



FINANCE COMMITTEE

Chaired by Council Member Moore

Members: Moore, Hudson, Ewing, and Jones

March 14, 2019 – 4:00 p.m.

3rd Floor Lobby Conference Room

Present: Committee Member Jason Ewing, Committee Member Wesley Hudson, and Committee Member Victor Jones

Absent: Chairman Britt Moore

In the absence of Chairman Moore, Committee Member Ewing chaired the meeting.

Staff Present:

Randy Hemann, Assistant City Manager, JoAnne Carlyle, City Attorney; Meghan Macguire, Assistant City Attorney; Eric Olmedo, Managing Director; Terry Houk, Director of Public Services; Robby Stone, Assistant Director of Public Services; Nawfal Shujaa, Public Services Project Engineer; Garey Edwards, Director of Electric Utilities; Bobby Fitzjohn, Director of Financial Services; Laura Altizer, Senior Budget Analyst; Roslyn McNeill, Budget Analyst; Dave Briggs, Theatre Director; Mary Sizemore, Library Director; Kim Thore, Right-of-Way Coordinator; and Lisa Vierling, City Clerk

Others Present:

David Willett, Resident
Thad Juszczak, Resident

News Media Present:

Pat Kimbrough, *High Point Enterprise*

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

2019-91 Contract - Security Services for High Point Public Library - United American Security

City Council is requested to approve a three-year contract effective April 1, 2019 ending March 31, 2022 with United American Security in the amount of \$78,631.02 annually to ensure safety of staff and customers and assist in enforcing the library's code of conduct. Contract will have the option to renew for two additional one-year periods if terms and pricing are agreeable to both parties.

Mary Sizemore, Director of Library Services, advised that the Library has contracted with the same security company over the last ten years. Bids were submitted for security services in conjunction with the Library and the Electric Department. The low bidder was United American Security, who had glowing references. Ms. Sizemore noted the amount was a slight increase over what the city is currently paying, and staff is recommending approval of award of the contract to United American Security in the amount of \$78,631.02 for security services.

A motion was made by Acting Chairman Ewing, seconded by Committee Member Hudson, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-92 Contract - Security Services for Municipal Operations Center (MOC) - United American Security

City Council is requested to approve a three-year contract effective April 1, 2019 ending March 31, 2022 with United American Security in the amount of \$82,049.76 annually for security services at the Municipal Operations Center (MOC). Contract will have the option to renew for two additional one-year periods if terms and pricing are agreeable to both parties.

Garey Edwards, Director of Utility Services, reported that bids for security services were received in conjunction with the Library and staff is recommending award of the contract for security services to United American Security in the amount of \$82,049.76. He noted the security guard would be housed in the guard shack coming into the entrance of the property and would routinely walk guard over the equipment area, as well as monitor cameras on the property.

A motion was made by Committee Member Hudson, seconded by Committee Member Jones, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-93 Contract - Chemtrade Chemicals US - Liquid Aluminum Sulfate

City Council is requested to approve a three-year contract with Chemtrade Chemicals US, LLC in the amount of \$423,984.00 annually for the purchase of Liquid Aluminum Sulfate used at Ward Water Treatment Plant for coagulation; Eastside and Westside Wastewater Treatment plants used for phosphorous control.

Terry Houk, Director of Public Services, reported this chemical is used at the City's Water and Wastewater Treatment Facilities for treatment processes. Bids were received on March 6, 2019 with Chemtrade Chemicals US LLC being the low bidder at \$264 a ton. Staff is recommending award of the annual contract to Chemtrade Chemicals Us LLC in the amount of \$423,984. Mr. Houk advised the contract would be awarded for a three (3) year period with an option to renew for two additional one-year periods.

Acting Chairman Ewing inquired about how this cost compares to previous costs for this chemical. Mr. Houk replied it is about \$20 a ton more and added that the contract is renewable by agreement with both parties with no changes on the base pricing.

A motion was made by Committee Member Hudson, seconded by Committee Member Jones, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-94 Change Order - Gatewood Avenue Utility Replacement-Samet Corporation

City Council is requested to approve a change order with Samet Corporation in the amount of \$648,194 to replace utility lines (water, sanitary sewer and storm water improvements) on Gatewood Avenue between N. Elm Street and Lindsay Street.

Terry Houk, Director of Public Services, advised that staff is recommending approval of this change order with Samet Corporation in the amount of \$648,194 to replace utility lines (water, sanitary sewer and storm water improvements) on Gatewood Avenue between N. Elm Street and Lindsay Street. Mr. Houk advised that Samet was utilized for Gatewood Avenue as they were already mobilized in the area for work they were performing for the Multi-Use Stadium Project.

