

City of High Point

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



Minutes

Thursday, April 1, 2021

4:00 PM

3rd Floor Conference Room

Finance Committee

Britt Moore, Mayor Pro Tem, Chair

Committee Members:

Michael Holmes

Monica Peters

Victor Jones

Jay Wagner, Mayor (Alternate)

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 a link to listen to the meeting.
www.HighPointNC.gov/VirtualPublicMeeting.

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

CALL TO ORDER and ROLL CALL

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 (remote participation)
Committee Member Michael Holmes (remote participation)
Committee Member Victor Jones (remote participation)

Staff Members Present:

Randy McCaslin, Interim City Manager; Eric Olmedo, Assistant City Manager; Greg Ferguson, Assistant City Manager; Bobby Fitzjohn, Director of Financial Services; Trevor Spencer, Director of Engineering Services; Lee Tillery, Director of Parks & Recreation; Jeron Hollis, Managing Director; Ryan Ferguson, Marketing Manager; Lisa Vierling, City Clerk

Staff Members Participating Remotely:

Meghan Maguire, Assistant City Attorney; Travis Stroud, Interim Police Chief; Terry Houk, Director of Public Services; Robby Stone, Deputy Director of Public Services; Derrick Boone, Assistant Director of Public Services; and Stephen Hawryluk, Budget and Performance Manager

Present 4 - Chair Britt Moore, Michael Holmes, Monica Peters, and Victor Jones

PRESENTATION OF ITEMS

[2021-110](#)

Contract - North State Water & Sewer, Inc.

City Council is requested to award a contract to North State Water & Sewer, Inc. in the amount of \$836,975.00 to perform maintenance and emergency repairs on existing water and sewer utilities and that the appropriate City official and/or employee be authorized to execute all necessary documents.

Attachments: [1. Water Sewer Maintenance Contract_NorthState](#)
[SIGNED Bid 08 Recommendation](#)

Trevor Spencer, Director of Engineering Services, explained this is an annual bid that Public Services puts out for general water/sewer scheduled maintenance and emergency repairs which helps to supplement the Water and Sewer Mains Division. Three proposals were received and staff is recommending award of the contract to North State Water & Sewer, Inc. in the amount of \$836,975.00 to perform maintenance and emergency repairs on existing water and sewer utilities.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the April 5, 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 - Chair Moore, Holmes, Peters, and Jones

2021-111

Contract - Request for Qualification (RFQ) - Samet Corporation - Construction Manager At Risk (CMAR) - City Lake Park Phase 1 Site Master Plan

City Council is requested to approve the Request for Qualification (RFQ) selection of Samet Corporation as the Construction Manager at Risk (CMAR) for the City Lake Park Phase 1 site improvements.

Attachments: [3. P&R CMAR Recommendation - RFQ Samet](#)
[SIGNED RFQ Recommendation 07-031021](#)

Lee Tillery, Director of Parks & Recreation, advised this is for the CMAR contract for the City Lake Park Phase I renovation project. Requests for Qualifications were sent out; seven firms submitted proposals; an internal committee was formed to review and recommended the CMAR contract be awarded to Samet Corporation for City Lake Park Phase 1 site improvements.

Chairman Moore reminded everyone that the funds for this project were part of a bond package previously approved.

Committee Member Holmes inquired about the determining factors for choosing Samet Corporation as CMAR for this project. Mr. Tillery advised that after thorough review of the proposals by the committee, they were extremely impressed with Samet's MWBE numbers; them being local and the ability to subcontract with locals was a positive factor; their presentation was complete; they had good working knowledge of the city and the project; they presented well; they scored well in most of the categories; and stood out above the rest.

Chairman Holmes asked about the best way smaller firms can be considered who want to do business with the city. Eric Olmedo, Assistant City Manager, advised that potential contractors can contact Samet and they could also go on the city's website to register to be put on the list and participate.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the April 5, 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 - Chair Moore, Holmes, Peters, and Jones

[2021-112](#)

Contract - Schnabel Engineering South, PC - PMP Study & Evaluation of Rehabilitation Alternatives for Arnold Koonce City Lake Dam - NC DEQ Dam Safety Requirements

City Council is requested to award a contract to Schnabel Engineering South, PC in the amount of \$92,500 to perform professional engineering services associated with the evaluation of alternatives to upgrade the Arnold Koonce City Lake Dam to meet NC DEQ Dam Safety requirements.

