

## SUMMARY OF MINUTES

### FINANCE COMMITTEE

5:00 P.M., MONDAY, AUGUST 9, 2010

COMMITTEE ROOM

ROOM 239, CITY HALL

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*MEMBERS PRESENT:* Mayor Allen Joines  
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 Derwin L. Montgomery  
Council Member Dan Besse

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(d) and Council Member Clark requested to pull Items C-1(a), C-7 and C-14. Chair Merschel indicated she wished to pull Item C-3 for discussion.

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

#### CONSENT AGENDA

##### Property Matters

- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
- b. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY FOR BRUSHY FORK GREENWAY EXTENSION - *Lot located on W. Lee Street. [\$18,350.]*
  - c. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTIES FOR CLEMMONSVILLE ROAD WIDENING PHASE V BY DEED OR CONDEMNATION - *Lots located on W. Clemmons Road, Renon Road, Hege Street, Brewer Road, Peters Creek Parkway, Stavanger Court and Trenchard Lane. [\$344,540 from General Obligation Bond funds.]*

Community and Economic Development

- C-2. RESOLUTION AUTHORIZING SUBMISSION OF CONTINUUM OF CARE HOMELESS GRANT APPLICATION, ACCEPTANCE OF GRANT FUNDS, AND EXECUTION OF SUBGRANTEE AGREEMENTS.

Environmental Health

- C-4. CONSIDERATION OF ITEMS RELATED TO THE ENERGY EFFICIENCY CONSERVATION BLOCK GRANTS FORMULA FUNDS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT:
- a. RESOLUTION APPROVING THE REALLOCATION OF ENERGY EFFICIENCY CONSERVATION BLOCK GRANT FORMULA FUNDS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.

Public Safety

- C-5. CONSIDERATION OF ITEMS RELATED TO THE AWARD OF THE 2010 BYRNE JUSTICE ASSISTANCE GRANT. [*\$261,174*]:
- a. RESOLUTION AUTHORIZING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF WINSTON-SALEM, NORTH CAROLINA AND THE COUNTY OF FORSYTH, NORTH CAROLINA TO SHARE A 2010 BYRNE JUSTICE ASSISTANCE GRANT PROGRAM AWARD.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.

Finance/Budget

- C-6. REPORT ON IKON RENEWAL AGREEMENT FOR PRINT SHOP, MAIL DELIVERY, COPY MACHINES, AND NETWORK PRINTING.
- C-8. CONSIDERATION OF AMENDMENTS TO THE FISCAL YEAR 2010-2011 ANNUAL APPROPRIATION/TAX LEVY ORDINANCE AND THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM:

- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.

C-9. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION AWARDED CONTRACT FOR PURCHASE OF CRS 1 & 2 ASPHALT EMULSION - *Seaco, Inc.* - \$111,230.
- b. RESOLUTION AWARDED CONTRACT FOR CORRUGATED METAL PIPE - *Contech Construction Products, Inc.* - \$66,254.20.
- c. RESOLUTION AWARDED CONTRACT RENEWAL FOR ANNUAL SOFTWARE MAINTENANCE AND SUPPORT - *Sungard Public Sector, Inc.* - \$210,158.44.

Transportation

- C-10. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A SUPPLEMENTAL MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR DIVISION MANAGED FUNDS FOR THE MARTIN LUTHER KING, JR. DRIVE MEDIAN PEDESTRIAN SAFETY IMPROVEMENTS AT WINSTON-SALEM STATE UNIVERSITY.

General Government

- C-11. CONSIDERATION OF ITEMS RELATING TO THE USE OF THE CEMETERY FUND BALANCE TO COMPLETE PAVING PROJECTS WITHIN WOODLAND AND NEW EVERGREEN CEMETERIES [*\$184,500*]:
- a. RESOLUTION AUTHORIZING THE USE OF CEMETERY FUND BALANCE TO COMPLETE PAVING PROJECTS WITHIN WOODLAND CEMETERY AND NEW EVERGREEN CEMETERY.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.
- C-12. RESOLUTION AUTHORIZING SALE OF SURPLUS USED VANS.

