

## SUMMARY OF MINUTES

### FINANCE COMMITTEE

4:00 p.m., Monday, November 14, 2011

#### COMMITTEE ROOM

Room 239, City Hall

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*MEMBERS PRESENT:* Mayor Allen Joines  
Council Member Wanda Merschel, Chair  
Council Member Molly Leight, Vice Chair  
Council Member Vivian H. Burke  
Council Member Robert C. Clark (in at 4:06 p.m.)

*OTHERS PRESENT:* Council Member Derwin L. Montgomery  
Council Member James Taylor, Jr. (in at 4:06 p.m.)  
Council Member Dan Besse (in at 4:29 p.m.)  
Council Member Denise D. Adams (in at 4:25 p.m.)

Chair Merschel called the meeting to order and stated that Vice Chair Leight would preside at this meeting.

Vice Chair Leight stated that, without objection, the Committee would first consider the Consent Agenda, and asked if anyone wished to remove any items for separate discussion. Council Member Burke and Mayor Joines both asked to remove Item C-4. Vice Chair Leight asked for discussion on Items C-1(b) 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 Merschel and unanimously approved.

#### CONSENT AGENDA

##### Property Matters

- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
- a. RESOLUTION AUTHORIZING THE ACCEPTANCE OF DONATIONS OF EASEMENTS RELATED TO THE MUDDY CREEK GREENWAY. [Donated by Brooks Landing Homeowners Association, Piedmont Natural Gas Co., Inc., and Lantern Ridge Association, Inc.]

- c. RESOLUTION AUTHORIZING EXECUTION OF A LEASE WITH WINSTON-SALEM SPEEDWAY, INC., FOR THE USE OF BOWMAN GRAY STADIUM FOR MOTOR SPORTS RACING UNDER THE PROVISIONS OF N.C.G.S. 160A-269.

Finance/Budget

- C-2. RESOLUTION AUTHORIZING A NEW LOAN TO SUMMIT SQUARE GARDEN APARTMENTS AND RESTRUCTURING OF THE EXISTING LOANS. *[This item continued from the October 10, 2011 Finance Committee meeting.]*
- C-3. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, APPROVING ISSUANCE OF BONDS FOR WINSTON SUMMIT APARTMENTS.
- C-5. RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH THE TOWN OF KERNERSVILLE RELATING TO THE UPPER KERNERS MILL CREEK GREENWAY DESIGN.
- C-6. CONSIDERATION OF AMENDMENTS TO THE FY 11-12 BUDGET ORDINANCES FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA TO APPROPRIATE ONE-TIME FUNDING FOR UNFUNDED MAINTENANCE NEEDS:
  - a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.
- C-8. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FY 2011-2012.
- C-9. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:
  - a. RESOLUTION AWARDED CONTRACT FOR NEW SIDEWALK CONSTRUCTION ALONG REYNOLDA ROAD - *Dalton's Quality Concrete, LLC - \$107,965.*
  - b. RESOLUTION APPROVING A CONTRACT CHANGE ORDER FOR ADDITIONAL WORK ASSOCIATED WITH PROJECT A - BATH BRANCH/PTRP STORM WATER MANAGEMENT FACILITY, AND PROJECT B - RESEARCH PARK BOULEVARD - *Blythe Construction, Inc. - \$360,000.*

- c. RESOLUTION APPROVING CONTRACT FOR GRIFFITH ENTERPRISES TO PROVIDE ENVIRONMENTAL SERVICES FOR CITY PROJECTS INVOLVING SOIL AND GROUNDWATER ISSUES.
- d. RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF BROOKWOOD BUSINESS PARK INFRASTRUCTURE IMPROVEMENTS.

#### Transportation

- C-10. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH WETHERILL ENGINEERING, INC. FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO THE REPLACEMENT OF TWO BRIDGES ON REYNOLDS PARK ROAD.
- C-11. RESOLUTION OF SUPPORT FOR THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO REPAVE THE SHOULDERS ON THE RAMPS AT THE INTERCHANGE OF SILAS CREEK PARKWAY AND US 421.
- C-12. CONSIDERATION OF ITEMS RELATED TO THE BRUSHY FORK GREENWAY PHASE IV PROJECT:
  - a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR THE BRUSHY FORK GREENWAY PHASE IV PROJECT.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.

