

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 p.m., Monday, October 10, 2011

COMMITTEE ROOM

Room 239, City Hall

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 James Taylor, Jr.
Council Member Derwin L. Montgomery (in at 4:02 p.m.)
Council Member Denise D. Adams (in at 4:30 p.m.)*

Chair Merschel called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda. Council Member Leight asked to remove Items C-3, C-8, C-11 and C-14. Council Member Clark asked to remove Items C-6 and C-7. No other items were removed.

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. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, APPROVING A RELEASE OF REAL PROPERTY, OAK CREEK APARTMENTS.

Environmental Health

- C-2. RESOLUTION AUTHORIZING AN AGREEMENT WITH PIEDMONT NATURAL GAS COMPANY FOR THE RELOCATION OF GAS DISTRIBUTION LINES RELATED TO THE RESEARCH PARK BOULEVARD CONSTRUCTION PROJECT.

Public Safety

- C-4. CONSIDERATION OF ITEMS RELATED TO A HIGHWAY SAFETY EQUIPMENT GRANT:

- a. RESOLUTION AUTHORIZING ACCEPTANCE OF A 2011 NORTH CAROLINA GOVERNOR'S HIGHWAY SAFETY EQUIPMENT GRANT TO FUND THE PURCHASE OF SPEED ENFORCEMENT EQUIPMENT.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

Finance/Budget

C-5. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION AWARDED CONTRACT FOR TWO ONE-TON STANDARD CAB UTILITY TRUCKS - *Modern Chevrolet Company* - \$110,810.
- b. RESOLUTION AWARDED CONTRACT FOR RESURFACING CITY STREETS IN FRIENDLY ACRES SUBDIVISION - *Yadkin Valley Paving, Inc.* - \$133,475.21.
- c. RESOLUTION AWARDED CONTRACT FOR ROAD SALT FOR STREETS DIVISION - *Cargill, Inc.* - \$160,580.
- d. RESOLUTION AWARDED CONTRACT FOR TWO AERIAL LIFT TRUCKS UNDER THE BID PROCEDURE WAIVER OF N.C.G.S.143-129(G) - *Map Enterprises, Inc.* - \$177,092.
- e. RESOLUTION AWARDED CONTRACT FOR ASPHALT EMULSION CEMENT - *Slurry Pavers, Inc.* - \$130,119.35.
- f. RESOLUTION AMENDING CONTRACT AMOUNT FOR PROFESSIONAL AND ENGINEERING SERVICES FOR BAYLAND CONSULTANTS AND DESIGNERS, INC. [*Increase Purchase Order amount by \$104,161.91.*]

C-9. CONSIDERATION OF ITEMS RELATED TO THE HUMAN RESOURCES AND PAYROLL SYSTEM:

- a. RESOLUTION APPROVING AN AGREEMENT WITH SUM TOTAL, INC. TO DEPLOY NEW AND ENHANCED CAPABILITIES TO THE CITY'S HUMAN RESOURCES AND PAYROLL SYSTEM. [*\$348,288 over three years.*]
- b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

C-10. CONSIDERATION OF AMENDMENTS TO THE BUDGET ORDINANCES:

- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

Transportation

C-12. CONSIDERATION OF ITEMS RELATED TO SIDEWALK CONSTRUCTION:

- a. RESOLUTION AUTHORIZING AN AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO SHARE THE COSTS OF CONSTRUCTING SIDEWALK ALONG UNION CROSS ROAD.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

C-13. CONSIDERATION OF ITEMS RELATED TO THE PRIORITY SIDEWALK PROGRAM:

- a. RESOLUTION ADDING LOWERY STREET TO THE PRIORITY SIDEWALK LIST.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

General Government

C-15. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *September 12, 2011.*

Finance/Budget

C-3. CONSIDERATION OF ITEMS RELATED TO THE 2010 SECURE OUR SCHOOLS GRANT:

- a. RESOLUTION AUTHORIZING AN AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF WINSTON-SALEM, NORTH CAROLINA, THE COUNTY OF FORSYTH, NORTH CAROLINA, THE TOWN OF KERNERSVILLE, NORTH CAROLINA, AND THE WINSTON-SALEM/FORSYTH COUNTY BOARD OF EDUCATION TO PROVIDE MATCHING FUNDS FOR THE 2010 COMMUNITY ORIENTED POLICING

SERVICES SECURE OUR SCHOOLS GRANT.

