



FINANCE COMMITTEE

Chaired by Council Member J. Davis

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

February 1, 2017 – 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:

Greg Demko, City Manager; Randy Hemann, Assistant City Manager; Brent Cole, Assistant City Attorney; Eric Olmedo, Budget & Administrative Director; Jeron Hollis, Director of Communications and Public Engagement; Jeff Moore, Director of Financial Services; Tim McKinney, Maintenance Operations Director; Robby Stone, Public Services Assistant Director; Derrick Boone, Stormwater Superintendent; Glenda Barnes, Public Services Analyst; Mary Sizemore, Director of High Point Public Library; Greg Venable, Transportation Planning Administrator, Maria Smith, Deputy City Clerk; and Lisa Vierling, City Clerk

Others Present:

Judy Stalder (TREBIC)

News Media:

Pat Kimbrough, High Point Enterprise

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

Supplemental Agreement – NCDOT – Second Strategic Highway Research Program

Council is requested to approval a Supplemental Agreement with the North Carolina Department of Transportation (NCDOT) for a Second Strategic Highway Research Program (SHRP2) Transportation Vision for Communities Grant.

Greg Venable, Transportation Planning Administrator, reported back on September 2015, Council approved a Supplemental Agreement with North Carolina Department of Transportation (NCDOT) for \$50,000. He shared they were awarded a \$50,000 Federal Highway administration grant to do a study or vision plan of the area around the Train Station and the HiTran facility. He pointed out the supplemental agreement extends the deadline and completion date to June 30, 2017.

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]

Contract Renewal – Crowder Gulf, LLC – Storm Debris Removal Services

Council is requested to approve a renewal of the contract with Crowder Gulf, LLC for storm debris removal services in the event of any potential storms resulting in large quantities of vegetative debris.

Robby Stone, Public Services Assistant Director, advised this was a proactive agreement for Crowder Gulf, LLC to assist in the event of a future storm and to put them on a retainer on standby. Crowder Gulf, LLC. has an office in Rocky Mount, NC.

Committee Member C. Davis wanted to know if there was a pay scale that they are willing to agree to for that year. Mr. Stone replied they would have a flat scale to what they originally bid on. Assistant City Manager Randy Hemann advised the reasoning behind this is to go out to bid right now and not wait until the services are needed because everyone else would also be needing the services at the same time as well. Committee Member C. Davis wanted assurance of a scale locked into place. Chairman J. Davis asked if this is something that would be done annually every year. Mr. Stone advised that this would be the last year for the extension to be applied. Chairman J. Davis suggested making the contract for a five-year period instead of annually. With that being said, Jeff Moore, Director of Financial Services, stated this is a recommended best practice from the Department of Public Safety to have a contract such as this in place. He further explained that FEMA questions contracts beyond a year and raise questions as to its value.

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]

Professional Engineering Services - Kersey Valley Landfill Area 3 Site Study

Council is requested to approve contract for professional engineering services to Smith Gardner, Inc., in the amount of \$127,900.00 for the Kersey Valley Landfill Area 3 Site Study.

Mr. Stone reported this is for a site study for the future Kersey Valley Landfill Area 3 that would merge the two existing landfill areas and would assure compliance and acceptance while developing Area 3 and working with the NC Department of Environmental Quality Division of Waste Management (DWM). The professional engineering services to be provided for this project involve work associated with Socio-Economic and Alternative Site Study, Regional Characterization Study, Local Characterization Study, Site Hydrogeological Report, and Proposed Facility Plan; it is anticipated these tasks will take six months to complete. Mr. Stone advised this is a requirement of DENR.

Chairman J. Davis asked if this would remove the road or if it would just dead-end. Mr. Stone replied that the current plan is to relocate it.

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 – Transit Bus Insurance Proceeds

Council is requested to adopt a budget ordinance amending the 2016-2017 Budget Ordinance to appropriate funds in the amount of \$25,000.00 received from a transit bus insurance claim.

