



**FINANCE COMMITTEE  
DECEMBER 2, 2015 – 4:00 P.M.  
3<sup>RD</sup> FLOOR LOBBY CONFERENCE ROOM**

**MINUTES**

**Present:**

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

**Absent:**

Committee Member Chris Williams

**Staff Present:**

Randy McCaslin, Deputy City Manager; JoAnne Carlyle, City Attorney; Jeron Hollis, Communication Officer & Public Engagement Director; Eric Olmedo, Budget & Performance Manager; Jeff Moore, Director of Financial Services; Lee Tillery, Director of Parks & Recreation; Steve Lingerfelt, Director of Information Technology Services; Mark McDonald, Director of Transportation; Garey Edwards, Director of Utility Services; Maria Smith, Deputy City Clerk, Lisa Vierling, City Clerk

**News Media Present:**

Pat Kimbrough, *High Point Enterprise*

**Contract – Substation Transformers**

Council is requested to approve contract with SPX – Waukesha in the amount of \$1,237,126.00 for the purchase of two (2) Substation Transformers (30 MVZ) for the new North College Drive substation and the Russell Street Substation.

*Garey Edwards, Director of Utility Services, explained that bids were received for two Waukesha transformers that run between \$580,000 - \$1.2 million each. Staff felt this is a good price for the transformers and recommended proceeding. Randy McCaslin, Deputy City Manager, reiterated that these large transformers are for the substations, not for the poles. Chairman J. Davis asked if these transformers were for routine maintenance and asked about their life expectancy. Staff replied that these transformers have a 30-year life and would be replacing some existing transformers that have aged out. Chairman J. Davis inquired about how much is budgeted each year for these types of transformers. Mr. Edwards noted that he generally tries to budget for about two of these a year and sometimes substation upgrades require a change-out in these transformers.*

*Committee Member C. Davis asked if the new substation for N. College Drive would be a dedicated substation for High Point University and their expansions. Mr. Edwards explained he was trying to get some load off three other substations with HPU being a big factor in this. He explained that this one would feed about 80% of the load at HPU, but would also feed other surrounding areas with it and they have the ability to back it up to other circuits should the need arise.*

**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]**

### **Prime Site Tower Upgrade**

Council is requested to approve contract with Brant Construction Company in the amount of \$228,700 to upgrade the City's Commerce Street prime site tower and foundation system.

*Steve Lingerfelt, Director of Information Technology Services, explained that this is part of the radio system upgrade and staff was aware that this work would have to be done due to the age of an existing 40-year-old tower (prime site tower on Commerce/Centennial). He noted it actually came in a lot lower price than expected with a low bid of \$228,700. This will bring it up to code, add structure to the frame and redo the footings. Chairman J. Davis asked if this had anything to do with radio technology that High Point has recently purchased. Mr. Lingerfelt explained that this has to be done in order to be part of that project and it required new towers, antennas, and feed lines.*

**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]**

### **Supplemental Agreement No. 8 – NCDOT – High Point Train Depot Improvements**

Council is requested to approve North Carolina Department of Transportation (NCDOT) Supplemental Agreement No. 8 for the High Point Train Depot Improvements (passenger platform roof).

*Mark McDonald, Director of Transportation, reported on the supplemental agreement that amends the financing for the repairs at the depot passenger loading platform where they have had some roof issues. There was a similar agreement approved in May for Federal Funding and since that agreement was approved, the Feds de-obligated those funds and pulled them back so the State Rail Division found some additional State funding to be used for that. He noted the amount has not changed, the agreement would be amending the funding source. As a result, there will be \$320,000 available in State funds supplemented with a local match of up to \$80,000.*

*Chairman J. Davis recalled that Council had approved several hundred thousand dollars and \$300,000 comes to his mind. Mr. McDonald confirmed that a total of \$400,000 was approved (\$320,000 in Federal funds and \$80,000 and it was an 80/20 match). Chairman J. Davis asked if*

*staff could guarantee that this roof would not leak and would last longer than the last one. Mr. McDonald replied that it would last a little bit longer than the last one.*

**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]**

**Municipal Agreement – CMAQ Grant –Greenway Project**

Consideration of a Municipal Agreement with the North Carolina Department of Transportation (NCDOT) for a CMAQ grant for the Deep River Greenway project.