Attachments: [4. Arnold Koonce City Lake Dam- Schnabel Engineering](#)

Terry Houk, Director of Public Services, advised that the Arnold Koonce City Lake Dam is 100+ years old; it was built prior to standards being in place; due to numerous deficiencies, it does not meet the NC Department of Environmental Quality (NC DEQ) Dam Safety requirements.

Chairman Moore inquired about a time frame for beginning and completion. Mr. Houk believed the study would allow for more time to review alternatives and stated there were two alternatives: one, to repair the dam; and, two, to build another dam downstream of the existing dam.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the April 5, 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 - Chair Moore, Holmes, Peters, and Jones

[2021-113](#)

Change Order No. 1 - Riverdale Sewer Lift Station - Charles R. Underwood Inc.

City Council is requested to approve Change Order No. 1 with Charles R. Underwood Inc. in the amount of \$41,512 for additional materials and work outside of the scope of work for pressing need repairs to the existing pumps in the dry well of the Riverdale Pump Station.

Attachments: [5. Riverdale Pump Station - Change Order No. 1 - Charles R. Underwood Inc](#)

Terry Houk, Director of Public Services, explained this is for pressing need repairs to the existing pumps in the dry well of the Riverdale Pump Station. The existing pumps were installed in 1996 and were not replaced as part of the upgrade. As the upgrade project was completed and brought on line, the dry well flooded due to vibration which necessitates an upgrade in the pumps/shafts. Public Services is requesting approval of Change Order No. 1 with the Charles R. Underwood, Inc. contract in the amount of \$41,512 for additional materials and work outside of the scope of work for pressing need repairs to the existing pumps in the dry well of the Riverdale Pump Station.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the April 5, 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 - Chair Moore, Holmes, Peters, and Jones

[2021-114](#)**Resolution - Nuclear Decommissioning Fund - NCMPA1**

City Council is requested to adopt a resolution encouraging support for Senate Bill 323 and House Bill 257 statutory change allowing NCMPA1 to invest the Catawba Nuclear Station Decommissioning Trust Fund in the existing Ancillary Governmental Participant Investment Program managed by the North Carolina State Treasurer.

Attachments: [6. NCMPA1 Decommissioning Fund Resolution](#)
[SIGNED Decommissioning Fund Resolution](#)

Randy McCaslin, Interim City Manager, advised that the City of High Point is a member of North Carolina Municipal Power Agency 1 (NCMPA1), which is part of ElectriCities of NC, thus the city is part owner of the Catawba Nuclear Power Plant and having ownership in the plant requires money to be set aside by ElectriCities for the eventual decommissioning of the plant. Through ElectriCities, the City of High Point has contributed funds for the eventual decommissioning of the plant, which is licensed through 2045.

He further explained that because of the major impact on the finances of the cities that are members in ElectriCities, it falls under the Local Government Commission and must abide by the State of NC laws in regards to how they invest their funds. ElectriCities and most cities in North Carolina are restricted by that State law to very conservative instruments of finance and get very low interest rates on those investments. Several years ago, the NC Treasurer's Office was successful in getting a bill passed through the General Assembly that allowed them to invest in more riskier or higher performing instruments to achieve more for the NC Retirement System and to reinvest other monies from the State. There is currently a local bill pending in the General Assembly that would allow them to use those same less conservative financial instruments that the NC Treasurer's Office is using to invest in the decommissioning of funds. Mr. McCaslin explained that long-term, this should result in higher interest rates and require less money to be contributed into the fund to cover the eventual decommissioning of the plant.

Chairman Moore pointed out this is 20+ years away and asked what entity would be in charge of investing the money. Mr. McCaslin explained that ElectriCities would be responsible for investment of funds and they are required to follow federal guidelines in having to set those monies aside and the amount of monies required. He pointed out ElectriCities has to follow the same rules that the city's Finance Department has to follow and reiterated that the State Treasurer's Office has the authority to use other instruments that can bring in more interest with those same amount of funds.

