



# City of High Point

Municipal Office Building  
211 S. Hamilton Street  
High Point, NC 27260

## Meeting Minutes - Action Only Finance Committee

*Britt W. Moore, Chair*

*Jason P. Ewing, S. Wesley Hudson*

*Victor A. Jones*

*(Alternate Members: Mayor, Jay W. Wagner, Mayor Pro Tem  
Christopher Williams)*

Thursday, August 16, 2018

4:00 PM

3rd Floor Conference Room

### **FINANCE COMMITTEE - Council Moore, Chair**

**Present** 4 - Moore, Council Member Wesley Hudson, Council Member Victor Jones,  
and Council Member Jason Ewing

#### **2018-296**

Contract - Purchase of Equipment - Landfill Dozer

Consideration of the award of a contract with James River Equipment Company in the amount of \$545,782.32 for the purchase of a John Deere 950K Crawler Dozer for use by the Landfill Operations Division of Public Services. Recommendation also includes declaring the old equipment as surplus and disposing through the online auction process.

**Attachments:** [1. Contract - Landfill Dozer \(9-20-18\)](#)

#### **2018-297**

Contract - Purchase of Equipment - Electric Digger Derrick Truck

Consideration of the award of a contract with Terex Utilities, Inc. in the amount of \$290,794 for the purchase of a new Freightliner truck with a Terex Commander 5048 digger derrick body for use by the Electric Department.

**Attachments:** [2. Electric Digger Derrick Truck \(8-20-18\)](#)

Chris Blackwell, Fleet IT Specialist, advised City Council that the Electric Department had a 2009 Ford F750 truck with a Terex digger derrick body that needed several repairs. This truck was sold last month "as is" due to hours and overall condition for \$22,237. Using the Sourcewell (former NJPA) Contract 012418-TER, a Freightliner truck with Terex 5048 Digger Derrick body is being recommended for council approval. This is basically the same truck that the department is currently using.

Chair Moore asked how many of these vehicles do we currently have in our fleet.

Chris Blackwell stated the department currently has three trucks and one spare. It takes between 9 to 12 months on delivery of this equipment as they are not built until ordered. There is also a lot of customization involved with these trucks.

**recommended for approval, consent agenda**

**Aye:** 4 - Council Member Moore, Council Member Hudson, Council Member Jones, and Council Member Ewing

[2018-298](#)

Contract - Purchase of Equipment - Truck Mounted Street Sweeper  
Consideration of award of contract to Amick Equipment Company in the amount of \$236,557.50 for the purchase of a new Freightliner truck with a Tymco 600 sweeper body for use by the Stormwater Division of the Public Services Department. Recommendation also includes declaring the old equipment as surplus and disposing through the online auction process.

**Attachments:** [3. Street Sweeper \(8-20-18\)](#)

Chris Blackwell, Fleet Services IT Specialist, reported to the Committee that the Stormwater Division of Public Services has a street sweeper in need of replacement due to age and increasing maintenance costs, and the truck is completely worn out. The Stormwater Division currently has four street sweepers in which three of these serve as front line trucks and one serves as a spare to be used during downtime for preventative maintenance and repair. The price of \$236,557.50 is for the sweeper, dealer installed herbicide sprayer, training and delivery. Estimated delivery is 60-90 days and this new truck is like the ones they currently are using. The Department is also requesting to declare the old equipment as surplus and sell through the on-line auction.

Chair Moore asked what the spread was on the purchase of the street sweepers.

Gary Smith stated we purchased sweepers in 2015, 2016 and 2017.

**recommended for approval, consent agenda**

**Aye:** 4 - Council Member Moore, Council Member Hudson, Council Member Jones, and Council Member Ewing

[2018-299](#)

## Report of Surplus Equipment Disposal

Council is requested to acknowledge receipt of the report of sale of surplus equipment for FY 2017-2018.

**Attachments:** [4. Surplus Equipment Report \(8-6-18\)](#)

Gary Smith, Director of Fleet Services, advised the Committee that the City of High Point Purchasing Policies and Procedures Manual requires that fleet vehicles and other equipment sold via an online auction be reported to the City Council on an annual basis. A listing of items sold with descriptions, date sold, sale amount fees paid to the online auction company, and the net proceeds of the sale is included with this item. Gary reported that this is our best year as we received approximately \$900,000 in sales. The City tries to sell equipment and other items when it still has some useful life and we can get a good return.

