

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, AUGUST 10, 2009

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 Clark requested to pull Items C-1 (e, f, g & h), C-2, C-6 and C-10. Council Member Leight requested to pull Item C-8. Council Member Burke requested to pull Items C-1 (a & d) and C-7. No other items were removed.

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

CONSENT AGENDA

Property Matters

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

- b. **RESOLUTION AUTHORIZING DEDICATION OF FEE SIMPLE RIGHT-OF-WAY ON CITY OWNED PROPERTY FOR THE WATERWORKS ROAD WIDENING PROJECT – 1,740 square feet of right-of-way located on Waterworks Road.**

- c. **RESOLUTION AUTHORIZING THE RENEWAL OF AN EXISTING GRANT OF EASEMENT TO THE FORSYTH COUNTY ENVIRONMENTAL AFFAIRS DEPARTMENT FOR THE LOCATION OF AN AIR MONITORING STATION - Easement site located on Fraternity Church Road.**

- C-3. RESOLUTION AUTHORIZING ACCEPTANCE OF HOMELESSNESS PREVENTION AND RAPID RE-HOUSING GRANT FUNDS AND EXECUTION OF SUBGRANTEE AGREEMENTS. *[Receipt of \$748,097.]*

Public Safety

- C-4. RESOLUTION AUTHORIZING THE CITY OF WINSTON-SALEM TO APPLY FOR A GRANT FROM THE DEPARTMENT OF HOMELAND SECURITY'S FEDERAL EMERGENCY MANAGEMENT AGENCY FOR THE 2008 PREVENTION AND SAFETY GRANT FOR AN ARSON SURVEILLANCE CAMERA. *[Receipt of \$21,996.]*
- C-5. RESOLUTION APPROVING AGREEMENT WITH LEWISVILLE VOLUNTEER FIRE DEPARTMENT, INC. FOR PAYMENT OF DEBT AND APPROVING SUBMISSION OF PAYMENT SCHEDULE TO THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION FOR APPROVAL. *[\$532.68]*

Finance/Budget

- C-8. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
- b. RESOLUTION AWARDED CONTRACT FOR ROAD SALT FOR STREETS DIVISION - *Detroit Salt Company - \$168,640 (Estimated Amount).*
 - 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. - \$243,250.*
- C-9. CONSIDERATION OF AMENDMENTS TO THE FISCAL YEAR 2009-2010 ANNUAL APPROPRIATION/TAX LEVY AND PROJECT BUDGET ORDINANCES:
- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2009-2010.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2009-2010.

General Government

- C-11. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *July 13, 2009.*

Property Matters

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

- a. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTIES FOR MOTOR ROAD EXTENSION PHASE II BY DEED OR CONDEMNATION - *Various lots located on Motor Road. [\$215,175 from General Obligation Bond funds.]*

Mr. Kirk Bjorling, Real Estate Administrator, Real Estate Office, stated that there will be a new road extending from the intersection at Carver School Road to Motor Road at the end of Baux Mountain Road, along with widening near existing intersections. In response to Council Member Burke's question, he stated that there are approximately 85 properties that the City will acquire all or part of. The community has been made aware of the project which is broken into four phases, and staff will bring a few properties to Council for acquisition over the next few months.

Council Member Burke requested a list of properties to be acquired.

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

- d. RESOLUTION AUTHORIZING THE GRANTING OF TEMPORARY CONSTRUCTION EASEMENTS TO NORTH CAROLINA DEPARTMENT OF TRANSPORTATION, AN AGENCY OF THE STATE OF NORTH CAROLINA, PURSUANT TO N.C.G.S. 160A-274 - *Located on University Parkway Bridge over Twentieth Street.*

Mr. Bjorling noted that the North Carolina Department of Transportation approached the City regarding temporary construction easements located along City property at the base of the bridge, and has requested use of those properties temporarily, during construction.

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

- e. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY TO A NON-PROFIT ENTITY CARRYING OUT A PUBLIC PURPOSE AS PERMITTED IN N.C.G.S. 160A-279 - *Located at 2608 Manchester Street. [Receipt of \$5,000.]*

Council Member Clark questioned the low tax value of the property.

Mr. Bjorling noted that the house is not in a good state of repair and Mt. Sinai Full Gospel Deliverance Center (Mt. Sinai) approached the City about acquiring the property and other lots, because they have done a lot to improve properties and clean up the neighborhood. This acquisition will remove these lots from City responsibility and the church will assume responsibility and use the properties for non-profit needs. The house is not livable in its current condition, but the church will refurbish the house for use by the community. In response to Council Member Clark's question, Mr. Bjorling stated that the value is a negotiated number, but the tax value is reviewed as well as what it

would realistically sell for and what funding the City has in the property. The City will receive approximately a 50% return on the investment.

