

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:30 p.m., Monday, January 9, 2017

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 Jeff MacIntosh

OTHERS PRESENT: *Council Member Derwin L. Montgomery*
 Council Member John C. Larson

Chair Clark called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda. Item C-4 and C-5(d) were pulled by Chair Clark. Item C-5(a) was pulled from the Agenda by staff. Council Member Adams pulled Item C-5(b), and Council Member MacIntosh pulled Item C-11.

Council Member Burke 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 AN EXTENSION OF A LEASE AGREEMENT WITH KDM OF WILMINGTON, LLC PROVIDING A SITE FOR A LEAF MULCHING FACILITY FOR THE SANITATION DEPARTMENT (NORTH WARD).
- C-2. CONSIDERATION OF A RESOLUTION AUTHORIZING THE SALE OF A CERTAIN CITY-OWNED VACANT LOT ON EAST TWENTY-FOURTH STREET UNDER THE UPSET BID PROCEDURE N.C.G.S. 160A-269 (NORTHEAST WARD).
- C-3. RESOLUTION AUTHORIZING MODIFICATIONS TO A PREVIOUSLY APPROVED ECONOMIC DEVELOPMENT PROJECT WITH CORNING OPTICAL COMMUNICATIONS, LLC.

C-5. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:

- c. RESOLUTION AWARDING CONTRACT FOR UTILITY CUT PAVEMENT REPAIRS – *Hanes Construction, Inc.* - \$78,600 (total possible award amount \$235,800).
- e. RESOLUTION AWARDING CONTRACT FOR PARKING LOT IMPROVEMENTS AT SOUTH FORK RECREATION CENTER. (WEST WARD) – *Creative Design & Construction, Inc.* - \$138,950 (Estimated Amount).
- f. RESOLUTION AWARDING PURCHASE ORDERS FOR EMERGENCY LIGHTING EQUIPMENT AND INTERNAL EQUIPMENT – *Ilderton Conversion Company (emergency lighting equipment)* - \$213,553.75 and *West Chatham Warning Devices, Inc. (internal equipment)* - \$121,363.30.
- g. RESOLUTION AWARDING CONTRACT FOR CORPENING PLAZA REPAIRS (SOUTH WARD) – *Miraje Reconstruction & Development, LLC* - \$137,000 (Estimated Amount).
- h. RESOLUTION AWARDING PURCHASE ORDER FOR A HAZMAT TRUCK – *VT Hackney, Inc.* - \$449,198.
- i. RESOLUTION AWARDING PURCHASE ORDER FOR COMPUTERS – *Dell Marketing L.P.* - \$192,989.11.
- j. RESOLUTION AWARDING PURCHASE ORDER FOR NEW PHOTO LAB PRINTER FOR FORENSIC SERVICES DIVISION – *Noritsu America Corporation* - \$30,754.93.

C-4. REQUEST FROM JOHNSON DEVELOPMENT TO PARTICIPATE IN A PUBLIC-PRIVATE PARTNERSHIP. [*\$300,000*]

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

In response to Council Member Montgomery, Mr. Paige stated saying previously there were three buildings built back in the early 2000's by Johnson Development, which became the Clearing House Company, Pepsi Bottling, and the Mom's Grand Products. To date those properties have generated about 4.9 million dollars in combined City and County property taxes.

In response to Council Member Montgomery, Mr. Bob Leak, 1080 West Fourth Street, stated Johnson Development built three buildings all speculative. This project has been strong, and they kept a remnant site that is the 10-acre property they still own. The issue has been with funding speculative real estate. They needed funding on the public infrastructure, and they believe they would be able to move forward if that is received. Johnson Development has also asked the County to help fund this project.

Council Member Burke requested Mr. Leak bring in the data and any additional information involved with the Johnson Development project. The taxpayers would like to know how their tax dollars are being spent. Also, the request was made to get information on a spec building on Liberty Street in the Brookwood Business Park.

In response to Chair Clark, Mr. Leak stated the Johnson Development building is about 100,000 square feet.

This was for information only.

This item was pulled by staff for technical reasons.

C-5. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:

- a. RESOLUTION AWARDED CONTRACT FOR STACK CHAIRS FOR THE M.C. BENTON, JR. CONVENTION CENTER (NORTH WARD) – *Michigan Tube Swagers & Fabricators, Inc., dba MTS Seating* - \$264,304.30.
- b. RESOLUTION AWARDED CONTRACT FOR THE PURCHASE AND INSTALLATION OF FITNESS EQUIPMENT AT BOLTON FITNESS CENTER (SOUTHWEST WARD) – *Cunningham Associates, Inc.* - \$105,239.59.

In response to Council Member Adams, Mr. William Royston, Recreation and Parks Director, stated the City does install shade structures where there is no natural shade areas in the recreation parks. Bolton Fitness Center is the existing location for this type of project. East Stone Park at Old Town is one of the parks that had this structure added previously. As part of the development of the capital improvement program, there are existing parks that are definitely in need of these shade structures, which will be considered.

