

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 p.m., Monday, March 20, 2017

COMMITTEE ROOM

Room 239, City Hall

MEMBERS PRESENT: Mayor Allen Joines (arrived at 4:27 p.m.)(left at 6:01 p.m.)
Council Member Denise D. Adams, Vice Chair
Council Member Vivian H. Burke
Council Member Jeff MacIntosh

OTHERS PRESENT: Council Member Derwin L. Montgomery (left at 5:41 p.m.)
Council Member John C. Larson
Council Member James Taylor, Jr. (arrived at 5:46 p.m.)

MEMBER ABSENT: Council Member Robert C. Clark

Vice Chair Adams called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda. Council Member Burke pulled Item C-3. Council Member Larson pulled Items C-4, C-5, C-6, and C-7. 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 MacIntosh and carried unanimously.

CONSENT AGENDA

Property Matters

- C-1. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY AT 120 WEST TWENTY-SEVENTH STREET UNDER THE UPSET BID PROCEDURE (N.C.G.S. 160A-269) (NORTH WARD). [*\$35,000*]
- C-2. RESOLUTION AUTHORIZING THE QUIT CLAIM ABANDONMENT OF WATER AND SEWER EASEMENTS FOR THE TANGLEWOOD COMMONS PROJECT.
- C-8. RESOLUTION ACCEPTING A NORTH CAROLINA CLEAN WATER STATE REVOLVING FUND LOAN FOR THE MUDDY CREEK WWTP AERATION SYSTEM UPGRADES PROJECT. [*\$8,208,860*]
- C-9. UPDATE ON LONG CREEK GOLF COURSE.

C-10. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:

- a. RESOLUTION AWARDDING CONTRACTS FOR MOWING SERVICES – *Contract A – Piedmont Landscape Management, Inc. - \$198,400. (Estimated Amount.) Contract B – Piedmont Landscape Management, Inc. - \$140,800, with an option to extend these agreements for as many as four additional annual periods.*
- b. RESOLUTION AWARDDING CONTRACT FOR ANNUAL SIDEWALK REPAIRS – *Mayes Landscaping & Concrete, Inc. – Total amount not to exceed \$160,000.*
- c. RESOLUTION AUTHORIZING CONSTRUCTION CONTRACT FOR MUDDY CREEK TRAILHEAD AND GREENWAY CONNECTION (WEST WARD) – *Stewart’s Grading and Hauling, Inc. - \$532,581.75. (Estimated Amount).*
- d. RESOLUTION AWARDDING PURCHASE ORDER FOR TRANS-AID BUSES – *Creative Bus Sales, Inc. \$1,499,996.*
- e. RESOLUTION AWARDDING CONTRACT FOR STACK CHAIRS FOR THE M.C. BENTON, JR. CONVENTION CENTER (NORTH WARD) – *Specialties Seating, Inc. - \$197,250.*

C-11. RESOLUTION RESCINDING ECONOMIC DEVELOPMENT LOAN TO THE WINSTON-SALEM CHRONICLE.

C-12. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE NATIONAL CYCLING CENTER.

C-13. RESOLUTION DECLARING CERTAIN CITY-OWNED EQUIPMENT SURPLUS AND AUTHORIZING THE SALE THEREOF.

C-14. RESOLUTION AUTHORIZING THE CITY MANAGER TO DONATE SURPLUS FIRE PUMPER TRUCK TO FORSYTH TECHNICAL COMMUNITY COLLEGE.

C-15. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES – February 13, 2017.

C-3. CONSIDERATION OF RESOLUTIONS AUTHORIZING THE LEASE OF SPACE IN THE WINSTON MUTUAL BUILDING: (EAST WARD) *[Item continued from the February Finance Committee meeting.]*

- a. RESOLUTION AUTHORIZING A LEASE EXTENSION FOR A PORTION OF THE SECOND FLOOR IN THE WINSTON MUTUAL BUILDING FOR THE POLICE DEPARTMENT’S CRIME PREVENTION UNIT.

- b. RESOLUTION AUTHORIZING A LEASE OF THE FOURTH AND FIFTH FLOORS IN THE WINSTON MUTUAL BUILDING TO PROVIDE SPACE IN WHICH TO ROTATE POLICE DEPARTMENT STAFF WHILE THE PUBLIC SAFETY CENTER IS BEING RENOVATED.

In response to Council Member Burke, Mr. Kirk Bjorling, Real Estate Administrator, stated there are only city tenants living in the building. He stated, most recently, the City had the fourth and fifth floors leased for the Engineering Department. Due to the relocation of these services to the City Yard, these floors are currently vacant. The lease ended in December 2016. The City has had part of the second floor leased for the Police Department's Crime Prevention Unit and that lease is expiring so the request is to extend this lease and take advantage of the vacancies on the fourth and fifth floor to allow staff to work until renovations to the Public Safety Center are completed.

