

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 p.m., Monday, November 14, 2016

COMMITTEE ROOM

Room 239, City Hall

MEMBERS PRESENT: Council Member Robert C. Clark, Chair
Council Member Vivian H. Burke
Council Member Derwin L. Montgomery

MEMBER ABSENT: Council Member Denise D. Adams, Vice Chair

OTHERS PRESENT: Council Member Molly Leight
Council Member James Taylor, Jr. (arrived at 5:31p.m.)

Chair Clark called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda. Council Member Burke pulled Items C-4 and C-6. Council Member Montgomery pulled Item C-11(a)(b). Item C-7(b) was pulled by staff. No other items were removed.

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

CONSENT AGENDA

Property Matters

- C-1. RESOLUTION AUTHORIZING A MODIFICATION TO A PREVIOUSLY APPROVED RESOLUTION TO PARTICIPATE IN THE GOLER HEIGHTS (GOLER LOFTS) REDEVELOPMENT PROJECT.
- C-2. REPORT ON PETERS CREEK COMMUNITY INITIATIVE.
- C-3. RESOLUTION APPROVING A CONTRACT WITH HDR ENGINEERING OF THE CAROLINAS TO PROVIDE PROFESSIONAL ENGINEERING SERVICES FOR STORMWATER MASTERPLAN UPDATES OF THE UPPER MILL CREEK WATERSHED.
- C-5. CONSIDERATION OF ITEMS REGARDING AMENDMENTS TO CHAPTER 50 OF CITY CODE:

- a. ORDINANCE AMENDING CHAPTER 50 OF THE CITY CODE REGARDING PERSONNEL AND RETIREMENT.
- b. RESOLUTION APPROVING AN ADMINISTRATIVE SERVICES AGREEMENT WITH ICMA RETIREMENT CORPORATION AND ADOPTING A TRUST AGREEMENT FOR THE CITY OF WINSTON-SALEM GENERAL AND FIRE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT PLAN.

C-7. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:

- a. RESOLUTION AWARDED CONTRACT FOR READY MIXED CONCRETE – *Hartley Ready Mix Concrete Mfg., Inc.* - \$289,425. (*Estimated Amount*).
- c. RESOLUTION AWARDED CONTRACT FOR CONSOLIDATION, RENEWAL AND UPGRADE OF THE AXON BODY CAMERAS AND TASER WEAPONS – *Taser International, Inc.* - \$1,271,780.
- d. RESOLUTION AWARDED PURCHASE ORDER FOR ASPHALT DISTRIBUTORS – *Triad Freightliner of Greensboro, Inc.* - \$346,226.
- e. RESOLUTION AWARDED PURCHASE ORDER FOR MID-SIZE SUV CROSSOVERS – *Capital Nissan of Wilmington, Inc.* - \$127,272.75.
- f. RESOLUTION AWARDED PURCHASE ORDER FOR RADAR UNITS – *MPH Industries, Inc.* - \$94,950.
- g. RESOLUTION AWARDED PURCHASE ORDER FOR HALF-TON PICKUP TRUCKS – *Performance Automotive Group, Inc.* \$124,158.00.
- h. RESOLUTION AWARDED PURCHASE ORDER FOR FOUR WHEEL DRIVE BACKHOES – *Company Wrench, LLC.* \$184,658.32
- i. RESOLUTION AWARDED PURCHASE ORDER FOR HEAVY DUTY TRAILERS – *Argo Fab, Inc.* - \$100,230.

C-8. CONSIDERATION OF ITEMS AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH MCGUIRE WOODS CONSULTING, LLC:

- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH MCGUIRE WOODS CONSULTING, LLC. [*\$67,500*]
- b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH

CAROLINA FOR THE FISCAL YEAR 2016-2017.

- C-9. RESOLUTION APPROVING A CONTRACT CHANGE ORDER WITH MLA DESIGN GROUP, INC. FOR ADDITIONAL PROFESSIONAL ARCHITECTURAL DESIGN SERVICES FOR THE HANES PARK RENOVATION PROJECT. (NORTHWEST WARD.)
- C-10. CONSIDERATION OF AMENDMENTS TO THE FISCAL YEAR 2016-17 BUDGET ORDINANCES FOR THE CITY OF WINSTON-SALEM, NORTH CAORLINA:
- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE FISCAL YEAR 2016-2107.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE FISCAL YEAR 2016-2017.
- C-12. INFORMATION REGARDING STRATEGIC PLANNING WORKSHOP.
- C-13. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES – *October 10, 2016.*
- C-6. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE MOBILE DOC, PLLC FOR THE PROVISION OF MEDICAL EVALUATION SERVICES FOR CERTAIN CANDIDATES FOR FIRE DEPARTMENT EMPLOYMENT. [*\$16,000*]

Mr. Tad Byrum, Assistant Fire Chief, gave the staff presentation on this item.

