



# City of Greensboro

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

## Meeting Minutes - Draft City Council Work Session

Thursday, April 16, 2015

2:00 PM

Plaza Level Conference Room

### **1. Call To Order**

This City Council work session of the City of Greensboro was called to order at 2:00 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 Abuzuaite, Jamal Fox, Sharon Hightower, Nancy Hoffmann, Zack Matheny and Tony Wilkins. Absent: Mayor Pro-Tem Yvonne J. Johnson and Councilmember Mike Barber.

Also present were City Manager Jim Westmoreland, City Attorney Tom Carruthers and City Clerk Elizabeth H. Richardson.

Moved by Councilmember Hoffmann, seconded by Councilmember Hightower to excuse Mayor Pro-Tem Johnson and Councilmember Barber from attendance at the meeting. The motion carried by voice vote.

### **4. [ID 15-0347](#) Recess to Closed Session**

Moved by Councilmember Matheny, seconded by Councilmember Hightower to recess to closed session to preserve the attorney-client privilege between the City Attorney and Council pursuant to N.C.G.S. 143-318.11 (a) (3); and to discuss matters relating to the location or expansion of industries or other businesses, including potential economic development incentives that may be offered in negotiations pursuant to N.C.G.S. 143-318.11 (a)(4). Motion carried by voice vote.

City Council recessed to closed session at 2:03 p.m. and returned at 2:25 p.m. with all members in attendance except Councilmembers Barber and Johnson.

Moved by Councilmember Hoffmann, seconded by Councilmember Abuzuaite to return to open session. The motion carried by voice vote.

### **2. Presentations**

#### **1. [ID 15-0342](#) Presentation of the Preliminary 2015-16 Budget**

City Manager Jim Westmoreland explained that this was the beginning of the budget process; spoke to the history of the budget; timeline going forward; outlined the expenses and revenues; spoke to the Water and Sewer Fund; added that the Economic Development Fund Update, outside agency requests and Capital Improvements Program (CIP) requests would be discussed at the April 28th work session; that the budget would be presented at the May 5th City Council meeting; the public hearing would be held on May 19th; and the adoption of the 2015-16 Fiscal Year budget would be scheduled for the June 2nd City Council meeting.

Councilmember Wilkins asked for clarification that staff and Council were in agreement that the City would not raise the property tax rate.

City Manager Westmoreland spoke to the challenging budget process over the past several budget cycles; to the development context; identified budget gaps over the past several years; State revenue changes; direction he had received from Council in November; spending reduction and hiring practices; verified he would hold the property tax rate flat this year; spoke to the use of consultants within the organization; the need to look at capital reserves; continued focus on City Council and community priorities; emphasized that staff would continue to focus on efforts when maintaining streets and buildings; and referenced public safety.

Discussion took place regarding the proposed plan from Councilmember Barber regarding savings.

Assistant City Manager Mary Vigue made a Power Point Presentation (PPP); outlined the property tax allocation; reviewed the property tax changes from Fiscal Years 2011-15; verified that the tax rate had remained the same since 2011; spoke to the average tax rates; and the increase in Fiscal Year 2013-14.

Councilmember Wilkins inquired about the reason for the increase.

Finance Director Rick Lusk responded that there were two additional months of revenue during that timeframe; spoke to the increase in population; and spoke to the motor vehicle tax.

Assistant City Manager Vigue reviewed the General Fund expenditures per Capita; spoke to the projects that the City had added; to results and the impact of the additions on the proposed 2015-16 budget; stated that the local economy was improving; and that in January the City was looking at approximately a \$3.5 million deficit.

City Manager Westmoreland interjected that the Council had done a good job developing the elements of budget sustainability; stated that the loss of the privilege license had been the cause of the gap; added that last year's gap was about \$5 million; outlined changes that had been made in the process to create a sustainable budget; and emphasized that staff was looking at a long term budget process.

Council discussed the estimated deficit; sales tax growth projects; legislative bills currently pending regarding taxes; the need to tell legislators not to harm the local governments; groups that were working with the Metro Mayors and North Carolina League of Municipalities; and if there was a paid lobbyist working on the issue. Discussion continued regarding the lack of a lobbyist for an issue that may impact the City up to \$23 million; the work of the Metro Mayors Coalition and the North Carolina League of Municipalities; costs to date and proposed costs to the City in dealing with Senate Bill 36; and the difference in statewide bills versus local bills.

Assistant City Manager Vigue reviewed the improved revenue projections since January; and organization/internal changes.

Councilmember Matheny voiced concern with use of the word assumption; the need to keep a pro-forma flat; and asked when the last time was that the City had a zero deficit in the preliminary budget.

Mr. Lusk spoke to what the City assumptions were based on; stated staff was constantly in conversation with the Guilford County Tax Department; spoke to historical growth; informed Council that the City could not annex property as it previously did; and addressed the Medicaid swap.

