

AGENDA

**Personnel/Finance Committee Meeting
Monday, November 9, 2015, 5:00 P.M.
Boardroom, 2nd Floor, City Hall**

Committee Members: Chairman Raleigh York Jr., Ron Bratton, Scott Styers

Call to Order

Chairman Raleigh York Jr.

Approval of Minutes

October 6, 2015

- 1. 2014 – 2015 Audit Presentation
Martin Starnes & Associates, CPA's, P.A.**
- 2. Consideration of Fiscal Policy Change**
- 3. Consideration of Capital Reserve Funds**
 - General Fund**
 - Water/Sewer Infrastructure Project Reserve Fund**
- 4. Consideration of Equipment Installment Financing Contract**
- 5. Consideration of 2015/2016 General Fund Budget Amendment**
- 6. Additions/Updates**
 - Salary Information Update**
- 7. Closed Session - Personnel**
- 8. Adjournment**

A quorum of the council may be in attendance and may participate in the discussion, but not vote.

MINUTES

Personnel/Finance Committee Meeting
Tuesday, October 6, 2015, 10:25 A.M.
Boardroom, 2nd Floor, City Hall

PRESENT: Mayor Joe G. Bennett; and Council Members: Chairman Raleigh York, Jr.; Ron Bratton; Neal Grimes; Jackie Jackson; Joe Leonard; Pat Shelton; Scott Styers; City Manager Kelly Craver; Finance Director Tony Jarrett; Public Services Director Morgan Huffman; Finance Director Tony Jarrett; City Council Candidate Jane Wilder Murphy; and Barney W. Hill.

Chairman York called the meeting to order. The minutes of September 8, 2015 were approved as presented on a motion by Scott Styers which was seconded by Ron Bratton.

1. Update – NC League of Municipalities Salary Survey 2014

Kelly began by saying each year the League of Municipalities surveys Human Resource managers with cities throughout the state. The salary study itself is a compilation of about 150 pages which covers cities by population. Kelly created a sub-compilation just looking at cities in the category in which we fall, 25,000 – 99,999. In the instances where there are multiple positions under a job description or title, the numbers are average. Kelly added that this is not a perfect document, it is an indicator.

A lengthy discussion was held. Many, many aspects of pay and benefits were touched upon including more affordable family health insurance, COLA and merit raises and longevity. Budgetary issues were of course a part of the discussion.

Kelly was asked to talk with Martha or Tony to see what the cost would be to bring our lower paid positions in line with the average.

Kelly went on to explain that longevity pay does factor into the compression issue. Employees do not tend to see that when they complain about their pay versus an employee who has less time in and makes the same or nearly the same pay.

2. Additions

None

3. Closed Session

No action taken.

4. Adjournment

With no further business to come before committee, the meeting was adjourned.

City of Thomasville Fund Balance History

Year	Available Fund Balance	Powell Bill	Committed Fund Balance	Unassigned Fund Balance
2015	34.56%	3.71%	3.11%	27.74%
2014	30.01%	4.39%	3.70%	21.92%
2013	27.88%	3.72%	3.49%	20.67%
2012	29.17%	4.27%	3.37%	21.53%
2011	25.97%	5.54%	3.21%	17.21%
2010	27.70%	7.45%	3.13%	17.12%
2009	27.47%	6.66%	2.87%	17.94%
2008	24.81%	7.53%	2.83%	14.45%
2007	15.47%	7.00%	2.78%	5.69%
2006	9.71%	6.96%	2.56%	.19%
2005	7.64%	5.90%	2.56%	(.82%)
2004	11.73%	5.51%	2.14%	4.08%
2003	14.49%	7.58%	2.33%	4.58%
2002	25.54%	6.68%	2.24%	16.62%
2001	30.04%	5.91%	2.17%	21.96%
2000	28.27%	4.38%	2.49%	21.40%
1999	29.84%	4.90%	1.78%	23.16%
1998	21.28%	4.92%	0.00%	16.36%
1997	18.14%	5.80%	1.20%	11.14%

CITY OF THOMASVILLE FISCAL POLICIES

Fiscal policies guide the City in the financial management of all funds. Although the North Carolina Local Government Budget and Fiscal Control Act restrict North Carolina governmental units, the City has chosen to impose a more restrictive policy than those implemented by the state. These fiscal policies allow the City to function as a fiscally sound governmental unit.

A. Revenue Policy

1. As provided by the North Carolina Local Government Budget and Fiscal Control Act, estimated revenue for the Ad Valorem Tax levy and from user fees will be budgeted as follows:
 - a) Assessed valuation shall be estimated based on historical trends and growth pattern in a conservative manner.
 - b) The estimated percentage rate of collection shall not exceed the percentage rate of the preceding year.
 - c) The tax rate shall be set each year based on the cost of providing general government services.
 - d) The City sets fees that will optimize user charges for identifiable services.
 - e) The rate and fee structure established for water and sewer customers will be sufficient to finance all operating, capital, and debt service costs for providing said services, to operate the utility fund as a self-supporting enterprise fund.
 - f) To the extent practical, any City service that is of a higher level to or benefits specific recipients shall be supported by user fees designed to recover from these recipients. Examples are certain recreation programs, programs to be funded through user fees and registration charges, and building and code enforcement activities funded through permit fees.
 - g) When user fees are based on cost recovery, said costs shall be reviewed annually and fees adjusted as practical.
 - h) The City will project revenues for five years and will update the projections annually.