*Mr. McDonald reported that this was a Federal Congested Management Mitigation and Air Quality grant for \$1,236,000 in Federal funds for the University Park Greenway from Deep River Road to the Piedmont Environmental Center. It is about a one mile extension of Greenway, 40 percent of it will be bridge or elevated walkway due to the wetlands in the environmental areas. The City will use this to match the available two-thirds bond funding to construct the greenway and staff has the plans about ready to go. Chairman J. Davis asked if it can be completed with the \$3.3 million available. Mr. McDonald replied that a conservative estimate from Engineering is about \$3.1 million with \$3.4 total available. Mr. McCaslin confirmed that this will be the last remaining segment and will complete this portion of the Greenway. Mr. McDonald added that it would get the greenway connected to the Piedmont Environmental Center and to the Bicentennial Greenway, which means it would be connected to Guilford County into Greensboro.*

**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]**

**Budget Ordinance Amendment – CMAQ Grant – Greenway Project**

Adoption of an ordinance amending the 2015-2016 Budget Ordinance to appropriate funding in the amount of \$1,236,000 for the NCDOT CMAQ Grant for the Greenway project.

**Committee Member C. 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]**

**Pending Items:**

**Budget Ordinance Amendment- Little Red Schoolhouse**

Adoption of a budget ordinance to appropriate funding in the amount of \$95,750. to relocate and stabilize the Little Red Schoolhouse to its final location on the High Point Museum Campus

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Transcript

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**Chairman J. Davis:** We do have a pending item, the Little Red Schoolhouse.

**Deputy City Manager Randy McCaslin:** Yeah and JoAnne and I have discussed and what we were proposing if you will go ahead and do the budget amendment, then we had talked about doing an MOU.

**City Attorney JoAnne Carlyle:** We were going to start out with the letter. You and I talked about it and I told you that Randy and I talked. We're taking kind of a common sense approach instead of a legal upfront. So do the budget amendment and then basically that board had to cough up or vote didn't they? Or have they voted yet? I can't remember.

**Chairman J. Davis:** They've not voted as far as I know.

**City Attorney JoAnne Carlyle:** So they were waiting on something from us, good faith showing that we're stepping up. So y'all vote on the budget ordinance, then the manager's going to send a letter saying hey, our Council has taken this step, now it's your turn. They vote. And then we'll put everything into an agreement for the terms.

**Chairman J. Davis:** If we do the budget amendment, will that MOU come back to Council?

**City Attorney JoAnne Carlyle:** The actual agreement?

**Chairman J. Davis:** Yes.

**City Attorney JoAnne Carlyle:** Yeah, I think so.

**Chairman J. Davis:** I would feel a whole lot better if it did because I don't want to do the budget amendment and then that money's just sitting there and it's released without doing a matching grant.

**Deputy City Manager Randy McCaslin:** And we wouldn't allow that. I mean y'all have instructed us to move forward with basically breaking the project in two halves and as soon as they raise their money for the first half, the relocation and stabilization, then we would release our part. We can put all this in the MOU for your approval, but that's the way we understand it. And then once they raise the second half of their money, then we would release the second half of the Council's money.

**City Attorney JoAnne Carlyle:** It's kind of like a stalemate. They were waiting on us to show some good faith and we're waiting on them. You know, and y'all have got this in pending, so why not go ahead and do that part of it and then he will send a letter saying we're taking action. It's not like you couldn't undo this if you wanted to, if they don't come through on their part.

**Committee Member C. Davis:** That's not what we agreed on when we made the motion when Chris was here and we voted. We said that we would give them until June 1<sup>st</sup> of 2016 to come up

*with their 50% and we would match that 50% for Phase 1 only and then they would be on their own for Phase 2. That's what we talked about when we discussed it and had that vote.*

**Chairman J. Davis:** *I don't recall that. I thought we were matching up to \$95,000 and that there would be a matching grant.*

**Committee Member C. Davis:** *For Phase 1, yes. We were talking about a timeline and the timeline that was discussed in that meeting was June 1<sup>st</sup>. By June 1<sup>st</sup> if they didn't have it.*

**Chairman J. Davis:** *Well I remember talking about a timeline, but I thought it was \$183,000, was that the total?*

**Deputy City Manager Randy McCaslin:** *The total project is about \$190,000.*

**Committee Member Hill:** *And our match would be \$95,000.*

**Chairman J. Davis:** *But we were going to do a matching grant in phases. So if they raised \$45,000 or \$50,000 then we would release \$45,000 or \$50,000.*

**Deputy City Manager Randy McCaslin:** *That was my understanding. I wasn't at that meeting but that was my understanding.*

**City Attorney JoAnne Carlyle:** *That's mine and I didn't bring the minutes with me, but I had looked at it.*

**Chairman J. Davis:** *And then the second phase for the renovations when they raised that, we would....well, our out of pocket would still be up to \$95,000.*

