



**FINANCE COMMITTEE
(Virtual Meeting)
Chaired by Council Member Moore
Members: Moore, Holmes, Peters, and Jones
March 11, 2021 – 4:00 p.m.
3rd Floor Council Chambers**

As part of the city of High Point's on-going COVID-19 mitigation efforts, in-person attendance was not allowed at this meeting. Instead, the meeting was live-streamed and the public was provided an opportunity to listen to the meeting as it was being live-streamed.

www.HighPointNC.gov/VirtualPublicMeeting

FINANCE COMMITTEE - Mayor Pro Tem Britt W. Moore, Chair

ROLL CALL and CALL TO ORDER

Following a virtual roll call by Chairman Moore, the following Committee Members were **Present** (4):

Chairman Britt W. Moore (physically present)
Committee Member Monica Peters (physically present)
Committee Member Michael Holmes (physically present)
Committee Member Victor Jones (physically present)

Staff Members Present:

Randy McCaslin, Interim City Manager; Eric Olmedo, Assistant City Manager; Greg Ferguson, Assistant City Manager; Jeron Hollis, Managing Director; Ryan Ferguson, Marketing Manager; Sarah Stevenson, Communications Specialist; Kim Thore, Right-of-Way Coordinator; Lisa Vierling, City Clerk

Staff Members Remotely Present:

JoAnne Carlyle, City Attorney; Terry Houk, Director of Public Services; Derrick Boone, Assistant Director of Public Services; Stephen Hawryluk, Budget & Performance Manager; Gary Smith, Director of Fleet Services; and Bobby Fitzjohn, Director of Financial Services; Carl Hicks, Public Services Project Engineer

Chairman Moore called the Finance Committee Meeting to order at 4:00 p.m.

PRESENTATION OF ITEMS**2021-93 Contract Sole Source- Amick Equipment Company - Refuse Truck Arm Assembly**

City Council is requested to award a sole source contract to Amick Equipment Company in the amount of \$42,000 for a replacement Refuse Truck Arm Assembly.

Gary Smith, Fleet Services Director, reported that his department has a refuse truck grabber arm assembly that is in need of replacement due to an accident, and it is a sole source item due to the nature of the part that was purchased from Amick Equipment Company. He explained that the truck grabber arm assembly was damaged due to an accident in February by a contractor who was cleaning the refuse truck. In the process of moving the truck, the grabber arm extended, was damaged and could not be repaired. Staff is currently working with their insurance company for reimbursement. Mr. Smith advised that the assembly is not interchangeable with similar equipment from any other manufacturer; that Amick Equipment is the authorized dealer for this equipment in North Carolina; thus, the justification for the sole source.

Chairman Moore inquired about the time it would take to get the part in and repaired, once approved. Mr. Smith replied that, fortunately, they do have an older spare truck that is being used but pointed out that the truck that was damaged was a brand new truck and it would be prudent to get it back in service as quickly as possible. He advised that the delivery date for the equipment would be around 30-45 days and once it arrives, it could be installed, and the truck could be back in service within a day.

Committee Member Holmes asked about the damage not limiting capacity in terms of service. Mr. Smith explained that the city is fortunate to have six older spare trucks that are kept on hand that can be used in cases of emergencies such as this, so they have been able to work around it with no impact at this point.

Committee Member Holmes inquired about the warranty for the part. Mr. Smith replied there is a one-year standard warranty on the new part, but the warranty on the new grabber arm refuse truck would not apply because the original one was damaged. He further explained that the grabber arm goes through a range of motion 1,600-2,000 times a day, four days a week and pointed out it is a critical part of the truck.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the March 15, 2021 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote.

Aye (4): Chairman Moore, Committee Member Holmes, Committee Member Peters, and Committee Member Jones

2021-94 Contract - Dellinger, Inc. - Riverdale Sewer Lift Station - West Force Main

City Council is requested to award a contract to Dellinger, Inc. in the amount of \$1,743,093.00 for +/- 2,700 linear foot of 36" ductile iron sanitary sewer force main, air release valves, a magnetic flow meter, erosion control, and related site work improvements at the Riverdale Pump Station to be part of the Riverdale Sewer Lift Station West Force Main project.

Terry Houk, Director of Public Services, advised this project will carry wastewater from the Riverdale Pump Station to the new 42-inch Riverdale gravity sewer line that is currently under construction on Riverdale Drive. The lift station West Force Main was part of the overall expansion of the Riverdale Pump Station and would essentially close out the project. The new 36-inch force main will also be a redundant force main for the Riverdale Pump Station to back up the original force main and will also be used for future expansion of the Riverdale Pump Station.