- b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.
- c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

In response to Council Member Leight's questions, Police Chief Scott Cunningham stated that the grant was submitted originally with a wide range of partnerships. When the School Resource Officer Program (SRO) changed, the Forsyth County Sheriff's Office (FCSO) didn't fund it and withdrew their participation, in effect breaching the original application and contract. The Winston-Salem Police Department (WSPD), with help from the City and City Council, has decided that it is in the best interest of the children to continue with the program.

He reiterated that the original agreement was breached by the Sheriff's Office. The Sheriff's agreed upon amount was \$45,994.50, that the City will now be responsible for. The grant is a \$350,000 Federal Grant match; the local entities pay half and the Federal Government pays \$174,000.

In response to Council Member Montgomery's concerns, Mr. Lee Garrity, City Manager, stated that he continues to have conversations with the County Manager, who feels the FCSO is justified because the original division of the local match was based on schools with SRO's. At that time, North Forsyth High School was the only city school included. When Atkins and Parkland High Schools transitioned over, the Sheriff felt he was no longer obligated to honor the agreement. He further stated that staff continues to have conversations with the County about everything related to the FCSO and law enforcement.

In response to Council Member Clark's question, Chief Cunningham reported that the WSPD is buying additional cameras and recording equipment for monitoring inside the schools.

In response to Council Member Leight's question, Chief Cunningham stated that the grant doesn't actually have anything to do with SRO's, but the City has SRO's at these particular schools.

Council Member Leight stated that she is in support of protecting the children, but that this sets a horrible precedent as the City is going into a new agreement for the SRO program. She asked if there is any need for further discussion or is there any way it can be resolved differently.

Chief Cunningham stated that at this point, staff would like to proceed with this request to put the equipment in the schools, and will continue to have discussions about the funding of this, possibly with a future Justice Assistance Grant allocation.

Council Member Burke stated that she agrees with Chief Cunningham, especially in light of the meeting she just attended regarding gangs, where information was shared regarding gang

participation and other infractions happening in local schools. The City should have the children as first priority regardless of how other entities address the issues.

Council Member Clark noted the relationship between the City and County is complex, with departments serving both entities. However, Council Members should relay their frustration to the City Manager that someone would renege on a contract. He stated that this information may be useful in future negotiations with the County.

Chair Merschel remarked that she had concerns with the original agreement, but it is necessary for the City to take the higher ground here for the safety of our children. She asked the City Manager to have a conversation with the County to let them know this is not good first step in hopefully a long, productive, beneficial relationship within our schools.

Mr. Garrity stated the City's relationship with the Winston-Salem/Forsyth County School Board (WS/FCS) is very strong, and he is confident it will honor the SRO contract.

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

C-6. CONSIDERATION OF ITEMS RELATED TO THE PURCHASE OF RECYCLING CARTS:

- a. RESOLUTION AWARDED CONTRACT FOR RECYCLING CARTS FOR SANITATION DIVISION - *Toter, Inc.* - \$3,218,100.
- b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.
- c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

In response to Council Member Clark's question, Mr. Gregory M. Turner, Assistant City Manager/Public Works, stated that the prices for these items are better than staff expected, because the low-bidder was able to get a competitive price.

Council Member Clark requested that staff provide a complete analysis of the second half of this two half project. The first half was signing a contract with Waste Management to go to a single-cart roll out recycling program, and the second half was actually buying the carts. He asked that staff provide the financial impact of the total project when it is implemented.

