

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, JUNE 10, 2013

COMMITTEE ROOM

ROOM 239, CITY HALL

*MEMBERS PRESENT: Mayor Allen Joines (in at 4:08 p.m.; out at 5:10 p.m.)
Council Member Wanda Merschel, Chair
Council Member Molly Leight, Vice Chair
Council Member Vivian H. Burke
Council Member Robert Clark (in at 4:01 p.m.)*

*OTHERS PRESENT: Council Member James Taylor, Jr.
Council Member Dan Besse
Council Member Derwin L. Montgomery (in at 4:01 p.m.)*

Chair Merschel called the meeting to order and noted that an extra item had been provided by staff for the approval of a Resolution Authorizing the City Manager to Execute a Contract for Resurfacing City Streets. She noted that the City's portion of the contract would be \$143,869 and that will be funded by Powell Funds.

Council Member Burke expressed concern that during resurfacing projects, reconstruction of curbing is poorly done in many instances. She asked that staff inspect the project carefully.

(Council Members Clark and Montgomery in at 4:01 p.m.)

Including the one additional item, Chair Merschel asked if there were any items to be pulled from the Consent Agenda. Council Member Clark requested to pull Items C-1, C-5, and C-6 for discussion. No other items were pulled.

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 AGENDAProperty Matters

- C-2. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY AT 2930 EDWARDS STREET UNDER THE PROVISIONS OF N.C.G.S. 160A-269. [*\$60,000.*]
- C-3. RESOLUTION AUTHORIZING ACQUISITION OF EASEMENTS FOR KINGSTON ROAD CULVERT REPLACEMENT PROJECT BY DEED OR CONDEMNATION - *Property located on Briarcliffe Road and Kingston Road. [\$8,300.]*
- C-4. RESOLUTION AUTHORIZING DEDICATION OF RIGHT-OF-WAY ON CITY-OWNED PROPERTY FOR CONSTRUCTION OF THE CLEMMONSVILLE ROAD WIDENING PROJECT AND THE MOTOR ROAD EXTENSION PROJECT - *Properties located on Brewer Road, West Clemmons ville Road and Old Walkertown Road.*

Finance/Budget

- C-7. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, APPROVING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT RELATED TO THE CITY'S SALE OF THE LAWRENCE JOEL VETERANS MEMORIAL COLISEUM.
- C-8. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:
- a. RESOLUTION AWARDING CONTRACT FOR QUARRY PRODUCTS - *Vulcan Construction Materials, LP - \$604,489.05 (Estimated Amount).*
 - b. RESOLUTION AWARDING CONTRACT FOR RESURFACING CITY STREETS - Contract #1 - *Larco Construction, a Division of Sloan Construction Co., Inc. - \$1,142,600 (Estimated Amount).*
 - c. RESOLUTION AWARDING CONTRACT FOR RESURFACING CITY STREETS - Contract # 2 - *APAC-Atlantic, Inc., Thompson-Arthur Division - \$1,526,297.89 (Estimated Amount).*
 - d. RESOLUTION AWARDING CONTRACT FOR CONSTRUCTION OF THE SOUTH MAIN STREET-ACADIA AVENUE BIKE LANE PROJECT - *Smith-Rowe, LLC - \$178,006.25 (Estimated Amount).*

- e. RESOLUTION AWARDING CONTRACT RENEWAL FOR ANNUAL MAINTENANCE AND SOFTWARE SUPPORT - *Sungard Public Sector, Inc.* - \$203,284.61.
 - f. RESOLUTION APPROVING RENEWAL OF MAINTENANCE AND SUPPORT SERVICES FROM KRONOS, INCORPORATED - \$122,987.38.
- C-9. CONSIDERATION OF ITEMS RELATED TO THE LIBERTY STREET VENDOR MARKET:
- a. RESOLUTION AWARDING A CONTRACT FOR CONSTRUCTION OF THE LIBERTY STREET VENDOR MARKET.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE FISCAL YEAR 2012-2013.
- C-10. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF AN AMENDMENT TO THE SERIES INDENTURE GOVERNING THE ISSUANCE OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA'S TAXABLE SPECIAL OBLIGATION BOND, SERIES 2009; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH SUCH AMENDMENT.
- C-11. CONSIDERATION OF AMENDMENTS TO THE FY 12-13 BUDGET ORDINANCES FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA.
- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE FISCAL YEAR 2012-2013.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE FISCAL YEAR 2012-2013.

General Government

- C-12. RESOLUTION DECLARING CERTAIN CITY-OWNED EQUIPMENT SURPLUS AND AUTHORIZING THE SALE THEREOF.
- C-13. ORDINANCE AMENDING SECTIONS 26-1, 26-3, AND 26-6 OF THE CITY CODE RELATING TO RECYCLING SERVICES.
- C-14. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *May 13, 2013*.

