



FINANCE COMMITTEE
Chaired by Council Member Moore
Members: Moore, Hudson, Ewing, and Jones
March 15, 2018 – 4:00 P.M.
3rd FLOOR CONFERENCE ROOM

MINUTES

Present: Chairman Britt Moore, and Committee Members Wesley Hudson, Jason Ewing, Victor Jones and Don Scarborough

Staff Present:

Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Eric Olmedo, Budget & Administrative Director; Jeff Moore, Director of Financial Services; Robby Stone, Assistant Director of Public Services, Derrick Boone, Assistant Director of Public Services; Trevor Spencer Project Engineer for Public Services; Garey Edwards, Director of Electric Utilities; Lee Tillery, Director of Parks and Recreation; Mark McDonald, Director of Transportation; Greg Venable, Transportation Planner; Angela Kirkwood, Director of Human Resources; JoAnne Carlyle, City Attorney; and Cynthia Duncan-Smith, Executive Assistant

Others Present:

Barry Kitley, Director of Special Projects for High Point University
Pat Kimbrough, High Point Enterprise

Chairman Moore called the meeting to order at 4:10 p.m.

Agenda Items:

Contract – Purchase of Steel Transmission Poles

City Council is requested to approve a contract awarding Bid No. 41 to Rohn Products in the amount of \$126,850.00 for the purchase of steel transmission poles.

Garey Edwards, Director of Electric Utilities, addressed the committee and stated that the purchase of these steel poles is necessary to replace the older wooden poles that are failing due to

weathering, insects and wood rot. The lifetime of a wooden pole is 5-10 years and the new steel poles will last 70-80 years.

Chairman Moore moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

Contract – Track Resurfacing – High Point Athletic Complex

City Council is requested to approve a contract with Dynamic Sports Construction in the amount of \$127,614.00 for the resurfacing of the track at the Aderholt Track and Field located at the High Point Athletic Complex (HPAC).

Lee Tillery, Director of Parks and Recreation, addressed the committee on this item. This is part of the track maintenance program providing for the resurfacing every 6 to 8 years depending on use and weather conditions and is in the capital improvement plan for this year. This is the low bidder and includes removal of the old track, cleanup and replacement of the track and pole vault area. This work is scheduled for June and July this year.

Chairman Moore asked how long the track will be out of use for this resurfacing and will it interfere with any of the competitions held at the complex.

Mr. Tillery stated it will take between 45 and 90 days to complete the track renovations, depending upon weather conditions. Most of the competitions are held in April and May.

Chairman Moore moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

Contract – Oak Hollow Pump Station Improvements

City Council is requested to approve a contract with Turner Murphy Company in the amount of \$484,595.00 for the installation of a variable frequency drive system (VFD) and associated improvements at the Oak Hollow Pump Station.

Derrick Boone, Assistant Director of Public Services, reviewed this matter for the committee. This pump is needed to pump raw water from the Oak Hollow Lake and the Arnold J. Koonce, Jr. City Lake to the water treatment plant. Staff will be able to control the pump based on demand for water. Currently the City is experiencing a lot of water waste and this will control the water flow to prevent future water waste.

Chair Moore asked if we use this type of pump anywhere else in the City.

Mr. Boone stated we do have this type pump at other pumping stations within the City.

Committee Member Ewing asked the life expectancy of this pump.

Mr. Boone stated between 10 and 15 years.

Committee Member Ewing moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

Capital Project Ordinance – Oak Hollow Pump Station Improvements

City Council is requested to adopt a Capital Project Ordinance in the amount of \$650,000 for the Oak Hollow Pump Station Variable Frequency Drive system.

Eric Olmedo, Budget & Administrative Director, addressed the Committee and advised that this is a Capital Project ordinance and will allow the staff to get started on the project and be reimbursed with the upcoming bond sale in late summer.

Chair Moore asked why the difference in contract amount of \$484,595.00 and the capital project ordinance amount of \$650,000.00.

