

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 p.m., Monday, March 21, 2016

COMMITTEE ROOM

Room 239, City Hall

MEMBERS PRESENT: *Mayor Allen Joines (in at 4:39 p.m.)*
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
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. Council Member Burke removed Items C-1 (a), and C-4, Council Member Montgomery removed Items C-3, and C-7, and Chair Clark removed Items C-5, C-8, and C-16. No other items were removed.

Council Member Adams 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-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
- b. RESOLUTION GRANTING A PERMANENT UTILITY EASEMENT TO DUKE ENERGY CAROLINAS, LLC - *For a proposed substation at the Muddy Creek Wastewater Treatment Plant.*
 - c. RESOLUTION AUTHORIZING THE ABANDONING OF A PERMANENT SEWER EASEMENT WHICH IS NO LONGER NEEDED RELATED TO THE FERNBROOK LIFT STATION CONVERSION TO GRAVITY PROJECT.
 - d. RESOLUTION AUTHORIZING A FEE SIMPLE ACQUISITION OR EASEMENTS FOR CITY YARD STORMWATER RETENTION POND

EXPANSION BY DEED OR CONDEMNATION (EAST WARD).

Community and Economic Development

- C-2. RESOLUTION APPROVING MODIFICATIONS TO A PREVIOUSLY APPROVED LOAN TO GOLER COMMUNITY DEVELOPMENT CORPORATION.

Human Resources

- C-6. RESOLUTION INCREASING THE CITY'S CONTRIBUTION CAP FOR RETIREE HEALTH INSURANCE AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH UNITED HEALTHCARE FOR THE PROVISION OF A MEDICARE ADVANTAGE PLAN FOR RETIREES.

Finance/Budget

- C-9. CONSIDERATION OF ITEM RELATING TO THE 28TH STREET STORMWATER DRAINAGE IMPROVEMENTS AND WATER AND SEWER REPLACEMENT:
- a. RESOLUTION AUTHORIZING A CHANGE ORDER TO CHARLES D. LOWDER INC. IN THE AMOUNT OF \$270,000 FOR REPLACEMENT OF A 72" CULVERT SYSTEM ON IVY AVENUE (NORTHEAST WARD).
 - b. RESOLUTION AUTHORIZING A CHANGE ORDER TO HDR ENGINEERING IN THE AMOUNT OF \$40,000 FOR CONSTRUCTION OBSERVATION AND ADMINISTRATION SERVICES.
 - c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.
- C-10. CONSIDERATION OF ITEMS RELATED TO SAND FILTER CONVERSION AT BROOKWOOD BUSINESS PARK (NORTHEAST WARD):
- a. RESOLUTION AWARDED CONTRACT FOR THE SAND FILTER CONVERSION AT BROOKWOOD BUSINESS PARK - *Carolina Environmental Contracting, Inc.* - \$98,815.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.
- C-11. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:
- a. RESOLUTION AWARDED CONTRACT FOR REPAIRS TO THE BRYCE A.

STUART PARKING DECK - *Strickland Waterproofing Co., Inc.* - \$179,025.

- b. RESOLUTION AWARDING CONTRACT FOR JOINT REPAIRS AT SIXTH/CHERRY/TRADE PARKING DECK - *Strickland Waterproofing Co., Inc.* - \$183,070.
 - c. RESOLUTION AWARDING CONTRACT FOR RENOVATIONS AT FOURTH AND CHURCH PARKING DECK - *Stone Restoration, LLC.* - \$118,992.
 - d. RESOLUTION AWARDING CONTRACT FOR RESURFACING CITY STREETS – BOND CONTRACT 3A - *APAC-Atlantic, Inc., Thompson-Arthur Division* - \$3,791,912.18 (Estimated Amount).
 - e. RESOLUTION AWARDING CONTRACT FOR RESURFACING CITY STREETS – BOND CONTRACT 3B - *APAC - Atlantic, Inc., Thompson-Arthur Division* - \$3,048,222,.06 (Estimated Amount).
 - f. RESOLUTION AWARDING PURCHASE ORDER FOR A REAR-LOADING REFUSE TRUCK - *Piedmont Peterbuilt, LLC* - \$159,619.
 - g. RESOLUTION AWARDING PURCHASE ORDER FOR TWO FRONT-LOADING REFUSE TRUCKS - *Piedmont Peterbuilt, LLC* - \$482,856.
- C-12. 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 FISCAL YEAR 2015-2016.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE FISCAL YEAR 2015-2016.
- C-13. RESOLUTION AWARDING CONTRACT FOR EXAMINATION OF ANNUAL FINANCIAL STATEMENTS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016. [*\$85,000*].
- C-14. RESOLUTION REQUESTING AN INCREASE IN NORTH CAROLINA CLEAN WATER STATE REVOLVING FUND LOAN ASSOCIATED WITH SANITARY SEWER EVALUATION STUDIES AND COLLECTION SYSTEM REHABILITATION PROJECTS. [*\$2,861,396*].
- C-15. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, APPROVING A LEASE AGREEMENT AND RELATED MATTERS.