Mr. Derwick Paige, Deputy City Manager, noted that the City has owned the property for some time, that it has been vacant, and were it not a City-owned property, it would be close to the substandard housing category. A nonprofit group is currently working in the area and has a vested interest in the property and other lots, but there are problems keeping the area clean and a dumping problem as well.

Council Member Johnson noted that this is an institutional problem in African-American based communities where residents may assume a 30-year mortgage, but rather they may move every five to ten years. Tax value is assessed based on a formula used by the Forsyth County Tax Office, and these are seen as non-investment type communities, creating lower tax values.

Council Member Burke expressed her pleasure that Pastor Yvonne Hines of Mt. Sinai was in attendance. Attendees of Mt. Sinai do not live in that community but they attend church there, even though the area is a haven for crime and lost people.

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

- f. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY UNDER THE PROVISIONS OF N.C.G.S. 160A-269 - *Located at 2722 Manchester Street, 2520 Ansonia Street, and 2543 Machine Street. [Receipt of \$1,700.]*

In response to Council Member Clark's question, Mr. Bjorling stated that the lots are large enough by record to build on, but Mt. Sinai has no intention to build on the lots. He also stated that a lot smaller than an RS-9 could be built on legally, but the Council's position is not to sell 50 foot lots for building purposes.

Council Member Burke noted that these properties will help with the long range plan of Pastor Hines and Mt. Sinai for the area.

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

- g. RESOLUTION ESTABLISHING MINIMUM FAIR MARKET REUSE VALUES FOR FOUR PARCELS IN THE OLD CHERRY NO. 2 REDEVELOPMENT AREA - *Located at 1452, 1462, 1472, and 1638 N. Cherry Street.*

In response to Council Member Clark's inquiry, Mr. Paige stated that the project will be a conversion of Y-staircase apartment buildings from four-bedroom units to single units and duplexes, and currently, 14 units will be rehabilitated and converted to 13 market rate units for rent. The challenge is not rehabilitating the properties to the minimum housing code, but rather to the historic rehabilitation code, which is much higher. He also stated that the original intent was to make tax credits available to residents and property owners in the area to rehabilitate the properties, but that

attempt has been unsuccessful. The City entered a partnership with Habitat for Humanity (Habitat) who also acquired properties in the area and through the partnership with Habitat, single family homes were demolished and new construction has taken place, some are going through extensive rehabilitation and multi-family units are being developed. The City will finance acquisition of the properties and rehabilitation costs. He further stated that Housing and Neighborhood Development has reviewed the project and feels that the 13 units, at market rate, will support the debt of the project.

Council Member Clark requested to see the analysis. He also expressed concern that City staff should be better negotiators if the properties were purchased for \$350,000 and are now only worth \$87,000.

Council Member Burke stated that if Council Member Malloy were in attendance, he would note that Habitat's work in that area will help it to become livable once again.

Mr. Paige noted that with the change in State law and the City's limited ability for eminent domain, it must enter into a negotiated price with sellers.

Council Member Burke requested a list of property owners involved with the project and how long they had owned the properties.

In response to Chair Merschel's question, Mr. Paige stated that there are four or five Y-staircase buildings left in that community and Goler Community Development Corporation retains ownership of one.

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

- h. RESOLUTION AUTHORIZING THE SALE OF FOUR PARCELS WITHIN THE OLD CHERRY NO. 2 REDEVELOPMENT AREA TO A REDEVELOPER AT A PRIVATE SALE IN ACCORDANCE WITH N.C.G.S. 160A-457 - *Located at 1452, 1462, 1472, and 1638 N. Cherry Street. Public Hearing: August 17, 2009.*

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

Community and Economic Development

- C-2. CONSIDERATION OF ITEMS RELATING TO PERMANENT FINANCING FOR 13 UNITS OF PERMANENT RENTAL HOUSING IN THE OLD CHERRY NO. 2 REDEVELOPMENT AREA:
 - a. RESOLUTION AUTHORIZING PERMANENT FINANCING FOR 13 UNITS OF PERMANENT RENTAL HOUSING IN THE OLD CHERRY NO. 2 REDEVELOPMENT AREA. [*\$869,544 from General Obligation Bonds and Capital Project Reserves.*]

- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2009-2010.