Council Member Adams requested Mr. Royston provide the Committee with all areas that are in need of these shade structure projects and those that have had the structures added already.

Council Member Burke stated the City must monitor all projects where the bond dollars are being spent to care for the taxpayers' dollars and to make sure the money is being spent well.

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

- d. RESOLUTION AWARDED CONTRACT FOR ASPHALT CRACK SEALING – *Delta Contracting, Inc.* \$41,400 (total possible award amount \$124,200).

In response to Chair Clark, Mr. Jerry Bates, Purchasing Director, stated this is an annual contract and is usually a three-year term. The City provides information for the bidders to look at the current contract. The incumbent that has had the contract for the last six years is still the low bidder. The current bidding price is around \$1.30/pound for buying the material for crack sealing. The intent is not to exceed this budget amount.

In response to Council Member Adams, Mr. Gregory Turner, Assistant City Manager, stated the City is satisfied with the quality of the work that the current contractor is doing. The majority of the complaints received from citizens are in reference to the crack sealings not looking attractive compared to resurfaced roads.

Council Member Adams requested information about how much repair is being done within the urban core versus the outlying areas of the city.

In response to Council Member Larson, Mr. Bates stated this is a three-year contract with a cap of \$41,000 for the scope of repairs.

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

C-11. INFORMATION REGARDING THE MICROSOFT ENTERPRISE AGREEMENT.

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

Council Member MacIntosh stated the City should look at other operating software options aside from Microsoft. There are other alternatives available that may provide flexibility in what is needed for the City.

In response to Council Member Montgomery, Mr. Kureczka stated the email security is secured by Microsoft, looking at attachments. The key advantage is in the URL's. Every time the links are clicked, a buffer would be provided if the site is corrupt. If corrupt, it goes back to the birthing of that URL to not corrupt the City's email process.

This item was for information only.

GENERAL AGENDA

- G-1. CONSIDERATION OF REQUEST FOR ADDITIONAL FUNDING FOR BENTON CONVENTION CENTER RENOVATIONS PROJECT: [*\$1,400,000*]
 - a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2016-2017.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2016-2017.

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

In response to Council Member Montgomery, Mr. Rowe stated the lower level space had been a critical part of the overall project. The scope was to transform the lower level exhibit hall into flex space. The floor was concrete so the space did not lend itself for banquet functions. The intent was to re-do the space within the current project budget; however other project costs made it difficult to cover the full cost of the lower level renovation within the budget, thus the request for additional funding.

Council Member Montgomery requested information be disclosed to Council with regard to any re-allocation of funds and adjustments to costs of bond projects moving forward.

In response to Council Member Burke, Mr. Rowe stated the Benton Convention Center will have reliable Wi-Fi access throughout the building.

In response to Council Member MacIntosh, Mr. Rowe stated this funding would be the last request in order to finish the project. The unknowns have been accounted for, and the completion of the project is still projected for May 4, 2017.

In response to Council Member Montgomery, Mr. Rowe stated renovations to the hotels will start with the Marriott Hotel after the Benton Convention Center is complete.

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

G-2. FUNDING REQUEST FROM SHARE COOPERATIVE. [*\$21,800*]

Mr. Paige gave the staff report on this item.

Reverend Gary Williams, Share Cooperative Project Coordinator, 896 Wagner Road, Mocksville, gave a presentation on this item.

In response to Council Member Adams, Mr. Paige stated a feasibility study is being done that started two months ago by a group, The Peter's Creek Initiative. They are specifically conducting the study for the hotel and the car dealership properties on the west side of Peter's Creek Parkway. Share Cooperative will be on the east side of the street. Share Cooperative will be narrowly tailored in regards to a food co-op. The two initiatives are two separate projects.

In response to Council Member Adams, Mr. Paige stated the City provided \$14,000 in funding to the Peter's Creek Initiative for their feasibility study.

In response to Council Member Adams, Mr. Williams stated they have solicited several outside agencies for funding for the Share Cooperative project.

Council Member Montgomery requested staff report back to Council the outcome of the feasibility studies.

Chair Clark requested the address of the Renaissance Co-op in Greensboro.

Chair Clark requested an analysis of locations for new development areas.

In response to Chair Clark, Mr. Williams stated the Share Cooperative intends to provide fresh food and to patronize the local producers of food.

Chair Clark requested information about the Peter's Creek Initiative work force housing study.

This is an information only item.

G-3. CITIZEN'S BOND OVERSIGHT COMMITTEE QUARTERLY REPORT.

Mr. Thomas Fredericks, Vice-Chair of the Citizens' Bond Oversight Committee, 1840 Sussex Lane, gave a presentation on this item.

This item was for information only.

G-4. PRESENTATION OF THE CITY OF WINSTON-SALEM COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2015-2016.

Mrs. Lisa Saunders, Chief Financial Officer, gave the staff update on this item.

Council Member Burke recommended the audit report be placed in community centers, recreation centers, and libraries for the public to view.

ADJOURNMENT: 6:01 p.m.