City of High Point

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

Meeting Agenda

Thursday, February 14, 2019

3:00 PM

3rd Floor Conference Room

Finance Committee

FINANCE COMMITTEE - Council Member Britt W. Moore, Chair

2019-38 Acknowledge Receipt of the City of High Point Comprehensive Annual Financial Report for 2017-2018

City Council is requested to acknowledge receipt of the City of High Point Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2018 and related required communications from the City's auditors, Cherry Bekaert LLP.

Attachments: Council Memo Acknowledge Receipt of CAFR-2018

2019-39 Public Hearing - Purchase of Property for Catalyst Redevelopment Project

Monday, February 18, 2019 at 5:30 pm is the date and time established to receive public comments regarding the purchase of properties located at 224 N. Lindsay Street (Lot B), 211 W. English Road, 207 W. English Road, 201 W. English Road; and adopt a resolution that authorizes the Mayor, City Attorney, City Manager, or his designee, to execute any and all documentation necessary in order to effectuate the City's acquisition of the properties identified above at a purchase price totaling $1,168,340.

Attachments: Purchase of Property Catalyst Redevelopment Project

2019-41 Contract-Sole Source - WatchGuard - JAG Grant Funds

City Council is requested to approve a sole source contract with WatchGuard for (9) in car cameras in the amount of $55,125 using the Justice Assistance Grant funding (JAG).

Attachments: JAG Funding-WatchGuard Cameras

2019-42 Contract Extension - Univar USA-Sodium Hydroxide

City Council is requested to approve a contract extension with Univar USA Inc. for the period of one year in the amount of $202,824.00 to purchase Sodium Hydroxide for use at the city's water and waste water treatment facilities.

Attachments: Sodium Hydroxide Chemical

2019-43 Rain for Rent - Emergency Pump Bypass Extension - Riverdale Pump Station

City Council is requested to approve an increase in the emergency purchase order with Rain for Rent from the previously approved amount of $605,325.39 to $1,261,794.64 for the Riverdale Road Pump Station emergency bypass pump. This is the City's largest pump station and was damaged during the Hurricane Florence.

Attachments: Riverdale Bypass - Extension To Rain For Rent Contract

2019-44 Contract - TA Loving Inc. - Kersey Valley Landfill - Leachate Pond and Tank Cleaning

City Council is requested to award a contract to TA Loving Inc. for the closing and cleaning of the Kersey Valley Landfill leachate pond and tank

cleaning in the amount of $362,575.50.

Attachments: Kersey Valley Landfill - Leachate Pond & Tank Cleaning -TA Loving

2019-45 Contract - Atlantic Contracting - Paratransit Operations Facility Renovations

City Council is requested to approve a contract with Atlantic Contracting Company for Paratransit Operations facility renovations in the amount of $307,811.00.

Attachments: Paratransit Operations Facility Renovation - Atlantic

2019-46 Contract - Truline, Inc. - NCDOT - HP Depot Platform Roof & Drainage Repair

City Council is requested to approve a contract with Truline, Inc. for High Point Depot platform level roof and drainage repair in the amount of $600,000.00. This work will minimize future water damage to the High Point Depot.

Attachments: HP Depot Platform Roof and Drainage Repair

2019-47 Budget Ordinance Amendment - High Point Depot Platform Level Roof and Drainage Repair

City Council is requested to adopt an amendment to the City of High Point Budget Ordinance to appropriate funds received in the amount of $208,320.00 for the High Point Depot platform level roof and drainage repair project.

Attachments: 11-Depot Roof amendment

2019-48 Budget Ordinance Amendment - High Point Community Foundation

City Council is requested to adopt an amendment to the City of High Point Budget Ordinance to appropriate funds in the amount of $100,000.00 received from the High Point Community Foundation pass through grant for the Nido and Mariana Qubein Children's Board.

