

City of High Point

*Municipal Office Building
211 South Hamilton Street
High Point, NC 27261*



Meeting Agenda

Thursday, February 4, 2016

3:00 PM

Council Chambers

Special Called Meeting of City Council

*William S. Bencini, Jr., Mayor
James C. Davis, Mayor Pro Tem
Latimer B. Alexander, IV, Cynthia Y. Davis,
Jason P. Ewing, Jeffrey J. Golden,
Alyce E. Hill, Christopher Williams,
Jay W. Wagner*

[160096](#)

Pre Budget Work Session #3 - Topics: Transportation, Water & Sewer,
Water & Sewer Operations

Water and Sewer Budget/Operational Presentation



Public Services

Overview

- Current operational funding by division
- Current projects and 5 year project plan
- Funding sources
 - Water/Sewer rates and fees
- Areas of concern
- Future large-scale projects
- Financial Plan (Eric Olmedo)



Divisional Funding

Water Sewer Enterprise Fund

Operational Administration – \$2.6 million (\$1.2M in PTRWA)

Ward Water Treatment – \$3.1 million

Eastside Wastewater Treatment - \$2.8 million

Westside Wastewater Treatment – \$1.6 million

Residuals Management – \$1.4 million

Laboratory – \$0.9 million

Maintenance – \$3.0 million

Mains (Sewer Collection & Water Distribution) – \$4.1 million

Total Budget: \$19.5 million with 138 employees

Regional Water Agreement

- Piedmont Triad Regional Water Authority (PTRWA)
- Annual Average 2.28 Million gallons / day
- PTRWA Permitted for 12 Million gallons / day
- \$845,000 annual payments for water
- \$310,000 in membership dues
- 19% Partner of the Authority with 2 Board Members



Ward Water Treatment Plant



- Annual Avg 12.39 MGD (FY14-15)
- Permitted for 24 MGD
- Safe Yield for Lakes 22 MGD
- 2 Source Water Lakes: Arnold Koonce Lake and Oak Hollow Lake
- **\$48 million upgrade 2022-2023**
(Built in 1980's)

Remote Storage Tanks

Upgrades for water demand, fire flow protection, and age of tanks.

Expansion due to new service area

Sandy Ridge Reservoir

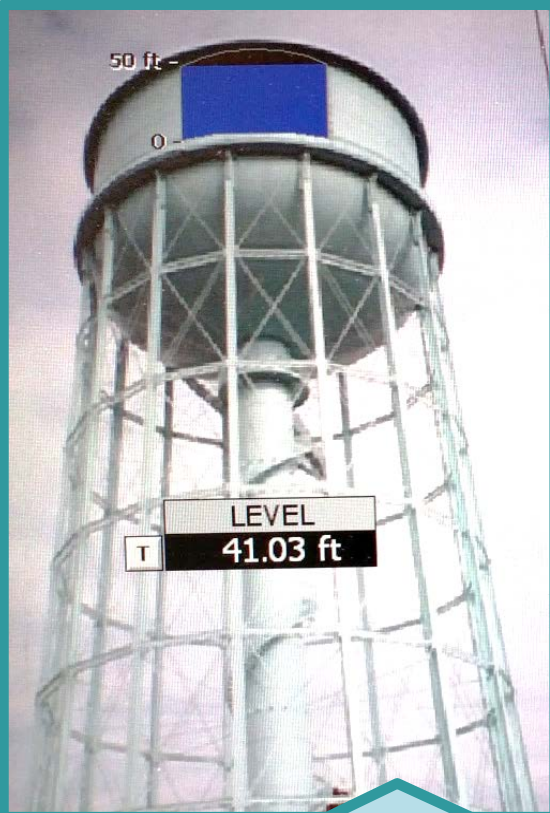


I-74 Elevated Storage Tank



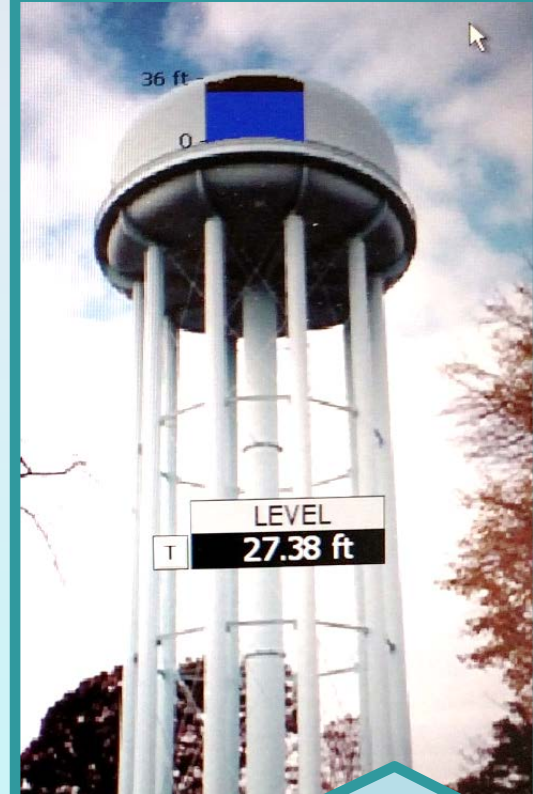
Ward Elevated Storage Tank

\$3.4 M – Under Contract
(Built 1929)



Lexington Elevated Storage Tank

Needs replacement by 2025



Wastewater Treatment Plant



2004 upgrade
\$60 million

2025 upgrade
\$100 million

Partnership

Eastside Wastewater Treatment Plant 26 MGD

High Point
21.3 MGD

Archdale
2.5 MGD

Jamestown
2.0 MGD

Sedgefield
0.225 MGD

Wastewater Treatment Plant

Westside Plant



- Extended Aeration (upgrading to BNR)
- Permitted 6.2 MGD (currently 3.5 MGD)
- Upgrading to 8.2/10 MGD: \$50 million
- \$1.5 million stream restoration prior to upgrade

Lift Station Upgrades

- 23 Lift Stations
- **2021/2022 Upgrades**
 - (required based on future regulations)
 - Riverdale: \$40 million
 - Waterview: \$10 million



Water & Sewer Mains



- ~ 650 Miles Sewer Pipe
 - ~ 620 Miles Water Pipe
 - ~ 6,000 CHP Maintained Hydrants
 - ~ 41,500 Customer Accounts
- The lines are old, breaking more frequently. In a normal year there are approximately 30 sewer line breaks and 200 water line breaks.



Life Cycle Water/Sewer Lines Replacement

Mainline Pipes Replaced or Rehabbed Each Year	Water	Sewer
Total Miles of Pipe over the City	613	671
Replacement Target	50 years	50 years
Annual Replacement Target	2.0%	2.0%
% of Existing Pipeline Rehabbed/Replaced - 5 year avg	0.18%	0.12%
Replacement Schedule based on current % replaced	556 years	833 years
Average \$ to replace 1 mile (in pavement)/foot	\$200	\$200
1 Mile = 5,280 feet	5,280	5,280
Cost to replace 1 Mile of Water/Sewer Line	\$1,056,000	\$1,056,000

Note: Information from NC Benchmarking Project & CHP Lawson financial system



5-Year Projects Funding Plan

Projects & Funding Source	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total Planned
PAYG - Enterprise Funds						
Line Replacements	\$3,300,000	\$2,750,000	\$2,750,000	\$2,750,000	\$2,750,000	\$14,300,000
Demolition of Kearns WTP	\$1,250,000					\$1,250,000
Master Plan/Monitoring/Meter CO	\$675,000	\$250,000	\$250,000	\$300,000	\$300,000	\$1,775,000
HVAC/Pumps/Electrical/ Outfall Upgrades	\$525,000	\$250,000	\$550,000		\$1,700,000	\$3,025,000
New Water/Sewer Lines	\$200,000	\$540,000	\$300,000	\$300,000	\$300,000	\$1,640,000
Sludge Removal/Tank Maintenance	\$400,000	\$475,000	\$475,000	\$475,000	\$762,500	\$2,587,500
PAYG - Enterprise Funds	\$6,350,000	\$4,265,000	\$4,325,000	\$3,825,000	\$5,812,500	\$24,577,500
Revenue Bonds						
Pump/Drives/Electrical/Lift Station/ WWTP Upgrades	\$22,000,000				\$1,800,000	\$23,800,000
Water/Sewer Utilities Relocation	\$3,062,800	\$800,000	\$3,400,000			\$7,262,800
New Water/Sewer Lines	\$2,890,000	\$2,700,000	\$8,550,000		\$8,600,000	\$22,740,000
Line Replacements		\$1,500,000	\$28,000,000	\$3,000,000		\$32,500,000
Equipment Upgrades				\$2,500,000	\$8,000,000	\$10,500,000
Alternatives - Future Projects				\$4,300,000	\$4,500,000	\$8,800,000
Revenue Bonds	\$27,952,800	\$5,000,000	\$39,950,000	\$9,800,000	\$22,900,000	\$105,602,800
Total CIP Fund	\$34,302,800	\$9,265,000	\$44,275,000	\$13,625,000	\$28,712,500	\$130,180,300



Tap/Meter Fees

Effective 1997

Meter Fees	Current Price	Current Cost	Suggested Price
Water Service and Meter			
5/8" Water meter installed	\$ 130	\$ 340	\$ 350
5/8" Water tap (service line, meter setter and box)	\$ 980	\$ 2,166	\$ 2,170
5/8" Meter set in parallel with an existing meter (meter, setter and box)	\$ 350	\$ 473	\$ 475
1" meter installed	\$ 170	\$ 396	\$ 400
1" water tap (service line, meter setter, and box) For residential home only	\$ 1,040	\$ 2,222	\$ 2,225
1 1/2" meter only (box & yoke - an additional \$200)	\$ 500	\$ 325	\$ 325
2" meter only (box & yoke - an additional \$315)	\$ 1,055	\$ 445	\$ 445
3" meter with by-pass	\$ 2,450	\$ 2,762	\$ 2,775
4" meter with by-pass	\$ 2,930	\$ 3,057	\$ 3,100
Meter Set by Contractor on Private Property			
5/8" meter, box and yoke	\$ 270		\$ 360
1" meter, box and yoke	\$ 390		\$ 475
1 1/2" meter, box and yoke	\$ 865		\$ 695
2" meter, box and yoke	\$ 1,260		\$ 830
Hydrant Meter			
Application Fee	\$ 50		\$ 50
5/8" hydrant meter deposit - refundable	\$ 200		\$ 200
3" hydrant meter deposit - refundable	\$ 800		\$ 800
Sewer Service Line with Clean-out			
4" sewer tap	\$ 1,010	\$ 1,809	\$ 1,825
Charge for additional trench for water and sewer when not necessary	\$ 875	N/A	Actual Cost
4" sewer clean-out	\$ 155	\$ 219	Actual Cost
6" sewer clean-out	\$ 195	\$ 259	Actual Cost



Tap/Meter Fees Comparison

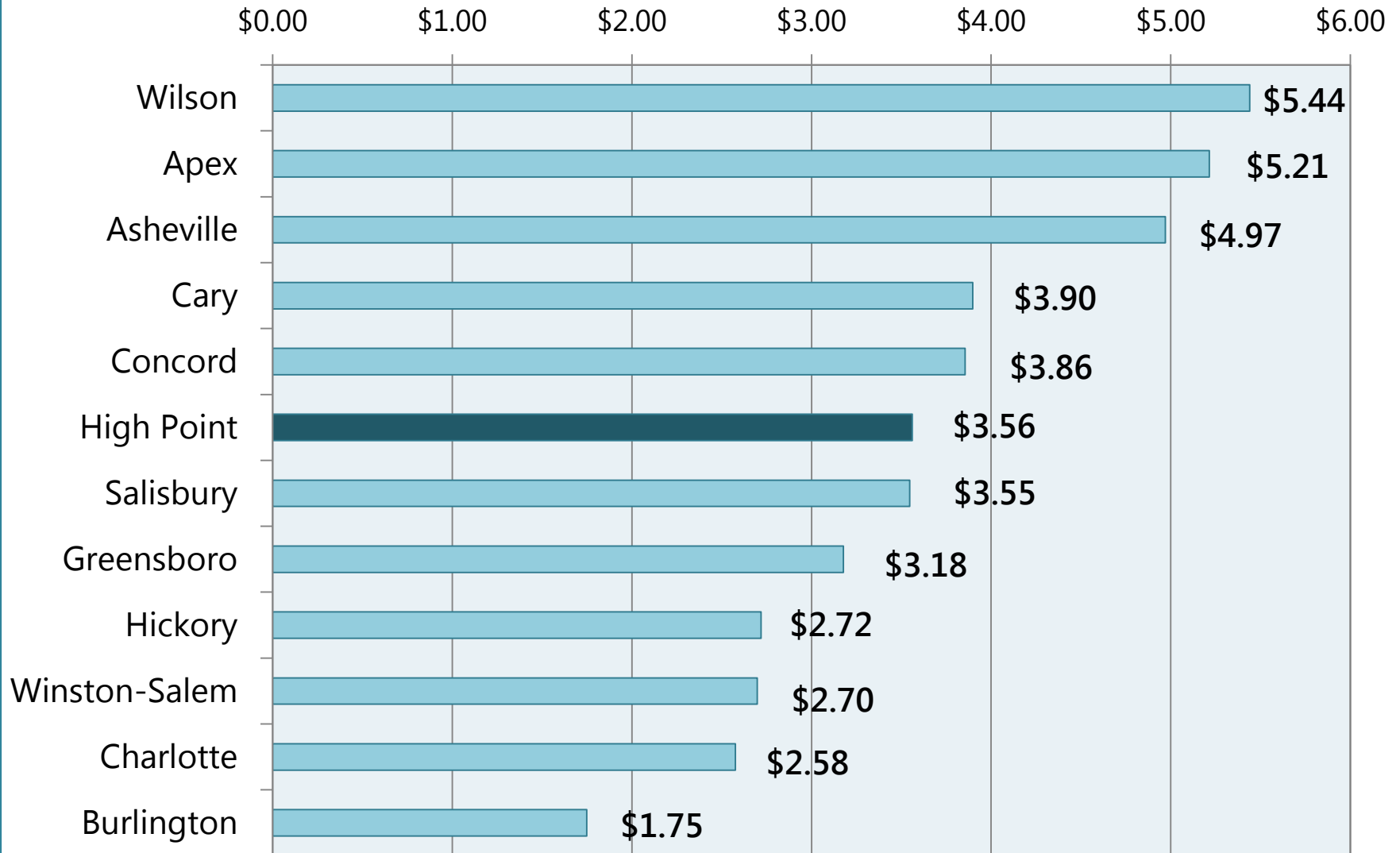
(Residential Customer)

Water		Sewer	
Winston-Salem			
3/4" Meter	\$50	4" Connection	\$1,300
3/4" Connection	\$825		-
Water Assessment Fee (110 lf x \$21)	\$2,310	Sewer Assessment Fee (110 lf x \$45)	4,950
	\$3,185		\$6,250
Total Charge - Water and Sewer		\$9,435	
Greensboro			
5/8" Meter	\$185	4" Connection	-
Tap Fee - new residence	Contractor		-
Capacity Fee	\$980	Capacity Fee	\$990
	\$1,165		\$990
Total Charge - Water and Sewer		\$2,155	
City of High Point			
3/4" Meter	\$130	4" Connection	\$1,010
Tap Fee	\$980		-
Capacity Fee	-	Capacity Fee	-
	\$1,110		\$1,010
Total Charge - Water and Sewer		\$2,120	

Benchmarking Data from UNC

Cost to Produce 1,000 Gallons of Billed Water

(Median = \$3.62/1,000 gals)





High Point

Rates Comparison

Financial Benchmarks

Characteristics

Links

Edit Data or Add Utility

Select residential bill and monthly consumption amount

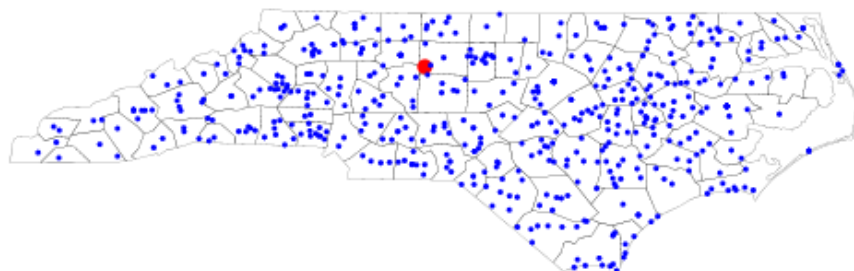
☒ Water Bill ☐ Sewer Bill ☐ Water + Sewer Bill

5,000 gallons
668 cubic feet

Monthly Water Bill: \$25.41

Select comparison group: All Utilities

Comparing to all utilities in survey

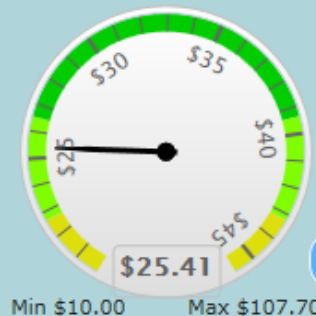


510 rate structures compared

Effects of raising rates by: 0%

Bill Comparison

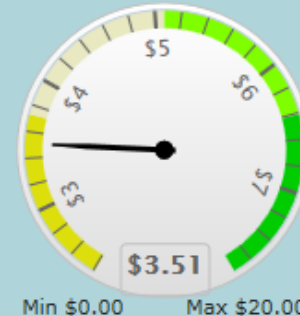
Water Bill at
5,000 gallons
Median: \$31.26



Min \$10.00 Max \$107.70

Conservation Signal

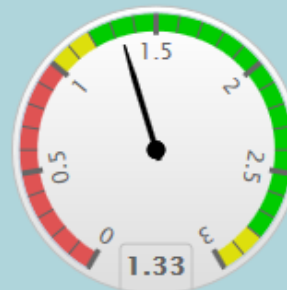
Water Price/1,000 Gallons, after
10,000 Gallons
Median: \$4.50



Min \$0.00 Max \$20.00

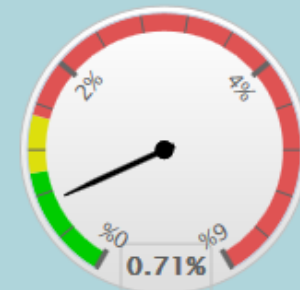
Cost Recovery

Operating
Ratio Incl. Deprec. 2014



Affordability

Water Bills as % MHI





High Point

Rates Comparison

Financial Benchmarks

Characteristics

Links

Edit Data or Add Utility

Select residential bill and monthly consumption amount

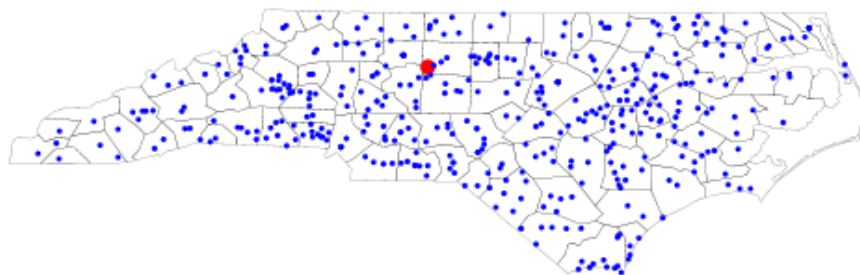
☐ Water Bill ☒ Sewer Bill ☐ Water + Sewer Bill