#### General Government

- C-13. CONSIDERATION OF ITEMS RELATED TO THE REALLOCATION OF GRANT FUNDS:
  - a. RESOLUTION APPROVING THE REALLOCATION OF ENERGY EFFICIENCY CONSERVATION BLOCK GRANT FORMULA FUNDS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2011-2012.
- C-14. RESOLUTION DECLARING CERTAIN CITY OWNED EQUIPMENT SURPLUS AND AUTHORIZING THE SALE THEREOF.

- C-15. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *October 10, 2011.*
- C-1(b). RESOLUTION AUTHORIZING THE SALE OF THE TRIAD PARK PARKING DECK UNDER THE UPSET BID PROCEDURE (N.C.G.S. 160A-269). [*Receipt of \$1,570,000.*]

Vice Chair Leight asked for the exact location of the Triad Park Parking Deck.

Assistant City Manager Gregory M. Turner responded that the Triad Park Parking Deck is on Liberty Street between First and Second Streets directly across from the Wells Fargo Tower.

Council Member Merschel made a motion for approval. The motion was duly seconded by Council Member Burke and unanimously carried.

- C-4. RESOLUTION APPROVING FINANCIAL ASSISTANCE TO DYNAMIC MACHINING X MANUFACTURING, LLC. [*\$50,000 from Economic Development Funds.*]

Council Member Burke stated that she has had an opportunity to meet with the owners of this company and welcomed them to the City of Winston-Salem. She asked staff to explain this item.

Deputy City Manager Derwick Paige stated that Dynamic Engineering, currently located in Rural Hall, had outgrown its space and considered two sites for relocation – one in King and one on Kapp Street in Winston-Salem. This location is within the City's Target Area Business Assistance Program area; based upon the company's projections in investment and job creation, Dynamic Engineering qualifies for assistance of \$50,000, which is the maximum assistance under the Target Area Business Assistance Program guidelines. After the company relocates its existing equipment to the Kapp Street location, the total investment would be approximately \$2 million.

Mayor Joines commented that he also is glad to have this company relocate to Winston-Salem. For the record, he stated that Winston-Salem did not recruit this company. The company had already decided to leave Rural Hall and approached the City of Winston-Salem inquiring about relocation assistance. He explained that there is an understanding among the cities and town in this region that one will not lure business away from one incorporated area to another.

Council Member Burke asked the owners of the company to address the committee.

Mr. Joseph Landery, 7945 Broad Street, Rural Hall, and Mr. Leonard Speaks, 132 Pam Drive, Winston-Salem, addressed the committee and responded to questions regarding the nature of their manufacturing operation and recruitment.

Council Member Burke welcomed Mr. Landery and Mr. Speaks and encouraged them to support diversity hiring as they recruit future employees.

Council Member Clark made a motion for approval of this item. The motion was duly seconded by Council Member Burke and unanimously carried.

C-7. RESOLUTION AUTHORIZING A COMMITMENT OF FUNDS TO S. G. ATKINS COMMUNITY DEVELOPMENT CORPORATION FOR THE ENTERPRISE CENTER. [*\$209,000 from Community Development Block Grant Funds.*]

Mr. Ritchie Brooks, Director of the City's Community and Business Development Office, explained that in 2010, the City loaned funds to S.G. Atkins Community Development Corporation (CDC) for the renovation of the former Salvation Army Boys and Girls Club on Martin Luther King, Jr. Drive. Renovations of the first and second floors have been completed, and this request will permit the CDC to continue with additional renovation using the same contractor.

Several Council Members expressed their support for the project.

Ms. Carol Davis, Director of the S.G. Atkins Community Development Corporation, 1922 S. Martin Luther King, Jr. Drive, appeared before the Committee and responded to questions. She stated that the original building was constructed in 1922 and as it was renovated, the contractor had to deal with such factors as asbestos and lead removal, as well as replacement of the roof and all of the electrical, plumbing, and HVAC. She explained that during the second phase, HVAC requirements will absorb approximately one-half of the current request.