- C-13. RESOLUTION AUTHORIZING THE WINSTON-SALEM TRANSIT AUTHORITY TO DONATE COMPUTER EQUIPMENT.
- C-15. CITIZENS' BASEBALL STADIUM REVIEW COMMITTEE MONTHLY REPORT TO THE CITY COUNCIL.
- C-16. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *July 12, 2010.*

Property Matters

- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
  - a. RESOLUTION AUTHORIZING ACCEPTANCE OF A DONATION OF A GREENSPACE EASEMENT AT 648 WAUGHTOWN STREET.

Council Member Clark expressed concern over whether appropriate environmental studies have been done given that the property was formerly a gas station. He also noted that there may be an issue if the owners ever decide to sell the property, the easement would have to be given back.

Mr. Derwick L. Paige, Deputy City Manager, explained that the City will only be putting passive greenspace on the easement and does not need to know whether or not there are environmental issues with the property. There will not be any recreational use of the greenspace and the City will not take title of the easement. He noted that the owners would be solely responsible if any environmental issues ever arose with the property.

Council Member Burke noted that the City needs to remain vigil with these types of issues.

Council Member Clark made a motion for approval of the item. The motion was duly seconded by Council Member Leight and carried unanimously.

- d. RESOLUTION AUTHORIZING THE CONVEYANCE OF CERTAIN CITY-OWNED PROPERTY TO A NON-PROFIT ENTITY CARRYING OUT A PUBLIC PURPOSE AS PERMITTED IN N.C.G.S. 160A-279 AND AUTHORIZING A WALKWAY EASEMENT BE RETAINED AND ACCEPTED ON PROPERTY OWNED BY HABITAT FOR HUMANITY OF FORSYTH COUNTY - *Property located on W. Fourteenth Street.*

Council Member Burke pointed out that Mrs. Oberle was present at today's meeting and at last week's City Council Meeting, Council Member Adams had mentioned the need for keeping up the maintenance on the crepe myrtle trees in this area. She noted that Council Member Adams will be meeting with Mrs. Oberle to discuss this process.

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

Community and Economic Development

C-3. RESOLUTION AUTHORIZING PROJECTS TO UTILIZE ADDITIONAL RECOVERY ZONE FACILITY BONDS.

Chair Merschel noted that the project on Item G-3 on today's agenda utilizes the same developer as this project, and in the interest of disclosure, she indicated that she serves on the Downtown Winston-Salem Partnership (DWSP) and she is also with Piedmont Federal, who donated the Pepper Building several years ago. She noted that although she does not receive financial compensation, she does receive additional information. She expressed concern that the City Council is being asked to support the project without having seen current plans and based on the success of other downtown projects, such as West End Village, One Park Vista, Goler and the Baseball Stadium. Chair Merschel noted that all of those projects are local and the City has made a point of stating the need to support local, retaining and attracting the creative class and the 18-34 year old age bracket, and she pointed out that the developer for these two items does not fall into any of these categories. She asked if Items C-3 and G-3 could be held in Committee until the developer could make presentations to the City Council, and staff could work with the DWSP to ensure that everyone is apprised of the various economic development projects.

Council Member Burke made a motion to hold the Items C-3 and G-3 in Committee pending a presentation by the developer to the City Council. The motion was duly seconded by Council Member Clark.

Mr. Bruce Wise, TCM, Charleston, SC, explained that his company is working with U.S. Development on the project. He noted that the timeline on the facility bonds for the Recovery Zone Act ends at the end of 2010, and the bond underwriter has informed them that they need a final answer from the City by the end of August. He pointed out that the \$16 million is total for both buildings, noting that it would \$8 million per building.

Council Member Leight inquired if there are plans available on the two projects that the City Council could review.

Mr. Wise indicated that he has seen some plans but he is not aware if any are finalized.

Council Member Leight suggested having the plans available for review prior to the City Council meeting on Monday so that the items could be discussed.

In response to Chair Merschel, Mr. Wise indicated that he had been working with the City on these items for at least six months. He noted that the City would not have any liability and would only be acting as a conduit to allow the bonds to go out to the market.

Chair Merschel point out that if the project does not reach completion, then the City would have some obligation. She noted that she is not comfortable going through the process without having all of the details of the projects.

Mr. Paige replied to Chair Merschel's question, indicating that up to this point, staff had only reviewed the project to determine if the project met the lending criteria only. The lenders will determine whether or not the projects are viable. He noted that the developer did meet with Council Member Montgomery early in the process to show him the plans.

