

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:30 p.m., Monday, September 12, 2016

COMMITTEE ROOM

Room 239, City Hall

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

OTHERS PRESENT: Council Member Jeff MacIntosh
Council Member Dan Besse
Council Member James Taylor, Jr. (arrived at 5:22 p.m.)

Chair Clark called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda and asked if any items needed to be removed for discussion. Council Member Adams requested to pull Items C-5, Council Member Montgomery requested to pull Items C-1, C-12 and Chair Clark requested to pull Items C-9, C-8(d)(f). 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 Adams and carried unanimously.

CONSENT AGENDA

Property Matters

- C-2. RESOLUTION AUTHORIZING AN AGREEMENT WITH JORDAN CONSULTANTS, ASLA, PA FOR PROFESSIONAL ARCHITECTURAL DESIGN SERVICES FOR THE DEVELOPMENT OF THE NORTH WARD PARK.
[\$177,400]

Community and Economic Development

- C-3. REPORT ON THE EAST END MASTER PLAN.

Public Safety

- C-4. RESOLUTION AUTHORIZING THE CITY COUNCIL TO ACCEPT A TRANSFER OF FORENSIC SERVICES EQUIPMENT FROM THE FORSYTH COUNTY SHERIFF'S OFFICE FOR THE CONSOLIDATED CITY-COUNTY FORENSIC SERVICES UNIT.

Human Resources

- C-6. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH AETNA FOR THE PROVISION OF A MEDICARE ADVANTAGE PLAN FOR RETIREES. [*\$1,362,000*]
- C-7. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH NORTH CAROLINA MUTUAL/SECURIAN FOR THE PROVISION OF EMPLOYEE LIFE INSURANCE. [*\$230,000*]

Finance/Budget

- C-10. RESOLUTION ACCEPTING THE FISCAL YEAR 2016 ANNUAL TAX SETTLEMENT AND ADOPTION OF AN ORDER TO COLLECT CURRENT TAXES FOR 2016 (FISCAL YEAR 2016-2017) AND DELINQUENT TAXES FROM 2007 THROUGH 2015.
- C-11. CONSIDERATION OF AMENDMENTS TO THE FISCAL YEAR 2016-17 BUDGET ORDINANCES FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA:
- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE FISCAL YEAR 2016-2017.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE FISCAL YEAR 2016-2017.

General Government

- C-13. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES – *August 8, 2016.*
- C-1. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY BY PRIVATE SALE (N.C.G.S. 160A-279 AND 160A-514) TO UNITED HEALTH CENTERS.

In response to Council Member Montgomery, Mr. Derwick Paige, Assistant City Manager stated deed restrictions are: that property maintained for at least 30 years as a health facility providing assistance to the neighborhood and must sponsor at least two health fairs annually.

In response to Council Member Burke, Mr. Shawn Huntley, CEO United Health Centers, 3009 Waughtown Street, Winston-Salem stated UHC is a federally qualified health facility that provides treatment for insured and the under-insured persons whether they are using Medicaid or Medicare. He also stated that the center has been open since 2009.

In response to Council Member Adams, Mr. Huntley stated UHC has a great working relationship and partnership with Downtown Plaza. UHC helps to see the patients that Downtown Plaza cannot service. We have a referral agreement with them and several other health centers. He also stated for the new facility; there is not a start date yet.

Council Member Adams requested other corporations (medical community) partner with UHC to get funding to get this center opened as soon as possible.

Chair Clark requested a map of the Prime Care Centers located in Winston-Salem.

Council Member Montgomery made a motion to approve this item. Council Member Adams duly seconded this motion and it carried unanimously.

C-5. RESOLUTION AUTHORIZING THE CITY OF WINSTON-SALEM TO APPLY FOR A PARKS AND RECREATION TRUST FUND (PART F) 2016 CONNECT NC GRANT.

Mr. Paige gave the staff presentation on this item.

In response to Council Member Burke, Mr. Paige stated Mr. William Royston, Recreation Department, will be the overseer for this project.

Council Member Adams made a motion to approve this item. Council Member Burke duly seconded the motion and it carried unanimously.

C-8. CONSIDERATION OF ITEMS RELATING TO CONTRACTS:

- a. RESOLUTION AWARDED CONTRACT FOR THE PURCHASE AND INSTALLATION OF FITNESS COURSE EQUIPMENT AT PINEY GROVE PARK (NORTH WARD) – *Cunningham Associates, Inc.* - \$129,861.14.
- b. RESOLUTION AWARDED CONTRACT FOR MILLER PARK STREAM RESTORATION (SOUTHEAST WARD) – *North State Environmental, Inc.* - \$328,422.85.
- c. RESOLUTION AWARDED CONTRACT FOR THE PURCHASE AND INSTALLATION OF PLAYGROUND EQUIPMENT FOR BLUM PARK (NORTHEAST WARD) – *Carolina Recreation & Design, LLC* - \$227,736.
- e. RESOLUTION AWARDED PURCHASE ORDER FOR ONE TON TRUCKS WITH DUMP BEDS – *Piedmont Truck Center, LLC* - \$237,258.
- g. RESOLUTION AWARDED PURCHASE ORDER FOR PICK-UP TRUCKS – *Piedmont Truck Center, LLC* - \$105,976.
- h. RESOLUTION AWARDED PURCHASE ORDER FOR COMPUTERS – *Dell*

Marketing, L.P. - \$310,314.39.

