



# City of Greensboro

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

## Meeting Minutes - Draft City Council Special Meeting

Monday, August 1, 2016

3:00 PM

Council Chamber

### 1. Call To Order

This Special City Council meeting of the City of Greensboro was called to order at 3:11 p.m. on the above date in the Council Chamber of the Melvin Municipal Office Building with the following members present:

Present 8 - Councilmember Mike Barber, Mayor Nancy Vaughan, Councilmember Nancy Hoffmann, Councilmember Jamal Fox, Councilmember Sharon Hightower, Councilmember Tony Wilkins, Mayor Pro-Tem Yvonne Johnson, and Councilmember Justin Outling

Absent 1 - Councilmember Marikay Abuzuaiter

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

Moved by Councilmember Outling, seconded by Councilmember Hightower to excuse Councilmember Abuzuaiter from attendance at the meeting. The motion carried by voice vote.

### 2. Presentations

#### 1. [ID 16-0677](#) Discussion on the International Civil Rights Museum Financing

City Manager Jim Westmoreland provided a brief history of the item; spoke to staff reports; funds loaned to the International Civil Rights Museum (ICRM); outlined payment plans for the museum; tax credit payments; the City assisting the ICRM to meet obligations; referenced upcoming New Market tax credits; spoke to the terms of the current agreement; interest rates; and to a potential provision for fund raising.

Councilmember Barber entered the meeting at 3:14 p.m.

City Manager Westmoreland spoke to the offset loan review; information supplied by the ICRM to the Audit Department; requests for additional information; correspondence between the City and the ICRM; information provided by the Chief Executive Officer; application of credits to the first installment; and outlined future installments due. City Manager Westmoreland spoke to balances due to the City; securing the City's interest; recognized ICRM Attorney Doug Harris in attendance; spoke to a partnership; stated the City had extended an invitation to the ICRM Board of Directors to attend the special meeting; spoke to Audit laws; giving credits on loans; referenced the amount due to the City as of June 30th; and totals due in 2017 and 2018.

Councilmember Hightower voiced concerns with funds being reported that were not due until 2017 and 2018; spoke to negotiations; the forgivable period; to the ICRM being sustainable; voiced the City should be the ICRM's number one supporter; and concerns with media coverage.

City Manager Westmoreland voiced appreciation for Councilmember Hightower's concerns; spoke to varying interpretations; stated staff were reporting the terms of the agreement; spoke to options available to the Council; and to open communication.

City Attorney Tom Carruthers clarified that staff was working on the contract; spoke to the role of the City with the tax credit period; the ICRM qualifying for Historic and New Market tax credits; the securing of collateral; explained the Put and Call Right clause; voiced appreciation to Attorney Harris for attending; spoke to exercising the right of the City under the agreement; determining the next steps; Council providing direction to the staff; stated that after August 17th the New Market tax credit period would expire or term out; spoke to protecting the City; referenced a

resolution that staff had drafted for Council to consider; and stated it would be appropriate to allow Attorney Harris to speak.

Discussion took place regarding negotiations; the ICRM Board members not being in attendance; the terms of the contract; and the forgivable loan portion of the agreement.

Mayor Vaughan voiced the importance for the public discussion; spoke to the City and the ICRM working well together; stated conversations should have happened months ago; confirmed the need to provide direction for staff; spoke to funds that were placed in a restricted account; and to other debts that had been forgiven.

Councilmember Fox spoke to reviewing ICRM information; stated the museum was a jewel for the City; inquired about the status of negotiations; voiced concerns with the lack of communication; the special meeting being called during negotiations; spoke to racial tension; the need for regular updates on hot button issues; referenced small group meetings; working on a partnership; and review of old documents. Moved by Councilmember Fox, seconded by Councilmember Hightower to forgive the loan with the ICRM.

Discussion took place regarding the reason for the motion to forgive the loan; treatment of the museum; the ICRM investment; requirements of the City Attorney; the need for staff direction; the City not being able to control the media coverage; the purpose, mission and organizational concerns for the ICRM; and complicated legal issues.

Councilmember Barber inquired about the LLC's for the ICRM; spoke to information that had been requested but not provided; stated Council had allowed an emotional issue to replace due diligence to understand the LLC's and tax credits; spoke to the need for clarity on the item; the lack of professionalism; and commended Attorney Harris for coming.

Councilmember Wilkins requested clarity of the process in issuing a check without a contract; and for confirmation on staffs' request to Council.

City Attorney Carruthers spoke to the termination of the New Market tax credit; options available to the City to secure the collateral; outlined and confirmed the process had not been the most efficient; referenced assisting the museum with fund raising efforts; and stated he had requested this meeting for Council direction.

