



FINANCE COMMITTEE
Chaired by Mayor Pro Tem Britt Moore
Members: Moore, Holmes, Jones, and Peters
June 2, 2022 – 3:00 p.m.

CALL TO ORDER (Virtual Roll Call)

Chairman Moore called the meeting to order at 3:00 p.m.

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

Chairman Britt W. Moore
Committee Member Monica Peters
Committee Member Michael Holmes
Committee Member Victor Jones [arrived at 3:05 p.m.]

Staff Members Present:

Tasha Logan Ford, City Manager; Greg Ferguson, Deputy City Manager; Eric Olmedo, Assistant City Manager; JoAnne Carlyle, City Attorney; Meghan Maguire, Assistant City Attorney; Jeron Hollis, Managing Director; Tyler Berrier, Electric Utilities Assistant Director; Robby Stone, Public Services Director; Bobby Fitzjohn, Financial Services Director; Stephen Hawryluk, Budget Manager; Roslyn McNeill, Budget Analysis; and Mary S. Brooks, Deputy City Clerk

Also Present:

Shamus McKenna, Summer Intern-Wake Forest School of Law

PRESENTATION OF ITEMS**2022-259 Contract - WESCO Distribution, Inc. - Subsurface 3 Phase Switches (Underground Cable)Warehouse Stock**

City Council is requested to award a contract to WESCO Distribution, Inc. in the amount of \$315,420.00 for the purchase of Subsurface 3 Phase Switches (Underground Cable)Warehouse Stock.

Tyler Berrier, Electric Utilities Assistant Director reported that this request was to purchase to purchase 10 underground (submersible) 3 phase switches that are commonly used by the Electric Utilities Department; this purchase would replenish warehouse stock; funds are included in the current operating budget to cover this material purchase; staff had reviewed the bid submittal and evaluated the information provided; and is recommending that the bid for this Cable be awarded to WESCO Distribution, Inc. for \$315,420.00.

Chairman Moore asked how switches were currently used in the city. Mr. Berrier responded that an estimated amount of 200 to 300 switched were currently used in the city; noted that there were different styles; and explained the effects that outages/failure would have on neighborhoods.

Committee Member Holmes moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 2022, City Council Finance Committee Consent Agenda for approval. Chairman Moore 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 Peters, and Committee Member Holmes

Absent (1): Committee Member Jones

2022-260 Contract - Breece Enterprises, Inc. - Water & Sewer Maintenance/Emergency Repair

City Council is requested to award a contract to Breece Enterprises, Inc. in the amount of \$1,847,940.00 for an annual contract for water & sewer maintenance and emergency repair and that the appropriate City official and/or employee be authorized to execute all necessary documents.

Robby Stone, Public Services Director reported The City of High Point routinely uses an outside contractor to supplement our efforts to maintain and repair our existing water and sewer distribution and collection lines; that this contract includes scheduled maintenance and emergency repairs; on Wednesday, May 18, 2022 the City of High Point received bids for Contract ENG-2022-002; this was the second attempt to receive bids for this contract work due to an insufficient number of bids to proceed with opening on the first attempt; we

received one responsive bidder, Breece Enterprises, Inc.; this is an annual contract with a completion date of June 30, 2023; the purpose of this contract was to perform maintenance work and emergency repairs on existing water and sewer utilities; funds for this contract are available in the FY 2022-2023 budget; and staff is recommending approval of a contract with Breece Enterprises, Inc. in the amount of \$1,847,940.00.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 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

2022-261 Contract Amendment #2- WithersRavenel Professional Engineering Services - Kersey Valley Road / Landfill

City Council is requested to approve Contract Amendment #2 with WithersRavenel in the amount of \$45,000 for additional Surveying, Right-Of-Way Exhibits, Easement Exhibits, and Legal Descriptions for the 12 affected parcels within the project limits.

Robbie Stone, Public Services Director reported that the Public Services Department was looking to extend the life of the Kersey Valley Landfill; an additional life of ten plus years can be gained by relocating Kersey Valley Road and merging the two existing landfills; staff approved Amendment 1 in April 2021 for additional Environmental Site Assessments due to findings of unregulated landfill material throughout the project limits in the amount of \$89,870.00; this extended the contract total amount to \$474,370.00; this unregulated landfill material finding required additional soil borings and a redesign of the typical roadway section by WithersRavenel; and that staff is recommending to approve Amendment 2 in the amount of \$45,000, bringing the total contract price for WithersRavenel to \$519,370.00.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 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

2022-263 Ordinance - Fuel Budget

City Council is requested to approve a budget ordinance to appropriate funds in the general fund and the central services fund to cover fuel costs for the remainder of the year due to increased prices.

Stephen Hawryluk, Budget Manager reported that this request was to appropriate funds to cover increased fuel cost for remainder of fiscal year due to increased prices; provided a history on the price difference in fuel from 2021; current budgets in the general fund and central services fund are insufficient to meet year-end projections; the proposed amendment appropriates \$534,000 to the general fund, covered by better-than-expected sales and use tax revenues; In addition, the proposed amendment appropriates an additional \$1,242,000 to Fleet Services, which purchases fuel for city departments and charges departments for its use; the increased costs for all funds have been factored into the FY 2022-23 budget; and that staff is recommending the approval of the budget amendment ordinance.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 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

2022-264 Ordinance - Occupancy Tax - Showroom License Convention&Visitor's Bureau (Visit High Point) Market Authority

City council is requested to approve a budget ordinance to appropriate additional occupancy tax and showroom license revenues that will be passed along to the Convention and Visitor's Bureau (Visit High Point) and Market Authority.