**Committee Member C. Davis:** *I say leave it where it is until we can look at the minutes because Chris was here and that was the conversation that was had that we would do the first phase and the deadline that we gave them was June 1<sup>st</sup> for that phase and that was the phase that we were talking about and then if we wanted to, we could revisit it, but we were only doing one....*

**City Attorney JoAnne Carlyle:** *I'm not making promises that I can put my hands right on it. I'll try.*

**Chairman J. Davis:** *Well, would you be satisfied if we direct staff to go ahead and maybe draft an MOU....*

**Committee Member C. Davis:** *No.*

**Chairman J. Davis:** *.... to come back? I feel....personally, I feel pretty comfortable that we can move forward doing it that way. What do you think Alyce?*

**Committee Member Hill:** *Doing it which way? Doing \$45,000 for Phase 1 and \$45,000 for Phase 2? That was my recollection. I don't have it in front of me to look at.*

**Chairman J. Davis:** *I know you had some concerns along with Chris that we had a tight budget and other priorities.*

**Committee Member Hill:** *Yeah. Balanced against my concerns that having not maintained it.*

**Chairman J. Davis:** *You know, two or three Finance Committee meetings ago when we were here and Edith and everybody was here, I thought they understood that they needed to come back to us with their board approval. Why haven't they done that yet? Because I would think that they would have had plenty of time to come back if they're really interested and say we accept that or we're willing to do that.*

**Deputy City Manager Randy McCaslin:** *And I don't remember that, Jim. So you're looking for their board to accept the project?*

**Chairman J. Davis:** *Well, the way they left it with us is we kind of made any offer doing a matching grant and I know personally that Jim Armstrong has emailed me about it. He was acceptable with that, but they said that they had to get their board to agree to it. I think the last conversation I had with Edith was that she had reached out to everybody and most of them had agreed, but all of them had not agreed yet. And they were supposed to bring that back to us and say that was a workable deal that they would be willing to do because the way they left it with us was without their approval, we're just basically still making an offer to them and they haven't accepted the offer.*

**Committee Member Hill:** *Can we condition it on their board approval?*

**Chairman J. Davis:** *I don't know. I guess that would be a question for legal.*

**Committee Member C. Davis:** *The clerk's audio will be more complete because the young lady from the Museum was sitting where Pat is sitting. The other gentleman was sitting where Garey was sitting when we had the conversation. So regardless of what the typed minutes are, the audio is more detailed.*

**Chairman J. Davis:** *Were you able to put your hands on anything JoAnne?*

**City Attorney JoAnne Carlyle:** *I just got a summary. Dawn is trying to pull the minutes for us.*

**City Clerk Lisa Vierling:** *Do you remember what meeting it was? I've got them here, but can't find the meeting. Was it a Finance meeting?*

**Chairman J. Davis:** *The Little Red School House was pending. It was not an agenda item.*

**Committee Member C. Davis:** *It was not on the agenda for discussion.*

**Chairman J. Davis:** *Right, and they brought their architect.*

**Committee Member C. Davis:** *It was about two or three meetings back, Lisa.*

**City Attorney JoAnne Carlyle:** *Unless you've got them Randy.*

**Deputy City Manager Randy McCaslin:** *I don't have them. No, I don't have them. I've got to talk to someone that just came to the door. I'll be right back while we're waiting on those minutes.*

**City Attorney JoAnne Carlyle:** *Oh, okay.*

**City Clerk Lisa Vierling:** *Was it the last meeting or the meeting before?*

**Chairman J. Davis:** *I'm going to say....it had to be October.*

**City Attorney JoAnne Carlyle:** *It had to be because this summary is November 5<sup>th</sup>.*

**City Clerk Lisa Vierling:** *Okay, here's October 28<sup>th</sup>.*

**Chairman J. Davis:** *I don't remember the architects name. It was just the architect and Edith.*

**City Clerk Lisa Vierling:** *It was October 28<sup>th</sup>. It was Moser-Mayer Architects. Council Member Williams asked if the project was an all or nothing or if it might be possible to move it, stabilize it, then restore it.*

**City Attorney JoAnne Carlyle:** *They were shy about \$25,000.*

**City Clerk Lisa Vierling:** *Yeah. I'm trying to find where...wasn't it where Williams wanted it broken down into Phase 1? He wanted it broken down.....*

**Chairman J. Davis:** *I don't know, I think it was all of us. I think all of us talked about that.*

**City Clerk Lisa Vierling:** *Okay... J. Davis suggested to direct staff to put the proposal together for the matching grant with the timeline of June 1<sup>st</sup> and place it on the next Finance Committee agenda.*

