

City of High Point

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

Meeting Agenda

Monday, October 5, 2009

4:45:00 PM

Council Chambers

Committee of the Whole

*Rebecca R. Smothers, Mayor
William S. Bencini, Mayor Pro Tem
Latimer B. Alexander, IV, Mary Lou Blakeney,
Foster Douglas, John Faircloth, Michael D. Pugh,
Bernita Sims, M. Christopher Whitley*

ROLL CALL, PRAYER, PLEDGE OF ALLEGIANCE**PRESENTATION OF ITEMS****FINANCE COMMITTEE - Council Member Whitley, Chair**

Committee Members - Bencini, Douglas, Alexander

090242 Ordinance - Transfer of Control of LEXCON to Windstream Corporation

Council is requested to adopt an ordinance providing for the change in control of a cable television franchise, LEXCOM to Windstream Corporation.

090243 Contract - Bid No. 11 - Pothole Patch Truck

Approval of contract awarding Bid No. 11 for the purchase of a Pothole Patch Truck. Purchasing and Fleet Services recommend that contract be awarded to Piedmont Ford Truck in the amount of \$139,460.00 which is the lowest responsible and responsive bidder meeting specifications.

090245 Contract - Southern Consulting Engineers

Approval of contract with Southern Consulting Engineering for the following two projects:

Penny Road Substation - \$96,700.00

100kvV Transmission Line - \$194,600.00

090246**Resolution - Lease Purchase For JobLink Center - 607 Idol Street**

Council is requested to adopt a resolution authorizing the City Manager and the Financial Services Director to accept the proposal for the lease/purchase agreement with BB&T Governmental Finance and authorize them to execute a Lease/Purchase Installment Financing Contract Deed of Trust and any other necessary documents and filings as required by the lender for the purpose of financing the building purchase and improvements at 607 Idol Street for the JobLink Center over a ten year period.

Pending Items**090050 Revised Economic Incentive Policy**

Council is requested to adopt a revised economic incentive policy redirecting incentive dollars to the Core City and south High Point.

3/5/2009

Committee of the Whole referred

Committee of the Whole

PUBLIC SAFETY COMMITTEE - Councilmember Faircloth, Chair

Committee Members - Douglas, Pugh, Alexander

PUBLIC SERVICES COMMITTEE - Council Member Sims, Chair

Committee Members - Blakeney, Faircloth, Whitley, Alexander

PLANNING & DEVELOPMENT COMMITTEE - Council Member Bencini, Chair

Committee Members - Blakeney, Pugh, Sims, Faircloth

090244

Board of Directors of ElectriCities - Support of City Manager Strib Boynton

Council is requested to support the nomination of City Manager Strib Boynton for a second three-year term on the Board of Directors of ElectriCities.

PUBLIC HEARINGS ON ITEMS

ADJOURNMENT



September 30, 2009

To: Randy McCaslin, Assistant City Manager
From: Garey Edwards, Director of Electric Utilities
Subject: Southeastern Consulting Engineers Contract

I am recommending that the City of High Point contract with Southeastern Consulting Engineers for the design and administration of the following two projects:

Penny Rd. Substation	\$96,700.00
100kvV Transmission line	\$194,600.00

Southeastern provides electric distribution design to many of the Cities that are in North Carolina. They have also provided design services to ElectriCities located in Raleigh and Duke Energy in Charlotte. They have received excellent recommendations from their clients and trade partners. The City of High Point has used them in the past for diesel generator design, distribution design, transmission design and other projects. They have performed well and efficiently in these roles.

We have funds allocated for this design in the budget. The amounts listed above are not to exceed contract amounts and are based upon quoted hourly rates. Southeastern Consulting Engineers has been providing exceptional service for many years and the City has had a very good working relationship with them over the past several years.

cc: file
Bob Martin
Jeff Moore
Larry Hopkins

Exhibit 1-Proposed Transmission Line Routing
North Substation to Proposed Penny Road Substation





Memo To: Mayor Smothers and City Council Members

From: Strib Boynton

Date: September 29, 2009

Subject: ElectriCities Board of Directors

On Monday, Mayor Smothers and I will be asking for your continued support by nominating me for a second three-year term on the ElectriCities Board of Directors. My formal nomination papers for the weighted seat need to be filed no later than Friday, October 9, 2009. Representatives of the 19 Agency 1 member communities will vote on November 17, 2009.

I was first elected by the Agency 1 member communities in 2006 for a three-year term that began in 2007. I was elected by the Board to serve as Vice Chairman for 2008, and then as Chairman for 2009.