Stephen Hawryluk, Budget Manager reported that the City of High Point passes through occupancy tax revenues to the Convention and Visitor's Bureau (Visit High Point) and occupancy taxes and showroom license revenues to the Market Authority; based on revenues received to date, and projections for the remainder of the year, these revenues were projected to exceed budget; the proposed amendment appropriates the additional projected revenues that will exceed budget, which will then be passed along to the Convention and Visitor's Bureau (Visit High Point) and Market Authority, respectively; an additional budget of \$475,000 in occupancy tax revenue was projected for Visit High Point; an additional \$100,000 in occupancy tax revenues and \$25,000 in showroom license revenues is projected

for the Market Authority; there was no net budget impact; and that staff is recommending the approval of this budget amendment.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 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

2022-265 Ordinance - GASB 87 Lease Budget Amendment

City Council is requested to adopt a budget ordinance amendment which will allow the proper accounting of the capital lease.

Bobby Fitzjohn, Financial Services Director reported that Generally accepted accounting principles (GAAP) required that all leases be capitalized and receive specialized accounting treatment; when a lease is capitalized, it required budgetary authorization, similar to a purchase of capital equipment; the attached ordinance would allow the City to properly record leases that have previously been entered; budgeted expenses associated with capitalizing leases were equal to the associated accounting revenue recognized by entering into the lease; and that staff recommending approval of the attached budget ordinance amendment which would allow the proper accounting of the capital lease.

Committee Member Jones moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 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

2022-266 Budget Ordinance - Opioid Settlement Funds

City Council is requested to approve a budget ordinance creating a special revenue fund and appropriating \$51,076 in opioid settlement funds.

Bobby Fitzjohn, Financial Services Director reported in accordance with the Memorandum of Agreement between the State of North Carolina and Local Governments on Proceedings

Related to the Settlement of Opioid Litigation to abate the impacts of the opioid epidemic an allocation of funds is to be received and expended over an 18-year period; the City of High Point was estimated to receive \$1,329,435 over the period and this amendment request budgets the first allocation of \$51,076; a payment schedule had been received and future payments would be budgeted with the annual budget ordinance; these funds must be held in a fund dedicated to their use; there were no local budget impact; these were 100% federal funds; and that staff is recommending to approve the budget ordinance creating a special revenue fund and appropriating \$51,076 in opioid settlement funds.

Chairman Moore asked which department would be responsible for the dedicated use of said funds. Eric Olmedo, Assistant City Manager responded that the public safety would be responsible regarding how the funds would be used.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 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

2022-267 Resolution - Capital Reserve Fund - System Development Fees

City Council is requested to adopt a resolution establishing a capital reserve fund for System Development Fees.

Bobby Fitzjohn, Financial Services Director reported that the purpose for this request was offset cost for new development; State Statutes required System Development Fees (SDFs) to be accounted for in a capital reserve fund, this resolution will create a capital reserve fund; there was no budgetary impact; the capital reserve fund would be amended as part of the annual budget ordinance in subsequent years; and that staff is recommending the approval of the attached resolution establishing a capital reserve fund for System Development Fees.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 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

2022-268 Tax Collection Orders- Forsyth County Tax Administration- for Collection of Fiscal Year 2022 Taxes and Collection of 2021 and Prior Years' Taxes

City Council is requested to approve the Tax Collection Orders as requested by the Forsyth County Tax Administration for collection of Fiscal Year 2022 Taxes and collection of 2021 and prior years' taxes by the Forsyth County Tax Administration office for areas of High Point located in Forsyth County, and to authorize the appropriate City Official to execute the Tax Collection Orders.

Bobby Fitzjohn, Financial Services Director reported the City of High Point was the only municipality in North Carolina that have taxable property in four different counties – Guilford, Randolph, Davidson, and Forsyth; each county tax administration office handled their tax administration function differently; the Forsyth County Tax Collector's Office required an annual affirmation of their authority initially approved by City Council in 2012 to administer and collect High Point's taxes within Forsyth County; the Annual Budget for FY 2022-2023 included the tax collection and administration costs for all four counties; and that staff is recommending council to authorize the appropriate City Official to execute an agreement between Forsyth County and the City of High Point for the collection of the 2022 taxes and for the collection of 2021 and prior years' taxes by the Forsyth County Tax Administration office for areas of High Point located in Forsyth County.

Committee Member Holmes moved to forward this matter to the City Council with a favorable recommendation and place it on the June 6, 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

DISCUSSION-OUTSIDE AGENCY FUNDING

Chairman Moore advised that a place holder would be included in the proposed budget for outside agency funding; and that discuss for said funding would be discussed at a later date.

ADJOURNMENT

There being no further business to come before the Finance Committee, Chairman Moore asked if there were any objections to adjourn the meeting. There being none, the meeting was adjourned at 3:36 p.m.

Respectfully Submitted,

Britt Moore, Chairman

Attest:

Mary S. Brooks, CMC
Deputy City Clerk