Monthly Sewer Bill: \$42.64

Select comparison group: All Utilities

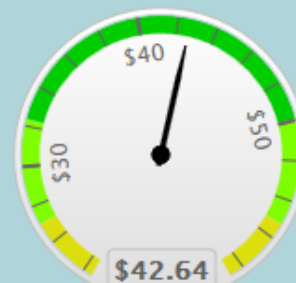
Comparing to all utilities in survey



Effects of raising rates by: 0%

Bill Comparison

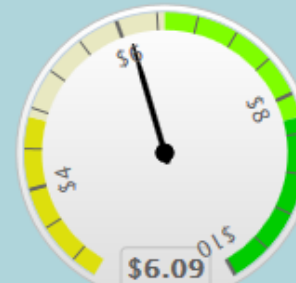
Sewer Bill at
5,000 gallons
Median: \$38.60



Min \$9.20 Max \$110.61

Conservation Signal

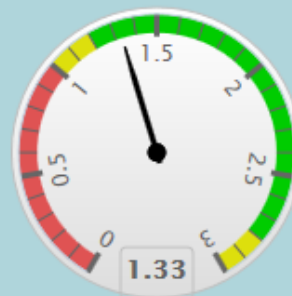
Sewer Price/1,000 Gallons, after
10,000 Gallons
Median: \$5.60



Min \$0.00 Max \$33.00

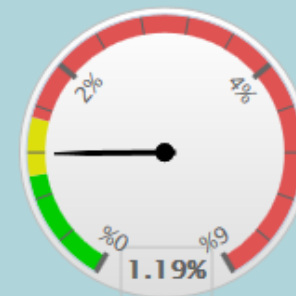
Cost Recovery

Operating
Ratio Incl. Deprec. 2014



Affordability

Sewer Bills as % MHI





High Point

Rates Comparison

Financial Benchmarks

Characteristics

Links

Edit Data or Add Utility

Select residential bill and monthly consumption amount

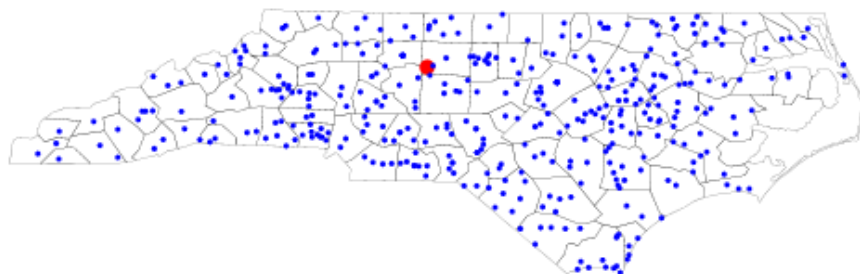
☐ Water Bill ☐ Sewer Bill ☒ Water + Sewer Bill



Monthly Water & Sewer Bill: \$68.05

Select comparison group: All Utilities

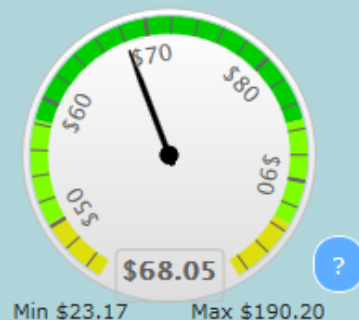
Comparing to all utilities in survey



Effects of raising rates by: 0%

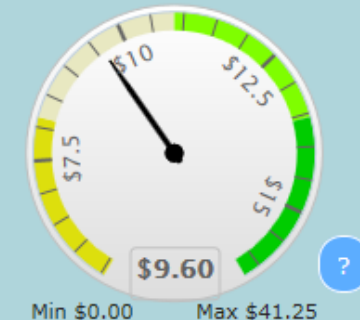
Bill Comparison

Water & Sewer Bill at
5,000 gallons
Median: \$67.98



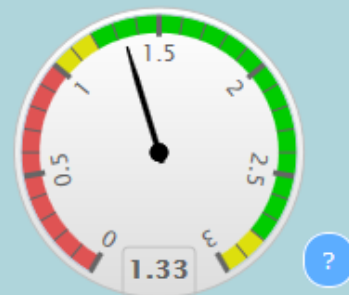
Conservation Signal

Water & Sewer Price/1,000
Gallons, after 10,000 Gallons
Median: \$10.00



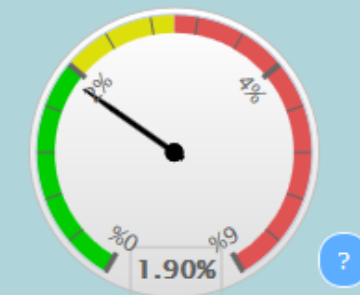
Cost Recovery

Operating
Ratio Incl. Deprec. 2014



Affordability

Water & Sewer Bills as % MHI





Areas of Concern

- Revenue: growth rate around 1% per year
 - Need larger customer base
- Future Compliance: changes by DWQ and EPA
- Manpower:
 - Current staff is aging out
 - Inability to obtain trained staff replacements
 - FY16-17 requested apprentice positions for future vacancies
- Expanded service area and additional maintenance requirements
- Service to private developments

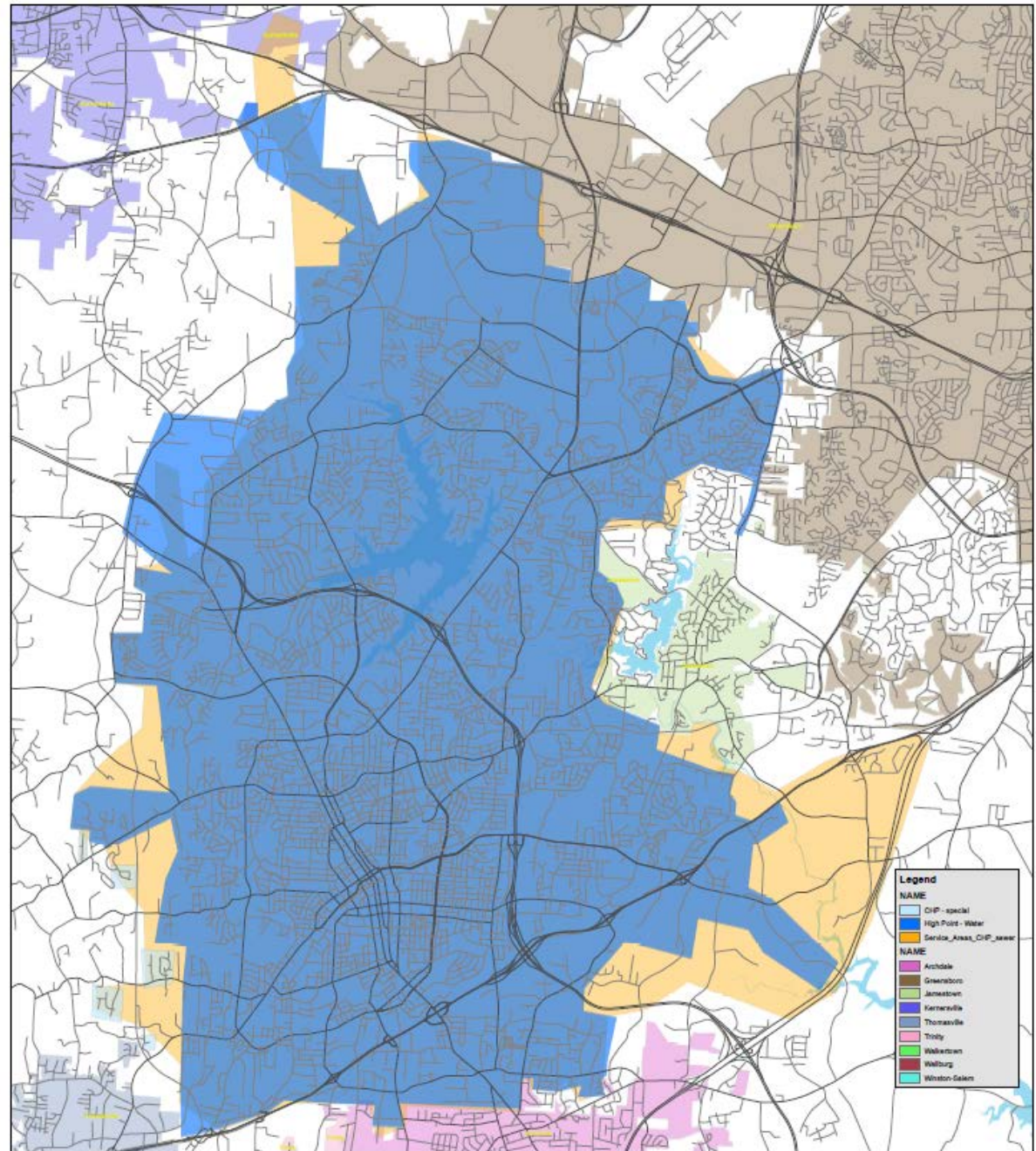


Service Area

Water & Wastewater Service Areas



Map Date: 27 Jun 2018
Map by: Tim Ayres





Future Large-Scale Projects



- Ward Water Plant rehab: \$48 million
- Eastside Wastewater Treatment BNR upgrade: \$100 million
- Biosolids disposal
- Lift station upgrades
 - Riverdale: \$40 million
 - Waterview: \$10 million
- Interbasin transfers
- PTRWA plant upgrade (48 MGD): \$40 million
 - Transmission line from new plant to City: \$10-20 million
- Water distribution and collection system upgrades



Historical Rate Increases

FISCAL YEAR	EFFECTIVE DATE	WATER % CHANGE	SEWER % CHANGE
FY 2007	10/1/2006	4.90%	4.90%
FY 2008	11/8/2007	4.85%	4.85%
FY 2009	10/1/2008	5.90%	5.90%
FY 2010	10/1/2009	5.00%	5.00%
FY 2011	10/1/2010	4.90%	4.90%
FY 2012	10/1/2011	4.90%	4.90%
FY 2013	no increase	0.00%	0.00%
FY 2014	no increase	0.00%	0.00%
FY 2015	7/1/2014	3.00%	3.00%
FY 2016	10/1/2015	3.50%	3.50%

CITY OF HIGH POINT WATER & SEWER FUND									
SCENARIO 1 - No rate increase, no future debt for capital									
	Projections								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning Balance	23,766,358	19,956,260	18,998,777	18,310,152	19,634,971	17,080,403	16,479,524	17,258,676	17,845,928
Total Operating Revenues	47,813,789	48,234,653	48,712,605	49,218,809	49,697,001	50,194,210	50,697,942	51,200,947	51,712,322
Pay as you Go Financing	(6,350,000)	(4,265,000)	(4,325,000)	(3,825,000)	(6,812,500)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Total Revenues	41,463,789	43,969,653	44,387,605	45,393,809	42,884,501	45,194,210	45,697,942	46,200,947	46,712,322
Total Sources of Funds	65,230,147	63,925,913	63,386,381	63,703,961	62,519,472	62,274,613	62,177,466	63,459,623	64,558,249
Personnel	8,872,602	9,290,256	9,743,263	10,191,243	10,669,344	11,175,132	11,704,493	12,255,917	12,836,541
Operating	17,823,958	18,166,409	18,517,588	18,877,788	19,247,319	19,626,503	20,015,680	20,415,208	20,825,465
Operating Capital	171,110	174,874	178,721	182,653	186,672	190,778	194,975	199,265	203,649
Debt Service	18,406,217	17,295,597	16,636,657	14,817,306	15,335,734	14,802,676	13,003,642	12,743,305	12,666,136
Total Expenses	45,273,886	44,927,136	45,076,229	44,068,990	45,439,068	45,795,089	44,918,791	45,613,695	46,531,791
Ending Balance	19,956,260	18,998,777	18,310,152	19,634,971	17,080,403	16,479,524	17,258,676	17,845,928	18,026,459
50% Fund Balance Policy	22,636,943	22,463,568	22,538,115	22,034,495	22,719,534	22,897,544	22,459,395	22,806,847	23,265,895
Amount Above FB Minimum	(2,680,683)	(3,464,791)	(4,227,963)	(2,399,525)	(5,639,131)	(6,418,020)	(5,200,720)	(4,960,920)	(5,239,436)

CITY OF HIGH POINT WATER & SEWER FUND

SCENARIO 2 - 4% rate increase next 3 years.

\$5 million paygo annually, \$105 million in future debt (2016, 2018, 2020)

	Projections								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning Balance	23,766,358	21,376,722	21,611,553	24,265,843	26,652,783	28,182,063	27,473,630	28,181,185	27,868,779
Current Total Operating Revenues	47,813,789	48,234,653	48,712,605	49,218,809	49,697,001	50,194,210	50,697,942	51,200,947	51,712,322
Oct. 1, 2016 - 4% Rate Increase	1,420,462	1,912,889	1,932,017	1,951,338	1,970,851	1,990,559	2,010,465	2,030,570	2,050,875
Oct. 1, 2017 - 4% Rate Increase	-	1,504,426	2,025,785	2,046,806	2,066,714	2,087,391	2,108,336	2,129,261	2,150,528
Oct. 1, 2018 - 4% Rate Increase	-	-	1,580,112	2,128,678	2,149,383	2,170,886	2,192,670	2,214,431	2,236,549
Pay as you Go Financing	(6,350,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Total Revenues	42,884,250	46,651,967	49,250,519	50,345,630	50,883,949	51,443,047	52,009,413	52,575,208	53,150,274
Total Sources of Funds	66,650,608	68,028,689	70,862,072	74,611,473	77,536,732	79,625,110	79,483,043	80,756,393	81,019,052
Personnel	8,872,602	9,290,256	9,743,263	10,191,243	10,669,344	11,175,132	11,704,493	12,255,917	12,836,541
Operating	17,823,958	18,166,409	18,517,588	18,877,788	19,247,319	19,626,503	20,015,680	20,415,208	20,825,465
Operating Capital	171,110	174,874	178,721	182,653	186,672	190,778	194,975	199,265	203,649
Existing Debt Service	18,406,217	17,295,597	16,636,657	14,817,306	15,335,734	14,802,676	13,003,642	12,743,305	12,666,136
2016 Debt Service (\$35 million issue)	-	1,490,000	1,520,000	2,355,000	2,350,000	2,350,000	2,350,000	2,355,000	2,355,000
2018 Debt Service (\$35 million issue)	-	-	-	1,534,700	1,565,600	2,425,650	2,420,500	2,420,500	2,420,500
2020 Debt Service (\$35 million issue)	-	-	-	-	-	1,580,741	1,612,568	2,498,420	2,493,115
Total Expenses	45,273,886	46,417,136	46,596,229	47,958,690	49,354,668	52,151,480	51,301,859	52,887,614	53,800,406
Ending Balance	21,376,722	21,611,553	24,265,843	26,652,783	28,182,063	27,473,630	28,181,185	27,868,779	27,218,647
50% Fund Balance Policy	22,636,943	23,208,568	23,298,115	23,979,345	24,677,334	26,075,740	25,650,929	26,443,807	26,900,203
Amount Above FB Minimum	(1,260,221)	(1,597,015)	967,728	2,673,438	3,504,729	1,397,890	2,530,255	1,424,971	318,444



**HIGH POINT CITY COUNCIL
SPECIAL MEETING
(Pre-Budget #3)
HIGH POINT MUNICIPAL BUILDING
FEBRUARY 4, 2016 – 3:00 P.M.
3RD FLOOR LOBBY CONFERENCE ROOM**

MEETING MINUTES

Present:

Mayor William S. Bencini, Jr.; Mayor Pro Tem Golden (Ward 1) (joined the meeting at 3:10 p.m.); and Council Members Latimer Alexander (At-Large); Cynthia Davis (At-Large) (joined the meeting at 4:08 p.m.); Christopher Williams (Ward 2); Alyce Hill (Ward 3) (left the meeting at 5:06 p.m.); and Jay Wagner (Ward 4)

Absent:

Council Members Jason Ewing (Ward 6) and James Davis (Ward 5)

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Jeron Hollis, Communications & Public Engagement Director; Eric Olmedo, Budget and Performance Manager; Laura Altizer, Budget Analyst; Roslyn McNeill, Budget Analyst; JoAnne Carlyle, City Attorney; Robby Stone, Public Services Assistant Director; Glenda Barnes, Public Services Analyst; Terry Houk, Public Services Director; Ryan Ferguson, Marketing Manager; Worley Smith, Communications Specialist; Mark McDonald, Transportation Director; Maria Smith, Deputy City Clerk; and Lisa Vierling, City Clerk

Others Present:

Louis Thibodeaux, Kensington Drive resident

News Media:

Pat Kimbrough, High Point Enterprise

Transcript

Greg Demko, City Manager: Got a call from Council Member Cynthia Davis that she won't be able to attend today and again we are going through items to get some background on the budget and on the service so some of the decision things we'll be looking at as we finalize our strategic plan and work toward a budget for our future years and kick it off with Transportation and Mark.

Presentation by Mark McDonald - Transportation/Parking

Mark McDonald, Transportation Director: Thank you, I wanted to first start off with an overview of our department so that you will know what our composition is and what some of the things we do are and give you an update on a few projects and then talk about some of the capital budget requests for the coming years. First our mission is to provide a safe vision economically economical and environmentally sensitive transportation network for our citizens. Our priorities are to improve safety manage, congestion and enhance the quality of life and foster economic development. Our department is made up of these divisions right here:

- Administrations
- Signs and markings
- Traffics signals
- Systems operations
- Parking
- Transportation planning (which is the MPO)
- and Transit (which is Hi tran)

We have 78 employees in those divisions. Our operating budget on toll is about 8.6M dollars that includes Hi tran and we are anticipating about \$5 million in capital needs over the next five years. Administration engineering, we respond to public concerns when the phone rings and people are calling about various traffic concerns. That's our first priority is to respond to those concerns. We administer a number of different policies and programs like our driveway ordinance, our traffic calming program, things like that. We collect and evaluate traffic data for various projects, whether it comes from a public concern to a speed study of a certain street or whether we're looking at a specific project and we need to collect and evaluate data to build a case for that project. We oversee design and operation of transportation facilities such as Hi tran, and the Depot, the Transportation Terminal during the furniture market our signal system which you will hear a little more about later. We provide administrative and technical support for the other divisions within the department and we coordinate our activities with other departments throughout the City whether it be with Robby and Terry with Public Services or folks in Electric or all other departments and coordinate very close with them, as well with NCDOT. We have a very good relationship with the North Carolina Department of Transportation. We have the uniqueness in High Point of being situated where we sort of straddle county and division lines and we are part of three different divisions in NCDOT, so we're talking with people primarily in the Division 7 office in Greensboro, but also in Aberdeen in the Division 8 and in Winston-Salem in Division 9.

