

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:30 p.m., Monday, January 11, 2016

COMMITTEE ROOM

Room 239, City Hall

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 Dan Besse (in at 4:41 p.m.)
 Council Member Jeff MacIntosh
 Council Member James Taylor, Jr.

Chair Clark called the meeting to order and stated without objection, the Committee would first consider the Consent Agenda. Chair Clark removed Items C-1 and C-6(g) for discussion. 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 Montgomery and carried unanimously.

CONSENT AGENDA

Property Matters

- C-2. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY AT 2845 REYNOLDS PARK ROAD UNDER THE UPSET BID PROCEDURE N.C.G.S. 160A-269 (SOUTHEAST WARD). *[Receipt of \$48,000.]*

Public Safety

- C-3. RESOLUTION AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF WINSTON-SALEM, NORTH CAROLINA, THE CITY OF GREENSBORO, NORTH CAROLINA, THE CITY OF HIGH POINT, NORTH CAROLINA AND NMS LABS, INC. FOR DNA TESTING OF COLD CASE EVIDENCE.

Finance/Budget

- C-4. CONSIDERATION OF ITEMS REGARDING THE ISSUANCE OF \$3,890,000 TWO-THIRDS GENERAL OBLIGATION BONDS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA:
- a. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE.
 - b. INTRODUCTION OF BOND ORDERS:

BOND ORDER AUTHORIZING THE ISSUANCE OF \$310,000 PUBLIC IMPROVEMENT BONDS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA.

BOND ORDER AUTHORIZING THE ISSUANCE OF \$2,000,000 STREET AND SIDEWALK BONDS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA.

BOND ORDER AUTHORIZING THE ISSUANCE OF \$1,580,000 PARKS AND RECREATION BONDS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA.
 - c. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, CALLING A PUBLIC HEARING ON BOND ORDERS, DIRECTING PUBLICATION OF NOTICES OF SAID PUBLIC HEARING, AND FILING OF A DEBT STATEMENT. Public Hearing: February 1, 2016.
- C-5. 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-6. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:
- a. RESOLUTION AWARDED PURCHASE ORDER FOR SIX AUTOMATED SIDE-LOADING REFUSE TRUCKS - *Piedmont Peterbilt, LLC* - \$1,529,826.
 - b. RESOLUTION AWARDED PURCHASE ORDER FOR EIGHT TANDEM

AXLE DUMP TRUCKS - *White's Tractor and Truck Co., LLC* - \$905,144.

- c. RESOLUTION AWARDDING CONTRACT FOR QUARRY PARK DEVELOPMENT.
 - d. RESOLUTION AWARDDING A CONTRACT FOR CONSTRUCTION OF POLICE DISTRICT 1 AND 3 FACILITIES - *HICAPS, Inc.* - \$5,195,000 (*Estimated Amount*).
 - e. RESOLUTION AWARDDING CONTRACT FOR POLO ROAD CORRIDOR IMPROVEMENTS - *Smith-Rowe, LLC* - \$1,480,594.19 (*Estimated Amount*).
 - f. RESOLUTION AWARDDING PURCHASE ORDER FOR EXPLOSIVE ORDINANCE DEVICE VEHICLE - *Gerling and Associates, Inc.* - \$187,724.40.
- C-7. CONSIDERATION OF ITEMS RELATED TO THE ANNUAL CONTRACT FOR RESURFACING CITY STREETS:
- a. RESOLUTION AWARDDING CONTRACT FOR RESURFACING CITY STREETS – ANNUAL CONTRACT 2016 - *APAC-Atlantic, Inc., Thompson-Arthur Division* - \$2, 871,712.01 (*Estimated Amount*).
 - b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.
 - c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

General Government

- C-8. ORDINANCE DESIGNATING CERTAIN PROPERTY AS A HISTORIC LANDMARK - *Butner Hat Shop, 521 S. Main Street and the Butner House, 517 S. Main Street.*
- C-9. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *December 14, 2015.*
- C-1. RESOLUTION ACCEPTING THE DONATION AND DEDICATION OF EASEMENTS FOR THE CEDAR TRAIL GREENWAY CONNECTION (WEST WARD).

Mr. Lee Garrity, City Manager, stated the project will take time to complete and holding it in Committee will postpone when staff can start the project due to the hibernating schedule of an endangered species of bat in the area.

Mr. Robert Prestwood, City Engineer, gave the staff presentation on this item.

In response to Chair Clark, Mr. Prestwood explained the Army Corp of Engineers provides the City with a permit and requires the wetlands remain undisturbed if there is another possible route.

Mr. Bryan Irwin, 370 Cedar Trail, expressed concern over differences in the proposed new map and the map originally shown to the neighborhood in 2011. He stated the new map brings the trail within three feet of his property, and he feels this is a safety concern. He requested staff look at an alternate solution.

Mr. Bruce Hubbard 1598 Westbrook Drive, Suite 200, The Sherwood Company, stated his company developed this neighborhood, and they are not opposed to the greenway as it was shown originally. He voiced concern over the impact for the property owners as it is currently proposed. He asked the City to consider an option with less impact on the community.

Mr. Prestwood stated the original map was a concept map, and the current map is where the Army Corp of Engineers says the greenway needs to be based on the location of the wet lands.

Chair Clark requested staff investigate if vegetation can be added as an additional buffer for the homes.

In response to Chair Clark, Mr. Prestwood stated the trail will be within 51 feet of Mr. Irwin's property.

In response to Council Member Adams, Mr. Prestwood explained due to the endangered bats in the area, construction would be postponed until fall 2016 if this item is held for another month, and the possibility of increased construction costs also exists.