Committee Member Jones asked where this would put the city in the event there is another recession or the market takes a huge dive. Mr. McCaslin replied that ElectriCities uses financial advisors just like the NC Treasurer's Office does, so if they anticipate a downturn in the economy, their investments will become more

conservative, but if the economy is doing good, the returns on the investment would be greater by using these other instruments.

Chairman Moore asked if there were any additional questions/comments. Hearing none, he proceeded with the following motion.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the April 5, 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 - Chair Moore, Holmes, Peters, and Jones

2021-115

Contract - Cherry Bekaert - Independent Audit Services - Finance

City Council is requested to award a contract for independent audit services to Cherry Bekaert in the amount of \$73,500 for FY 2021, \$76,000 for FY 2022, and \$78,500 for FY 2023 for a total contract amount of \$228,000 and two optional renewal years.

Attachments: [7. Finance - Independent Auditor - Cherry Bekaert - Audit RFP](#)

Bobby Fitzjohn, Director of Financial Services, advised this contract will cover fiscal years 2021-2023 with two additional years if the auditors and staff agree on a price; the last time audit services was bid was February 2015 at which time the city switched from McGladdrey to Cherry Bekaert for audit services; the Request for Proposal (RFP) was submitted to 34 accounting firms who are currently listed as eligible auditors with the Local Government Commission (LGC); eight submissions were received; and an evaluation committee was formed.

The two submissions were in two sections with the first primarily focused on prior governmental experience and qualifications of the firm, who they would assign to the audit, their experience; and the second section focused on cost and audit approach and meeting the deadline. After a thorough review of the proposals, the evaluation committee chose Cherry Bekhaert. Mr. Fitzjohn noted that although Cherry Bekhaert was not the lowest cost offer, in comparison with the estimated hours, staff felt the very low number of estimated hours from the lowest cost firm was likely unreasonable for an audit of our type. He pointed out that PBMares, with experience auditing other cities of High Point's size, had a similar number of estimated hours that Cherry Bekaert had. Overall, staff feels that continuing the contract with Cherry Bekaert will lead to continuing to meet the deadline for the audit to be submitted to the State by October 31st as well as still challenging staff to produce the best financials possible.

The Finance Services Department is recommending that City Council award the contract for audit services to Cherry Bekaert for 2021-2023 in the amount of \$228,000 with two optional renewal years.

Chairman Moore asked if there were any questions/comments. Hearing none, he

proceeded with the following motion.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the April 5, 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 - Chair Moore, Holmes, Peters, and Jones

2021-129

Sole Source Contract - Carolina Video Security, Inc. - High Point Police Department Facility - Interview Room Security & Soundproofing

City Council is requested to approve a sole source contract with Carolina Video Security, Inc. in the amount of \$33,400.00 for software, hardware, installation for three (3) additional interview rooms, relocate two (2) existing rooms and soundproofing/acoustic panel installation for lower level interview rooms at the High Point Police Department Facility.

Attachments: [7. CVSI HPPD Interview Room Security & Soundproofing](#)

[SIGNED 28551 corrected CVSI Sole Source Request Form 3-31-21](#)

Travis Stroud, Interim Police Chief, advised this is a sole source contract with Carolina Video Security, Inc. in the amount of \$33,400.00 for hardware/software to be installed in the new High Point Police Department facility on Westchester. He explained they currently have Carolina Video Security, Inc. at the existing police department facility at 1009 Leonard Avenue and they plan on moving that hardware to the new facility for reuse on the first floor and installing three new ones on additional floors. The Police Department is seeking Council's approval of the sole source contract to Carolina Video Security, Inc. as they are already familiar with this equipment.

Chairman Moore asked if there were any questions/comments. Hearing none, he proceeded with the following motion.

Chairman Moore moved to forward this matter to the City Council with a favorable recommendation and place it on the April 5, 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 - Chair Moore, Holmes, Peters, and Jones

ADJOURNMENT

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

Respectfully Submitted,

Britt W. Moore, Chairman

Attest:

Lisa B. Vierling, City Clerk