Ms. Sylvia Oberle, Habitat Director, 339 Witt Street, noted that this was a bold move on the part of the City. She also noted that currently, Habitat is building 15 houses in the Cherry Street area, four of which are underway, five beginning next month and the remainder will be finished next year. She also noted that Habitat considers the proposal as vital for the overall success of the neighborhood, because buildings are deteriorating, being broken into and in need of repair. She further noted that the developers involved in the project have a good track record across the country for historic rehabilitation.

Council Member Clark expressed concern that the City has grossly overpaid for properties.

In response to Council Member Burke's question regarding other homeowners and investors in the area, Mr. Paige stated that the City is making them aware of other building rehabilitation and loan programs available for rehabilitation. He also stated that in a situation where the property falls to ownership of heirs, there are typically multiple parties involved who cannot agree on who should maintain the property and it may become a housing code case.

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

Public Safety

- C-6. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXPAND THE SCOPE OF AN EXISTING AGREEMENT WITH GRIFFITH ENTERPRISES FOR PROFESSIONAL SERVICES RELATED TO ENVIRONMENTAL EVALUATION AND CLEANUP OF THE EXISTING FIRING RANGE LOCATED AT 6020 GUN CLUB ROAD IN THE VILLAGE OF CLEMMONS.

In response to Council Member Clark's questions, Mr. Greg Turner, Assistant City Manager/Public Works, stated that this item will allow for the study to plan and implement the proposal already previously determined. He also stated that costs associated with cleaning the property will be known once the study is complete. He further stated that it will be used for non-lethal testing or training, but there will be no additional use of the type of firearms that have contributed to the pollution already on site. Staff is still working on the proposal for the firearms training center on the north side of the city.

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

- C-7. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXPAND THE SCOPE OF AN AGREEMENT WITH STEWART-COOPER-NEWELL-ARCHITECTS, P.A. FOR PROFESSIONAL SERVICES RELATED TO THE DESIGN OF FIRE STATION #19 LOCATED ON GLENN HI ROAD.

Mr. Turner stated that the City has applied for and hopes to receive the funding for this project, but if stimulus funds are not received, the work done by this consultant will still allow the City to better understand how to provide energy-efficient installations in fire stations in the future.

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

Finance/Budget

- C-8. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION APPROVING A CONTRACT WITH MULKEY ENGINEERS AND CONSULTANTS TO CONDUCT AN ENVIRONMENTAL DESIGN STUDY FOR A PORTION OF THE PROPOSED EBERT STRATFORD ROAD CONNECTOR - *Western end of Pope Road to Griffith Road and East Kimwell Drive* - \$112,440.

In response to Council Member Leight's request for information, Mr. Turner stated that a preliminary feasibility study was done in 2000 for the Stratford Road connector going from Pope and Ebert Roads to the Stratford Road area at Kimwell Drive. This study would provide the environmental assessment of how to thread a road through that area, avoiding known and anticipated environmental restrictions, such as the landfill and sewage treatment plant.

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

General Government

- C-10. MONTHLY REPORT ON ECONOMIC STIMULUS PROJECTS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT.

Council Member Clark noted that an article in the *Winston-Salem Journal*, contained a map showing Forsyth and other counties and stimulus amounts received. He also noted that of the proposed \$49 million received by the City, he only knew of funding for 25 additional police officers and questioned where the remainder of the money would be spent.

Mr. Turner stated that the City's allotment is for formula funds that may be anticipated rather than received. The City has received approximately \$25 million, and formula or competitive funding listed in the agenda book is funding that the City has already been granted. A more detailed summary will be provided at next month's Finance Committee meeting.

Mr. Lee Garrity, City Manager, noted that most County funding has been allocated to the Winston-

Salem/Forsyth County School System.

In response to Council Member Clark's question, Mr. Turner stated that the City will be spending the funds once received or once a contract is adopted verifying that it can be spent. Some funding may require a municipal agreement, whereby funds will be reimbursed once spent.

Mayor Joines noted that \$8.2 million of funding has already been spent on street paving projects.

Mr. Turner noted that the State has been authorized to do repair work on Interstate-40 between Highway 311 and Clemmonsville Road.

Mayor Joines questioned where \$2.6 million split between the City and County came from for neighborhood stabilization projects.

Mr. Turner noted that funding may have been from 2008, but he will verify. He also noted that some funding has been authorized as reimbursable, whereby the City will have to demonstrate that the funding was spent and reported properly.

Chair Merschel requested a breakdown of reimbursable funds in comparison to total funding, and where the funds will come from until they are reimbursed back to the City.

Mr. Turner noted that there are multiple formulas for each program under stimulus funding.

Chair Merschel complimented City staff on a list of well-defined and presented projects.