In response to Council Member Burke, Mr. Bjorling stated the City's has negotiated the rent at an 8% decrease for the Crime Prevention Unit and a 32% decrease for the fourth and fifth floors.

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

- C-4. RESOLUTION APPROVING A NEIGHBORHOOD IMPROVEMENT PLAN FOR MANCHESTER, MACHINE, ANSONIA AND EAST 25TH STREETS IN THE BOWEN PARK COMMUNITY. (NORTHEAST WARD)

In response to Council Member Larson, Mr. Ritchie Brooks, Community and Development Director, stated over a period of time, particularly during the summer, there are a lot of nuisance violations. The City would site these abatements and it occurs in the excess of \$4,000 to \$5,000 and then property owners would have to agree to maintain the lots. Then, at the point that property owners begin to start building, and the City reduces the amount of the balance.

In response to Council Member Burke, Ms. Angela Carmon, City Attorney, stated staff is in the process of researching to see if the City could obtain Heir and Property.

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

- C-5. RESOLUTION AUTHORIZING CHANGE IN USE OF FUNDING TO THE NORTH CAROLINA HOUSING FOUNDATION FOR THE SECU COMMONS WORKFORCE DEVELOPMENT PROGRAM. (NORTHEAST WARD) [*\$13,350*]

In response to Council Member Larson, Mr. Brooks stated this funding was originally allocated for case management. The case management funding required some supplemental federal funding that was not obtained. In lieu of this, the organization has a workforce development program and they are providing services to their tenants with funding already available for workforce development. The request is just to help offset the outside funds.

Vice Chair Adams stated documentation should be provided to verify how the workforce development funding is being utilized on a quarterly basis. The funding is supposed to be used to train all categories of citizens to help them obtain employment. The evidence of successful results should be recorded and shared with the Committee.

Vice Chair Adams requested staff to stay updated concerning the Federal Budget.

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

C-6. RESOLUTION AUTHORIZING CONTINUATION OF THE PROJECT AND FUNDING FOR THE EAST END REVITALIZATION INITIATIVE WITH S.G. ATKINS COMMUNITY DEVELOPMENT CORPORATION. (EAST WARD)

Council Member Montgomery stated the S.G. Atkins project is moving and working hard to acquire property owners to sell their property. There is an issue with the use of the Home Funds, in the noise ordinances near the highway. If this is present in a community, it would be considered an environmental issue and the use of Federal funds would no longer be viable.

In response to Council Member Burke, Mr. Brooks stated when Council approves various projects with various sources of funding it is encumbered. Over a period of time, the money is spent when needed.

Vice Chair Adams requested staff report updates quarterly on all agencies that have been approved to receive funding and have outstanding funds.

Council Member Burke requested the number of Community Development Corporations (CDC) moving in an aggressive way.

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

C-7. CONSIDERATION OF ITEMS RELATED TO THE LAKE PARK DEVELOPMENT PROJECT:

- a. RESOLUTION APPROVING ACCEPTANCE OF A PROPOSAL SUBMITTED BY METROPOLIS ARCHITECTURE, PLLC TO ASSIST IN DETERMINING THE FEASIBILITY OF COMPLETING THE LAKE PARK DEVELOPMENT PROJECT. (EAST WARD) [*\$38,450*]
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2016-2017.

In response to Council Member Larson, Mr. Derwick Paige, Assistant City Manager stated the loan has not been paid back. The loan was approved for a 25 year term and it expired in 2015. A request for an extension was in 2016.

In response to Council Member Burke, Mr. Paige stated in giving the property owners an interest to obtain property, the problem was with the restrictive covenants. Those guidelines were the leading precedent to why the lots would not sell.

Mr. Ward Miller, 2520 Treetop Lane, resident of this community, stated this project was started to provide more economic development in east Winston-Salem.

Council Member MacIntosh made a motion to approve this item. The motion was duly seconded by Vice Chair Adams with Council Member Burke abstaining.

GENERAL AGENDA

G-1. RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE PUBLIC FINANCE AUTHORITY. *Public Hearing: March 27, 2017.*

Mrs. Carmon gave the staff report on this item.

In response to Vice Chair Adams, Ms. Carmon stated the City has done business with this group before. Based upon the information obtained from the law firm representing the group, it is a reliable business venture. This group does a lot of work for veterans.

Council Member Burke and Council Member MacIntosh requested more information on this foundation.

Mr. Rick Wheat, 3948 S. Third Street, Suite 16, Jacksonville Beach FL, representative of the Patriots Housing Initiative stated this is a business model of veterans helping veterans.

In response to Council Member MacIntosh, Mr. Wheat stated the funding comes through the issuance of federal bonds. To get approval, a letter of non-opposition is taken to the ratings agency.

In response to Council Member Montgomery, Mr. Wheat stated these projects are currently occupied and very well maintained.

In response to Council Member Larson, Mr. Wheat stated the three developments were chosen as target developments based on owners willing to work with the foundation to charge reasonable prices and maintain a good working relationship to fulfill the project.