Budget Director Larry Davis; Assistant City Manager Vigue and Mr. Lusk continued that staff had begun the budget with no deficit; that the revenues were updated in April; spoke to what the gap was made up of; projection of a three or four percent increase in sales tax; continued improved economy; utility tax changes; and monies that had been spent handling weather events over the past year.

Councilmember Wilkins asked how much savings was realized in the current budget on gasoline prices.

Mr. Davis spoke to the different prices throughout the past year; and to paying considerably lower prices now compared with a year ago.

Assistant City Manager Vigue outlined the proposed program changes; and year one and two enhancements.

Discussion took place around the Caldcleugh Center service changes; the City Arts Music changes; Smith High School Pool maintenance; FTE vacancies; partnerships for teen programs; and the number of full time employee (FTE) positions that had been vacant for six months to a year.

Assistant City Manager Vigue outlined the process for the hiring freeze; referenced that departments had been asked to review positions; provided an example of the utilization of a consultant as a result of not being able to make a hire after advertising a position multiple times; competitive nature of some fields; salaries paid in the private sector versus the public sector; and City salaries based on benchmark studies.

Councilmember Matheny asked about the position freeze; and expressed concern with the process for handling vacancies.

City Manager Westmoreland explained the process that had been implemented the first of the year.

Councilmember Hightower asked if there was a cost effective way to use consultants.

Assistant City Manager Vigue responded that staff was looking into that.

Councilmember Wilkins asked about the utilization of monies that were funded for positions but not used; and asked Mr. Davis if he know how much would be remaining at the end of this fiscal year.

Mr. Davis explained the process for rolling unused monies back into the fund balance; spoke to the limitations on the use of those funds; process for approving monies for the use of consultants; and added that the unused funds were in excess of \$1 million which were reappropriated for the following year.

Councilmember Matheny voiced concern with the small dollar amount for the proposed changes; and asked if there was one program for about \$1 million.

Discussion took place regarding the identified programs; and the need for Council to review said programs at some point.

Assistant City Manager Vigue spoke to the findings from the 2014 Parking Services and Evaluation Study; and the possibility of increasing parking rates Downtown.

Council discussed the reaction from Downtown business owners should an increase occur; needs that had been identified; the number of times parking deck elevators went out of service; and pushback as a result of an increase.

Transportation Director Adam Fischer explained that although the decks were paid for, they were old and needed structural improvements; spoke to the need to generate revenue to build a new parking deck as the current ones were at capacity; stated that Greensboro's monthly parking rates were considerably lower than those of Charlotte and Raleigh; spoke to debt services; and to the cost for constructing a new parking deck.

City Manager Westmoreland stated the staff would make a strong business case when discussing Downtown parking rates; stated he was in conversation with the County Manager regarding the County constructing a parking deck; and stated he was asking for more detailed plans from the County.

Councilmember Fox asked that staff have consistency when increasing parking rates throughout the City.

Assistant City Manager Vigue reviewed the War Memorial Coliseum Fund item; other items staff was working on for the recommended budget; and outlined the timeline for the adoption of the budget.

Council discussed the ways and means proposal that Councilmember Barber had brought to Council; and that a 120 day period had been put on that which would begin July 1st.

City Manager Westmorland was requested to research reconsideration of the Community Resource Board in order to provide checks and balances that would be taken out of the City Council's hands by Mayor Vaughan.

Mayor Vaughan requested that City Manager Westmoreland look into a way to make District budget meetings more interactive; to reduce the attendance of staff at said meetings; and to possibly combine districts for the meetings to attract more attendees.

Councilmember Hightower suggested the use of a clicker survey at the meetings.

Brief discussion took place regarding the number of persons attending District budget meetings; introduction of a

five cent user fee; and combining districts for budget meetings.

A copy of the PowerPoint Presentation is filed in Exhibit Drawer X, Exhibit No.9, which is hereby referred to and made a part of these minutes.

## 2. [ID 15-0343](#) Water & Sewer Fund/Rate Update

Water Resources Director Steve Drew made a PowerPoint Presentation (PPP); stated staff was excited about things that had been done over the past year; provided pins to Council which stated Water for Jobs, "Water puts America to work"; provided an overview of the Infrastructure Results Area; verified the system was well funded and taken care of; stated that his staff understood the mission of the City; and reviewed the agenda for the PPP. Mr. Drew spoke to the rate increase projections for Fiscal Years 15-16 through 17-18; stated that rates had remained historically low; addressed the impact of the Jordan Lake Rules in conjunction with the EPA and State requirements; and confirmed the City would need to be in compliance by the year 2021.

Councilmember Matheny left the meeting at 3:30 p.m. and returned at 3:37 p.m.

Councilmember Wilkins asked if the City had a lobbyist or a liaison working on the \$95 million issue for the Jordan Lake Rules.

City Manager Westmoreland confirmed the City was in discussion with the delegation members on the issue.

Discussion took place regarding the requirements for the Jordan Lake Rules, ongoing discussions and partnerships with the City of Burlington and TREBIC; and the monetary value of contracts that had been awarded by Council for compliance requirements.