Our Signs and Markings Division, these are the guys that made the new Martin Luther King, Jr signs and University Parkway signs that were recently installed. They handle all of our pavement markings and they also handle our special events. And this is the group that is most involved with Furniture Market preparations, closing down streets during market, closing off parking during markets and managing that traffic flow during the market events. Also, for parades. The three major parades that we have. This is the group that handles that along with the Police Department. We do other special events too. Over the

years we've done several marathons, we've worked the bike races that have been held downtown and various other things as well, so these are the guys that handle that from a traffic standpoint.

Traffic Signals. A group of guys that work down at the Triangle Lake Road facility maintain our 216 traffic signals. Most of those are owned by the State of NC and we get reimbursed for that maintenance, but about 35 of them actually belong to the City of High Point. These guys construct new signals. This is a photograph right here of construction when we installed the signal over on what is now Martin Luther King Drive at Lindsay Street. That was done in conjunction with the Lindsay Street bridge replacement. Yes sir...

Council Member Latimer Alexander: Mark, most communities and High Point is no exception, we've gone to mast arms in a lot of places and they really look much better than the wired kind of hanging approach. Do we have a policy about new traffic signals or should we have a policy about new signals being mast armed?

Mark McDonald, Transportation Director: We don't have a written policy. The unwritten approach to that is whenever we go underground with utilities we would go put in mast arms for the traffic signals and we've done that in several places. Most of our mast arms are confined to the downtown area, although we do have a number of installations now like over on University Parkway that are mast arms.

Council Member Latimer Alexander: Well, I'm thinking specifically about the Idol and Westchester. That will be a brand new signal. We've never had a signal in there. You know if we had a policy in place to say that new signals driven by development must be mast arm. Would that be helpful or harmful?

Mark McDonald, Transportation Director: Well, it would certainly be more costly if it's something that has been driven by development, it would be a cost that would be borne by the developer or the builder. Mast arm intersections are....just ball park....about twice as expensive as just using wood poles and spans. In other cases, we've used steel poles with spans. They look a little bit neater than the wood pole installations do, but they aren't as clean as the mast arms are.

Council Member Latimer Alexander: Well, I'm just looking to you and to your staff for direction, but honestly, I would hope that at some point down the road we go more away from the old swaying signal and go to a mast arm and if we do have development that's being driven by that, if we had a policy in place then I think, you know, it could carry that.

Mark McDonald, Transportation Director: That's something that we could explore if you all have an interest in that.

Council Member Jay Wagner: When you say twice as much, how much is twice as much?

Mark McDonald, Transportation Director: We could do a wood pole installation for around \$100,000 maybe a little less. It depends on the size of the intersection. But mast arms are going to be more in the \$200,000 range. When we replaced the....rebuilt the signals over along University Parkway, Montlieu, Lexington and Centennial and those were \$175,000.

Council Member Jay Wagner: And, really you're burying the lines up to the intersection pretty much aren't you?

Mark McDonald, Transportation Director: Right, you basically in areas where you're not already underground, you have a service drop that goes underground and feeds into the cabinet underground so the intersection itself as far as the signal goes is clean, but you still could have....

Council Member Jay Wagner: Yeah, it's underground...

Mark McDonald, Transportation Director: ...You're still going to have phone, cable and power on top of it.

Randy McCaslin, Deputy City Manager: One more consideration those poles take 6-8 months to fabricate, so we'd have to....I'm not saying it's good or bad....you'd just have to put that into your planning.

Council Member Jay Wagner: Sure...

Mark McDonald, Transportation Director: It's a more lengthy design and review process for mast arms, and again that fabrication time is considerable—6-8 months is right.

Council Member Latimer Alexander: Well, you know, if you do have new development in the area, while we have gotten use to looking at ugly poles and ugly wires....

Mayor Bencini: I'm still not use to it.

Council Member Latimer Alexander: I understand that you never will be [laughter], but when you travel around the country....you are....other communities that are more progressive have a much cleaner look and if we've got development that is going in in a substantial way, a cleaner look is going to give you, I think, a more professional looking area. And I'd like to see us, where possible, begin to work that way.

Randy McCaslin, Deputy City Manager: Would you like us to maybe take that to Jay's committee then?

Council Member Latimer Alexander: Well, I ...

Mayor Bencini: It's a good idea...

Council Member Latimer Alexander: I'd like to understand really what other committees are doing. I would....I could guarantee you Charlotte is going to make you do a mast arm—probably Raleigh, probably Durham. But I don't know what other communities our size are doing. You know \$250,000 is a lot money, assuming that would be a mast arm coming up there, but when you are looking at a project that is \$50 million, \$100,000 versus \$250,000 it's not going to be a deal breaker. And it may make the

project look more professional and look better, making it more appealing to national firms and drive a little higher rent.

Randy McCaslin, Deputy City Manager: We can do a little research.

Council Member Jay Wagner: Yeah, I think it maybe would be worthwhile if you could just check and see what some other jurisdictions are doing. We can do a little inquiry. Just for informational purposes, we could take a look at it and see where it does.

Council Member Christopher Williams: Can we get examples of like what that looks? The differences between like the steel pole. I know what the wood and stuff looks like, but I'm talking about the difference between like the steel and the mast?

Randy McCaslin, Deputy City Manager: Yeah, we can have pictures for everyone.

Council Member Christopher Williams: Just curious as to what it would look like.

Mark McDonald, Transportation Director: NCDOT uses mast arms at some locations. You see those at the interchange at 74, but they are not what we typically use. We use a black fluted decorative pole. They use just a plain galvanized steel pole. So there's a difference in look and there's a difference in cost. Either could be used.

Mayor Bencini: Yes, but I don't want to get us too far off track, but this probably isn't helping. Latimer mentioned Long and Westchester and all the anticipation of retail development there and I know one of the conditions is going to have to be a stop light, a signalized intersection. Would Long and Westchester not qualify for at least consideration of a roundabout?

Mark McDonald, Transportation Director: Probably not, I imagine it...I think that volumes on Westchester are too high for a roundabout and it's also five lanes wide as opposed to being two lanes wide.

Mayor Bencini: Yeah, but it's also....It's not that far from Main Street and you're just adding another time to everybody. Everybody's going to have to stop and nobody has to stop at a roundabout. Nobody does.

Mark McDonald, Transportation Director: That's a consideration that we had when we were looking at that development where that was. It meets spacing requirements, but you're right. Traffic signals don't necessarily solve congestion, they make it.

Mayor Bencini: No, and if there's anything I've seen that's worked is our not exactly roundabout...I don't know if it's a peanut or a trapezoid or square about, but traffic moves through there. You never have to stop unless it's the Monday after a Panthers game...[laughter]

Mark McDonald, Transportation Director: That's something we could explore, but with 68 being five lanes wide and carrying roughly 22-24,000 cars a day right there, that would probably be a stretch.

Mayor Bencini: Now, half of those 22 or 24,000 are going to have to stop. Once that retail gets developed, your cycle on those signals is going to switch to stop a lot on Westchester.

Mark McDonald, Transportation Director: Our System Operations Group. They're the guys that operate the traffic signals. The other group that maintains them and constructs them and these guys that are downstairs in the camera room operate it.

Mayor Bencini: Do you have a picture of the guy that synchronizes them or tries to synchronize them?

Mark McDonald, Transportation Director: I don't have a picture of him in here, but that's his boss right there.

Council Member Latimer Alexander: He knows what you're driving and goes, it's going to be red. It's going to be red. [laughter]

Mark McDonald, Transportation Director: You'll hear a little bit more about this group. I've got another slide or two on this later on with our signal system project that's being kicked off right now. The State awarded the contract a couple of months ago and we're anticipating work to begin on that very soon and it will overhaul all of our traffic signals and will update all of our communications, all of our software. It will add about a dozen new additional traffic cameras and update that software too so that we can provide live feeds for all of our traffic cameras instead of just a still feed that refreshes about every minute.

Council Member Latimer Alexander: Mark, I know that this system has helped some of our police officers determine accidents and that kind of thing. Will there ever be any linkage between our traffic officers and our system down there where they could because I'm sure they roll up on an accident and two people said, oh yeah, my light was green.

Mark McDonald, Transportation Director: Right now, what they do when there's an accident, they will contact the guys downstairs and say is this the location where you've got a camera, yes or no. And if we do, they'll say well where was the camera pointing at such and such a time. Sometimes we get it. Sometimes we don't. It really depends on where have the camera set. And we have certain places where we put the camera and leave it at certain times of the day. We may be looking northbound in the morning and southbound in the evening or whatever. If we get that image, and we had it recorded, and we are constantly recording, but it's overwriting every seven days or so. We do not archive it. So if they ask within that period and we find something, then we can share that with them. In the future, with the next generation that's going to be installed over the next two to three years, they would be able to get a live feed over the internet of all the cameras.

Council Member Latimer Alexander: That would be very helpful to the officer to determine what happened.

Mark McDonald, Transportation Director: It still doesn't mean, though, that the camera will be looking at the place they want it to look at, but at least it will be a more efficient system.

Mark McDonald, Transportation Director: Parking, our three parking decks. The Plaza. This is Broad Street right here. About 1,200 spaces in those three parking decks. We mentioned the other day that our Main Street deck—the hotel deck—we have leased that to the hotel. They are now operating that deck. So we're operating the Plaza and Broad Street. Broad Street, we don't have enough demand to keep it open year around. It's closed except during markets and special events. If we have a need for it can be opened up in a day or two with notice and get people in there for that use.

Mayor Bencini: Excuse me Mark, what's that red awning in the bottom left hand corner? What is that?

Mark McDonald, Transportation Director: This right here is Jarrett's Stationery.

Mayor Bencini: They moved didn't they? [laughter]

Mark McDonald, Transportation Director: That's probably a very old photo. You can recycle photos.

Mayor Bencini: I like that, it looks good.

Council Member Jay Wagner: Mark, I have a question on that. I know that a lot of cities have gone to automation for their parking decks now. They don't have people working them anymore. Is that something we've looked at, or do you think given the amount of use they get.....

Mark McDonald, Transportation Director: Well, that's something that we all of us need to talk about and consider. We've got some funding right now that can be used for a needs assessment. We'll talk about that in a little bit later. But that's one of the things that we really need to look at. Our equipment is...

Greg Demko, City Manager: Old...

Mark McDonald, Transportation Director: 25-30 years old and it's all DOS based software. The company that makes the equipment is no longer in business. We're having to scavenge to get that kind of stuff.

Council Member Jay Wagner: I know that when I go to larger cities now, if I park in the deck you know you take your ticket with you and you insert it and you go ahead and pay and go back to your car and just drive out. There's no person.....

Mark McDonald, Transportation Director: I don't think you can ever eliminate the need to have some staff, but we've already....our staff is fairly small now. We're down to two full-time people and four part-time people that work at the decks and the depot. The courtesy parking that we put on the

streets many, many years ago has really eroded the use of our decks. And the recession didn't help a bit. The first thing that a lot company's cut out was parking. A lot of company's were buying parking for the entire year just for the privilege of just having it for two weeks a year. And a lot of it... ten years ago we had a long waiting list for parking and now we don't.

Council Member Jay Wagner: I remember...

Mark McDonald, Transportation Director: So that's something that we need to look at is how we are going to address both on-street parking and our off- street parking.

Randy Hemann, Assistant City Manager: And I'll say that is a huge, huge incentive for downtown development that we have not tapped into to have 700 spaces available that you don't have to pay as a City to put infrastructure in for development. It's huge. So the use of those, hopefully, will change some overtime and...

Mayor Bencini: And we'll have the full 1,200 if and when our term expires with the Radisson, correct?

Mark McDonald, Transportation Director: Right. We've got about 700 spaces here and about 250 in both the Broad Street deck and the Main Street deck and 30 spaces down here in the Pit.

Mayor Bencini: Well, what's the....we've paid off the parking bonds, have we not? So we have these things free and clear. Okay.

Mark McDonald, Transportation Director: The Plaza facility has some very specific structural needs and that's something else.

Council Member Latimer Alexander: The Main Street deck, when it was built, I don't know if anybody knows this or not, but it was built to have a fitness club on the top of it. We've never exploited that real estate. There has to be opportunity on top of that deck.

Mayor Bencini: Does Randy know about that yet?

Council Member Alexander: I wanted to make sure he knew about it.

Randy Hemann, Assistant City Manager: My first week on the job, I walked over there and went up to that top floor. I couldn't get all the way up, but got up on the top floor and I thought that same thing.

Council Member Latimer Alexander: Well, the foundation was built to accommodate a health club up there and that never occurred. So you may want to take a look at the plans, as-built plans on that because that is prime real estate that we own.

Greg Demko, City Manager: That's a roof top something.

Council Member Latimer Alexander: That we're doing nothing with.

Mayor Bencini: And as recently as a few years ago, we had a proposal by a couple of folks in town that wanted to build on top of there.

Council Member Latimer Alexander: Well, if nothing else, and I haven't been up to the top. I've been in the First Citizens or the First Factors building and I looked down on it. But, if you want to rock a party out during Furniture Market, I mean you've got controlled access, you may have other amenities up there. I mean it would be a great place to have some parties and even at off market times.

Mayor Bencini/Greg Demko, City Manager: Council meeting.

Council Member Latimer Alexander: But that's real estate that we own that's just, I mean, God looks at it every day and that's it.

Council Member Jay Wagner: I've actually seen some preliminary drawings in conjunction with redevelopment of the First Factors building for, you know, where at least there were concepts done for extending that building out over that deck. And it's an opportunity. It really is.

Mark McDonald, Transportation Director: Shortly, after I came to work here, it must have been in 2003 or 2004, there was actually some interest by someone that was in the GE Capital building at that time.

Mayor Bencini: They wanted to extend...

Mark McDonald, Transportation Director: Not really extending the building, but having access from the building onto the deck and putting like a little plaza out there where employees could go out. It didn't go anywhere and that's probably the last time anybody asked anything about it.

Mayor Bencini: I think, I think the conversation went silent when we asked how we were going to figure out were we leasing air space to them, or was this going to be ground rent. And their response was, we didn't factor any of that in.

Member Latimer Alexander: We didn't want to rent it, we just wanted to use it... [laughter]

Mayor Bencini: So that was the end of that conversation.

Mark McDonald, Transportation Director: **Parking is something that really needs some attention** and we need to decide what we want to do with it because we do have a lot of... **maintenance issues are just increasing and we need to decide how we're going to progress that.** In case you don't know, our parking staff also looks after the Depot. So when things are going on over there, we are monitoring that as well and taking care of the maintenance at the Depot as well.

Mayor Bencini: Speaking of parking at the Depot, those spaces that we built in there recently expanded the parking. What's the policy, no not what's the policy, what happens there if somebody parks there and leaves their car there for a couple of hours?

Mark McDonald, Transportation Director: Technically, they should be towed. The funding for that, that paid to do that came through the State from the Feds and it was intended to be solely for Depot and Amtrak passenger use. We've tried to be....It's signed that way, but we've tried to be as lenient as we can be on that.

Council Member Jay Wagner: Don't you get a card? If you're on the train that you're supposed to put in your....

Mark McDonald, Transportation Director: You do. They're supposed to give you something, if you want to park there. We have a fair amount of people that if they are going on a long trip, they'll actually park in the parking deck and leave their car in the parking deck. That parking extends all the way down behind Natuzzi and they have issues with getting trucks in and out of their loading dock. They had problems with that even before. But now they utilize that some and whenever they have a truck coming in, we'll allow them to cone spaces off so people won't park all the way down there, so they can get there trucks in and out. The position

Mayor Bencini: Sounds like a little bit like the other end of High Street behind Showplace...

Mark McDonald, Transportation Director: The position from NCDOT and FRA, the Federal Rail Administration, has been that parking is reserved for Amtrak. I park there when I drive over there to go to the Depot.

Mark McDonald, Transportation Director: Just a couple of shots of the depot which is really the highlight of the City and our train, the Amtrak 1859 train.

A little bit about Transportation Planning and the MPO. High Point's the lead agency for the MPO. Mayor Bencini sits on the TAC for the MPO. We are one of 19 MPOs statewide and these are federally mandated organizations based on population. Our urban area, which was at one time was primarily just High Point and I'll show a map in a minute. High Point and some surrounding communities like Archdale and Trinity have in the last few years expanded to include almost all of Davidson County. So we've grown from about 280 square miles to over 600 square miles in area, 680 square miles. Eight cities, four counties—parts of four counties—and are responsible for all the long range transportation planning that is required within that urbanized area and for the use of federal funds. This is the map and you can see that High Point is right there in the corner of Guilford County, but we include.... up until about three years ago, our area was, this surrounding portion right here, well, Lexington and Denton both elected to join the High Point MPO as opposed to the Winston-Salem MPO or the Salisbury or Rowan MPO. And with that came the rest of that part of Davidson County. So we have a very large geographic area and what is for all intents and purposes a rural area, but based on the census it is considered urban, so it's within our MPO.

Our budget for the MPO is roughly \$580,000 a year. High Point's share of that is about \$37,000 a year. That doesn't count special studies and things like that where we would pay a larger share if we're doing something that's specific to High Point. That's our contribution. Most of the money is federal money that is used for the planning process. Again, this is all a federally mandated process.

Mayor Bencini: Mark, before you go beyond that, we've got coming up with the MPO, our prioritization....**Project Prioritization.** And in the last few years, I don't ever remember being on the Council where the Council met and talked about these priorities prior to somebody walking up and putting their votes on which projects would mean the most to City of High Point. **And I really would like to see Council be part of the process** and when I go in there I'm going in there to do kind of what Council has agreed upon that we want to do as opposed to doing it and then somebody says, "Well, how did that happen." Because that's, I really do think it's important that the entire Council is part of the process in saying and understanding because it's going to come from you and Greg and Randy and Randy as to what you folks think we need to do based on all of our plans here in the City.

Randy McCaslin, Deputy City Manager: We can put together a briefing for Council.

Greg Demko, City Manager: Put it together and get with you and, of course, one of the things that we're looking to add is one part of the gateway programs and get further discussions on the pieces of that. That's become pretty active and with our legislators that are there, we've got good opportunity.

Mark McDonald, Transportation Director: We can definitely put together a program for you and have Greg Venable sort of go through the list of projects and give you an overview of the prioritization process that the State uses.

Mayor Bencini: And I'd like to hear what staff thinks we want to do and then, you know, we get a chance to talk about it and figure out why and then we go forward with it.

Mark McDonald, Transportation Director: Sure...

Greg Demko, City Manager: Can we have that for the next Manager's Briefing?

Randy McCaslin, Deputy City Manager: Not the next one.

Mayor Bencini: Well, we're running out of time on the prioritization...

Randy McCaslin, Deputy City Manager: I will look at the schedule and see if we can work it in.

Mark McDonald, Transportation Director: Voting will be probably in April or May. We've got a little bit of time to work on that. But there is, I can send you a link of an interactive map that we have made that shows all of the current and proposed projects that we have as of right now. You can kind of see some of the details about these. Again these are for most part all long range projects. And you can see where they are and what they are and what the estimated cost would be and things of that nature. So we could get that information to you in advance and then we would have our staff talk about it.