Accomplishments

ElectriCities is North Carolina's \$1.2 billion public power service corporation. ElectriCities provides and serves 500,000 retail customers in 51 cities and towns across the state with electricity generated from four nuclear and two coal generating plants co-owned with Duke and Progress Energy.

As many of you know, the past three years have been challenging and defining years for ElectriCities:

1) Agency 1 and Eastern Agency Finances

We have deliberately focused our time and attention during the past three years to carefully evaluate the finances and debt management practices of both agencies. Our review of the remaining auction and variable rate bond financing strategies previously used to finance both agencies resulted in corrective action being taken to aggressively refinance the debt of both agencies. In the process, we adopted stronger fiscal and capital management strategies, and in turn, we have produced substantial savings and greater rate stability to both agencies.

Our ElectriCities staff has estimated the savings from refinancing the remaining variable and auction rate bonds for the Agency 1 communities at \$167.4 million, and the estimated savings for the Eastern Agency communities at \$40.7 million. Importantly, Standard and Poor's increased the Agency 1 bond ratings from A- to A+, and Eastern Agency bond ratings from BBB+ to A-. Similar upgrades will be sought and are expected from the Moody's and Fitch rating agencies.

2) Congressional Energy Legislation

Many of the critical decisions affecting our ability to provide reliable power at a reasonable price are actually made in Washington. As such, in the past year, we focused our attention to actively engage in the critical Congressional energy legislation discussions, and in the process, we secured clear support from our Congressional members to successfully raise the key minimum applicability threshold in the legislation from one million kilowatts to four million kilowatts, thereby saving our retail electric customers staggering, needless and unnecessary costs.

The lower one million threshold number is now in both the House and Senate versions of the pending legislation. We expect the lower threshold number will prevail, and if so, the avoided long-term cost or benefit for our public power communities is estimated to be in the billions. The savings or cost avoidance for High Point electric customers alone is reliably estimated \$1.1 billion. For a relative comparison, High Point's capital investment in Catawba was about \$525.0 million.

3) Energy Efficiency Block Grants

Separate and apart from my formal role with ElectriCities, I also became involved in an effort two years ago to bring additional value back to High Point and our other member cities and towns by securing a source of needed money for energy efficiency investments. In the process, High Point became a charter member of a Washington based group now known as Climate Communities. Climate Communities (actually a part of The Ferguson Group) drafted the necessary language and successfully lobbied Congress to establish and fund a new energy block grant program. Several communities across the state joined in supporting the effort.

On the bottom line, Climate Communities were successful as the Congress established and funded a new energy block grant program earlier this year providing energy efficiency grant money for cities and towns. High Point has received \$998,600. Other public power communities in ElectriCities have also received energy block grants, including Greenville (\$777,600), Concord (\$638,800), Wilson (\$214,900), and Huntersville (\$175,100). Several other public power communities across the state have also submitted requests for energy grants.

4) Federal Stimulus Programs

In order to add value for our member communities, earlier this year I also initiated and the Board approved my request to have The Ferguson Group present a series of educational workshops, webcasts, and other briefings necessary to inform and assist our member communities learn about, apply and secure available stimulus dollars for their individual communities. To date, in one form or another, High Point has secured \$7,471,000 in various stimulus monies. While I do not have reliable numbers for other cities and towns, our other public power communities have either submitted applications or are in the process of applying for dollars.

5) Renewable Energy Requirements

Importantly, we also developed and adopted an effective and relatively low cost strategy for addressing Agency 1's renewable energy requirements contained in SB 3. We will be able to meet the general compliance requirements contained in SB 3 for an estimated \$2.0 million, well below the \$30.0 million cost cap in the legislation.

6) New Chief Executive Officer

Last but certainly not least, the past year has also been one of significant change, direction and transition for our Board, both agencies, as well as for our executive management team. Our long-term CEO, Jesse Tilton, resigned a year ago. I initiated and led a collaborative recruiting process involving Board members, representatives from both Agency 1 and the Eastern Agency, and our executive management team in successfully recruiting T. Graham Edwards as our new CEO.

Graham joined ElectriCities in June following a long and exceptionally successful executive career as Chairman, President and CEO of both Santee Cooper (South Carolina's \$1.2 billion public power corporation), and of the Midwest Independent Operators System (MISO is a major upper Midwest transmission company with 94,000 miles of lines and \$42.0 billion in annual transactions).

