



FINANCE COMMITTEE

Chaired by Council Member J. Davis

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

JULY 13, 2016 – 4:00 P.M.

3rd FLOOR CONFERENCE ROOM

MINUTES

Present:

Committee Chairman Jim Davis and Committee Members Latimer Alexander (Joined meeting at 4:04 p.m.), Cynthia Davis, and Alyce Hill

Staff Present:

Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Jeron Hollis, Communications & Public Engagement Director; Garey Edwards, Director of Electric Utilities; Gary Smith, Director of Fleet Maintenance; Jeff Moore, Director of Financial Services; Steve Lingerfelt, Director of Information Technology Services; Wendell Pickett, Water Plant Superintendent; Bill Frazier, Laboratory Manager; Terry Houk, Director of Public Services; Mark McDonald, Director of Transportation; JoAnne Carlyle, City Attorney; Tim McKinney, Maintenance Operations Director; Tommy Reid, Fire Chief; Maria Smith, Deputy City Clerk; and Lisa Vierling, City Clerk

Others Present:

Meredith Mitchell, Leadership: High Point

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

Contract – Old Dominion Brush, Inc. – Truck Mounted Vacuums

Council is requested to approve contract with Old Dominion Brush, Inc. in the amount of \$511,612.59 for the purchase of three (3) Vacuum Debris Collectors for use by the Public Services Department for cleaning storm drains, gutter, etc.

Note: Committee Member Alexander had not joined the meeting when this vote was taken.

Staff is asking for Council's approval to purchase three additional truck mounted vacuums for the stormwater division. Gary Smith, Director of Fleet Maintenance, advised they currently have four of these and the three that staff is proposing are exactly like those four. He noted these were approved in the 2016-2017 budget and they would be purchased using a national contract.

Committee Member C. Davis asked if they were the trucks or just the vacuums and Mr. Smith responded it is like the picture contained in the packet. She also wanted to know how many had they traditionally

had. Mr. Smith explained that they initially started out with three and purchased one additional one last year. Committee Member C. Davis stated she had a problem with purchasing more and suggested purchasing one every two years or every other year because if they were purchased all at once then they might break down at the same time, depending on the wear and tear and it would be a lot easier on taxpayers, a lot easier on the equipment when it comes time to replace them. Mr. Smith explained these are not traditionally purchased all at one time, but this was the way it was approved in the budget. Committee Member C. Davis stated she would not be supporting it for that reason.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Hill made a second to the motion. The motion FAILED by a 2-1 vote, with Committee Member C. Davis dissenting. [Committee Member Alexander was absent at the time the vote was taken]

Note: Because of the split vote, this matter will be placed on the regular agenda for Monday's meeting.

Contract – Piedmont Peterbilt – Side Loading Refuse Trucks

Council is requested to approve contract with Piedmont Peterbilt in the amount total amount of \$737,232.00 for the purchase of three (3) Peterbilt trucks with New Way side loading refuse bodies.

Mr. Smith explained staff is seeking Council's approval to purchase three side-loading refuse trucks. He advised the department currently has a total of 17 side-loading trucks; four are spares (13 routes, 17 trucks). He noted when the trucks come in, he would like to take two out of service and sell them and retain one so they would have a total of five spares. He reported they need a total of 13 trucks to run the routes each day. He advised that these trucks will be a piggyback purchase that the City of Greensboro approved last fall which will result in some savings (\$7-\$8,000 a truck). Mr. Smith contacted the vendor and they indicated they could supply the three chassis at a price of \$225,000 each. Staff is also asking for Council's approval to declare the two older ones as surplus.

Committee Member C. Davis stated she would still like the purchases to be staggered so there won't be any worries about them breaking down at the same time. She advised because of the piggyback, she did not have a problem with it because the city is saving some money. Mr. Smith agreed and explained staff is trying to level the purchases out to two a year with hopes as this cycles through, it will be down to purchasing two a year.

Chairman J. Davis asked if staff had reached out to Burlington to see if they have a need for these trucks and if they would like to purchase them. Mr. Smith explained this style of truck is not compatible with the types of containers they have.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Hill made a second to the motion. The motion carried by a 3-1 vote with Committee Member C. Davis dissenting.

Note: Due to the split vote, this matter will be placed on the regular agenda for Monday's meeting.

Contract – Amick Equipment – Knuckleboom Truck

Council is requested to approve contract with Amick Equipment for the purchase of a used 2014 International with a Petersen TL-3 knuckleboom loader in the amount of \$110,000.00.

Mr. Smith advised that the department has a 2006 Freightliner truck with the turntable that is in need of replacement with 150,000 miles on it and is 10 years old. Mr. Smith stated that while looking for a used unit, he was fortunate to find this one in South Carolina. This is a 2014 model with only 17,000 miles and

is great condition. The learning curve for the operator would be minimal. He reported that a new truck would cost \$150,000, but this truck is only two years old at a cost of \$110,000. Committee Member C. Davis asked why they turned the truck in and Mr. Smith advised that it was just a small city and they no longer had a use for it.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member C. Davis made a second to the motion. The motion carried unanimously. [4-0 vote]

Contract- Pierce Enforcer Fire Trucks

Council is requested to approve contract with Atlantic Emergency Solutions in the amount of \$2,158,243.00 for the purchase of three (3) Pierce Enforcer Fire Trucks.