In response to Council Member Larson, Mr. Wheat stated discounts for rent are not given, however tenants are allowed to use a combination of HUD vouchers and Section 8.

Vice Chair Adams requested more information before the City Council meeting on March 27th to help clarify services offered compared to other groups providing similar services.

By consensus, the Committee agreed to move this item forward without a recommendation.

G-2. INFORMATION ON FISCAL YEAR 2017-2018 TWO THIRDS BONDS.

Ms. Lisa Saunders, Chief Financial Officer, and Ms. Patrice Toney, Budget and Evaluation Director, gave the staff presentation on this item.

Mayor Joines stated he would be looking to create a new capital needs committee to identify unfunded capital needs in anticipation of a potential 2018 bond referendum.

In response to Council Member Burke, Ms. Toney stated initially the City's asset management program performed facility condition assessments to prioritize facility maintenance needs.

In response to Council Member Montgomery, Ms. Saunders stated the City is balancing its issuances of bond dollars. There is a rising interest rate environment right now and we don't borrow what we don't need. The state allows local governments to carry debt up to 8% of assessed property value. The City's debt is less than one percent.

G-3. RESOLUTION AUTHORIZING AN AGREEMENT WITH USA MANAGEMENT FOR STAFFING, TRAINING, AND SUPERVISION OF THE CITY'S AQUATIC PROGRAM FOR THE 2017 SWIMMING SEASON.

Mr. William Royston, Recreation and Parks Director, gave the staff report on this item.

In response to Council Member Montgomery, Mr. Royston stated issues with insurance liability, are still being worked through the contract negotiations with USA Management.

Mrs. Carmon stated the City generally requires organizations to have insurance as well as provide identification of that insurance.

In response to Council Member MacIntosh, Mr. Royston stated a list of lifeguards we have worked with the city in the past will be given first priority for the lifeguard positions.

In response to Vice Chair Adams, Mr. Royston stated the operating costs differ, when comparing the various parks, because there may be additional steps needed to make the necessary repairs and renovations.

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

G-4. RESOLUTION AUTHORIZING THE CITY TO PARTICIPATE IN A DOWNTOWN DEVELOPMENT PROJECT PURSUANT TO N.C.G.S. 160A-458.3.

Mr. Paige gave the staff report on this item.

In response to Council Member Montgomery, Mr. Paige stated Grubb Properties has agreed to designate a minimum of 30% of the units as workforce housing units for a minimum of 15 years, with such units offered to residents earning at or below 110% of Area Median Income. The rent of \$1100 monthly equals the 30%, while the goal is to get at least a monthly rental rate of \$1100.

Council Member Burke requested a resolution be presented to the Flow family in appreciation for how they have taken on various leadership roles and how they have invested in the City of Winston-Salem.

Council Member Montgomery stated this project is a great concept as the City has to be committed to how this project is approached. He asked if the monthly rent of \$1100 is a good blanket approach to the City of Winston-Salem.

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

G-5. INFORMATION ON PROPOSAL FROM R AND COMPANY, LLC FOR THE MANAGEMENT AND OPERATION OF THE LIBERTY STREET VENDORS' MARKET.

Mr. Evan Raleigh, Business Inclusion and Advancement Director, gave a presentation on this item.

Council Member Burke requested a proposal from the R and Company, LLC.

By consensus, the Committee agreed to move this item forward without recommendation and with the request to enter into a six month contract with the added metrics.

G-6. REPORT ON THE MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE (M/WBE) PROGRAM ACTIVITIES FOR THE 2015-2016 FISCAL YEAR.

Mr. Raleigh introduced Ms. Tiesha Hinton, Business Inclusion Manager, and she gave the staff presentation of this item.

Vice Chair Adams requested appointed board members be present during presentations to the Committees.

G-7. REVIEW OF SUMMER YOUTH EMPLOYMENT PROGRAM.

Council Member Taylor asked to hold this item in committee.

G-8. PLOTT'S BAKERY PRODUCTS APPEAL OF SMALL BUSINESS LOAN COMMITTEE'S DENIAL OF REQUEST FOR ASSISTANCE. *[Item continued from the February Finance Committee meeting.]*

Mr. Raleigh gave the staff update on this item.

In response to Council Member Larson, Mr. Garrity stated the City would have to apply for a loan with Golden Leaf Foundation, and if awarded, the City would be obligated to repay the loan.

In response to Council Member Larson, Mr. Raleigh stated funds are available, minus the loan from the Golden Leaf foundation.

Ms. Burney, with Plott's Bakery, stated she believes, her proposal will work if allowed. She also stated the money from job training alone would pay the loan back.

Council Member MacIntosh made a motion to uphold the decision of the Small Business Committee. The motion was duly seconded by Council Member Burke and carried unanimously.

Vice Chair Adams suggested Ms. Burney consider partnering with other bakeries and get more established and present a more reasonable proposal at a later date.

ADJOURNMENT: 6:21 p.m.