Attachments: 12 Community Foundation Pass Through Grant amendment

ADJOURNMENT

Audit Wrap-up

City of High Point

Eddie Burke, CPA
Partner

Cherry Bekaert LLP
CPAs & Advisors

Agenda

- Client Service Team
- Role of External Auditor
- Key Highlights
- Internal Controls
- Significant Audit Areas
- Financial Results
- Summary
- Questions and Comments

Cherry Bekaert LLP
CPAs & Advisors

Client Service Team

Eddie Burke
Audit Partner

April Adams
Second Audit Partner

Michael Schertzinger
Audit Senior Manager

Trey Barnes
Audit Senior Accountant

Cherry Bekaert LLP
CPAs & Advisors

Role of the External Auditor

Actions

Plan & Perform Procedures

Obtain Reasonable Assurance

Results

Express Opinions:

-Financial Statements

- Yellow Book

- Federal

- State

Required Communications

Policy Changes

Estimates

Journal Entries

Cherry Bekaert LLP
CPAs & Advisors

Key Highlights

Results

Opinion

- Unmodified Opinion – Financial Statements
- Unmodified Opinion – Yellow Book
- Unmodified Opinion – Federal & State Single Audit

Internal Controls

- No findings
- Cyber Security

Single Audit

- 2018-001 – Nonmaterial Noncompliance – Reporting – Federal Transit Cluster – 20.507CC
- No Federal Findings – Highway Planning & Construction Cluster
- No State Findings – SMAP, Powell Bill, Furniture Market Transportation

AU-260

- Implemented GASB Statement No. 75 – requiring the reporting of the City's OPEB
- New Blended Component Units
- Fund Balance Policy
- Issuance of Financial Statements

Internal Controls

Financial Statements

Significant Cycles

- Payroll
- Cash Receipts
- Cash Disbursements
- Financial Statement Close
- Managing Investments

Testing of Controls

- Budget
- Journal Entries
- Payroll

Journal Entries

- Active Data

IT Controls

- IT Entity Level
- Backup & Recovery
- Access & Security
- Network Security
- Cyber Security

Significant Audit Areas

Financial Statements

Assets & Revenues

- Accounts Receivable
- Revenues

Liabilities & Expenses

- Expenses
- Payroll and Related Liabilities

Other Items

- Cash and Investments
- Capital Assets
- Accounts Payable and Accrued Liabilities
- Long Term Debt
- Net Position
- Related Parties
- Estimates
- Legal

Financial Results

General Fund Revenues (thousands)

2018	Amount
Taxes	$59,140
Intergovernmental Services	37,485
Licenses and Permits	4,669
Charges for Services	4,848
Other	975

2017	Amount
Taxes	$56,693
Intergovernmental Services	36,427
Licenses and Permits	4,085
Charges for Services	4,956
Other	703

2018 Total: $107,117

2017 Total: $102,864

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Financial Results

General Fund Expenses (thousands)

2018	Amount	2017	Amount
General Government	$13,271	General Government	$11,223
Public Safety	51,639	Public Safety	48,700
Public Services	12,008	Public Services	11,327
Community & Economic Development	11,068	Community & Economic Development	9,277
Cultural and Recreation	20,130	Cultural and Recreation	19,709
Debt Service	567	Debt Service	787

2018 Total: $108,683

2017 Total: $101,023

Financial Results

General Fund – Fund Balance (thousands)

2018	Amount
Non Spendable	$30
Restricted	11,641
Committed	2,299
Assigned	3,568
Unassigned	3,169

Total 2018: $20,707

2017	Amount
Non Spendable	$45
Restricted	10,240
Committed	2,171
Assigned	5,151
Unassigned	11,890

Total 2017: $29,497

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Financial Results

Proprietary Funds Operating Revenues (thousands)