*I'm trying to read and see what it says about the phases.*

**Chairman J. Davis:** *Well I think by that June 1<sup>st</sup>, that was saying if they didn't raise their money by June 1<sup>st</sup> that we didn't do it. The money, you know rolled over, into next year's budget.*

**Committee Member C. Davis:** *That's exactly what it was.*

**Chairman J. Davis:** *The money, you know, rolled over into next year's budget.*

**Committee Member C. Davis:** *That's exactly what it was. Exactly.*

**Chairman J. Davis:** *Well would you feel comfortable if we did an MOU and had that in there?*

**Committee Member C. Davis:** *I would be fine with that because that is what we discussed and it was for Phase 1, it wasn't for Phase 2. It was for Phase 1 to see if they would come up with their money for Phase 1 and then we would come back and revisit if we did anything for Phase 2 based on the performance of Phase 1.*

**Committee Member Hill:** *Okay, I want to make sure I understand what you're saying. Are you're saying that they were going to pay all of Phase 1 out of pocket as your understanding?*

**Committee Member C. Davis:** *No, no.*

**Committee Member Hill:** *They were going to raise their half of Phase 1 and then....*

**Committee Member C. Davis:** *By June 1<sup>st</sup>.*

**Committee Member Hill:** *....and then we were going to fund our half.*

**Committee Member C. Davis:** *For Phase 1.*

**Committee Member Hill:** *So you only envisioned us funding \$45,000 for this year.*

**Committee Member C. Davis:** *Uh huh, and then once they get Phase 1 done, then we would consider revisiting Phase 2.*

**Committee Member Hill:** *Because I was under the impression that we were committing \$95,000 and I think for us to fund one phase and get it and not....it's a waste of our \$45,000 to do that.*

**Committee Member C. Davis:** *Well I think Chris' conversation on the audio was intent upon us doing Phase 1 and then drumming up interest and them bringing their part and then we would see about Phase 2 and doing Phase 2 at 50% match also so that they're bringing in their portion on Phase 2.*

**Chairman J. Davis:** *Well how about if we went ahead and did the budget ordinance and set that money aside? Because either way that second Phase is going to be in next budget year and if the money's already budgeted.*

**Committee Member C. Davis:** *As long as the terms and conditions are there.*

**Eric Olmedo, Budget & Performance Manager:** *We could do that. Yeah that would work.*

**Committee Member Hill:** *My only concern is I really don't want to then get to next year's budget and for some reason we've strung them out there by saying that if they do it, then we'll do our part for the second phase and then to not have it passed would not be right.*

**Chairman J. Davis:** *What you've got...*



**City Clerk Lisa Vierling:** *There was no action taken on Chris' suggestion for the Phase 1. It was just a comment he made. It says, "Committee Member Williams would consider a match for the first phase to get it moved and shored up for the same reason". And then before that, Committee Member Hill was talking about taking both aspects into consideration.*

**Committee Member C. Davis:** *Are any of my comments in your minutes?*

**City Clerk Lisa Vierling:** *Committee Member C. Davis shared that she has talked to people that do not want to spend any money on the Little Red Schoolhouse because they felt there were more pressing needs in the community and did not agree that the previous councils have not maintained it. She reiterated that citizens have other concerns besides the restoration of a building that's been left unattended and has not been maintained for so long.*

**Committee Member C. Davis:** *I suggested the June 1<sup>st</sup> date.*

**City Clerk Lisa Vierling:** *The June 1<sup>st</sup> date I've already read.*

**Committee Member C. Davis:** *Yeah, you've got Jimmy with that.*

**City Clerk Lisa Vierling:** *Suggested to direct staff to put proposal together for the matching grant for the timeline of June 1<sup>st</sup>.*

**Committee Member C. Davis:** *Because the June 1<sup>st</sup> date was the date that I suggested and then Jimmy worked it into his motion. So if that's not in your minutes, then you might need to revisit the audio to see....*

**City Clerk Lisa Vierling:** *That's up to the Council Members, it's not just...*

**Committee Member C. Davis:** *I'm just saying.*

**City Clerk Lisa Vierling:** *I understand what you're saying, but it's up to everybody else as to...it's not just....*

**Committee Member C. Davis:** *I understand that, Lisa. I'm just making a statement.*

**City Clerk Lisa Vierling:** *Are you saying you want verbatim transcripts for every meeting?*

**Committee Member C. Davis:** *Well, no. But what I'm saying is in order for us to know what was said in this conversation, if parts of the conversation was omitted....in our conversation where the date came from and that it was in the motion.*