Randy McCaslin, Deputy City Manager stated that the sale of this equipment is equivalent to a penny on the tax rate.

**recommended for approval, consent agenda**

**Aye:** 4 - Council Member Moore, Council Member Hudson, Council Member Jones, and Council Member 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.

**Attachments:**    [5. Cigna Contract 2018 Council agenda](#)  
[Health Care Renewal 2019 - signed](#)

Angela Kirkwood, Human Resource Director, stated that the City of High Point offers healthcare coverage to its employees that include medical and dental care products. The plan year runs from January 1st to December 31st. At the City Manager's Meeting on Monday, July 9, 2018, Mark Browder of Mark III Employee Benefits, briefed the City Council on the Medical Plan and Dental Plan Renewal options. On July 16 a discussion was held with Council concerning a plan to control costs where spouses who have coverage through another employer, must take that coverage. After hearing feedback from City employees and reviewing alternatives, the City will implement a \$150.00 monthly (\$69.20 bi-weekly) surcharge effective January 1, 2019. This reduces the undue financial hardship on many of our employees whose spouses have much more expensive insurance coverage. The spousal surcharge provides additional revenue to offset spousal claims and increases our Insurance Reserve Fund. These changes also apply to our retirees.

Committee Member Ewing asked how many employees this will affect?

Ms. Kirkwood stated that we will not know until we do an audit after the first of the year 2019. Right now, there are about 400 spouses on the insurance plan.

Chair Moore stated that this will give employees an option to shop around and see what the best deal is for their needs.

Committee Member Hudson asked if this is 12% competitive.

Ms. Kirkwood stated that it is trending around 12%.

**recommended for approval, consent agenda**

**Aye:** 4 - Council Member Moore, Council Member Hudson, Council Member Jones, and Council Member Ewing

[2018-309](#)

## MOU - HP365 Business Incubator Project

Consideration of approval of the attached MOU between the High Point Chamber Foundation, Inc., a North Carolina non-profit corporation and a charitable foundation, subsidiary, HP 365, LLC, and the City of High Point provides understanding regarding HP365's creation of a business incubator space with assistance from \$3 million of funding that will pass through the City (\$1.5 million in private funds from High Point Chamber Foundation, Inc. and \$1.5 million appropriated from the Rural Economic Development Division of the North Carolina Department of Commerce. Staff recommends City Council authorize staff to make any necessary minor revisions and execute the MOU after the document is reviewed by NC Department of Commerce staff and attorneys. (This item was discussed at the Finance Committee meeting on Thursday, August 16th and the Committee recommended it be placed on the Monday, August 20th Regular Agenda)

**Attachments:**   [MOU - HP365 Incubator Project RH REV](#)  
[HP365 outline of MOU](#)

Randy Hemann, Assistant City Manager, advised that Session Law 2017-57, Section 15.8(e) provided \$1.5million in non-recurring funds for the 2017-18 fiscal year to be used as a challenge grant, contingent on a successful private effort to raise the sum of \$1,500,000.00 in private donated funds for "the development of a design factory project in downtown High Point, which will provide a maker space for entrepreneurs, designers, manufacturers, and artisans to collaborate and work together. The way this will flow is, the State will give us the \$1.5million and High Point Chamber Foundation will give the City their match and then the City will distribute the \$3.0 million to HP365 for the business incubator project.

Committee Member Ewing asked who the MOU is with.

Mr. Hemann stated it is with the HP365. The MOU states how the grant funding is to be used. Funds from the \$3 million pass through will be used for architecture and interior design, construction, the Material ConneXion Library, International Well Building certification, Computer, internet and security systems, business development and marketing and start-up phase building operations.

Committee Member Ewing asked if the City will be acting as the custodian for this grant. Will be City be accountable on how HP365 is using the money for this project.

Mr. Hemann stated that is correct. The City is required to report back to the State on the progress of the project.

Committee Member Ewing asked if they don't use the funds as outlined does the City have to pay back the funds to the State?