Transportation

- C-17. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH DAVENPORT FOR PROFESSIONAL ENGINEERING SERVICES FOR THE WHITAKER PARK NEW ROADWAY FEASIBILITY IMPROVEMENT PROJECT.
- C-18. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR TRAFFIC MODELING FOR THE BUSINESS 40 PROJECT.

General Government

- C-19. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *February 8, 2016.*
- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
- a. RESOLUTION AUTHORIZING THE SALE OF A CERTAIN CITY-OWNED VACANT LOT ON EAST TWENTY-THIRD STREET UNDER THE UPSET BID PROCEDURE N.C.G.S. 160A-269 (NORTHEAST WARD). [*\$1,500*].

Mr. Kirk Bjorling, Real Estate Administrator, Real Estate Department, gave the staff presentation on this item.

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

- C-3. UPDATE ON THE CONTRACT RENEWAL PROCESS FOR THE DOWNTOWN WINSTON-SALEM BUSINESS IMPROVEMENT DISTRICT.

Mr. Stephen Hawryluk, Budget and Evaluation Analyst, Budget Department, gave the staff report on this item.

- C-4. CONSIDERATION OF ITEMS RELATING TO URBAN DEVELOPMENT ACTION GRANT FUNDS IN A FORGIVABLE LOAN TO SOUTHEAST PLAZA INVESTORS, LLC.:
- a. RESOLUTION SUBSTITUTING ECONOMIC DEVELOPMENT FUNDS FOR URBAN DEVELOPMENT ACTION GRANT FUNDS IN A FORGIVABLE LOAN TO SOUTHEAST PLAZA INVESTORS, LLC.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

Mr. Evan Raleigh, Deputy Director, Community and Business Development Office, gave the staff presentation on this item.

In response to Council Member Adams, Mr. Raleigh explained staff did not file the necessary paperwork for the use of federal funds.

Mr. Derwick Paige, Assistant City Manager, explained staff was unaware these funds were still classified as federal funds since they had been recycled through the system numerous times.

Mrs. Angela Carmon, City Attorney, explained staff did not request the paperwork in a timely manner. She stated moving forward, when the Davis-Bacon Act is required staff will meet with the borrower to ensure compliance.

Council Member Adams requested staff look at policies and procedures more carefully to ensure this does not happen again.

Mr. Raleigh stated since this discovery, staff has put in safe guards to ensure compliance.

In response to Council Member Burke, Mr. Raleigh stated, this project will not have any effect on funding for any other RUCA project.

Chair Clark requested the definition of the Davis-Bacon Act, other projects going on now, and assurance contractors are properly notified of this requirement.

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

C-5. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH NOVANT HEALTH FOR EMPLOYEE MEDICAL SERVICES. [*\$142,900*].

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

In response to Chair Clark, Ms. Caruth stated if 16 hours a week if determined to not be enough time, it can be increased at a later date.

In response to Council Member Adams, Ms. Caruth explained these services are being offered at Employee Medical.

Council Member Adams requested a benchmarking of what other cities are offering in medical services for employees, success rates, and savings.

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

C-7. RESOLUTION REJECTING ALL BIDS FOR WINSTON LAKE PARK DEVELOPMENT (EAST WARD).

