

Minutes
Finance and Policy Committee
Thursday, August 8, 2019
6:00 p.m.
1st committee meeting

Members present were Chairwoman Carol King, Committee members Terry Merritt and Dale Black. Mark Putnam, HR Director, Holly Abercrombie, Finance Director and City Administrator Brandon Madden were also present.

1. Call to Order- Chairwoman King

2. Public Comment- None

3. Reading and Approval of Minutes

- a. Finance Committee Meeting: July 1, 2019

Councilman Merritt made a motion to approve the minutes. Chairwoman King seconded the motion. Councilman Black did not vote due to not being present at the July committee meeting. The vote was unanimous (2-0).

4. Reports or Communications from City Officers

- a. Budget Review- Holly reported she is still working on closing out the last fiscal year.

Mark reported staff is looking at benefits ahead of open enrollment. We have talked with PEBA, Cigna, and Blue Cross/Blue Shield. Brandon and Mark had a meeting with a group called Proactive MD, which would consist of a nurse practitioner for employee illnesses.

The RFQ is out for cell phone coverage. We have received two proposals. Holly, Bryan Turner, and Mark will start going through the proposals to make a recommendation.

Councilman Merritt asked Holly if she could give him a number for revenue received from Silver Sneakers.

Councilman Merritt said that during the FY 2020 budget process, a \$291,000 projection was put into property management for revenue. A couple of those properties are not generating revenue anymore. As a result, the City

will be \$291,000 short on revenue projections. He asked that this be looked at. Brandon said it is on our radar and we put a safeguard in the budget fund balance for that.

b. Department Reports- 2014 Sewer bond project update

A memorandum was provided for information. Councilman Black asked if this expense included the underrun of the money placed towards other projects not included in the original bid. Brandon said the final payout will include the \$75,000. Frazier Engineering is making sure the punch list items are complete. Councilman Black said there was an underrun on the original quote that was applied to rehab that was not originally included in the bid. Brandon said we are not over the bonded amount. The most recent payout should close the project out.

Holly said when Bryan Turner was acting as interim administrator, we went to Frazier and looked at the \$50,000 that is normally budgeted for sewer rehab. That money will be pulled out of the sewer fund balance to cover it. \$50,000 was promised to this project but spent on something else.

Councilman Merritt said a citizen had come to him and asked about a crew doing work that did not have IPR on the side of the truck. What was being found was not on a punch down list. Relining and other things that were not done originally such as cutting laterals to the proper size are being found and redone. The concern was these were not IPR trucks. Councilman Merritt said as long as the \$165,000 covers everything, we are good.

Councilman Black said with the underrun we will be able to do more work with the same amount of money. Holly said yes, that was correct.

Councilman Black said he doesn't see the \$50,000 in sewer rehab on the sheet. Holly said it is now an enterprise fund, and doesn't show on the sheet. It is a capital expenditure and is not a line item.

5. Unfinished Business- None

6. New Business

- a. Acumen IT contract- Council voted in June to approve Acumen as our IT provider. Following that, a contract was negotiated and is presented to committee. The City Attorney has approved the contract. Councilman Black asked if this contract includes replacing all hardware and software. Brandon answered this would be a five year lease to replace the desktops. Councilman Merritt asked if there is a list showing the quantity of what would

be replaced. Acumen had representatives at the meeting. One of them stated that the lease would replace all of the equipment owned by VC3 and also have five additional spare PCs. Also, any wireless equipment owned by VC3 throughout the City will be replaced. After a meeting with VC3, it was noted there are firewalls and switches that will also need to be replaced which were added to the quote. Mark said there are lines with Spirit that will end, and we will still have Charter internet. Brandon said the switch from Spirit will save about \$16,000. Councilman Black asked if the existing wiring and patch panels could still be used. Brandon answered yes.

Councilman Merritt said we were paying VC3 for services and calls that were not part of their service. Acumen will cost \$8625 a month. He is not sure what VC3's costs were a month. We have to buy a server for \$3986.15. Along with that, Acumen's service of the server is an additional \$748.33 a month. \$1502.09 is added to that for the equipment lease. The total should be close to what we were paying VC3 except for non-hardware service calls. Does the total number a month save us money? Brandon said it was looked at in an aggregate amount and the total expenditure is less.