Attorney Harris thanked Council for past years support; referenced comments in the media and by Council; spoke to taking advantage of Historical and New Market tax credits; and explained eligibility requirements. Attorney Harris explained the absence of the various Board members; spoke to the ICRM Board meeting scheduled for August 8th; and to the pay off of tax credits.

Discussion ensued regarding the number of Board members for the ICRM; the largest benefactor for the museum; members that had reached out to Council members; the pace in which the issue was being addressed; concerns for the language in the contract; the need to assist the ICRM; matching funds; conversations for extensions; and constructive conversations in the last couple of weeks. Discussion continued regarding the LLC's for the ICRM; ownership by the Sit-In Movement, Inc. once the tax credits expired; the 501C non-profit status and principals of the organization; and the requirements to maintain the historic building as a museum.

Councilmember Barber requested the ICRM provide the documentation that outlined the ICRM would have to remain as a museum.

Mayor Pro-Tem Johnson requested the information to be provided to the entire Council.

Discussion resumed regarding the initial loan for the building from Sun Trust; the need for a signed collateral agreement; the City position as a lien holder; the need to have time for negotiations; and protecting the museum and the City.

City Attorney Carruthers outlined the proposed resolution; voiced the need for continued negotiations; stated there was a pending motion on the floor by Councilmember Fox; and clarified there had not been a motion made on the resolution being presented by staff.

Council discussed the need for continued work with the museum; preserving the rights of the City under the current agreement; funding from other donors; extension of the contract; and continuing the forgivable portion of the contract.

City Attorney Carruthers confirmed staff would be amending the terms of the original agreement; that the amended agreement had not yet been drafted; distributed the drafted resolution; and confirmed the resolution would be emailed to all Council members.

Mayor Vaughan requested the item to be placed on the August 16th City Council agenda.

Councilmember Fox inquired about the approach to retrieve documents from the ICRM; requested clarification on conversations with the museum; and making information from the Board meetings available to Council.

City Manager Westmoreland outlined the steps taken to receive documentation; spoke to justification for the time line; to past conversations with the museum; and to weekly updates.

Councilmember Hoffmann thanked Attorney Harris; referenced Council votes from 2013; and spoke to the partnership with the museum.

Councilmember Hightower spoke to the motion on the floor; amending the contract; fund raising opportunities; and suggested meeting with the Board after their meeting on August 8th.

Councilmember Wilkins inquired if Councilmember Fox would withdraw his motion.

Councilmember Fox confirmed that he would not withdraw the motion.

**Moved by Councilmember Fox, seconded by Councilmember Hightower to forgive the loan for the International Civil Rights Museum. The motion failed by the following roll call vote:**

**Ayes,** 2 - Councilmember Jamal Fox and Councilmember Sharon Hightower

**Nays,** 6 - Councilmember Mike Barber, Mayor Nancy Vaughan, Councilmember Nancy Hoffmann, Councilmember Tony Wilkins, Mayor Pro-Tem Yvonne Johnson and Councilmember Justin Outling

**Absent,** 1 - Councilmember Marikay Abuzuaiter

Council discussed the need for a motion regarding placement of the item on the August 16th meeting of Council.

Councilmember Outling requested an alternate resolution be provided that did not include additional compensation to the museum without justification.

Mayor Vaughan requested the resolutions to be provided to Council a couple of days in advance for review.

There was not a vote on the resolution presented.

City Attorney Carruthers spoke to the consensus of Council to place the item on the next agenda for further discussion.

## **2. [ID 16-0678](#) Recess to Closed Session**

Moved by Councilmember Outling, seconded by Councilmember Barber to go into closed session to preserve the attorney-client privilege and to consider and give instructions to legal counsel concerning the handling or settlement of a claim and the cases of LaMonte Burton Armstrong v. City of Greensboro, et al., and David Wray v. City of Greensboro, pursuant to G.S. 143-318.11(a) (3) and to prevent the disclosure of personnel information that is privileged or confidential pursuant to G.S. 160A-168 which cannot be released as public record under Chapter 132 of the General Statutes pursuant to G.S. 143-318.11(a) (1). The motion carried by voice vote.

Council recessed to closed session at 4:54 p.m.

Moved by Councilmember Barber, seconded by Councilmember Wilkins to reconvene into open session at 6:04 p.m. with all members in attendance except Councilmember Abuzuaiter, Councilmember Hoffmann and Mayor Pro-Tem Johnson. The motion carried by voice vote.

### **3. Adjournment**

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

THE SPECIAL CITY COUNCIL ADJOURNED AT 6:06 P.M.

ANGELA R. LORD  
DEPUTY CITY CLERK

NANCY VAUGHAN  
MAYOR