



FINANCE COMMITTEE

Chaired by Council Member J. Davis

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

MAY 31, 2017 – 4:00 P.M.

3rd FLOOR CONFERENCE ROOM

MINUTES

Present:

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

Absent:

Committee Member Cynthia Davis

Staff Present:

Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; JoAnne Carlyle, City Attorney; Eric Olmedo, Budget & Administrative Manager; Jeron Hollis, Communications & Public Engagement Director; Terry Houk, Director of Public Services; Richard Fuqua, Affordable Housing Manager; Thanena Wilson, CD Administrator; Lee Tillery, Parks & Recreation Director; Jeff Moore, Director of Financial Services; Keith Pugh, Engineering Services Director; Robby Stone, Derrick Boone, Stormwater Superintendent; Public Services Assistant Director; Ryan Ferguson, Communications & Public Engagement Marketing Manager; Maria Smith, Deputy City Clerk and Lisa Vierling, City Clerk

News Media:

No News Media Present

Chairman J. Davis called the meeting to order at 4:01 p.m.

Contract Amendment - Hazen & Sawyer - Westside Wastewater Treatment Plant

Council is requested to approve an amendment to the Hazen & Sawyer contract in the amount of \$484,672.00 to include the additional duration of the construction of Phase 3 to the Westside wastewater Treatment Plant.

Terry Houk, Director of Public Services, reported this amendment modifies the 2004 original agreement by extending the scope of services of Hazen & Sawyer and the inspection costs for the end of the project, which is nine months past due. Staff recommends approval.

Chairman J. Davis was concerned how this would reflect the budget. Mr. Houk assured Chairman J. Davis there were enough funds in the budget and much of this would go back to liquidated damages.

Committee Member 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 C. Davis was absent]

Contract - Black & Veatch - Electrical Improvements - Ward Water Plant

Council is requested to approve an amendment to the Black and Veatch contract in the amount of \$225,000 for the electrical and HVAC improvements at the Ward Water Plant.

Mr. Houk explained the amendment to this contract is needed for Electrical HVAC improvements to the Ward Water Plant. He reported that during the engineering inspections they found problems with the SCADA System and some of the control PLCs. Staff recommends approval.

Chairman J. Davis inquired if this was currently in the budget and Mr. Houk confirmed it was.

Committee Member 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 C. Davis was absent]

Contact - Hazen & Sawyer - Water Master Plan

Council is requested to approve a contract with Hazen & Sawyer in the amount of \$204,000.00 for a water master plan to help determine service area needs and flow and pressure requirement in the current service area and future service areas.

Mr. Houk advised that money was budgeted for water/sewer master plan to update the 1988 and 1994 plans. He advised how it identifies the needs and projects for the budget requirements for the future service areas; fire flood demands and expansion capabilities. Staff recommends approval.

Chairman J. Davis questioned the timeframe for the master plan. Mr. Houk reported it would go out as far as 2030.

Committee Member 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 C. Davis was absent]

Contract Extension - McGill Environmental - Bio-Solids Hauling and Disposal

Council is requested to approve a contract extension to McGill Environmental in the amount of \$400,000 to dispose of bio-solids from the wastewater system via incineration for an additional six (6) months.

Mr. Houk advised that money was budgeted to upgrade the incinerator. Council made the decision to incinerate bio-solids instead of disposal by land application or hauling it away. During startup, the incinerator had a failure and took a long time to get the parts for it to get repaired. As a result, the contract to haul and to dispose the bio-solids was bid out and was awarded to McGill. After the incinerator was repaired, there was a second failure and at that time, the City decided to do an evaluation of the failures in order to determine future direction. Staff is recommending approval of the contract extension to McGill to cover hauling and disposal cost up to six months.

Chairman J. Davis inquired about how much has been spent on the incinerator repairs and asked if we would be able to resolve the issues causing the failures. Mr. Houk estimated \$20 million has been spent which includes engineering costs. City Attorney JoAnne Carlyle advised the resolution would probably come through litigation. Chairman J. Davis asked if it would involve redesigning the incinerator and expressed concerns that \$20 million has already been invested. Ms. Carlyle reported that the City has

hired some experts in this area to get additional information in order to make an educated decision. Mr. Houk advised that this preliminary information should be available by the end of June. Chairman J. Davis inquired about the procedure that other cities are using and Mr. Houk replied a lot of them use dryers and it would be only a matter of time before the dryer method would also fall under the same standards as the incinerators. He suggested continuing to use the incineration method and pointed out the air emissions test were perfect prior to the second failure.

Committee Member 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 C. Davis was absent]

Contract - Xylem Water Solutions, USA, Inc. - Flygt Water Pump - Waterview Lift Station

Council is requested to approve a sole source contract with Xylem Water Solutions USA, Inc. in the amount of \$39,321.25 for a Flygt pump for the Waterview Lift Station.

Mr. Houk noted this is a sole source purchase for an additional Flygt pump for the Waterview Lift Station. This upgrade will allow for a maximum service area for future development. Public Service is recommending that Council approve the sole source purchase of the additional Flygt pump.

