Leight's question, Mr. Turner stated that the yellow stars on the graph are outfalls, or sewer manholes.

Chair Merschel requested a listing of the most critical watersheds, in particular, Silas Creek.

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

- G-2. RESOLUTION AWARDED A PUBLIC ART INITIATIVE GRANT TO THE CHILDREN'S MUSEUM. [*City Council continued this item to August 18, 2008.*]

Mr. Paige noted that this item was presented to the Finance Committee last month but prior to being considered by the City Council, a child was injured on a piece of public art, so staff has developed criteria for placing art on public property. He noted that there are three options for the placement of public art: the City can purchase the art so it becomes City property and will assume all risk and liability associated with the art; the art can be loaned to the City and placed by the City, and the City will assume liability; or an artist may loan the art to the City to be placed by the artist but the artist must go through Risk Management to determine liability insurance and maintenance needs. He further noted that all art will have to be monitored so when the time period for it has passed, it will be removed from City property.

Chair Merschel requested that staff include scenarios in the Public Art Initiative Grant criteria for future clarification.

In response to Council Member Leight's question, Mr. Paige stated that the difference between scenarios two and three is that scenario number two allows the artist to place the art while scenario number three allows City staff to place the art.

In response to Council Member Clark's question, Mr. Paige stated that The Children's Museum may be required to show proof of insurance based on the location of the artwork.

#### G-3. PRESENTATION ON THE UPDATED PERFORMA FOR THE CITY/COUNTY WATER/SEWER FUND.

Mr. Turner stated that the proposed rate increase is less than the Utility Commission had proposed, but after additional information had been found, the public was asked to employ voluntary water conservation measures.

Mr. David Saunders, Utilities Director, gave the presentation.

In response to Council Member Clark's question, Mr. Saunders stated that the water in Salem Lake is down eight to twelve inches and can supply the City for another month at that level.

Council Member Leight questioned why more stringent conservation or mandatory conservations measures weren't taken earlier.

In response to Council Member Burke's question, Mr. Saunders stated that some water is being sold to the City of Greensboro. Council Member Burke requested that staff reiterate to citizens that these are precautionary measures being taken to prepare for the future.

In response to Chair Merschel's inquiry, Mr. Saunders stated that one million gallons per day is being sold to the City of Greensboro.

Mrs. Bell stated that staff has reviewed cashflow projections and expenditures and projected measures at the current consumption level. She also stated that rates were set at a sufficient level to cover bonded requirements. With the addition of newly annexed citizens and extended services, projected measures will increase and Mrs. Bell suggested that the matter be evaluated in December to address consumption

issues. In response to Council Member Clark's question, Mrs. Bell stated that debt coverage is an obligation of bonds.

Chair Merschel expressed concern that City Council just adopted the budget in June and a fee increase is already being considered. She requested that staff find alternative methods to manage resources and expenses that do not require fee increases. She also requested that staff find alternatives to meet the requirements for bond underwriting and noted that a reduction in force was a previously employed method. She further requested that staff review expenditures versus revenue to meet the needs of everyone impacted.

Mrs. Bell noted that assessments were included in bond issues discussed previously, and that the City is allowed to account revenue not yet received. She also noted that there are other forms of revenue received for the City than just water and sewer rates.

Mr. Turner noted that revenue is the key to meet bond requirements.

Mayor Joines stated that previously a discount had been given to high-volume residential users and that discount could be removed. He also stated that the governor recently signed a bill that will give options for user fees and that fees could be increased as overall usage increases.

In response to Council Member Clark's question, Mr. Saunders stated that the new bill will include a provision to allow the re-use of green water and a provision to eliminate discount tiers for large residential users. He also stated that the City can be forced to provide interconnection mechanisms for citizens within the same drainage basin.

Chair Merschel requested to know if there was a local producer of rain barrels that could be utilized as an option for the City.

Mr. Turner noted that the barrels are difficult to acquire and not readily available. In response to Council Member Clark's question, Mr. Turner stated that a feasibility study was done on the use of grey water but the cost to maintain the water is two to three times more due to the process and piping system and it is not of high quality.

In response to Mayor Joines' question, Mr. Saunders stated that raw water cannot be connected from Salem Lake as the lake water has to be treated at the Thomas plant and it cannot be pumped in the other direction because there is a one-way flow.

ADJOURNMENT: 5:12 p.m.