

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, JUNE 8, 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
Council Member Evelyn Terry (in at 4:02 p.m.)
Council Member Dan Besse

Chair Merschel called the meeting to order and stated that the Committee would first consider the Consent Agenda and asked if any items needed to be removed for discussion. No items were removed for discussion. Council Member Johnson made a motion to approve the Consent Agenda. The motion was duly seconded by Council Member Clark and carried unanimously.

Council Member Terry in at 4:02 p.m.

CONSENT AGENDA

Property Matters

- C-1. RESOLUTION AUTHORIZING DEDICATION OF A GREENWAY EASEMENT ON CITY OWNED PROPERTY - 2.01 acres of land between Business 40 and Lowery Street for the Brushy Fork Greenway Extension.

Public Safety

- C-2. RESOLUTION AUTHORIZING THE CITY OF WINSTON-SALEM TO APPLY FOR A GRANT FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE DEPARTMENT OF HOMELAND SECURITY FOR THE 2009 ASSISTANCE TO FIREFIGHTERS GRANT FOR THE PURCHASE OF PERSONAL PROTECTIVE EQUIPMENT. [\$130,530.]
- C-3. SILK PLANT FOREST CITIZEN REVIEW COMMITTEE FINANCIAL UPDATE.

Finance/Budget

- C-4. RESOLUTION AWARDED CONTRACT FOR QUARRY PRODUCTS - *Vulcan Construction Materials* - \$1,393,066.50 (Estimated Amount).
- C-5. CONSIDERATION OF AMENDMENTS TO THE FISCAL YEAR 2008-2009 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 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-6. RESOLUTION APPROVING THE LOCKLAND AVENUE NEIGHBORHOOD ASSOCIATION TRAFFIC CALMING PLAN. [*\$120,000.*]
- C-7. CONSIDERATION OF ITEMS RELATING TO SUPPLEMENTAL MUNICIPAL AGREEMENTS WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION:
- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A SUPPLEMENTAL MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO ASSUME ALL MAINTENANCE RESPONSIBILITIES OF CLEMMONSVILLE ROAD FROM SOUTH MAIN STREET TO OLD SALISBURY ROAD.
 - b. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A SUPPLEMENTAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR THE CONSTRUCTION OF BRUSHY FORK GREENWAY FROM OLD GREENSBORO ROAD TO LOWERY STREET.

General Government

- C-8. MONTHLY REPORT ON ECONOMIC STIMULUS PROJECTS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT.
- C-9. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *May 11, 2009.*

GENERAL AGENDA

G-1. REQUEST FROM GOLER MEMORIAL A.M.E. ZION CHURCH REGARDING AN EXCHANGE OF LAND.

Mr. Derwick Paige, Deputy City Manager, stated that staff is seeking direction from City Council on the possible exchange of land between Goler Memorial A.M.E. Zion Church (Goler Memorial) and the City. In the early 1990's, the City agreed to sell 48 acres to Senior Residence, Inc. (SRI) on the north side of Waterworks Road for the Ivy Acres Retirement Home project, and when that project did not move forward, the City regained ownership of the land. The acreage was initially cleared for the first phase of the facility and footers were poured. Lutheran Services contacted the City about acquiring that land via sale by the City, in the fall of 2008. In February, Reverend Dr. Seth O. Lartey contacted the City about exchanging a portion of the City-owned land on the north side of Waterworks Road in exchange for land owned by Goler Memorial on the south side of Waterworks Road. There are 14.5 acres to the south of Waterworks Road that Goler Memorial owns, which they are willing to exchange for 12.1 acres to the north of the road. There are a few topographical challenges as far as developing the land, yet possible uses for the land to the south may be soccer or athletic fields or additional parking near the Tiny Indians football field. Since the land is part of the City's parkland inventory, for the property to be sold, there will have to be a public hearing with the City/County Planning Board, as well as a public hearing with the City Council. Options for the land are to leave it as is, accept the exchange as proposed by Goler Memorial and seek financing for development of the land, or enter into a three-party transaction, whereby the City will sell its land to Lutheran Services at the appraised value and agree to buy the land from Goler Memorial at its appraised value. The City-owned land is valued approximately \$60,000 more than the Goler Memorial-owned land due to its current zoning. Net proceeds from the sell of the City-owned land will be used to develop the land to the south of Waterworks Road.

Mayor Joines stated that the sell and purchase of both parcels of land should be linked so the City will gain ownership of an additional 2.4 acres of parkland that can be developed based on the current needs mentioned.

Council Member Burke expressed her support of the initial project as it was initiated by Alpha Kappa Alpha Sorority, Inc. and that any development would enhance that area. She questioned how development of the area will affect the current surrounding neighborhoods such as Winston Lake.

