

SUMMARY OF MINUTES

FINANCE COMMITTEE

5:00 P.M., MONDAY, JULY 12, 2010

COMMITTEE ROOM

ROOM 239, CITY HALL

MEMBERS PRESENT: Mayor Allen Joines (out at 6:13 p.m.)
Council Member Wanda Merschel, Chair
Council Member Molly Leight, Vice Chair
Council Member Vivian H. Burke
Council Member Robert C. Clark

OTHERS PRESENT: Council Member James Taylor, Jr.
Council Member Derwin Montgomery

Chair Merschel called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda and asked if any items needed to be pulled.

Council Member Burke requested to pull Item C-9. 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 Leight and carried unanimously.

CONSENT AGENDA

Property Matters

- C-1. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTIES FOR CLEMMONSVILLE ROAD WIDENING PHASE IV BY DEED OR CONDEMNATION - *Lots located on W. Clemmons Road, Hege Street, Peters Creek Pkwy, and Fiddlers Glenn Drive.*
- C-2. RESOLUTION AMENDING A SALES CONTRACT BETWEEN THE CITY OF WINSTON-SALEM AND THE TABERNACLE OF FAITH CHURCH OF THE UNITED EVANGELICAL OUTREACH MINISTRIES, INC.

Public Safety

- C-3. RESOLUTION AUTHORIZING INTERLOCAL AGREEMENT BETWEEN THE CITY OF WINSTON-SALEM, NORTH CAROLINA, THE COUNTY OF FORSYTH, NORTH CAROLINA, THE TOWN OF KERNERSVILLE, NORTH CAROLINA, THE WINSTON-SALEM/FORSYTH COUNTY BOARD OF EDUCATION TO PROVIDE MATCHING FUNDS FOR THE 2010 COMMUNITY ORIENTED POLICING SERVICES SECURE OUR SCHOOLS GRANT.

Finance/Budget

- C-4. RESOLUTION AWARDED PURCHASE ORDER FOR LAPTOP COMPUTERS FOR THE WINSTON-SALEM POLICE DEPARTMENT - *Dell Marketing, L.P.* - \$300,479.93.

Transportation

- C-5. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A SUPPLEMENTAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO RECEIVE ADDITIONAL FUNDING FOR THE BRUSHY FORK GREENWAY PROJECT.
- C-6. CONSIDERATION OF ITEMS RELATING TO FEDERAL FUNDING FOR TRANSPORTATION SERVICES FOR LOW INCOME INDIVIDUALS, ELDERLY AND PERSON WITH DISABILITIES:
- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MUNICIPAL AGREEMENT WITH THE FEDERAL TRANSIT ADMINISTRATION ACCEPTING JOB ACCESS REVERSE COMMUTE AND NEW FREEDOM FUNDS FOR THE WINSTON-SALEM URBAN AREA.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.
- C-7. CONSIDERATION OF ITEMS RELATING TO AN AGREEMENT WITH NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO RECEIVE FUNDS FOR THE INSTALLATION OF WAYFINDING SIGNS DOWNTOWN:
- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ASSUMPTION AGREEMENT WITH THE DOWNTOWN WINSTON-SALEM PARTNERSHIP, INC. TO PASS-THROUGH FUNDING FOR INSTALLATION OF WAYFINDING SIGNS IN DOWNTOWN WINSTON-SALEM.
 - b. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A

STATE SMALL CONSTRUCTION AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO RECEIVE PASS-THROUGH FUNDING FOR WAYFINDING SIGNS IN DOWNTOWN WINSTON-SALEM.

- c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.

General Government

- C-8. RESOLUTION DECLARING CERTAIN CITY-OWNED EQUIPMENT SURPLUS AND AUTHORIZING THE SALE THEREOF.
- C-10. MONTHLY REPORT ON ECONOMIC STIMULUS PROJECTS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT.
- C-11. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *June 14, 2010.*

General Government

- C-9. RESOLUTION AUTHORIZING THE DONATION OF SURPLUS VEHICLES TO THE TOWN OF BETHEL, NORTH CAROLINA.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Leight. Council Member Burke abstained from the vote. The motion carried on a vote of three in favor, none in opposition and one abstaining. Those voting in favor of the motion were Council Members Merschel, Clark and Leight with Council Member Burke voting in abstention.

GENERAL AGENDA

Chair Merschel stated that the Committee would first consider Item G-3 as there were participants needing to attend another meeting at 6:00 p.m.

- G-3. RESOLUTION APPROVING FINANCIAL ASSISTANCE TO CATERPILLAR, INC. *Public Hearing: July 19, 2010.*

Mr. Derwick Paige, Deputy City Manager, gave the presentation on the Caterpillar Project Economic Development highlights.

In response to Council Member Leight's question, Mr. Paige stated that the Golden Leaf Foundation grant, if received, will be used to purchase equipment that will then be leased to Caterpillar. If the grant is approved, the specific details will be presented to City Council for consideration at a future meeting.

In response to Council Member Burke's inquiry, Mr. Paige noted that Golden Leaf Foundation grants are available to economically affected tobacco-dependent regions of North Carolina.