EXTRA ITEM

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT FOR RESURFACING CITY STREETS – *Larco Construction, a Division of Sloan Construction Co., Inc. - \$143,869.42.*

- C-1. RESOLUTION AUTHORIZING A LEASE AGREEMENT WITH FIFTH STREET INVESTMENTS, LLC PROVIDING SPACE FOR THE POLICE DEPARTMENT'S CRIME PREVENTION UNIT - *Property located at 1225 East Fifth Street. [\$1,625 per month.]*

Council Member Clark pointed out that there are two different items on this agenda pertaining to Winston-Salem Police Department (WSPD) facilities and it may be better to take a more comprehensive look at how WSPD should ultimately look. He noted it would be wise to have incoming Police Chief Barry Rountree take leadership on the project.

Mr. Derwick Paige, Assistant City Manager, indicated that staff is currently working with Forsyth County to consider spacing needs associated with the Public Safety Center since there is a major need to upgrade and relocate out of that facility within a couple of years. He stated that all three department heads from WSPD, Fire and Emergency Management are working on the project and an item should be brought to City Council within the next 60 to 90 days regarding how to move forward in the long term. The two items on tonight's agenda are short-term items addressing how personnel will be moved around. This item is for a three year lease for a total of approximately \$20,000 per year.

Council Member Burke expressed concern about how Mr. Perkins, the owner of the property next to this is maintaining the lot. She noted she has called staff several times about tall grass and trash.

Council Member Montgomery indicated that the owner has done a lot of clean up but he will mention the concern to Mr. Perkins.

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

- C-5. REPORT ON POTENTIAL USE OF THE LUCIA PROPERTY LOCATED AT 1539 WAUGHTOWN STREET BY THE WINSTON-SALEM POLICE DEPARTMENT SPECIAL OPERATIONS DIVISION.

Council Member Clark pointed out that this item requests much more money for the lease and upfitting expenses.

Council Member Burke expressed concern about why the City is having to upfit buildings it leases.

(Mayor Joines in at 4:08 p.m.)

Mr. Lee Garrity, City Manager, explained that the owner of this property would conduct the upfitting and the cost is being included in the lease. The City will then pay a lease that will cover that expense.

In response to Council Member Burke, Mr. Kirk Bjorling, Real Estate Administrator, indicated the City has not done any leases he is aware of where the City has upfit the building.

Council Member Burke asked staff to research if the City has paid to upfit any of its property and when it stopped the practice.

Council Member Taylor asked that the Finance Committee consider approving item, noting that his constituents are excited about the project and it is in line with his commitment to revitalizing urban areas. It will provide a police presence and reduce police response time.

Mr. Garrity explained that the item is before the Finance and Public Safety Committees for information today. He noted there is currently no money in the budget for this lease.

Council Member Clark made a motion to hold the item in Committee pending review by the Public Safety Committee. The motion was duly seconded by Council Member Burke and carried unanimously.

Community and Economic Development

C-6. RESOLUTION APPROVING LOAN FORGIVENESS TO SOUTHEAST GATEWAY VENTURES ON BEHALF OF GATEWAY ENVIRONMENTAL INITIATIVE. *[Item continued from the April meeting of the Finance Committee.]*

Council Member Clark inquired about the status of Gateway Environmental Initiative's (GEI) efforts to raise the balance of funding.

Ms. Cornelia Barr, Board Chair, GEI, indicated that the organization has applied for a Clean Water Management Trust Fund (CWMTF) Grant of \$225,000 which is half of the purchase price plus expenses such as appraisals, survey and the cost of establishing a conservation easement. She noted that GEI has also received \$50,000 from the Winston-Salem Foundation and \$25,000 from the Duke Energy Foundation. She noted that if the City forgives the loan to Southeast Gateway Ventures, that amount could be applied toward the CWMTF current match, providing for a total 53% match based upon all of the other funding raised to date.

In response to Council Member Clark, Mr. Paige indicated there is a six acre portion of the land that has not been checked for environment issues; however, a Phase 1 and Phase 2 environmental assessment will be required prior to acquiring that portion. The larger piece was included as part of the Brownfields agreement and the land has been remediated to meet all requirements under the Department of Environment and Natural Resources agreement. The land will remain undisturbed and will not be a liability to the City.

Council Member Burke inquired about how much the City will be responsible for contributing to the project.

Ms. Barr indicated that the only thing being asked of the City is forgiveness of the loan in the approximate amount of \$164,000. She noted that GEI is committed to securing contributions to fund the project.

Council Member Burke stated that she appreciates projects involving community effort such as this.

Council Member Leight indicated that she is thrilled with the way GEI has worked on this project.

Chair Merschel indicated that although she is concerned that other neighborhoods may have similar requests for City-owned properties, she supports this one because it is within a Brownfield area.

Council Member Clark made a motion to approve the loan forgiveness, contingent upon deeding the land to the City. The motion was duly seconded by Council Member Burke.

Mayor Joines pointed out that it is important for the records to reflect that the City did receive something in return for such a large loan amount being forgiven.

Mr. Paige responded to Council Member Clark's question, stating the deed would consist of approximately 25 acres.

The motion for approval of the item was unanimously carried.

GENERAL AGENDA

G-1. CONTINUED REVIEW OF FY 13-14 BUDGET.

