

## SUMMARY OF MINUTES

### FINANCE COMMITTEE

4:30 p.m., Monday, Monday, May 9, 2016

COMMITTEE ROOM

Room 239, City Hall

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*MEMBERS PRESENT:* Mayor Allen Joines  
Council Member Robert C. Clark, Chair  
Council Member Denise D. Adams, Vice Chair  
Council Member Vivian H. Burke  
Council Member Derwin L. Montgomery

*OTHERS PRESENT:* Council Member Molly Leight  
Council Member Jeff MacIntosh  
Council Member James Taylor, Jr.  
Council Member Dan Besse

Chair Clark called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda. Council Member Montgomery removed Items C-5, C-6, C-8 and Council Member Adams removed Item C-10 for discussion. No other items were removed.

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

#### CONSENT AGENDA

##### Property Matters

- C-1. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY AT 630 BROOKWOOD BUSINESS PARK DRIVE UNDER THE UPSET BID PROCEDURE (N.C.G.S. 160A-269) (NORTHEAST WARD).
- C-2. RESOLUTION GRANTING PERMANENT UTILITY EASEMENTS PURSUANT TO N.C.G.S. 160-273 TO DUKE ENERGY CAROLINAS, LLC FOR THE SITE OF POLICE DISTRICT ONE AT 7836 NORTH POINT BOULEVARD (NORTHWARD).
- C-3. RESOLUTION TO ACCEPT THE PROPOSAL OR TRIAD ECO ADVENTURES TO PURCHASE THE CITY'S TWO BUS TROLLEYS.

Community and Economic Development

C-4. REPORT ON DEMOLITION ASSESSMENT AT 4640 INDIANA AVENUE.

Finance/Budget

C-7. RESOLUTION AWARDDING PURCHASE ORDER FOR A FIRE PUMPER TRUCK  
*-The Sutphen Corporation - \$521,424.65.*

C-9. CONSIDERATION OF AMENDMENTS TO THE FISCAL YEAR 2015-2016  
BUDGET ORDINANCES FOR THE CITY OF WINSTON-SALEM, NORTH  
CAROLINA:

a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX  
LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH  
CAROLINA FOR THE FISCAL YEAR 2015-2016.

b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR  
THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL  
YEAR 2015-2016.

C-11. RESOLUTION AUTHORIZING THE ACCEPTANCE BY DONATION OF  
SURPLUS RIGHT-OF-WAY FROM THE NORTH CAROLINA DEPARTMENT  
OF TRANSPORTATION (NORTHWEST WARD).

C-12. RESOLUTION AUTHORIZING THE CITY MANAGER TO PURCHASE  
PROPERTY, BOILER/MACHINERY INSURANCE FROM BERKLEY  
INSURANCE COMPANY THROUGH SURRY INSURANCE. [*\$344,433*]

C-13. APPROVAL OF FINANCE SUMMARY OF MINUTES – *April 11, 2016.*

C-5. RESOLUTION REJECTING ALL BIDS FOR FIRE STATIONS 7 AND 9 RENOVATIONS.

C-6. RESOLUTION REJECTING ALL BIDS FOR CONSTRUCTION OF SPRAY-GROUNDS AT REYNOLDS PARK POOL AND SEDGE GARDEN PARK.

Mr. Jerry Bates, City-County Purchasing Director, presented Items C-5 and C-6 together because they had similar issues. For Item C-5, the lowest responsible bidder did not achieve the M/WBE goals established for the project and the other bids were rejected due to being substantially over budget. The recommendation is that the projects be rebid.

For Item C-6, Mr. Bates explained the lowest responsible bidder failed to follow bidding instructions. The vendor submitted a bid with their own specifications and therefore the bid was rejected based on not following the guidelines.

In response to Council Member Montgomery, Mr. Bates stated the law requires the vendor to advertise for 10 days.

Council Member Burke requested staff invite vendors to attend Finance Committee meetings and staff should test the system with the given issues.

Council Member Adams stated that some businesses may have already been contracted for other jobs. She requested a periodic compliance check be performed and staff provide Council with a report. She also requested a report on how this will delay the timeline for the proposed structures.