- i) The Water & Sewer Fund will reimburse the General Fund quarterly for expenditures paid on its behalf. The basis for this reimbursement is costs which are charged to the General Fund that are associated and performed on behalf of the Water & Sewer Fund. The City will use the previous year Water & Sewer Fund budget stated as a percentage of the total City budget to allocate these costs. This percentage will be applied to the annual proposed budget for the next fiscal year for the departmental budgets of Governing Body, Administration, Personnel, Finance, MIS, Legal, City Hall, Inspections, Engineering, Public Works Building, Radio, and Fleet Services.
- j) If Golf Fund revenues are not sufficient to meet debt service obligations the General Fund will transfer to the Golf Fund an amount sufficient to meet annual debt service requirements.

B. Operating Budget Policy

1. Current operating revenues will be sufficient to support current operating expenditures. Fund balance may be appropriated to fund capital items valued over \$10,000 in any fiscal year in which the unassigned fund balance exceeds the 24% policy amount.
2. The City will prepare a five-year operating budget projection that will include projections of annual growth plus allowances for operating costs of new capital facilities.
3. The City will maintain a designation on its fund balance for Economic Development. The equivalent of one half of one cent of the tax rate will be appropriated annually to this designation less any contribution to the Davidson County Economic Development Commission.
4. The City will maintain an unassigned Capital Reserve Fund to replace capital outlay items with a life of more than one year and a value of \$10,000.00 or greater. All General Fund unassigned fund balance exceeding 24% may be earmarked for capital reserve purposes. This is in addition to assigned projects in the Capital Reserve Fund.
5. The City Manager is granted the authority to transfer funds from one line item to another within departments the maximum of \$10,000.00 without having to bring the transfer before the City Council – this is exclusive of all salary accounts.
6. It is the City's policy not to fund requests from outside agencies which provide health and human services.
7. It is the City's policy that the operating budget must be prepared in accordance with Generally Accepted Accounting Principles and adopted at the departmental level by the City Council.

C. Capital Improvement Policy

1. The City will update and readopt annually a five-year Capital Improvement Program which details each capital project, the estimated cost, and description.
2. The Capital Improvement Program should be tied to the City's long-range master plans to ensure that the capital items requested meet the future growth needs of the City.

D. Accounting Policy

1. An independent certified public accounting firm will issue an official opinion on the annual financial statements and will perform an annual audit.
2. Financial systems will be maintained to monitor revenues and expenditures on a monthly basis.
3. The City will use the NC Department of the State Treasurer Policies Manual for accounting, budgeting, and financial reporting.

E. Debt Policy

1. Capital projects financed through the issuance of bonds or through an installment purchase contract (N.C.G.S. 160-A 20) shall be financed for a period not to exceed the anticipated useful life of the project.
2. In compliance with the North Carolina General Statutes, the general obligation debt of the City will not exceed eight percent of the assessed valuation of the taxable property of the City.
3. The City will maintain its financial condition so as to continue a minimum bond rating of A+ with Standard & Poor's and an A1 with Moody's rating agency. The City will have the New York rating agencies periodically review its bond rating.
4. The annual budgeted capital expenditures of all funds combined will be financed at a minimum of 30% from current budget revenues ("pay as you go"). The remaining 70% may be financed with any combination of grants, donations, contributions, and/or installment financing contracts.

F. Reserve Policy

1. The City will maintain an unassigned fund balance to be used for unanticipated emergencies of 24% of the general operating budget, (excluding capital outlay). These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate the need for short-term borrowing, and assist in maintaining an investment grade bond rating.
2. The City may appropriate unassigned fund balance to fund capital items valued at \$10,000 or greater, this appropriation can only be made after the City has exceeded the 24% unassigned fund balance policy amount. If fund balance falls below 12%, no appropriation can be made from fund balance unless it is an emergency appropriation.
3. The City will establish a contingency reserve to provide for unanticipated expenditures of a nonrecurring nature or to meet unexpected increases in service delivery costs. This reserve will be budgeted at a minimum of 1% of the General Fund revenue estimated for that fiscal year and at a minimum of 2% of the Water and Sewer Fund revenue for that fiscal year.

Adopted this 16th day of November, 2015.

Mayor

Attest: _____
City Clerk

RESOLUTION
ESTABLISHMENT AND MAINTENANCE
OF THE
GENERAL CAPITAL RESERVE FUND

WHEREAS, there is aging General Infrastructure in the City of Thomasville and

WHEREAS, there is a need to upgrade and/or replace General Infrastructure and

WHEREAS, the City must bear the cost of these improvements.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL THAT:

Section 1. The City Council hereby creates a General Capital Reserve Fund for the purpose of upgrading and/or replacing General Infrastructure.

Section 2. This fund will remain operational for a period not to exceed three (3) years (beginning Fiscal Year July 1, 2016 and ending Fiscal Year June 30, 2019) or until a cumulative sum not to exceed five hundred thousand dollars (\$500,000.00) has been received.

Section 3. The City Council shall appropriate or transfer an amount of no less than \$150,000.00 each year to this fund.

Section 4. This resolution shall become effective upon its adoption.