Mr. Paige stated that any plans will involve residents within Winston Lake Estates, and even though a sufficient buffer currently exists, traffic calming devices will need to be installed along Waterworks Road to accommodate additional development.

In response to Council Member Besse's question, Mr. Paige stated that while it would seem logical to create additional parking on the same side of the road as the athletic fields, due to lot constraints, the parking area would have to be located far from the field and citizens will probably continue to park on the same side of Waterworks Road, causing safety hazards.

He further confirmed that the City would lose the forested land around Winston Lake, as well as give up existing forested parkland, once the sale is complete.

Council Member Johnson noted that there is a football field on one side of Waterworks Road and a baseball field on the other, so it will not make a difference if additional parking was added to one side of the road because citizens will continue to park on both sides.

In response to Council Member Clark's question regarding the cost of leveling the ground for athletic fields, Mr. Paige stated that there is a specific area that could be graded and dirt moved from one side of Waterworks Road to the other.

Council Member Clark requested a rendering of the land to the south of Waterworks Road, the number of parking spaces it would accommodate and the cost to complete any renovations.

In response to Council Member Leight's question, Mr. Paige stated that the land to the south was cleared in 2000 in preparation for the Goler Memorial building and the site has now grown back with approximately eight foot tall evergreens.

Council Member Johnson noted that the land was clear cut in preparation for a development that did not occur, so the land was replanted. She also noted that there are two single family dwelling units to the south.

Council Member Burke noted that the initial plan was to move Goler Memorial to that property, and that it was a blessing in disguise because Goler Memorial has been able to develop so much property in the downtown area.

Chair Merschel suggested that the item remain in Committee pending receipt of the information requested by Council Member Clark.

Mr. Paige noted that staff would probably need 60 days to compile the requested information for presentation to the Committee.

Reverend Dr. Seth O. Lartey, Goler Memorial, expressed his thanks to the City Council for its support thus far. He stated that Lutheran Services and Goler Memorial are partnering to demonstrate that Christians can work together. He also stated that the idea of a nursing home was part of Goler Memorial's mission many years ago in its master plan, but once the ground was cleared, the congregation did not want to move. Once the exchange of land is closed out with the City, financing is in place to begin development. Zoning and topographical issues caused the project to exceed its previous budget, but Goler Memorial has continued to pay taxes on the property with the inability to use it.

Ms. Kesha Smith, P.O. Box 947, Salisbury, NC 28917, stated that Lutheran Services purchased the old Pellcare facility on Old Walkertown Road which houses 217 beds, but staff can only use 117 of the beds due to the dilapidation of the facility. She also stated that Lutheran Services is excited about the opportunity to build a new facility in this area so that its residents can remain close in proximity to their families. She further stated that the proposed new structure would not fit within the constraints of the Goler Memorial site due to required parking.

Council Member Clark requested a diagram of how the new facility and parking will be situated on the site as well as the timeframe for completion.

Ms. Smith noted that the facility needs to be open in September 2011.

Council Member Clark noted that the Council could possibly reach a solution by August.

Reverend Lartey noted that Goler Memorial would like to close on the property by August 6.

Council Member Clark questioned what will happen to the facility on Old Walkertown Road.

Ms. Smith stated that Lutheran Services is unsure what will happen to the facility and that the new site plan has been prepared, outlining 60 parking spaces out front, a road and additional parking around the perimeter of the property and certain buffers.

Council Member Johnson requested that staff invite representatives of the Winston Lake, Lake Park and City View neighborhood groups to the July Finance Committee meeting, and have the requested rendered drawings and answers to questions asked today, so those representatives may disseminate that information at their neighborhood meetings.

Council Member Burke requested to know what will happen to the facility in Old Walkertown Road, and requested that staff visit the facility to obtain the exact size of it and the property.

Mayor Joines noted that he hopes the Committee will continue to discuss this item at its July meeting to set objectives and give direction to Lutheran Services so they may proceed with their project.

Chair Merschel requested that staff obtain the current site plan produced by Lutheran Services, obtain additional information requested and keep this item on the Agenda for the July Finance Committee.

Mr. Lee Garrity, City Manager, stated that a public hearing for the exchange of the land will need to be scheduled as soon as possible to bring the item to full Council for final approval by August.

In response to Chair Merschel's question, Mr. Paige stated that the property previously sold to SRI included 12 acres, zoned RM-5-S, and he suspects that property will need to be rezoned for a site plan specific to that 12 acres. Public hearings will need to be scheduled for the sale of the parkland and for the rezoning.

In response to Council Member Leight's question, Mr. Paige stated that the land was zoned RM-8-S for SRI's needs of residential, multi-family, five units per acre. He stated that it is zoned correctly for the proposed use, but there would need to be a site plan amendment.

Mr. Paige confirmed Chair Merschel's question that 12 acres of parkland inventory will be exchanged for 14 acres of parkland inventory.

