



## **FINANCE COMMITTEE**

*Chaired by Council Member Moore*

*Members: Moore, Hudson, Ewing, and Jones*

**August 2, 2018 – 4:00 P.M.**

**Third Floor Lobby Conference Room**

### **MINUTES**

**Present:** Chair Britt Moore: Committee Members: Wesley Hudson, Victor Jones and Jason Ewing

**Staff:** Randy McCaslin, Deputy City Manager; Gary Smith, Director of Fleet Services; Chris Blackwell, Fleet IS Specialist; Gary Smith, Fleet Services Director; Jeron Hollis, Community and Public Engagement Director; Jeff Moore, Financial Services Director; Terry Houk, Public Service Director; Robby Stone, Public Service Assistant Director; Trevor Spencer, Public Service Projects Engineer; Lee Tillery, Parks and Recreation Director and Sandra Keeney, Deputy City Clerk

**News Media:** Pat Kimbrough, High Point Enterprise

*Chairman Britt Moore called the meeting to order at 4:00 p.m. and welcomed everyone to the first Finance Committee of the new Budget year.*

FINANCE COMMITTEE - Council Member Moore, Chair  
*Committee Members: Moore, Hudson, Ewing, and Jones*

#### **2018-271      Contract - Purchase of Equipment - Asphalt Patch Truck**

City Council is requested to award a contract to Carolina Industrial Equipment in the amount of \$214,832.00 for the purchase of a 2018 Freightliner with a Bergkamp Asphalt Patch truck for use by the Streets Division of the Public Services Department; and declare the old patch truck as surplus and disposing through the online auction process.

*Gary Smith, Director of Fleet Services, advised that this is a 10-year old patch truck that is used in the Streets Division and is scheduled for replacement. He explained maintenance costs have continued to increase on this piece of equipment and staff believes the patch truck is at the end of its useful life. The one that is being used currently heats the asphalt with LP gas; however, the new one will have electric heat patch material, which is a better design with less waste. Staff is recommending approval of the purchase of the 2018 Freightliner with a Bergkamp Asphalt Patch truck, and to declare the old truck as surplus to be sold on the online auction. It is anticipated that the old one will bring in about \$40,000-\$50,000.*

**A motion was made by Committee Member Jones, seconded by Committee Member Hudson, that this Contract be recommended for approval to the City Council and placed on the consent agenda for the August 6, 2018 meeting. The motion PASSED by a 4-0 unanimous vote as follows:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-272 Contract - Purchase of Equipment - Knuckleboom Truck**

City Council is requested to award a contract to Amick Equipment in the amount of \$153,778.85 for the purchase of a Freightliner M2 with a Petersen knuckle boom loader body for use by the Environmental Services Division of the Public Services Department; and declare the old truck as surplus and disposing through the online auction process.

*Chris Blackwell, Fleet IS Specialist, reported that staff is recommending replacement of this truck due to high mileage and an increase in maintenance costs. The old truck will be declared surplus and sold through the online auction process.*

*Chairman Moore asked the methodology that staff uses to make the determination as to when these vehicles/equipment need to be replaced. Gary Smith, Fleet Services Director, explained that it is based on a fleet replacement schedule that is reviewed annually by staff.*

*Committee Member Ewing inquired about the benefits of purchasing these vehicles as part of the Sheriff's Department Association contract. Fleet Services Director Gary Smith explained it not only results in a cost savings due to getting a volume discount, but it also means quicker delivery.*

**A motion was made by Chairman Moore, seconded by Committee Member Jones, that this matter be recommended for approval to the City Council and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following 4-0 unanimous vote:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-273 Contract - Purchase of Equipment - Landfill Compactor**

City Council is requested to award a sole source contract to CMI Roadbuilding, Inc., in the amount of \$792,550 for the purchase of a CMI Model TM11-T3 Trashmaster (Landfill Compactor) for use by the Landfill Operations Division of the Public Services Department.

*Fleet Services Director Gary Smith advised that staff has used several thousands of dollars' worth of parts from the 2010 Terex that was purchased in 2014. He noted that staff did search to see if there might be a used piece of equipment out there but could not locate any for sale. The new piece of equipment is \$792,500 and the vendor has agreed to give the City \$12,500 for what is remaining of it. The scrap metal value for the equipment is estimated around \$10,000. Mr. Smith reported that the vendor would park the old one at the landfill and plans on using the remaining parts from it. He further explained that for the vendor to move the equipment, it would require a permit from the State. Due to the enormous size of the equipment, they would not be able to move it immediately.*

*Committee Member Ewing inquired about the life expectancy and was advised that this type of equipment generally has a useful life of 6-8 years. Chairman Moore asked how much it*

*costs for the freight on delivery of the equipment. Mr. Smith explained it is a turn-key purchase and he did not have a breakdown.*

**A motion was made by Committee Member Hudson, seconded by Committee Member Moore, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-274      Contract - Purchase of Equipment - Tandem Axle Dump Trucks (2)**

City Council is requested to award a contract with Piedmont Truck Center in the amount of \$252,180.00 for the purchase of two (2) 2019 Western Star tandem axle trucks with dump bodies for use by the Water & Sewer Mains Division of the Public Services Department; and declare the old trucks as surplus and disposing through the online auction process.