Summary

The coming years will involve continuing challenge for ElectriCities, as the Board's time and attention will focus on ensuring the availability of reliable long-term power supply alternatives, rate competitiveness, and greater financial stability for Agency 1, the Eastern Agency, and our 51 member communities in both agencies.

I like to think that I have delivered on my commitment to add value bringing benefits home to High Point, as well as to the other cities and towns, through the time and energy that you have allowed me to invest with ElectriCities.

The work continues, and if you agree, during Monday's meeting Mayor Smothers and I will be requesting your continued support by approving my nomination for a second three-year term on the Board of Directors of ElectriCities.

*Many thanks!
Stith*

Cc: Bill McGuinn

(A summary synopsis of my career, required by ElectriCities, is attached)

Strib Boynton
High Point City Manager

Strib is currently completing his twelfth year as High Point's City Manager. In that capacity he is responsible and accountable to the Mayor and City Council for leading and managing the City's various initiatives, services and programs through 1,500 employees and a \$503.3 million 2009-2010 Financial Program (\$320.4 million operating and \$182.9 million major capital).

He also serves as Chairman and Board Member of North Carolina's \$1.2 billion public power service corporation. ElectriCities provides and serves 500,000 retail customers in 51 cities and towns across North Carolina with electricity generated from four nuclear and two coal generating plants co-owned with Duke and Progress Energy.

Strib currently serves on the Board of Directors of the High Point Economic Development Corporation, High Point Home Furnishings Market Authority, and the Piedmont Triad Regional Partnership.

His community service also extends to leadership roles in his church and community non-profit organizations. Strib has served as an active Deacon of Emerywood Baptist Church since 2003. He served as Diaconate Chairman (2005). He serves Emerywood as a Stephen Minister, and participates in the weekly Thursday West End Meals Program. Strib also serves as a Member of the new philanthropic Heart of High Point Committee of the High Point Community Foundation.

He also served the Greater High Point United Way for more than ten years, as Chairman (2005-2006), Executive Committee Member (2003-2008), Pacesetter Chairman (2004), and Board Member (1999-2008).

Strib's 37 year career in public service has also included service as City Manager of Fort Smith, Arkansas; Joplin, Missouri; and Urbandale, Iowa. For seven years, Strib also served Governors Bill Clinton and Jim Guy Tucker as Chairman and Trustee of Arkansas' 6,400 member Police and Fire Retirement System (1991-1997). Strib also served as Chairman of Governor Tucker's 1994 Police and Fire Pension Reform Task Force where he successfully negotiated Arkansas legislative/municipal/union approval of eight of nine key pension reform bills.

Strib is a graduate of Harvard University's Senior Executives in State and Local Government (2008), and the University of Virginia's Senior Executive Institute (1991). He has a MPA (1974) and a BA (1971) from Drake University, Des Moines, Iowa. Strib also completed an additional year of graduate work at Iowa State University (1971-1972).

On the personal side, Strib actively manages and operates the Boynton Family Farms located in Central Illinois. The farms have been in his family's continuous ownership and management since 1843.

Fleet Services Department

Gary L. Smith

DIRECTOR



MEMORANDUM

DATE: September 30, 2009
TO: Bob Martin, Purchasing Director
FROM: Gary L. Smith, Director of Fleet Services

Gary L. Smith

SUBJECT: Recommendation

Bid No: 11-091609

Date of Bid Opening: September 16, 2009

Description: Pothole Patch Truck

Department: Fleet Services

After reviewing the bids received for one (1) Pothole Patch Truck, we recommend the lowest most responsive bidder Piedmont Truck Center. This will replace a 1998 Ford Patch Truck with over 106,000 miles and in need of an engine replacement. The estimated cost for an engine replacement is \$12,000 including labor. The existing truck also uses a kerosene system to heat the patch material and is in need of repair as well. The replacement truck will use a propane system which is proven to be more reliable, environmentally safe, and cost effective.

Manufacturer and Model Bid: Ford F750 with HD Industries Pothole Patch Body

Unit Price: \$139,460

Total Price \$139,460

Account: 501271-532401

Cc: Tracey Adams

BID INFORMATION AND RECOMMENDATION**BID#: 11-091609****DATE OPENED: 09-16-09****DESCRIPTION: Pothole Patch Truck****BID PACKAGES DISTRIBUTED: 4****DEPARTMENT: Fleet Services****SOURCE OF FUNDS: 501271-532401****BUDGETED AMOUNT: \$139,460.00****RECOMMENDED AWARD**

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1 Ea	Pothole Patch Truck	\$139,460.00	\$139,460.00

PURPOSE: To be used by Street Maintenance for Pothole Repairs. This is replacing the existing Pothole Patch Truck, Equipment #1196.