Mayor Bencini: That'll be great, thank you.

Mark McDonald, Transportation Director: Hi tran, you just heard some information from Angela at Hi tran earlier this week. A little bit about that, we serve about 3,500 passengers a day on our fixed route bus. It provides a local connection to PART. PART's a big partner for us. We need PART to help us to connect to other communities. Our Dial-A-Lift program, that's our Para transit program that provides door-to-door service for the elderly and disabled. And it's very successful and you can't get a ride from anywhere and to anywhere. It's \$2 per trip.

Mayor Bencini: I'm getting close to that elderly thing what year is that?

Mark McDonald, Transportation Director: You might be there. [laughter]

Randy McCaslin, Deputy City Manager: That is also mandated by the Federal Government. If you have a bus service, you have to have the Para transit.

Mark McDonald, Transportation Director: It is. If you operate a fixed route system, you have to have a Para transit service.

Mayor Bencini: Oh, man..., bus ride in my future.

Member Latimer Alexander: It's called designated driver, Bill. [laughter]

Mark McDonald, Transportation Director: The terminal facility that was rebuilt about three years ago, four years ago now you may remember the old terminal facility that was just a small fraction of this size. We built this to have a larger waiting room for our passengers or comfortable waiting room, better bathroom facilities, we literally raised the roof on the canopy here it was about 11 feet when it was built several decades ago, and we had problems on the weekends with trucks coming into town and needing to turn around somewhere and they'd think well, there's nothing going on there and I'll turn around there and they'd run into the canopy. We had to spend thousands of dollars fixing the canopy. So, when we did all this, we raised that two feet and we haven't had that problem since.

Mayor Bencini: Has there been any further discussion about using the bus terminal for Greyhound, Trail ways or whatever other commercial bus systems?

Mark McDonald, Transportation Director: Not this facility. Not recently. Actually there hasn't been any discussion that I've heard in the last maybe two or three years.

Mayor Bencini: Right...

Mark McDonald, Transportation Director: There's been an occasional request to come through to use the Depot for that and the Depot there on High Street really just isn't built to accommodate that, but it's been several years since the last time we've had any discussion with anybody about that.

Just a few more facts and figures. We operate six days a week. We run about 1,700 miles a day. Our coverage from our transit routes....our transit routes essentially haven't changed very much over the last 25 or 30 years. Our route coverage is primarily south of the I-74 corridor, but within a ¼ mile walking distance, that's covering roughly a third the city area. If you look at a map, that's this area right here and it's the area that's in purple—that quarter of a mile contour that goes around all of our routes. If you extend that out to a half mile, you get even... almost half of the city, but there's no service up to the north. And that's one of the big things that you've heard a lot about is providing service to the Palladium and creating some circulators and connectors with PART to provide that service so that we can get people that live and work here out here and vice versa and we're working with PART to do that.

Speaking of PART, it was created about almost 20 years now to serve the ten member Counties here in the TRIAD area. Their goal is to improve transportation through regional cooperation. They work very closely with the member jurisdictions. We have a very good relationship with PART I think. They provide much more than just what you see out on the street. They provide much more than just the black bus that runs up and down 68 every day or back and forth to Greensboro and Winston.

Mayor Bencini: Do we have direct non-stop service from High Point to either Greensboro or Winston Salem?

Mark McDonald, Transportation Director: Do we?

Mayor Bencini: Yeah, can somebody in High Point jump on a PART bus and go direct non-stop to Greensboro or Winston-Salem?

Mark McDonald, Transportation Director: If you wanted to go to Winston, you could take the Amtrak connector that runs between Winston and Greensboro, but we do not have anything that goes directly to Greensboro. We connect with GTA at GTCC in Jamestown and we connect with both systems at the Hub up on 68, but we don't have anything that provides a one-stop service.

Greg Demko, City Manager: But you can go to the Hub and get to either one?

Mayor Bencini: Which means an additional wait time of 15-20 minutes standing around.

Greg Demko, City Manager: And the same with the airport.

Mark McDonald, Transportation Director: Same with the airport.

Mayor Bencini: But there is direct non-stop service between Greensboro and Winston-Salem.

Council Member Jay Wagner: Between us and Winston there is.

Mark McDonald, Transportation Director: Between us and Winston there is on the Amtrak connector, but between Winston and Greensboro with the PART bus that comes from Winston stops at the Hub too and you have to get off at the Hub and go into Greensboro on the bus that goes there. So there's a transfer point there.

Greg Demko, City Manager: Nothing to Chapel Hill.

Mayor Bencini: Well, there use to be. There was a Chapel Hill. There was a...

Randy McCaslin, Deputy City Manager: That goes to the hospitals.

Mayor Bencini: But not directly from High Point?

Greg Demko, City Manager: Not to the stadium.

Mayor Bencini: We don't care about that.

Council Member Jay Wagner: Do they still run a buss all the way up to Boone?

Mark McDonald, Transportation Director: That's a contract service. It's not through PART.

Mayor Bencini: But they do run all the way up to Mount Airy I think.

Mark McDonald, Transportation Director: They do, that's one of their more popular routes. That route, the Greensboro and Winston routes and our route, Route 3....those routes comprise probably 80 percent of PART routes.

Mayor Bencini: They still go to Mocksville and Yadkinville, well yeah, they would to Yadkinville if they are on a contract route, but Mocksville had a stop to I believe.

Mark McDonald, Transportation Director: They have discontinued or cut back on some of those services. I'm not sure which ones exactly, but they have had discontinued some of that. But that route up to Mount Airy has been a very strong route.

Some of the programs, of course the express bus and the Amtrak connector service. PART operates the Para transit Call Center that we're a part of. Greensboro and Winston are not participating in that right now. I think that Davidson County has recently signed on, but it has helped us immensely in scheduling paratransit trips by using a centralized call center. It provides better customer service for everybody. They do a lot of regional transportation studies. They maintain the regional model that is the transportation crystal ball for long range development planning. They do a lot of air awareness things, a lot of what PART does has a central theme of air quality so they have a lot of things that go along with that a lot of different programs. They support different groups like Piedmont Transportation Professionals that I participate in. They provide training and seminars and things like that on topics of interest to the transportation professionals throughout the region. They do a very good job of that.

Our share of funding for PART is about \$88,000 a year. That has gone up since we joined in with the Call Center. I was less than that, but it's about \$88,000. That, of course, does not count the 5307 Federal Operating Funds that we are transferring to PART to support the Express route and to develop the Palladium and Piedmont Center circulator routes.

Council Member Latimer Alexander: Do they still receive funding through the rental car market?

Mark McDonald, Transportation Director: Yes, the rental car tax is a huge part of their funding.

Mayor Bencini: Aren't the members of the authority....some members use rental car tax, other members use license tax.

Mark McDonald, Transportation Director: Some use it and some don't...

Randy McCaslin, Deputy City Manager: Randolph County uses a license tax.

Mark McDonald, Transportation Director: They're the only county that actually does that.

Mayor Bencini: And who generates more rental car revenue than High Point with the Furniture Market? Probably nobody. Just keep it in mind.

Mark McDonald, Transportation Director: During Market, you can't find a car.

Just an update on a few projects of interest. Skeet Club Road, the section from Eastchester to Johnson Street, under construction now. Most of the work that's going on right....they've cleared....most of the construction is happening right there at the lake with the bridge work...

Mayor Bencini: There's nothing down on Johnson going on right now? [laughter]

Mark McDonald, Transportation Director: Nothing happening at Johnson. This project cost is about \$32 million and it is a State funded project. We will be participating in sidewalks, and water/sewer that they're building with the project and then we will reimburse the State afterwards and we are putting together the funding for that right now.

Council Member Latimer Alexander: 2002 I got elected'; Bill got elected in 2000. This was a project...

Mayor Bencini: Actually mine was 1999...

Council Member Latimer Alexander: 1999, but this was supposed to be done within the decade. Are we still on that same timeline that this was supposed to be done within the next decade?

Randy McCaslin, Deputy City Manager: Next decade?

Council Member Latimer Alexander: Yes, ten years from now.

Mayor Bencini: Well, the western section, the projection is now 2024 for the red portion.

Mark McDonald, Transportation Director: That's the scaled down section.

Council Member Latimer Alexander: So when is B supposed to be done?

Mark McDonald, Transportation Director: In '18.

Council Member Latimer Alexander: Oh my God. I need to get money down on that. It'll never be done by '18.

Mark McDonald, Transportation Director: I think the scheduled completion date was around September '18.

Mayor Bencini: Well, the utility relocation may take another year or two. Who knows?

Council Member Latimer Alexander: Like I said, I need to get money down on that if anybody's making a book.

Mark McDonald, Transportation Director: Safe Routes to Schools. We've have \$500,000 in Federal funds to do some sidewalk projects around five different schools. Oak Hill Elementary school. I've got....the next slide shows the other four schools. Supplemented with up to \$100,000 in city funds. We've already acquired all the right-of-way easements that are necessary. We've gone through review after review after review with NCDOT and Federal reps. I mean for a sidewalk project, it's just been extremely exhaustive, but we're getting close and would expect that they'd be constructing the sidewalk portions this year. These are the other schools Johnson Street Global Studies, Shadybrook Elementary, Fairview, and Triangle Lake Montessori. These are all schools that elected to participate in the Safe Routes program and they all meet the criteria that the Feds and the State set for the use of the funding.

Council Member Latimer Alexander: Sometime I'd like to have management show us a map of all our existing sidewalks with special emphasis on missing links.

Randy McCaslin, Deputy City Manager: We have that...

Mark McDonald, Transportation Director: I deleted it out of this program...

Council Member Latimer Alexander: But, at some point, I mean....and I think it's something that's worth at least an hour or more....

Greg Demko, City Manager: Okay, well I agree because that's a real important piece of transportation and we gave Mark about an hour for this one and we're running tight, so, well keep going, but we'll bring back the sidewalks because I agree and it probably deserves at least 45 minutes.

Council Member Latimer Alexander: And when you come back with the sidewalks, I'd like to know how much money you have in lieu than is in reserve and what the covenants are for those in lieu funds.

Mark McDonald, Transportation Director: I can tell you that there is very little money in lieu of. The developer funds that were put aside, we used a lot of that in the last go round, but I'll get but I've got another slide about sidewalks.

Johnson/Sandy Ridge Road, we're chugging through the environmental process for that. That's a very long process Federal/State process that we have to go through, but it is moving very smoothly and we anticipate construction to being '19 if it doesn't go the route of Skeet Club Road. The price tag is around \$45 million. This is just a view of some of the concepts that were considered with....this is looking south from Interstate 40 right here down Johnson Street. Looked at some alternate corridors. Both of these alternate corridors have been discounted and the plan is to stay pretty much along the same alignment that the road is on now. There'll be some deviation from that in two places...

Mayor Bencini: The alternates would allow for control access though huh?

Mark McDonald, Transportation Director: It would have.

Member Latimer Alexander: Yea, but Guilford County permitted a number of buildings in the way.

Mark McDonald, Transportation Director: Yes, there's at least one right there. There's churches...

Randy McCaslin, Deputy City Manager: Yeah and there's some churches, cemeteries....

Mayor Bencini: Yeah, but I mean anytime...you're going to get some of that anytime you do a controlled access, but I mean, quite frankly it looks to me like if you do the Sandy Ridge thing basically what you're doing is another Eastchester and 68. And it's going to fill up. It's going to fill up with stop lights and development and it's not really going to be an alternate access other than being more of the same that you've got on 68.

Mark McDonald, Transportation Director: Well, we hope it will be a little different from 68. It will be median divided. There will be wide-landscaped medians as opposed to just a five lane landing strip, sidewalks on both sides, a multi-purpose trail. Hopefully it will be a more of a complete street than what Eastchester is.

Mayor Bencini: But you can't eliminate the side streets for the existing driveway cuts.

Randy McCaslin, Deputy City Manager: It won't be controlled access.

Mark McDonald, Transportation Director: There'll be some limitations to that, but it won't....it'll be more limited access as opposed to controlled access.

Mark McDonald, Transportation Director: The 68 and I-74 interchange, this also moving forward with construction in '18 with about \$17.5 million to construct these two loops in two quadrants so we can eliminate the left turns on the bridge that clog things up every day and certainly...

Council Member Latimer Alexander: What are we doing with land use around there. We need a small area study there.

Mark McDonald, Transportation Director: Right now, to my knowledge, there's no changes to the existing land use there. I don't know whether Lee has considered it or not, but.....

Mayor Bencini: Don't mess with outdoor yard art, okay? Just don't mess with it, okay?

Council Member Latimer Alexander: We've got to have some land use in that. We've got to have some land use out there.

Randy Hemann, Assistant City Manager: He's talked about it to me.

Randy McCaslin, Deputy City Manager: There'll be some realignment, so that facility will definitely be impacted.

Mark McDonald, Transportation Director: Gordon Road that comes in right here will be relocated to where it lines up with Hilton Court and Cypress Court will also be extended across to there to increase that spacing. So there will be some changes primarily on the north side, maybe some limited changes on the south side. There will be a median to restrict some of those turning movements, to control that traffic better at that the interchange.

Council Member Latimer Alexander: Well, that's our hotel interchange right there and if we're not talking about it, we're not doing our job.

Mark McDonald, Transportation Director: New Funding requests for this year. **We've got a few things that we're asking for new funding for this year. One is the Mendenhall Terminal. We need to make some improvements over in the terminal.** We need to enhance the lighting that's there. We spend a fair amount of money every year just on lighting over there. Using the old lighting is very inefficient and we would like to **improve the lighting.** We also like the message boards that are at each column that are used to display routes and things like that. Those message boards are no longer made. The company that made them does not support them anymore. We're just kind of working on Band-Aids with that, we're able to keep them running, but at some point they're going to fail us. **We need to upgrade those message boards.** We'd like to **make some other improvements within the terminal that would make it more useful as an event place.** It was not built to be an event place....it was thought about, but it wasn't built that way. The funding that was used to build it would not expressly permit that, but we've seen that it is used as an event center and we're looking at making some changes that would make it a more functional plaza.

Mayor Bencini: Would that include eliminating the curbs?

Mark McDonald, Transportation Director: I could, yes. That's definitely one thing that we've talked about is doing something that would at least flatten things out a little bit better so we don't have the curbs in there and also putting in some gates so that we can control the access to the Terminal.

Greg Demko, City Manager: And the center support relocations...

Mark McDonald, Transportation Director: We were looking at, I'll show you a picture here.

Council Member Latimer Alexander: We've also got to have some.... if you're going to use that as an event center, **we've got to figure out the bathroom.**

Mark McDonald, Transportation Director: That's a good thought, we haven't projected that yet.

Council Member Latimer Alexander: You've got to have a bathroom.

Mark McDonald, Transportation Director: There are center columns right here in that center walkway area between IHFC and the Showplace that we would like to remove. **Dave Briggs over at the Theatre has specifically asked that we remove those so that center area can be used more for as an entertainment area. So we're looking at doing that.** The good thing about that is that if we take those down, it gives us some spare parts to work with temporarily. So Keith Pugh and I have talked about that. There are some things that have to be worked through that are sub-surfaced, but we're looking at doing that. Again, we're **replacing the lighting** and these are **the electronic sign pieces that need to be upgraded.** We'll probably be looking at **expanding the size of the information kiosk.** It's about half the size it needs to be and **expanding the size of the large message board and display board** that's up on the wall above that.

Randy Hemann, Assistant City Manager: Mark, when we looked at that, can we look at kind of the whole idea of the visibility of the Theatre? When you go back to that and look at it, there's really....I know that we've got our little marquis thing out there, but **visibility of the Theatre really needs to be part of that conversation.**

Council Member Latimer Alexander: And if you're going to spend some money, you've got an **electronic vault over there that needs to drop down below grade.**

Mark McDonald, Transportation Director: Again, there were a lot of things....when it was built, it was built to be a transportation facility and that was exactly what the funding was set aside for. I talked to Keith just last night and we both agreed that if we were to do this facility again, we both would do it very differently than what we have right now. It's very functional. It's very pretty. It works, but it could be more.

Greg Demko, City Manager: I could tell you that our transportation facility and logistics of handling people moving them in and out are light years above the Las Vegas experience and gives us a competitive advantage that we want to keep and improve.

Randy Hemann, Assistant City Manager: Absolutely...

Council Member Christopher Williams: Now, Randy when you're talking about the visibility, you're not talking about the light show that he showed us?

Randy Hemann, Assistant City Manager: No, I'm just talking about the signage that we had up on the building that was really visible before, but is now too high. It's right at the level of where this canopy shows, so details like that. Just how do we make it more visible?

Greg Demko, City Manager: Way finding and

Mark McDonald, Transportation Director: Signing on I-74 and Business-85 for Martin Luther King, Jr. Drive. The State produced these new signs and installed them for us. They gave us an estimate ahead of time that was for about \$125,000. We got the bill, and it was only \$70,000. But we do need to pay for it. You all will be seeing a municipal agreement very soon I hope to cover the repayment of that. **So we're asking for funding to pay that back over a couple of years.**

Down at our R. V. Moss Traffic Services Center on Triangle Lake Road. This is Triangle Lake and Martin Luther King, Jr. Drive here. This building right here. We need some **additional storage space**. We're going to start doing mast arm signals and need a space to put them. The city recently acquired a couple of parcels right over in this area, so these parcels are available. What we'd like to do is **add another building** right in this area right here. It'd be roughly, half again, of this storage area right here. This would be to keep all of our electronic message boards in, all of our equipment like our back hoes and things like that to get them inside and out of the weather. So that's what we'd like to see happen right there.

We're asking for funding this year to start doing the site work and site design and next year additional funding to build the building itself. It'll just be just basically a shell building that would have lights and power in to store those facilities.

Neighborhood Traffic Enhancements. We've all talked a lot about the traffic calming and this would require a policy change but **we need some source of funding on an annual basis that would help us to supplement neighborhoods or help supplement neighborhoods that would want to do traffic calming**. Right now, our policy requires neighborhoods to meet certain criteria and bare all costs of installation. Right now, **we're looking for about \$50,000 a year to make amendments to the policy** and see where it goes.

Additional Capital Funding Requests. These are projects that have been in before. The local match for DOT funded projects, that's just what that says. For projects when we have something and the State can come up with some money, we've got to come up with a match. The intersection project that is pending for Main Street and Lexington Avenue is a good example of that where we're having to supplement the money that they're giving us with some additional city funds to make that happen. South Main Street and the 29/70 interchange is probably one of the craziest interchanges in North Carolina with the growth that's inside of it. It's in the TIP. **It's projected for some work in about 2025-2026 somewhere around there, but we need to do a feasibility study to kind of accelerate that and determine what really needs to be done.**

Randy McCaslin, Deputy City Manager: That only bridge replacement right?

Mark McDonald, Transportation Director: The bridge replacement is sooner than that, but there's actually a...**the TIP has been amended to include the interchange** as well. But it hasn't really been determined what will be done. So, **we've got to determine how were going to address these businesses that are on the inside, how we are going to address the fact that we've got a stream over here that we can't cross. A lot of questions that need to be answered.**

Council Member Latimer Alexander: What kind eminent domain can we use for some of that? If we're going to make some improvements on South Main, that's the ugliest part of South Main down there. And it may require just a bulldozer and a dump truck for part of it.