Council Member Besse stated the homeowners association from the neighborhood voted in support of moving forward with this item as of Monday, January 11. He stated this greenway will raise property values, and the inclusion of the buffering vegetation will lessen the impact from the proximity to the trail.

Council Member Burke expressed her support for additional buffering.

In response to Council Member Burke, Mr. Prestwood noted building the boardwalk over the wetlands would almost double the cost of the project.

Council Member Montgomery made a motion to forward this item without recommendation. The motion was duly seconded by Council Member Adams and carried unanimously.

C-6. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:

- g. RESOLUTION AWARDING CONTRACT FOR SIDEWALK CONSTRUCTION ALONG BRYANSPLACE ROAD - *Armen Construction, Inc.* - \$151,274 (Estimated Amount).

Mrs. Angela Carmon, City Attorney, expressed support for staff's recommendation, noting that the lowest bidder was disqualified due to money owed to the City and other financial disparities. She explained the statutes indicate the contract must be awarded to the lowest responsible bidder, and the financial situation of the lowest bidder can be taken into consideration.

Council Member Adams requested the ordinance, policy, or procedure, allowing the City to disqualify the lowest bidder from a contract prior to Tuesday's meeting.

Council Member Montgomery inquired if the City has disqualified a bidder before for this reason.

In response to Council Member Montgomery, Mrs. Carmon explained due to the outstanding funds owed to the City, staff reviewed the lowest bidder and the second lowest bidder on all contracts presented in the package.

Mr. Jerry Bates, Director, City-County Purchasing Department, stated staff will review the first and second lowest bidders on all contracts going forward.

Council Member Taylor inquired on if Premier Design Builders has developed a payment plan with the City for the debts owed.

Council Member Montgomery requested a report reflecting the work Premier Design Builders has performed for the City, a timeline, and the satisfaction the City has had with the work provided over the last three to four years and as well as more information on the second lowest bidder such as the owners of the company.

Chair Clark requested information on how much Premier Design Builders owes the City, what the money owed is for, and the amounts of the federal tax liens.

Council Member Adams made a motion to send this item forward without recommendation. It was duly seconded by Council Member Burke. The item passed with three in favor, none opposed, and one abstaining. Council Members Clark, Burke, and Adams voted in favor, and Council Member Montgomery abstained from the vote.

GENERAL AGENDA

- G-1. CONSIDERATION OF ITEMS RELATING TO FINANCIAL ASSISTANCE TO KAILO, LLC:
 - a. RESOLUTION APPROVING FINANCIAL ASSISTANCE TO KAILO, LLC. [*\$42,900*].
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE FISCAL YEAR 2015-2016.

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

Ms. Christina Werts, 301 N. Main Street, stated she works for Kailo, LLC as a lead on the service desk. She stated she assisted with hiring, interviewing, and training classes.

Mr. Rod Christensen, 301 N. Main Street, Director of Client Services, Kailo, LLC, stated he is excited about the upcoming opportunities with the City.

In response to Council Member Burke, Mr. Christianson stated the company will make every effort to hire local residents for the 251 openings at Kailo, LLC.

Council Member Burke requested a report on the incentives given to companies in Winston-Salem, including information on the amount of taxes that have been used for incentives and how many Winston-Salem City tax payers are employed by these companies.

Council Member Adams made a motion to approve the item. The motion was duly seconded by Council Member Montgomery, and the item passed with three in favor, none opposed, and one abstaining. Those voting in favor were Council Members Clark, Montgomery, and Adams, with Council Member Burke abstaining from the vote.

In response to Council Member MacIntosh, Mr. Paige replied the incentives will be provided in increments as jobs are added over five to six years. The property taxes will repay the money owed and ultimately provide more money than what the City is paying in incentives.

G-2. BUDGET FORECAST FOR FISCAL YEAR 2016-2017.

Mr. Trevor Minor, Director, Budget and Evaluation Department, gave the staff presentation on this item.

Chair Clark noted the positive change in the sales tax numbers.

In response to Council Member MacIntosh, Mr. Garrity, explained staff is optimistic that this increase in sales taxes collected will occur annually, but lawmakers in Raleigh can always change what the City receives.

G-3. CONSIDERATION OF ITEMS RELATED TO POLICE/FIRE PAY: *[Item continued from the December meeting of the Public Safety Committee.]*

- a. RESOLUTION AMENDING ARTICLE II OF THE CITY OF WINSTON-SALEM PERSONNEL RESOLUTION REGARDING COMPENSATION AND CHANGES TO THE CERTIFIED FIRE PAY SCHEDULE AND SWORN POLICE PAY SCHEDULE.
- b. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE FISCAL YEAR 2015-2016.

Mrs. Carmen Caruth, Director, Human Resources Department, gave the presentation on this item.

In response to Chair Clark, Mrs. Caruth stated this plan will have less compression than what currently occurs.

Council Member Montgomery stated his support for this item and encouraged staff and Council to look at increasing the pay for all City employees.

Council Member Adams and Montgomery requested a comparison on what other municipalities offer in addition to pay, incentives such as housing, 401K plans, and health care.

In response to Council Member Leight, Mr. Garrity explained this increase can occur due to increased revenues the City has collected. He agreed if Council requested an increase like this for all City employees, staff would need to investigate ways to support it.

Council Member MacIntosh noted the City will be saving money on the retention of trained officers and firefighters.

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

G-4. PRESENTATION ON THE FUND BALANCE.

This item was held in Committee until the February Finance Committee Meeting.

ADDITIONAL ITEM.

Chair Clark requested the Audit be included on the February Finance Committee's Agenda.

ADJOURNMENT: 6:15 p.m.