



City of Greensboro

Melvin Municipal Building
300 W. Washington Street
Greensboro, NC 27401

Meeting Minutes - Draft City Council Work Session

Tuesday, February 24, 2015

3:00 PM

Plaza Level Conference Room

1. Call To Order

This City Council work session of the City of Greensboro was called to order at 3:04 p.m. on the above date in the Plaza Level Conference Room of the Melvin Municipal Office Building with the following members present: Mayor Nancy Vaughan, Councilmembers Marikay Abuzuaiteer, Jamal Fox, Sharon Hightower, Nancy Hoffmann, Yvonne J. Johnson, Zack Matheny and Tony Wilkins.

Absent: Councilmember Mike Barber.

Also present were City Manager Jim Westmoreland, City Attorney Tom Carruthers and Deputy City Clerk Angela R. Lord.

Discussion took place regarding the Property Tax Rate item on the agenda; Dr. Donald Jud being invited to a work session; staff providing information to Council; and discussions at a previous work session regarding having Dr. Jud at the work session.

2. Presentations

ID 15-0119 City's Retirement Plan Observations - George Hartzman

George Hartzman provided a handout to Council; spoke to lowering fees; leaving more money in retirement to spend in the community; outlined the thrift savings plans (TSP); spoke to the cost to the City of Greensboro; expense liability; referenced S & P Dow Jones analyzes; outlined TSP's five funds; spoke to active portfolios benchmark expectations; high investment costs; and compared asset based fees and flat fees.

Discussion ensued regarding whether or not staff agreed with Mr. Hartzman; an ICMA representative being at the meeting; and staff receiving information for the first time from Mr. Hartzman.

Councilmember Wilkins left the meeting at 3:20 p.m. and returned at 3:21 p.m.

Mr. Hartzman continued by stating IMCA was a shell company for Sungard; spoke to flat fees per person; provided figures that other cities paid for record keeping; and spoke to the City being overcharged.

Mayor Vaughan stated when the City started with ICMA over eight years ago, that there was a per participant fee; that at this time the City was not paying a per participant fee; that employees chose what they wanted to invest in; and that what employees invested in had different fees.

Discussion took place regarding comparing the City of Greensboro to other cities.

Councilmember Matheny entered the meeting at 3:30 p.m.

Mr. Hartzman spoke to the low cost index fund; potential savings; stated the City was the plan fiduciary and sponsor; and that the City could choose to change the fund line up.

Councilmember Fox left the meeting at 3:33 p.m. and returned at 3:35 p.m.

Mr. Hartzman stated ICMA-RC was paying ICMA a flat fee for record keeping.

Councilmember Hightower asked who would manage the fund.

Mr. Hartzman responded that Sungard Omni would manage; spoke to architecture retirement plan platforms; and to ICMA-RC selling fee-based managed account services.

Councilmember Wilkins voiced concern with whether or not staff agreed with Mr. Hartzman; the City paying ICMA when they did not need to; spoke to ICMA holding small groups sessions; and asked whose decision it had been to not have ICMA at the meeting today.

Assistant City Manager Mary Vigue stated the City did not have control over the fund line; that the plan had been reviewed; and that staff continued to look at it.

City Manager Westmoreland spoke to the City going through the RFP process; and stated staff could share Mr. Hartzman's information with ICMA.

Mayor Vaughan stated that Council had never talked about having ICMA present at the work session.

Mr. Hartzman stated he was a whistle blower; spoke to sharing information others would not tell; that ICMA was not expecting someone to come in and lay out what all the fees were; referenced his previous work history with Councilmember Matheny; spoke to changing fees within the contract by changing out the funds in the plan; and referenced teaching ethics to CPA's.

Councilmember Abuzuaiter asked how long the City would be under a contract with ICMA.

City Manager Westmoreland responded the current contract was until 2018; and that staff looked at the plan quarterly.

ID 15-0118 **East Market Street Development Corporation Update and Economic Development Plan for East Greensboro Presentation - Mac Sims**

Phil Barnhill, the Director of Operations of East Market Street Development Corporation (EMSDC) introduced members in the audience; made a PowerPoint Presentation (PPP); provided the history regarding EMSDC; spoke to urban development; outlined the four top priorities; compared other city programs that were redeveloping commercial properties; and outlined site, facade, and storefront improvements.

Council inquired as to the program being similar to Downtown Greensboro Inc. (DGI); referenced matching grants; and asked about the geographical area.

Mr. Barnhill stated the program was similar to DGI's programs; spoke to bond funds for facade improvements; targeted areas; outlined various renovations and repairs planned; spoke to fund allocation; shovel ready sites; and referenced complaints in Greensboro concerning the lack of retail services.

Councilmember Matheny asked for confirmation to the purpose of the item.

Mayor Vaughan spoke to receiving information before Council set aside funds for the program.

Councilmember Matheny asked Mr. Barnhill if there was more substance to the information he was sharing with Council; and requested the information be emailed to Council.

Discussion took place regarding the number of buildings available; and priority lists.

Mr. Barnhill spoke to banner areas; pockets in East Greensboro; outlined vacant commercial buildings; and spoke to grants and forgivable loans.

Mayor Pro-Tem Johnson left the meeting at 3:58 p.m. and returned at 4:00 p.m.

