



NORTH CAROLINA'S INTERNATIONAL CITY™

**FINANCE COMMITTEE**

*Chaired by Council Member J. Davis*

*Members: C. Davis, Hill, and Williams*

**FEBRUARY 10, 2016 – 4:00 P.M.**

**3<sup>RD</sup> FLOOR LOBBY CONFERENCE ROOM**

**MINUTES**

**Present:**

Committee Chairman Jim Davis, Committee Members Cynthia Davis, and Alyce Hill

**Absent:**

Committee Member Chris Williams

**Staff Present:**

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; JoAnne Carlyle, City Attorney; Kim Thore, Right-of-Way Coordinator; Jeron Hollis, Communication Officer & Public Engagement Director; Eric Olmedo, Budget & Performance Manager; Jeff Moore, Director of Financial Services; Wendell Pickett, Water Plant Superintendent; Robby Stone, Public Services Assistant Director; Bill Frazier, Laboratory Manager; Maria Smith, Deputy City Clerk, and Lisa Vierling, City Clerk

**Handouts:** 1) *Project Update List*

**Note:** *The handouts distributed during this meeting will be attached as a permanent part of these proceedings.*

Chairman J. Davis called the meeting to order at 4:00 p.m.

**Contract Extension – Sodium Hydroxide**

Council is requested to approve a contract extension to Univar USA in the amount of \$147,968.00 for the purchase of Sodium Hydroxide a chemical used at the water and wastewater treatment facilities.

*Wendell Pickett, Water Plant Superintendent, explained this chemical is used at the Ward Water Treatment Plant, Eastside Wastewater Treatment Plant and the Westside Wastewater Treatment Plant for pH adjustment and alkalinity addition. This is a one-year extension in the amount of \$147,968.00 to the Univar USA contract with the option to renew for an additional year in the future should prices remain low from Univar USA. Staff has been pleased with the product and quality. Chairman J. Davis asked if better prices could be obtained by bidding it out. Mr. Pickett noted that the city bid these chemicals last year, at which time the Council awarded a one-year contract to Univar USA at the pricing of \$435.20/ton and pointed out the prices have not changed that much since that time.*

**Chairman J. Davis moved to forward this matter to Council with a favorable recommendation for approval. Committee Member Hill made a second. The motion carried unanimously. [3-0 vote] [Committee Member Williams was absent]**

**Contract Extension – Sodium Hypochlorite**

Council is requested to approve a contract extension to Water Guard, Inc. in the amount of \$127,492.50 for the purchase of Sodium Hypochlorite and chemical used at the water and wastewater treatment facilities.

*Mr. Pickett commented that both Eastside and Westside plants use this chemical for odor control and the water plant uses it for disinfection. He noted that this also would be up for a one-year extension and that the Public Service Department is recommending that Council approve the contract extension to Water Guard, Inc. in the amount of \$127,492.50.*

**Chairman J. Davis moved to forward this matter to Council with a favorable recommendation for approval. Committee Member C. Davis made a second. The motion carried unanimously. [3-0 vote] [Committee Member Williams was absent]**

**Contract - Bid No. 49 – Liquid Aluminum Sulfate**

Council is requested to approve a contract awarding Bid No. 49 to Chemtrade Chemicals US LLC in the amount of \$383,834.00 for the purchase of Liquid Aluminum Sulfate a chemical use at the water and wastewater treatment facilities.

*Mr. Pickett explained this chemical is used at the Ward Treatment Plant for coagulation and used at the Eastside and Westside Wastewater Treatment Plant for phosphorous control. He noted that the city did have to bid it out because Chemtrade Chemicals US LLC did not extend their bid and it came in a little higher, but staff is recommending Council's approval of the contract in the amount of \$383,834.00.*

*Chairman J. Davis inquired about how much higher the amount was compared to last year's amount. Mr. Pickett verified that it was \$2 a ton higher and the reason was because when the city asked for the extension, Chemtrade Chemicals asked for a fuel charge increase and due to no fuel increase, they would not extend the contract, so the City had to bid it out although Chemtrade still got the low bid.*

**Chairman J. Davis moved to forward this matter to Council with a favorable recommendation for approval. Committee Member Hill made a second. The motion carried unanimously. [3-0 vote] [Committee Member Williams was absent]**

**Contract – Bid No. 21 Pro-Active Storm Debris Removal Services**

Council is requested to approve a contract awarding Bid No. 21 to Crowder Gulf, LLC in the event the City experience a storm event occurs generating the need to remove/clean up vegetative debris.

