



FINANCE COMMITTEE

Chaired by Council Member Moore

Members: Moore, Hudson, Ewing, and Jones

March 28, 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; JoAnne Carlyle, City Attorney

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

Staff Present:

Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager, Eric Olmedo, Managing Director; Tyler Berrier, Assistant Director of Public Services; Garey Edwards, Director of Electric Utilities; Bobby Fitzjohn, Director of Financial Services; Roslyn McNeill, Budget Analyst; Lisa Vierling, City Clerk; and Mary S. Brooks, Deputy City Clerk

Others Present:

Thad Juszczak, Resident

Acting Chairman Ewing called the meeting to order at 4:09 p.m.

2019-114 Contract - Graves Construction - Transmission Pole Relocation - NCDOT

City Council is requested to award a contract to Graves Construction for construction of six (6) utility pole foundations in the amount of \$375,181.00. This is part of the Eastchester/ I-74 interchange improvements and the city will be reimbursed by NCDOT.

Tyler Berrier, Assistant Director of Public Services, spoke to how the Utilities Department was tasked with relocating electrical transmission poles to accommodate additional right of way needed for the I-74/NC 68 Interchange performed by the North Carolina Department of Transportation (NCDOT) in which they were doing the utility pole foundations; stated he had the required bids for the project; that everything was going well; and that a reimbursement for the project would be made from NCDOT for the project.

A motion was made by Committee Member Hudson, seconded by Committee Member Jones, that this matter be recommended for approval and placed on the April 1, 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

2019-115 Contract - Pike Electric Adjustment

City Council is requested to approve an increase in the contract with Pike Electric in the amount of \$1.5 million for FY 2018-2019. The City of High Point utilizes Pike Electric on an as needed basis when emergency situations arise, and unplanned project materialize.

Garey Edwards, Director of Electric Utilities, stated Pike's services was on a unit cost basis for both labor and equipment; spoke to the work they were doing to the downtown underground and substation; stated they used Pike Electric to study the ups and downs cycles of construction projects; that they utilized extra crews and equipment from Pike on the past two hurricanes as well as the downtown underground and substation; that money was already allocated for this adjustment in the budget; and that they were abiding by state laws.

Randy McCaslin, Deputy City Manager stated that the approval was basically transferring money from one part of the electric department's budget to another one.

Acting Chairman Ewing asked if the transfer of this money would and effect on any plans.

Mr. Edwards stated that money in the budget was always there, but it was not identified for Pike Electric and needs to be transferred to the right place.

A motion was made by Committee Member Jones, seconded by Committee Member Hudson, that this matter be recommended for approval and placed on the April 1, 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

2019-117 Resolution - Contract - Installment Financing for Fire & Fleet Equipment

City Council is requested to adopt a Resolution authorizing the City Manager and Financial Services Director to accept the proposal with Banc of America Public Capital Corp., for the issuance of an installment financing contract for the identified 2017-2018 and 2018-2019 fleet equipment replacement needs in the amount of \$7,988,207.50.

Bobby Fitzjohn, Director of Financial Services, spoke to this item being presented to Council in early March; stated the equipment was already ordered and purchased with Banc of America and how this would be a reimbursement to finalize the original agreement; and stated the agreement involved the Public Services and Fire departments.

A motion was made by Committee Member Hudson, seconded by Acting Chairman Ewing, that this matter be recommended for approval and placed on the April 1, 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

2019-118 Resolution - 2019 Combined Enterprise System Revenue Bonds

City Council is requested to adopt a resolution authorizing the issuance and sale of up to \$72.4 million combined enterprise system revenue bonds in June 2019 for the following purposes:

(1) to issue approximately \$50 million in bonds to fund water and sewer projects approved by City Council and that have recently been completed or are currently under contract.

(2) to refinance \$18.2 million water and sewer revenue bonds issued in 2010 to a lower interest rate.

Bobby Fitzjohn, Director of Financial Services, stated this is approval could go up to 72 million dollars in bonds and stated that amount does not lock us into it; that approximately 50 million dollars was planned at this point; and that this resolution would allow the City to go up to 72 million dollars. Mr. Fitzjohn continued and spoke to working with a consultant on a feasibility study to determine the best path to take; and that this was a funding mechanism for the project; and to receiving guidance from our financial advisors.

Randy McCaslin, Deputy City Manager stated this was part of a long-range financial plan with Davenport.

Acting Chairman Ewing asked would there be an increase in the water and sewer rates beyond what was already planned.

Mr. McCaslin stated to the affirmative; said that there would be a 3% to 5% increase over the life of bonds.

Eric Olmedo, Managing Director, spoke to consulting with the financial advisor to determine the rates; and to doing a ten-year plan to stay in compliance.

Bobby Fitzjohn, Director of Financial Services, stated that the new bonds are 25-year terms; and would be refunded in approximately ten years.

A motion was made by Acting Chairman Ewing, seconded by Committee Member Jones, that this matter be recommended for approval and placed on the April 1, 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

2019-125 Operating Agreement -Samet Corp. - Stadium Change Order #1

City Council is requested to approve Change Order #1 increasing the Guaranteed Maximum Price for the Stadium in the amount of \$1,573,703.

Randy Hemann, Assistant City Manager, started with giving an overview of the dollar amount budgeted (36.1 million) for design of the Stadium; stated that the change order did not change what was already invested in the stadium; that the agreement between the City and the High Point Baseball, Inc and the High Point Rockers Team allowed the Team to fund stadium improvements above the City contract dollar amount; highlighted some of the changes that were made which were provisions and designs with scoreboard enhancements, and suite upgrades. Mr. Hemann continued discussion stating in order to officially have an change order the contract amount must be increased, and that the funding was being raised and paid for by the High Point Baseball, Inc/Team and the Downtown Transformation Board; and stated that savings were made thanks to Samet Corp.

Committee Member Jones spoke to collaboration between Dr. Qubein of the Downtown Transformation Board and the Team to raise additional moneys for added WOW features.

Acting Chairman Ewing asked if the enhancement of the scoreboard topper signage would create more opportunity for sponsorships.

Mr. Hemann replied in the affirmative, and stated more discussion would take place at the Manager's briefing to be held on April 1st.

Acting Chairman Ewing suggested breaking down total cost of stadium including everything that was not funded as well as the changes made to the stadium.

A motion was made by Committee Member Jones, seconded by Committee Member Hudson, that this matter be recommended for approval and placed on the April 1, 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

2019-119 Budget Amendment - Stadium Project Change Order

City Council is requested to approve a budget amendment in the amount of \$1,573,703 recognizing the funding and appropriating the funds to the Stadium project.

Eric Olmedo, Managing Director, spoke to ordinance amendment in appropriating funds into project.

Acting Chairman Ewing asked if the funding had come in yet?

Randy Hemann, Assistant City Manager state that the first million would be in before Monday, and the remainder would come in April from the Team.

A motion was made by Committee Member Jones, seconded by Committee Member Jones, that this matter be recommended for approval and placed on the April 1, 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

*Eric Olmedo, Managing Director, provided the committee members with **outside agency request for funding** received compiled for viewing that included dollar amounts.*

Acting Chairman Ewing stated it was ideal to have recommendations while council was still working through the budget process and that it was also ideal not to wait.

Eric Olmedo, Managing Director, stated there would be a date set to review the requests.

ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting adjourned at 4:26 p.m. upon motion duly made and seconded.

Respectfully Submitted,

Mary S. Brooks, Deputy City Clerk

Jason P. Ewing, Acting Chairman