



FINANCE COMMITTEE

Chaired by Council Member J. Davis

Members: J. Davis, Alexander, C. Davis, and Hill

MAY 11, 2016 – 4:00 P.M.

CITY MANAGER'S CONFERENCE ROOM

MINUTES

Present:

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

Absent:

Committee Member Latimer Alexander

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Eric Olmedo, Budget and Performance Manager; Laura Altizer, Senior Budget Analyst; Roslyn McNeil, Budget Analyst; Jeron Hollis, Communications & Public Engagement Director; Garey Edwards, Director of Electric Utilities; Gary Smith, Director of Fleet Maintenance; Loren Hill, President- High Point Economic Development Corporation; Jeff Moore, Director of Financial Services; Terry Houk, Director of Public Services; Glenda Barnes, Public Services Analyst; JoAnne Carlyle, City Attorney; Tommy Reid, Fire Chief; City Clerk, and Lisa Vierling, City Clerk

Others Present:

Ralph Rodland, Caring Services

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

1. Public Hearing- Proposed City of High Point FY 2016-2017 Annual Budget

Monday, May 16, 2016 at 5:30 p.m. is the date and time established to receive public comments on the proposed City of High Point Budget for FY 2016-2017.

Committee Member C. Davis expressed concerns that the constituents would not have a copy of the proposed FY 2016-2017 budget until Council gets it today and felt that she would not have adequate time to review it before Monday's meeting, neither will her constituents. So this makes it difficult to formulate opinions and/or thoughts and concerns on the budget. She suggested possibly doing a special called meeting on Monday, May 30th to allow additional review time so the constituents could comment on the budget.

City Manager Greg Demko explained Council has been reviewing the budget over the past seven months and the contents of the proposed 2016-2017 budget is a compilation of the work/discussion that has been on-going for the past seven months.

Chairman J. Davis suggested that Committee Member C. Davis bring her concerns up in a meeting with the full Council.

2. Contract – Purchase of Front Loading Refuse Truck

Council is requested to approve the purchase of a Peterbilt truck with New Way front loading refuse body from Scranton Manufacturing Company in the amount of \$228,987.22.

Gary Smith, Director of Fleet Maintenance, explained a fire last month damaged the truck portion of the equipment beyond repair. He noted an outside contractor came in and looked it over and determined it was due to an electrical fire. They provided a quote for buying a truck and transferring the body to it for about \$200,000, but it would take about six months to do this and it would require the purchase of a chassis. He advised that he could buy a new truck for \$228,000 that was earmarked for the rental program and have it delivered within 35-45 days.

Chairman J. Davis inquired about insurance on the truck and Mr. Smith replied that there was no insurance on the truck. Committee Member C. Davis asked if it might be possible to use the spare truck until the budget is passed/approved and purchase the truck in the next fiscal cycle. Mr. Smith explained the current spare would not hold up and that he had contacted Greensboro to see if they possibly had a truck that we could borrow until the next budget year, but they were also short a truck due to a fire about six months ago. Committee Member C. Davis suggested getting rid of the spare since it is a dud and trying to sell it on Govdeals to help offset the cost of the purchase. Mr. Smith explained that while the spare was not suitable for everyday use, it could be used as a spare for short periods of time.

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

3. Budget Ordinance Amendment – Purchase of Front Loader Refuse Truck

Council is requested to adopt a budget ordinance amending the 2015-2016 Budget Ordinance to appropriate funds in the amount of \$228,988 for the purchase of a Front Loader Refuse Truck.

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

4. Sole Source Contract – Underground Switches

Council is requested to approve a sole source bid recommendation to Trayer Engineering in the amount of \$119,448.00 for the purchase of six (6) 15kV Underground Switches.

Garey Edwards, Director of Electric Utilities, reported these are underground switches that are used on the city's system; four will be used on the N. Main Street project and the other two will be stocked in the warehouse for replacement stock.