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

In response to Council Member Leight's question, Mr. Turner responded that he will provide information on the feasibility of having radio frequency tags put on all addresses.

The motion for approval carried unanimously.

C-7. CONSIDERATION OF ITEMS RELATED TO CONTRACTS FOR FIRE SERVICE:

- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS WITH MINERAL SPRINGS AND UNION CROSS VOLUNTEER FIRE DEPARTMENTS FOR CONTRACTED FIRE SERVICE.
- b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

In response to Council Member Clark's inquiry, Mr. Chris Langham, Assistant Fire Chief, responded that staff will evaluate the relationship with the Union Cross Volunteer Fire Department when Fire Station #19, located on Glenn Hi Road, is built. At that time, it is likely that the agreement will be terminated. He further explained that the City will have a more long-term relationship with the Mineral Springs Volunteer Fire Department.

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

C-8. CONSIDERATION OF ITEMS RELATED TO CONSTRUCTION OF FIRE STATION 19:

- a. RESOLUTION ALLOWING WITHDRAWAL OF A BID FOR CONSTRUCTION OF FIRE STATION 19 LOCATED AT 4430 GLENN HI ROAD.
- b. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF FIRE STATION 19 LOCATED AT 4430 GLENN HI ROAD - *Farley Associates, Inc.* - \$2,224,950.

In response to Council Member Leight's question, Mr. Jerry Bates, City/County Purchasing Director, explained that the specifications call for asphalt paving, and Alternate 1 accepts pricing for concrete paving.

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

In response to Council Member Clark's question, Mr. Bates stated that Farley Associates, Inc. is located in Fort Mill, South Carolina.

Council Member Taylor remarked that he is excited about the M/WBE participation efforts of Farley Associates, Inc.

The motion for approval carried unanimously.

Transportation

C-11. RESOLUTION APPROVING AN INTERNLOCAL AGREEMENT WITH THE TOWN OF RURAL HALL.

In response to Council Member Leight's question, Mr. Turner confirmed that the City will receive the funds from the Federal Government and pay Rural Hall.

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

C-14. CONSIDERATION OF ITEMS RELATED TO SIDEWALK REPAIRS:

- a. RESOLUTION APPROVING SIDEWALK REPAIRS AT CORPENING PLAZA.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

Council Member Leight commented that she is very happy that staff brought this forward because the area has been an eyesore with erosion of the bank and stripped away plants. In spite of budget problems, staff needs to renew methods of improving the downtown appearance. There are numerous gaps in the tree canopy, and the trees can hardly grow in the tiny holes they are planted in. She suggested that Council have a discussion on the plan to help the downtown area with the tree problem.

Mr. Garrity responded that staff will bring an item back as part of the short-term capital needs not funded during the budget process.

Council Member Burke stated that she has problems with trees, not only downtown, but throughout the city. She stated that she doesn't feel that staff does an adequate job of inspecting the trees, and if needed, should be replaced without having to purchase replacements.

Council Member Leight thanked the Vegetation Management Department and West Salem Neighborhood Association for raising money and purchasing 160 trees that were planted along Academy Street and Hutton Street.

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

In response to Chair Merschel's question, Mr. Garrity clarified that the City does have warranties on purchased trees, and that Council Member Burke was asking for better inspections during the warranty period.

The motion for approval carried unanimously.

GENERAL AGENDA

G-1. RESOLUTION AUTHORIZING REFINANCING OF NOTES IN SECTION 108 PUBLIC OFFERINGS BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

Mr. Ritchie Brooks, Community and Business Development Department Director, reported that staff was notified of an opportunity to refinance the notes associated with the City's two Section 108 loans. The City was awarded a \$4.5 million loan in 1998 that was used to fund the Plaza Apartments, LaDeara Crest, single family rehabilitation and the Restaurant Row Program. The City received \$2 million in 1999 that was used for acquisition, relocation and demolition for the Brookwood Business Park. Currently, if the note is refinanced, the City would save approximately \$260,738 over the remaining 10 years of its maturity. Current notes range from 6% in 2012 to 6.67% in 2021. The estimated rate on the new series note would range from .25% in 2012 to 2.44% in 2021. Staff feels this is a good opportunity and is requesting Council's authorization to move forward with this refinancing.