*Chris Blackwell, Fleet IS Specialist, advised that these trucks are also part of the NC Sheriff's Contract. Both trucks are about 10 years old and have reached their useful life. Maintenance has increased over the last few years as well. He explained that the old trucks have manual transmissions and the new ones are automatic, which will make it easier for the crews to drive. Both older, used trucks will be declared surplus. It is anticipated that the old trucks will bring in approximately \$30,000 to \$40,000 through the online auction process.*

**A motion was made by Committee Member Ewing, seconded by Committee Member Jones, that this matter be recommended for approval to the City Council and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following 4-0 unanimous vote:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-275      Contract - Blythe Construction, Inc. - Asphalt for City Wide Use**

City Council is requested to award a contract to Blythe Construction, Inc., in the amount of \$450,000.00 to provide asphalt to city crews when performing maintenance functions throughout the City.

Robby Stone, Assistant Director of Public Services, reported that this contract is for asphalt to be used by city crews for repairs for smaller paving projects. Blythe was the lowest bidder and staff is asking for Council approval of the contract award to Blythe Construction for an amount up to \$450,000.00.

**A motion was made by Chairman Moore, seconded by Committee Member Ewing, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-276      Contract (Change Order 1) - Construction Manager at Risk (CMAR)**

Council is requested to approve Change Order No. 1 to the contract with Garney Companies, Inc., (Construction Manager At Risk) for improvements for water, sewer and stormwater improvements in the downtown area adjacent to the catalyst project, in the amount of \$3,265,862.13.

*Deputy City Manager Randy McCaslin reminded the Committee that the City Council approved the Construction Manager at Risk (CMAR) contract in an earlier meeting; however, the next step in the process was to get the plans done and take the bids based on the partial completion of those plans. He noted that it does treat this as a Change Order, but it is the second phase of the whole process.*

*Robby Stone, Assistant Director of Public Services, further advised that Garney Construction was selected by the City Council as the CMAR previously and noted this is change order is for the installation of the water/sewer and stormwater improvements on Elm Street as part of the catalyst project. Staff is asking for Council's approval of this change order in the amount of \$3,265,862.13.*

*Mr. McCaslin further added that this is for replacement of obsolete water/sewer and stormwater lines that are more than 100 years old in some locations. He explained that money is included in the budget annually for replacement of obsolete lines. He clarified that this does not include the electrical and that would be bid out separately. The electrical was included in the original bid with the water/sewer and stormwater; however, because the bid came in five times higher than what was estimated, staff decided it would be best to separate the electrical duct work from the water/sewer and stormwater work. The City will use its own crews and/or Pike Electric to complete the electric duct work for the project and it was noted that this would be done through the contract that the City already has with Pike Electric. Mr. McCaslin advised that the materials needed for the project have already been purchased and it would just be the cost for Pike's time, which is already included in the budget.*

*Committee Member Ewing asked for clarification that none of this would be taken out of the actual downtown mixed-use project and staff replied that was correct.*

**A motion was made by Committee Member Ewing, seconded by Committee Member Jones, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:**

Aye (4):            Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-277      Professional Engineering Services - Construction Management - Hazen & Sawyer**

City Council is requested to approve a Professional Engineering Services Agreement with Hazen & Sawyer in the amount of \$214,329.00 for construction management for the water, sewer and stormwater improvements to be installed on North Elm Street adjacent to the Catalyst project.

*Derrick Boone, Assistant Public Services Director, reported this is to perform construction management for the N. Elm Street utility street project that was associated with the previous item. This is a 170-day project schedule which will include night and weekend work and requires a project manager on-site. Staff is recommending award of the contract to Hazen & Sawyer in the amount of \$214,329.00. It is anticipated that the project will be completed sometime in January 2019.*

**A motion was made by Chairman Moore, seconded by Committee Member Jones, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-278      Agreement for Services - MobileDoc**

Council is requested to approve an Agreement for Services contract to MobileDoc in the amount of \$144,000.00 for medical services (on-site physicals) for Fire and Police Department employees.

*Fire Chief Tommy Reid reported that his department has been using MobileDoc for many years for physicals. He noted that the Police Department has now come on board, which put the cost over the threshold as required by the State Statutes. The Fire Department was advised by the Finance Department of the need to combine physicals for both departments (Fire and Police) and because of this the additional number of physicals results in an amount over the \$100,000 threshold. Chief Reid advised that comprehensive physicals conducted by a certified physician are required for both the fire and police departments.*

Committee Member Ewing asked if there could be an offset from CIGNA on these physicals since CIGNA offers annual physicals as part of the City's insurance program. Chief Reid replied that this had been discussed in the past and a determination was made that it is illegal to bill an insurance company for something that the job requires the City to provide.