*Robby Stone, Public Services Assistant Director, explained this company would be on stand-by in the case of an ice storm, tornado, etc... to come in and assist with the clean-up of the right-of-ways. Mr. Stone noted the city would benefit by having a contract with a company that could come in and assist High Point in a very timely manner with the clean-up if needed. Council C. Davis inquired about the distance of this company to High Point. Mr. Stone replied that they have an office east of Raleigh with their headquarters in Alabama. He noted Crowder Gulf are constantly monitoring storms and mobilize crews within a 100 miles of the location and are essentially on stand-by. Chairman J. Davis asked how staff rated this company and Mr. Stone explained in the evaluation matrix, they had a maximum of 200 points and gave multi criteria and points were based on all these criteria. Chairman J. Davis asked about Asplundh. Mr. Stone advised there were a couple of areas they were marked down on: no dates*

were listed for vendor experience for similar services over the past eight years, nor did they list any names for their qualified personnel, and their overall proposal package content was rated very low compared to the others.

**Chairman J. Davis moved forward this matter to Council with a favorable recommendation for approval. Committee Member C. Davis made a second. The motion carried unanimously. [3-0 vote] [Committee Member Williams was absent]**

**Property Acquisition – Proposed University Parkway Electric Substation**

Council is requested to authorize the City Attorney's office to proceed with the purchase of property at 1605 Graves Avenue, 1404, 1406 and 1408 Boundary Avenue for the proposed University Parkway Electric Substation. The total purchase amount for all properties is \$127,000.

*Kim Thore, Right-of-Way Coordinator, reported that it will be \$127,000 for all four parcels that includes a house and there seems to be plenty of land for which includes a necessary electric substation. She advised a special use permit will be required and staff has started working with the Planning Department on this. She reported that the value of the property is \$90,000 and shared that the city was not able to find them a replacement property for that amount, so \$127,000 was the most they could come up with something. She advised that she did have a replacement house lined up that would close at the same time (closing scheduled for the 22<sup>nd</sup>) to help with their transition into that within 30 days and the family was happy with that.*

*Mr. McCaslin pointed out this is a new substation that is needed because of the tremendous growth at HPU as well as it will take load off of the two substations downtown that are overloaded by the Furniture Market. He noted that the city looked at 8-10 sites and the reasons the city chose this location were:*

- 1) It had to be at a close proximity to this area*
- 2) This one sits down below street level, so it would not be quite as visible*
- 3) It was located right near an existing 100KV feed, so there does not have to have a long feed with more of the same issues as Skeet Club.*

*Chairman J. Davis pointed out because of the area, the city is having to pay a premium for the lots. Mr. McCaslin noted the city is getting more land than needed for the substation in order to have plenty of area around it to screen it off from the existing neighborhood. Chairman J. Davis questioned why the City would be taking a property that is worth \$90,000 and the city buys a property for \$127,000. JoAnne Carlyle, City Attorney, explained it has more to do with the need, the timing and there was a value that was discussed before when the city gets the owners of the property out of the property, so that the city can go ahead and access it. She believed that some of the equipment has already been ordered. Mr. McCaslin confirmed that Council has already approved the purchase of the station transformers about 2-3 months ago and there was about one-year timeframe for a delivery time. Council Member Hill asked if this was a single owner that owned the land. Mr. McCaslin confirmed that it was an elderly lady and reiterated that the city really needs to move forward with it.*

**Chairman J. Davis moved forward this matter to Council with a favorable recommendation for approval. Committee Member Hill made a second. The motion carried unanimously. [3-0 vote] [Committee Member Williams was absent]**