Council Member Clark commented that based upon the information provided, the cost will be approximately \$100 per square foot. He noted that it may be prudent to seek bids on the work.

Council Member Burke remarked that while she favors seeking the best price, the current contractor has done a remarkable job thus far and she would not want to interfere with the momentum of the project.

In response to Council Member Taylor, Ms. Davis stated that since opening on July 1, 17 businesses currently occupy space. The facility provides not only space for incubator clients, but also opportunities for classes in partnership with Winston-Salem State University, Forsyth Technical Community College, Wake Forest University, and other entities. As businesses establish themselves and move out of the building, it is hoped that they will choose to remain in the area and locate within the Martin Luther King, Jr. corridor.

Vice Chair Leight made a motion for approval. The motion was duly seconded by Council Member Clark and unanimously carried.

#### GENERAL AGENDA

G-1. PRESENTATION ON THE PIEDMONT TRIAD FILM COMMISSION.

Appearing before the Committee was Ms. Rebecca Clark, 1606 W. Academy Street, Executive Director of the Piedmont Triad Film Commission, 416 Gallimore Dairy Road, Greensboro. Ms. Clark introduced the other staff member of the Commission, Ms. Lisa Watts, and together they made a presentation to the Committee regarding the economic benefit to the community fostered by professional feature films, commercials, and still photography shoots. They explained that filmmakers and producers seek locations with incentives, accommodating infrastructure, crew and support services, and a film office which provides support. A vibrant filmmaking atmosphere translates into revenue through hotel rooms, restaurant meals, and other expenditures relating to the film industry.

(Council Member Adams entered the meeting at 4:25 p.m. Council Member Besse entered the meeting at 4:29 p.m.)

Ms. Clark and Ms. Watt discussed local marketing efforts and pointed out that the Triad's biggest competitor within the State is Wilmington, which has the largest concentration of studio and production facilities on the east coast.

Council Member Leight observed that the documentation provided by the Film Commission shows a drop in local support approximately ten years ago and asked if there was any explanation for this.

Ms. Clark responded that at that time, the Film Commission was closely associated with the Winston-Salem Chamber of Commerce and had four full-time employees. That was around the time that the Chamber turned its focus to bio-tech development and funding priorities were shifted. Due to unfolding budget constraints, the Film Commission was also advised to seek other funding sources, which has been done. The Film Commission receives most of its funding from Guilford County, but also receives financial assistance from the cities of Greensboro, Winston-Salem, and High Point. She stated that the Film Commission is a year-long operation and any increase in support would be used to good advantage to promote Winston-Salem and the Triad region.

In response to Council Member Clark, Ms. Clark stated that there may be opportunities for support from the Convention and Visitors Bureau, perhaps through in-kind services. More and more, the cities within the Piedmont Triad are recognizing that this is an economic development issue.

Council Members Montgomery, Taylor and Adams expressed their support for financial support of the Film Commission and the economic benefit potential to the community.

Council Member Burke suggested that the Film Commission contact the Tourism Development Authority.

Council Member Merschel commented that the City of Winston-Salem received no screen credit from the film *Leatherheads*, and Ms. Clark responded that this was due to an incentive stipulation in the contract with South Carolina. The Film Commission has since made sure that it now has a similar stipulation in place.

Ms. Clark thanked the Committee for its attention and stated that the Film Commission would like to have a City of Winston-Salem official on its Board of Directors.

Vice Chair Leight noted that this item was for information only and no action was being requested of the Committee. She thanked Ms. Clark and Ms. Watt for the presentation.