In response to Council Member Burke, Mr. Byrum stated these medical services are for new hires only.

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

- C-4. CONSIDERATION OF ITEMS REGARDING THE 2015 HUMAN EXPLOITATION RESCUE OPERATIVE/INTERNET CRIMES AGAINST CHILDREN ACT GRANT:
- a. RESOLUTION AUTHORIZING ACCEPTANCE OF A 2015 HUMAN EXPLOITATION RESCUE OPERATIVE/INTERNET CRIMES AGAINST CHILDREN ACT (HERO/ICAC) GRANT PROGRAM AWARD.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2016-2017.

Chief Barry Rountree, Police Department, gave the staff presentation on this item.

In response to Council Member Leight, Chief Rountree stated the investigative committee enters online and they allow people to communicate with them.

In response to Council Member Burke, Chief Rountree stated the investigative committee has made several arrests; however, they have not contacted TV13 about those arrests.

Council Member Burke suggested these arrests and investigative reports be communicated to TV13 so that the public is aware.

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

**This item was pulled by staff for technical reasons.*

C-7. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:

- b. RESOLUTION AWARDING CONTRACT FOR FURNITURE AND FURNISHINGS FOR BENTON CONVENTION CENTER.

C-11. CONSIDERATION OF ITEMS REGARDING LOCAL HISTORIC LANDMARK DESIGNATION:

- a. ORDINANCE DESIGNATING CERTAIN PROPERTY AS A HISTORIC LANDMARK – *The O’Hanlon Building, 101-105 West Fourth Street.*
- b. ORDINANCE DESIGNATING CERTAIN PROPERTY AS A HISTORIC LANDMARK – *The Pepper Building, 100-104 West Fourth Street.*

In response to Council Member Burke, Mr. David Reed, property tax with the Planning Division stated the current tax values for the buildings are eligible for deferral of up to 50%, and the tax office will do a calculation for the new tax value after this designation goes to them. They will give them 50% of what the City is asking for the renovation.

In response to Council Member Montgomery, Mr. Reed stated that at the O’Hanlon Building, renovating the floors and some interior renovations are being conducted and to go forward, they will need the assistance to complete the project.

Chair Clark stated the Committee is requesting the current tax values for both buildings, what will be spent on the renovations, and what will be the new tax values after the renovations.

Mr. Paul Norby, Planning and Development Services Director, stated this item requires a Public Hearing.

By consensus, the Committee agreed to send Items (a) and (b) forward without recommendation to discuss at the December 19 meeting.

GENERAL AGENDA**G-1. INFORMATION REGARDING NEW HOPE MANOR SCOPE OF WORK ASSESSMENT.**

Mr. Ritchie Brooks, Community and Business Development Director, gave a brief staff report on this item.

Mr. Larry Woods, Housing Authority of Winston-Salem (HAWS), gave a presentation on this item.

In response to Council Member Leight, Mr. Woods stated there are about 120 units and at least 50 to 60 of the units are vacant and have been vandalized.

In response to Council Member Montgomery, Mr. Woods stated the bank loan was for \$2.5 million dollars and the bank agreed to release the property at \$1.9 million. Council Member MacIntosh previously requested that the bank provide a new assessment conducted by a qualified appraiser and it was done. The new number is \$1.95 million dollars. The property has been in decline since the first appraisal.

In response to Council Member Montgomery, Mr. Woods stated the challenging approach is due to the way the property is secured. It is not federal property. If HAWS were to receive the Choice Neighborhood Implementation Grant, any federal action would have the full protection of the Federal Uniform Relocation Act (URA). The U.S Department of Housing and Urban Development (HUD) only allows HAWS to modify use of the vouchers to make sure all residents currently housed would remain housed in a new location.

In response to Council Member Montgomery, Mr. Woods stated HAWS short-term solution removes the uncertainty of the families living there now in living conditions that do not meet standard.

In response to Council Member Montgomery, Mr. Brooks stated in these uncertain living conditions, they may qualify for emergency relocation assistance in the event the conditions presents an immediate danger to the current occupancy.

Council Member Burke requested information concerning the police reports that have been filed in regards to people that are not supposed to be in the New Hope Manor neighborhood. Also, include in the report what types of crimes are being committed.

Council Member Leight suggested the City find emergency funding to help re-locate the residents. She also stated, due to the hazardous living conditions of the units, they should be demolished.

In response to Chair Clark, Mr. Brooks stated, if HAWS utilizes the URA to relocate families, it would cost about \$30,000-\$40,000 per family. URA is formulated to help families in the short-term. The differences vary based on the families that stay together or break up. The individuals on subsidy or receive some type of assistance have cheaper rents while other locations may have higher rental fees. The relocation grants are for short-term situations, and they will also need long term assistance.

