

FINANCE COMMITTEE
Chaired by Council Member Moore
Committee Members: Moore, Holmes, Jones, and Peters
MAY 12, 2022 – 4:00 P.M.
COUNCIL CHAMBERS – MUNICIPAL BUILDING

MINUTES

CALL TO ORDER

Chairman Moore called the meeting to order at 4:02 p.m.

Following roll call by Chairman Moore, the following Committee Members were **Present (4)**:

Chairman Britt W. Moore
Committee Member Monica Peters [arrived at 4:10 p.m.]
Committee Member Michael Holmes
Committee Member Victor Jones

Staff Members Present:

Tasha Logan Ford, City Manager; Eric Olmedo, Assistant City Manager; Meghan Maguire, Assistant City Attorney; Bobby Fitzjohn, Director of Financial Services; Stephen Hawryluk, Budget & Performance Manager; Kevin Rogers, Fleet Services Director; Tyler Berrier, Assistant Director Electric Utilities; Noelle Wilson, Communications Specialist; Kim Thore, Right-of-Way Coordinator; Greg Venable, Interim Transportation Director; Sandy Dunbeck, Economic Development Director; Trevor Spencer, Engineering Services Director; Lisa Vierling, City Clerk

PRESENTATION OF ITEMS

2022-219 Contract - WESCO Distribution, Inc. - Warehouse Stock - Underground Cable
City Council is requested to award a contract to WESCO Distribution, Inc. in the amount of \$384,315.00 for the purchase of five (5) various underground cable types used by Electric Utilities to replenish warehouse stock.

Tyler Berrier, Electric Utilities Assistant Director, advised that staff is requesting authorization to purchase five (5) various underground cable types commonly used by the Electric Utilities Department for regular warehouse stock.

Chairman Moore inquired about the supply chain. Mr. Berrier replied that the timing in getting the items in depends largely on the type of material and advised the biggest thing is the price increases.

Committee Member Jones moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 3-0 unanimous vote:

Aye (3): Chairman Moore, Committee Member Holmes, and Committee Member Jones

Absent (1): Committee Member Peters

2022-220 Contract - WESCO Distribution, Inc. - Residential Voltage (120/240V) Transformers (25kVa)

City Council is requested to award a contract to WESCO Distribution Inc. in the amount of \$113,221.80 for the purchase of (20) twenty transformers to be installed around the city electric footprint on various projects.

Tyler Berrier, Electric Utilities Assistant Director, explained that due to supply chain shortages, the Electric Utilities Department is in need of smaller, residential style transformers and was contacted by WESCO, who had procured some surplus production slots for an electric utility on the west coast, Pacific Gas and Electric (PG&E). These units are being offered as surplus production slots from Pacific Gas & Electric. These units are currently being bid with 70-80 week lead times with prices that are double what the current units are being offered at.

Chairman Moore inquired about the estimated delivery time for the transformers; Mr. Berrier replied they should arrive in August.

Committee Member Holmes moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Jones made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 3-0 unanimous vote:

Aye (3): Chairman Moore, Committee Member Holmes, and Committee Member Jones

Absent (1): Committee Member Peters

2022-221 Resolution - Housing Authority of High Point Multifamily Housing - Amended - Revenue Bonds for Daniel Brooks Phase I

City Council is requested to adopt a resolution approving, for purposes of meeting the requirements of the Internal Revenue Code of 1986, as amended, the issuance by the Housing Authority of the City of High Point in an aggregate amount of not to exceed \$14,000,000 of Multifamily Housing Revenue Bonds for Daniel Brooks Phase I.

Eric Olmedo, Assistant City Manager, advised the Housing Authority has requested approval for a revised not-to-exceed amount for the bond issuance for the Multifamily Housing Revenue Bonds for Daniel Brooks Phase I. The previous not-to-exceed amount was \$11,000,000; the Housing Authority is now asking for a not-to-exceed amount of \$14,000,000 for the bonds that will be issued for this project; this action does not impact the city's

participation of the \$6.5 million for the project; the city is the overseeing authority which requires approval by Council; the increase is necessary due to cost increases; and the Housing Authority intends to issue bonds this Summer.

Committee Member Jones moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 3-0 unanimous vote:

Aye (3): Chairman Moore, Committee Member Holmes, and Committee Member Jones

Absent (1): Committee Member Peters

2022-222 Budget Ordinance - Purchase of Property 300A Oak Street & 331 W. Russell Avenue

City Council is requested to adopt a budget ordinance to appropriate \$3,000,000 for the purchase of property at 300A Oak Street and 331 W Russell Avenue for development of a small-scale manufacturing facility.