Council Member Jay Wagner: I've never seen a clover leaf with a hotel in it. That's not the kind of development that you see.

Mark McDonald, Transportation Director: The way it's designed right now, there's no control of turning movements. If you want to go this way...

Council Member Jay Wagner: I do that all the time...

Mark McDonald, Transportation Director: And here's a couple of photos there. On-going projects that we are not looking for any additional funding this year. I'll go through these fairly quickly. Sidewalk construction. You asked about sidewalks. We've got about \$900,000 programmed right now. The previous Council told us what projects they wanted us to do. They are on our backlog right now behind those Safe Routes to School projects, but as we can get to those we will. Engineering services will be doing the design on those and we'll be...

Greg Demko, City Manager: Is that something that we should.... you know, where's our backlog, should we be contracting out engineering services?

Mark McDonald, Transportation Director: It would make things go quicker if we could do that.

Greg Demko, City Manager: And just accelerate. That's one of things that we'll be asking Council is there's a lot of things and we expect a lot of different types of performance out of our engineering program and we've got.....and we've got a lot of private engineers that could also be doing design services for us. It ends up costing a little bit more, but we get things more timely because we don't have to stack up projects.

Council Member Latimer Alexander: Well, I mean, if we've got \$900,000 sitting there already allocated, we need to move that along.

Greg Demko, City Manager: I plan to instruct our staff to farm that out get it going and get some concrete in the ground.

Mark McDonald, Transportation Director: These are from the last sidewalk projects just to see what we've done. This on Phillips and Westchester. Those were some of that in lieu of funding that went with the last sidewalk package that was done. Parking. We talked about parking a little bit. We talked about courtesy parking and the effects that it has had. We talked a little.... some about the gates, card readers, all that....everything is still on technology that's several decades old now. **We're looking at structural repairs and improvements that would probably be somewhere in the \$700,000 range, but we're looking into an assessment of those needs and the structural needs and do it all in one package.** It's just an overview of some of the equipment that we've got. These cameras, very old technology, black and white. We're going to..... the traffic signal system cameras that we're going to be taking down with that will be going over here to replace those. They won't be brand new, but it will be better than what we've got.

Mayor Bencini: Okay.

Mark McDonald, Transportation Director: Some **structural problems** that we've got. We've got **spalling concrete, exposed cables that just weathered** and we've got to watch those. We have a **large support column down in the basement of the Plaza** that's got this crack alongside of it. We've been keeping an eye on that. It hasn't gotten any worse and we aren't really sure when that happened. We think it may have been when we may have had that little earthquake a few years ago.

Mark McDonald, Transportation Director: Signal System Improvements, we talked a little bit about that, but we're still about \$450,000 short of our funding commitment on that. That will due after the project is complete and DOT will bill us for that. And lastly, just to put the thought in your head about potential bond projects, this is the list that we've got of some routes that we feel like that need some attention:

- Triangle Lake Roads (been talked about for a long time)

- Burton Road (very similar to Triangle Lake, not as long, but very similar as need)
- Gordon Street (is a street right in the middle of town, it goes from curb and gutter to ribbon pavement to ditches to no sidewalks and some sidewalks. It really needs some attention there)

Council Member Jay Wagner: That's Gordon Street that's kind of the extension of Washington?

Mark McDonald, Transportation Director: That's correct.

Council Member Jay Wagner: Okay, I get that with Gordon Road.

Mark McDonald, Transportation Director: Washington Terrace up to Five Points.

Council Member Cynthia Davis: Mark, the improvements on Burrton Road, is that due to the potential project for the park out there off of Westchester or is that just regular maintenance?

Mark McDonald, Transportation Director: That would be a.....certainly an amenity for the park but it's really due to the alignment, poor drainage and the fact that there's no sidewalks and a lot of people try to walk up to the shopping center. You've got a bus route that runs up there. It's just a lot.... it's an old rural route that needs to be improved.

- Johnson Street (to move the Johnson Street project along, it may behoove us to participate in actually constructing a portion of that like we have done in the past)

Mayor Bencini: What are you talking about? Are you talking about the Sandy Ridge end of Johnson Street or in town?

McDonald, Transportation Director: From Skeet Club up to the Sandy Ridge split.

Mayor Bencini: Got you.

- Lexington Avenue (has been mentioned, various intersection improvements. The one downtown one-way street conversions would be something to consider)

This is just a list for your consideration.

Council Member Latimer Alexander: Mark, Prospect Street, I know they're replacing the bridge over Business-85. Is Prospect a State Road? I can't ever remember if it's a State Road or a City Road.

Mark McDonald, Transportation Director: It is a State Road after it crosses into Randolph County. The portion there by....where it crosses over the railroad tracks and where we did the little intersection improvement at Trinity Road, all that from that point on is a City Street back up to English Road.

Council Member Latimer Alexander: You know, honestly, **Prospect** is probably one of our nastiest little streets. It's **narrow and I don't know that we have adequate right-of-way in there**. It's been repaved five hundred times so we've lost the curb line in there. You know, you can tell where folks are walking down the streets because it's completely worn path and we have a lot of heavy truck traffic in there because of Thomas Bus and Carolina Container and the Foam plant and everybody else that feeds into there. It's going to be a nasty road to deal with, but at some point in time the road is going to cease to function because it's just going to fall apart. Um, I mean I don't know what we'll do in there. I really don't. And I don't know that repaving the street is worthy of a potential bond project, but at some point

in time, **we really need to look at Prospect because some of our largest employers have access to that street** and it's really degrading.... seriously.

Mark McDonald, Transportation Director: I agree with you. We have a number of streets that are like that. This is just a partial list of what could be done. It's just a matter of having the resources to be able to do it.

Mayor Bencini: Does Lexington Avenue does that contemplate West Lexington or just East Lexington?

Mark McDonald, Transportation Director: This is primarily focusing on the part from the Five Points area up to Main Street. There is another piece of Lexington that's also being, that's on the project list for the MPO that goes from basically Westchester, west of Westchester out towards High Point-Wallburg Road. That's all I've got. I hope it's been helpful for you.

Greg Demko, City Manager: It's pretty thorough. Any other thoughts for Mark? We've got water and sewer that's pretty extensive with some issues as well.

Council Member Latimer Alexander: What does it take to get traffic counts? I mean, honestly I'd love to see a traffic count for every mile from South Main to North Main and I don't know what's involved in that. I don't know if it's big deal or little deal. If we're looking at our Main Street corridor and opportunities along that area we kind of need to know what our traffic count is and because it varies so much through the year, it almost needs to be done simultaneously through there so you know on this day or this week we've got these kind of counts.

Council Member Jay Wagner: They have a recent traffic study of North Main that was done about a year or two ago.

Mayor Bencini: Lexington and Main is like what, 15,000?

Council Member Jay Wagner: I think it was a little higher than that, I think it was 18.

Mark McDonald, Transportation Director: North Main Street and Lexington is around 22-24,000. You get south of Parkway, it drops off to about to 18. You get south of Westwood, it's about 16 and then picks back up again down below Russell. And about the time you get down to the South Main Street interchange, it gets back up to low to mid 20s. State counts...the most recent State counts were probably from 2013, I don't think.... '14 counts may be posted now, but we haven't done our own counts along there with the exception of that piece there along North Main, we could do that.

Council Member Latimer Alexander: Well, you know and it may be better to wait until after, I mean we've got some new development that's going to be occurring in there, and it may be better to count it after that occurs. **We really need to know what that corridors doing.**

Randy McCaslin, Deputy City Manager: Alright Terry.

Presentation by Terry Houk - Water/Sewer

Terry Houk, Public Services Director: My name is Terry Houk, Public Services Director. My staff here has asked not to be named, but they are there in the corner. I want to talk about the water/sewer budget and operational presentation and remember Council, Public Services is actually made up of what we consider two sub departments: water/sewer and public works. And we're going to talk about what we consider water and sewer today. I'm going to do an overview and all about the current operating funding

by division. Our projects for the next five years that we plan, funding sources rates and fees. Areas of concerns, that Public Services sees that need to be addressed and that Council needs to be aware of. Future large scale projects. Typically, we look at the five-year plan and we go out each year and now we're looking out to about 2020-2025, so you can look at what the potential large-scale projects are going to be. And after that I'll let Eric sum it up with his great presentation.

Alright, the water/sewer is an Enterprise Fund made up of eight divisions, which seven are truly operation divisions. Our total operating budget is roughly \$19 million and we have 138 employees. If you note, up here, our operational admin is about \$2.6 million. If you look at just from the face plate, you'd think that was a lot of money, but in that there's about \$1.2-1.3 million to pay the Piedmont Triad Regional Water Authority dues and water. So that's why the budget is so high. We also have to reimburse Davidson Water when we interface with them on properties. Also, embedded in that is other contractual services for water modeling or project maintenance.

Regional Water Authority, as everybody knows, we are part of the Regional Water Authority. I think there are five entities involved. We are committed to take an annual average of 2.28 mgd, million gallons per day. The plant itself is permitted for 12 million gallons per day. Our annual payments, this is for this past fiscal year, is \$845,000 and our dues are \$310,000. The \$845,000 is really what we had to pay for the water. The \$310,000 is what we consider overhead to them and our debt service to the project. We are 19 percent of the Authority; we have two board members on there.

The Ward Water Treatment Plant. This is our Water Treatment Plant. It has an annual average of roughly 12.3 million gallons. We are permitted for 24 and designed for 32. The safe yield for our lakes and we have two primary lakes: Arnold Koonce Lake and Oak Hollow Lake. They are roughly 22 million gallons per day. It was built in the 1980s. Your life cycle for your equipment and most plants are basically are about 20-25 years, but **sometime in the mid-20s you're probably looking at a rehab of this facility**. When I say rehab of the facility, when I'm expanding the plant and not making it to treat more water, you're talking about replacing the equipment that needs to be redone and rehab of this what they call a super pulsator. Our estimate based on right now is \$4-5 per gallon is about \$48 million that you'll be looking at somewhere in 2022.

Greg Demko, City Manager: Terry, of our current average....we're permitted for 24, we've got 12 capacity right now, how much are we using?

Terry Houk, Public Services Director: We are using.... right now our output is about 12 total. The highest we've seen last year was roughly 15 mgd and remember we're still taking 2.28 from the Regional Water Authority.

Greg Demko, City Manager: So, we've got quite a bit of margin for growth.

Terry Houk, Public Services Director: A lot of growth, plus the 2.28, we also had an additional 350,000 because we carried some of the water that's transferred to Jamestown. It passes through us and we pump it to Jamestown and we have a 10 percent markup just on the pass through. We have basically 19 million worth of storage capacity in our system. We have two tanks at our Ward Plant (a 5 and 10 mgd) and we have four, 1 million gallon storage tanks. What we are showing right here is the **Ward tank**, which is currently under construction to be replaced. It was built in 1929. **We estimate it to be about \$3.4 million to replace this tank**. This tank should be completed in about 18 months and be on-line. The other thing that we are looking at is the **Lexington tank**. We just did a rehab on this tank. **Sometime around 2025, you're probably going to have to replace this tank also** because it was in the 1920, 30s era. You're probably looking at another \$4-5 million. In all probability; it's going to resemble this tank. This is your I-74 tank. This is the tank that was installed when we started taking water from

the Regional Water Plant Authority. And as everybody knows, what we do is the water from the Regional Water Plant goes to 62 and is pumped to us and it feeds out into our distribution systems. And this is, for lack of a better term, the storage device that maintains the proper pressure in the Randleman zone.

You have the Sandy Ridge Reservoir, **which is probably going to have to be expanded in 2020 era.** This is a ground storage tank. And this is a ground storage tank primarily because you're next to the airport and you don't want to be up in the flight path.

Wastewater Treatment Plant. This is your Eastside Wastewater Treatment Plant. The City of High Point has two plants, Eastside and Westside. This is your largest facility. If you look back in 2004, when it was all said and done, which included expansion of the plant from 16-26 mgd to BNR (Biological Nutrient Removal). It was about \$60 million including other control. Remember that the Eastside Wastewater Treatment Plant discharges into the Randleman reservoir which is a drinking water lake. So we have very tight numbers that we have to meet. When this plant was expanded, Archdale, Jamestown and Sedgefield bought into the plant. They purchased a percentage of the plant. Archdale has 2.5 mgd, Jamestown has 2, and Sedgefield has a small number 2.25. So they pay a percentage of our operating costs every year, just like we pay a percentage of the operating cost of the regional water plant. Again, **I'm projecting in 2025, you're probably looking at a \$100 million upgrade.** And the reason I say a \$100 million upgrade, you'll be going probably from 26-36 mgd. And remember....the theory to remember, typically when you increase the flow your discharge parameters become tighter. So you're going to have to....in fact, you'll put out less material. And you're still discharging into a drinking water reservoir. You're probably looking at membrane technology.

This is your Westside Plant. Currently under construction. It's been expanded from 6.2 to 8.2 to 10 mgd. It going to extended aeration to BNR currently, the same format as the Eastside facility. We are estimating it to be about \$50M million and the reason we are estimating it to be about \$50 million....as part of the permit that EPA and DENR requires us to follow, we're required to do an estimated \$1.5 million stream restoration to the Rich Fork Creek to eliminate sand mining issues that cause low DO and declare it impaired. So that's what we have to look at. I will say **based on the receiving characteristics that Rich Fork Creek, this may be your last discharge into this creek.** If you expand this plant anymore, you'll probably have to pump to a different receiving stream. When we evaluated the upgrade of this facility, that was one of the options we looked at. And in 2004, I think the pumping was \$30 million.

Council Member Latimer Alexander: Terry, the one thing I want folks to know that you know and most of them do, the water we discharge is much cleaner than the water in the creek. The water in the creek has fecal chloroform contamination and the discharge point all the way to High Rock Lake, there's such a terribly low fall along through there, you don't have enough dissolved oxygen because you don't have any fall. And, so it's, I mean, it really is the....the impediments to the stream are not caused by us and you get a lot of people that get all excited about Rich Fork Creek and it is basically contaminated from agriculture and from septic tanks long before it gets to us.

Terry Houk, Public Services Director: And that was the reason....the good thing that Public Services did in the City of High Point is when they negotiated the expansion of this facility and I know that everybody knows that an NPDES permit is actually an elimination of a point of discharge. They really don't want you to discharge. That was the original theory on that. So anytime you expand and discharge into a receiving stream, they have to evaluate the characteristics of the receiving stream to see if it can accept this additional load. That's why it took it so long. I started this project in '02 and I think we got permission to expand in '07 or '08. Anybody building a plant from scratch, starting from basically a new stream, it's going to be a long drawn out process.

Council Member Latimer Alexander: Terry, what are the possibilities of circling that back to our Ward Plant?

Terry Houk, Public Services Director: That would be easier done at Eastside.

Council Member Latimer Alexander: Well, but we've got plenty of discharge opportunities there. We don't have them here.

Terry Houk, Public Services Director: You're talking about pumping the discharge at the headwaters of the stream going into Oak Hollow and then back through.

Council Member Latimer Alexander: No, at your Westside Plant you're saying you can't charge anymore into that stream.

Terry Houk, Public Services Director: We don't think you'll be able to based on what we are hearing from the State. You might be able to. It all depends.... and the good thing for us, Latimer, is that when we agreed to the expansion based on these discharge limitations, we always based it on DO. And the theory was (and I agree with you) our water coming out of here is 99.9 percent of of the creek and the DO is not going to be an issue for us. What has happened in the evolution of this expansion and upgrade, this creek is no longer impaired for ODO. It's impaired for what they call Inadequate Biological Activity. So, you know, I don't think DO is going to be an issue for us. Plus, one thing and you can see it right here, this is our filters and pump station. Typically your discharge DO is six and we agreed to seven. It's not going to be a problem for us. It's going to be fine.

Randy McCaslin, Deputy City Manager: But, what you're talking about Latimer, that would be involved with an interbasin transfer.

Council Member Latimer Alexander: I didn't even think about interbasin.

Terry Houk, Public Services Director: The reason we were proactive, we could have went with extended aeration. That's basically what the plant is, for a lot less money than this. But we knew that you were going to have a TMDL at High Rock based on nitrogen phosphorous. You know that's going to happen. That's what you expect. The other thing that the Council probably realizes is that your Eastside Plant technically was the first prototype for, lack of a better term, TMDL for a lake. Randleman was the first to set up Randleman rules, then it went to Jordan and you had the Jordan rules. So now it has circled back and now you've got Falls Lake and High Rock which they're studying them now. Then again, you're primarily looking at phosphorous and nitrogens.

Randy McCaslin, Deputy City Manager: Which is generally farming.

Terry Houk, Public Services Director: It is, it is. I will say that Latimer is right. There was a study done back on the stream years ago and for lack of a better term you, it had to be an academic study because they did a DNA analysis and was for animal fecal.

Lift Stations. City of High Point has 23 lift stations and we had these lift stations based throughout our program upgrades based on capacity or equipment failure or service. If we need to expand an area and we need to expand the lift station capability to pump more flow, that's how you see it budgeted in our process. And typically as regulations change, we are required to meet different criteria. What I'm showing right here, Riverdale is our largest lift station at roughly 20 mgd. I'm **projecting that in 2021-22 you'll have to expand Riverdale to 30 mgd for approximately \$40 million.** I'm showing Waterview expansion at \$10 million because Waterview is where all the water is going to come down

from your new service area up towards Kernersville. It all comes through Waterview. Waterview pumps to Riverdale and Riverdales goes to Eastside.

Water Sewer and Mains. We have approximately 650 miles of sewer line...of pipe, 620 miles of water pipe. We have 6,000 City of High Point maintained hydrants. There are actually more hydrants than 6,000, but those are considered private and we don't work on private hydrants. Customer accounts, we have about 42,000 customers. These lines break frequently because, you know, they are aged out in the cycle. We've had about 30 sewer line main breaks and 200 water line main breaks in the last six to eight months. I will say that based on our water loss of about 23 percent, which is based on unaccounted water and accounted water, that's not billed if that was billed and we've not caught the break and fixed the break, you would have a potential revenue source going to customers of about \$3 million. So you lost \$3 million..

Greg Demko, City Manager: Terry, the private hydrants, what kind of examples would those be?

Terry Houk, Public Services Director: There are pockets inside the City that, for lack of a better term, are private subdivision or basically homeowners associations and because they are private, they are not built to City's standards and they knew going up front they weren't built to City's standards and they accepted it. Based on that criteria, we don't go in and do repair on the water or sewer lines or the hydrants. We do get a lot of calls to go in. It's probably because the houses are bought and sold and nobody realizes that it's a private system and they think it belongs to the City. We do get a lot of those calls.

Greg Demko, City Manager: Back when those were developed, developers wanted to do that to decrease their costs?

Terry Houk, Public Services Director: Yeah, it was to decrease the cost and maximize the amount of land that they had to build more houses because the roads are typically narrow.

Greg Demko, City Manager: Have we been having private systems approach us who want us to take them over?