Mayor Joines suggested that staff set up individual meetings for the Council Members to meet with the developer and bring both of the items to the first Council Meeting in September for a vote.

Chair Merschel asked for a friendly amendment to the original motion that staff work with the developer and other interested parties to set up meetings with Council Members between now and the end of August, and bring the items back to the full Council on September 7.

Council Member Burke made a motion to accept the friendly amendment. The motion was duly seconded by Council Member Clark.

Council Member Clark expressed concern that many projects have been approved without plans in the past and the City has been trying to utilize the Pepper Building for 30 years and finally has a developer that is interested in the building. He indicated that the City Council should do whatever is necessary to get this item to the August 16 meeting.

Council Member Leight asked staff to get information from the developer and into the Council packages this week.

Council Member Montgomery indicated that he met with the developer in April and that he felt the item should be brought to the full Council on Monday.

In response to Council Member Burke, Mr. Wise indicated that the developer is U.S. Development out of Columbia, SC, but they will be using local employees and will not be bringing in outside employees to do the work. He also clarified that the projects are two separate buildings and the bonds have to be handled as two separate issuances.

Mayor Joines noted that the two buildings could be voted upon separately, since Coe Plaza may be easier to understand to come to a vote upon. The Pepper Building item could be considered separately since it is a little more involved.

Mr. Lee Garrity, City Manager, stated that in speaking with the City's Chief Financial Officer, she indicated that delaying the vote on the matter should not affect availability of the bonds.

Chair Merschel called for a vote on the motion on the item.

The motion carried with two in favor and two opposed. Those voting in favor of the motion were Council Members Merschel and Burke, with Council Members Leight and Clark voting in opposition.

Council Member Clark indicated he felt the projects were too important to delay. By consensus, the Committee agreed to defer its consideration of the items until the end of the agenda, giving Mr. Wise an opportunity to speak with the investment bankers.

*(Continued at the end of the agenda.)*

#### Finance/Budget

C-7. RESOLUTION ACCEPTING THE FISCAL YEAR 2010 ANNUAL TAX SETTLEMENT AND ADOPTION OF AN ORDER TO COLLECT CURRENT TAXES FOR 2010 (FISCAL YEAR 2010-2011) AND DELINQUENT TAXES FROM 2001 THROUGH 2009.

Council Member Clark inquired how the City handles collection of unpaid taxes.

Mrs. Denise Bell, Chief Financial Officer, explained that the Forsyth County Tax office handles collection for the City. It pursues larger accounts first through liens on property which could result in foreclosure action, as well as garnishment of bank accounts. She noted that the City has one of the highest collection rates across the state.

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

#### General Government

C-14. RESOLUTION AUTHORIZING CONTINUED LIVE AIRING AND REPLAYING OF COMMITTEE MEETINGS AND THE RELATED PURCHASE AND INSTALLATION OF NEW TELEVISION EQUIPMENT.

Council Member Clark asked for staff to supply information, prior to Monday's meeting, on how much money will remain in the capital projects budget from the Time Warner Cable distribution. He made a motion for approval of the item. The motion was duly seconded by Council Member Burke and unanimously carried.

#### GENERAL AGENDA

G-1. CONSIDERATION OF ITEMS RELATING TO THE PIEDMONT TRIAD RESEARCH PARK:

- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER IN A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO RECEIVE FUNDS TO CONSTRUCT A RESEARCH PARKWAY TO SERVE THE PIEDMONT TRIAD RESEARCH PARK. [*\$4,000,000.*]
- b. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ASSUMPTION AND CONSTRUCTION AGREEMENT WITH THE PIEDMONT TRIAD RESEARCH PARK TO PASS-THROUGH FUNDS TO CONSTRUCT RESEARCH PARKWAY.
- c. RESOLUTION SUPPORTING THE USE OF OUTSIDE COUNTY UTILITY SERVICES ECONOMIC DEVELOPMENT FUNDS TO CONSTRUCT RESEARCH PARKWAY. [*\$1,200,000.*]
- d. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.
- e. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2010-2011.

In response to Chair Merschel, Mr. Gregory M. Turner, Assistant City Manager, noted that staff has provided information regarding support of this item to Forsyth County and expects an answer from them sometime this month.

Council Member Leight noted that since this money is coming from the Dell fund, would the \$2.8 million have to be paid back to the City.