Mr. Jerry Bates, Director, City/County Purchasing Department, gave the staff presentation on this item.

Council Member Montgomery stated this item was an example of when a company does not provide a good faith effort, the City will reject the contract.

In response to Chair Clark, Mr. Robert Prestwood, City Engineer, and explained staff is working with the architect and will re-bid the contract back in April.

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

C-8. RESOLUTION AUTHORIZING THE PURCHASE OF SOFTWARE MAINTENANCE FROM MITCHELL HUMPHREY & COMPANY - *Mitchell Humphrey & Company - \$134,030.*

Mr. Tom Kureczka, Chief Information Officer, Information Systems Department, gave the staff report on this item.

Chair Clark requested staff amend this item to reflect no increases greater than 4%.

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

C-16. RESOLUTION OF SUPPORT WITH FINANCIAL COMMITMENT AND AUTHORIZATION TO APPLY FOR THE 2016 TRANSPORTATION INVEST GENERATING ECONOMIC RECOVERY GRANT.

Mr. Gregory Turner, Assistant City Manager, gave the staff presentation on this item.

In response to Council Member Montgomery, Mr. Turner stated staff looked at other projects but decided the pedestrian side path was the best option for a successful grant application.

In response to Chair Clark, Mr. Turner replied, the City's consultant, Ms. Leslie Mazingo felt this project was the best option as well.

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

GENERAL AGENDA

- G-1. CONSIDERATION OF ACTIONS RELATED TO PUBLIC ASSEMBLY AND RECREATION PROJECTS:
- a. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.
 - b. RESOLUTION APPROVING A CHANGE ORDER FOR RENOVATION WORK AT THE BENTON CONVENTION CENTER.
 - c. RESOLUTION APPROVING A CONSTRUCTION CONTRACT FOR SALEM LAKE PARK - *Hodgin Construction Company, Inc.* - \$4,119,000 (*Value Engineered Estimated Amount*).
 - d. RESOLUTION AWARDED A CONSTRUCTION CONTRACT FOR RUPERT BELL PARK - *Dreambuilt Construction, Inc.* - \$288,170 (*Estimated Amount*).

In response to Chair Clark, Mr. Turner explained the list of additions is \$3.9 million with an additional \$1.3 million in contention. He stated many projects have already begun or have been bid out so their cost is already determined. He added staff is hesitant to apply aggressive engineering because it may not provide the final product the City wants.

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

- G-2. RESOLUTION APPROVING MODIFICATIONS TO THE 2007 REIMBURSEMENT ASSISTANCE INCENTIVE AGREEMENT WITH WAKE FOREST UNIVERSITY HEALTH SCIENCES FOR WAKE FOREST INNOVATION QUARTER.

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

In response to Chair Clark, Mr. Paige stated the Fire Marshal requested the Central District be changed to the North District.

Council Member Montgomery requested work force housing incentive be increased from the 150,000 square feet proposed in the agreement to 250,000 square feet.

Mr. Graydon Pleasants, 1800 Greenbriar Road, Real Estate Development, Wake Forest Baptist Medical Center, stated they are unsure of what will be placed in the extra square feet so they were uncomfortable committing to what will be placed there. He explained they are already increasing the previous agreed to amount of 100,000 square feet to 150,000 square feet.

Council Member Burke requested the total amount of money private and public invested in this area.

Mr. Eric Tomlinson, Chief Innovation Officer, Wake Forest Innovation Quarter, stated \$420 million dollars in total investment has been spent in the area with an additional \$140 million in infrastructure.

Council Member Montgomery stated he would not support this item as written.

Mayor Joines requested staff work on some language to satisfy both needs.

Mr. Tomlinson stated he would be agreeable to stating they would use their best efforts to include workforce housing in the extra square feet.

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

G-3. CONSIDERATION OF ITEMS RELATING TO A CAPITAL IMPROVEMENT PROJECT AND THE CITY TO ENGAGE IN A PUBLIC-PRIVATE PARTNERSHIP:

- a. RESOLUTION FINDING THERE IS A CRITICAL NEED FOR A CAPITAL IMPROVEMENT PROJECT AND FOR THE CITY TO ENGAGE IN A PUBLIC-PRIVATE PARTNERSHIP IN ACCORDANCE WITH G.S. 143-128.1C [*\$4,000,000*].
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

Mr. Paige gave the staff report on this item.

