



FINANCE COMMITTEE

Chaired by Council Member J. Davis

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

AUGUST 31, 2016 – 4:00 P.M.

3rd FLOOR LOBBY CONFERENCE ROOM

MINUTES

Present:

Committee Chairman Jim Davis and Committee Members Latimer Alexander, Cynthia Davis, and Alyce Hill

Staff Present:

Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Eric Olmedo, Budget & Administrative Director; Terry Houk, Director of Public Services; Bill Frazier, Laboratory Manager; Terry Kuneff, Engineering Services; Garey Edwards, Director of Electric Utilities; Gary Smith, Director of Fleet Services; Mark McDonald, Director of Transportation; Jeff Moore, Director of Financial Services, Jeron Hollis, Director of Communications and Public Engagement; JoAnne Carlyle, City Attorney; Maria Smith, Deputy City Clerk; and Lisa Vierling, City Clerk

News Media:

Pat Kimbrough, High Point Enterprise

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

Change Order – Eastside WWTP Solids Handling Improvements

Council is requested to approve a change order to the Wharton-Smith, Inc. contract in the amount of \$759,613.23 as part of the Eastside Waste Water Treatment Plant solids handling improvements.

Terry Houk, Director of Public Services, reported staff is recommending approval and explained this is part of the incinerator upgrade. He advised that staff usually handles this in house, but state statutes now require it be made part of the contract.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Hill made a second, which carried by a 4-0 unanimous vote.

Contract – Sole Source – YSI, Inc.

Council is requested to approve a sole source contract with YSI, Inc. in the amount of \$34,034.50 for the purchase of two (2) YSI, Inc., 6600 V2-4 Multi-parameter Water Quality Loggers for field remote monitoring of water supply lakes.

Terry Houk, Director of Public Services, advised that this equipment is used by Public Services for field remote monitoring of water supply lakes (City Lake and Oak Hollow Lake). The YSI probes are part of a contracted monitoring program conducted by NC State University. The hardware interface provided by YSI is the only acceptable product that will transmit and receive the NC State proprietary software communication and processing protocols that convert the data. Staff is recommending approval.

Chairman J. Davis inquired about the chicken wire that is in the lake. Bill Frazier, Laboratory Manager, explained it is being used to stave off invasive plants and seems to be working as it is supposed to.

Committee Member Alexander moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Hill made a second to the motion, which carried by a 4-0 unanimous vote.

Professional Services Agreement- Sidewalk Priorities

Council is requested to approve a Professional Services Agreement with US Infrastructure of Carolina, Inc., in the amount of \$95,378.00 to perform engineering work associated with constructing the City's priority sidewalks in various locations around the City.

Terry Kuneff, Engineering Services, explained this is to supplement a previous master agreement with US Infrastructure for the priority sidewalks that were identified and approved by the previous Council. He reported that the city would provide the necessary survey work. Mr. McCaslin advised that this came from the \$1,000,000 for sidewalks that the last City Council set aside. Chairman J. Davis asked if any sidewalks have been done since this money was approved; Mr. McCaslin replied that Washington Street was done. Committee Member Alexander asked how interconnected would the city's sidewalk system be once this money is exhausted. Mark McDonald, Director of Transportation, reported there are still a lot of loose ends, but this takes a big step towards that. He noted that there is also potential funding from the State TIP that the city may can tap into as well.

Committee Member Alexander asked about the gap between N. Main Street near Lyles Chevrolet to Eastchester. He advised that he talked with an individual that expressed concerns about the pedestrian crossing between the dairy and McDonalds as there are no sidewalks on that side of the street. Staff advised that this does include that section.

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, which carried by a 4-0 unanimous vote.

Contract – Sole Source – Urban Transportation

Council is requested to approve a sole source contract with Urban Transportation in the amount of \$40,500.00 for the purchase of an automatic passenger counting system. Software and necessary hardware will enable the transfer of data from the buses to the database.

Mark McDonald, Director of Transportation, advised the purchase of this software/hardware/training/support was necessary for the automatic passenger counting system that will

be on the new buses delivered this fall. Mr. McCaslin reminded the Committee that this would be partially funded by the Feds at 80% and the State would fund 10%.

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, which carried by a 4-0 unanimous vote.

NCDOT – Transit Section 5303 Planning Grant Agreement

Council is requested to authorize the City Manager to execute the required agreement with the North Carolina Department of Transportation (NCDOT) to receive funds in the amount of \$49,500 for the Federal and State share of the transit system's Section 5303 planning grant.

Mark McDonald, Director of Transportation, advised this is part of the normal planning activities for the annual 5303 planning grant from NCDOT. Part of it has to do with the Furniture Market transportation services, as well as the city's public outreach to the minority community. The Federal portion of this grant is 80%; State's portion is 10%; and the city is responsible for 10%.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Alexander made a second, which carried by a 4-0 vote.

Contract – Rear Loading Refuse Trucks

Council is requested to approve contract with Carolina Freightliner of Raleigh for the purchase of two (2) New Way rear loading refuse bodies and declare the old trucks as surplus and disposal.