Mr. Hemann stated that is also correct, but then the City will pursue collection from HP365.

Committee Ewing stated that he is not concerned as they have a sound plan in place. He just does not want to see the City caught in the middle and the State come after us for the return of the grant funds.

Mr. Hemann indicated that David Congdon bought this building and is leasing it to HP365 for \$1.00 per year for 5 years. He has done extensive renovations to the exterior. HP365 will have the option to continue leasing after five years at the market rate at that time.

Attorney Carlyle stated that this should be titled as an Agreement rather than an MOU and she will be talking with the Brian Gavigan, consulting attorney, concerning this change and adding the indemnification clause to the agreement.

Chair Moore stated that he is not comfortable placing this on the consent agenda without the MOU/Agreement attached.

Mr. Hemann stated that we are under a time constraint with this matter as we are trying to get the funds from the State in September.

**recommended for approval, consent agenda**

**Aye:** 4 - Council Member Moore, Council Member Hudson, Council Member Jones, and Council Member Ewing

[2018-300](#)

Public Hearing - Issuance of Series 2018 General Obligation Public Improvement Bonds (2/3 Bonds)

1. City Council is scheduled to conduct a public hearing on August 20, 2018, at 5:30pm as required by state law on the issuance of the referenced 2/3 bonds.
2. Following the public hearing, City Council is requested to approve the attached "Order Authorizing \$6,600,000.00 Municipal Building Bonds."

**Attachments:** [6. Public Hearing And Bond Approval](#)

[Adopt Order-High Point 2018 G.O. \(2 3\)](#)

[Signed Order Authorizing \\$6,600,000 Municipal Building Bonds 2018.pdf](#)

Jeff Moore, Financial Services Director, reminded the committee that the State Statutes requires a public hearing be held on the non-voted debt and the approval of the bond order that will authorize the issuance of \$6,600,000 Municipal Building General Obligation Bonds. A Budget Ordinance is also needed to set up a Capital Project Ordinance authorizing the spending of the funds.

Committee Chair Moore asked what happens after the public hearing?

Mr. Moore explained that following the public hearing, there will be a publication of legal notice stating the public hearing was held and approximately six-weeks where staff will be putting together official statements and bond ratings for the City, and there will be a review by Davenport and Associates, the City's Financial Advisors. The LGC will approve the bonds at their October 2nd meeting and the City should receive notice of the approval on October 3rd. The sale of the bonds should take place about the middle of October. This is the last action required by City Council on the bonds.

Committee Member Ewing asked about the cap for the issuance of 2/3 bonds for this year.

Mr. Moore stated that this is the cap for this year - \$6,333,000 issued in \$5,000 increments.

**recommended for approval, consent agenda**

**Aye:** 4 - Council Member Moore, Council Member Hudson, Council Member Jones, and Council Member Ewing

[2018-301](#)

Capital Project Amendment Ordinance Amendment  
Adoption of a Capital Project Ordinance Amendment for the Series 2018 General Obligation Public Improvement (2/3) Bond Project in the amount of \$6,600,000 for the acquisition and renovation of a Municipal Facility.

**Attachments:**    [7. Capital Project Ordinance Amendment - Municipal Facility](#)  
[Budget Ordinance Amendment - Municipal Facility](#)

This item will appear on the Regular Agenda following the Public Hearing on the Issuance of Series 2018 General Obligation Public Improvement Bonds (2/3 Bonds).

**recommended for approval, consent agenda**

**Aye:** 4 - Council Member Moore, Council Member Hudson, Council Member Jones, and Council Member Ewing

[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.

**Attachments:**    [7. Amendment to Lease Agreement - Crown Castle](#)

JoAnne Carlyle, City Attorney, updated the Committee on this matter. This is the 5th amendment to this license. This should be an Lease Agreement rather than a License Agreement as this equipment is installed for more than 30 days on real city property. She is corresponding the attorney representing Cingular to correct the language in the Agreement.

## **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:35 p.m. upon motion duly made and seconded.

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**Britt W. Moore, Chairman**

**Attest:**

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**Cynthia Duncan-Smith, Senior Executive Assistant**