Terry Houk, Public Services Director: We have.

Greg Demko, City Manager: And the condition of those are what?

Terry Houk, Public Services Director: Well, this criteria...we didn't want to take them over, but we have had several to come to us.

Randy McCaslin, Deputy City Manager: You're going to have one at the next Council meeting.

Council Member Latimer Alexander: What are our other cities in NC doing because we, our former Council back in the 80s in order to stimulate some development, I mean they let them go. I mean, we've seen retention ponds with problems and Cherokee Hills with some stormwater and that kind of thing, but these folk are not...they virtually have no money to maintain their system. And they're going to be walking away from failing systems and their property is going to be worthless so.

Greg Demko, City Manager: And this is one of the major policy calls that you're going to have that will be very, very pricey.

Council Member Latimer Alexander: We need to know what the other communities have done because, I mean, we can take them over or not take them over or take them over with a lien against the properties that we collect over the years to pay for the capital improvements.

Greg Demko, City Manager: Or do Special Improvement Districts...

Terry Houk, Public Services Director: My recommendation is...and I'm not proposing that, is that you do an assessment of the infrastructure before you even...

Council Member Latimer Alexander: Oh, you'd have to...

Terry Houk, Public Services Director: For lack of a better term, you don't want to buy a "pig in poke".

Council Member Latimer Alexander: You don't want to transfer that known deferred maintenance obligation to the citizens of High Point that did not buy into that.

Terry Houk, Public Services Director: I agree. And, Greg is right, that's a Council issue that we'll have to deal with.

Greg Demko, City Manager: And that's going on in a lot of the Country right now too, is that a lot of developments want to do things on their own so they could basically increase their...and do it cheaper and have a different price point and for the properties and market them quickly. And then 25-30 years down the road, somebody's got to come up with it and a lot of the HOA's never really planned for that level of maintenance or expense, which we do plan for it. We just don't have enough money to do it the way we want to yet. We've got to really get a disciplined approach to that and Eric will show you that in a little bit. But that will be a real issue that we've got coming up. We'll have several coming up here in the next five years.

Terry Houk, Public Services Director: And now not only on the water/sewer would be a factor in this, because of the narrow streets and the other issues because if the City goes in the direction of taking over these things, you're talking about garbage service and stuff. Trucks having trouble getting down through there because typically they have parking where you can't get to pick stuff up. So there's a lot of variables you would have to look at.

Greg Demko, City Manager: Go ahead...

Council Member Latimer Alexander: How much iodide do we have?

Terry Houk, Public Services Director: It's a variable. I can tell you at Eastside during a high rain event, when I say a high rain event, you know 2 inches of rain. The plant is permitted for 26 and we're roughly about 13mgd. You can see flows at the plant as high as 40 mgd.

Council Member Latimer Alexander: So you've got a lot of iodide.

Terry Houk, Public Services Director: Yeah, but again, remember typically, for lack of a better term, most of your gravity/sewer are in the lower areas next to creeks where it's at. Really. But again, that's kind of where it's at. I guess I wanted to highlight the 41-42,000 customer accounts because that's a big factor. Remember, we are an Enterprise Fund and we have to pay for what we do. So that falls on our customers to help us help us pay for all this infrastructure. The other thing that everybody knows here, it's not going to get any easier and it's not going to get any cheaper. EPA and DENR are all going to make the rules a lot more stricter and you're just going to have to meet them.

This is an interesting factor; we were talking our water/sewer lines. Well, this right here shows how we're doing. If the replacement target was 50 years, we try to replace our lines every 50 years. That's about the average life of the line. Basically, if we target 2 percent replacement based on what we're budgeting right now, we're .18 percent replacement per year and .12 percent on the sewer. It's going to take us nearly 600 years to replace our lines that we currently have, not the news that you're adding on. Eight hundred years for the sewer. We calculated and this is a rough estimate based on engineering dollars \$200/foot, a million dollars roughly one mile. I can tell you that mathematically that may work out, but that's not a good number. I'm currently getting ready to bid out an aerial replacement. It's only 700 feet of line, it's a 21 inch epoxy sewer pipe. It's an engineering estimate of \$900,000-\$1 million.

Greg Demko, City Manager: And pretty much the type of pipe that we're using has an expected lifespan of what...

Terry Houk, Public Services Director: About 50-70 years.

Greg Demko, City Manager: 50-70 years... we've got some work to do.

Terry Houk, Public Services Director: And some of the newer pipe...historically in the past, Council was very proactive on your Deep River outfall was one the bigger projects that you had, you went with what was called a polymer pipe resin, it could theoretically last 100 years and for everybody to say we hope it does because it's 60 feet in the ground.

Council Member Cynthia Davis: Currently, what is spent annually on replacement?

Terry Houk, Public Services Director: Replacement... it varies. We budget roughly a million a year and currently we have about 3-4 million in reserve and the reason we keep that much in reserve is because historically in the past when we had major pipe failures, it's hard to find the money. So, I keep a reserve fund that I can go to. I try to spend at least \$2-2 ½ - 3 million a year and it's based on, again, it's based on this aerial and the aerial is going to be a million dollars, 700 feet that's all that's going to be replaced. Then we hire....because of our manpower limitation, we cannot be everywhere at all times repairing main breaks and sewers, so we have a contractor on call at all times. And sometimes that contract can be \$5-600,000.

Council Member Latimer Alexander: We had a meeting in this room. Bill, you and I were the only ones, Terry maybe you were in the room at the time. Um, we had an aerial out off of Gordon Road. It was Lazy Lane.

Terry Houk, Public Services Director: I was here.

Council Member Latimer Alexander: We had 700 or 900 feet of the top of this pipe open up and it was trevi foundation and we were sitting in this room and it was like, how do we fix it and basically the answer was we took fiberglass and wrapped the outside of the pipe and gel-coated it into place.

Terry Houk, Public Services Director: Actually, on one of them, Latimer, we had to actually replace the line. We couldn't even gel-coat it. It was a temporary repair, \$300,000.

Council Member Latimer Alexander: We've had some real eye openers.

Terry Houk, Public Services Director: And, I will say that this one aerial that we're replacing, this is on the Richland Creek side going into Eastside. There are other aerials, so that's why you see it on our long-term project. There's a lot of money out there for a lot of rehab.

Terry Houk, Public Services Director: What we're showing right here, is what Public Services does for their 5-year budget and typically we try to stay on target. If we budget if for this year, we try to stay within our operating boundaries. This is our pay as you go. We have so many projects that we have or that we are doing at one time that we have funded. We kind of condensed into a simplistic deal as minor replacement. The one that really stands out that you'll see this year that was never budgeted is the Kearns demo at \$1.2 million. When I got here in 2002, the previous Public Services Director was asking to tear it down and it was roughly at \$600,000. But right now, we've already did an asbestos...it's got the asbestos so you've got to handle the asbestos and you've got to remove all the equipment, so we're estimating \$1.2 million.

Greg Demko, City Manager: And this is the property.....Kearns, the University and Martin Luther King.

Terry Houk, Public Services Director: The other thing that we are showing on the Master Plan on the water/sewer projects, historically the last time you had a the water/sewer master plan was in 1980 and in 1980, the assumption was that everybody wanted water and everybody was going to use massive amounts of water. So you had these humongous water lines and humongous sewer lines. As everybody knows now, that is not the case. It's smaller lines because you've got all the overflow devices and that's typically that's the way it is. And now you have to recalculate that load.

I'm adding additional money for an **HVAC upgrade for the plants**. These are new sewer lines. We always budget money for future tank rehab. The one that we talked about for Lexington and Sandy Ridge, we try to accumulate the money in there so that we can do repairs. We can draw from that instead of trying to borrow Revenue bond money if we can get by with that.

Greg Demko, City Manager: So that's like a savings account, that's homeowners association and we're not able...

Terry Houk, Public Services Director: Yeah, that's an HOA. And typically we try to keep this around \$4 million. When we work with Jeff and Eric, we know, they get us some target boundaries and that's what we try to stay within and sometimes it's up and sometimes it's down. That's how we come up with this. These are your revenue bonds and these typically, and Eric you can correct me on this, typically higher anything above \$600,000 or higher.

Eric Olmedo, Budget and Performance Manager: Yes...

Terry Houk, Public Services Director: You've got a lot of lift stations that **you still have to pay for. You still have to borrow money for the Westside Plant to finish in and the incinerator.** This is the utility locations that coincide with the NCDOT project. We work with Mark and NCDOT so we fund far enough out so we know what we have to have to move utilities. New sewer lines, utility..... these are generic plant upgrades. Alternative projects, we are actually doing proactive. There's a lot of technology out there that allows you to reduce loading to the plant to make it more efficient. We are looking at biodiesel fall, regeneration grease traps to try to use that for fuel for the incinerator and stuff like that. It's out on the horizon. And again, just because it's out on the horizon, it doesn't mean..... We want Council to know that the possibility is coming.

Council Member Latimer Alexander: What kind of shape are our dams in?

Terry Houk, Public Services Director: Your Oak Hollow dam is fine. Your Arnold Koonce Dam is budgeted for an \$8 million rehab based on some flood issues, so it's included in this upgrade.

Randy Hemann, Assistant City Manager: We do have emergency action plans for those. That was something required in the legislation after the coal ash...when they did that and we do have those in place.

Terry Houk, Public Services Director: We do. And another issue is emergency action plans have been deemed non-public information because it highlights areas that have critical infrastructure, but we do have those and they are available, we share them with Police and fire. But it's not open to the public.

Greg Demko, City Manager: And that's part of the Homeland Security.

Terry Houk, Public Services Director: It is, and there's a separate Homeland Security issue too. Anyway based on just 5 years we are projecting about \$130 million worth of equipment and sewer line etc. upgrades.

This right here, you know, you asked about the water/sewer rates and talked about fees and stuff like this. One thing that I wanted to highlight. If you look right here, 1997..... all this right here **has not been increased since 1997. None of the charges.** I just highlighted two. Our water/sewer tap, we charge \$1,040 for it. Materials, manpower is costing us \$2,200 to put this tap in. **We think it should be increased, but that's a Council decision.** Sewer tap, we charge \$1,010. It's costing us \$1,800 in equipment to mount and put this tap in. And, again, we're projecting what we think it should be. But, again, that's a Council decision.

Council Member Latimer Alexander: What are other municipalities charging around us?

Terry Houk, Public Services Director: When I actually go through it I will show you.

Greg Demko, City Manager: We've got that coming in, so thank you.

Randy McCaslin, Deputy City Manager: And some.... they take different paths and it's a philosophical thing. Some people put it more on the rates and less on the fees which spreads it out over a greater number of people. Some put it on the fees and less on the rates and that way your newer customers are paying more of their share versus all your rate customers.

Terry Houk, Public Services Director: There's your question...

Council Member Latimer Alexander: Where are we?

Terry Houk, Public Services Director: We are right down here. Water/sewer for us, if we did the tap and the water...

Greg Demko, City Manager: So we're at \$2,120 and Greensboro is at \$2,155 and Winston-Salem's at \$9,400

Terry Houk, Public Services Director: Well, now remember, I don't know what correct term they call it; they call it an assessment fee of \$2, 300 for water and almost \$5,000 for sewer.

Council Member Jay Wagner: What do they do with that?

Terry Houk, Public Services Director: I am assuming...

Mayor Bencini: Bank it...

Terry Houk, Public Services Director: And you correct me if I'm wrong, Randy, that it is some type of capacity fee and the idea behind that is what Randy stated earlier, for new customers tying it on it's to make them pay a higher rate than to have to spread it out over the rates for individual customers. Have them pay for the infrastructure that is required to upgrade anything upstream. So you either get sewer from them or get water to them.

Council Member Jay Wagner: Do you think...

Randy McCaslin, Deputy City Manager: Winston also has policy's that we don't have and they've got one developer that is asking for it now where we would extend outfall lines at our cost and charge them by the lot as they develop it.

Council Member Jay Wagner: Yeah, yeah.

Randy McCaslin, Deputy City Manager: So it gives Winston more money to do things like that with versus, then in our case we'd just tell developers it's their responsibility and they put the money...

Council Member Jay Wagner: Your kind of financing that improvement for them...

Randy McCaslin, Deputy City Manager: That's right. You're the bank.

Council Member Jay Wagner: Well, let me ask you, do you think maybe part of that is because they have maybe gotten behind and they are playing catch up.

Terry Houk, Public Services Director: Winston-Salem always had this saying that they had the lowest rate and they were very adamant about that.

Council Member Jay Wagner: So not so much anymore.

Randy McCaslin, Deputy City Manager: Well, their rates, their customer rates...

Council Member Jay Wagner: Yeah...

Randy McCaslin, Deputy City Manager: Their water usage rates are lower.

Council Member Jay Wagner: Yeah, yeah, because they're hitting the developers with everything new coming on.

Council Member Latimer Alexander: What would be the argument for not recovering cost.

Terry Houk, Public Services Director: From public service standpoint? To me as an Enterprise Fund, I would say we should at least recover our cost. I don't think that we should make a profit, but we should at least break even.

Council Member Latimer Alexander: I can't see a reason not to recover cost.

Randy McCaslin, Deputy City Manager: You'll hear it from developers.

Council Member Jay Wagner: They already mentioned...

Council Member Latimer Alexander: I understand that we'll hear it from developers, but, you know, basically all we're doing is supplementing a developer's project.

Greg Demko, City Manager: Current users are helping to pay for new development.

Council Member Jay Wagner: We're all subsidizing.

Council Member Latimer Alexander: I think we need to.

Mayor Bencini: And a thousand dollars on a new construction unit, you know, if it can't make it with that, it probably shouldn't be built anyhow.

Greg Demko, City Manager: And I'm a tough one to judge about how it works here because in the west if we did water/sewer, the last two communities I worked with it was \$45,000.

Mayor Bencini: \$45,000?

Council Member Latimer Alexander: I mean, **I think we should start thinking about whatever cost recovery is.**

Mayor Pro Tem Jeff Golden: Do you have any idea lost how much we lost by not increasing since '97?

Terry Houk, Public Services Director: I do not. We'd have to calculate those numbers.

Mayor Bencini: We don't want to think about all that being lost.

Eric Olmedo, Budget and Performance Manager: This revenue represents less than one-half of one percent of our total revenue, so it's not..... if you triple our rate, it's not a gigantic windfall for the revenue system.

Council Member Latimer Alexander: No, but it's still.

Mayor Bencini: But we're covering our cost.

Terry Houk, Public Services Director: We should be breaking even at the minimum. This right is here is the Benchmarking data from UNC. These 12 NEPs participated in the study and basically what it's showing is that we're right here at \$3.56 per thousand gallons and it shows the low of Burlington at \$1.75 and Wilson at \$5.44. Basically we're right at the median, so we're not high. We're not low.

Greg Demko, City Manager: This is what it cost us to produce water, correct? So this is a measure of our cost effectiveness to produce water, not what gets charge for water that's coming later.

Terry Houk, Public Services Director: You hear a lot of issues about our rates. Our rates are competitive.

Randy McCaslin, Deputy City Manager: Yeah, this includes our debt service too. We've spent since 2000 over \$300-\$400 million, so we've got that debt on ours. If you'll look at some of the ones towards the bottom that I know about specifically Greensboro and Winston, and they haven't spent that kind of money.

Mayor Bencini: So Burlington is getting ready to have to build....

Greg Demko, City Manager: Oh yeah.

Terry Houk, Public Services Director: The good thing about how the Council historically in the past has seen the proactive approach to upgrade the infrastructure before it'sfor this particular issue. It's going to have to be done and very proactive.

Council Member Latimer Alexander: Alright, so the median was \$3.62, we're six cents under the median for a thousand gallons of water produced.

Terry Houk, Public Services Director: Correct...

Council Member Latimer Alexander: What about billed?

Terry Houk, Public Services Director: It's coming up. This is billed.

Greg Demko, City Manager: Cost to the customer is coming up.

Terry Houk, Public Services Director: No, we deleted that one. This is our UNC participant that we were part of for water and wastewater rates. There are roughly 500 entities in this study. This is for water only. In order to make it uniform, they picked just 5,000 gallons.

Greg Demko, City Manager: So they took our rate, took everybody's rate 5,000 gallons and this is where it comes out.

Terry Houk, Public Services Director: And basically what we're showing right here, this is us we're at \$25 and the median is \$31. So we're way low in the pricing, so we're fine.

Council Member Latimer Alexander: Ok, so that's on water...okay.

Terry Houk, Public Services Director: Sewer.

Council Member Latimer Alexander: We are...

Terry Houk, Public Services Director: Sewer, again, we are at \$5,000. We're at \$42 per 5,000 gallons. The median is \$38.60 we're a little bit higher. That's probably right because most of your infrastructure rehab and rehab repair has been on the sewer side.

Greg Demko, City Manager: And the max at the 110. Do you know who that is? I didn't ask you that before. I wouldn't want to live there.

Terry Houk, Public Services Director: I do not...

Council Member Jay Wagner: That's reflective of all the outfalls and all that that we just got finished doing.

Randy McCaslin, Deputy City Manager: Yeah, plant upgrades, outfalls, pump stations the outfalls, the pump stations...

Terry Houk, Public Services Director: Remember, Eastside and Westside by themselves you're looking at \$110 million.

Council Member Latimer Alexander: I walked through the High Point Subway. I don't know if anybody else walked through the High Point Subway. If you went down to Deep River where it crosses Business 85....We had a tunnel boring machine that cut a tunnel that I could stand up in and cut it for three or four miles through solid granite. I mean, I'd never been and it's 90 some feet in the ground.

Terry Houk, Public Services Director: That's where I told you that's part of that...

Council Member Latimer Alexander: I mean, I had never, I had never been in something like that and had never seen. I mean we had....it was really interesting to watch this tunnel being bored out. I mean, you were way down in the dirt.

Terry Houk, Public Services Director: That's your biggest sewer line, I think it's 66-inch and it's about 60-70 feet down and when originally the way it was designed, we were allowed to be inside the Randleman buffer. The US Army Corps of Engineers relinquished that permission and pushed us out another hundred feet, so that's why. We originally weren't going to be down 60 feet, but that's why we were down 60 feet.

Council Member Latimer Alexander: Well, you know the reason why I say it was a subway is because you got in the little waste car behind the little engine and you just chugged on up to the front. Oh, I had a big time down there.

Terry Houk, Public Services Director: This is your water/sewer bill combined. Again about 5,000 gallons. We are at \$68. The median is \$67.98. We're right on target. We're right in the middle.

Greg Demko, City Manager: Then the affordable range down in the lower right hand they're calling it affordable, getting into the yellow it's a little bit less.

Mayor Bencini: That's good.

Terry Houk, Public Services Director: Areas of concerns, remember I told you about the areas of concerns that Public Services had. And this is just our estimate at 1 percent growth per year. **We need a larger customer base to reflect all these prices that we've had going on now, our current debt, plus our new costs that are coming down, coming fast.** Currently, based on what you're looking at, most of your growth is probably going to be up towards the Kernersville area cause that's the area that's growing right now. Other issues that we are concerned about is compliance. We cannot dictate what DWQ or DEQ as they are now and EPA changed. Every time they come up with new regs and find new issues and we have to adapt to meet them and that dictates a lot of the expansions and a lot of upgrades. Currently for us, Council needs to know that your Senior staff, and I'm senior staff, I'm like a good wine...