2018	Amount
Charges for Services	$200,749
Licenses and Permits	395
Intergovernmental	1,255
Miscellaneous and Other	160

Total 2018: $202,559

2017	Amount
Charges for Services	$197,246
Licenses and Permits	407
Intergovernmental	9,524
Miscellaneous and Other	172

Total 2017: $207,349

Financial Results

Proprietary Funds Operating Expenses (thousands)

2018	Amount
Management & Administration	$26,204
Maintenance & Distribution	20,683
Power Purchases	97,839
Treatment Plants	13,645
Other Services & Charges	5,552
Depreciation & Amortization	19,179

Total 2018: $183,102

2017	Amount
Management & Administration	$23,810
Maintenance & Distribution	23,905
Power Purchases	99,257
Treatment Plants	14,187
Other Services & Charges	5,406
Depreciation & Amortization	19,038

Total 2017: $185,603

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Financial Results

Cash and Investments (thousands)

2018	Amount	2017	Amount
Cash Carrying Amount	$9,718	Cash Carrying Amount	$15,471
Government Agencies	81,181	Government Agencies	117,570
NC Capital Management Trust-Cash Portfolio	74,661	NC Capital Management Trust-Cash Portfolio	58,358
NC Capital Management Trust-Team Portfolio	72,712	NC Capital Management Trust-Team Portfolio	23,773
Petty Cash	46	Petty Cash	46
Commercial Paper	0	Commercial Paper	6,969

Total 2018: $238,318

Total 2017: $222,187

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Financial Results

Capital Assets (thousands)

Government Wide

2018	Amount
Land	$32,051
Buildings & Other Improvements	63,365
Equipment	48,789
Infrastructure	374,256
Intangible Assets	116
Construction In Progress	113,111

2017	Amount
Land	$31,545
Buildings & Other Improvements	65,965
Equipment	47,383
Infrastructure	394,774
Intangible Assets	478
Construction In Progress	70,853

Total 2018: $631,688

Total 2017: $610,998

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Financial Results

Long-Term Debt (thousands)

Government Wide

2018	Amount
General & Limited Obligations Bonds	$104,090
Notes and Loans Payables & Installment Purchase Agreements	15,390
Compensated Absences	6,334
Revenue Bonds	136,686
LEOSSA, LGERs, OPEB, Retirement Stipend	44,259
Landfill Closure & Post Closure	13,132
Line of Credit	420

Total 2018: $320,311

2017	Amount
General Obligations Bonds	$78,995
Notes and Loans Payable & Installment Purchase Agreements	17,666
Compensated Absences	6,187
Revenue Bonds	141,867
LEOSSA, LGERs, OPEB, Retirement Stipend	44,462
Landfill Closure & Post Closure	12,900

Total 2017: $302,077

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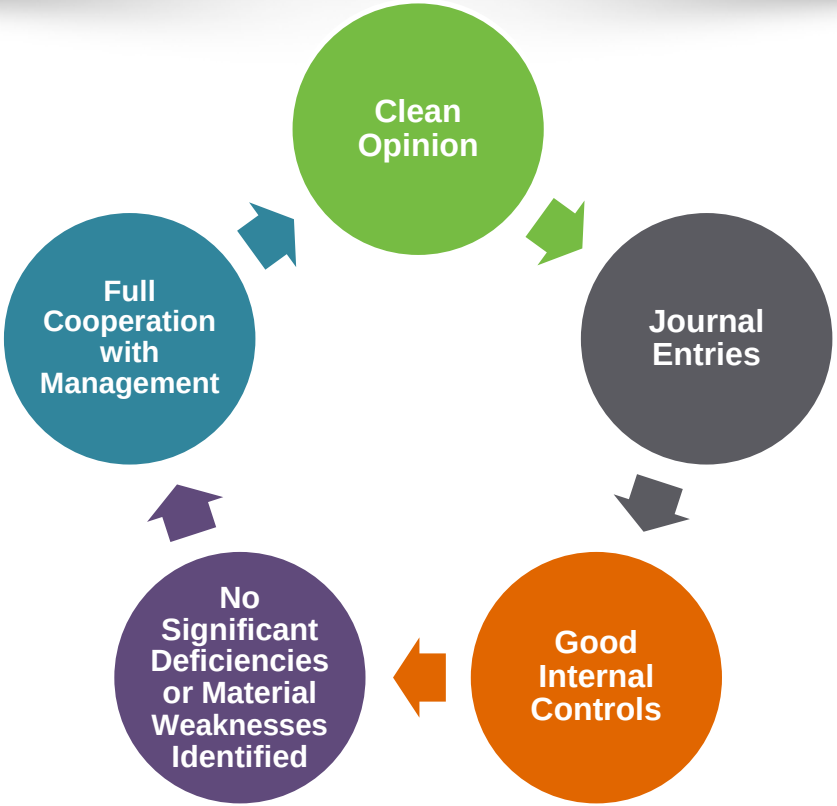
Summary



