



FINANCE COMMITTEE

Chaired by Council Member J. Davis

Members: C. Davis, Hill, and Williams

MARCH 16, 2016 – 4:00 P.M.

3RD 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; JoAnne Carlyle, City Attorney; Jeron Hollis, Communication Officer & Public Engagement Director; Eric Olmedo, Budget & Performance Manager; Jeff Moore, Director of Financial Services; Robby Stone, Public Services Assistant Director; Terry Houk, Public Services Director; Steve Lingerfelt, Director of Information Technology Services; Keith Pugh, Engineering Services Director; Greg Venable, Transportation Planner; Maria Smith, Deputy City Clerk, and Lisa Vierling, City Clerk

News Media Present:

Pat Kimbrough, *High Point Enterprise*

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

Contract Renewal – Sum Total Timekeeping Software

Council is requested to approve a renewal to the Sum Total Timekeeping Software contract.

Steve Lingerfelt, Director of Information Technology Services gave an update on the Sum Total Timekeeping Software contract. He stated it is a six-year contract and expired recently. Chairman J. Davis inquired if this keeps up with all the employee's information and Mr. Lingerfelt confirmed it does. Mr. Lingerfelt confirmed this is a hosted service.

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 – High Point Library Improvements Phase 1

Council is requested to approve contract awarding Bid 50 to Bar Construction Company in the amount of \$795,382.00 for the Phase 1 of the High Point Public Library Plaza project.

Keith Pugh, Engineering Services Director, commented on how they were directed to move forward with the improvements on the High Point Library which includes the children's area, the parking lot improvements, and new clock tower. With that, he stated they broken the design and construction into phases and the first phase would include the children's area and the clock tower construction and this contract is for that portion of the work. He noted that Barr Construction Company was the low bidder at \$795,382.00.

The only question Chairman J. Davis had was in regards to the decorative finish on the clock tower that would be constructed with Phase 2. Mr. Pugh explained that the clock tower also serves as a sun dial and the decorative work on the ground itself would not be built as part of Phase I. The reason is because they would be doing the underground utilities on North Main Street. He continued as part of North Main work there are some utilities poles that would have to be removed around the library and some of those have back guides around the poles to stabilize them that go down where the clock tower would be placed. Instead of adding all those decorative finishes to them and tearing them back up, Mr. Pugh added that they would just grass that area back in. He noted that the clock tower would set on a large concrete base that would be in the ground and the tower would be simply purchased on top of that.

Council Member C. Davis had a question for Eric Olmedo, Budget & Performance Manager, and wanted to know if we had received a couple of million dollars from two different entities to go toward the Library Project or dollars received in? Mr. Olmedo and Greg Demko, City Manager, confirmed that we received \$1M from the State and Council Member C. Davis thought that there was another million. Mr. Demko followed up that there was an additional million dollars to purchase the additional property needed. Council Member C. Davis inquired if there was any residual left over from that million if that could rollover into that project? Randy McCaslin, Deputy City Manager, acknowledged that was a reimbursement and they have to expend it and have to match \$1.4M before we can get that million. Council Member C. Davis was concerned if what we allocated met that match or an additional. Mr. McCaslin stated until they bid out the 2nd phase, we would not know where we actually stand and all of our engineer estimates are all in line with the original estimate as well as the million dollars. Chairman J. Davis was concerned about the lines and the street improvements and how they would affect phase 2. Mr. McCaslin does not believe it would have a major effect since everything would be done in the right-of-way for the utilities.

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 – Allen Jay Aerial Outfall Replacement

Council is requested to approve contract awarding Bid No. 51 to Gilbert Engineering Company in the amount of \$448,094.00 for the Allen Jay Aerial Outfall Replacement.

Mr. Pugh discussed the Allen Jay Aerial Outfall off of Jackson Lake Road which cuts cross-country. He noted it is approximately 800 feet sanitary sewer outfall that is exposed to the elements and crosses a ravine with the deepest point of more than 40 feet in the air that crosses the creek. He also stated that the line itself is an odd ball-size of 22 inch steel pipe which needs to be fabricated specifically for that projection. Mr. Pugh did confirm that they looked at the possibility of upsizing the pipe, downsizing the pipe and other things to the pipe to save money on that project and made the decision to go back with what they had originally. With further complication, Mr. Pugh found out that this is under a Duke Power

transmission main. The bid results were well below what Mr. Pugh estimated for the project, and he was very pleased with the results.