Mr. Barnhill continued by speaking to specific sites; referenced the United House of Prayer for all People; conversations with the church regarding development of the property; a meeting planned for March 10th with City

staff; spoke to secondary strategies; the housing component; provided a breakdown of funding needs; spoke to focusing on East Greensboro; and stated they were ready to move forward.

Councilmember Wilkins asked what the City currently funded for EMSDC.

Mr. Barnhill responded the current funding was \$32,400.

Councilmember Abuzuaiter inquired about a presentation made on March 13, 2014; and asked what was the overall portfolio built from the partnerships referenced at that time.

Derek Ellington, Board of Directors member spoke to investments coming from the foundations; commercial investments; economic development incentives; and audits provided to the City.

Discussion ensued regarding audits; infrastructure projects; the House of Prayer purchasing eleven acres which had been sitting for ten years; the House of Prayer's lack of interest in selling the property; and the level of commitment on partnerships for the priority items.

Mr. Barnhill outlined the priority items; spoke to using land as a leverage; looking at targeted areas; and quick returns.

Councilmember Hightower asked about EMSDC outreach in the East Market Corridor; spoke to the need for better designing; and inquired about outreach done to take advantage of shovel ready sites.

Mr. Barnhill spoke to consistency; interest from property owners; stated he would contact North Carolina A & T architects for student projects and suggestions; spoke to concerns with shovel ready sites; dealing with acquisitions; talking to developers; and to elevating values.

Councilmember Wilkins left the meeting at 4:14 p.m. and returned at 4:16 p.m.

Councilmember Matheny spoke to tearing down houses and creating pocket holes which would not compliment the area; and suggested the group consider a bid tax.

Discussion took place regarding needs based on priorities; a better investment from the City Council; the focus area being in East Greensboro; presenting the item to the East Greensboro Study Committee; shovel ready sites based off developing industrial sites; economic downturn; State Universities as property owners; identifying geographic champions; stimulating private investment; job creation; and site and facade improvements.

Mac Sims, President of EMSDC spoke to current interests in shovel ready sites; the urban progress zone; and spoke of interest from national retailers.

Councilmember Hightower requested EMSDC to consider changing their name to East Greensboro; and stated the name change would make a statement as to where the focus was.

Mayor Vaughan spoke to a name and mission statement change.

Discussion ensued regarding progress since the last presentation; and potential interests.

Mayor Vaughan reiterated the request for the group to look at a name and mission statement change.

ID 15-0117 Comparison of the City's Property Tax Rate and Selected User Fees to Other Major North Carolina Cities - Mary Vigue/Larry Davis/Rick Lusk

Councilmember Wilkins asked if the City Manager and City Attorney contracts were of public record; how long City Manager Westmoreland had been in his position; inquired about a six month evaluation; and asked who would schedule the evaluations.

Mayor Vaughan stated a six month evaluation had been done; and spoke to doing another evaluation of the City Manager in March.

City Manager Westmoreland confirmed that Mayor Vaughan would schedule the evaluations.

Budget and Evaluation Director, Larry Davis spoke to providing a six month financial update; and made a PowerPoint Presentation (PPP).

Mayor Pro-Tem Johnson left the meeting at 4:27 p.m.

Mr. Davis spoke to the General Fund for FY 14-15; estimates for expenses; a six month projection summary update; to Fund Balance savings; outlined personnel costs; spoke to sales tax revenue; ABC revenues for the first half of year; and referenced a six month spreadsheet for major revenue categories.

Discussion ensued regarding the City being ahead of projections over the past two years; the base expanding; building permit revenues; the General Assembly changes; amount of taxes collected; loss of privilege license and sweepstake fees; fee structures; property tax changes; and housing funds being used for housing rehabilitations.

Mr. Davis continued by outlining the fiscal years with assessed valuation and percentage increases over previous years; spoke to allocations; changes in priorities; provided graphs for adopted budgets; outlined combined taxes and fees for FY 2014-15; and spoke to Greensboro's ranking as compared to other cities.

Mayor Vaughan stated she had sent an article to Council regarding a study done by Raleigh which included twelve cities; that Greensboro came in sixth place; and referenced Raleigh's intent to increase taxes.

Mr. Davis stated Greensboro ranked second in the least expensive as compared to the other cities.

Discussion ensued regarding the effects of lowering tax rates; ad valorem tax; per capita tax; new sales tax distributions; and the levels of distribution.

Councilmember Matheny left the meeting at 4:50 p.m.

Mr. Davis stated Greensboro's basic City services were supported to a greater degree through property taxes than user fees; outlined tax rate comparisons; identified services as compared to Winston Salem and Durham; and stated generalizations had been made with other cities based on services.

(A copy of the PowerPoint Presentation is filed in Exhibit Drawer X, Exhibit No. 7 which is hereby referred to and made a part of these minutes)

3. Adjournment

Moved by Councilmember Hightower, seconded by Councilmember Abuzuaiter, to adjourn the meeting. The motion carried by voice vote.

THE WORK SESSION ADJOURNED AT 4:53 P.M.

ANGELA R. LORD
DEPUTYCITY CLERK

NANCY VAUGHAN
MAYOR