In response to Council Member Burke's question, Mr. Bob Leak, Winston-Salem Business, Inc., stated that no other entity will be able to apply for this particular grant from the Golden Leaf Foundation but Winston-Salem.

In response to Council Member Clark's inquiry, Mr. Leak stated that when choosing a site, Caterpillar was considering one that met its basic criteria, such as construction-ready land, labor force and/or potential job training programs, availability of established utilities and proper zoning for the facility. Once a number of suitable locations were determined, possible incentives become a deciding factor.

Mayor Joines noted that this would be a strong project for the community as it is not only self-funding and well protected, but it is a collaboration of participation between the County, State, the Golden Leaf Foundation and surrounding community colleges. He also noted that Caterpillar will review long-term business opportunities within the area and while it is aggressive, it is a responsible business proposal.

In response to Council Member Burke's statement, Mr. Lee Garrity, City Manager, stated that a public hearing for Monday, July 19, has been advertised, and if the item is approved, staff can incorporate the use of WSTV-13 as construction and hiring begins, so the public will remain well-informed.

Council Member Burke requested that staff maintain construction-ready land for similar projects and to entice future businesses.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Leight.

Council Member Burke commended Mr. Paige and Mr. Garrity for a job well done.

The motion for approval carried unanimously.

- G-1. CONSIDERATION OF ITEMS RELATING TO THE PURCHASE OF THREE COMPRESSED NATURAL GAS VEHICLES THROUGH THE CLEAN FUEL ADVANCED TECHNOLOGY PROJECT GRANT:
- a. RESOLUTION AUTHORIZING THE CITY OF WINSTON-SALEM TO APPLY FOR A GRANT FROM THE NORTH CAROLINA SOLAR CENTER FOR THE PURCHASE OF THREE COMPRESSED NATURAL GAS VEHICLES THROUGH THE CLEAN FUEL ADVANCED TECHNOLOGY PROJECT GRANT.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.

Mr. Sandy Barfoot, Fleet Services Director, noted that the addition of compressed natural gas vehicles will not only help to reduce the City's carbon footprint, it will also help to update the City's fleet vehicles. In response to Council Member Clark's question, Mr. Barfoot stated that there was a limited amount of funding available across the state for the purchase of these vehicles, and it is likely this will be the only purchase.

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

G-2. CONSIDERATION OF ITEMS RELATING TO CONSOLIDATED CITY/COUNTY PUBLIC SAFETY SERVICES AND FACILITIES:

- a. RESOLUTION APPROVING THE REVISED CITY/COUNTY COOPERATIVE GOVERNMENTAL SERVICES FUNDING AGREEMENT.
- b. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH FORSYTH COUNTY TO JOINTLY FUND A CITY/COUNTY PUBLIC SAFETY TRAINING FACILITY.
- c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.
- d. RESOLUTION AUTHORIZING CITY MANAGEMENT TO STUDY ADDITIONAL CONSOLIDATION OPPORTUNITIES WITH FORSYTH COUNTY IN THE AREAS OF CRIME SCENE UNIT FOR LAW ENFORCEMENT AND AN AFFIDAVIT SYSTEM WITHIN THE LAW ENFORCEMENT DETENTION CENTER.

Mrs. Ann Jones, Budget/Evaluation Director, stated that Mr. Garrity and Mr. Dudley Watts, Forsyth County Manager, have met to discuss public safety needs of the City and County, and a portion of this item will revise the agreement approved in May regarding Justice Assistance Grant (JAG) funding, which will be removed from the agreement to allow more flexibility. An interlocal agreement with the County to jointly fund a City/County Public Safety Training Facility is included that will allow the construction of a fire/rescue training facility, an indoor firing range and the acquisition of land in the Rolling Hills area. The included project budget ordinance will consolidate the appropriation of funds from the City, County and federal earmark grant funds to construct and equip the joint public safety training facility. A Crime Scene Unit and Affidavit System is the final piece of the item, which will consolidate functions between the City and County as potential budgetary savings and program improvements.

In response to Council Member Leight's question, Mr. Garrity stated that there is an affidavit system in place within the Charlotte/Mecklenberg Police Department, which allows an arresting officer to swear an affidavit to a sworn detention officer, turn over a prisoner to that officer and allows the arresting officer to return to his/her duties on the street.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Leight.

To clarify Council Member Montgomery's question, Mr. Garrity confirmed that in the adopted budget for Fiscal year 2010-2011, the City did approve a higher fee structure for residents outside of the City to participate in various Recreation and Parks programs.

In response to Council Member Leight's inquiry, Mr. Garrity stated that the City agreed to a 60/40 allocation of the JAG funding, but the County expressed concern with that allocation and would prefer that the allocation be removed from the agreement altogether. Federal government regulations on JAG funding can change yearly so the allocation will be reviewed between the City and County each year. He also stated that he feels there is a better sense of understanding between all parties regarding the funding than in previous times.

Chair Merschel noted that staff should continue to seek consolidation efforts for efficiency and cost savings that will benefit the citizens of Winston-Salem and Forsyth County. She also requested that the City Manager and his staff continue conversations with County staff to determine further allocations or consolidation efforts. She expressed concern about the transfer of park responsibilities during budget discussions, but noted that item may be better handled at the City/County Manager level, rather than through City Council discussions.