Greg Demko, City Manager: You're aging up...

Mayor Bencini: You can ride the bus with Latimer... [laughter]

Terry Houk, Public Services Director: Current staff is aging out. You've lots....you've already lost some critical management positions. Based on the staff that we have now, your first line management and probably your second line management can pretty much go now or within two to three years. What we're finding is that we can't get trained people or technical background people to replace them. This is not local to High Point. It's actually a nationwide issue. For lack of a better term, we all started about the same time, and we're all aging out about the same time. And if anybody has ever been to a wastewater plant it is not one of the most glamorous places to be.

Mayor Bencini: So you don't think that the millennials are kind of gravitating towards

Randy McCaslin, Deputy City Manager: We have that in Electric and in our public works side of Public Services. We have it in the water/sewer side. It is becoming critical.

Terry Houk, Public Services Director: So what you see.... what I've asked for in the budget which is different than you've ever seen in the past. I've actually asked for **additional people**. I didn't ask for additional full-time people. **I asked for trainees for the lack of a better term. And the idea is to go to tech schools and have them work 20 hours a week, get them brought up and from lack of a better term, get them interested in the business and get them trained to come on.** Not only are you going to lose your management staff, you're going to lose your technical staff—the people that work on this stuff. The technology behind water and wastewater has gotten so advanced, it's almost computer grade. It's computers now. So you need people to be able to do that. So that's one big deal.

Other issues that we looked at is **expanded service area**. Again, High Point is somewhat contained on three sides, you've got Jamestown, Archdale, Thomasville, and you can't really go that way. Most of your development is going to be up towards Kernersville. You might be able to go some into Davidson County, maybe. But, then you can probably cross over Business-85 and serve some of the area across from Grandover, but that would be very expensive. Again, there's no sense in talking about this because we've already talked about service to private developments. We are getting a lot of requests to go in and do a lot of repairs and we have to tell them no and for the lack of a better term, they don't understand why.

Council Member Cynthia Davis: So are we in good shape in Colfax for expansion in that area.

Terry Houk, Public Services Director: Colfax, are you talking about the FedEx area?

Council Member Cynthia Davis: Well, the Boylston Road area stuff like that. The things that have come to us. We're good there?

Terry Houk, Public Services Director: Yeah, well that's why I showed you Waterview. Waterview serves that area, so we need to make sure Waterview is upgraded.

Greg Demko, City Manager: And part of what you're showing is we've got capacity, we've debt, the more number of customers, the more we sell; it eases the debt load on everybody else.

Terry Houk, Public Services Director: That's where I said we needed to acquire new customers.

Council Member Latimer Alexander: We need some load in that pipe too.

Greg Demko, City Manager: Absolutely...

Terry Houk, Public Services Director: Particularly on the waterside because one thing I told you about the 3 million gallons. A lot of times because we have no customers on very large lines, because the EPA mandates it and DEQ mandates, we are required to bleed off water to maintain proper disinfection ratios. So we're wasting water underground.. Anyway, the area up in here is where you'll be targeting for growth and that's why I said.... it's very.... we need to acquire for more customers and so forth, whether you bring them downtown and rehab more areas or expand out.

Future large scale projects. I talked to you about Ward at \$48 million, Eastside \$100 million, new current Incinerator right now is still under upgrade to be expanded. Remember the new EPA max standards

which cost you another \$8 million. In **2025 theoretically you will not have enough incinerator to burn your salvage so there'll have to be an alternate disposal plan.** Lift stations, we do have a program on your smaller lift stations to replace and upgrade them, but **these two** right here are critical. Again, **Riverdale** goes straight to the **Eastside and Waterview** serves the area...Boylston, Colfax that needs to be upgraded.

Council Member Latimer Alexander: Terry do we have pass mercury standards on our incinerator?

Terry Houk, Public Services Director: Yes, we do. That's why it cost you \$8 million.

Council Member Latimer Alexander: Okay.

Terry Houk, Public Services Director: You have.... now when the incinerator comes on, you'll have a carbon pack to treat for mercury. The other thing you have to watch out, and it was highlighted. We straddle two basins. We're on the Yadkin Pee Dee, which is Westside and the Eastside discharges into the upper Cape Fear so you have to be careful about transferring flow back and forth. We are, however, grandfathered at the water plant for 10 million gallons to cross the basins. **We've got to be really careful in our expansion up towards Kernersville.** Winston-Salem water, **if they come down our sewer lines that's interbasin transfer.** So that's why we're running water lines up there. We talked about the **Piedmont Triad Water Plant and upgrade.** Remember, the ultimate build-out for this plant is \$12 million gallons per day. Our estimate based at 19 percent, is going to be about **\$40 million for us** and this could be high. Based on the technology, it's hard to tell what they'll do, but I'd rather estimate high than low. When they go up to 48 million, we'll get approximately 10 million gallons a day from them. **You're going to have to build a new transmission line to take that 10 million gallons.** The current transmission line that we put in and we operate right now is not big enough to carry that additional 10 million gallons. Again, we talked about water distribution and collection system upgrades based on your life cycle.

Water and Sewer Budget/Operational Presentation

Eric Olmedo, Budget and Performance Manager: This is my part.

Terry Houk, Public Services Director: Over to Eric.

Eric Olmedo, Budget and Performance Manager: The next 30 minutes...[laughter]

Greg Demko, City Manager: You've got six!

Eric Olmedo, Budget and Performance Manager: this will be really quick.

Eric Olmedo, Budget and Performance Manager: You all know that when we do these revenue bond issues, we have our financial advisor from Davenport to help us out and we're also required to do a feasibility study every year. Since 2004, we've gone through this I think six or seven times and that study always tell us they want us to have a range and say the rate to support this needs to be between four and six percent. And we do that evaluation and come back to Council with a recommendation. And going back to the last ten years, we've been in that four to six percent range every year. In 2012, the feasibility study showed us at a four percent every year, but one of the things that we looked at is where we are currently and we make a recommendation. We didn't make a recommendation to raise rates for a couple of years. 1) Because the feasibility study is fairly conservative and we were out performing that study. We were at a low rate environment, selling bonds at lower rates and anticipated, and we took advantage of some refundings which really helped out. And so the last couple of years we've had a 3 and 3.85 percent increase on water/sewer.

Now, the feasibility study really is.... this is really busy, but you have a copy there. The feasibility study plan really is just a business plan and we went through this business plan. What I have here, similar to what we do with stormwater is this is a scenario here that says we're not going to raise rates at all. We're not going to sell any debt. How bad does this situation get? How quickly do we get upside down? So we took their operating revenue and grew it by that one percent that Terry talked about. We took his pay as you go financing plan here to get us down to a total revenue and total sources. This includes the fund balance every year anywhere from 2017 going out to 2025. And then for Personnel and Operating we used a modified CPI to grow those costs at a continual level. We grew the operating capital as well and we put in our current debt service on the current debt that we have. No new additional debt. As you can see right away, our fund balance is 19 almost 20 million where our 50% fund balance policy is 22.6. **That tells me we need a rate increase to sustain the current debt service and to if we intend to issue future debt.** We do have a debt revenue bond planned for this spring. And typically, our plan is every other year. Terry talked about the \$105 million in revenue bond debt that he anticipates in addition to the pay as you go financing of \$25 million for the \$130 million in the future span of six or eight years.

So what I've done here, where it is shaded yellow, this shows us implementing a four percent rate increase for the next 3 years. I've changed the pay as you go financing a little bit because one year we're at 3.8, one year we're 6.2, but over the five years we're at \$25 million or a little over \$25 million. So what we're saying here is let's stabilize that at \$5million a year, except for this first year because we do have the Kearns demolition that was a little bit of an outlier, but let's stabilize that at \$5 million a year and then raise the rate and then this shows the impact of issuing \$35 million in debt. One issuance at 2016, one at 2018, one at 2020 that gets the \$105 million and future projects. Um...and at the end of the day we see, with these rate increases if we're negative or a little bit under, but then we start to become positive again. So that tells me that with this model, we can afford it in and in the next couple of years we may be straddling that line on our 50 percent fund balance, but recall this is a very conservative estimate and we typically have outperformed the conservative nature of this. So I'm not too concerned about being 5 percent one way or the other. I feel like we'll meet that. But, this does show that we can afford the \$105 million in three issues and not necessarily an even 35, we may do a 40 and a 30. It just depends on how our project flows are or what our cash needs are. So that's the business plan part of it. This does address most of things that Terry talked about, most of the projects, but we do get out hereand he talked about a couple of hundred million dollars in projects. This addresses about hundred and five and this is about half of it. So I know some Council members have said when are we ever going to be done with this and the answer is never. Because we always have to invest in our system.

Council Member Latimer Alexander: Part of our problem if you go back a long way, we had a lot of years where we were zero, zero, zero and then we had some years where we had 13 and 15 percent in a year kind of increases.

Eric Olmedo, Budget and Performance Manager: Yeah, I had another model. In 2001, I think we had a 17.2 percent increase.

Greg Demko, City Manager: One of things that I'm use to on the economic development side is our businesses or our existing businesses want to see predictable cost structures. So if we can smooth out items and they can plan for it in their business plans, that's what they're looking for. And our rating agencies, and we are AAA rated, our rating agencies looking for that consistency and that discipline as well.

Eric Olmedo, Budget and Performance Manager: One other thing I did on this model is it gives you the ability to raise the rate and see how you compare and it's not perfect because it doesn't show anybody

else raising rates, but when I did that by the 12 percent over the 3 years we're over here at about \$75. So really even if we raise our rates and nobody else does...

Mayor Bencini: We're still at pretty good shape...

Eric Olmedo, Budget and Performance Manager: We're still in pretty good shape. Absolutely.

Greg Demko, City Manager: And that's it. Any questions of Eric or Terry?

Mayor Bencini: So, can I take this as a staff recommendation in terms of the increase?

Greg Demko, City Manager: Yes, we're looking to recommend a four percent increase. We're also looking to recommend a cost recovery on the fees, that we issue \$35 million in bonds or \$105 million in three different stages over there and that's about it on these policies.

Council Member Latimer Alexander: Do we have any refunding options on debt we've already issued.

Greg Demko, City Manager: No...go ahead.

Eric Olmedo, Budget and Performance Manager: Well, we typically look at that every time we tend to issue debt. It rarely makes sense to do that as a standalone, but when we go to issue this debt, our advisors will look at that for us and make recommendations. We have really taken advantage of that over the last ten years and right now our cost.

Greg Demko, City Manager: And one of the pieces is this current plan still doesn't fully address the age of the pipes, but it gets us closer.

Council Member Latimer Alexander: We've had....when we were out there making double digit increases, our citizens told us, look we can't handle double digit increases. We would rather have something small and reasonable every year than blow it away. So a four percent increase going back historically is what our citizens are expecting.

Greg Demko, City Manager: Well, and a couple of other things to keep in mind. Right now borrowing rates are at more than historic lows. Two years from now they are probably not going to be. Second piece is, our debt load is spread out across our whole customer base, so the faster we grow that customer base, the less our rate increases have to be and the more affordable. Because we've got capacity. We've got capacity up the ying-yang.

Council Member Latimer Alexander: We ought to be using that as an economic incentive. I mean if we can find a million mgd, you know we need go out and find...Google....

Mayor Bencini: Breweries. Server farms. They don't hire a lot of people, but they use a lot of water and electricity.

Greg Demko, City Manager: But, that's it and thank you. We've got a lot of things. Thanks for the guidance as we move this forward and we'll keep working through it. Have a good night.

The meeting adjourned at 5:15 p.m. upon motion duly made and seconded.

Respectfully Submitted,

William S. Bencini, Jr., Mayor

Attest:

Maria Smith, Deputy City Clerk

DRAFT

TRANSPORTATION DEPARTMENT OVERVIEW & CAPITAL BUDGET FY 2016-17

**PREPARED FOR THE
HIGH POINT CITY COUNCIL**

FEBRUARY 4, 2016



MARK McDONALD, P.E.
TRANSPORTATION DIRECTOR

OUR MISSION

Provide a safe, efficient, economical and environmentally sensitive transportation network that serves the best interests of our citizens.

Our Priorities

- **Improve Safety**
- **Manage Congestion**
- **Enhance the Quality of Life**
- **Foster Economic Growth**

HIGH POINT TRANSPORTATION DEPARTMENT

- Administration & Engineering
- Signs & Markings
- Traffic Signals
- System Operations
- Parking
- Transportation Planning
- Transit



- 7 divisions with 78 employees
- \$8.6 million operating budget
- \$5 million in capital project needs estimated over the next 5 years

ADMINISTRATION & ENGINEERING

- Respond to public concerns
- Program and policy management
- Collect and evaluate traffic data used to improve safety and enhance operations
- Oversee the design and operation of transportation systems and facilities
- Provide technical and administrative support to other divisions
- Coordinate activities with other city departments, NCDOT, and other agencies



SIGNS & MARKINGS

- Install and maintain traffic signing and pavement markings
- Fabricate new signs
- Provide work zone support in emergencies
- Traffic control services for Markets, parades, and other special events



TRAFFIC SIGNALS

- Maintain 216 traffic signals
- Construct new signals
- Maintain school flashers and overhead traffic signs
- Maintain equipment at parking decks
- Provide traffic control support for special events



SIGNAL SYSTEM OPERATIONS



- Maintain fiber optic network
- Evaluate signal timings
- Troubleshoot communications
- Maintain traffic cameras
- Monitor special event activities

PARKING



PARKING PLAZA

- Provide a clean, safe and secure off-street parking (over 1,200 spaces in three decks)
- Serve daily and monthly customers, Market visitors, hotel guests, Amtrak, and PART Park-and-Ride patrons

- Free “courtesy” parking and lack of enforcement have eroded parking deck use
- Broad Street deck is closed except during Furniture Markets and for occasional special events



BROAD STREET

PARKING

- Main Street deck has been leased to the Radisson Hotel and is operated by hotel staff
- Additional parking in “The Pit”, but long term rentals discontinued
- Staff also maintains and oversees the High Point Train Depot
- Increasing maintenance issues



HIGH POINT TRAIN DEPOT

- Restoration completed in 2004
- Amtrak service daily, Raleigh to Charlotte and eastern seaboard
- Future Washington to Atlanta High Speed Rail corridor