**Update- Current Projects**

*At the last Finance Committee meeting, Chairman J. Davis requested that staff bring Council up-to-date on current projects around town on South Main Street, Washington Street, Library, burying lines on Main Street and the Railroad stabilization.*

*Mr. McCaslin distributed the Project Update List and started at the top with the Library parking lot renovation. He reported that this project was broken up into two phases with the first phase being the Children's area and the Clock Tower at the corner of Main and Sunset. Staff anticipates these bids to come to Council at the March 21<sup>st</sup> meeting with the project being completed by June 30<sup>th</sup>. Mr. Demko commented that the sign should be going up within the next two weeks with the announcement, rendering, and picture of the children's area.*

*Mr. McCaslin shared the second phase would be the rest of the project and staff should have these out to bid by the first of April with the bids coming to Council in May with anticipation that the construction will be completed by the end of the calendar year.*

South Main Street Streetscape project Phase I and II (landscaping along edges and stamped median) from Business I-85 to Ward Avenue. *Mr. McCaslin advised that staff should be advertising for bids around the 1<sup>st</sup> of March with bid recommendations to Council in April with anticipated completion of construction by the 1<sup>st</sup> of August.*

North Main Street Streetscape/Utility underground and replacement from Westwood to north of Parkway, *Staff hopes to have this out to bid by mid-March with bid recommendations to Council by the 1<sup>st</sup> meeting in May with construction starting soon thereafter. This will be a 1.5-2 year project.*

Stormwater Project. *Mr. McCaslin reported on the one stormwater project which was part of a larger contract that Council previously approved about 200 linear feet off East Green and Meredith Street, which should be complete by mid-April.*

Stormwater Project (Hedrick Avenue, Prospect Street, Westwood Avenue/Gatewood Avenue, Chandler Avenue, Edgedale Drive). *Mr. McCaslin stated these are separate projects and would be going out to bid next week with the bids going to Council by February 21<sup>st</sup> with anticipated completion by the Spring of 2017.*

Safe Routes to School (Oak Hill Elementary, Fairview Elementary, Johnson Street Global Studies, Triangle Lake Montessori, Shadybrook Elementary. *Mr. McCaslin explained it took staff quite a bit of time to work through DOT's requirements and pointed out there were some issues with obtaining easements for the project, but the city finally settled with everyone. These bids should be advertised by mid-April, with bid recommendations coming to Council by mid-May with anticipated completion in November of this year.*

Greenway Project. *Staff will advertise for bids in mid-April and would have bids to Council by mid-May and completed by the end of the calendar year.*

*Chairman J. Davis inquired about the Washington Street and the Railroad stabilization and wanted to know if those projects had been completed. Mr. McCaslin confirmed that Washington Street is all but complete, with the need to purchase some benches, put up a bus stop, but all the construction work is complete. He noted the permanent markings on the street would be done when the pavement warms up. Regarding the Railroad Stabilization, staff is working with the railroad on this project, but it is going really slow. Committee Member C. Davis shared that she actually spoke with a gentleman at the Emerging Issues Conference that she recently attended and he informed her that they just completed the*

grant for this project, so the city should be getting it soon. Chairman J. Davis stated he thought the city budgeted over \$1,000,000 in two-thirds bonds for this project and Mr. McCaslin confirmed this money was set aside for this purpose.

Committee Member C. Davis inquired about the decorative light fixtures and if the city plans on moving any of the older wood poles. Mr. McCaslin explained that Electric did look at this, but the power is needed from the poles there and at some point in the future, then maybe the poles can be removed. He explained that staff looked at possibly serving them from the rear of the properties, but could not make this work because there were too many property owners who did not want to cooperate.

Chairman J. Davis requested to send the Project Update List out to all of Council so that all can view it. Mr. McCaslin shared that there is a much larger list that Eric Olmedo, Budget & Performance Manager, is working on for all of the capital projects. Mr. Demko stated that staff is also planning on doing a quarterly distribution update. Mr. McCaslin shared that the problem with the public projects is that the City needs Council's approval before doing too much work, but with the private sector projects, all this work is usually done upfront. Committee Member C. Davis felt it would be nice to have a list that shows pending, active, etc... Chairman J. Davis thanked staff for putting this update list for projects together.