**City Clerk Lisa Vierling:** *Bottom line is action.*

**City Attorney JoAnne Carlyle:** *There was no action was taken on that.*

**City Clerk Lisa Vierling:** *You can talk about it all day long, but it has to be action.*

**Chairman J. Davis:** *Let's do this. I would feel comfortable since you said that you would feel comfortable with June 1<sup>st</sup>.*

**Committee Member C. Davis:** *But only for half of Phase 1.*

**Chairman J. Davis:** *Well, I agree with Alyce on that. I think if we're going to do the budget amendment we need to do it for the whole \$95,000, but I think that we should have an MOU that states what our intentions are. They have until June 1<sup>st</sup> to raise their half of the money, then we'll release ours for the first half. And then if they raise their other half, in the next year we'll release our other half.*

**Deputy City Manager Randy McCaslin:** *And there's some other things that we need to cover in the MOU too other than just the financial part. Who's going to handle the contractor. Who's going to do the work and all that stuff.*

**Committee Member C. Davis:** *When you say half are you referring to Phase 1 and Phase 2 for the record so that they make sure that it says Phase 1 (half), Phase 2 (half) because you're just putting it out there as \$95,000.*

**Chairman J. Davis:** *Alright, I'm going to put my builder hat on. Okay? My builder hat says that really Phase 1 and Phase 2 is going to intertwine together because Phase 1 cannot just move the building. You've got to move the roof to move the building because it's in bad shape. Then you've got to put a foundation in. So when you say Phase 2, we're going to say Phase 2 is renovation of the building. Renovation of the building is basically in Phase 1 because you're going to be reinstalling a new roof, siding, foundation, steps, hand rail. And then there's going to be electrical, water issues.*

**Committee Member C. Davis:** *How are you going to be able to make a motion if you're splitting it?*

**Chairman J. Davis:** *I think Phase 1 is broken down into the fact that's grading and site preparation. If I remember, it's like \$15,000. Y'all correct me if I'm wrong. Then there was a foundation and moving the building and putting the roof.*

**City Attorney JoAnne Carlyle:** *The stabilization and moving is how we had divided it. But there's regretfully no way that we will be able to write an MOU that will be long enough to, you know....*

**Committee Member Hill:** *Well, doesn't the architect have it divided into phases?*

**Deputy City Manager Randy McCaslin:** *Yes.*

**City Attorney JoAnne Carlyle:** *Well we'll reference that.*

**Committee Member Hill:** *So we can just reference that.*

**City Clerk Lisa Vierling:** *Phase 1 and Phase 2?*

**Chairman J. Davis:** *The funny thing about this is there is no historic preservation police. They say that we can't remove the building with the roof, that we need to move the building with the roof on it which just adds to the cost. But the fact is that it's going to be removed anyway for renovation, so I would say just tear the roof off of it, move the building, then put the roof back on. What are they going to do? They can't fine us. They can't do anything to us. Is that right, JoAnne?*

**Deputy City Manager Randy McCaslin:** *I think that we would lose this historical designation if we don't follow their guidelines. I agree with you, Jim. I'm not arguing with you and you can put that in the minutes.*

**City Clerk Lisa Vierling:** *I quit typing.*

**Deputy City Manager Randy McCaslin:** *I don't agree either.*

**Chairman J. Davis:** *Alright. I think, then, today on this Little Red Schoolhouse since Chris is not here, I'd like to direct staff to go ahead and put an MOU together and bring it back to us so that maybe the next meeting we can have it and do it and make a recommendation to Council.*

**Deputy City Manager Randy McCaslin:** *So at this point you don't want to do the budget amendment, you want to do the MOU.*

**Committee Member Hill:** *Can we do them together for next time and have it ready? Who follows up with Edith on all this?*

**Deputy City Manager Randy McCaslin:** *We'll be glad to do that.*

**Committee Member Hill:** *Okay, just to say....*

**Chairman J. Davis:** *And I would like to get their board's blessing to say that's the deal that they're going to be willing to accept.*

**City Clerk Lisa Vierling:** *Clarification on that. When you said direct staff to put the MOU together, do you want to include the phases per the architects drawing?*

**Deputy City Manager Randy McCaslin:** *They're already in their fund-raising. I understand that they've already raised at least half for the first or for the total amount.*

**City Clerk Lisa Vierling:** *They said they were \$25,000 shy on October 28<sup>th</sup>. I don't know what they are now.*

**Chairman J. Davis:** *Well, are you guys agreeable to that then.*

*[All were in agreement]*

**Chairman J. Davis:** *Alright, then that's our plan.*

[end of transcript]

There being no further business to come before the Committee, the meeting adjourned at 4:26 p.m.

Respectfully Submitted,

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Maria A. Smith  
Deputy City Clerk

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Jim Davis, Chairman