Mr. Olmedo stated that it is in anticipated of engineering costs and any change orders that may be necessary.

Council Member Jones asked what happens if cost exceed the \$650,000 amount.

Mr. Olmedo explained that anything over the adopted ordinance amount will come back to City Council for approval.

Committee Member Jones moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Hudson made a second to the motion, which carried by a 4-0 unanimous vote.

NCDOT – Utility Construction Agreement – I-74/US 311 & NC 68 Interchange Improvements

City Council is requested to approve a Utility Construction Agreement between the North Carolina Department of Transportation (NCDOT) and the City of High Point in the amount of \$1,056,735.00 for utility construction costs associated with the upcoming NCDOT project for interchange improvements at I-74/US 311 and NC 68.

Trevor Spencer, Project Engineer for Public Services, stated this item and the next are upcoming Municipal Agreements with NCDOT necessary for the redesign of the I-74/US 311 and NC 68 interchange. This agreement is the relocation of the water and sewer utilities. The City of High Point owns the water and sewer utilities within the project area and therefore responsible for the relocation of these lines. NCDOT will perform this work and the City will reimburse the state per their reimbursement formula.

Committee Member Ewing asked the estimated time for this project and when will it begin.

Mr. Spencer stated the date for the bids to be opened will be in July.

Chair Moore asked about the traffic when this construction begins.
Deputy City Manager McCaslin stated it will be a traffic nightmare.

Committee Member asked how long the construction will take.

Mark McDonald, Director of Transportation, stated between 18 months and 2 years. Work will begin in late summer, August or September. A fair amount of the work will be done without interfering with the traffic but at some point, the interruption of the traffic pattern will be bad.

Committee Member Ewing moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Hudson made a second to the motion, which carried by a 4-0 unanimous vote.

NCDOT – Utility Preliminary Engineering Agreement – I-74/US 311 & NC 68 Interchange Improvements

City Council is requested to approve a Utility Preliminary Engineering Agreement between the North Carolina Department of Transportation (NCDOT) and the City of High Point in the amount of \$28,643.46 for a utility preliminary engineering costs associated with the upcoming NCDOT project for interchange improvements at I-74/US 311 and NC 68.

Trevor Spencer, Project Engineer, stated that this item is also for the I-74/US 311 NC 68 interchange design. This agreement is for the engineering costs for the design for the relocation of the water and sewer utility lines. The engineering design is being prepared by Davis Martin Powell. DMP is prequalified by the City of High Point and the City requested they perform the design for this project.

Jeff Moore, Director of Financial Services, addressed Council and stated that City Council doesn't usually see contracts of this small an amount, but NCDOT requires City Council approval of all Municipal Agreements, no matter the amount.

Chairman Moore moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

NCDOT – Municipal Agreement – Jamestown Bypass Construction

City Council is requested to approve a Municipal Agreement with the North Carolina Department of Transportation (NCDOT) and the City of High Point to acknowledge a Transportation Improvement Project for the Jamestown Bypass.

Mark McDonald, Director of Transportation, addressed the Committee on this item. This agreement is the State's documentation to the City acknowledging the project. The City owns the water and sewer utilities within the project area and therefore responsible for the relocation of the lines. NCDOT Utility agreements will come at a later date. This project will begin later this summer and be completed by 2022.

Committee Member Ewing moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

NCDOT – Utility Construction Agreement – Jamestown Bypass

City Council is requested to approve a Utility Construction Agreement between the North Carolina Department of Transportation (NCDOT) and the City of High Point in the amount of \$205,411.00 for utility construction costs associated with the upcoming NCDOT Jamestown Bypass project.

Trevor Spencer, Projects Engineer, advised the Committee that this is the NCDOT Utility Construction agreement for this project. The City owns the water and sewer utilities that will be affected by this construction project, therefore responsible for the relocation of the utility lines. Utilities are in the NCDOT right of way but the City's easement. The construction costs are estimated to be \$205,411.00. All work will be done by the NCDOT construction contractor.