- i. RESOLUTION AWARDDING PURCHASE ORDER FOR MOTOROLA RADIOS FOR THE CITY OF WINSTON-SALEM FIRE DEPARTMENT – *Motorola Solutions, Inc. - \$173,404.*
- j. RESOLUTION AWARDDING PURCHASE ORDER FOR A FIRE PUMPER TRUCK – *The Sutphen Corporation - \$488,054.36.*
- d. RESOLUTION AWARDDING CONTRACT FOR SECURITY OFFICER SERVICES – *Allied Barton Security Services, LLC - \$148,006.41 (Estimated Amount).*

Mr. Ryan Newcomb, Director of Property & Facilities Management, stated there is not a formal system in place to rate the performance of the security guards/officers at the City. An employee survey was conducted last year to ask employees if they felt safe and they were asked to rate the guards' performances. Some issues were raised which started a search for solutions to address these issues.

In response to Council Member Burke, Mr. Newcomb stated from the proposal, training for the new officers/guards and continued on the job training from the recommended firm would be required to keep the employees performance system in place. The City would also select and add to the list of courses to enhance the value of key performance.

In response to Mayor Joines, Mr. Newcomb responded by saying a committee came together to review the ratings of the proposed firms and ABSS scored the highest. They have recently merged with Universal Protection Services and their Greensboro location is relocating to the Winston-Salem office.

In response to Council Member MacIntosh, Mr. Newcomb stated the pass through cost is made up of vehicle cost, employee benefits, uniform cost, etc.

In response to Council Member Montgomery, Mr. Newcomb stated the transition plan calls for any persons interested to apply and meet the standards set by ABSS and the City.

In response to Council Member Montgomery, Mr. Newcomb stated ABSS scored high due to it being a large company that provides many tools and services to other local government agencies. Technology was a key component referencing to log-in options and the key performance methods they offer in their system software.

Council Member Adams made a motion to approve this item. Council Member Burke duly seconded the motion and it carried unanimously.

- f. RESOLUTION AWARDDING PURCHASE ORDER FOR COMPACT PICK-UP TRUCKS – *Modern Automotive Network, LLC - \$150,220.*

In response to Chair Clark, Mr. Darin Redfield, Purchasing Department, responded saying the City

is going from eight to seven trucks to reduce the quantity by the federal budget.

Chair Clark made a motion to approve this item. Council Member Adams duly seconded this motion and it carried unanimously.

C-9. CONSIDERATION OF ITEMS REGARDING CONSTRUCTION CONTRACT FOR FIRE STATIONS #7 AND #9:

- a. RESOLUTION AWARDED CONSTRUCTION CONTRACT FOR FIRE STATIONS #7 AND #9 – *R.P. Murray, Inc. - \$3,072,000. (Estimated Amount).*
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2016-2017.

In response to Chair Clark, Mr. Redfield responded saying \$2.5 million was the original budget for this project and some items were identified by inspections as the reason for the additional costs.

Chair Clark requested a blue print of the Ardmore Station plan brought back to committee.

Chair Clark made a motion to approve this item. Council Member Adams duly seconded this motion and it carried unanimously.

C-12. ORDINANCE DESIGNATING CERTAIN PROPERTY AS A HISTORIC LANDMARK – *The John L. and Emma L. Gilmer House, 605 West Cascade Avenue, Winston-Salem and a portion of an unopened Alley. Public Hearing October 17, 2016.*

In response to Council Member Montgomery, Ms. Michelle McCullough, Planning/Historic Preservation stated this is a private property and is currently being used as residence in the Washington Park Historic district.

Chair Clark requested staff provide the total tax deferment of economic preservation.

Council Member Adams requested a report back to committee from the legislature concerning information about additional restrictions to private properties in terms of economic development versus the historical nature.

Chair Clark requested to hold this item, without objection in committee for October.

By consensus committee voted to hold this item to October.

GENERAL AGENDA

G-1. RESOLUTION AWARDED CONTRACT FOR INVESTMENT CONSULTING SERVICES FOR THE CITY OF WINSTON-SALEM. [*\$125,000*]

Ms. Lisa Saunders, Chief Financial Officer gave the staff presentation on this item.

In response to Chair Clark, Ms. Saunders stated the City has not contacted Mechanics & Farmers Bank about taking City deposits.

Council Member Adams suggested the City establish more relationships with minority owned banks.

Chair Clark requested Ms. Saunders report back to committee on the contract with Mechanics & Farmers Bank.