ADOPTED this 16th day of November, 2015

Mayor

ATTEST:

City Clerk

RESOLUTION
ESTABLISHMENT AND MAINTENANCE
OF THE
WATER/SEWER INFRASTRUCTURE CAPITAL PROJECT RESERVE FUND

WHEREAS, there is aging Water & Sewer Infrastructure in the City of Thomasville; and

WHEREAS, there is a need to repair or upgrade existing Water & Sewer Infrastructure; and

WHEREAS, the City must bear the cost of these improvements.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL THAT:

Section 1. The City Council hereby creates a Capital Project Reserve Fund for the purpose of upgrade/repair to existing Water & Sewer Infrastructure serving the corporate limits of the City as of August 30, 2001.

Section 2. This fund will remain operational for a period not to exceed four years (beginning Fiscal Year July 1, 2015 and ending Fiscal Year June 30, 2019) or until a cumulative sum not to exceed one million dollars five Hundred thousand (\$1,500,000.00) has been received.

Section 3. The City Council will appropriate or transfer an amount of no less than \$250,000.00 each year to this fund.

Section 4. This resolution shall become effective upon its adoption.

ADOPTED this 16th day of November, 2015

Mayor

ATTEST:

City Clerk

Memo

To: City Manager
From: Finance Director *TS*
Date: 11/4/2015
Re: Installment Financing Quotes - \$563,500 for 59 months

Quotes were received on November 3rd for an installment contract for \$563,500 equipment financing. I recommend Regions Equipment Finance Corporation be awarded the financing based on their rate of 1.5014% for 59 months with \$650 in fees. Their closing terms and rates offer the lowest total cash outflow of \$585,502.02. Quarterly payments of principal and interest in the amount of \$29,242.60 begin January 15, 2016. If the proposal is acceptable, Council would need to adopt the attached resolution awarding the financing to Regions and authorize the Mayor to sign the documents at closing.

<u>Bank</u>	<u>Rate</u>	<u>Fees</u>	<u>Prepayment %</u>
Regions	1.5014%	\$650	None
BB&T	1.69%	-0-	None
Wells Fargo	1.825%	-0-	None
Newbridge	2.40%	\$2,700	None
Suntrust	2.41	\$350	1%



November 2, 2015

City of Thomasville
ATTN: Tony C. Jarrett, Finance Director
PO Box 368
Thomasville, NC 27361

Dear Tony,

Regions Equipment Finance Corporation is pleased to furnish the following tax-exempt purchasing contract proposal for your review and consideration.

Lender: Regions Equipment Finance Corporation, or its Assignee.

Borrower: City of Thomasville, North Carolina

Equipment: Equipment as identified on Exhibit A, attached hereto.

Equipment Cost: \$ 563,500.00

Date of Closing: December 1, 2015

Base Term: Fifty-Nine (59) Months (Note: exact term of 58.5 months)

Payments: Bank Qualified - \$29,242.60

Rate: Bank-Qualified, Tax Exempt Fixed Rate - 1.5014%

Payment Timing/Frequency: The Base Term shall commence on the date of closing which may precede physical delivery and acceptance of all or a portion of the Equipment. The first payment shall be due **January 15, 2016**. Remaining rental payments shall be due quarterly thereafter. All payments shall be subject to any applicable state and local sales/use taxes. (Amortization Table attached – Exhibit - B).

Bank Qualified: The Bank Qualified interest rates stated above assume the Purchasing contract will be a bank qualified tax-exempt obligation pursuant to Section 265(b)3 of the Internal Revenue Code of 1986.

Opinion of Counsel: Prior to closing the Purchasing contract, Lender must be provided with an opinion of Borrower's counsel, at Borrower's expense, satisfactory to Lender and its counsel, which shall include opinions that the Purchasing contract and related documentation are duly authorized, executed and delivered by Borrower, that the parties have complied with all applicable state laws, including laws regulating bidding or government contracts and that a portion of the rents designated and paid will be exempt from state and federal income taxes.

Net Purchasing Contract: The Purchasing contract will be a "net Purchasing contract" with Borrower responsible for all expenses, including (a) maintenance costs, liability and physical damage insurance satisfactory to Lender and (b) taxes relating to the purchase, Purchasing contract, possession and use of the Equipment (some of which may be added to the cost of the Equipment or collected as the gross payments as appropriate under state law), excluding taxes based solely on the net income of Lender. Lender is not responsible for the selection, suitability or performance of the Equipment and