Cherry Bekaert LLP
CPAs & Advisors

Questions & Comments?

Eddie Burke, CPA

Audit Partner
eburke@cbh.com
919.825.4209

Cherry Bekaert LLP
CPAs & Advisors

CITY OF HIGH POINT
AGENDA ITEM

Title: US Department of Justice, Office of Justice, JAG Program Funding

From: Kenneth J. Shultz, Chief of Police

Meeting Date: February 18, 2019

Public Hearing: N/A

Advertising Date / Advertised By: N/A

Attachments: Pictures
Sole Source Form
Quote

PURPOSE:
City Council is asked to award a Purchase Order as a Sole Source for WatchGuard for nine (9) in-car cameras. The purchase will be made with a grant award from the Department of Justice, Office of Justice, JAG Program.

BACKGROUND:
The High Point Police Department applied for funding with the Department of Justice, Office of Justice, JAG Program for nine (9) in -car cameras. Funding was received and accepted by the City of High Point in September 2018. The High Point Police Department would now like to move forward with the purchase of the nine cameras and requests approval from the City Council to obtain these from WatchGuard. The Police Department currently utilizes WatchGuard Vista HD in-car cameras and we have been very pleased with their performance to date. Furthermore, currently owned software and antenna retrieval systems for wireless downloads only support this product; thereby, make purchasing from this company the most cost effective and ensures compatibility and standardization.

The cameras, which capture both video and audio recordings, enhance officer's safety, improves accountability, simplifies incident review, enhances officer training, improves community perception, strengthens police leadership, advances prosecution and case resolution, enhances officer performance and professionalism and in the worst cases can speak for an officer when the officer is incapacitated.

The addition of the new in-car cameras will allow us to install the equipment on new patrol cars and help us continue to work towards the objective of having cameras on all first responder vehicles. Some will also be used to replace and update existing camera systems that have reached the end of their useful life span.

These camera systems include two cameras, wireless microphones and a secure storage system that allows for wireless downloads of data when cars pull onto the PD parking lot.

BUDGET IMPACT:
The High Point Police Department has received funding through a grant from Department of Justice for the purchase of nine (9) in-car cameras. The Department has identified NC State Drug Excise Tax funds to cover expenses which exceed the amount of the grant award. There are no funds required for match of this grant.

RECOMMENDATION /ACTION REQUESTED:
The Police Department is requesting Council approval to purchase nine (9) in-car cameras using the sole source bid recommendation from WatchGuard in the amount of $55,125 using the JAG grant funds.

WATCH GUARD
4RE
WATCH GUARD

WATCH GUARD

Financial Services

Purchasing Division

Requisition #

CITY OF HIGH POINT
SOLE SOURCE JUSTIFICATION
FORM (For Items Costing $5000.00 or More)
Statutory Reference N.C.G.S. 143-129(e)6

Vendor: WatchGuard

Item(s): In-Car Camera Systems

Justification:

The HPPD utilizes WatchGuard 4RE in-car camera system. The in-car cameras are HD and currently being used. The PD requests to continue to purchase the same product from the proposed vendor for compatibility and standardization.