Council Member Leight noted that she hopes further conversations will also include smaller municipalities.

Mr. Garrity stated that staff continues to have conversations regarding a metropolitan police force and that a report will be brought to the Public Safety Committee in the fall, as well as information on the success of the School Resource Officer program and the potential for expansion.

The motion for approval carried unanimously.

G-4. PRESENTATION ON EMPLOYEE SAFETY AND THE CITY'S WORKERS' COMPENSATION PROGRAM.

Mr. Garrity stated that traditionally, Employee Safety and Risk Management programs were separate, but were merged under the Finance Department in 2007 to help manage costs and to improve the health and welfare of City employees.

Mr. Tony Baker, Risk Management Director, gave the presentation.

Council Member Clark requested to know the number of serious injuries each year with serious being defined as more than three days out of work.

In response to Council Member Clark's question, Mr. Baker stated that staff does not have a breakdown of injuries per department.

In response to Council Member Leight's question, Mr. Baker stated that regular hearing tests are part of the Fire Department's accreditation program.

Mr. Jim Lavis, Employee Safety Director, stated that firefighters fall into the category of required hearing tests due to exposure to high frequency noise for extended periods of time.

In response to Chair Merschel's question, Mr. Baker noted that the Days Away from Work Restricted/Transferred Duty (DART) rating has no financial implication on the Recreation and Parks Department. If a DART rate is over ten, the Occupational Safety and Health Administration (OSHA) will perform a mandatory inspection. If the DART rate is between seven and ten, OSHA may perform a random inspection and if the DART rate is below seven, there is no inspection.

Mrs. Denise Bell, Chief Financial Officer, noted that it is difficult to compare the City's Recreation and Parks Department to others because Vegetation Management is also included.

In response to Chair Merschel's question, Mr. Garrity stated that the City consolidated vegetation, mowing and landscaping into Vegetation Management, which was then merged under Recreation and Parks due to a shared space. The merger has reduced management costs and allowed staff to focus more on service delivery.

Mr. Baker noted that if OSHA performs an inspection, it is not for an injury or cause of injury, rather it is an inspection of the facility. OSHA inspections are tracked by department and in most cases, by facility.

Council Member Clark requested to know the number of Workers' Compensation claims per employee in comparison to other cities. He also expressed concern that in nine years, the City's Workers' Compensation claims have tripled.

Mrs. Bell noted that over the years, the City's Workers' Compensation process has changed. Once an employee reaches maximum medical improvement, the City will continue to pay Workers' Compensation until they find suitable employment, which could be a number of years. Risk Management staff also works with employees to help them obtain a new job or vocational training. An employee drawing Workers' Compensation may also be able to draw disability/retirement benefits. The Industrial Commission aims to provide greater benefits to claimants and now requires employers to provide larger payments. Healthcare costs are ever-increasing and as a workforce is compressed, but the needs remain the same, employees may not take enough time or give his/her job duties enough care, and may result in injury.

Mayor Joines out at 6:13 p.m.

In response to Chair Merschel's question, Mrs. Bell stated that once an employee is physically disabled and unable to work in his/her current position, they qualify for retirement benefits through the State retirement system. Workers' Compensation will continue to pay as long as that individual is unemployed so they will potentially be receiving disability retirement and Workers' Compensation benefits. These combined streams of income equate to more than 100% of what that individual was receiving before the injury. She also stated that this issue would have to be

addressed through state legislation for any changes to be made.

In response to Council Member Montgomery's question, Mr. Baker stated that there are currently six employees receiving Workers' Compensation benefits.

Council Member Leight questioned if there could be a cap placed on benefits paid so that an individual could not earn more than his/her original salary.

Mrs. Bell noted that a small group of municipalities expressed concerns over the process to the North Carolina League of Municipalities (NCLM), but it was not pursued.

In response to Council Member Clark's question, Mrs. Bell noted that a State employee does not receive both Workers' Compensation and disability retirement benefits.

Chair Merschel requested that in light of the current economy, that staff discuss double benefit payments with the NCLM.

In response to Council Member Leight's question, Mr. Baker stated that the Safety Incentive Program is an option being explored, which would provide a paid incentive to a department if injury numbers drop to a certain point to break even with previous numbers. It would be a cost reduction from property damage, lost time and lost productivity which would offset any monetary incentive to employees. If the goal of injury reduction is not met, the department does not obtain the incentive.

ADDITIONAL ITEMS

Chair Merschel requested that the list of items discussed during the budget as needing additional review be provided via email to Council Members.

In response to Council Member Leight's question, Mrs. Bell stated that the City has taxed and begun receiving payments from Internet Cafes and it will be able to keep all payments. Taxes were due on July 1 and if the business was in operation that day, it is required to pay the entire tax.

In response to Chair Merschel's inquiry, Mrs. Bell noted that the dollar amount proposed during budget discussions was probably low in comparison to the payments the City will receive.

ADJOURNMENT: 6:24 p.m.