Fire Chief Tommy Reid advised this was the second year of a 15-year replacement plan that was approved by the City Council last year. To catch up and get where they need to be, they need to purchase three trucks this year and three next year. After these are purchased, it will put them on a 15-year rotation with one to two trucks being purchased a year.

Chief Reid explained one truck that is being replaced has been in the shop since June waiting for a \$16,000 transmission. Chairman J. Davis asked what would happen to the old fire trucks and Chief Reid responded that they would be sold on GovDeals.

Deputy City Manager Randy McCaslin advised that Council has already approved the lease purchase agreement for the purchase of these trucks.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member C. Davis made a second to the motion. The motion carried unanimously. [4-0 vote]

Contract – Black & Veatch – Ward Water Treatment Plant Improvements

Council is requested to approve contract to Black & Veatch in the total amount of \$889,000.00 for Electrical and HVAC improvements as part of the Ward Water Treatment Plant improvements.

Terry Houk, Director of Public Services, discussed the Electrical and HVAC upgrades at the Ward Water Treatment Plant. He explained that the Public Services selected Black & Veatch due to the design, permitting and the bidding process. The electrical system at the Ward Water Treatment Plant is going to be converted from 12.47 kv (not standard) to 4.16 kv (standard). Mr. Houk explained the conversion is required due to the unavailability of parts for the 12.47 kv. He reported the HVAC is also being replaced and upgraded to insure the system is fully functional and that the laboratory maintains the desired temperature setting all through the year for testing purposes.

Chairman J. Davis inquired if our electrical team could handle the electrical side of this. Garey Edwards, Director of Electric Utilities, explained it was unsafe going behind the meter and doing this kind of work would have some liability associated with it.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Alexander made a second to the motion. The motion carried unanimously. [4-0 vote]

Sole Source Contract – Trayer Engineering - 15 kV Pad Mounted Protective Switches

Council is requested to approve contract with Trayer Engineering for the purchase of four (4) 15 kV pad mount protective switches in the amount of \$206,119.00 for the North Main Street underground project.

Mr. Edwards advised this is to provide underground pad mount protective switches for the North Main Street project and to use automatic transfer switches. Four units will be purchased.

Committee Member C. Davis was concerned over the past 4-5 years that Trayer Engineering had been the only responsive bidder and would like to know why other people are not bidding and/or have no interest in bidding. She stated she would like to see it put back out for bid. Mr. Edwards explained that it had gone out to six bidders and further explained that most did not bid because they knew there would be competition in this field due to there not being a lot of leeway in pricing anymore. Chairman J. Davis inquired about the ElectriCities partners and if they are using these same type of switches. Mr. Edwards also advised that they can see each other's pricing while bidding. Committee Member C. Davis asked if these were durable and long lasting and Mr. Edwards acknowledged that they were.

Committee Member C. Davis inquired about the bidding process and asked if the bids were sent out to the same vendors. Mr. Edwards explained the specs and solicitation for bids were sent out to five or six companies, but Trayer was the only one that responded. Mr. McCaslin also confirmed that the City does advertise the bids as well, so anyone can actually bid; it is not limited only to the companies who the bids were sent to.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Alexander made a second to the motion. The motion carried unanimously. [4-0 vote]

ElectriCities Joint Purchasing Agreement

Council is requested to approve a three-year Joint Purchasing agreement with ElectriCities.

Mr. Edwards explained that all the cities in North Carolina go out for bid for poles for maintenance items such as tree trimming throughout the year. He noted if the bids are banded together, it would be better for pricing. Committee Member C. Davis mentioned on page 2, it states nothing would preclude us from participating in finding items that we would want to purchase that we could purchase them from any source.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Hill made a second to the motion. The motion carried unanimously. [4-0 vote]

Contract – Johnson Controls, Inc. – HVAC and Fire Alarm Service

Council is requested to approve contract to Johnson Controls, Inc., in the amount of \$317,330.00 for HVAC and Fire Alarm Service Contracts for various city facilities.

Tim McKinney, Director of Facility Services, discussed the continuation of service for Johnson Controls, HVAC and Fire Alarm Service for over 30 years and explained how this is a very beneficial contract. The terms and conditions of the contract have been reviewed and modified by the City of High Point Legal Department for the purpose of entering into a multi-year, annually renewable service contract. Mr. McKinney pointed out the pricing structure has not changed over 1.5% since 2008. He explained the first three years of the proposed multi-year contract would hold the line on pricing with a 1.5% increase in year four and a 1.5% increase in year five. He added that they have been performing service in 22 facilities for HVAC and 15 additional facilities for Fire. The service includes 24/7 weekend, holidays, all

parts are included (i.e. in this building there are 250 components that are under contract). He advised they have had a journeyman assigned to High Point since 2011 who works exclusively on city facilities along with the additional technicians that are available.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Hill made a second to the motion. The motion carried unanimously. [4-0 vote]

Joint Governmental Interlocal Agreement – PTRWA

Council is requested to authorize the City Manager to execute an amended joint governmental agreement between the Piedmont Triad Regional Water Authority and other member governments.