Gary Smith, Director of Fleet Services, reported that the Solid Waste Division has two rear loading refuse trucks in need of replacement due to age/hours. He explained they would be replacing two of the oldest ones (2005 models with 13,000 hours) and both are at the end of their useful life.

Chairman J. Davis moved to forward this matter to the City Council with a favorable recommendation. Committee Member Alexander made a second to the motion, which carried by a 4-0 unanimous vote.

Change Order – Graves Construction Services – Skeet Club Road Project

Council is requested to approve change order to the Graves Construction Services contract in the estimated amount of \$200,000.00 to provide for the excavation of dense rock and installation of utilities poles needed for the Skeet Club relocation project.

Garey Edwards, Director of Electric Utilities, advised that when the Electric Department began the installation of the utility poles for the Skeet Club Road relocation project, dense rock formations were encountered. Due to the density of the rock, the city's equipment could not drill to the necessary depth to properly install these poles. He noted that Graves Construction would have equipment on-site to perform the rock excavation that is required for completion of the installation of the 17 poles needed for this project.

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, which carried by a 4-0 unanimous vote.

Resolution – Authorize Issuance of Series 2016 GO Refunding Bonds

City Council is requested to approve the attached “Resolution Making Certain Findings and Determinations and Authorizing the Filing of an Application with the Local Government Commission in Connection with the Proposed Issuance of General Obligation Refunding Bonds by the City of High Point” and (2) City Council is requested to adopt the attached “Order Authorizing \$25,000,000 General Obligation Refunding Bonds”

Jeff Moore, Director of Financial Services, explained this is a great opportunity to save the citizens and ratepayers a substantial amount of money (General Obligation Bonds will result in a savings in excess of \$200,000 a year; Revenue Bonds will result in a savings in excess of \$600,000 per year). Mr. Moore explained this would not extend the terms; it would merely be taking advantage of the current rates and reissuing those bonds for less money. He advised that he asked the bond attorneys to clean up some of the left over amounts from the prior refunding authorizations to get those off the books because they were never used. He pointed out the city is going to the market every two years anyway to either take advantage of new money or get a little closer to the next natural call date for the refunding of the bonds.

He advised that the Council is being asked to authorize up to \$25,000,000 in General Obligation bonds for 2007 and 2008 General Obligation bonds; and on the Revenue Bond side, Council is being asked to go for \$64,000,000, which is for both the 2006 and 2008 Revenue bonds.

Chairman J. Davis commented that \$800,000 in savings a year is a pretty good amount. Deputy City Manager Randy McCaslin pointed out that would be for each year of the life of the bonds. Mr. Moore noted that the Local Government Commission considers a good refunding if there is a 3% net on the savings and pointed out here we are looking at a savings in excess of 12.5% for the General Obligation Bonds and over 15.5% savings for the Revenue Bonds.

Committee Member C. Davis stated she was not sure about the process or the need and asked if staff could clarify. Mr. Moore explained the city would be reissuing the amount of outstanding debt for the same time period and pointed out the length of the terms would not be extended. He further explained that staff has been watching the savings on these bonds gradually increase for the past 6-8 months and wanted to go ahead and take advantage of the current market environment and get all these taken care of before the national election, which does have a tendency to influence the bond markets.

Chairman J. Davis asked if there were any addition questions or comments. There were none.

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, which carried unanimously. [4-0 unanimous vote]

Resolution – Authorize Issuance of Series 2016 Combined Enterprise System Refunding Bonds

City Council is requested to approve the attached “Resolution Making Certain Findings and Determinations Authorizing the Filing of an Application with the Local Government Commission, Requesting the Local Government Commission to Sell Bonds at a Private Sale, Approving the Financing Team and Authorizing the Distribution of a Preliminary Official Statement in Connection With the Issuance of Revenue Refunding Bonds By the City of High Point.”

Note: This matter was discussed with the previous matter **Resolution to Authorize Issuance of Series 2016 GO Refunding Bonds**.

Committee Member Hill moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Alexander made a second to the motion, which carried by a unanimous 4-0 vote.

Recommendation to Donate Transit Buses to Boone

Chairman J. Davis explained while he was in Raleigh attending a LAC Committee meeting, he learned from the Boone Planning Director that they were in need of three additional buses in their fleet. He explained that the way their MPO is set up, they have a difficult time with projects because of competition with Charlotte, Hickory, etc... Chairman J. Davis asked if it might be possible for the City of High Point to donate of its better buses to Boone once the new buses are delivered. Staff advised that because these buses were purchased with federal grant dollars, they would need to look into if this is feasible and what procedures would need to be followed. Chairman J. Davis advised he would like to do something to help Boone if it could be done.

Committee Member Alexander pointed out the city generally posts surplus items on GovDeals and asked why Boone could not go online and purchase them.

High Point Arts Council- Possible Reclassification

Committee Member C. Davis reported that she did meet with the Arts Council today and they would like the city to reclassify them under the Economic Development Corporation. She suggested to the Arts Council that they reach out to the Finance Committee.

There being no further business to discuss, the meeting adjourned at 4:22 p.m. upon motion duly made and seconded.

Respectfully Submitted,

Lisa B. Vierling, MMC
City Clerk

James C. Davis, Chairman
Finance Committee