Eric Olmedo, Budget & Administrative Director, advised that one of the city's transit buses was involved in a minor accident in 2015. The city recently received a check and deposited it, but the Federal Transit Authority requires that insurance proceeds must go to future bus replacements. He explained that the city is now in the middle of purchasing new buses and now needs to appropriate these funds into the Transit Capital Projects Fund.

Chairman J. Davis asked what was happening with the fire truck that was recently involved in an accident and wanted to know if we would receive any insurance proceeds. Mr. Olmedo advised that they are working through the insurance procedure on that accident and shared that Chief Reid is working on obtaining a temporary rental fire truck for the estimated six months that the damaged truck will be out of commission.

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 Award – High Point Public Library Improvements – Phase II

Council is requested to award contract to WC Construction in the amount of \$1,805,000.00 for the construction of the High Point Public Library Improvements – Phase II.

Mr. Hemann advised that staff received five bids with the low bid being WC Construction in the amount of \$1,805,000.00. He referenced the list of six alternates that could possibly be added on in the future, but advised that staff is just asking for approval of the base bid only. He pointed out the base bid does include all the conduit work necessary for the project to allow the city to add these alternates without having to tear anything up to do future phases.

When this matter was discussed in the Prosperity & Livability Committee, no one seemed interested in the alternate bid for the fountain and agreed to remove this from consideration. The P & L recommendation was to approve the base bid. Mr. Hemann reminded Council that the city has received two state grants for the project totaling \$1.5 million. Chairman J. Davis asked if the \$1.8 million would keep within the budget or put us over. Mr. Hemann advised that it would keep us in budget as it is a multi-year budget and pointed out the purchase of the land came out of this. Chairman J. Davis asked if we have the \$1.8 million set aside to do the project now. Mr. Hemann noted that we had that and with the purchase of the land would require a budget amendment of \$306,000 to fully fund the contract that is before the committee and then with the next agenda item includes a \$400,000 budget transfer (which includes a \$94,000 contingency) although normally a project of this caliber would have a 10% contingency.

Chairman J. Davis wanted to know where the \$400,00 would come out of the General Fund. Mr. Olmedo advised that the proposal would come out of the General Fund Unappropriated Fund Balance and the city currently has approximately \$2.75 million above our 10 % policy.

Chairman J. Davis stated that Prosperity and Livability acknowledged that it was unanimous to spend the \$1.8 million and they are aware this is coming out of General Fund, but did not support the fountain. Committee Member Hill confirmed that they did nix the fountain and acknowledged that the other items would be beneficial, but they felt they could be added later. Committee Member C. Davis asked if they would revisit the fountain at a later date or if it was completely off the table and Committee Member Hill affirmed it was completely gone.

Mr. Hemann advised there was discussion in the Prosperity & Livability Committee regarding the clock tower and noted the lumens could possibly be changed without having to change the guts of the clock. He liked the idea of putting some plexi-glass behind it to tone it down. Chairman J. Davis shared that he gets more complaints about the clock tower than anything.

Committee Member C. Davis advised that she has also had a lot of phone calls about the clock tower and moving forward with Phase II of the Library Project, so she would not be supporting either one. Committee Member Hill added as reflected from Prosperity and Livability, looking back on when they originally approved the Library Project, it serves such a wide spectrum of the community and people clearly wanted it because they came out in droves to the meetings. She felt it was important that they finish what they started—especially since the funds are there.

Committee Member C. Davis questioned Council Member Hill's vote serving on both the Finance Committee as well as the Prosperity & Livability Committee and asked if she could vote on both. City Clerk Vierling pointed out the Committee's just make recommendations and don't actually approve items. Chairman J. Davis expressed how he did not support the library from the beginning because of the cost, but he is inclined to go ahead and support this as it is coming out of the General Fund and to finish what was started.

Chairman J. Davis then 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 2-1 vote with Committee Member C. Davis dissenting. [Committee Member Alexander was absent]

Note: due to Committee Member C. Davis' dissenting vote, this matter will appear on the Regular Agenda under the Finance Committee.