Mr. Houk advised that the Piedmont Triad Regional Water Authority (PTRWA) has submitted an amended Joint Governmental Interlocal Agreement between its entity and partners. It has been reviewed by the City of High Point Legal Department and Public Services and there were no concerns. The amended agreement cleans up three items: 1) It clarifies the language to accurately reflect the way billing and payments are being handled (the revised language is consistent with how these items have been handled since construction of the water treatment plant and should help with clarity as personnel involvement with the agreement changes over time; 2) Added language to cover the current expansion/rerating and the fact that expansions over and above the original 12 MGD water treatment plant will be at a 25% take or pay amount (High Point is not a participant in the expansion); and 3) Updated to reflect the fact that the City of Archdale and Randolph County have agreed to the sale of 500,000 gallons of raw water capacity.

He further explained that when we go into the 12 million gallon upgrade all members pay 100 percent of the allocation of what they bought. For High Point, it is 2.28 million gallons per day and if we do not use the allocation of water, we still pay that amount. He noted that High Point did not need the additional water and that is why we opted not to participate. He pointed out the amended agreement reflects the sale of water between the City of Archdale and Randolph County, and reiterated it does not affect High Point.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Alexander made a second to the motion. The motion carried unanimously. [4-0 vote]

Resolution – Urban State Match – Purchase of City Buses

Council is requested to adopt a Transportation Program Resolution, to allow staff to apply for the Urban State Match Program funding for funding to purchase fourteen (14) new city buses.

Mark McDonald, Director of Transportation, explained this Urban State Match would authorize the city to apply for a State grant for purchase of the new fleet of buses. If the city applies and receives the funding, it would reduce the city's share from 20% to 10%, which is a fairly significant cost impact to the city. Chairman J. Davis wanted to know the odds of getting the grant and Mr. McDonald felt very confident about the grant.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member C. Davis made a second to the motion. The motion carried unanimously. [4-0 vote]

Committee Member Alexander asked when the City would be receiving the fleet of buses and Mr. McDonald confirmed that it would be late this year. Committee Member Alexander suggested one of the

used buses be stripped and retrofitted for use by the Fire Department to recover during fires to get away from the intense heat or cold.

Resolution – Donation of Surplus Equipment – Mt. Zion Baptist Church

Council is requested to adopt a Resolution approving the donation of surplus computer equipment to Mt. Zion Baptist Church pursuant to NCGS§ 160A-280.

Director of Information Technology Services Steve Lingerfelt explained Mt. Zion Baptist Church had applied to the city for funding through the non-profit funding allocation process, but Council decided to provide them with surplus computers instead. He noted that they asked for ten computers, but he was able to find 14 computers. He advised that they were wiped clean, but he did install an operating system so they would be operable. Committee Member Hill questioned the estimated value of \$28 and Mr. Lingerfelt confirmed that they are operable with Windows7 on each and good for at least another couple of years with no guarantee.

Committee Member C. Davis expressed concerns regarding the dollar amount (value) placed on these computers especially since they do have operating systems and are operable. She stated that although she is not opposed to them getting the computers, she was concerned about future requests moving forward and suggested it might be a good idea to create a list of others that would like to receive computers so it will not appear that favoritism is involved. She felt the city should make others aware that the city has the surplus computers and can wipe them clean and install an operating system on them. Mr. Lingerfelt explained that they normally these surplus computers are destroyed due to being nonoperational. Chairman J. Davis pointed out in this case, Mt. Zion applied for non-profit funding through the city and agreed with providing the surplus computers to them. Committee Member C. Davis stated she was not opposed, she just wanted to make sure other people are aware.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Alexander made a second to the motion. The motion carried unanimously. [4-0 vote]

NCDOT - MPO Agreement – Use of Planning Funds

Council is requested to approve an MPO Agreement with the North Carolina Department of Transportation (NCDOT) for the use of Planning (PL) funds for Planning Activities.

Mr. McDonald explained the 5-year agreement for North Carolina Department of Transportation (NCDOT) for the Metropolitan Planning Organization Planning (PL) funds for the current Fiscal Year 2016-17 is \$580,000 that is \$464,000 in Federal funds with the \$79,000 in local match and \$37,000 from NCDOT. He mentioned how the local match is divided amongst the eight municipalities and four counties that are part of the MPO and they split the \$79,000. He noted this is based on population.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Hill made a second to the motion. The motion carried unanimously. [4-0 vote]

There being nothing further to discuss, the meeting adjourned at 4:38 p.m. upon motion duly made and seconded.

Respectfully submitted,

Maria A. Smith
Deputy City Clerk

James C. Davis, Chairman

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