A motion was made by Committee Member Ewing, seconded by Committee Member Jones, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-279      Budget Ordinance Amendment - High Point Community Foundation**

City Council is requested to adopt an amendment to the City of High Point Budget Ordinance to appropriate funds in the amount of \$150,000.00 received from the High Point Community Foundation pass through grant for the Nido and Mariana Qubein Children's Museum Board.

*Eric Olmedo, Budget & Administrative Director, advised that a budget amendment is required for a pass-through grant in the amount of \$150,000.00 that was received from the Community Foundation which will be passed through to the Nido and Mariana Qubein Children's Museum Board. Mr. Olmedo further explained that the Community Foundation can only remit funds to a non-profit and because the 501(c)3 non-profit certification for the Nido and Mariana Qubein Children's Museum Board is still in process, the money must be passed through the City of High Point.*

**A motion was made by Chairman Moore, seconded by Committee Member Ewing, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-280      Resolution - Declaration of Surplus Property - Police Canine**

The High Point Police Department is requesting that City Council declare Canine Orko as surplus property and adopt a Resolution approving the sale of personal property by private negotiations and sale pursuant to N.C.G.S. 160A-266.

*Deputy City Manager Randy McCaslin reported that Canine Orko was purchased for \$10,000 on June 5, 2018 to serve as a dual-purpose canine to perform narcotics detection and apprehension work. However, when Orko arrived in High Point, canine trainers began working with Orko and discovered that Orko would not perform the necessary tasks that he was purchased for. Staff is requesting that Orko be declared surplus and sold. Mr. McCaslin advised that a local individual has offered to replace Orko with a locally trained dog.*

*Chairman Moore questioned the initial assessment that was conducted on Orko and suggested the possibility of finding more local people to work with for future canine purchases and training.*

**A motion was made by Committee Member Jones, seconded by Chairman Moore, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-281      Resolution - Lease Agreement - City Owned Property**

City Council is requested to adopt a Resolution approving a lease agreement for city-owned property located at 131 1-D James Road.

*Deputy City Manager Randy McCaslin advised that several months ago the City Council approved a lease for a city employee to move into a city-owned property; however, once the employee moved, issues were discovered with the structure and it has now been determined that the structure should be demolished. The City has offered another city-owned property to the employee at the same lease rate as the previous property. It was noted that since this property was purchased through the Community Development federal program, the rent will go back into the Community Development budget as project revenue.*

**A motion was made by Chairman Moore, seconded by Committee Member Ewing, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:**

Aye (4): Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**2018-282      Contract Renewal - CIGNA - Employee Health Care**

City Council is requested to authorize the City Manager to execute a twelve-month (12) contract with CIGNA Healthcare for health and dental care coverage for city employees effective January 1, 2019 - December 31, 2019.

*Deputy City Manager Randy McCaslin advised that this matter will be removed from the agenda and would be brought back at the next meeting.*

**2018-283      Contract - Compensation Claims Solutions (CCS) - Workers' Compensation Program**

Council is requested to extend the contract with Compensation Claims Solutions (CCS) for a two (2) year period in the amount of \$60,900.00 per year for a total of \$121,800 to provide third party workers' compensation claims administration. This two-year contract will begin September 1, 2018 - August 31, 2020.

*Angela Kirkwood, Director of Human Resources, reported this is an extension of the city's workers comp administration with a 3rd party administrator, Compensation Claims Solutions. She noted it would be a two-year contract extension for the period of September 1, 2018 through August 31, 2020 at \$60,900 per year for a total amount of \$121,800 for both years. Staff has been satisfied with Compensation Claims solutions and is recommending approval.*

Committee Member Ewing asked if this is bid out to ensure competitive rates. Ms. Kirkwood replied it is and noted the last time it was bid out was in 2016.

**A motion was made by Committee Member Ewing, seconded by Committee Member Hudson, that this matter be recommended to the City Council for approval and placed on the consent agenda for the August 6, 2018 meeting. The motion carried by the following unanimous 4-0 vote:**

Aye (4):            Chairman Moore, and Committee Members Hudson, Jones, and Ewing

**PENDING ITEMS****2018-169      Amendment to License Agreement - Cingular Wireless PSC, LLC (AT&T)**

City Council is requested to approve an Amendment to the License Agreement with Cingular Wireless PCS, LLC (AT&T) which allows the location of communication equipment at the City's Ward Water Plant; and authorize the City Manager to execute the agreement.

*Note: This matter was initially heard before Council on May 21, 2018 and action was taken at that time to refer it to the Finance Committee for further discussion.*

**ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:38 p.m. upon motion duly made and seconded.

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Britt W. Moore, Chairman

Attest:

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Lisa B. Vierling, MMC  
City Clerk