	Borrower will be responsible for all payments and performance irrespective of any defect in the Equipment.
End Of Term:	At the expiration of the Purchasing contract Term, and upon receipt of all payments, so long as no default exists thereunder and the Purchasing contract has not been earlier terminated, Borrower shall have the option to retain all (but not less than all) of the Equipment on an AS IS, WHERE IS BASIS.
Documentation:	Lender will provide documentation required to close the Purchasing contract. Any modifications requested by Borrower must be approved by Lender. Any associated legal fees will be reimbursed to Lender by Borrower.
Transactional Costs:	Unless otherwise agreed in writing, Borrower will be responsible for all costs including recording fees of \$150. A minimum documentation fee of \$500.00 will be added to the foregoing with respect to each Equipment Schedule. Borrower is responsible for all costs it incurs.
Insurance:	Borrower will purchase and maintain liability insurance coverage equal to \$1,000,000.00 naming Lender as Additional Insured and physical damage insurance coverage with a deductible of no more than \$5,000.00 naming Lender as Loss Payee. Borrower will furnish satisfactory evidence of such insurance prior to funding.
Contingencies:	This proposal is not and should not be construed as a commitment to fund. The terms and provisions presented herein are subject to among other things (1) Lender's credit review and approval of Lender's investment in the Equipment and the economics of the proposed transaction, at Lender's sole discretion, and (2) execution of all documentation in form and substance satisfactory to all parties to the transaction. Lender makes no representation as to the legal, tax or accounting treatment of the Purchasing contract. Lender shall not have any obligation whatsoever under this proposal and shall only be obligated under and as provided in the documentation referred to in clause (2) above. No notice of approval or other communication from Lender or anyone claiming to act on its behalf shall waive or modify the limitations contained in this paragraph.
Role of Lessor:	The Lessor and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Proposal and any other information, materials or communications provided by the Lessor: (a) the Lessor and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lessor and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Proposal, information, materials or communications; (c) the Lessor and its representatives are acting for their own interests; and (d) the Issuer and the Lessee have been informed that the Issuer and the Lessee should discuss this Proposal and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer and the Lessee, respectively, deem appropriate before acting on this Proposal or any such other information, materials or communications.

Lessee hereby authorizes Lessor to pre-file UCC financing statements naming Lessee, as debtor, and Lessor, as secured party, and describing the collateral therein by specific reference to the Equipment or by general reference to all equipment financed by Lessor (or words similar to the effect), provided that our doing so shall not obligate Lessee or Lessor to enter into the proposed financing, and provided further that if the proposed financing is not extended for any reason Lessor will terminate any such UCC financing statements Lessor has filed at Lessee's request.

Federal law requires all financial institutions to obtain, verify, and record information regarding customers. Lender has or will obtain and keep on file information complying with 31 CFR Part 103.121 regarding Borrower, including Borrower's name, address and copies of various identifying documents.

By acceptance of this proposal, Borrower requests Lender to take all actions necessary to evaluate the transactions contemplated hereby, including ordering credit reports. This proposal shall expire as of the close of business on December 1, 2015, unless extended in writing by Lender. This proposal may not be modified, supplemented or otherwise changed except in a writing signed by an officer of Lender, subject to further limitations expressed above.

We look forward to your early review and acceptance of this proposal. If there are any questions, please do not hesitate to contact me directly at (919) 784-8297.

Sincerely,



Ernest L. Meland
Vice President
Regions Equipment Finance Corporation



John Kinneer
Vice President
Regions Bank Government & Institutional Banking

PROPOSAL ACCEPTED:

By: _____

Title: _____

Date: _____

Confidentiality. This Term Sheet contains confidential and proprietary structuring and pricing information. Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with this financing or as may be required by law, the contents of this Term Sheet may not be disclosed in whole or in part to any other person or entity without our prior written consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed borrowing as required to comply with applicable Federal income tax rules relating to such disclosure.

No Fiduciary Role. The Borrower acknowledges and agrees that: (i) information contained in this document regarding the Tax-exempt Purchasing contract is for discussion purposes only in anticipation of engaging in arm's length commercial transactions with Borrower in which the Lender would be acting solely as a principal, and not as a municipal advisor, financial advisor or fiduciary to Borrower or any other person or entity regardless of whether the Lender or an affiliate has or is currently acting as such on a separate transaction; (ii) the Lender has not assumed any advisory or fiduciary responsibility to the Borrower with respect to the transaction contemplated hereby and the

discussions, undertakings and procedures leading thereto (irrespective of whether the Lender or its affiliates have provided other services or are currently providing other services to the Borrower on other matters); (iii) the only obligations the Lender has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (iv) the Borrower has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

EXHIBIT – A

Detailed description of Items to be Financed

Description	Total Cost (estimate)
Police Vehicles (5)	\$160,000.00
Fleet Services Truck	\$39,525.00
Maintenance/Construction Crew Truck	\$29,930.00
Maintenance/Construction Dump Truck	\$125,055.00
Maintenance/Construction Backhoe	\$98,548.00
Total	\$563,500.00