Committee Member 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 C. Davis was absent]

Contract - D.H. Griffin Infrastructure, LLC - Bethel Drive Pump Station Replacement

Council is requested to approve a contract with D.H. Griffin Infrastructure, LLC in the amount of \$658,000.00 for the replacement of the Bethel Drive Pump Station replacement.

Mr. Houk advised that the City has budgeted for the replacement of the Bethel Drive Pump Station which is part of the overall upgrade of lift stations throughout the City. It needs to be replaced due to settling of the wet well and due to the age of the existing equipment. Staff recommends approval.

Committee Member 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 C. Davis was absent]

Contract - Yates Construction Company, Inc. - Southside Pedestrian Bridge

Council is requested to award a construction contract to Yates Construction Company, Inc., in the amount of \$209,186.00 for the construction of the Southside Pedestrian Bridge.

Chairman J. Davis questioned the cost of the bridge construction for \$300,000; staff noted the actual cost was \$209,000.

Keith Pugh, Engineering Services Director, explained that Community Development Housing approached Engineering Services about designing a multi-use path near Southside Recreation Center to connect to the neighborhood and the Fairview Elementary School. He advised the pedestrian bridge is only one element of the overall trail system.

Chairman J. Davis asked if there was any reason why we were pushing ahead with the bridge since the trail will not be completed right away. Affordable Housing Manager Richard Fuqua reported that there is access through the right-of-way currently, which is being used as a cut through. Pedestrians can walk on

both sides, but cannot cross over because of the creek. Mr. Fuqua advised the Urban Orchard is also part of the overall plan.

Committee Member Alexander felt this was a worthwhile project that has been discussed for a while and he felt the path would be well-used once the bridge is constructed.

Committee Member 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 C. Davis was absent]

Amended Lease Agreement - UNC-G/City of High Point - Southside Recreation Center

Council is requested to approve an amendment to the lease agreement between UNC-Greensboro and the City of High Point Parks and Recreation Department for space rental at the Southside Recreation Center.

Lee Tillery, Parks and Recreation Director, reported on the amendment to the 2015 lease between UNC-Greensboro and the City of High Point. He advised the original plan was to provide some services for the Youth/Family Community Partnership Program that has since gone away. Although they have not used the facility in a while, staff is recommending the contract be amended to allowed for some flexibility, a room, and office space should they need to do some programming.

Committee Member 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 C. Davis was absent]

City of High Point/Forsyth County - Tax Collection

Council is requested to authorize the appropriate City Official to execute an agreement between Forsyth County and the City of High Point for the collection of the 2017 and for the collection of 2016 and prior years' taxes by the Forsyth County Tax Administration office for areas of High Point located in Forsyth County.

Committee Member 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 C. Davis was absent]

City of High Point 2016-2017 Budget Ordinance and Related Documents

City Council is requested to adopt the FY 2017-2018 Budget Ordinance for the City of High Point and associated fee schedules.

Chairman J. Davis asked if there were any comments/recommendations from the Finance Committee for the proposed budget. Mr. McCaslin advised Chairman J. Davis that normally the proposed budget would be placed on the regular agenda. Chairman J. Davis shared that he would be voting in opposition to the proposed budget.

Other items:

Elite Performance Sports Group Committee

Chairman J. Davis mentioned the funds that were approved for Elite Performance Sports in next year's budget. However, the group has made another request for \$5,000 to help cover anticipated expenses for a program that they would have in mid-June since they would not have access to the \$5,000 that has been approved in the proposed 2017-2018 budget.

The group made a presentation before the Parks and Recreation Commission and asked for in-kind services, which staff agreed to. A discussion followed regarding whether this new request for \$5,000 would be in addition to the \$5,000 already approved. Committee Member Alexander stated that he did not approve of an additional \$5,000.

Chairman J. Davis asked Mr. Tillery to describe the program. Mr. Tillery explained that the City has several startup organizations like this one that are focused on travel sports. He advised that Parks and Recreation typically works with these organizations by providing in-kind services such as: use of equipment and possibly waiving or reducing the park rental fees. He reported that Elite Performance Sports has paid to use a lot of fields in the past. He further advised that he really did not know much more about their program other than what they presented at the Council meeting and the Parks and Recreation Commission meeting.

Chairman J. Davis shared that Parks and Recreation Commissioner Ed Price follows this organization and feels that it is a good program and that the City should be involved.

Chairman J. Davis asked Eric Olmedo, Budget & Administrative Manager, to reach out to Elite Performance Sports for clarification. Mr. McCaslin advised to keep as much of this in the nonprofit as possible, otherwise it would result in Council being inundated with all kinds of requests from other groups in the future.

Committee Member Alexander expressed concerns that this was done outside the nonprofit funding process and mentioned he heard some things that were troubling and that they were not specific about the needs. He agreed with Mr. McCaslin that they need to go through the nonprofit funding process.

There being no further business to come before the Committee, the meeting adjourned at 4:28 p.m. upon motion duly made and seconded.

Respectfully Submitted,

Maria A. Smith
Deputy City Clerk

Jim Davis, Chairman