



FINANCE COMMITTEE

Chaired by Council Member J. Davis

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

SEPTEMBER 14, 2016 – 4:00 P.M.

3rd FLOOR CONFERENCE ROOM

MINUTES

Present:

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

Absent:

Committee Member Latimer Alexander

Staff Present:

Randy McCaslin, Deputy City Manager; Jeron Hollis, Communications & Public Engagement Director; Larry Casterline, Jr., Assistant Police Chief; Chip Vanderzee, Solid Waste Collection Superintendent; Keith Pugh, Engineering Services Director; Terry Houk, Director of Public Services; Tyler Berrier, Civil Engineer II; Angela Kirkwood, Human Resources Director; Gary Smith, Director of Fleet Maintenance; Brent Cole, Assistant 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.

Contract – Amick Equipment – Side Loading Arm Assembly

Council is requested to approve contract with Amick Equipment Company in the amount of \$45,256.53 for the purchase of a side loading arm assembly for a side loading refuse truck.

Director of Fleet Maintenance Gary Smith reported that due to an accident, the side loading arm assembly was damaged and staff is seeking Council's approval to purchase a side loading arm assembly for the side loading refuse truck. He explained that the vendor would install a new one and it would keep the warranty intact because it is not interchangeable with any other brands.

Chairman J. Davis asked if there was any insurance that might cover the damages and Randy McCaslin, Deputy City Manager, confirmed that there was none under \$100,000. Mr. Smith advised that typically vehicles of this type are not covered out on the streets and the city's insurance carries a \$50,000 deductible.

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 3-0 unanimous vote. [Committee Member Alexander was absent]

Contract – Pro-Shot Concrete, Inc. – Bridge/Structure Repairs

Council is requested to award contract to Pro-Shot Concrete, Inc., in the amount of \$95,226.00 for repair of seven (7) bridges and structures within the City of High Point.

Tyler Berrier, Civil Engineer II, advised that every other year they contract with the State to inspect the municipal bridges and during those inspections if they find any items that are critical, the City receives a process maintenance report. With that, these seven structures came up on their priority maintenance list and this is the contract to make those repairs.

Council Member J. Davis asked what Pro-Shot Concrete, Inc. actually does and Mr. Berrier stated they are a company based out of Alabama with the closest regional office located in Virginia. They do concrete, pro-shot and other concrete with steel repair. Council Member Hill expressed concerns because they bid on all seven structures and asked if the city has used this vendor in the past. Mr. Berrier confirmed that the city has not, but did check their references with other municipalities. He explained the process allows for different vendors to bid on specialized items and this was the only company that bid on the seven structures and even if they had taken that structure out, they were still the lowest bid on six of the seven.

Council Member J. Davis asked how many bridges were beyond repair and if NCDOT inspects all bridges. Mr. Berrier confirmed that NCDOT does inspect the bridges and determines the priority of the maintenance; however, the city is responsible for the cost of repairs.

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 3-0 unanimous vote. [Committee Member Alexander was absent]

Contract – Water & Sewer Scheduled Maintenance

Council is requested to award contract to Breece Enterprises, Inc., in the amount of \$379,870.00 for Water and Sewer Scheduled Maintenance.

Keith Pugh, Director of Engineering Services reported up until this year, the scheduled maintenance was done in one contract; staff is now recommending the scheduled maintenance and the emergency repairs be separated with the idea that this would result in a cost savings on the crew cost upfront. He advised when bids were solicited originally, only one bid was received, so it was rebid with only one bid received (Breece Enterprises). He further explained that it is difficult for any other contractor to compete with Breece Enterprises in High Point because Breece's mobilization costs were much less due to them being a local company and they can respond much quicker than others and that was why the bids from the other vendors were twice as much as Breece's bids.

He also reviewed the emergency repairs from the contract they had last year and still have capacity to perform some of that work and there was not one for emergency repairs.

Committee Member C. Davis pointed out that the vendors have become discouraged assuming that we would contract with Breece and that they would not attempt to bid and wanted to know if there was any way to work on Public Relations to get them back into the bid process. Mr. Pugh noted that last year or the year before, Breece came in at \$750,000 and the next closest bidder was at \$2 million. Mr. McCaslin

noted with the schedule, it was possible that another vendor could have come in, but it was difficult for them to do so when Breece is a local company and can easily do the mobilization.

Mr. Pugh advised there is still capacity in last year's emergency repair budget and this is the reason an emergency repair contract is not currently before Council. He explained once this funding is depleted, a change order would be necessary to increase 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. [3-0 vote] [Committee Member Alexander was absent]

Agreement – Cold Case Interlocal Agreement - Amended

Council is requested to authorize the City Manager to execute a United States Department of Justice (DOJ) Office of Justice Programs "Solving Cold Cases with DNA" grant. This amendment Interlocal Agreement is between the cities of Winston Salem, Greensboro and High Point for the period of October 1, 2016 – September 30, 2017.

Larry Casterline, Jr., Assistant Police Chief, advised this was for approval to have an extension for the Piedmont Triad Cold Case agreement that was started in 2014. He reported that this would be at no cost to the City and with approximately 30 cold cases in the City that this particular grant was for DNA Cold Cases with strict parameters that involved strict testing through the SBI. He stated that the State has qualified ten of the High Point cases (six have been submitted and four are currently being worked on). Assistant Chief Casterline explained that a cold case becomes a cold case due to a lack of evidence and a lack of people wanting to talk about it, which results in the criminal being active on the streets up to 18 months before having them arrested.