Estimated expenditure for the above item(s): $55,125

CHECK ALL ENTRIES BELOW THAT APPLY TO THE PROPOSED PURCHASE.
ATTACH A MEMO CONTAINING JUSTIFICATION AND SUPPORT DOCUMENTATION.

1. ☐ Performance or price competition for a product are not available.
2. ☐ A needed product is available from only one source of supply.
3. ☑ Standardization or compatibility is the overriding consideration.
4. ☐ The parts/equipment are required from this source to permit standardization.
5. ☐ None of the above applies. A detailed explanation and justification for this sole source request is contained in attached memo and support documentation.

The undersigned requests that competitive procurement be waived and that the vendor identified as the supplier of the material or service described in this sole source justification be authorized as a sole source for the material or service.

Department Head/Authorized Personnel: Kenneth J. Shultz — Digitally signed by Kenneth J. Shultz, DN: cn=Kenneth J. Shultz, o=Police Department, ou=Chief of Police, email=ken.shultz@highpointnc.gov, c=US, Date: 2019.02.05 15:16:18 -05'00'

Department/Division: Police

Date: 02/05/2019

Approval Process

Under $5,000	(Purchasing Manager)	Erik Conti — Digitally signed by Erik Conti, DN: cn=Erik Conti, o, ou, email=erik.conti@highpointnc.gov, c=US, Date: 2019.02.05 16:23:26 -05'00'
$5,000-$30,000	(Financial Services Director)	Kelly Latham — Digitally signed by Kelly Latham, DN: cn=Kelly Latham, o, ou, email=kelly.latham@highpointnc.gov, c=US, Date: 2019.02.06 11:07:28 -05'00'
$30,000 – Up	(City Council)	Greg Demko — Digitally signed by Greg Demko, Date: 2019.02.08 11:51:14 -05'00'

CITY OF HIGH POINT
AGENDA ITEM

Title: Receipt and Presentation of FY 2017-2018 Audit Report

From: Kelly Latham

Meeting Date: February 18, 2019

Advertising Date N/A

Advertised By: N/A

Public Hearing: No

Attachments: Comprehensive Annual Financial Report

PURPOSE:
The City Council has the statutory responsibility under G.S. 159-34 to engage an auditor for the financial and compliance audit of the City's budgets, accounts, and grants. The presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018 will be presented by the audit firm Cherry Bekaert LLP.

BACKGROUND:
City Council approved the contract with Cherry Bekaert LLP for the financial and compliance audit of the City of High Point for the Fiscal Year July 1, 2017 to June 30, 2018 at its meeting of March 19, 2018. An amendment to the contract to extend completion to January 31, 2019 was approved November 19, 2018. The Comprehensive Annual Financial Report was prepared by the City's Financial Services Department and was delivered to the Local Government Commission on January 31, 2019.

BUDGET IMPACT:
None.

RECOMMENDATION / ACTIONS REQUESTED:
City Council is requested to acknowledge receipt of the City of High Point Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018 and related required communications from the City's auditors, Cherry Bekaert LLP.

RESOLUTION AUTHORIZING THE MAYOR, CITY ATTORNEY, CITY MANAGER, OR HIS DESIGNEE TO EXECUTE ANY AND ALL DOCUMENTS ASSOCIATED WITH THE ACQUISITION OF PROPERTIES PURSUANT TO THE PROVISIONS OF N.C.G.S. 158-7.1

WHEREAS, on April 3, 2017 City Council adopted the implementation of procedures relating to the Downtown Catalyst Project ("Project") which included the purchase of land, site and multi-use stadium design at a cost not to exceed $15,000,000; and

WHEREAS, the Project requires the acquisition of multiple properties and the City Council desires to acquire said properties located in the downtown area in accordance with the provisions of N.C.G.S. 158-7.1; and

WHEREAS, City staff has negotiated Offers to Purchase fee simple interests for the following properties:

PROPERTIES	**PURCHASE PRICE**
224 N. Lindsay St. (Lot B)	$209,340
211 W. English Rd.	$165,000
207 W. English Rd.	$160,000
201 W. English Rd.	$634,000

THEREFORE, THE HIGH POINT CITY COUNCIL RESOLVES THAT the Mayor, City Attorney, City Manager, or his designee, execute any and all documents necessary in order to effectuate the City's acquisition of the properties identified above at a purchase price totaling $1,168,340.