Acting Chairman Ewing asked if this work was in the project scope for the original plans. Mr. Houk replied that it was for Public Services, but that it was not in the initial contract with Samet.

A motion was made by Acting Chairman Ewing, seconded by Committee Member Hudson, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-95**Contract - WK Dickson & Co. - Ray Street/Hospital Area Stormwater Study & Preliminary Design**

City Council is requested to approve a contract with WK Dickson & Co. in the amount of \$690,189.00 for a stormwater improvement project study and preliminary design improvements to address excessive flooding at Ray Street and the hospital area.

Terry Houk, Director of Public Services, advised that staff has been working on stormwater repairs and upgrades in this area for quite a few years. He reported that the preliminary analysis has been performed to identify the optimal solution for this project. Public Services is asking for Council's approval of the change order to the Samet Corporation contract in the amount of \$648,197.00 to replace utility lines (water, sanitary sewer and storm water improvements) on Gatewood Avenue between N. Elm Street.

Acting Chairman Ewing asked how many firms are on the on-call list and if the scope of work for this project went out to all the firms. Mr. Houk replied there are 24 firms that were selected to be placed on the on-call list and explained that the purpose of having the on-call list was a matter of speeding up the process and tapping into the qualifications from firms that have already been vetted.

Randy Hemann, Assistant City Manager, pointed out this is in the area of the stadium and noted because of the Brownfields Agreement, groundwater under the stadium is collected and treated, so the stadium actually catches more groundwater and improves the situation due to a reduction in the actual impervious surface.

Acting Chairman Ewing advised that he and Finance Committee Chairman Moore did discuss this matter and concerns were raised regarding spending \$648,194.00 on a study that's not a competitive bid process. He felt it could lead to a perception of favoritism for staff to make a recommendation on who they are comfortable with versus which firms might do it for the best price.

Mr. Houk explained nothing precludes staff from doing a separate Request for Proposal, and reiterated they opted not to do that because the purpose of having the on-call list is to speed up the process. He pointed out there are several firms on the list that are currently doing stormwater projects and staff does try to make equal and fair selections.

Acting Chairman Ewing asked about the impact to the project if competitive bids are received and Mr. Houk indicated it would prolong it at least 60 days.

Robby Stone, Assistant Director of Public Services, added that this firm came in and did the initial study in the same area and staff looked at recommendations from the 2003-2004 stormwater recommendation and projected the potential cost to be in the \$15 million range. This engineering firm looked at all of these recommendations, as well as the high-level areas as far as where the problem areas were and where the flooding was occurring. They also looked at some options to reduce flooding in this area to ensure that it was not increasing or adding any water and came back with two alternatives that were roughly half price from the cost initially projected. Mr. Stone explained this study

will reveal a more detailed survey and allow crunching some more stormwater numbers that will be evaluated in various programs to assure this is the best option to help control flooding in this area.

Acting Chairman Ewing suggested forwarding this matter to the City Council without a recommendation, so it could be further discussed by the full Council. Committee Member Hudson objected and explained this defeats the whole purpose of the prequalification process for using on call services.

A motion was then made by Acting Chairman Ewing, seconded by Committee Member Jones, that this matter be forwarded to the City Council without a recommendation and placed on the March 18, 2019 Regular Agenda for further discussion. The motion carried by the following unanimous 2-1 vote:

Aye (2): Acting Chairman Ewing and Committee Member Jones

Nay (1): Committee Member Hudson

Absent (1): Chairman Moore

2019-96 Contract - Breece Enterprises, Inc. - Water & Sewer Mains Division Emergency Repair

City Council is requested to approve a change order to the Breece Enterprises Inc. contract in the amount of \$200,000.00 for water and sewer emergency repairs. Total contract amount after change order: \$602,360.00.

Terry Houk, Director of Public Services, reported that the city awards an annual contract to assist staff in emergency repair of water and sanitary sewer utilities. The contract for these emergency repairs was awarded to Breece Enterprises, Inc. on July 16, 2018; however, these funds have been expended and staff is requesting a change order to the original contract in the amount of \$200,000 to take care of any water/sewer emergency repairs that might occur from now to the end of the fiscal year.

A motion was made by Committee Member Jones, seconded by Committee Member Hudson, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-97 Contract - Samet Corp - CMAR RFQ 30-022719 - HPPD Headquarters

City Council is requested to approve a contract with Samet Corporation as the construction Manager at Risk (CMAR) for the new HPPD Headquarters and Communications Center located at 1730 Westchester Drive and approval for the city to negotiate terms for this contract.