In response to Council Member Montgomery, Mr. Paige replied the Utility Commission is discussing participation.

Mr. Robert Leak, Winston-Salem Business, Inc., 1080 West Fourth Street, stated he has approached the Utility Commission to handle the public portion of the water and sewer installation.

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

- G-4. RESOLUTION AUTHORIZING THE SALE OF THE CENTER CITY WEST PARKING DECK AND THE HOLLY AVENUE SURFACE PARKING LOT UNDER THE UPSET BID PROCEDURE N.C.G.S. 160A-269 (NORTHWEST WARD) [*\$2,275,000*].

Mr. Turner gave the staff report on this item.

Mr. John Reece, 751 West Fourth Street, stated this project will be the partnership of two local developers working together to bring new and different options for development to the area.

Chair Clark requested the map shown by Mr. Reece be included in the packet for Monday.

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

- G-5. RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO PERFORM DUE DILIGENCE WORK ON A LIBRARY SITE AND ECONOMIC DEVELOPMENT PROJECT FOR THE LUCIA SITE ON WAUGHTOWN STREET.

Mr. Turner gave the staff report on this item.

In response to Chair Clark, Mr. Turner explained the due diligence would be performed by staff and possibly a consultant if needed. He added if the project is over \$100,000 the item will return to Council for approval.

In response to Council Member Burke, Mr. Lee Garrity, City Manager, stated Council Members may bring any item to staff and request staff investigate the feasibility of a project.

Chair Clark requested ground photos of the proposed site be included when this item returns to Council for further action.

Council Member MacIntosh stated he would prefer the City not be the owner of this project and to locate a partner in the private sector.

Council Member Taylor stated this would be a part of a larger development. He explained it could possibly partner with Community Development Centers like Atkins CDC. He noted the upcoming Waughtown connector trail that will lead to Salem Lake, and more economic development in the area, and the possibility of additional development on the backside of the property.

Chair Clark stated his support for this item but noted concerns over setting a precedent that would lead to more projects like it. He voiced concern over the City owning the building and thought this project would work best if partnered with the private sector.

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

G-6. RESOLUTION ADOPTING FINANCIAL POLICIES AND RECOMMENDATIONS REGARDING CITY FUNDS FOR THE CITY OF WINSTON-SALEM.

Mrs. Lisa Saunders, Director, Finance Department, gave the staff presentation on this item.

In response to Council Member Besse, Mrs. Saunders replied 14% will be kept in the uncommitted funds. She further explained if approved this would be a reoccurring action.

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

G-7. REQUEST FROM THE UJIMA COMMUNITY DEVELOPMENT CORPORATION FOR THE DEVELOPMENT OF A 50-UNIT SENIOR HOUSING RENTAL DEVELOPMENT TO BE KNOWN AS EMMANUEL RETIREMENT VILLAGE.

Mr. Ritchie Brooks, Director, Community and Business Development, gave the presentation on this item.

Council Member Adams requested information on the location of retirement housing for seniors in the City.

Chair Clark requested a map of the area, the pro forma statement, and a listing of what resources the City can offer the developers. He requested market rates for this type of development as well.

Mr. Hobart Jones, 4645 Palace Avenue, stated he has a lot of support and hopes to break ground on July 1.

G-8. REQUEST TO FORGIVE LOAN AND FREE CITY-OWNED PROPERTY ON SECOND STREET FOR PARK DEVELOPMENT.

Ms. Courtney Driver, Assistant to the City Manager, gave the staff presentation on this item.

In response to Chair Clark, Ms. Driver explained a passive park generally consists of greenway, benches and sidewalks.

Council Member MacIntosh expressed his support of this item noting this area was recently rezoned as a residential area. He stated the blend of houses offers wide diversity and the park would be a good use of space.

Council Member Leight noted the backside of the property holds the original spring that fed Old Salem in the 1700s.

ADJOURNMENT: 5:55 p.m.