

MINUTES

COUNCIL FINANCE & HUMAN RESOURCES COMMITTEE

Monday, August 22, 2022 – 11:00 AM

City Hall Council Chambers

Members Present: Aaron Baker, Chair, Council Member
Mac Morrow, Vice Chair, Council Member
Larry Faison, Interim City Manager
Dean Luebbe, Finance Director
Kelley Craig, Human Resources Director

Staff Present: Denise Hodsdon, Executive Assistant

A. Welcome & Call to Order

Committee Chair Aaron Baker welcomed everyone and called the meeting to order at 11:01 AM.

B. Certification of Quorum

Quorum was certified by Executive Assistant Denise Hodsdon.

C. Approval of Agenda

An item regarding Discussion of Citizen Appointment Process was added to the agenda.

D. Approval of Minutes of May 16, 2022 Meeting

Motion by Mr. Morrow, seconded by Ms. Craig to approve the minutes of the May 16, 2022 meeting as presented. The motion carried unanimously.

E. Outside Agency Funding Policy Discussion

1. Chamber of Commerce Water Bill

Mr. Luebbe explained that Mayor Copelof was made aware that the City was not charging the Chamber of Commerce for water and sewer utility charges. Mr. Luebbe consulted with the Water Department and discovered that this has been in effect since 2009 and he was unable to find any documentation or information regarding why the Chamber is not being billed. He asked the Water Department to provide a list of “no charge” customers and there are approximately 70 accounts. Mr. Luebbe noted

that all but four are either City facilities or firelines. The exemptions are the Chamber of Commerce, the Rescue Squad and both ABC stores. The annual amounts not billed for each of these accounts is as follows:

Chamber of Commerce	\$ 900
ABC (Both Stores)	\$1,200
Rescue Squad	\$ 900

The City contributes annually to the Chamber of Commerce as part of the non-profit contributions in the budget. In FY23, \$4,000 was budgeted for the Chamber.

Mr. Faison shared the City of Monroe Policy regarding Outside Agency contributions and recommended that City Council look at only funding contributions as part of the annual budget process. Mr. Baker said he feels that we should not be in the business of giving away water and if we want to support them, we should support them through the budget process. Mr. Morrow agreed and noted that this is an enterprise fund and free water is taking away from that fund. Mr. Morrow also pointed out that the Rescue Squad is a County function.

There was consensus to refer to this to City Council with a recommendation to set an effective date that billing would no longer be waived for these accounts.

2. White Squirrel Artisan Market

The White Squirrel Artisan Market has requested that the City sponsor its event in October in the amount of \$750. Mr. Luebbe noted that last year's sponsorship of the White Squirrel Artisan Market was paid through the Mayor's discretionary fund. Following discussion there was consensus to refer this request back to the Mayor for her consideration to be paid through her discretionary fund.

F. Fiscal Impact of Projects Funded vs. Unfunded

Mr. Faison suggested that in addition to the project budgets that have been presented to City Council, he feels that it is important for Council to be aware of all the projects that are actually out there in order to facilitate more deliberate goal setting and prioritization of projects. He pointed out that it might be easy to act on one project request at a time, but each one of those slices reduces what limited funds are available to fund a more critical project vs. another. He had asked Mr. Luebbe to put together a list of all projects, what funds have been committed per project, and is there a gap in the overall cost to fully execute the project (copy attached). Mr. Luebbe noted that the City currently has 13 active capital projects at various stages of completion. He reviewed the project list and explained that some projects are fully funded, but there are some active projects that will require considerable future funding.

During discussion, Mr. Faison recommended that we should add other potential projects/funding initiatives to the list, such as:

- Bracken Preserve Expansion
- Ecusta Trail
- Downtown Master Plan (overall plan)/Downtown Parking
- Street Paving – 25-year plan

Mr. Baker asked, if once we have captured everything, should we have a capital projects workshop to review projects we are currently working on and funded; projects currently committed to, but unfunded; and potential projects. It was decided that Mr. Luebbe will refine the list with the idea of bringing it to City Council for discussion at a capital project workshop in the fall.

G. Purchasing Policy Discussion

Mr. Luebbe explained that the City wishes to implement an interim purchasing policy in an effort to clearly define the level of authority needed for approval on purchases and construction and engineering contracts as they escalate in amount. A copy of Mr. Luebbe's Staff Report and draft policy is attached. Mr. Faison noted that the purchasing policy would add formality and structure to what, as an organization, we are going to accept before we write a check.