He advised that funds for this project are available in the water/sewer fund; a total of six (6) vendors submitted bids; Dellinger was the lowest bid; if approved, this would be an additional \$1,743,093 for the 36-inch force main; additionally, and they will still have to do odor control and any change orders. Mr. Houk noted that the engineering estimate for the project was \$2.4 million and pointed out the bid came in under budget. Staff is recommending award of the contract to Dellinger, Inc. in the amount of \$1,743,093 to install a +/- 2,700 linear foot of 36" ductile iron sanitary sewer force main, air release valves, a magnetic flow meter, erosion control, and related site work improvements at the Riverdale Pump Station as part of the Riverdale Sewer Lift Station West Force Main project.

Chairman Moore asked staff to expound on the terminology used earlier that this would "close out the project." Mr. Houk explained that the project started in 2017 due to major damage caused by a major flood event; as repairs were being made, the State stepped in and determined the line was undersized and highly suggested that the facility be upgraded to 30 million gallons a day; it was also realized that redundant force main would be needed; they also decided to add odor control to protect the control systems and the wet wells in preparation for future expansion; and this would finish out this phase of the project. Mr. Houk pointed out that any future expansions or repairs would be categorized as a different project.

Chairman Moore thanked Mr. Houk for the history and background and felt it was important to remind everyone that these types of capital projects take a long time.

The Dellinger bid came in \$200,000 under the next lowest bid, and Committee Member Holmes asked if the city has an existing relationship with Dellinger and if they have worked with the city on any projects in the past. Mr. Houk speculated that this was due to Dellinger already being immobilized across the street for another project.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the March 15, 2021 City Council Finance Committee Consent Agenda for approval. Committee Member Peters made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote.

Aye (4): Chairman Moore, Committee Member Holmes, Committee Member Peters, and Committee Member Jones

2021-95 Ordinance - Capital Project - Riverdale Sewer Lift Station - West Force Main

City Council is requested to approve a capital project ordinance in the amount of \$1,900,000 for the Riverdale Sewer Lift Station West Force Main expansion project.

Bobby Fitzjohn, Director of Financial Services, advised this is a capital project budget ordinance in the amount of \$1,900,000 that will carry the Riverdale West Force Main expansion through to completion. He noted there is another much smaller contract that is currently out to bid with a very small built-in contingency, but this would set up the capital project budget ordinance to allow for issuance of revenue bonds to reimburse the city for this project.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the March 15, 2021 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote.

Aye (4): Chairman Moore, Committee Member Holmes, Committee Member Peters, and Committee Member Jones

2021-96 Change Order #3 - Crowder Construction Company - Riverdale Pump Station Phase 1 Repairs

City Council is requested to approve change order #3 with Crowder Construction Company in the amount of \$146,864.62 for additional construction materials and work outside of the scope of the original contract for the repairs to the Riverdale Pump Station, Phase 1.

Terry Houk, Director of Public Services, advised this is Change Order #3 to the Crowder Construction Company in the amount of \$146,864.62 for additional construction materials and work outside of the scope of the original contract for the repairs to the Riverdale Pump Station, Phase 1. He mentioned that the City Council awarded the original contract to Crowder Construction in the amount of \$3,726,504 to construct Phase I expansion to include the installation of a 10 m.g.d. submersible construction of additional piping to connect the existing force main and connection of a new generator and electrical equipment to increase the capacity to 30 m.g.d. He noted that this is the final adjusting change order and includes any additional items required for the lift station and unforeseen conditions.

Chairman Moore asked Mr. Houk to provide some examples of unforeseen conditions. Mr. Houk explained that the city has to meet the new code requirements which resulted in installing a new access hatch in the wet well area in order to remove the damaged submersible pump. Additionally, hydraulic pumps had to be installed, additional fencing, they had to do some pressure grout, and install an odor vent for the future odor control system.

Chairman Moore asked staff where the new code requirements came from. Mr. Houk replied that the new code requirements were mandated by the State of NC and the city's Code

Enforcement. He further stated that Public Services does not ask for a grandfather clause in these types of situations because of accountability.

Committee Member Jones moved to forward this matter to the City Council with a favorable recommendation and place it on the March 15, 2021 City Council Finance Committee Consent Agenda for approval. Committee Member Peters made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote.

Aye (4): Chairman Moore, Committee Member Holmes, Committee Member Peters, and Committee Member Jones

2021-97 Contract Sole Source - GEA - Repair of Centrifuge #1 - Eastside Wastewater Treatment Plant

City council is requested to award a sole source contract to GEA in the amount of \$70,779.47 for the emergency repair/rebuild of centrifuge #1 at the Eastside Wastewater Treatment plant.