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

5. Change Order – Eastside WWTP Solids Handling Improvements

Council is requested to approve a change order in the amount of \$371,083.73 to the Wharton-Smith, Inc. contract for the Eastside WWTP solids handling improvements.

Terry Houk, Director of Public Services, advised that the City of High Point disposes of solids by incineration. He noted there are four separate contracts for this project and this change order is for the fourth contract (Wharton-smith, Inc.) for additional issues encountered during the upgrade and additional equipment that needs to be replaced. The amount of the change order is \$371,083.73 and funds are still available in the project to cover the cost.

Chairman J. Davis pointed out there were two change orders and staff replied there would be an additional change order coming that would be more than this one.

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

6. Approval of Lease for City Owned Residences

Council is requested to authorize the city attorney's office to execute five-year lease agreements on five residential dwellings that are property of the City of High Point.

Kim Thore, Right-of-Way Coordinator, explained there are a total of five properties with dwellings that were purchased in the past by both the Public Services and the Library/Museum Departments at various times for future use. The property addresses were identified as follows:

- 118 Underhill Street
- 1420 Bragg Avenue
- 3300 Hillside
- 809 Aberdeen Road
- 811 Aberdeen Road

She advised one of these does have lifetime rights associated with it (John Coltrane's childhood home on Underhill). She reported that each lease agreement generates stable annual revenue from the monthly rents of about \$33,420 and that a public notice of these proposed leases was published in the April 12, 2016 edition of the High Point Enterprise. Staff is proposing to enter into five-year lease agreements on these residential dwellings and the proposed lease agreement contains an early termination item that would allow the landlord to terminate the lease upon a

sixty day written notice to the tenant. With the exception of the Coltrane home on Underhill, the long-term plan is to eventually demolish the dwellings.

Chairman J. Davis asked if all of these were currently leased and if the city uses a real estate company to manage them. Ms. Thore replied they all are leased and noted the City of High Point actually manages these properties.

A brief discussion followed regarding the cost of maintenance on these properties and whether or not the \$33,420 was net or gross. Ms. Thore explained each property is a little different and some maintenance costs are a little higher than others. She shared that one of the tenants has been in one of the units for about forty years and does most of his maintenance. She noted the two houses on Aberdeen Street are located on the lake buffer and cannot be sold.

Committee Member C. Davis asked if a minimum housing sweep has been done on the Coltrane house and that she was told that the roof was in pretty bad shape. Mr. McCaslin advised that Tim McKinney, Director of Maintenance Facilities, went through it last week and pointed out the city put a lot of money into it several years ago when the city first purchased it. Mr. McKinney was surprised that it was in pretty good shape and did not come up with any items that were required. Staff noted that a new roof was put on it a few years back. Ms. Thore added that the yard does appear to be unkempt, but staff is addressing this.

Committee Member C. Davis suggested that the city consider gifting over the property to the elderly gentleman who has been living in the house for forty years. Ms. Thore replied that the city would not want to give the land up because the whole idea was to have the land for a buffer.

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

7. Retire and Sale of Police K-9 Sable

Council is requested to retire Police K-9 Sable and declare as surplus property to allow her to be purchased by Major Ken Steele who will assume all responsibility and liability for her care.

Committee Member C. Davis asked how much money was spent on training Sable. Mr. McCaslin advised Sable is a four and a half year-old dog that was donated to the High Point Police Department and a couple of recent incidents, it was determined that Sable is not performing as needed. He noted re-training is not an option, so the Police Department is asking that Sable be declared as surplus and sold to one of the officers for \$1. They will be looking to replace the dog in the next budget. Committee Member Hill asked if the cost of the new replacement dog would include training or if training would be an additional expense. Mr. McCaslin thought the amount in the budget would be for a trained dog.

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

There being nothing further to discuss, the meeting adjourned at 4:20 p.m. upon motion duly made and seconded.

Respectfully submitted,

Lisa B. Vierling, MMC
City Clerk

James C. Davis, Chairman

DRAFT