COMMENTS: The department recommends the lowest bidder, Piedmont Truck Center. Low bidder also submitted an alternate bid that did not meet specifications and therefore it was not considered.

BID TABULATION

VENDOR NAME & ADDRESS	ITEM	TOTAL PRICE	DELIVERY DAYS	EXTENDED WARRANTY
Piedmont Truck Center, Inc. 412 South Regional Road Greensboro, NC 27409	Ford F-750 with HD Industries Tem425-80- DHE Body	\$ 139,460.00	210	\$ 1,220.00 Engine & Trans Only
Public Works Equipment and Supply Inc 3405 Westwood Industrial Drive Monroe, NC 28110	H.D. Industries ProPatch TCM 425-80 DHE Freightliner M2-106 (2009 New)	\$ 142,805.00	5	\$ 2,800.00 Freightliner Truck Only
Stepp Mtg. Co., Inc. 12325 River Road North Branch, MN 55056	STEPP STPH - 4.0 2010 International 4300 SBA 4x2	\$ 144,147.00	120-145	N/A
Whites International Trucks 7045 Albert Pick Rd. Greensboro, NC 27409	International 4300 2010 TCM425-80-DHE	\$ 146,664.00	195	\$ 390.00 \$ 720.00

The **PURCHASING DEPARTMENT AND FLEET SERVICES DEPARTMENT** recommends that the contract for **ONE (1) POTHOLE PATCH TRUCK** be awarded to **PIEDMONT FORD TRUCK**, the lowest responsible and responsive bidders meeting specifications for the amount of **\$139,460.00**.

DATE OF RECOMMENDATION: September 28, 2009

Approved by:
Strib Boynton, CITY MANAGER



MEMORANDUM

October 5, 2009

MEMO TO: Pat Pate, Assistant City Manager

FROM: Jeffrey A. Moore, Financial Services Director

SUBJECT: Recommendation for Exemption of Qualification Based Selection

Please place the following item for City Council's consideration at their October 5, 2009 Council meeting:

The Electric Utility Department recommends using Southeastern Consulting Engineers for the engineering design and construction administration for the Penny Road Substation and 100kV Transmission Line projects based upon prior qualification and familiarity with the City of High Point's electric system. Their recommendation is also based upon successful prior work and excellent references from clients and trade partners including ElectriCities and Duke Energy. The value of the proposed contract represents approximately 8% of the estimated value for the construction (\$3,800,000) so the amount is in keeping with reasonable fee structure.

In order to complete the purchase, the following actions are requested from City Council to authorize the exception to the bid laws and approve the purchase of engineering design/construction administration services for the Penny Road Substation and 100kV Transmission Line projects from Southeastern Consulting Engineers.

1. City Council is requested to approve the attached resolution providing an exemption to the qualification-based selection process for the purchase of services by the Electric Department.

State statute (G.S. 143-64.32(b)) requires City Council to specifically authorize exemptions to the qualification-based selection process prior to awarding the contract. Based on their justification, the Electric Department appears to have met the standard for a qualified exemption based upon prior selection, proven performance of the selected vendor and reasonable fee structure for this project. Representatives of the Electric Department will be present to answer any questions that may arise.

2. City Council is requested to approve the contracts for design/construction administration services from Southeastern Consulting Engineers in the amount of \$291,300. The funds for the contract are available in the Electric Fund.

Accounting
336.883.3240

Internal Audit
336.883.3122

Purchasing
336.883.3219

Treasury Services
336.883.3230

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT
CONCERNING PROCUREMENT OF ENGINEERING DESIGN & ADMINISTRATION FOR THE
PENNY ROAD SUBSTATION AND 100kV TRANSMISSION LINE PROJECTS

WHEREAS, N.C.G.S. 143-64.31 establishes a general public policy that procurement of engineering and architectural services for state and local construction projects should normally be based upon announcement and merit selection process; and

WHEREAS, the law allows a governing body to deviate from the general public policy in the selection process, if the particular project is exempted in the sole discretion of the local governing body; and

WHEREAS, the City Council of the City of High Point has determined that it is desirable and in the best interests of the City of High Point to exempt the engineering design and construction administration services for the Penny Road Substation and 100kV Transmission Line projects from the requirements of the law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of High Point that:

(1) The City Council of the City of High Point hereby finds that the engineering and construction administration services for the Penny Road Substation and 100kV Transmission Line projects shall be exempt from the general public policy requirements concerning the selection of architectural and engineering services for the following reasons:

The Electric Utility Department recommends using Southeastern Consulting Engineers for the engineering design and construction administration for the Penny Road Substation and 100kV Transmission Line projects based upon prior qualification and familiarity with the City of High Point's electric system. The value of the proposed contracts represents approximately 8% of the estimated value for the construction (\$3,800,000) so the amount is in keeping with reasonable fee structure.