#### **Fare Box Smart Card Readers on Recently Purchased Buses**

Chairman J. Davis shared that Council approved \$80,000 in funding to extend the Library hours and there has been discussion about funding for the new City Project, the EDC and all the different projects. He noted when you start adding all these up it is approximately  $\frac{3}{4}$  million dollars or more. He stated that Council promised the citizens a tax decrease this year because of the implementation of the Enterprise fund and this money will either have to come out of the budget or management would have to bring Council a budget that would try to retain some of that tax decrease. He also added that there is also proposed funding in the amount of \$265,000 for Hitran and that he was interested in seeing what the rate would be like to fund the bus service because he has always been a believer that if you use a service, you should pay for the service. He expressed concerns about this after learning that the city is ordering sixteen new buses and spending \$17,000 per bus to equip the buses with smart card readers so that everyone with a smart phone could ride and pay for the bus fare with their phone. He pointed out High Point is the only municipality that would have this technology. He noted collectively the city would be spending \$272,000 to put this technology on the buses. He mentioned that he has talked with Winston-Salem, Greensboro and PART and PART does not have this technology so they would have to come up with some way to incorporate this technology on their buses if High Point does this. He noted this is referred to as the "Fare Box Smart Card Reader".

Committee Member C. Davis stated she was fine with it because this is where the digital age is going and shared that a lot of the information she heard at the Emerging Issues Conference was going to change the way she thinks and votes on issues because of the move towards the digital age. Chairman J. Davis addressed the other side of the argument is the lower median income and the elderly and they would not have a smart phone and more than likely will be paying cash when riding the bus. He stated he would still like to see staff pull together the figures if the city were to subsidize the \$265,000 if the Council extends the bus service as it has been recommended by staff. Committee Member C. Davis noted if the ballfield happens and if some of the tourist attractions happen to grow the city, then this feature would be a plus for the patrons that use the bus to tour the city. Chairman J. Davis felt if the riders could afford smart phones, then they should be able to afford extra revenue to ride the bus.

Mr. Demko wanted to clarify the information that Chairman J. Davis is seeking and asked if he was looking for how much it would be for the bus system to be self-sustaining with federal and state monies with the city putting nothing into it, or if he was referring to the new increment for the expansion.

*Chairman J. Davis stated that he was looking at the \$265,000 and he realizes the city will always be subsidizing the bus service, but wants to know how much.*

**Update- Skeet Club Transmission Lines**

*Committee Member C. Davis requested an update on Skeet Club. Mr. McCaslin reported that Garey Edwards, Director of Electric Utilities, received a call from DOT and they asked the city to stop operations until the city could get them a cost for burying the electric lines in front of the two houses and the five houses. Mr. McCaslin noted he received this today and he is in the process of trying to set up a meeting with Mike Mills with NCDOT as early as tomorrow. He confirmed that the estimates that staff shared with Council to bury the lines was on target (approximately \$4.6 million) and if DOT elects to pay it, then the city will re-engineer the project and move forward, but NCDOT would have a tough time explaining to others on this route as to why they did not do it for the entire project area. Mr. Demko explained that NCDOT actually notified the city to stop work on the right-of-way and early on, the city told DOT that we would be fine if they wanted to pay for the underground.*

*Council Member Hill asked about the cost of the rental equipment that is about \$40,000 a week since the project has been stalled. Mr. McCaslin replied this cost is built into the price that the city gave DOT (the remobilization cost, as well as the sunken cost already put into the metal poles). Council Member Hill wanted to confirm that if DOT insists to stop production, then they would be absorbing these costs. Mr. Demko stated it would probably be a battle, but that would be the current plan.*

*There being no further business to come before the Committee, the meeting adjourned at 4:32 p.m.*

Respectfully Submitted,

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Maria A. Smith  
Deputy City Clerk

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Jim Davis, Chairman