Stephen Hawryluk, Budget & Performance Manager, advised this budget ordinance is needed for the purchase of property located at 300 A Oak Street and 331 W. Russell Avenue in the amount of \$3,000,000. He noted that the City Council approved \$3,000,000 in ARP funds for this property purchase on May 2, 2022 and the amendment creates a project in the Capital Project Fund.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 3-0 unanimous vote:

Aye (3): Chairman Moore, Committee Member Holmes, and Committee Member Jones

Absent (1): Committee Member Peters

2022-223 Contract - High Point Convention & Visitors Bureau FY 2022-23

City Council is requested to approve the FY 2022-23 Convention and Visitors Bureau budget and authorize the City Manager to execute a contract with the High Point Convention and Visitors Bureau for FY 2022-23.

Stephen Hawryluk, Budget & Performance Manager, noted that Melody Burnett, Executive Director for Visit High Point, made a presentation regarding their budget before City Council during a Special Meeting held on Wednesday, May 11th. This is an annual item brought forward as part of the annual budget process.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Jones made a second to the motion.

Following a roll call vote by Chairman Moore, the motion carried by the following 3-0 unanimous vote:

Aye (3): Chairman Moore, Committee Member Holmes, and Committee Member Jones

Absent (1): Committee Member Peters

2022-224 Approval- FY 2022-2023 Annual Budget for the Market Authority

Council is requested to approve the FY 2022-2023 Annual Budget for the Market Authority.

Stephen Hawryluk, Budget & Performance Manager, reported that Mr. Tom Conley, Executive Director of the High Point Furniture Market Authority made a presentation on their proposed FY 2022-2023 Annual Budget at the Special Meeting of the City Council held on Wednesday, May 11th. He noted that the Furniture Market Authority's draft budget will be considered by the Furniture Market Executive Committee on June 4th.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-225 Budget Ordinance - Community Development Block Grant - Cares Act Funds

City Council is requested to appropriate a special allocation of Community Development Block Grant (CDBG-CV) funds awarded under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to be used to prevent, prepare for, and respond to the coronavirus pandemic.

Stephen Hawryluk, Budget & Performance Manager, advised the June 2021 amendments were approved for the 2019 Annual Action Plan and Consolidated Plan; however, the budget ordinance was never adopted reflecting the amendment. He explained the budget amendment would appropriate the funds; this is all federal money; and no local money is involved.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-226 Budget Ordinance - Fleet Services - Excavator Replacement for Water/Sewer Mains Division

City Council is requested to approve the excavator for surplus, appropriate \$77,000 from the sale of the equipment, and utilize the proceeds for a replacement excavator for the Water/Sewer Mains Division.

Stephen Hawryluk, Budget & Performance Manager, advised this is surplus to appropriate \$77,000 for the sale of equipment and to utilize the proceeds for a replacement excavator for the Water/Sewer Mains Division.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-227 Capital Project Ordinance - Burton/Washington GO Bond Projects

City Council is requested to adopt a budget ordinance to appropriate \$10,605,259 for the Washington Street and Burton Avenue projects funded by 2019 voter approved general obligation bonds.

Bobby Fitzjohn, Director of Financial Services, advised that the city sold General Obligation Bonds authorized by the 2019 referendum totaling \$10,605,259 on April 19, 2022. This appropriates the proceeds for the approved transportation improvements, including the Washington Street and Burton Avenue projects, which are currently in the engineering phase and construction bids are anticipated in FY 2022-2023.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-228 Capital Project Ordinance - Eastside UV Disinfection

City Council is requested to adopt a budget ordinance to appropriate \$7,980,726 for the Eastside UV Disinfection project and cost of issuance related to the 2022 Combined Enterprise System (CES) Revenue Bond issuance.

Bobby Fitzjohn, Director of Financial Services, explained this Capital Project Ordinance would appropriate the proceeds not previously appropriated from the 2022 Revenue Bonds that were just issued. It will appropriate \$7,980,726 for the Eastside UV Disinfection project which is currently in the design phase with construction expected in FY 2022-2023.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 19, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Peters made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-229 Budget Amendment to Record Issuance of Series 2022A, 2022B, and Series 2022C General Obligation Bonds

City Council is requested to approve a budget amendment to record the issuance of Series 2022A, 2022B, and 2022C General Obligation Bonds.

Bobby Fitzjohn, Director of Financial Services, explained this will help in the recordation of the cost of issuance for the General Obligation Bonds that were just issued, as well as the ABC General Obligation Bond Series. He pointed out the interest rates have been challenging and the 2022C bonds would have been closer to 1% but ended up at 1.96%.

Committee Member Holmes asked if the city is breaking even and Mr. Fitzjohn replied that the city has more cash than assets but admitted that it is tough compared to where the city could have been a few months ago.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-230 Resolution - Sale of City Owned Property - 1100 Jefferson Street

Council is requested to adopt a resolution accepting the offer of \$13,000.00 and authorizing the sale of the Property located at 1100 Jefferson Street, (Parcel No. 174217) through the upset bid procedure of N.C.G.S. 160A-269 and direct the City Clerk to publish a public notice of the proposed sale in accordance with N.C.G.S. 160A-269.