In response to Council Member Clark, Mr. Bates stated staff has spoken with the contractors on numerous occasions. Approval from the State has been given for the City of Winston-Salem to award points for providing the information to vendors in their advertisements for bidding.

Council Member Clark requested Mr. Bates inquire with the low-bidder to provide more information about the bonding process where it relates to the financial statuses and credit lines.

In response to Council Member MacIntosh, Mr. Bates stated the information concerning the four points awarded by the State came from the City Advisory Board which was held by Ms. Tiesha Hinton.

Council Member Clark made a motion to adopt both resolutions rejecting all bids. The motion was duly seconded by Council Member Adams and carried unanimously.

C-8. RESOLUTION AUTHORIZING MODIFICATIONS TO REQUEST FOR FINANCIAL ASSISTANCE FROM WEXFORD SCIENCE & TECHNOLOGY (WEXFORD) FOR THE BAILEY POWER PLANT REDEVELOPMENT UNDER DOWNTOWN DEVELOPMENT PROVISIONS (N.C.G.S. 160A-458.3).

Mr. Derwick Paige, Assistant City Manager, stated the resolution was originally approved by City Council in December 2015. The grant was for \$3,000,000 and the amount did not change;

Mr. Derwick Paige, Assistant City Manager, stated the resolution was originally approved by City Council in December 2015. The grant was for \$3,000,000 and the amount did not change; however, three issues have been identified that need to be modified. Bailey Power Plant has been sold to Wexford so Wake Forest Innovation Quarter is no longer included in the ownership. The timing changed from a 10 year deal to a 12 year deal due to construction phasing and a catch up provision is being requested in case taxes come in less than projected over some period of time and an extra two years is being requested.

In response to Council Member Burke, Mr. Paige stated the original agreement committed to the concept of developing a minority business initiative of the incubator.

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

C-10. CONSIDERATION OF ITEMS RELATING TO THE 28<sup>TH</sup> STREET STORMWATER DRAINAGE IMPROVEMENTS SAND WATER AND SEWER REPLACEMENT:

- a. RESOLUTION AUTHORIZING A CHANGE TO CHARLES D. LOWDER INC. IN THE AMOUNT OF \$308,000 FOR WORK ON THE 28<sup>TH</sup> STREET STORMWATER DRAINAGE IMPROVEMENTS AND WATER AND SEWER REPLACEMENT PROJECT (NORTHEAST WARD).
- b. ORDINANCE AMENDING THE PROJECT BUDGET FOR THE CITY OF WINSTON-SALEM FOR THE FISCAL YEAR 2015-2016.

In response to Council Member Adams, Stormwater Director Mr. Keith Huff reported, there were several different components concerning the \$308,000 for the project. First, the shut-down of resulted in the ingress/egress modes for the project. The traffic fair routes were congesting the work areas. So with the fair in conjunction to Wake Forest sporting activities it was ideal to shut down the project. Second, to avoid the traffic impacts the contractor had to demobilize and eventually another mobilization fee was accessed. The trenches of water/sewer contained unsuitable soil which caused a back fill and led to PCE/TCE soil vapor contamination and had to be monitored for safety of the employees.

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

### GENERAL AGENDA

#### G-1. RESOLUTION APPROVING THE FISCAL YEAR 2016-2017 OPERATING MEMORANDUM BETWEEN THE CITY OF WINSTON-SALEM AND THE RISK ACCEPTANCE MANAGEMENT CORPORATION.

Chief Financial Officer, Lisa Saunders gave a presentation on this item.

In response to Council Member Burke, Ms. Saunders stated staff includes a Worker's Compensation Claims Adjuster, Worker's Compensation nurse (case nurse manager) and a Wellness Nurse; all paid from the Worker's Compensation program.

In response to Council Member MacIntosh, Ms. Saunders stated in the event claims are above \$250,000, the Worker's Compensation fund supplements the excess cost. City employees pay 2% into the fund to supplement and anything over and above and RAMCO reimburses the City.