Randy Hemann, Assistant City Manager, reported that proposals were received on February 27, 2019 to provide CMAR professional services for the additions and renovations to the new Police Department Headquarters and Communications facility. Six proposals were received and the selection/evaluation committee chose the following three firms to interview: Samet; Edifice; and Branch. The committee is recommending approval of a contract with Samet Corporation as the CMAR for the new High Point Police Department Headquarters and Communications Center located at 1730 Westchester Drive.

A motion was made by Committee Member Hudson, seconded by Committee Member Jones, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-98 Ordinance - Budget Amendment - High Point Theatre

City Council is requested to adopt an ordinance amending the 2018-2019 Budget Ordinance to appropriate funds from additional revenue for the High Point Theatre in the amount of \$60,000.00.

David Briggs, Theatre Director, reported that the High Point Theatre has had an extremely successful year with 37 more ticketed events this year. He advised these additional events are projected to earn an additional \$161,000 in revenue and with the additional events scheduled, there are increased expenditures for labor/crew costs, concessions, and advertising. Staff is requesting approval of a budget amendment recognizing \$60,000 of the anticipated additional revenue to be used for expenses related to additional programming, advertising and facility costs.

A motion was made by Committee Member Jones, seconded by Committee Member Hudson, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-99 Budget Amendment - High Point Community Foundation- Pass Through Grant

City Council is requested to adopt an ordinance amending the 2018-2019 Budget Ordinance to appropriate funds in the amount of \$226,000 received from the High Point Community Foundation as a pass-through grant for High Point Baseball Inc.

Eric Olmedo, Managing Director, advised a budget amendment is needed to appropriate funds for a pass-through grant received from the High Point Community Foundation,

which will be passed through to the High Point Baseball, Inc. for capital team expense purposes.

A motion was made by Acting Chairman Ewing, seconded by Committee Member Jones, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-100 Resolution - Sale of City Owned Property - 3806 Waterview Road

City Council is requested to adopt a resolution authorizing the sale of city owned property located at 3806 Waterview Road in the amount of \$110,000 through the upset bid procedure.

Kim Thore, Right-of-Way Coordinator, explained this is the last remnant of property that the city obtained in 1975 from an old residential subdivision plat. She pointed out there is an encroachment of a structure (garage) from the property owner to the south which prompted some back and forth bidding between the southern and northern property owners. Using the upset bid process, the city ended up with an upset bid of \$110,000 from the southern property owner, which will go through an upset period.

A motion was made by Acting Chairman Ewing, seconded by Committee Member Jones, that this matter be recommended for approval and placed on the March 18, 2019 City Council Consent Agenda. The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

2019-110 Authorization - HUD Settlement

City Council is requested to direct the City Attorney to proceed with preparation of all necessary documents to finalize the Housing and Urban Development (HUD) settlement and the execution of the same by the Mayor.

Acting Chairman Ewing announced that the city and HUD have reached a settlement in the amount of \$367,770.00. As this matter did not initially appear on the agenda, Acting

Chairman Ewing moved to suspend the rules to add this matter to the Finance Committee's agenda for consideration. Committee Member Hudson made a second, which carried by a unanimous 3-0 vote.

City Attorney JoAnne Carlyle advised that HUD has agreed that the collection for the lead grant should have never been switched to the US Treasury Department for

collection and as a result, they reduced the payment (penalties and interest) quite a bit. Attorneys with Parker Poe have been negotiating with HUD on behalf of the city and HUD has verbally accepted the offer. Ms. Carlyle explained that she will prepare the necessary documents to finalize the HUD settlement and have it executed by the Mayor.

Eric Olmedo, Managing Director, noted that more than likely a budget amendment would be needed before completion of the settlement.

A motion was made by Acting Chairman Ewing, seconded by Committee Member Jones, that this matter be forwarded to the City Council and placed on the March 18, 2019 City Council Consent Agenda with a favorable recommendation to direct the City Attorney to proceed with preparation of all necessary documents to finalize the Housing and Urban Development (HUD) settlement and the execution of the same by the Mayor.

The motion carried by the following unanimous 3-0 vote:

Aye (3): Acting Chairman Ewing, and Committee Members Jones, and Hudson.

Absent (1): Chairman Moore

ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting adjourned at 4:34 p.m. upon motion duly made and seconded.

Respectfully Submitted,

Lisa B. Vierling, City Clerk

Jason P. Ewing, Acting Chairman