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

Mr. Brooks clarified for Council Member Taylor the Plaza Apartments in question are located at Northwest Boulevard and Thurmond Street.

The motion for approval carried unanimously.

G-2. RESOLUTION AUTHORIZING A NEW LOAN TO SUMMIT SQUARE GARDEN APARTMENTS AND RESTRUCTURING OF THE EXISTING LOANS.

Mr. Brooks reported that this request is to authorize a new loan to Summit Square Garden Apartments, located at Cleveland Avenue and File Street, and approve restructuring of the existing loans. He stated that 25 years ago, this new construction project served as an excellent anchor for the redevelopment efforts in that area. Three loans were made to the project: one loan of \$809,050 from Housing Finance Funds, and two loans of \$440,293 and \$450,000 from Community Development Block Grant (CDBG) funds. The original loans totaled \$1,699,343, and with accrued interest as of December 31, 2010, the balance is \$2,936,192.57. The owners have asked staff to restructure the existing loans and if further assistance can be provided. In March 1989, the City issued \$2.9 Million in Mortgage Revenue Refunding Bonds to refinance the original bonds and reduced the interest rate from 10% to 7%. Those bonds have been paid in full 17 years early. In doing so, some maintenance items have been neglected, and some infusion of capital is needed, but the items are not substantial because the apartments have been well maintained.

Mr. Brooks stated that under the proposed restructuring, staff is requesting that Council authorize a fourth loan of \$400,000 to the project from CDBG funds to facilitate repairs, and restructure two of the outstanding loans to 0% interest and amortize payments of the three loans totaling \$2.8 million over 30 years. The owner would then make annual payments of \$92,206 beginning

January 2012. The third outstanding loan of \$450,000 (originally a deferred loan), would have to be restructured at some point. It is based upon the excess cash flow in the project, and to date the City has never received a payment. If approved, the total outstanding debt would be \$3 million as of December 31, 2011.

Mr. Brooks recognized Mr. George Carr, one of the owners, and Mr. Loris R. Colclough, the City's former Chief Financial Officer, who has been assisting with the project.

In response to Council Member Clark's request for clarification, Mrs. Denise C. Bell, Chief Financial Officer, stated there were bonds that were issued in the mid-80s for around \$2.9 million; the \$1,699,343 original three loans were from Housing Funds the City had on hand. The amount of the \$2.9 million bond financing was outside the City, with Summit Square responsible for the repayment, which was paid 17 years early.

Council Member Adams in at 4:30 p.m.

Council Member Clark asked for a Profit and Loss Statement of this project to see how additional loans will be paid as well as a Pro Forma Profit and Loss Statement after the work is completed, highlighting management fees paid with this money.

Mrs. Bell responded that information is available and will be provided. She further stated that staff has worked with the owners to achieve an affordable payoff of the debt and provide sufficient on-going funds so as not to get back into a capital needs situation.

Council Member Burke stated that overall the units look decent from the outside. However, the tennis courts are rarely used, and she requested information on the management including the programs and activities offered to residents.

Mr. Carr responded that the complex has a modest-sized community building available to all residents, and they are encouraged to use it. The complex does sponsor various events, but there are no formal programs offered. The tennis courts are available, but rarely used and management does not allow external users because of liability. He further stated the owners have experienced a difficult financial situation over the years, but were able to amortize the entire first loan.

Council Member Taylor requested a CDBG balance summary.