Council Member Clark made a motion to approve this item. Council Member Montgomery duly seconded this motion with Council Member Burke abstaining.

G-2. RESOLUTION AMENDING PRELIMINARY APPROVAL OF ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS – ROLLING HILLS (EAST WARD).

Mr. Ritchie Brooks, Director of Community Business & Development gave the staff presentation on this item.

Mayor Joines thanked Council Member Montgomery for the being the overseer for this project.

In response to Chair Clark, Ms. Saunders stated it is not an obligation of the City morally for the revenue bonds.

David Asarch, Steel Properties, 6875 E. Evans Avenue, Denver, CO gave a brief presentation on this item.

In response to Council Member Burke, Mr. Asarch stated this is a long-term hold on this revenue bond and under the tax credit program. Steel Properties is obligated to the property for at least 15 years.

Council Member Montgomery made a motion to approve this item. Council Member Adams duly seconded the motion and it carried unanimously.

G-3. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM FOR THE FISCAL YEAR 2016-2017 (FEDERAL HOUSING FUNDS).

Council Member Adams made a motion to excuse Council Member Montgomery from voting on this item. Council Member Burke duly seconded this motion and it carried unanimously.

Council Member Adams made a motion to approve this item. Council Member Burke duly seconded this motion and it carried unanimously.

G-4. CONSIDERATION OF MODIFICATIONS TO AGREEMENTS WITH THE HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM:

- a. RESOLUTION AUTHORIZING MODIFICATIONS TO TWO AGREEMENTS FOR RENTAL ASSISTANCE WITH THE HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM (HAWS).
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2016-2017.

Council Member Adams made a motion to excuse Council Member Montgomery from voting on this item. Council Member Burke seconded the motion and it carried unanimously.

Mr. Brooks gave the staff presentation on this item.

In response to Council Member Adams, Mr. Brooks stated the amounts needed to fund this project has increased due to the increase of client intake. Bridge funding is needed to move forward with the project. The Housing Authority of Winston-Salem is owed \$43,000 while there is only \$28,000 remaining from the previous grant funding.

Council Member Adams made a motion to approve this item. Council Member Burke duly seconded this motion and it carried unanimously.

G-5. CONSIDERATION OF ITEMS AUTHORIZING A LOAN OF UP TO \$1,600,000 FOR ACQUISITION, DEMOLITION AND REHABILITATION/REPAIR IN SUPPORT OF 79 UNITS OF MULTI-FAMILY RENTAL HOUSING KNOWN AS NEW HOPE MANOR (NORTHEAST WARD) [*Council remanded this item to Finance Committee at the August 15, 2016 Council Meeting.*]:

- a. RESOLUTION AUTHORIZING A LOAN TO THE HOUSING AUTHORITY OF WINSTON-SALEM FOR NEW HOPE MANOR. (*\$1, 600,000*).
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2016-2017.

Mr. Brooks gave a brief presentation on this item.

Mr. Larry Woods, Housing Authority Winston-Salem, gave a report on the status of this item.

In response to Council Member Burke, Mr. Woods stated HAWS will not be using a HAWS lease to qualify tenants living in the units. We are using a modified lease provided by The North Carolina Department of Real Estate and the rents will stay affordable.

In response to Council Member Montgomery, Mr. Brooks stated if HAWS has a building with vacant units and the cost for repairs exceed the 65%; this qualifies the unit to be demolished.

In response to Council Member MacIntosh, Kevin Chesner, Vice-President of Real Estate

Development for HAWS, 500 W. Fourth Street, stated the appraisal was ordered by the bank within the last 12 months. It was a market appraisal and came back at 2.66 and the current purchase price is 1.9 million.

Chair Clark requested the appraisal report be provided for the next City Council meeting on Monday, September 19.

In response to Council Member Burke, Mr. Brooks stated HAWS purchased 12 units from an auction across from the 36 East Development and renamed it Bethlehem Pointe. HAWS invested \$12 to \$15,000 per unit in each of the units. HAWS also provided new appliances, new windows, replaced flooring, etc. It is the same design as New Hope Manor. In terms of on-site supervision, there will be an on-sight manager and on-site maintenance person available.

Council Member Adams requested a report on alternatives to the \$1.6 million coming out of the GEO bonds. What years these funds have been approved and requested and the status of how they have been pulled for Thursday's packet.

In response to Council Member Taylor, Mr. Woods stated currently there are 50-60 units that are vacant. They have been completely stripped and we would like to demolish the units that are extremely damaged with mold.

Council Member Taylor requested a report on the status of the number of vacant units.

Chair Clark requested Mr. Brooks coordinate additional information.

Council Member Burke made a motion to forward this item to council without a recommendation. Council Member Adams duly seconded this motion. Three in favor and one opposed. Voting in favor were Council Members Clark, Adams and Burke, with Council Member Montgomery voting in opposition.

ADJOURNMENT: 6:22 p.m.