Committee Member Ewing asked about the timeline for the project.

Mr. Spencer stated that the bids will be opened in June and construction will begin in the Summer of 2018 and completion in 2022.

Chairman Moore moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Ewing made a second to the motion, which carried by a 4-0 unanimous vote.

NCDOT – Utility Preliminary Engineering Agreement – Jamestown Bypass

City Council is requested to approve a Utility Preliminary Engineering Agreement between the North Carolina Department of Transportation (NCDOT) and the City of High Point in the amount of \$10,572.35 for utility preliminary engineering costs associated with the upcoming NCDOT Jamestown Bypass project.

Trevor Spencer, Projects Engineer, also addressed the Committee on this NCDOT project. This agreement is for the utility engineering for the Jamestown Bypass. The utility design will be performed by Davis Martin Powell Associates, which is an approved professional service firm with NCDOT and an approved on-call engineering services firm with the City of High Point.

Chairman Moore moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

NCDOT – Municipal Agreement – James Road Sidewalk Improvements

City Council is requested to approve a Municipal Agreement between the North Carolina Department of Transportation (NCDOT) and the City of High Point for Congestion Mitigation & Air Quality (CMAQ) funding to construct sidewalk and transit improvements on James Road.

Greg Venable, Transportation Planner addressed the Committee on this Municipal Agreement to provide for sidewalk and transit improvements on James Road. These funds are from the

Congestion Mitigation & Air Quality (CMAQ) which is a Federal program that funds transportation projects in air quality non-attainment and maintenance areas to help achieve and maintain national standards for air quality pollutants. High Point submitted this project for consideration and was awarded funding by the High Point MPO and NCDOT. The cost of the project to NCDOT is \$197,000 which is 80% of the total project cost. The city will be responsible for the remaining 20% which is \$49,400.00. All of North Carolina is in the non-attainment status. Walking is better than driving.

Committee Member Ewing asked how these areas are identified.

Mr. Venable stated that install air quality monitors through the city(s).

Committee Member Ewing moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

Budget Ordinance Amendment – CMAQ Funds – James Road Sidewalk Improvements

City Council is requested to adopt an Ordinance amending the 2017-2018 Budget Ordinance to recognize North Carolina Department of Transportation (NCDOT) CMAQ funds in the amount of \$197,600.00 for the James Road Sidewalk improvements.

Eric Olmedo, Budget & Administrative Director, stated that this Budget Ordinance Amendment is needed to allow the City to recognize \$197,600 in grant fund revenue and to place \$49,000 in the budget for this project which will come from the 2004 General Obligation Intersection Improvement Bond Fund.

Chairman Moore moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Ewing made a second to the motion, which carried by a 4-0 unanimous vote.

Authorize Write-off of Delinquent Utilities Accounts Receivables

City Council is requested to authorize the Financial Services Director to write-off \$667,077 for original billings from the fiscal year 2012-2013 and to write off \$1,308,653 for original billings from fiscal year 2013-2014.

Jeff Moore, Director of Financial Services, gave an overview of this item. Bob Martin, Director of Customer Services, gave a presentation recently to Council on the background of the delinquent utilities account receivables and why the balances have increased over the past ten years. Although these amounts are being written off the City's accounting records, efforts will continue to collect these debts.

Committee Member Ewing moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

Authorize Write-off of Delinquent Miscellaneous Accounts Receivables

City Council is requested to authorize the Financial Services Director to write-off \$44,256 for prior years' original billings through the fiscal year 2013-2014.

Jeff Moore, Director of Financial Services, stated this is the same process as the previous matter when staff is unable to collect miscellaneous accounts receivables. The amount being asked to write off for the period of 2013-2014 is \$44,256.

Committee Member Ewing moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

FY2017-2018 - Financial and Compliance Audit Contract

City Council is requested to approve the attached Contract to Audit Accounts and related engagement letter with Cherry Bekaert LLP for the completion of financial and compliance audit services for the fiscal year July 1, 2017-June 30, 2018 in the amount of \$71,000.