#### G-2. PRESENTATION ON THE PUBLIC TRANSIT SYSTEM REVIEW.

Making the staff presentation on this item was Mr. Ben Rowe, Deputy Budget Director. Mr. Rowe stated that during the last budget process, staff shared information regarding the forecast for the Mass Transit Tax Fund, which indicated that fund reserves would be exhausted during FY 2011-12. City staff has prepared an update on previously provided information and potential measures to extend the reserves in the Mass Transit Tax Fund. Mr. Rowe presented an overview of the current system, an updated long-range financial outlook for the Mass Transit Tax Fund and issues impacting that outlook, potential options for extending the reserves, and supplementary information relating to the Public Transit System. Mr. Rowe provided a revised map of the transit routing system, which provides for 27 routes. He explained how Winston-Salem compared with other transit systems throughout the State in terms of service levels and ridership percentages. He reviewed funding resources for FY 2011-12, which include local and State revenues as well as federal dollars. Mr. Rowe advised that Mass Transit Tax Fund Reserves were drawn upon in the amount of \$1.1 million during the current fiscal year which would leave approximately \$40,000 to \$50,000 remaining in reserves at the end of this fiscal year.

Mr. Rowe continued the presentation with a description of issues impacting the long-range outlook, including the uncertainty of availability of federal capital funds to cover operating expenses and a general decline in State and local revenues. He identified potential options for extending reserves such as fare increases, service adjustments, increased marketing of service, partnerships/payments in lieu of taxes, and an increase in the tax rate for the Mass Transit Tax Fund.

Mr. Rowe and Mr. Art Barnes, General Manager of the Winston-Salem Transit Authority (WSTA), responded to various questions from Council Members.

Mr. Rowe stated that potential measures to deal with the long-range issue would be to increase the Mass Transit Tax Rate by one cent (from 1.5 cents to 2.5 cents) and to increase fares from \$1.00 per ride to \$1.30 per ride. He explained that Budget staff made this presentation to the WSTA Board of Directors and will also make this presentation to the November 15 Public Works Committee. If these or other proposals are to be incorporated into the FY 2012-13 budget, the WSTA Board of Directors would need to conduct public hearings perhaps in January to receive citizen input.

Council Member Adams suggested that benchmark data be collected and studied to determine how other cities seem to be more successful at increasing bus ridership.

Council Member Clark asked how the Mass Transit Reserve Fund was established, and Mr. Rowe responded that over the years, the City received federal stimulus dollars which did not require local matching funds.

Council Member Clark asked to see financial data on the Mass Transit Reserve Fund over the past twenty years. He also requested information regarding the percentage of monthly passes compared to single fares.

Chair Merschel requested information in the form of a pie chart on a worst case scenario in which no federal dollars are involved, even if it occurs over a period of fiscal years, because she has concerns that those dollars will eventually go away. In addition, she stated that attention to this issue needs to be expedited in preparation for the budget process which will begin early in 2012. Chair Merschel commented that preliminary discussions with potential partnership agencies need to be held as quickly as possible.

Council Members Adams and Montgomery stressed the necessity of bus service to the citizens, and suggested the increased use of paid advertisements.

Council Member Besse stated that he believed public transportation is a basic service of cities. If the City's transit system is underfunded, then difficult decisions may lie ahead.

No action from the Committee was requested at this time.

**G-3. RESOLUTION APPROVING THE DESIGN GUIDELINES FROM THE CREATIVE CORRIDORS COALITION.**

Mr. Turner stated that this item is for consideration of design guidelines, but does not commit the Council to any specific project or future funding. The resolution makes a clear statement that the Council has expressed concerns regarding funding opportunities and that anyone or any group must seek Council approval prior to searching for federal or State funds requiring a local match. Mr. Turner advised that the Planning Board has approved a resolution supporting the guidelines and a copy of that resolution has been provided to the Council. He noted that this will be discussed in more detail at the November 15 Public Works Committee.

Council Member Burke made a motion for approval. The motion was duly seconded by Council Member Leight.

Council Member Burke commented that a large number of citizens have worked on this proposal and she wanted to acknowledge their work and express the Council's appreciation.

Vice Chair Leight recognized members of the Creative Corridors Coalition who were in attendance and thanked them for their efforts.

In response to Council Member Clark, Mr. Turner stated that the Creative Corridors Coalition worked closely with the North Carolina Department of Transportation (NCDOT) from the beginning and will continue to do so. The NCDOT will certainly have a participatory role as projects unfold.

The motion for approval was unanimously carried.

ADJOURNMENT: 5:37 p.m.