During discussion, Mr. Baker asked how this affects design and engineering services. Mr. Faison said that we have to have a conversation about Requests for Qualification (RFQ's). As an organization, when do we want to do them and how do we use them once we get them? He explained that the purchasing policy would help define when we would do that. Following further discussion, it was decided that Staff will bring a written policy back for this committee's review and recommendation.

H. Citizen Appointments

Ms. Craig recalled that there has been discussion about how City Council would like to appoint members to boards and committees and how to facilitate that process. She is working on an online applicant tracking system in Human Resources that she believes we will be able to use for board/committee applications. It would allow applicants to go online and see all of our board/committee vacancies and complete and submit an application, which would become an electronic record. Those applications could then be routed to the City Clerk and whoever else we wanted them to go to.

Mr. Faison suggested that we either develop a Citizen Appointments Committee to vet applications and match them up to vacancies, or perhaps the Finance & HR Committee could serve as that committee.

Following discussion, it was decided that next steps would be:

- Ms. Craig will prepare a staff report to Council recommending an appointment committee, with possibility of Finance & HR Committee fulfilling that role
- Update Council on electronic application process
- Monthly emails from the Clerk regarding vacancies
- Staff to come back to the Committee with a proposed policy on committee rules and structure

I. Discussion of Regular Meeting Schedule

The Committee set the fourth Monday of the month at 11:00 am as its regular meeting date/time.

J. Set Date for Next Meeting

The next meeting of the Finance & Human Resources Committee will be on Monday, September 26, 2022 at 11:00 am.

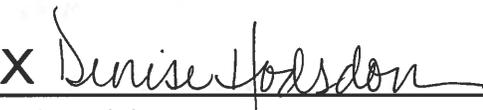
K. Adjourn

There being no further business, the meeting was adjourned at 1:00 PM.

X 

Aaron Baker
Chair, Council Member

Minutes Approved: September 26, 2022

X 

Denise Hodsdon
Executive Assistant

Fund #	Fund Name	Project Name	Current Budget	Under Construction Contract	Funded From	Estimated Unfunded Amount
31	Utility Capital Project Fund	Burrell Mountain Water Tank	2,912,211	N	*Grant	??
		King Street Waterline Replacement	1,108,656	Y	*Grant	0.00
		Gallimore Road Sewer Rehab	2,373,366	Y	*Debt	0.00
		Estatoe Trail - Depot to Main - Stormwater portion	520,000	Y	ARPA	0.00
		Main St Water and Sewer Improvements	600,000	N	ARPA	??
		Whitmire St Waterline Improvements	556,000	N	ARPA	??
78	Multi Use Paths Funds	Estatoe Trail	1,557,000	N	Grant/ARPA/GF	1,500,000
		Railroad Ave Bridge Repl	1,810,000	Y	NCDOT/GF	0.00
		Roundabout Betterments	100,000	NA	GF	0.00
82	Rosenwald Revitalization Fund	Mary C Jenkins	2,585,000	Y	Debt	0.00
		Silversteen Park	500,000	N	GF	??
83	Downtown Masterplan Fund	Times Arcade Alley	550,000	N	ARPA/GF	??
		Downtown Masterplan Implementation	330,000	N	GF	5,000,000

INTERIM PURCHASING POLICY

August 22, 2022

Presented by: Dean Luebbe, Finance Director

Reviewed by : Larry Faison, Interim City Manager

Background

The City wishes to formally adopt an interim purchasing policy which will guide staff in procedures when purchasing goods and services, as well as define at what dollar amount City Council is needed as approval.

Staff Report

North Carolina General Statute 143 highlights the procurement method for purchase and construction contracts at various dollar levels. (see attachment) The City wishes to document an interim purchasing policy in an effort to clearly define the level of authority needed for approval on purchases and construction and engineering contracts as they escalate in amount.

If approved, the interim purchasing policy presented results in two main clear changes for the City of Brevard.