Terry Houk, Director of Public Services, is requesting that GEA be allowed to perform the emergency repair on centrifuge #1 at the Eastside Wastewater Treatment Plant. The centrifuges are used for de-watering solids. There are two centrifuges at the plant and centrifuge #1 recently experienced excessive vibration and went into shut-down mode. Upon further investigation, it was determined that a coupling failure was the cause; however, the exact cause of the failure cannot be determined without disassembling the unit. GEA, the manufacturer of the unit, is recommending they perform their major rebuild on the unit and staff agrees with the recommendation because it would maximize the life of the units since they are fairly new. Public Services is recommending that GEA be approved as a sole source vendor to perform the emergency repair/rebuild of centrifuge #1 at the Eastside WWTP for a contract amount of \$70,779.47.

Committee Member Holmes inquired about the normal expected life cycle for units of this type. Mr. Houk stated he was unsure about this unit, but that the last units were installed in 1996-97 and were replaced in 2016.

Chairman Moore inquired about the length of time the unit would be down. Mr. Houk replied it is anticipated that the rebuild project will take about 4-6 weeks and noted during the repair process, they would run the other centrifuge.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the March 15, 2021 City Council Finance Committee Consent Agenda for approval. Committee Member Jones made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote.

Aye (4): Chairman Moore, Committee Member Holmes, Committee Member Peters, and Committee Member Jones

2021-98 Contract - Hazen - Eastside Wastewater Treatment Plant - UV System Replacement

City Council is requested to award a contract to Hazen in the amount of \$825,000 for professional engineering and design services for the replacement of the existing UV disinfection system at the Eastside Wastewater Treatment Plant.

Terry Houk, Director of Public Services, advised that Public Services is requesting the approval of a contract with Hazen in the amount of \$825,000 for engineering/design work for replacement of the existing UV disinfection system at the Eastside Wastewater Treatment Plant. He explained that the current UV system, Trojan, is nearing the end of its life cycle with less than one year left for accessibility of spare parts for the unit from the manufacturer. He advised the typical lifespan for equipment of this type is about 20 years. He went on to explain how the UV system works and reiterated staff's concern that replacement parts for the old UV system can be purchased. Bids for the project will be forthcoming and once a contract is approved, the plan is to design the new UV system around the existing obsolete UV system and once the new UV system is operational the obsolete system would then be demolished.

Mr. Houk reported that funds for this project are available in the 2021 budget and the estimated cost of the UV system is around \$5 million. He spoke to how the project will be a future expansion of the Eastside WWTP for 32 m.g.d. although this is currently in negotiations with the State of NC; the design of the expansion will be based on whatever effluent number the city receives from the NC Department of Environmental Quality (NC DEQ); the \$825,000 for the professional engineering and design services is a not to exceed amount; and noted the tasks to be performed would be broken down in the appendix.

Chairman Moore inquired about the possibility of an aftermarket for these parts. Mr. Houk explained that they have tried an aftermarket; however, it has proved not to be beneficial. He further explained that the NCDEQ now requires system failures to be reported as a spill and noted that the new units are fast restart and will use less power which would result in a cost savings.

Committee Member Holmes asked if the system upgrade would help with any potential DEQ issues. Mr. Houk noted they would still be required to report it as a spill in the case that the flow and UV system shuts down. He explained the reason staff has maintained this system for this long of a period is because they were able to salvage all the good parts off the old system when the Westside UV system was upgraded, so they have been using the spare parts for repairs to the Eastside UV system; however, most of the spare parts have been used. Committee Member Holmes suggested it might be beneficial for the city to have a fabrication shop to fabricate some of these parts.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the March 15, 2021 City Council Finance Committee Consent Agenda for approval. Committee Member Holmes made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote.

Aye (4): Chairman Moore, Committee Member Holmes, Committee Member Peters, and Committee Member Jones

2021-99 Resolution - Sale of City Owned Property - 707 E. Kearns Avenue

City Council is requested to adopt a resolution accepting the offer of \$9,000.00 and authorizing the sale of City owned property located at 707 E. Kearns Avenue through the upset bid procedure and direct the City Clerk to publish a public notice of the proposed sale in accordance with N.C.G.S. 160A-269.

Kim Thore, Right-of-Way Coordinator, reported that an adjoining owner has offered a bid of \$9,000 for the city-owned lot located at 707 E. Kearns Avenue. She noted that the property contains about 16,117 +/- square feet; the city acquired the property in the 1940s due to a foreclosure; there is no use to the city for the property; and staff is recommending approval of the sale of the property through the upset bid procedure.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the March 15, 2021 City Council Finance Committee Consent Agenda for approval. Committee Member Peters made a second to the motion. Following a roll call vote by Chairman Moore, the motion carried by the following 4-0 unanimous vote.

Aye (4): Chairman Moore, Committee Member Holmes, Committee Member Peters, and Committee Member Jones

ADJOURNMENT

There being no further business to come before the Finance Committee, Chairman Moore asked if there were any objections to adjourn the meeting. There being none voiced, the meeting adjourned at 4:30 p.m.

Respectfully Submitted

Britt W. Moore, Chairman

Attest:

Lisa B. Vierling, City Clerk