EXHIBIT - B
Amortization Table – Bank Qualified
Rate - 1.5014%

date	starting balance	takedowns	debt service	interest	principal	ending balance
12/1/2015	-	563,500.00	-	-	-	563,500.00
1/15/2016	563,500.00	-	29,242.60	1,034.05	28,208.55	535,291.45
4/15/2016	535,291.45	-	29,242.60	2,009.22	27,233.38	508,058.06
7/15/2016	508,058.06	-	29,242.60	1,907.00	27,335.60	480,722.46
10/15/2016	480,722.46	-	29,242.60	1,804.39	27,438.21	453,284.25
1/15/2017	453,284.25	-	29,242.60	1,701.40	27,541.20	425,743.05
4/15/2017	425,743.05	-	29,242.60	1,598.03	27,644.57	398,098.48
7/15/2017	398,098.48	-	29,242.60	1,494.26	27,748.34	370,350.14
10/15/2017	370,350.14	-	29,242.60	1,390.11	27,852.49	342,497.65
1/15/2018	342,497.65	-	29,242.60	1,285.56	27,957.04	314,540.61
4/15/2018	314,540.61	-	29,242.60	1,180.63	28,061.97	286,478.64
7/15/2018	286,478.64	-	29,242.60	1,075.30	28,167.30	258,311.33
10/15/2018	258,311.33	-	29,242.60	969.57	28,273.03	230,038.30
1/15/2019	230,038.30	-	29,242.60	863.45	28,379.15	201,659.15
4/15/2019	201,659.15	-	29,242.60	756.93	28,485.67	173,173.48
7/15/2019	173,173.48	-	29,242.60	650.01	28,592.59	144,580.89
10/15/2019	144,580.89	-	29,242.60	542.68	28,699.92	115,880.97
1/15/2020	115,880.97	-	29,242.60	434.96	28,807.64	87,073.33
4/15/2020	87,073.33	-	29,242.60	326.83	28,915.77	58,157.56
7/15/2020	58,157.56	-	29,242.60	218.29	29,024.31	29,133.25
10/15/2020	29,133.25	-	29,242.60	109.35	29,133.25	(0.00)
TOTAL		563,500.00	584,852.02	21,352.02	563,500.00	

CITY OF THOMASVILLE, NORTH CAROLINA
Bank Request for Proposal (RFP) – Installment Contract

The City of Thomasville is soliciting bids for a fixed rate Bank-Qualified Installment Financing Contract according to the provisions of G. S. 160A-20 for Equipment listed on the attached sheet. The City desires a 59 month term on the contract. The City would prefer a closing date of December 1, 2015 and the first payment date of the contract to be January 15, 2016. Please examine the details of the transaction and if you wish to respond, please submit your proposal by the due date. The City of Thomasville reserves the right to judgmentally select the successful bidder and the financing agreement that best meets the needs of the City. The selection will be based heavily on the absolute lowest total outflow of funds during the term. The City of Thomasville will be provided document packages and amortization schedules detailing principal, interest, and closing costs for review by our counsel.

Amount of Contract:	\$563,500.00
Desired Repayment Term:	Quarterly
Desired Final Maturity:	59 months
Collateral for the Financing:	Equipment
City Revenue Bond Rating	A1/A+

Address proposals to: Tony C. Jarrett, Finance Director
City of Thomasville
PO Box 368
Thomasville, North Carolina 27361

The deadline for receiving bids (with amortization schedule) is 5:00 p.m. on Tuesday, November 3, 2015. If you have any questions regarding these provisions, the contract, or require additional information please call Tony Jarrett, at (336) 475-4233. You may respond by fax at (336) 475-4283 or email to tony.jarrett@thomasville-nc.gov.

Equipment Listing

59 Month Financing

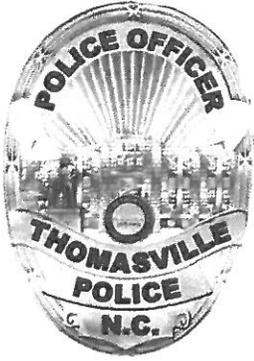
(5) Police Patrol Cars	\$ 160,000.00
Fleet Services Truck	\$ 39,525.00
Maint./Construction Crew Truck	\$ 26,930.00
Maint./Construction Dump Truck	\$ 125,055.00
Maint./Construction Backhoe	\$ 98,548.00
(2) Fairway Mowers	\$ 113,442.00
Total	\$ 563,500.00

Budget Amendment

To: City Manager
From: Finance Director 
Date: 10/23/2015
Re: 2015-2016 General Fund Budget Amendment

The General Fund Budget needs to be amended to appropriate funds for the purchase of a K-9 and a replacement LiveScan Station.

GENERAL FUND INCREASE REVEUNE		
010-0000-383-0109	Insurance Proceeds	\$ 11,000.00
DECREASE APPROPRIATION		
010-5110-521-0200	Police Salary	\$ 20,000.00
INCREASE APPROPRIATION		
010-5110-524-7300	Police Equipment	\$ 31,000.00



City of Thomasville

North Carolina
Police Department

JEFFREY R. INSLEY
Chief of Police



MEMORANDUM

DATE: September 30, 2015

TO: Tony Jarrett
Finance Director

FROM: Jeffrey R. Insley
Chief of Police 

CC: Kelly Craver
City Manager

SUBJECT: Financial transactions

Tony, I am in need of your assistance with completing the following:

- Allocate the insurance proceeds (\$10,000.00) from K-9 Ramos to capital outlay, 010-5110-524.73-00 – to purchase a new K-9
- Move \$20,000 from full-time salaries (010-5110-521.02-01) to capital outlay, 010-5110-524.73-00 – to purchase a replacement LiveScan Station (quote is attached)

“Excellent In Community Oriented Policing”

7 West Guilford St. • P.O. Box 1669 • Thomasville, N.C. 27361-1669
Police Administration Phone (336) 475-4274 • Fax (336) 475-5209
Communications Phone (336) 475-4260 • Fax (336) 475-4277



1250 North Tustin Avenue
Anaheim, CA 92807
Fax (714) 238-2049

June 29, 2015

Captain Mark Kattner
Thomasville Police Department
Field Operation Bureau
Office: (336) 475-4266
Cell: (336) 561-2103
Email: Mark.Kattner@thomasville-nc.gov

Reference No. MTNC-L052815-02A

Dear Captain Kattner:

This proposal replaces the previous proposal Reference No. MTNC-L052815-02A.