Ms. Smith noted that she would provide the requested information to Mr. Paige.

Chair Merschel noted that the preliminary site plan will be reviewed by the Committee at its July meeting.

Council Member Johnson noted that staff should contact interested neighborhood groups within the next two weeks in preparation for their presence at the July Finance Committee meeting. She requested

that information about the meetings, along with maps be posted at the Winston Lake Family YMCA and note that the meeting will be open to all members of the community.

G-2. CONTINUATION OF DISCUSSION OF PROPOSED FY 2009-2010 BUDGET.

Chair Merschel thanked Mrs. Ann Jones, Budget/Evaluation Director, for her presentation at the recent Finance Committee Budget Public Hearing.

Mrs. Jones provided updates related to revenue and the debt service fund, noting that none of the updates proposed a change to the general fund or property tax rate, rather the adjustments came about after information was originally distributed.

Mrs. Martha Wheelock, Assistant City Manager stated that the amendment to the Personnel Resolution will provide additional tools to the City Manager, such as employee furloughs, across the board reductions in pay and work delivery options, such as job sharing and telecommuting. She also stated that none of these options are currently being considered, but the amendment will allow the City Manager to bring these options forward without having to go through the Council Committee process. She further stated that departments are currently developing impact statements in regards to permanent vacancies and retirements. In response to Chair Merschel's question, Mrs. Wheelock noted that Information Services staff has several positions that would qualify for telecommuting. Certain staff members are often on-call 24 hours per day, seven days per week and have the capability and equipment at home to work remotely. She also noted that they have project-based work that can be quantifiably identified and measured, which is tied to the individual in that specified job and their performance.

In response to Council Member Burke's question, Mr. Garrity stated that an example in which one of these options could be utilized would be a financial crisis requiring swift judgment. He also stated that prior to utilizing any of these options, he would consult with Council Members to alleviate any concerns.

In response to Chair Merschel's question, Mr. Garrity noted that a communication plan will be developed for the community and city employees, but it is currently just a proposed amendment to the Personnel Resolution.

Council Member Johnson expressed concern that staff should be monitoring any needs of the City to have the ability to forecast future needs, rather than allow a scenario to arise that would require an immediate adjustment affecting City employees.

Mr. Garrity noted that an example might be a sudden sustained loss of revenue, such as a liquidity problem, but staff could plan an emergency meeting with the full Council for discussion.

Mrs. Wheelock noted that staff is ensuring that the employee handbook and personnel resolutions are refined to be utilized as effective tools.

In response to Chair Merschel's question, Mr. Garrity stated that there is a Continuity of Operations policy that determines which departments are restored first in the event of a crisis.

Chair Merschel requested this item be brought back separate from the budget with specific scenarios, methods of communication to the community and a contingency plan as to who would be the public voice of communication.

In response to Council Member Burke's question, Mrs. Wheelock stated that morale among employees is good as staff regularly communicates any changes to policy or procedures. She also stated that employees exhibit a general understanding of the current economic situation and have been appreciative of management's efforts to protect them.

Mr. Garrity noted that staff is reviewing small ways to help employees without a big impact to the overall city and its services.

Council Member Burke requested that staff seek feedback from employees on the proposed changes.

Council Member Clark questioned why water and sewer rates are so high in Cary and Asheville.

Mr. David Saunders, City/County Utilities Director, stated that they may have lower capital costs, so each customer helps cover the cost for new customer extensions, but they also have more stringent wastewater limits and have recently constructed a next generation wastewater treatment plant with more restrictive limits and treatments.

Council Member Clark questioned if renovations to the City's wastewater treatment plant will enforce the same limitations as the Asheville plant.

Mr. Saunders stated that Asheville and areas to the east of the City have more stringent nutrient removal limits due to their discharge sources, such as the French Broad River in Asheville.

In response to Council Member Besse's question, Mr. Saunders stated that Asheville and Cary utilize alternative treatment processes that the Yadkin River does not force the City to use, such as the removal of natural organics, which may lead to an increase in costs, more so than the source of the water.

In response to Chair Merschel's question, Mr. Saunders stated that he did not know the specific capital repayment programs of Cary and Asheville, but that some municipalities within North Carolina charge a subsidized capital fee, which is recovered over time with higher rates.

Chair Merschel noted that the cost to connect to the City water/sewer system may be a deterrent for citizens to request service. She requested that staff review usage percentage by population in Cary and Asheville as it relates to consumers of those services.

In response to Council Member Clark's question, Mrs. Jones stated that it was typical that Winston-Salem and Kernersville are the only municipalities decreasing their after revaluation.

Chair Merschel suggested that the Committee hold further questions for tomorrow's scheduled budget workshop.

ADJOURNMENT: 5:11 p.m.