Mr. Ben Rowe, Director, Budget and Evaluation, introduced Mr. Bruce Shelton, Chair, of the Citizens' Budget Advisory Council (CBAC) for a brief presentation.

Mr. Shelton stated that the CBAC met this year and took into account recommendations made by the Citizens' Organizational Efficiency Review Committee (COERC), as well as those made by the City Manager. The CBAC is prepared to assist City Council and the City Manager with further study of recommendations made by the COERC. It supports the proposed Fiscal Year 2013-2014 Budget and the members want to thank Budget staff for their assistance.

Chair Merschel thanked Mr. Shelton and the members of the CBAC for their time and attention, and noted that the City Council values their input. She noted that the Committee would now consider the Responses to the Questions from the previous Budget discussion and asked if there were any questions.

- Council Member Leight requested an explanation of the graph on Page 9 regarding budget salary savings compared to actual salary savings. She asked if there was any significance to the cyclical nature of the figures.
- Council Member Burke noted the article in the Journal regarding salaries and asked for a breakdown of years of service for those employees, full-time versus part-time, and benefits involved.
- Council Member Leight inquired if occupancy tax increases would qualify for a short-session request for next year for the Forsyth County Delegation. She also noted that the Domestic Violence Unit provides an invaluable service. In reference to medical center calls, she suggested the City consider a way to collect fees from non-profits for un-taxed services.
- Council Member Clark asked about the method for determining where various streetlight types will be installed. In reference to the comprehensive study mentioned for the Winston-Salem Transit Authority (WSTA), he expressed concern that the various areas referenced do not offer suggestions for improvements. He requested the net cost to the City for the West End trolley service, minus the subsidy.
- Chair Merschel suggested delaying start of the Sunday Bus Service pending the comprehensive analysis from WSTA.
- Council Member Besse commented that although there needs to be an efficiency and operational analysis from WSTA, he does not see a need for delaying Sunday service pending completion of the analysis.
- Council Member Montgomery requested the total amount paid to employees for longevity payments and he noted he would support that given the savings if increases were not given to those employees. He also referenced Page 22 and requested information on solar technologies for streetlighting.
- Council Member Besse stated that although he would normally be concerned about increasing salaries in years when property taxes are increased, he would support it this year since salary levels are behind comparable cities, and the City is in danger of hiring and retaining positions such as police officers. He indicated he would like to see the elected officials excluded from any salary increase.
- Council Member Burke requested that staff explain what elected officials are paid.
- Council Member Clark expressed concern that the new WSTA routes need to be known prior to starting Sunday service and stated it should be delayed until the analysis is complete.

- Council Member Besse pointed out that the City expressed intent to implement Sunday service over a year ago and expressed concern that a delay would result in another year to implement Sunday bus service.
- Council Member Taylor stated that although they are noble and valued programs, he expressed concern with the City providing funding for County and State funded programs. He noted that the City should take care of its own agencies first.
- Chair Merschel pointed out that there are several other agencies in grantee funding this logic can apply to. She noted that at the next Budget Workshop, she would like for the Committee to go over the Budget and make changes by line item.
- Council Member Burke requested information on anticipated occupancy tax revenues.
- Council Member Taylor questioned the water and sewer rate increase and the approving authority.
- Council Member Burke expressed concern with the amount of authority given to the Utility Commission.
- Chair Merschel questioned where the 2.11% for the Average Three Year Tax Base Growth came from as referenced on Page 8 of the May 30th handout. She asked if the City is required to accept the 2.11% and if the Fiscal Year 2011-2012 numbers had been verified. Under Membership Organizations, she also inquired about the differences between the Piedmont Triad Regional Council (PTRC) and the Piedmont Triad Partnership.
- Council Member Burke inquired about the membership dues for Piedmont Triad Partnership.
- Council Member Montgomery questioned if the training provided by the PTRC is truly preparing citizens for meaningful jobs in this community and suggested staff look at how funds are being spent to help citizens in the workforce.
- Chair Merschel asked if the two organizations truly represent the City's demographic area.
- Council Member Burke requested that a PTRC representative come to the City to make a presentation on its training efforts.

(Mayor Joines out at 5:11 p.m.)

- Chair Merschel inquired about the feasibility of recommending a salary increase that excludes employees who receive longevity pay and asked staff for an explanation of the program. She also asked staff to determine what the cost would be to provide merit

increases of 1.5% to Solid performers, 2% Strong performers, and 3% to Top performers. Chair Merschel asked if core requirement grading standards are strictly adhered to by reviewers.

- Chair Merschel inquired about the emergency telephone fund and why there was such a large change from last year's budget.
- Council Member Taylor inquired why no pay raise was being proposed for employees who work under 15 hours, and noted that policy should be reconsidered. He asked how many employees work under 15 hours and how much it would cost to provide pay raises to those employees.
- Chair Merschel inquired if those employees are reviewed using the same core competencies as other employees.
- Council Member Besse requested an estimate of the cost to amend the evaluation process for those employees.
- Council Member Clark asked that temporary employees and part-time employees be separated for information purposes.
- Chair Merschel inquired if the employee classifications would have to be changed.

ADJOURNMENT: 5:25 p.m.