Mayor Joines explained that the Dell fund was set up as three basic resources, with one as a revolving piece to be paid back when utilized, one at \$6.7 million for infrastructure and not paid back, and the other for small business plans. He indicated that this project would come from the infrastructure resource and would not be paid back.

Council Member Burke pointed out that the project should be made clear to the citizens since it was first made to look as if the City would be receiving funding to do the project.

Mr. Turner explained that there is a combination of funding sources with \$4 million coming from the State, \$2.8 million as previously described, and \$1.2 from out of County water/sewer sales which have not impacted the residents of Winston-Salem/Forsyth County.

Council Member Montgomery indicated it is in his ward and he is completely in support of the project.

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

G-2. RESOLUTION REAFFIRMING THE CITY OF WINSTON-SALEM'S INTENT TO ACQUIRE UNION STATION/DAVIS GARAGE.

Mr. Turner explained that in 2004, the City received a grant of approximately \$1.3 million for acquisition and renovation of Davis Garage. Although it did not cover the total cost, it did cover the appraised value for acquisition. The City Council approved a resolution to acquire the property by deed or condemnation at that time. The owner worked with a developer who approached the City about a public/private partnership. The City needed to do environmental work and the developer needed to do due diligence and we held until all of the work was done. Although City Council previously approved acquisition of the property, staff is bringing the item back for reconsideration and the developer wishes to make a presentation of its plans for the property. Regardless of whether the City proceeds with a public/private, public or private, the grant obligates the City to use the funds for acquisition or control of the property. If we do not act fairly quickly on the grant, staff is concerned that it may dissolve.

Chair Merschel requested that staff give a brief explanation of the possibilities presented for a multi-modal transportation center at the Davis Garage location.

Mr. Turner indicated that a number of rail projects currently in the planning stages to potentially come through Winston-Salem include high speed rail, commuter rail, inner-city rail and light rail or streetcar, all of which could benefit from the City's acquisition of the Davis Garage building. The rail projects all have an expectation of local public support, in which the federal and state planning agencies will look to the cities for locally controlled stations as a demonstration of their local support. The other planned use would be for Piedmont Authority for Regional Transportation and bus service for the Winston-Salem/Forsyth County area. In response to Chair Merschel, he noted that this plan would not move the downtown Transportation Center but would help to relieve some congestion at the Center.

In response to Council Member Leight's question, Mr. Turner indicated that proceeding with acquisition of the land will not preclude the owner and developer from coming in with the private part of the project at a later date.

Council Member Clark inquired about the deadline for the grant monies.

Mr. Turner indicated that although a date has not been set, staff has to justify extension requests each year and the requests become more difficult each year. He noted that staff anticipates this year will be the last year the request can be made and should be done no later than December. The grant can only be applied to public transportation uses and the total cost to get the building renovated will be approximately \$20-24 million.

Mayor Joines inquired if transportation items fall under the “quick take” provision of condemnation items. If so, he noted that the Council would need to proceed quickly with its consideration of the item.

Mrs. Angela Carmon, City Attorney, indicated that although she needs to research the question, she’s fairly sure this project would fall under the “quick take” provision, which means the City would take immediate possession of the property if it takes acquisition by condemnation.

Mr. Bill Cannon, 6397 Chalmers Court, Summerfield, NC, noted that he is the developer on the project and he introduced his partner, Mr. Brian Wishneff. He noted that development of the property would actually cost half of what it would cost to demolish the property. Through development of the property, almost \$12 million of tax credits can be attracted. Work can be started immediately.

Council Member Burke inquired about plans to manage traffic in the area.

Mr. Cannon indicated that a traffic study has been completed and it was determined that the current patterns are adequate.

Mr. Turner explained that if the project proceeds, there are plans for a roundabout to help ease traffic congestion at the intersection of Business 40 and Martin Luther King, Jr. Drive.

Mr. Brian Wishneff, President, Brian Wishneff & Associates, made a presentation regarding the budget and benefits of a public/private partnership. He noted that they would basically manage the partnership and have no stake in the property.

Mayor Joines asked if staff had discussed the option with Mr. Davis of leasing the building back to him after the City acquires the property.

Mr. Turner indicated that staff had not discussed that option with Mr. Davis but do so if the Council desires.

Mr. Cannon indicated that there may be an issue with maintaining the public/private partnership if the City leases the building back to Mr. Davis and it does not retain a public use.