ADOPTED this the 18th day of February 2019.

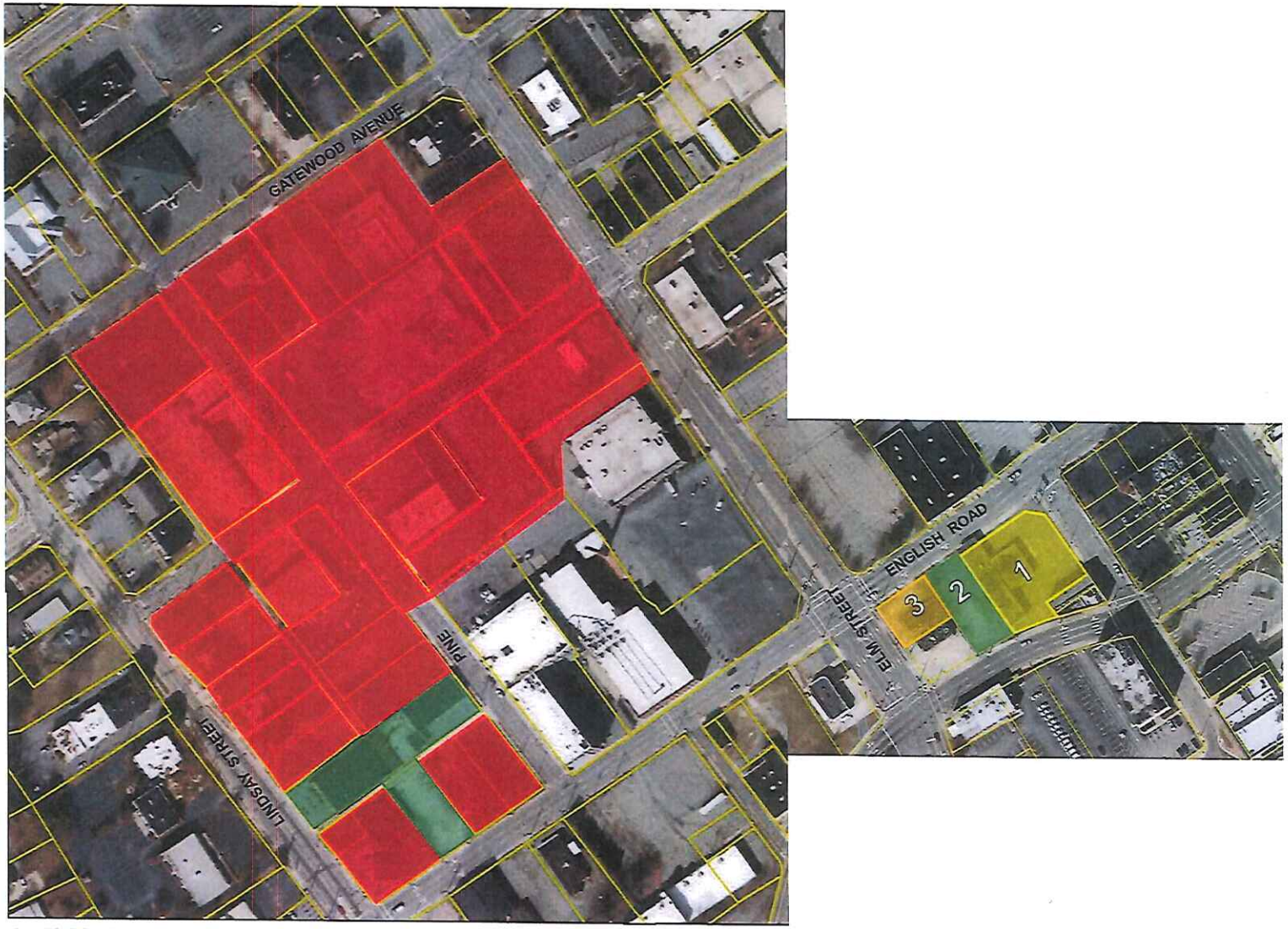
Mayor Jay W. Wagner

Attested to:

Lisa Vierling, City Clerk

STADIUM REDEVELOPMENT AREA

PROPERTY AQUISTION MAP



December 30, 2016

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CITY OF HIGH POINT
AGENDA ITEM

Title: Public Hearing Regarding the Purchase of Property for Catalyst Redevelopment Project under N.C.G.S 158-7.1

From: Randy Hemann, Assistant City Manager

Public Hearing: February 18, 2019 at 5:30 pm

Attachments: Public Hearing Notice

Meeting Date: February 18, 2019

Advertising Date: February 5, 2019

Advertised By: City Attorney

BACKGROUND:

In March of 2016, City Council adopted a goal to create a downtown catalyst project that produces: 500 private sector jobs, 15-20 new restaurants and shops, 250 additional residential housing units and a centralized gathering space. On April 3, 2017 City Council Authorized the Manager to proceed with land purchases, site design and Multi Use Stadium design with a total cost not to exceed $15 million.

Per previous briefings to City Council, N.C.G.S. 158-7.1 which allows the City to formulate a redevelopment plan and work with a master developer on a negotiated sale where development requirements are set forth in a Development Agreement. That statute requires a public hearing prior to the City's acquisition of any land to be redeveloped under this statute (this does not apply to parcels fully under the stadium which will not be a part of the surrounding redevelopment).

BUDGET IMPACT:

City Council has approved up to $15 million for land purchase. As of December 26, 2018, $4,208,655 remained in that budget. The parcels advertised for purchase total $1,168,340.