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 Renewal – Sludge Thickening Polymer

Council is requested to approve an extension to the SNF/Polydyne contract in the amount of \$300,000 for the purchase of sludge thickening polymer for use at the Eastside and Westside Wastewater Treatment Plants.

Terry Houk, Public Services Director, noted the polymer is used for dewatering purposes at the Eastside and Westside Wastewater Treatment Plants. He showed polymer coagulates and lets the water drop out to incinerate the process and asked that Council approve the extension of the contract for \$300,000 to SNF/Polydyne.

Chairman J. Davis asked if Mr. Houk was happy with the performance and Mr. Houk explained that it performed very well in the past, but they may have to re-test next year due to the centrifuges.

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 - City Street Resurfacing

Council is requested to approve contract awarding Bid No. 52 to Blythe Construction, Inc. in the amount of \$1,892,438.20 for street resurfacing throughout the city.

Mr. Houk reported the annual contract that they bid out for street resurfacing and had approximately \$1.9M to use and identified streets through their pavement assessment survey. Those streets came in at \$1,892,438.20.

Chairman J. Davis asked if there might be enough funds to repair a street in his ward that was damaged. Mr. McCaslin replied that once they log the area, they would reevaluate the street. Robby Stone, Public Services Assistant Director, noted there is funding for internal street resurfacing.

Council Member C. Davis asked if staff has a game plan as to where they start and finish. Mr. Stone stated that they do have a list of streets and there are seven different streets (Old Mill, Westover Drive, Glenn Drive, Hamilton Street, South Road, North Centennial and Prospect.

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 – Asphalt Supplier

Council is requested to approve contract awarding Bid No. 28 to APAC – Thompson Arthur Inc., in the amount of \$548,300 for supplying asphalt materials to city crews for maintenance functions such as patching potholes and short overlays.

Mr. Houk reviewed the request by public service to extend the contract with Thompson Arthur Inc., for \$548,300. He mentioned that it is for city-wide asphalt for any division or department within the City to use this for paving. Mr. McCaslin confirmed that this would be used for in-house only.

Council Member C. Davis mentioned a section right before Sheetz on Westchester just before you are coming down on Main Street where there is a man hole that had been patched around it and there is a huge dip with it. Mr. Houk stated he would look into that.

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]

NCDOT Supplemental Agreement – Greenway Trail

Council is requested to approve a Supplemental Agreement with the North Carolina Department of Transportation (NCDOT) for a CMAQ grant for the construction of a Greenway Trail connecting the University Park on Deep River Road to the Piedmont Environmental Center on Penny Road.

Mr. McCaslin reported for Mark McDonald, Transportation Director, he reported on the CMAQ money and had \$2M budgeted for 2/3 bonds money and this was an addition to that. He felt like once it was bid out that would be enough to complete the project. He did state that we are required to do a 20 percent match, but can use the 2/3 bonds allocation as part of the 2/3 match and from DOT. Back in December, Mr. McCaslin stated back in December, Council did approve this and DOT came in and changed the project number, so they wanted the City to readopt the paperwork. He reiterated that this is not an addition, but the same thing that was approved in December except the project number changed.

Chairman J. Davis stated that Parks and Recreation received a \$100,000 grant and then this gave us \$3.35M roughly. Mr. McCaslin commented that this is through a lot of environmentally sensitive land which would require the walkways to be raised. Mr. Pugh reported that they are still trying to get NCDOT's approval on the bridges and this was slowing the process down somewhat.

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 – Fire Department Grant

Council is requested to adopt a budget ordinance amendment in the amount of \$20,000.00 for funds received from High Point University for the Fire Department for use in Youth Programs.

Mr. Olmedo, shared that the Fire Department received \$20,000 grant from High Point University for their Youth Program (Fire Explorer Program) and recognizing that revenue program and appropriating the funds to be spent. Chairman J. Davis confirmed that this grant covers \$20,000/year. Chairman J. Davis appreciates the University doing this for the Fire Department.

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]

Financial and Compliance Audit Contract – 2015-2016

City Council is requested to approve Contract to Audit Accounts and related engagement letter with Cherry Bekaert LLP for the completion of financial and compliance audit services for the fiscal year July 1, 2015-June 30, 2016 in the amount of \$69,000.