MorphoTrak is pleased to provide Thomasville Police Department with the following proposal for a MorphoTrak LiveScan Station equipped with standard North Carolina Department of Public Safety (NC-DPS) Criminal and Applicant profiles for connectivity directly to the NC-DPS AFIS Database.

MorphoTrak's fully integrated LiveScan solution provides Thomasville Police Department all of the following features and benefits:

- ◆ Single-source vendor for all components of the LiveScan solution, including the AFIS interface
- ◆ Digital image capture of upper, lower and writer's palms, slaps and rolls (*Criminal processing*)
- ◆ Mug Photo Capture available (*option*)
- ◆ Full compliance with NC-DPS AFIS, FBI IAFIS/NGI EBTS and ANSI/NIST image standards
- ◆ Automatic fingerprint sequencing and duplicate print checking before scanning is completed, ensuring data integrity
- ◆ Quick check, review, and edit can be performed on each print
- ◆ All livescan configurations include on-site installation, training, and 1 year on-site warranty

*In the MorphoTrak
2015 Customer
Satisfaction survey,
98% of our
customers rated
themselves
"Satisfied" or "Very
Satisfied"*

Shown with Mugshot Capture



MorphoTrak has been the sole provider of the AFIS System in place at the North Carolina Department of Public Safety since 1987. MorphoTrak is the only vendor who can deliver a Livescan system that is 100% compatible with the NC-DPS system. In fact, MorphoTrak Livescan systems use the same AFIS quality checking algorithms to ensure Thomasville Police Department can submit the highest-quality prints to NC-DPS.

Figure 1 shows a map of the state of North Carolina with MorphoTrak LiveScan installations.

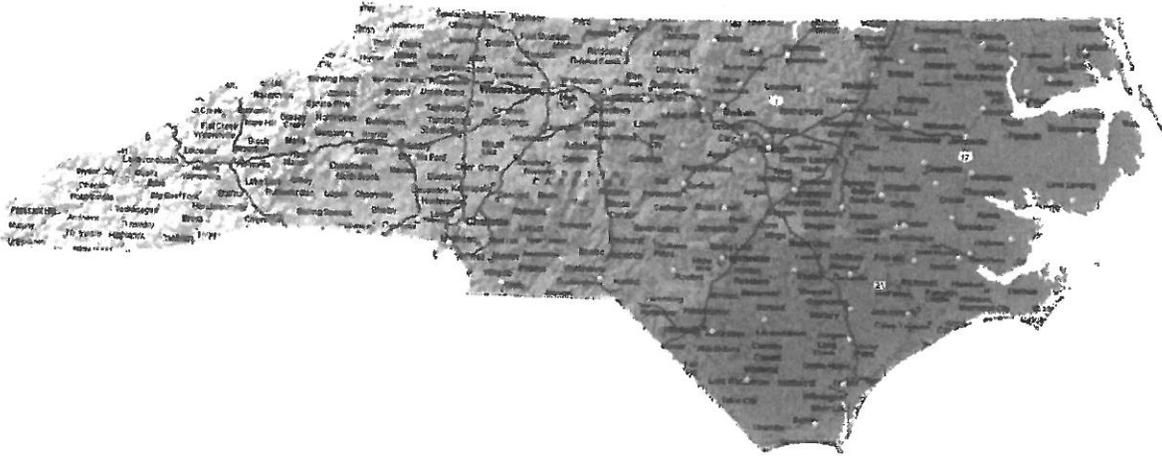


Figure 1 MorphoTrak Livescans Installed in the state of North Carolina

MorphoTrak's *In-State Support Organization* is dedicated solely to the support of North Carolina customers. MorphoTrak's approach to in-state support is demonstrated by our commitment to provide field resources that are located in close proximity to our customer sites. This reinforces MorphoTrak's on-going commitment to customer satisfaction and the delivery of the highest level of support in the industry.

Solution Description and Pricing

MorphoTrak proposes the equipment and services described in Table 1.

Note: per North Carolina DPS, LiveScans being used for criminal submission require mugshot capture.

****NEW PACKAGED OFFERING** Tenprint/Palmprint Capture – Cabinet Table 1. Pricing and Maintenance**

Description	Unit Price
MorphoTrak LiveScan Station Cabinet Tenprint/Palmprint, including: <ul style="list-style-type: none"> ◆ MorphoTrak LiveScan Station Application Software ◆ FBI Appendix F Certified Tenprint/Palmprint 500PPI Scanner with Moisture Discriminating Optics Scanner™ (MDO) Block Technology ◆ Computer, Touch screen monitor, keyboard ◆ Ruggedized Cabinet fixed-height with foot pedal for hands free advancement ◆ Signature Capture Pad ◆ Printer Tenprint Card Printer, Duplexer, 2 Trays ◆ Standard NC-DPS criminal and civil profiles and workflows ◆ UPS ◆ North Carolina DOJ Encryption Device ◆ Installation / On-site Training ◆ Warranty: 1 Year On-site <i>Advantage</i> Solution warranty, 9X5, Next day on-site response and parts replacement ◆ Freight 	\$20,005
Annual Maintenance (to start after 1 Year Warranty) On-site <i>Advantage</i> Solution, 9X5, Next day on-site response and parts replacement	\$2,785

Customer Responsibilities

Thomasville Police Department is responsible for the following:

- ◆ Providing necessary facility resources required for equipment installation and operation including access, space, environmental control, electrical power and networking.
- ◆ To obtain and maintain the required transmission lines and hardware for remote communications to and from the necessary agencies.
- ◆ Obtaining all required authorizations for connecting to the NC-DPS AFIS Database.