Mr. Drew reviewed the rate proposal slide; stated there would be approximately a \$2.12 average increase for customers; spoke to the rate comparison of Greensboro to other North Carolina cities; emphasized that Greensboro had the second lowest rates of the comparison cities; and outlined the proposed Fiscal Year 15-16 recommended budget for the department.

Councilmember Matheny referenced the low monthly water bill he received for his family of five; and confirmed that the debt service for water was \$27 million.

Mr. Drew spoke to the timeline for the North Buffalo plant; spoke to rate drivers for the department; looking at different treatment techniques and efficiencies; and the rehabilitation and replacement of infrastructure.

Councilmember Matheny inquired as to how many water line breaks there were in the last twelve months; and if something could be done regarding the spray painting for lines on sidewalks.

Mr. Drew responded that there were approximately 60 – 70 line breaks over the past twelve months, most of which occurred during severe weather snaps; and stated that all utilities were required to follow the line burial guidelines which included spray painting on sidewalks. Mr. Drew reviewed the four packages included in the improvements to the T.Z. Osborne plant which would be required to be in compliance by 1 January 2021; verified that the equalization chamber would be an important piece; and addressed the regulatory/infrastructure drivers.

Councilmember Matheny suggested that councilmembers who had not already done so tour the T.Z. Osborne plant if there was a possibility of raising water rates; spoke to the need for clean water; and asked about projects in different districts of the City.

Water Resources Senior Manager Mike Borchers provided an update on the amount of money invested in pending projects.

Mr. Drew confirmed that the Water Resources staff aimed to be good stewards of the City's money; and stated that the North Buffalo plant was scheduled to close in two years but would be dependent on how fast the three phases were completed at the T.Z. Osborne plant.

Mr. Borchers addressed the funding and capacity issues.

Discussion took place regarding the importance in the upkeep of infrastructure; staying on top of systems; and photos that were provided in the PPP.

Councilmember Wilkins asked what the 5.50% proposed rate increase meant in dollars; referenced the total \$12 million increase over a three year period; and asked what the dollar figure would be for the 8.00% proposed increase for outside customers.

Mr. Drew responded that the rate increase would bring a little under \$5 million; spoke to the fund balance; and stated the money in and out of the account changed monthly.

Deputy Finance Director Marlene Druga stated that approximately \$775,000 would be seen as a result of the outside customer rate increase.

Mr. Drew addressed the sewer and water capacity; spoke to the average daily flows; stated the City plants were in a good position to handle the flows; and that the City would look to expand the Osborn plant in about ten years.

City Manager Westmoreland commended the work of Mr. Drew and his team.

A copy of the (document) is filed in Exhibit Drawer X, Exhibit No.9, which is hereby referred to and made a part of these minutes.

### 3. [ID 15-0344](#) M/WBE Pre-bid Qualification Update

City Manager Westmoreland recognized Assistant City Manager David Parrish to speak to the item.

Assistant City Manager Parrish spoke to why the item was removed from the agenda; provided an overview of the changes made; exclusionary practices which included financial requirements; referenced productive meetings that had taken place; stated staff had received positive feedback from both sides; and confirmed the item would be on the April 21st meeting agenda.

Councilmember Wilkins asked that Council suspend the rules to hear from Ms. Page Klutz a developer regarding concerns she had with the item.

Ms. Klutz provided her background as a general contractor; voiced concerns with the M/WBE requirements changing; and concerns with good faith efforts and changes and goals from the State.

Discussion took place regarding the difference in goals; the State requirement for a prequalification policy to be adopted by the City; difference between goals and requirements; whether Ms. Klutz had met with M/WBE Manager Gwen Carter and Assistant City Manager Parrish; and the need for multiple RFPs for the same project.

Councilmember Matheny referenced a meeting with Mr. McCants; voiced concerns with the City being sued as a result of forcing requirements; and questioning of companies by Council.

Councilmember Hightower emphasized the importance in questioning good goals; spoke to the difference between goals and quota; and asked if the City reviewed the goals prior to opening the bid.

City Attorney Tom Carruthers stated it was important to recognize that over the last six months the City had put in place specifications for new bidders; spoke to projects that had been rebid in the fall prior to revamping the special instructions; concerns of Council; verified that the system was a goal system which was in compliance with the State statute; spoke to successes as a result of the revised program; and to upcoming training sessions.

Councilmember Matheny referenced the specialized needs of the Water Resource Department for projects; addressed the difference in the terms goal and requirement; and voiced concern with the City opening itself up for liability.

Councilmember Wilkins expressed appreciation for letting Ms. Klutz voice her concerns.

Mayor Vaughan requested that staff follow up with Ms. Klutz regarding her concerns with the M/WBE Pre-bid and Qualification process.

**3. Adjournment**

Moved by Councilmember Wilkins, seconded by Councilmember Fox, to adjourn the meeting. The motion carried by voice vote.

THE CITY COUNCIL ADJOURNED AT 4:13 P.M.

ELIZABETH H. RICHARDSON  
CITY CLERK

NANCY VAUGHAN  
MAYOR