Kim Thore, Right-of-Way Coordinator, advised that Pedro Solis has offered a bid of \$13,000 for a city-owned vacant lot located at 1100 Jefferson Street (Parcel No. 174217) which is approximately 14,375 square feet or 0.33 acres in size. This property will be sold through the upset bid process as outlined in North Carolina General statute 160A-269.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Peters made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-231 Resolution - Rescind Resolution Authorizing Condemnation to Acquire an Easement - 302 Montlieu Avenue (Qubein Avenue)

City Council is requested to adopt a resolution rescinding the February 7, 2020 resolution authorizing condemnation to acquire an easement in connection with the Montlieu Avenue Improvement Project located at 302 Montlieu Avenue (Qubein Avenue).

Kim Thore, Right-of-Way Coordinator, advised the owner sold the property and the city was able to reach the new owner and get the easement needed, so staff is recommending the Resolution Authorizing the Condemnation to Acquire an Easement for 302 Montlieu Avenue (Qubein Avenue) be rescinded.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-232 One NC Grant - Amada America, Inc. - Performance Based Incentives

City Council is requested to approve the pass through grant of \$50,000 in One North Carolina Incentive Funds to Amada America, Inc..

Sandy Dunbeck, Economic Development Director, explained this is a pass-through incentive grant from the State of North Carolina that would be passed on to Amada America based on performance based benchmarks and paid out accordingly.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

2022-233 Resolution of Support - Metal Works of High Point - Building Reuse Grant

City Council is requested to adopt a resolution of support for Metal Works of High Point being awarded a Building Reuse Grant from the State of North Carolina.

Sandy Dunbeck, Economic Development Director, explained that Metal Works of High Point has applied for a building reuse grant with the State of North Carolina which is currently under consideration. If the City of High Point concurs, the State requires adoption of a Resolution of Support. This will be a pass-thru grant as well.

Chairman Moore pointed out Metal Works is a local small manufacturing company.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the May 16, 2022 City Council Finance Committee Consent Agenda for approval. Committee Member Jones made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote:

Aye (4): Chairman Moore, Committee Member Peters, Committee Member Holmes, and Committee Member Jones

PUBLIC HEARINGS**2022-234 Public Hearing - Metal Works of High Point - Performance Based Incentives - High Point Economic Development (EDC)**

City Council is requested to authorize performance-based incentives for Metal Works of High Point in the amount of \$75,000 and authorize the City Manager to execute a performance agreement with the company containing benchmarks for the company to achieve and a schedule for the payment of such financial incentives.

Sandy Dunbeck, Economic Development Director, advised this would be the required public hearing for consideration of performance-based incentives to Metal Works in the amount of \$75,000 for building upfit incentives. The public hearing is scheduled before the City Council on Monday, May 16, 2022 at 5:30 p.m.; company officials will be present at the public hearing to make a presentation on their request; the project would produce 20 jobs above the county's average wage; Metal Works of High Point is a local homegrown company.

2022-235 Public Hearing - Ecolab - Performance Based Incentives- High Point Economic Development (EDC)

City Council is requested to authorize performance-based incentives for the project of up to \$414,863 and authorize the City Manager to execute a performance agreement with the company containing benchmarks for the company to achieve and a schedule for the payment of such financial incentives

Sandy Dunbeck, Economic Development Director, advised this is for a project as proposed by Ecolab; the public hearing is scheduled for Monday, May 16, 2022 at 5:30 p.m.; Ecolab representatives will be at the public hearing to report on their project; this would be a new location for them in High Point off of North sandy ridge Road; this would be the first project to kick off that part of the industrial park; the company proposes to invest \$27,800,000 in the project at a project cost of over \$93,000,000 and is asking for \$414,863 in incentives.

2022-236 Public Hearing - Proposed FY2022-23 City of High Point Annual Budget

Monday, May 16, 2022 at 5:30pm is the date and time established to receive public comments on the proposed FY2022-2023 City of High Point Annual Budget.

Stephen Hawryluk, Budget & Performance Manager, advised as part of the process for adoption of the proposed FY 2022-2023 Annual Budget, a public hearing is required. The public hearing is scheduled before the City Council on Monday, May 16, 2022; notice of the public hearing was advertised; and Mr. Hawryluk reviewed the methods for the public to provide comments if they are not able to attend.

ADJOURNMENT

The meeting was adjourned at 4:28 p.m. upon motion by Chairman Moore and second by Committee Member Holmes.

Respectfully Submitted,

Britt W. Moore, Chairman
Finance Committee

Attest:

Lisa B. Vierling, MMC
City Clerk

DRAFT