MorphoTrak's Standard Warranty and Maintenance support includes remote dial in AND on-site support services.

Assumptions

In developing this proposal, MorphoTrak has made the following assumptions:

- ◆ With the exception of the State AFIS, there are no external interfaces to support which includes but is not limited to records management system, booking system, mugshot system, etc.
- ◆ An inter-agency agreement between NC-DPS and Thomasville Police Department will be in place.
- ◆ Thomasville Police Department will provide all necessary communication to connect to NC-DPS. This includes, but is not limited to hubs, routers, modems, etc.
- ◆ On-site installation services will be scheduled after network connectivity to NC-DPS has been established and verified.

Additional engineering effort by MorphoTrak beyond the scope of the standard product will be quoted at a firm fixed price based on our current service rates in effect at the time of the change, plus any related travel or administrative expenses. Assistance with training and questions for the Thomasville Police Department's database or any programming, scripting, or review of programs beyond work quoted above are excluded from this offer.

Prices are exclusive of any and all state, or local taxes, or other fees or levies. Customer payments are due to MorphoTrak within twenty days after the date of the invoice. Product purchase will be governed by the MorphoTrak Agreement, a copy of which is attached for your convenience. Firm delivery schedules will be provided upon

receipt of a purchase order. No subsequent purchase order can override such terms. Nothing additional shall be binding upon MorphoTrak unless a subsequent agreement is signed by both parties.

MorphoTrak reserves the right to substitute hardware of equal value with equal or better capability, based upon market availability. If, however such equipment is unavailable, MorphoTrak will makes its best effort to provide a suitable replacement.

Proposal Expiration: September 30, 2015

Purchase orders should be sent to MorphoTrak by electronic mail, facsimile or United States mail. Please direct all questions and order correspondence, including Purchase Order, to: Jayne Goodall, MorphoTrak, LLC, 1250 North Tustin Avenue, Anaheim, California 92807, Tel: (714) 575-2956; Fax: (714) 238-2049; Email jayne.goodall@morpho.com.

We look forward to working with you.

Sincerely,



Barry Fisher
Senior Sales Director
MorphoTrak, LLC

SALARY COMPARISON

POSITION	SALARY THOMASVILLE	SALARY AVERAGE	COST TO ADJUST TO AVERAGE
CITY MANAGER	119,510	151,319	31,809
CITY CLERK	50,251	63,262	13,011
OFFICE SUPPORT IV	41,648	39,945	
FINANCE DIRECTOR	94,954	107,716	12,762
ACCOUNTING OPERATIONS MANAGER	60,112	69,613	9,501
ACCOUNTING CLERK II	51,475	43,928	
ACCOUNTING CLERK I	35,838	35,563	
ASSISTANT FINANCE DIRECTOR	76,500	77,723	1,223
PERSONNEL DIRECTOR	79,345	99,085	19,740
PERSONNEL TECHNICIAN	46,177	41,157	
MIS DIRECTOR	61,335	98,949	37,614
PC SUPPORT SPECIALIST	41,514	50,657	9,143
PLANNING&ZONING ADMINISTRATOR	61,253	69,862	8,609
MAINTENANCE MECH./CEMETERY	33,778	37,570	3,792
POLICE CHIEF	89,788	111,619	21,831
POLICE CAPTAIN	58,948	74,900	15,952
" "	61,335	74,900	13,565
POLICE LIEUTENANT	55,124	66,503	11,379
" "	52,242	66,503	14,261
" "	56,141	66,503	10,362
" "	55,866	66,503	10,637
" "	53,286	66,503	13,217
" "	54,879	66,503	11,624
" "	53,549	66,503	12,954
" "	54,570	66,503	11,933
POLICE SERGEANT	50,094	57,614	7,520
" "	50,038	57,614	7,576
" "	50,749	57,614	6,865
" "	50,409	57,614	7,205
" "	50,739	57,614	6,875
" "	50,999	57,614	6,615
" "	46,685	57,614	10,929
" "	50,789	57,614	6,825
ANIMAL CONTROL	36,579	33,159	
POLICE OFFICER-SPECIAL SERVICES	42,920	47,321	4,401
" " " "	47,852	47,321	
" " " "	48,908	47,321	
" "	44,017	47,321	3,304
POLICE OFFICER-DETECTIVE	45,754	47,378	1,624
" " "	46,685	47,378	693