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

#### G-2. CONSIDERATION OF ADDITIONAL FINANCING FOR THE DEVELOPMENT OF SINGLE-FAMILY HOUSING IN RIDGEWOOD PLACE (SOUTHEAST WARD)

- a. RESOLUTION AUTHORIZING ADDITIONAL FINANCING FOR DEVELOPMENT IN THE RIDGEWOOD PLACE SUBDIVISION TO S.G. ATKINS COMMUNITY DEVELOPMENT CORPORATION. [\$1,325,000.]
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

Community Business & Development Director Ritchie Brooks gave a presentation on the item.

In response to Council Member Montgomery, Mr. Brooks stated the recycling of the regulation of HOME funds to under the same regulation of the bonds. The housing finance and general obligation loans are handled by the Council as it sees fit.

In response to Council Member Clark, Ms. Carol Davis Director of Simon G. Atkins Community Development Corporation reported, the completion on the development agreement of Ridgewood and the five units was in February/March 2016. Since then, a general contractor has been hired and has surveyed the first two lots. The paperwork has been submitted.

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

- G-3. RESOLUTION AUTHORIZING UP TO \$236,000 IN ADDITIONAL PERMANENT FINANCING FOR THE DEVELOPMENT OF 64 UNITS OF RENTAL HOUSING FOR FAMILIES, TO BE KNOWN AS ROCKWOOD AT OLIVER'S CROSSING APARTMENTS (SOUTH WARD).

Council Member Burke requested information concerning the responsibility of previous homeowners to new homeowners if dirt has been buried on the property.

Representative for the developer, Ms. Carolyn Scroggins reported the seller of the property was an elderly woman and her son, unbeknown to her had been utilizing the property as a business. He had buried debris which included car parts, tree parts, oil, etc. From the lawsuit filed, funds were recovered for damages in the amount of \$40,000 in which the son contributed to.

Council Member Burke made recommendation to review this item more extensively.

In response to Council Member Adams, Ms. Scroggins stated due to the HOME funds being used for this project; environmental clearance was required. Nothing came back out of the ordinary and HUD signed off on that clearance. The grading commenced and the developer opted to pay costs incurred out-of-pocket, to get the project placed in service at the projected time. The project was already behind due to unpredicted tax credits and as of December 31, 2015 the Certificate of Occupancy was completed.

In response to Council Member Montgomery, Ms. Scroggins stated the City loan is for 20 years at 2% interest and with a cash flow pay back. There are currently 64 units and half of them are at 60% and under, while the other half are at 50% and under. The percentages are based on income qualifications. Currently there is a total of eight homes on the property and due to federal tax credits, the overall restriction is 30 years.

By consensus, the Committee agreed to hold this item for discussion in June.

- G-4. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

Council Member Clark made a motion to excuse Council Member Montgomery from this item due to conflict of interest. The motion was duly seconded by Council Member Adams and carried with two in favor, one excused, and the one abstaining from the vote.

Assistant City Manager, Ben Rowe gave a presentation on this item.

Council Member Adams requested information on criteria for agencies to surpass funds for the emergency solutions.

**G-5. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTER-LOCAL AGREEMENT WITH THE AIRPORT COMMISSION OF FORSYTH COUNTY FOR INFRASTRUCTURE AND HANGAR IMPROVEMENTS.**

Mr. Rowe gave a presentation on this item.

Chairman, Mr. Scott Piper Airport Commission reported, it is a good time for the airport, and being a part of the Innovation Quarter would be a positive outcome for the Airport.

Council Member Burke commended Mr. Piper for the good work done.

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

**G-6. PRESENTATION FROM THE HOUSING AUTHORITY OF WINSTON-SALEM REGARDING THE CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT.**

Chief Executive Office of Housing Authority of Winston-Salem, Mr. Larry Woods gave a presentation on this item.

Council Member Adams requested information on the financial status of Hope Six for Happy Hills and Kimberly Park housing developments.

In response to Council Member Montgomery, Mr. Woods stated HAWS is completing the lower and the higher parts in the community as related to Piedmont Park. The larger development will be divided into four smaller developments.

ADJOURNMENT: 6:05 p.m.