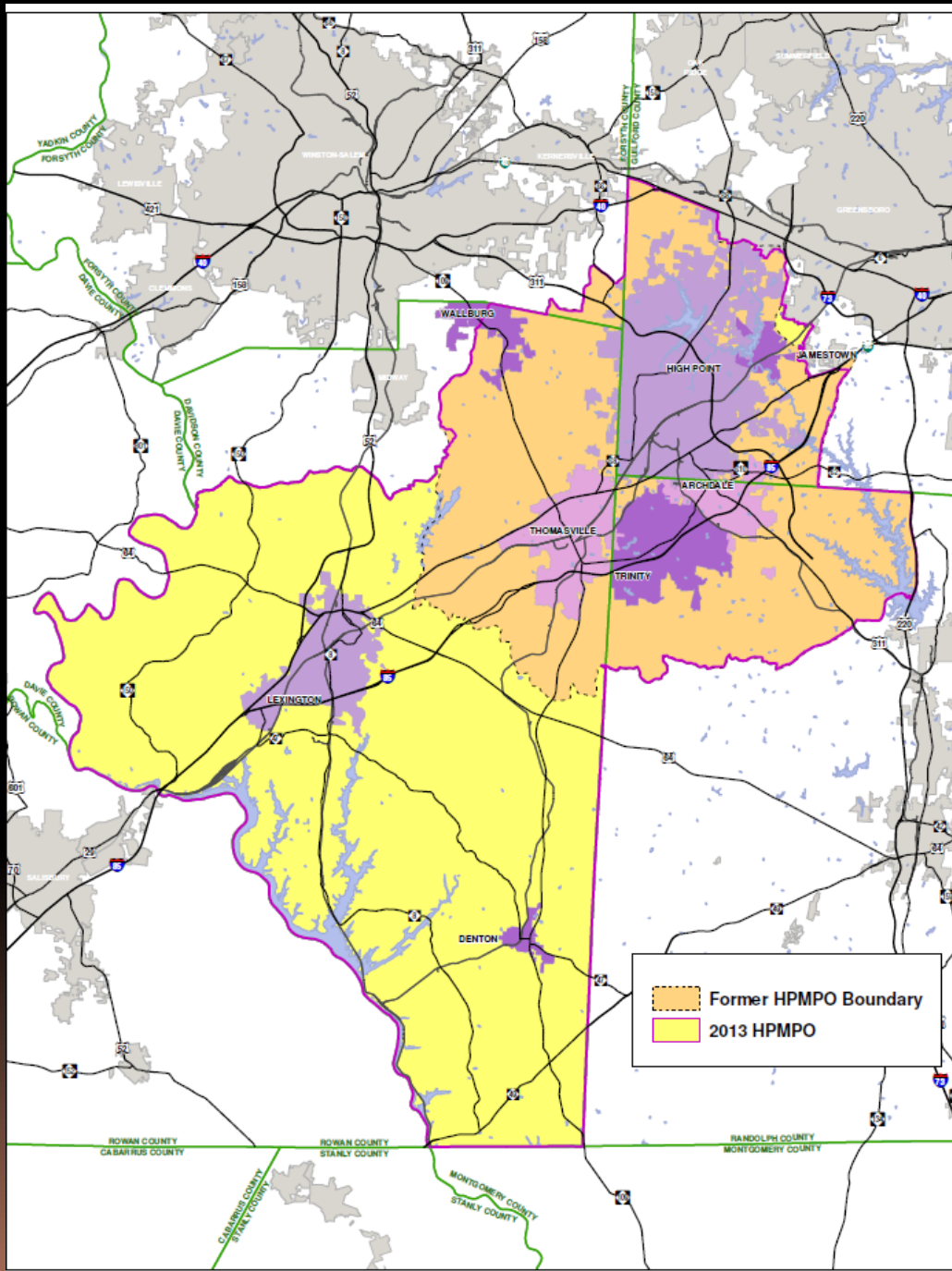


“1859”
The City of High Point

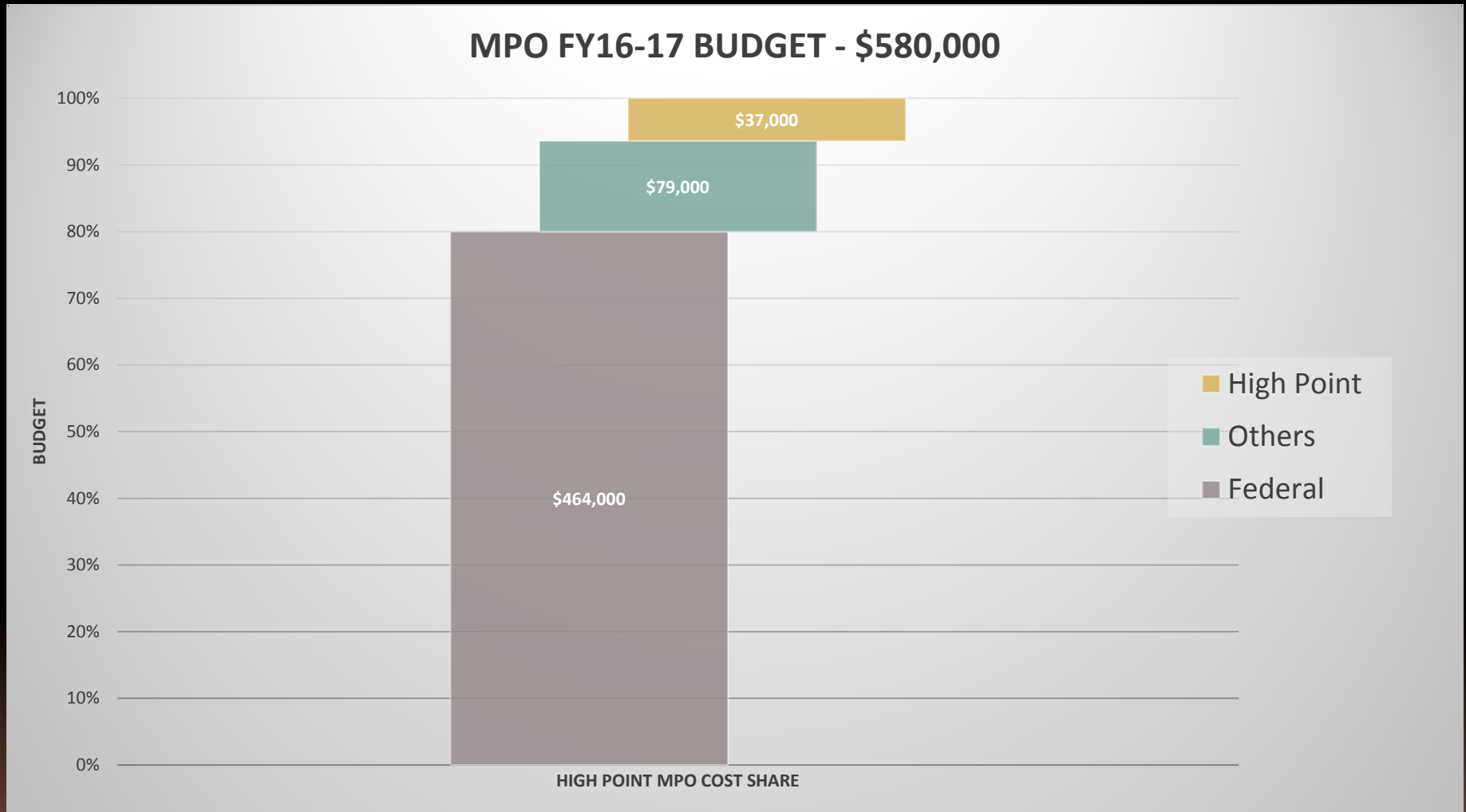
TRANSPORTATION PLANNING & THE MPO

- High Point is the lead agency for the Metropolitan Planning Organization (MPO); one of 19 statewide
- Responsible for transportation planning programs in the Urban Area
- The Urban Area is defined by the Census and is updated every 10 years
- Includes 8 cities and towns, parts of 4 counties and 3 NCDOT divisions, and an area of about 680 square miles
- Identify, evaluate, and document future transportation needs, and seek state and federal project funding
- Promote the development of a multi-modal transportation system (highways, transit, rail, and bike-ped)

HPMPO SERVICE AREA



HPMPO BUDGET AND FUNDING



Each member jurisdiction pays a share of the local match funding based on population. High Point contributes approximately \$37,000 annually.

Hi TRAN

- The City's fixed route bus system
- Serves about 3,500 passengers every day
- Regular fare \$1, half fare for elderly and disabled
- A local connection for PART service to other Triad communities
- Dial-A-Lift provides door-to-door, on demand service for the elderly and disabled
- One way DAL fare \$2



HI TRAN TERMINAL



MORE HI TRAN FACTS & FIGURES

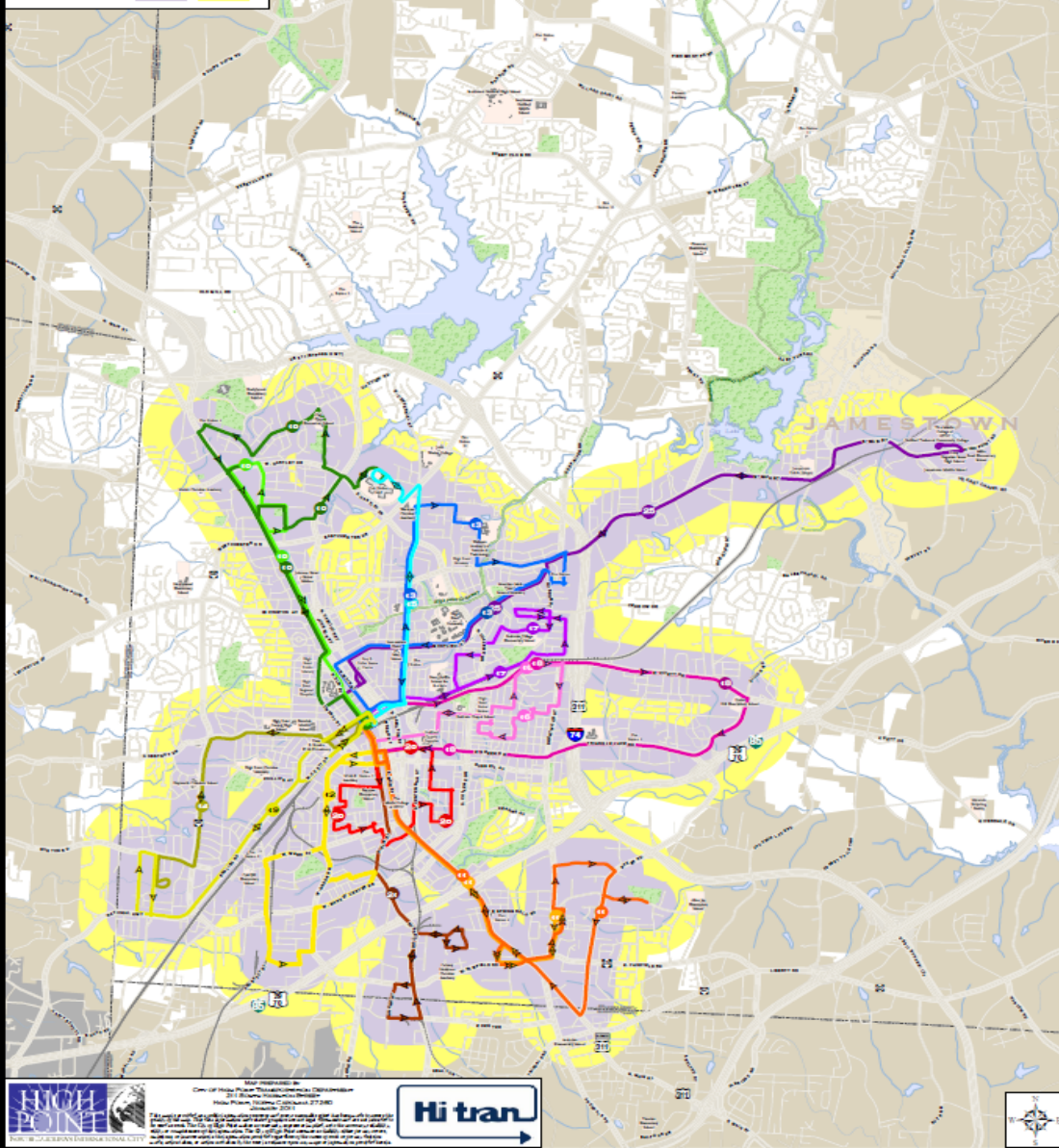
- Operates six days a week
- 12 weekday routes serve more than 500 bus stops and cover over 1,700 miles daily
- 10 Saturday routes
- Quarter mile coverage of 20 square miles or 1/3 of city area
- Operational costs average \$75 per hour
- Annual operating budget \$3.3 million, comprised of 40% Federal, 20% State, 20% City, and 20% farebox funding
- Capital budget averages about \$200,000 annually
- Scheduled bus replacement in 2016
- Short Range Transit Plan completed in 2015, with phased implementation starting soon

CITY OF HIGH POINT TRANSIT SYSTEM MAP

ROUTE 10: NORTH MAIN STREET	ROUTE 12: WEST GREEN DRIVE	ROUTE 16: LEONARD AVENUE	ROUTE 20: KEARNS AVENUE
ROUTE 10: NORTH MAIN STREET (SATURDAY)	ROUTE 13: MONTLIEU AVENUE	ROUTE 17: WASHINGTON DRIVE	ROUTE 21: INDUSTRIAL PARK FLYER
ROUTE 11: SOUTH MAIN STREET	ROUTE 14: WESTCHESTER DRIVE	ROUTE 18: EAST GREEN DRIVE	ROUTE 25: JAMESTOWN/GTCC
ROUTE 11: SOUTH MAIN STREET (SATURDAY)	ROUTE 15: EASTCHESTER DRIVE	ROUTE 19: ENGLISH ROAD	

WALKING DISTANCE BUFFER RINGS

	1/4 MILE	1/2 MILE
TOTAL AREA	20.5 SQ. MI.	30.8 SQ. MI.
AREA WITHIN CITY LIMITS	18.5 SQ. MI.	28.0 SQ. MI.
PERCENT COVERAGE OF CITY	92.2%	91%



HI TRAN ROUTE COVERAGE

Existing bus routes
with ¼ mile and ½
mile walking
distance contours

PART

- Piedmont Authority for Regional Transportation (PART) was created in 1997 with 10 member counties: Alamance, Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, Surry, and Yadkin
- PART's goal is to improve transportation through regional cooperation
- Works directly with member jurisdictions as an extension of professional staff for transportation planning and public service delivery
- Air quality is a theme central to many of PART's programs



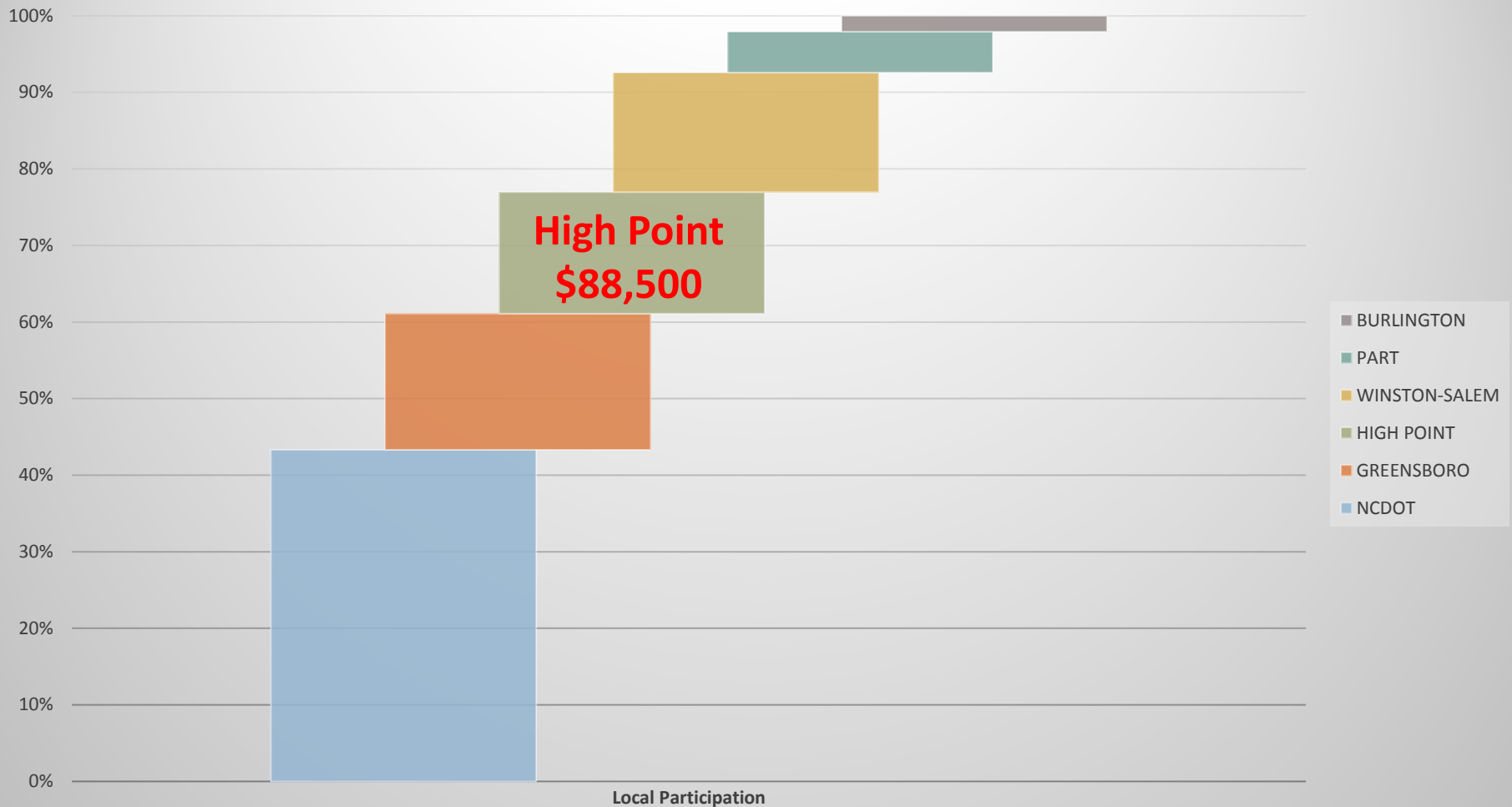


PART REGIONAL SERVICES & PROGRAMS

- **Express Buses and Amtrak Connector**
- **Vanpool and Rideshare**
- **Paratransit Call Center**
- **Piedmont Triad Regional Model (PTRM)**
- **Regional Transportation Studies**
- **Piedmont Together**
- **Triad Air Awareness & Commuter Dash**
- **Electric Vehicle Charging Stations**
- **Piedmont Transportation Professionals**

PART FUNDING

Participation in PART Programs Total \$558,221



SKEET CLUB ROAD

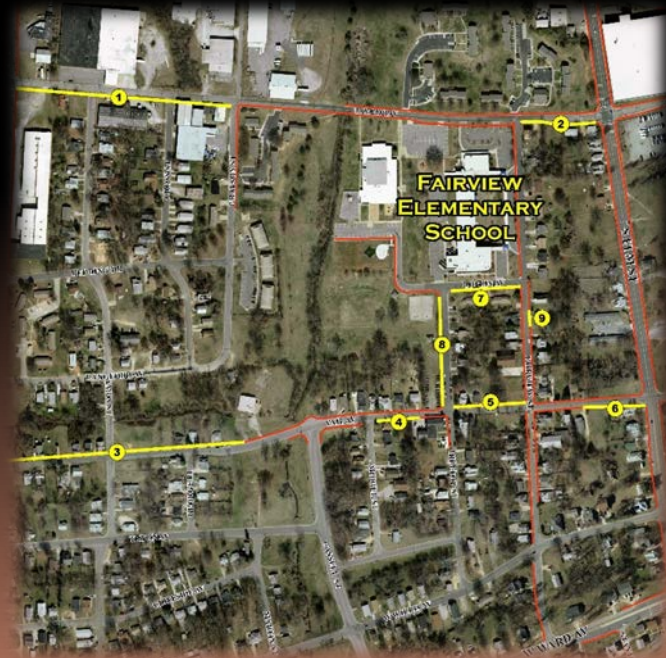
- Section B – Eastchester Drive to Johnson Street
- Construction underway, cost \$32,000,000
- City participation in sidewalks, water, and sewer



SAFE ROUTES TO SCHOOLS

- Five participating schools
- \$500,000 in Federal funding for new sidewalks
- \$100,000 in City funds
- Design and right-of-way complete
- Construction this summer





JOHNSON STREET/SANDY RIDGE ROAD



- Environmental study and design for road improvements from I-40 to Skeet Club Road
- Reduce congestion on NC 68
- Alternative access to PTIA
- Construction in 2019
- \$45,000,000



JOHNSON STREET/SANDY RIDGE ROAD



I-74 & NC 68 INTERCHANGE IMPROVEMENTS

- Design in progress for modifications to increase capacity and improve traffic operations
- Realignment of Gordon Road and Cypress Court
- Construction in 2018
- \$17,500,000



NEW CAPITAL FUNDING REQUESTS

- Mendenhall Terminal Improvements - **\$150,000** in 2016, and \$350,000 in 2017
- Signing for ML King, Jr Drive - **\$35,000** in 2016, and \$35,000 in 2017
- Traffic Services Storage Building- **\$150,000** in 2016, and \$150,000 in 2017
- Neighborhood Traffic Enhancements- **\$50,000** annually
- Consultant Services - **\$100,000** annually

TOTAL NEW FUNDS FOR FY 2016-17
\$485,000



Mendenhall Terminal Improvements





M L King, Jr Drive Signing





**Traffic
Services
Storage
Building**





Neighborhood Traffic Enhancements



CAPITAL FUNDING REQUESTS FOR FY 2016-17

- **S. Main Street / US 29-70 Interchange Study**
\$ 75,000
- **Local Match for NCDOT Funded Projects**
\$100,000

S. Main St Interchange at US 29/70





ONGOING PROJECTS WITH NO NEW FUNDING REQUESTED FOR FY 2016-17

- **City Sidewalk Construction**
- **Parking Facility Improvements**
- **Traffic Signal System Upgrades**
- **Railroad Crossing Improvements**
- **Johnson Street / Sandy Ridge Road Design**
- **I-74 & NC 68 Interchange Improvements**
- **Skeet Club Road Sidewalks**

SIDEWALKS

- Over 210 miles of sidewalks
- Priority ranking system
- Over \$900,000 programmed for construction at locations approved by Council in 2014



\$750,000







What About Parking?

- Many monthly and yearly customers lost during recession, when paid parking was one of the first expenses showrooms and other companies chose to cut
- Ticket spitters, card readers, gate controls, fee computers, and security cameras are all 25+ years old and are obsolete; system is still based on DOS technology
- Funding available for a needs assessment
- Structural repairs and equipment upgrades estimated at **\$700,000**

➤ Gate control, ticket splitter, card reader, surveillance camera, DOS fee computer





➤ Spalling concrete ceiling (above) and exposed pre-tensioned cable (below)



➤ Cracked support column on lower level of Plaza

SIGNAL SYSTEM IMPROVEMENTS



\$450,000



POTENTIAL BOND PROJECTS

- Triangle Lake Road
- Burton Road
- Gordon Street
- E. Ward Avenue Extension
- Johnson Street
- Clinard Farms Road
- Lexington Avenue
- Intersection Improvements
- One-way Conversions
- Northwest Connector

THANK YOU!



MARK McDONALD, P.E.
TRANSPORTATION DIRECTOR