Councilman Merritt said Acumen does not include hardware maintenance. VC3 did and that could skew our numbers if any of our hardware goes bad or gets hit by lightning.

Acumen said a difference in their agreement is they don't charge labor to come onsite. Instead there is a flat monthly fee. All PCs are included in the lease and have a three year warranty. The server has a five year warranty and the switches have a limited lifetime warranty. Councilman Merritt said the point he was making is hardware maintenance is not a piece of Acumen's proposal. He just wants to make sure there are no surprises.

Acumen said under their contract, the City would pay to replace a printer or similar hardware, but the Acumen contract would cover labor to troubleshoot and set up the new printer. The contract would not cover any hardware replacement after the warranty period. Any equipment that VC3 had that is being replaced by Acumen should not have any replacement costs for at least three years.

Brandon said we have a master service agreement and two work orders with VC3. The work order for the phone will continue until the expiration date in two years. Councilman Black said we will still have phone and voice through VC3.

Acumen was asked about working with VC3 on the phone setup. They said everything should work with no problem. Acumen said most of their other clients have hosted phone service, so they do these setups all the time. Chris McCord said if the setup is mirrored how it is now, it should be fine.

Councilman Merritt asked about emails and sending large files. Acumen said the standard Office email will send files up to 100 MB, so that is very large. The City will have a government account which will include archiving. Councilman Merritt said there are multiple indemnifications in the contract and wants to make sure John Duggan has seen that.

Councilman Merritt made a motion to send the contract and lease agreement to council for consideration. Councilman Black seconded and the vote was unanimous (3-0).

Councilman Black asked how much we are going to be spending with Acumen. Brandon answered \$139,000 if we spend the entire amount budgeted. Councilman Black said that was in addition to the \$30,000 for VC3. Brandon said it was always two separate expenditures. One to VC3 for IT and one to VC3 for the phones. The IT amount will be close to the same between Acumen and VC3. Brandon said he can get a breakdown showing the expenditure. Brandon said if we could change to Spirit now on the phones, we would have saved a lot of money per month, but we can't get out of the contract.

b. Touchdown Club- The club has contacted the City regarding sponsorship for the 2019 football season. There are levels of sponsorship if committee is interested. The range goes from \$100-750. Councilman Black questions if this is a valid use of tax money even though it is an advertisement. They asked also about money for after prom. Councilman Black said we received an Attorney General opinion several years ago which said once you give, you have to give to any other organization that asks. Brandon said the school could ask the City for reimbursement of some expenses after submitting a document outlining what services were purchased instead of the City cutting them a check outright. Brandon is concerned about cutting a check and not knowing what the money will be spent on.

Councilman Black said he is concerned this is an outside entity and wonders if tax money can be spent this way. Chairwoman King agreed with Councilman Black. She is not sure this is the route government should take even though she is all for supporting our schools and organizations.

Councilman Merritt said this is a little different. All four schools are in the city limits. He reads that this is for a football program. If we are going to do this, it has to be done quickly. Jeannie could come up with an ad and get it in front of several thousand people every Friday night during the season. He thinks it may be a good \$750 spent.

Councilman Black said he just wants to make sure we can do this with tax dollars. Chairwoman King said we would be receiving something tangible with the ad, but is not sure we can get approval quickly enough for this season. The programs are probably already being printed. Chairwoman King said the request is dated Spring 2019. Jeannie would also need time to develop an ad. Brandon said he could call the school to find out if it is too late for this

season.

This item will be left in committee and can be picked up by committee as a whole if need be.

7. Public Comment- None

8. Committee Concerns

Chairwoman King asked about availability for a personnel policy workshop. The workshop will be held Monday, August 12th at 6:00 p.m.

9. Adjourn- Chairwoman King adjourned the meeting.

**Respectfully Submitted,
Cindy Miller
Municipal Clerk**