Jeff Moore, Director of Financial Services reviewed this matter with the Committee. This is a staff recommendation but this is one of the few statutory duties of City Council which is to engage an auditor for the City's finances. This is year four of a four-year contract. Council can then decide to either rebid or extend the contract later this year.

Committee Member Ewing asked when the decision needed to be made to rebid or renew.

Mr. Moore advised that we don't usually need to begin that conversation until the wrap of an audit. It generally takes about 90 days to go through the rebid process.

Deputy City Manager McCaslin responded that usually early fall gives enough time to decide on rebid or renew the contract.

Chair Moore asked if staff has been pleased with this company's performance.

Mr. Moore stated that staff has been pleased and the previous City Council was also.

Committee Member Ewing moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Jones made a second to the motion, which carried by a 4-0 unanimous vote.

Resolution – Stadium Exclusive Use Area Lease Agreement

City Council is requested to adopt a Resolution approving an Exclusive Use Area Lease Agreement between the City of High Point, High Point Baseball, Inc. and High Point Downtown Stadium Foundation.

Randy Hemann, Assistant City Manager, addressed the Committee on this matter. On January 31, 2018, City Council approved a 20-year Use and Operating Agreement which governs the construction and management of the stadium. The agreement states that the Exclusive Use Areas and those areas of the stadium reserved for the exclusive use of the Team and Operator for the

locker rooms and management operations be identified. This is a 10-year lease and the annual rental rate is \$14.00 per square foot on the areas set aside for the exclusive use of the Team and Operator.

Chair Moore asked how the \$14 per square foot was determined and are we satisfied with that figure.

Mr. Hemann replied that everyone is satisfied with the rate and it is determined by the Market rate.

JoAnne Carlyle, City Attorney stated that the market rate does not lock us in on the amount determined.

Committee Member Jones moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Ewing made a second to the motion, which carried by a 4-0 unanimous vote.

Budget Ordinance Amendment – Library Plaza Project

City Council is requested to adopt an amendment to the City of High Point 2017-2018 Budget to transfer funds in the amount of \$50,192 from the Library Grant Fund to the General Capital Projects Fund for the High Point Library Project.

Eric Olmedo, Budget and Administrative Director, stated that this budget ordinance is needed to transfer funds from the State Aid Library grant fund to the general capital project to allow for the addition of six electric pedestals for the food truck area of the community gathering space at the Library.

Randy McCaslin, Deputy City Manager, stated that this was originally taken out of the contract because the bid was too high, however, it needs to be done with construction that is going on now. These pedestals are needed to prevent food trucks from using generators for the food service.

Committee Member Ewing moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Hudson made a second to the motion, which carried by a 4-0 unanimous vote.

Budget Ordinance Amendment – High Point Community Foundation – Children’s Museum

City Council is requested to adopt a Budget Ordinance amending the 2017-2018 Budget to appropriate funds in the amount of \$100,000 received from the High Point Community Foundation as a pass-through grant for the Nido & Mariana Qubein Children’s Museum.

Jeff Moore, Director of Financial Services, addressed the Committee in reference to this matter. The City has been asked to facility the startup of the Children’s museum while the Children’s Foundation is in the process of getting final tax determination from the IRS on the 501(3)(c) status. This will be set up as a Special Grants Fund and a one-time expense. It can take four to six months to receive tax determination from the IRS.

Barry Kitley, Director of Special Projects for High Point University, advised that the paper work has been filed with the IRS for tax status.

Chairman Moore moved that this matter be forwarded to the City Council with a favorable recommendation. Committee Member Ewing made a second to the motion, which carried by a 4-0 unanimous vote.

There being no further business to come before the Finance Committee, the meeting adjourned at 4:41 p.m. upon motion duly made and seconded. All items will appear on the Consent Agenda for the Monday, March 19th City Council Meeting.

Respectfully Submitted,

Cynthia C. Duncan-Smith
Executive Assistant

Britt Moore, Chairman