(2) The City Council hereby authorizes the City to use whatever method or procedure is most manageable and likely to result in the acquisition of competent, professional, architectural or engineering services at a reasonable cost for said project.

Adopted this ____ day of _____, 2009.

Rebecca R. Smothers, Mayor

ATTEST:

Lisa B. Vierling, City Clerk



MEMORANDUM

October 1, 2009

MEMO TO: Pat Pate, Assistant City Manager

FROM: Jeffrey A. Moore, Financial Services Director

SUBJECT: Lease-purchase resolution for JobLink Center at 607 Idol St

The Financial Services Department sent requests for proposals to 23 financial and leasing institutions, and received 6 responses, three (3) of which were responsive and conforming to the specifications for the proposal.

A summary of the bid results is attached for your information. The lowest total financing cost bid from RBC Bank included issuing the loan contract under the new Build America Bonds provisions of the Stimulus Act. While apparently favorable for total net cost to the City, the additional upfront costs for issuance would require an additional approximately \$23,500 almost negating the 10 year interest rate savings. In addition, there is some risk as to the longevity of the interest repayment program from the US government. This might have been an attractive option had the proposed borrowing been larger to make the interest rate savings more favorable.

I recommend that City Council accept the bid with the lowest interest rate and second lowest total cost of financing and meeting specifications, and award the financing agreement to BB&T Governmental Finance who provided the City with a very favorable 3.89% interest rate for ten years with a minimum of covenants and upfront cost.

The bid results were evaluated on the initial proposal which requested an estimated funding not to exceed \$2,000,000. The total repayment over the life of the loan will be \$2,408,450.00.

City Council is requested to adopt the attached resolution which authorizes the City Manager and the Financial Services Director to accept the proposal for the lease/purchase agreement with BB&T Governmental Finance and authorizes them to execute a Lease/Purchase Installment Financing Contract, Deed of Trust and any other necessary documents and filings as required by the lender between the City of High Point and BB&T Governmental Finance for the purpose of financing the building purchase and improvements at 607 Idol Street for the JobLink Center over a ten-year period. The actions of Council are contingent on concurring approval by the Local Government Commission of the NC Department of State Treasurer expected at its November 4, 2009 meeting.

If you have any questions, please let me know.

Accounting
336.883.3240

Internal Audit
336.883.3122

Purchasing
336.883.3219

Treasury Services
336.883.3230

City of High Point
Lease-Purchase Bid Tabulation
JobLink Center - 607 Idol Street

Institution	Rate %	Term	Total of Payments	Special Notes	Total Costs
BB&T Governmental Finance	3.89000%	10	\$ 2,408,450.00	101% Prepymt; \$1900 closing fees	\$ 2,410,350.00
Wachovia/Wells Fargo	4.25000%	10	\$ 2,475,876.80	\$5000 fees; non-conforming amort schedule	\$ 2,480,876.80
RBC Bank	4.41000%	10	\$ 2,483,050.00	100.5% Prepymt; \$1000 doc fee, deposit investment required; \$7500 closing fees	\$ 2,490,650.00
RBC Bank (BABs net @ 3.562%)	5.48000%	10	\$ 2,575,400.00	100.5% Prepymt; \$1000 doc fee, deposit investment required; \$7500 closing fees; extra \$5000 LGC fees; requires bond counsel fees est \$10,000, US Treasury interest rebate pymts of \$210,390	\$ 2,397,510.00
SunTrust Leasing	bid errors				
First Tennessee Bank	no bid				
Koch Financial	no bid				

Resolution Approving Financing Terms

WHEREAS: The City of High Point ("City") has previously determined to undertake a project for the purchase of a building to house the Workforce Development Program and related improvements to the property (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The City hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated September 30, 2009. The amount financed shall not exceed \$2,000,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.89%, and the financing term shall not exceed ten (10) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the City are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by City officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The City shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The City intends that the adoption of this resolution will be a declaration of the City's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The City intends that funds that have been advanced, or that may be advanced, from the City's general fund, or any other City fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2009.

By: _____
(Clerk)

By: _____
(Mayor)

SEAL