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. [3-0 vote] [Committee Member Alexander was absent]

Budget Ordinance Amendment – Downtown Revitalization Grant

Council is requested to adopt an ordinance amending the City of High Point 2016-2017 budget to recognize revenue and expenditures in the amount of \$500,000 from the North Carolina Rural Economic Development Downtown Revitalization Grant for the Library Plaza project.

Mr. McCaslin reported on the \$500,000 in funding for the Library project that was received from the State with the assistance of Senator Trudy Wade. Chairman J. Davis asked if we would have to match this or if we would have to spend our money first; Mr. McCaslin replied that we would have to spend our money first.

Committee Member C. Davis stated that although she had no problem accepting the money due to it being a grant, she did feel that the taxpayers have contributed enough to the Library project. She expressed concerns that the project has been extended way beyond the intended parameters and it seemed to be a "bottomless pit."

Chairman J. Davis asked if we are spending more money than anticipated for the project and if Phase II included both properties on the Elm Street side. Mr. McCaslin replied that Phase I is almost complete and staff anticipates Phase II to go out for bid within the next 30 days. He stated that it would probably be over budget just like the Main Street project and he would not be surprised if the bids come in higher than anticipated. He explained that this is the same concept that was presented with the addition of the one property on the Elm Street Side and noted Phase II would consist of the Farmer's Market stalls and

parking. Mr. Pugh confirmed that they are still waiting on the architectural specs and once these are received, they will be ready to go out for bid. Mr. McCaslin confirmed that the clock tower is fairly close to the original design that the architect proposed.

Committee Member C. Davis mentioned an email she had sent to Eric Olmedo, Budget and Performance Manager, and she had requested everything pertaining to the High Point Library project—what has been approved by Council and what has been contributed through Trudy Wade's efforts and any other donations, just to see where the city is dollar-wise. Mr. McCaslin noted staff is unsure as to what the cost for Phase II will be until the bids are received. Committee Member C. Davis stated it is certain what Council did approve which she thought either \$2.5 million or \$2.7 million. Chairman J. Davis believed it to be \$2.1 million. Bottom line, she reiterated her concerns that the city is spending more than what they were told was going to be spent.

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 3-0 unanimous vote. [Committee Member Alexander was absent]

Budget Ordinance Amendment – Skeet Club Electric Upgrade

Council is requested to adopt an ordinance amending the City of High Point 2016-2017 budget to recognize revenue and appropriate expenditures in the amount of \$1,784,386 from the North Carolina Department of Transportation (NCDOT) for the Skeet Club Electric Upgrade project (relocation of existing distribution system).

Mr. McCaslin explained that this is money that we have received from NCDOT as part of the Skeet Club Road Project DOT authorizing the reimbursement to the city from NCDOT for moving the distribution lines.

Committee Member C. Davis asked how the bedrock would be dealt with. Mr. McCaslin responded that they have a special machine to do the drilling.

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 by a 3-0 unanimous vote. [Committee Member Alexander was absent]

Resolution – Issuance of Series 2016 General Obligation Refunding Bonds

City Council is requested to approve the attached “Resolution Providing for the Sale and Issuance of City of High Point, North Carolina General Obligation Refunding Bonds, Series 2016” and authorizing the Mayor, the City Manager, the City Clerk, and the Financial Services Director to execute and deliver certain documents in connection therewith.

Mr. McCaslin explained this is the next step in the process for the Issuance of Series 2016 General Obligation Refunding Bonds. Council Member J. Davis inquired if this was the \$25 million for refunding the General Obligation refunding bonds. Mr. McCaslin confirmed it was and noted the next one that would be coming to Council would be for the \$40 million in Revenue Bonds.

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 3-0 unanimous vote. [Committee Member Alexander was absent]

Cigna Employee Healthcare Contract 2017 Renewal

Council is requested to authorize the City Manager to execute a twelve (12) month contract with Cigna Healthcare for healthcare coverage for city employees. Contract will be effective January 1, 2017 - December 31, 2017.

Angela Kirkwood, Human Resources Director, advised that Council was presented information last week from the consultant, who provided market trends at that time. She explained this is a request to renew the contract with CIGNA for the plan year of January 1, 2017 through December 31, 2017 with the 5% increase to the medical and 9% to the dental with these costs being split between the city and the employees.

Council Member J. Davis asked where the \$350,000 that is the city's share because the city manager had commented during a previous presentation that \$175,000 was coming out of the Enterprise Fund. Mr. McCaslin replied that it would be divided for those employees that are in the Enterprise Fund and those that are working in water/sewer and those that are working in electric and those two Enterprise Funds pay for their portion of those employees. He further explained they would get part of General Fund revenues, part from water/sewer, and part from electric. He advised regarding the additional \$175,000 that staff has already factored in a percentage increase to cover the additional increase. Ms. Kirkwood explained the purpose of putting the insurance contract on this cycle was it was the more common with other employers to help in decision-making within the families.

Committee Member C. Davis questioned with the new evaluation for the city employees, what is the highest percent they could get for an increase and asked if it was 4 percent. Ms. Kirkwood confirmed it would be 4 percent and Committee Member C. Davis commented that they would still be shy 3 percent if they took advantage of both health and dental. Ms. Kirkwood confirmed it would be a 5 percent on the employee's side on medical and 5 percent on the city side and noted the basic employee coverage is currently \$92 and it would go to \$97 per month.

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 unanimous 3-0 vote. [Committee Member Alexander was absent]

There being no further business to discuss, the meeting adjourned at 4:26 pm

Respectfully submitted,

Maria A. Smith
Deputy City Clerk

James C. Davis, Chairman