In response to Council Member Adams' question, Mr. Carr stated the owners pay full property taxes on the property. In 2010, they paid \$59,000, with \$10,000 to \$15,000 for insurance, and the value of the property is estimated between \$1.7 - \$1.8 million.

Council Member Adams stated that in light of the demolition of tennis courts at Kennedy Learning Center during the renovation/construction, the owners should investigate the feasibility of forming a partnership with the Kimberly Park Tennis Club or the Winston-Salem Tennis Foundation to maybe utilize the courts without liability.

In response to Council Member Adams' question, Mr. Garrity stated that the City does offer third and fourth loans more often in this difficult economy to help avoid foreclosures through restructuring of loans.

In response to Council Member Montgomery's question, Mr. Carr stated that historically, their financing was a hybrid, consisting of a Federal Housing Administration first loan at \$2.7 or \$2.8 million, which was the loan that has been paid off, and the subordinate financing came through the City. He further stated that there are no direct subsidies, but they will recognize vouchers if residents have them. The property has an onsite manager who doesn't live on the property.

Council Member Montgomery remarked that the property is well kept, and he receives very few, if any, concerns from the residents.

Mr. Carr reported that this is the first time the owners have had any new capital, and the funds will be used to address three main issues: painting, kitchen cabinetry and flooring. They are willing to address the tennis courts as well.

Council Member Burke suggested that Mr. Carr contact Mr. Darryl Walker with the WS/FCS, who may be able to assist with the tennis courts.

Council Member Clark asked if the item could be kept in Committee until Committee Members have time to review the financial statements.

Mr. Carr indicated the owners could wait 30 days on this item. However, Mrs. Bell does have the financial statements.

Council Member Taylor asked that the fund balance that he requested be included.

Chair Merschel stated that, by consensus, the item will remain in Committee until November, pending review of the requested financial statements.

G-3. CONSIDERATION OF ITEMS RELATED TO THE PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION:

- a. RESOLUTION AUTHORIZING FUNDING SUPPORT FOR THE PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION.
- b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

Mr. Turner reported that the Piedmont Authority for Regional Transportation (PART) provides transportation service to commuters throughout the Triad. The local funding they receive comes from vehicle rental fees, which are fees charged to people who come to this community and rent vehicles. As a result of the downturn in the economy, those revenues have significantly decreased, and PART has approached the community for support in order to keep the costs for rides inexpensive. The four entities contacted are the City of Winston-Salem, Forsyth County,

and the two local major hospitals. The request is for \$300,000 to be spread equally between the four institutions, with a potential similar request next year.

Mayor Joines stated that he is a member of the PART Board, and has reviewed the budget over the past few months. The Board has reduced service on several routes and has increased fees twice in the past year to help address this issue. He stated that everyday, about 49,000 individuals travel into Forsyth County to work, and that same day thousands travel outside Forsyth County to work. He further stated that the Board is continuing to figure out ways to reduce the number of vehicles on the roads and asked the City to work with PART and continue to help provide these services here.

Council Member Adams stressed the importance of increasing ridership and suggested the possibility of the PART Board creating an ad hoc commission to increase diverse thinking on its Board. She also suggested having a satellite hub for riders to park.

In response to Council Member Adams' question, Mr. Turner responded that the City is currently not funding PART, rather all its funding is from rental cars. He also stated there is no direct correlation between ridership and revenue.

In response to Chair Merschel's question, Mr. Brent McKinney, PART Director, responded that PART receives a 5% tax on gross receipts of rental cars, a limit set by the General Assembly and enacted by the County Commissioners, and PART has that tax in seven of eight counties served. One county chose to go with the other option, which is an annual license fee of \$1 on vehicles. This is the only local support that PART receives. PART is eligible for funds that come to the City and provides a lot of service in Winston-Salem. He further stated that PART has never asked for those funds, because they know the City would have to pass it on through property taxes. The PART system has been managed to this point on the 5% tax on rental cars. In 2008, the tax generated about \$3.5 million, and this year PART is forecasting \$2.4 million, which is a \$1.1 million shortfall. Last year, it was down \$2.2 million. PART has used its fund balance to bridge the gap and has spent \$5.8 million in savings over a three year period. Mr. McKinney stressed that PART needs the \$1.1 million or it will have to make further cuts. Without additional funding, PART is proposing to cut the 30 minute service in the mornings between the City and the hub and back, and the same thing will apply in the afternoons. Mr. McKinney distributed ridership/financial information to Committee Members.