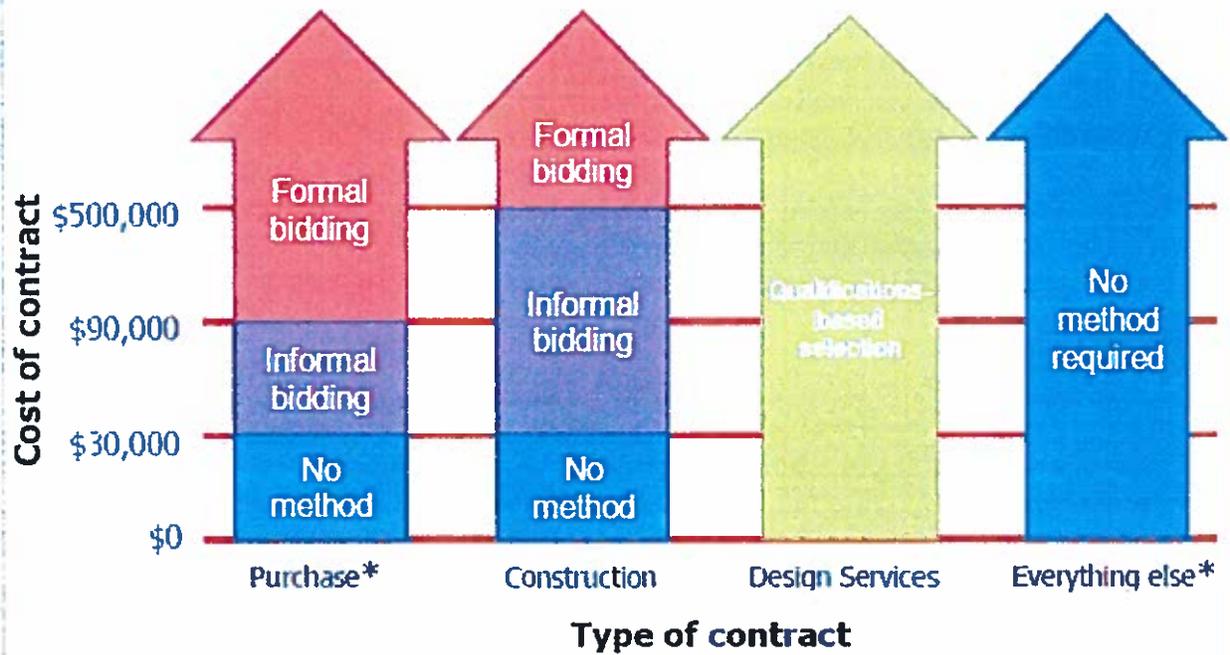
1. The dollar amounts in the City interim policy in some cases are more restrictive than NCGS 143. As an example, for purchases under \$30,000 the NCGS 143 does not require any procurement method to be used. The recommended City policy breaks this segment of purchases between the amount of \$10,000, and requires the department to obtain three written quotes if the amount is over \$10,000
2. The second and more important change, involves who (the Finance Director, City Manager, or City Council) has ultimate approval authority based on the amount of the purchase or construction contract. As written, all purchases over \$90,000 and construction contracts over \$100,000 would require City Council approval.

These changes, (especially #2) are more restrictive than both the State policy and most North Carolina local governments. The City of Brevard may desire to monitor whether this interim policy has any negative effects on the efficiency of the government providing services.

Proposed Action

Discussion.

Procurement Method Selection



* Optional: May use a **request for proposals** for service contracts or information technology purchases or services.

Purchases

Amount	Method	Approval By	
Under 10,000	Informal quote	Finance Director	Dept encouraged to obtain three quotes. Verbal or written
10,000 to 29,999	Formal quote	Finance Director	Dept required to obtain three quotes. Written
30,000 to 89,999	Informal Bid	City Manager	Send out three formal RFQ. Written
90,000 plus	Formal Bid	City Council	Send out three formal RFQ in newspaper. Sealed.

Construction Services

Under 10,000	Informal quote	Finance Director	Dept encouraged to obtain three quotes. Verbal or written
10,000 to 29,000	Formal quote	Finance Director	Dept required to obtain three quotes. Written
30,000 to 100,000	Informal Bid	City Manager	Send out three formal RFQ. Written
100,000 plus	Formal Bid	City Council	Send out three formal RFQ in newspaper. Sealed.

1. When a Capital Project Ordinance is passed, the City Manager can approve change orders that fall within the project budget.
2. The City Manager and Finance Director, have the authority to override the method used under certain situations, including but not limited to; urgency of the purchase or contract, specialization of purchase or contract.