Council Member Johnson noted that during the North Carolina Black Elected Municipal Officials Summer Conference, it was reported that many cities did not have their projects identified and may not have an opportunity to receive funding.

GENERAL AGENDA

G-1. UPDATE ON HEALTH CARE COSTS, PLAN DESIGN AND PREMIUM CHANGES FOR 2010.

Mrs. Melissa Hasty-Taylor, Human Resources Director, stated that staff would like to make some changes to the City's healthcare coverage plan. In 2003, the City implemented strategies for cost containment and for employees to change their lifestyles to be healthier. She also stated that to continue its coverage of two healthcare plans, the City would need to raise \$19 million. Staff feels that the proposed changes will encourage employees to move to the Basic plan, which is the most cost effective, with a high deductible and a co-insurance plan that will hopefully encourage employees to receive preventive care. Attachment A outlines proposed changes, Attachment B outlines an increase of all premiums by \$25, which will be reimbursed to employees with participation in the wellness program and Attachment C outlines increased retiree premiums. Mrs. Taylor noted that staff will perform a comprehensive study of retiree benefits and insurance. She also noted that staff would like to enhance the City's wellness program to encourage employees to participate in wellness initiatives. Along with Blue Cross/Blue Shield (BC/BS), employees may volunteer to participate in a biometrics assessment that will determine health risks and BC/BS will

contact employees to provide health counseling. Participants will be required to work with a BC/BS counselor to develop a plan to reduce health risks and healthcare costs. By re-establishing a wellness committee to measure the success of the wellness program, along with developed activities, hopefully the City will see success and monitor decreases in healthcare costs over the next three to five years.

Council Member Johnson requested that staff review out-of-network coverage for routine physicals and eye exams, in the event that an employee specifically wants to see a particular doctor not in the City's network, because it is worth paying more than not to have the evaluation at all.

Mrs. Taylor confirmed to Council Member Johnson that employees will have the ability for self-referrals to specialty physicians.

In response to Council Member Johnson's question, Mrs. Taylor stated that staff has reviewed high risk health categories and associated costs but hopefully employee's participation in the wellness program will provide further review and strategies to help reduce costs.

In response to Chair Merschel's question, Mrs. Taylor stated that staff compared the City's healthcare plans to Forsyth County and Greensboro, but not others. The City's proposed changes will bring it more in line with comparable cities and possibly move toward one comprehensive plan.

Chair Merschel noted that the City's out of pocket deductibles are low compared to some employers. She requested that staff compare its plan to non-governmental employers in the area. She also expressed her encouragement for an increased wellness plan.

Council Member Clark requested a chart comparing the City with Forsyth County, Greensboro and surrounding private employers.

In response to Council Member Clark's request for information on biometrics, Mrs. Taylor stated that it will use measurements along with employees' answers from a health risk assessment and predictable conditions based on age and lifestyle to develop a personal profile. The City will provide the staffing to collect all biometrics information in individual departments and in central locations for employees willing to participate.

Council Member Burke requested that staff educate employees on this process and encourage them to take advantage.

Mrs. Taylor stated that in regards to employee healthcare claims, if a claim is unpaid or an employee has a question, staff can take that opportunity to further educate that employee about wellness and healthcare coverage.

In response to Council Member Burke's question, Mrs. Taylor stated that there are two nurses located at Employee Health, one being a case manager and one being part-time. They assess employee illnesses and injuries, provide blood pressure checks, referrals to Employee Assistance for stress-related issues and other areas.

Council Member Johnson suggested that staff could partner with the Stroke Association to determine

risks and that there may be an opportunity to partner with Best Health or Forsyth Hospital to assess departments and feed that information into a national database. Ms. Trinia Hall would be a contact for staff.

Council Member Burke noted that Dr. Chase at Forsyth Hospital could also be a contact.

In response to Chair Merschel's question, Mrs. Taylor stated that the City's Wellness fund will cover costs.

Chair Merschel requested information on employees who are currently out of work on disability.

Mrs. Taylor noted that the Wellness program can also address preventing on-the-job injuries.

In response to Council Member Johnson's question, Mrs. Taylor stated that the Fire and Police Departments provide annual physicals, as well as immunizations for common contact illnesses based on occupational health guidelines, such as PPD, blood born pathogens, hepatitis, tetanus and others.

Council Member Johnson noted that sanitation workers should have the same requirements for physicals and immunizations.

In response to Council Member Burke's question, Mr. Garrity stated that he would provide the number of physical fitness facilities available to City employees.

ADJOURNMENT: 5:22 p.m.