In response to Council Member Adams' question, Mr. McKinney responded that \$1.1 million equates to approximately 600 rides per day.

Council Member Clark requested operating financials and ridership information. He stated that he thinks of this arrangement as a marriage, with a potential long-term commitment. He asked what the other counties are being asked to contribute, as well as other major employers. He also asked what percentage of the total costs are being covered by the fares.

Mr. McKinney responded all the information that Council Member Clark asked for is in the packet he distributed.

Council Member Leight stated that she thinks PART is similar to the Winston-Salem Transit Authority; it needs to be supported by its users and kept affordable and available.

Council Member Taylor remarked that PART is a vital part of the region and city. He stated the City and region are expecting more people in the coming years, and Council and staff must determine how those people are going to get around.

In response to Council Member Taylor's inquiry, Mrs. Bell responded that if the Council approves the requested \$75,000 to be taken from the General Fund, it will have no effect on the City's credit rating, and it will be worked into the annual budget.

In response to Chair Merschel's question, Mr. McKinney explained that PART, at the request and subsidy of the North Carolina Department of Transportation, began service to Boone in August 2006 for four years. The service was lost to the private sector, a taxpaying entity, which is good for the community.

Chair Merschel asked Mr. Garrity what the Council can do to have a conversation with the Legislature regarding increasing the 5% in rental car taxes.

Mr. Garrity responded that it probably won't be possible until the long session, because his understanding is that the Legislature is talking about having a very short session with very limited items in the spring. However, staff will begin the discussion for next year's long session.

Council Member Clark remarked that he was not comfortable moving forward on this item until he has an opportunity to review the financial information provided by Mr. McKinney.

Mayor Joines responded that he respects Council Member Clark's comments, but the PART Board is operating on a time frame. If no decision is made by the end of October, those cuts will have to go into effect.

Council Member Burke made a motion to move the item forward without a recommendation.

In response to Chair Merschel's question, Mr. Turner stated that the County Manager indicated they were planning to make a decision soon but he did not give a date. He further stated that he would have information in Council's packages on Thursday.

In response to Council Member Montgomery's question, Mr. McKinney stated that if the County doesn't support this request, it will be very difficult to schedule buses for one to two hours per day, as PART needs the full compliment or nothing. He further stated that all counties are having the same discussion, and he has heard nothing negative, but money is the issue.

Mr. Garrity stated that he spoke with the County Manager yesterday, and there is a good chance it will be approved.

Chair Merschel stated that, by consensus, the Committee will forward the item to full Council without a recommendation, giving them an opportunity to review the information provided. She

asked the City Manager if staff could find one-time funding to relieve some of the concern of using the General Fund and creating an on-going subsidy.

Council Member Clark asked staff to calculate what percent of PART's \$8 million budget is paid for by someone other than a public entity.

Council Member Clark made a motion to move the item forward to full Council without a recommendation. The motion was duly seconded by Council Member Burke and carried unanimously.

ADDITIONAL ITEM

Council Member Clark stated that since the financial world is still in a turmoil, and he has noticed the name of a Belgian bank in the City's documents, he requested that Mrs. Bell provide him with a listing of all banks that the City does business with and the relationship, particularly those banks that the City does interest rate swaps with.

Council Member Burke noted that many things are developing in Winston-Salem and asked the City Manager to ensure citizens are aware of them.

ADJOURNMENT: 5:23 p.m.