Jeff Moore, Director of Financial Services, noted it was time to get next year's audit underway and the auditors would be meeting with staff, managers and the Finance Committee Chair to review the compliance auditing concerns. He explained that the audit cost is \$5,000 more than last year, but noted they would not have to do the retirement system audit next year.

Chairman J. Davis asked if there would be an increase next year. Mr. Moore confirmed that it would and noted Council could expect it to go up an additional \$5,000 next year.

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]

For further discussion, Chairman J. Davis shared when Council went on their trip to D.C. last week and met with Jennifer Imo, Ferguson Group, in Capitol Hill, they met with staff and talked about the LOTUS project. He mentioned that he received some emails from Scott and they are very much still interested in that. Chairman J. Davis reported that there is some Fast Act money that would be available in June for transportation improvement project and according to Ms. Imo and staff on Capitol Hill they felt that the Mendenhall Transportation Terminal improvements need to be done (curb and gutter, lighting system, sound system, etc.) would fall into the Fast Act would cover and may be some transportation money available. Chairman J. Davis stated that Ms. Imo will have to do a grant for that. Having said that, Chairman J. Davis would like to see staff work with Ms. Imo on that because there is a possibility that we could receive some funds for those improvements whether that happens or not. He also stated that their time in D.C. proved to be very beneficial and they were excited to hear about the LOTUS project. McCaslin stated he would follow up on this. Chairman J. Davis wanted to share the good positive news and hoped the city would be able to get their share of these funds.

Council Member C. Davis also shared some other issues that they discussed while in D.C. She brought up the sales tax online and the cities getting their portions and if you owned a business inside the City of High Point and us getting their fair share to help with the Fire, Police, and those services. She also mentioned the housing, the CDBG money and where we are having trouble putting houses on a grocery store within a mile. Mr. McCaslin corrected Council Member C. Davis that that was not a CDBG and instead it was a State Tax Credit. Council Member C. Davis continued where they spoke with the lobbyists, and Congressman Mark Walker and Alma Adams' office regarding some housing needs that we have that are attached to Federal dollars that require a grocery store within a certain distance be changed to 2-3 miles if they are on a bus route or if they access to transportation. She noted that they did seem interested in doing something on a Federal level or passing it down in that direction. Also discussed, they talked about Brownfield money and one of the things that were discussed at the D.C. priorities was the \$400,000 and the grants they received Wendy Fuscoe, Core City Development Director, from the first time and second time they would like to state that there would be no liability to municipalities or government entities that take over these priorities but then to modernize these funds so that cities of municipalities can use those dollars to clean up those sites. Council Member C. Davis talked about the second chance money which would help to keep people out of prison and whatever the

cost was to house them in jail that that money would be carried over to the communities that they reside in what High Point Cab and the Police Department is doing.

With that being said, Chairman J. Davis mentioned that the Congressional staff and Ms. Imo all agreed that Council coming as a small group and even four was very beneficial instead of the team of nine or ten and they suggested to visit more than once a year and especially on a recess time so they would have more time to sit down and discuss and when you talk to the boss it gets lost between the staff. They commented that when you speak to the staff if you want something done.

Some other issues that were raised, Council Member C. Davis noted that they set the agenda for and the other two items were overtime hours and President Obama is currently looking at if you are currently making \$23,000 or less you can do overtime and he wants to change that to \$50,000 or less. Currently, Council Member C. Davis had not heard anything about that. Mr. Olmedo confirmed that we are budgeting for that and have done high level analysis and have run preliminary numbers. Council Member C. Davis briefly talked about the tax exempt status on municipal bonds and to remove that tax status and how that would impact the City and the investments that we make as a City and also projects that we would also take on.

Council Member C. Davis concluded that their time was not wasted and learned a lot. Chairman J. Davis also expressed on that Monday was a long day as they started at 7:30 a.m. and did not finish until 9:30 p.m. but was productive. Mr. McCaslin will follow up with Ms. Imo tomorrow.

There being no further business to come before the Committee, the meeting adjourned at 4:29 p.m.

Respectfully Submitted,

Maria A. Smith
Deputy City Clerk

Jim Davis, Chairman