In response to Chair Clark, Mr. Brooks stated rents are paid monthly and relocation payments are only applied to help them find places to move contents from one place to another. The rent subsidy would be the challenge. The residents have low incomes and may not be able to afford the rents of the new places.

In response to Chair Clark, Mr. Woods stated to demolish the units would depend on when the grant award is received. It usually takes about four to five months to receive those funds, and then HAWS would interview each family to see what their needs are. A voucher would be given to them and the process begins. The units would be demolished after the families are completely moved out.

In response to Chair Clark, Mr. Woods stated HAWS is looking to borrow up to \$1.4 million dollars from the bank and a grant and a loan from the City. A one million dollar loan towards purchase and the rest towards demolition and rehab work totaling \$1.6 million dollars from the City. The complete total to fulfill this project would be three million dollars.

In response to Chair Clark, Mr. Woods stated Carolina Bank is currently holding the mortgage.

In response to Chair Clark, Mr. Brooks stated if nothing is done to help these residents, HAWS would inspect those units and initiate an emergency relocation for the majority, if not all, of the tenants and the City would bear the costs.

Mr. Kevin Chesner, general counsel for HAWS, stated according to the owners, they have other offers on the table and the bank wants this contract closed before the end of the calendar year.

Chair Clark suggested staff bring this item back to the December committee meeting and the Committee will vote. Chair Clark requested a map of New Hope Manor.

G-2. REQUEST FROM FORSYTH COUNTY REGARDING THE USE OF THE OUTSIDE COUNTY UTILITY SERVICES ECONOMIC DEVELOPMENT FUNDS.

Mr. Derwick Paige, Assistant City Manager, gave a brief staff report on this item.

Chair Clark requested the total funding used on the other three water projects and contributions made to the fund over the last four to five years.

Mr. Dan Cornelius, Director of Housing and Forsyth County's Development Department, spoke briefly on this item.

In response to Council Member Leight, Mr. Cornelius stated they have a master plan of proposed buildings and it is just a concept plan that is offered for prospective business owners to choose from. These plans can consist of bigger buildings or lots.

Chair Clark requested a letter of support from Winston-Salem Business Inc.

By consensus, the Committee agreed to bring this item back to its December meeting.

G-3. UPDATE REGARDING WINSTON LAKE YMCA.

Mr. Paige gave an updated report on this item.

In response to Council Member Leight, Mr. Paige stated the YMCA is a non-profit organization that provides programs, while the City's goal is to provide a service to the community and the City will not be in it for the same purpose as the organization.

In response to Council Member Burke, Mr. Paige stated currently a survey has not been conducted to ask the local community questions regarding what programs they are interested in having at the YMCA. Discussions are in preparation concerning how we could get full usage of the facility. Council Member Burke also asked about the impact on other recreation facilities in the area.

Mr. Kurt Hazelbaker, President/CEO of the YMCA of Northwest North Carolina, stated they looked at several options with the City concerning the uses of the full facility. If the City does not participate, they would close a portion of the facility and save a substantial amount of money.

Chair Clark requested a performa for this YMCA location in what the maintenance costs and operating budget would be for one year in lieu of the City running it and what it would cost to run the facility short term and in the long term.

Council Member Montgomery requested information about the square footage for the Winston Lake YMCA.

Chair Clark requested that staff bring a report to the Committee concerning the fiscal year 2017-2018 budget projection for Recreation and Parks Department.

G-4. REPORT ON FEDERAL LOBBYING CONTRACT.

Mr. Paige gave the staff report on this item.

Chair Clark indicated this item was discussed at the November 10th Community Development/Housing/General Government Committee meeting and a special committee meeting of the whole is being considered and will be held in December.

G-5. FISCAL YEAR 2017-2018 BUDGET OUTLOOK.

Mr. Ben Rowe, Assistant City Manager, gave the staff report on this item.

In response to Chair Clark, Ms. Lisa Saunders, Chief Financial Officer, stated that for June 30, 2016 the \$51.4 million is not all cash. It consists of receivables and payables outstanding at the end of the year. General fund is the main operating fund. If other funds within the City have a negative balance, there is a borrowing from the general fund. At the end of the year, transit fund had a due to from the Federal Transit Administration (FTA) of about 7 million dollars. There were not enough funds in the transit fund for the operating account, so there was a borrowing from general fund, which increased the amount of restricted fund balance.

Council Member Montgomery asked staff to draft a letter to the federal delegation expressing concern about transit funding and the need for the City to provide bridge funding to community agencies that are waiting on other federal funding.

In response to Mr. Rowe's report on fiscal year 2017-2018 budget outlook, Council Member Montgomery asked about the economic impact of the one-third classification and compensation study and whether grants were available to pay for body cameras and tasers.

ADJOURNMENT: 5:55 p.m.