Mr. Turner noted that under the laws relative to acquisition of property by condemnation, you are restricted from selling to another private entity. The intent is to acquire for a public purpose.

Council Member Burke expressed concern about allowing the owner to regain control of the property given the past lack of change at the property. She noted that area needs change.

Mr. Cannon responded to Council Member Clark's question, indicating that Mr. Davis is not interested in selling the building at its appraised value and that is the reason why his company has pursued the tax credit investment funding.

Council Member Clark stated that in order to make a good decision on the building, he would need a fundamental understanding of what it will be used for and plans for the site. He also noted that he was concerned about parking spaces for the facility.

Mr. Cannon stated that a study indicated a surface parking on the adjoining property with 86 spaces would be adequate for the facility.

Council Member Clark noted that the City does not have \$20-24 million to complete the work on the project and if it acquires the property, it will sit for a while. He requested a site plan for the project.

Mr. Turner noted that there is an older site plan and that staff will provide that to the Council Members.

Council Member Clark also expressed concern that 86 parking spaces seems like a very small amount for what is planned at the center, and there needs to be an investigation including cost estimates that there will be adequate parking given the plans for the property.

Mr. Turner noted that staff will bring a report back to the Committee and noted that a lot of students will also be using the Transportation Center as well.

Council Member Clark also requested that input be gathered from Winston-Salem State University (WSSU) on the project.

Ms. Joycelyn Johnson, 2426 Edison Court, noted that this is an important project that Winston-Salem had been working on for a long time. She noted that it will bring significant improvement to the Martin Luther King, Jr. Drive Corridor and act as a gateway to the Corridor and the WSSU campus from Business 40. The University has been involved over the years in the process in trying to decide what would happen to the building and she noted it would be a great connector for many of the students that use buses to go to the High Point train station. It will also add a number of personal care amenities to the community that has not seen before such as restaurants, transportation, etc.

Chair Merschel noted that it is a grand building in a great location and she inquired about the current maintenance on the building.

Mr. Turner indicated that Mr. Davis has kept the exterior and interior in good condition.

Council Member Montgomery noted that he has visited a few times and the building is in good condition. He noted that the building has a lot to offer the community and the City should definitely pursue the public/private partnership on the property.

Chair Merschel indicated that she would like to take a tour of the facility.

Council Member Leight made a motion to hold the item in Committee until September, pending time to visit the facility, review the plans and speak with WSSU representatives.

The motion was duly seconded by Council Member Burke.

Council Member Montgomery noted that City Council needs to ensure that the item does not get pushed away and remains in the forefront.

The motion to hold the item until September was carried unanimously carried.

G-4. PRESENTATION ON PURCHASING POLICIES AND PROCEDURES.

By consensus, the Committee agreed to hold this item in Committee until September to allow adequate time for the presentation.

G-3. RESOLUTION AUTHORIZING AN AGREEMENT WITH US DEVELOPMENT COMPANY FOR FINANCIAL ASSISTANCE FOR A DOWNTOWN DEVELOPMENT PROJECT COMPRISING THE REDEVELOPMENT OF THE COE PLAZA BUILDING AND CREATION OF A PUBLIC PARK.

*(Continuation)*

C-3. RESOLUTION AUTHORIZING PROJECTS TO UTILIZE ADDITIONAL RECOVERY ZONE FACILITY BONDS.

Mr. Wise indicated he was able to reach the bond underwriter who indicated that the September 7 date should be fine. He noted that he also spoke with the bond attorney who asked him to make sure that no other rules were being broken by the timing that would hurt the other allotment.

Chair Merschel indicated that the City Council would not pull back any previously adopted and approved funding for the project.

Council Member Clark made a motion to direct staff to include in Thursday's package specific information on both projects, ask the developer to schedule individual meetings with each of the Council Members, ask the developer to make a presentation to the full Council on August 16, and forward the items to the full Council on September 7. The motion was duly seconded by Council Member Leight.

The motion carried on a vote of three in favor, none opposed and one abstaining. Those voting in favor of the motion were Council Members Clark, Leight and Merschel, with Council Member Burke abstaining from the vote.

Chair Merschel expressed concern that these two items were pushed through the process of being brought to the Committee without adequate information and requested that in the future, more detailed information be provided for these types of projects and items.

ADJOURNMENT: 6:40 p.m.