Budget Ordinance Amendment – High Point Public Library Improvements – Phase II

Council is requested to adopt a budget ordinance amending the 2016-2017 Budget Ordinance to appropriate funds in the amount of \$400,000 for the High Point Public Library Improvements, Phase II.

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 2-1 vote with Committee Member C. Davis dissenting. [Committee Member Alexander was absent]

Pending Item:

Comprehensive Fee Schedule - Public Services Department

Consideration of the proposed Comprehensive Fee Schedule for the Public Services Department of the City of High Point. Consideration of the proposed Comprehensive Fee Schedule for the Public Services Department of the City of High Point.

Chairman J. Davis moved to move this matter out of Pending and send it 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]

Judy Stalder (TREBIC), reported that she did meet with Public Services and had some in-depth discussions and their members felt that the fees were long overdue. She advised how they were shocked at the amount of the fee increase and once the staff explained they had not had a fee increase since 1997, then the amount of the increase made more sense. She strongly encouraged the City to implement fee increases on a regular basis so that it won't be such a "sticker shock."

She then advised that they discussed in the meeting about the plans that had already been approved. During the meeting, it had been discussed it would be allowed two years beyond their approval date. She noted that they would still maintain either two years from the approval date or at the current rate because that is what the bid on the property was and based on that would replace them. She also pointed out that if a subdivision expires, then they may bring it back to the current rate and if the subdivision plan is kept active, they are billed out and charged the current rate.

Chairman J. Davis asked what staff's thoughts were. Mr. Olmedo responded that part of their discussions centered around to increase the fees to 50% to July 1st and then to make the final amount to December 31st. He then discussed they would rather change it once and propose to change the effective date to January 1, 2018 as this would give the development community 11-12 months to adjust to that change. Chairman J. Davis felt this was reasonable and asked Ms. Stalder if TREBIC would be comfortable with this. Ms. Stalder noted she couldn't speak for the group without taking it before them, but felt it was reasonable.

Committee Member C. Davis reminded members of the Finance Committee that in speaking with former Council Members, the reason the fees had not increased was not lack of consideration, but it was used as a means of incentivizing development and recouping costs as taxes were paid. Chairman J. Davis noted as a builder/developer when subdivisions are developed, it is on their dime. He pointed out how this would effect a builder who is building a spec house or a house here and there like a house in the Core City and that was one of his concerns earlier. Again, he expressed, as a builder, if he is looking at a Core City lot that would probably be a deal breaker being there would not be a big profit margin. His other concern was Bank of North Carolina and the city's infill program, but believes that the City is accommodating them on the water/sewer taps. Mr. Hemann pointed out most of these would be existing sites and would already have water/sewer service.

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]

Ms. Stalder expressed her gratitude while working with staff and being able to explain to their members so that it was able to be resolved before it got out to the public.

Graffiti on the Radio Building

Committee Member C. Davis mentioned the graffiti recently displayed on the Radio building. Mr. Hemann stated staff was aware of this and has had conversations with the Police Chief and potentially some of it unfortunately was posted on FaceBook.

How are Business Owners on Main Street Faring?

Chairman J. Davis asked if anyone has reached out to owners on Main Street to see how their business has been since the construction. He heard that Jimmy's Pizza sales have been down \$2,000/per week because of the closure. Jeron Hollis, Director of Communications and Public Engagement, reported how his crew is out there every week and some of the businesses located outside of the project area have had concerns. He noted how what they have in place now and what they did not have in place then is a Small Business Center located in the library for businesses that need help for some of the basics for marketing. Some even go to the businesses for people outside of the project area which is free. He also mentioned how some of it is out of their control but, yet, they are still trying to do what they can to help those that are in need. Mr. Hollis believes things are progressing well.

There being no further business to discuss, the meeting adjourned at 4:22 pm

Respectfully submitted,

Maria A. Smith
Deputy City Clerk

James C. Davis, Chairman