RECOMMENDATION / ACTION REQUESTED:

Staff recommends the High Point City Council hold a public Hearing to receive public comment regarding the purchase of properties outlined in the Public Hearing Notice and pass the attached resolution authorizing the Mayor, City Attorney, City Manager or his designee to execute any and all documents associated with the acquisition of properties pursuant to the provisions of N.C.G.S. 158-7.1.

STADIUM REDEVELOPMENT AREA

PROPERTY AQUISTION MAP

December 30, 2016

1:2,000

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RESOLUTION AUTHORIZING THE MAYOR, CITY ATTORNEY, CITY MANAGER, OR HIS DESIGNEE TO EXECUTE ANY AND ALL DOCUMENTS ASSOCIATED WITH THE ACQUISITION OF PROPERTIES PURSUANT TO THE PROVISIONS OF N.C.G.S. 158-7.1

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WHEREAS, the Project requires the acquisition of multiple properties and the City Council desires to acquire said properties located in the downtown area in accordance with the provisions of N.C.G.S. 158-7.1; and

WHEREAS, City staff has negotiated Offers to Purchase fee simple interests for the following properties:

PROPERTIES	**PURCHASE PRICE**
224 N. Lindsay St. (Lot B)	$209,340
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THEREFORE, THE HIGH POINT CITY COUNCIL RESOLVES THAT the Mayor, City Attorney, City Manager, or his designee, execute any and all documents necessary in order to effectuate the City's acquisition of the properties identified above at a purchase price totaling $1,168,340.

ADOPTED this the 18th day of February 2019.

_____
Mayor Jay W. Wagner

Attested to:

_____
Lisa Vierling, City Clerk