"	"	"	39,018	47,378	8,360
"	"	"	44,461	47,378	2,917
"	"	"	48,085	47,378	
"	"	"	44,461	47,378	2,917
"	"	"	46,721	47,378	657
"	"	"	44,461	47,378	2,917
POLICE OFFICER			46,218	43,061	
"	"		48,085	43,061	
"	"		38,323	43,061	4,738
"	"		38,323	43,061	4,738
"	"		44,666	43,061	
"	"		44,461	43,061	
"	"		38,940	43,061	4,121
"	"		45,752	43,061	
"	"		39,142	43,061	3,919
"	"		45,128	43,061	
"	"		38,940	43,061	4,121
"	"		44,461	43,061	
"	"		44,461	43,061	
"	"		47,732	43,061	
"	"		37,654	43,061	5,407
"	"		48,908	43,061	
"	"		39,537	43,061	3,524
"	"		35,861	43,061	7,200
"	"		38,940	43,061	4,121
"	"		37,654	43,061	5,407
"	"		39,537	43,061	3,524
"	"		37,654	43,061	5,407
"	"		50,988	43,061	
"	"		44,461	43,061	
"	"		37,654	43,061	5,407
"	"		41,782	43,061	1,279
"	"		38,940	43,061	4,121
"	"		37,654	43,061	5,407
"	"		39,537	43,061	3,524
"	"		39,537	43,061	3,524
"	"		37,654	43,061	5,407
"	"		44,461	43,061	
"	"		37,085	43,061	5,976
"	"		39,537	43,061	3,524
"	"		35,861	43,061	7,200
"	"		48,203	43,061	
"	"		35,861	43,061	7,200
"	"		35,861	43,061	7,200
COMMUNICATIONS OFFICER			29,599	35,034	5,435
"	"	"	32,843	35,034	2,191
"	"	"	27,639	35,034	7,395

OFFICE SUPPORT IV	35,861	39,945	4,084
RECORDS CLERK	39,180	32,979	
FIRE CHIEF	79,445	101,008	21,563
DIVISION CHIEF OF TRAINING	59,177	69,824	10,647
DIVISION CHIEF/FIRE MARSHALL	55,254	65,103	9,849
DIVISION CHIEF FIRE/LIFE SAFETY	55,124	57,710	2,586
FIRE BATTALION CHIEF	58,676	67,371	8,695
" " "	60,466	67,371	6,905
" " "	57,107	67,371	10,264
FIRE CAPTAIN	52,750	55,385	2,635
" "	55,942	55,385	
" "	47,949	55,385	7,436
" "	50,238	55,385	5,147
" "	46,727	55,385	8,658
" "	53,207	55,385	2,178
" "	48,154	55,385	7,231
" "	47,640	55,385	7,745
" "	50,731	55,385	4,654
" "	52,946	55,385	2,439
" "	57,060	55,385	
" "	47,787	55,385	7,598
FIRE INSPECTOR II	46,844	52,479	5,635
FIRE ENGINEER	43,191	45,029	1,838
" "	41,134	45,029	3,895
" "	42,592	45,029	2,437
" "	41,757	45,029	3,272
" "	43,191	45,029	1,838
" "	43,191	45,029	1,838
" "	42,814	45,029	2,215
" "	42,612	45,029	2,417
" "	42,704	45,029	2,325
" "	45,351	45,029	
" "	41,134	45,029	3,895
" "	43,842	45,029	1,187
FIREFIGHTER	36,504	37,724	1,220
"	39,176	37,724	
"	41,342	37,724	
"	37,689	37,724	35
"	41,134	37,724	
"	37,654	37,724	70
"	41,135	37,724	
"	41,163	37,724	
"	39,176	37,724	
"	40,732	37,724	
"	40,328	37,724	
"	38,792	37,724	
"	37,875	37,724	

"	40,997	37,724	
"	38,792	37,724	
"	38,370	37,724	
"	40,933	37,724	
"	37,654	37,724	70
"	39,176	37,724	
"	39,537	37,724	
"	41,134	37,724	
"	40,933	37,724	
"	35,861	37,724	1,863
"	41,135	37,724	
"	40,933	37,724	
"	41,134	37,724	
"	41,965	37,724	
"	40,933	37,724	
"	41,041	37,724	
"	34,154	37,724	3,570
OFFICE SUPPORT IV	39,683	39,945	262
CODE INSPECTOR III	59,568	57,993	
" " "	68,075	57,993	
MINIMUM HOUSING INSPECTOR	37,655	44,975	7,320
CODE INSPECTOR I	37,654	49,420	11,766
CITY ENGINEER	92,129	97,038	4,909
CITY SURVEYOR	72,547	54,714	
ENGINEERING TECHNICIAN II	56,624	46,923	
PURCHASING/INVENTORY SPEC.	46,706	36,120	
STREET SUPERINTENDENT	63,904	62,805	
STREETS CREW LEADER	44,974	41,515	
" " "	30,978	41,515	10,537
" " "	38,807	41,515	2,708
" " "	31,890	41,515	9,625
SIGNS & SIGNALS TECHNICIAN	31,922	33,796	1,874
EQUIPMENT OPERATOR II	27,547	34,750	7,203
STREETS LABORER I	25,868	29,574	3,706
" " "	24,402	29,574	5,172
" " "	22,016	29,574	7,558
EQUIPMENT OPERATOR III	30,695	34,750	4,055
" " "	42,583	34,750	
EQUIPMENT OPERATOR II	26,761	34,750	7,989
" " "	28,114	34,750	6,636
" " "	28,661	34,750	6,089
EQUIPMENT OPERATOR 1	25,486	32,618	7,132
POWELL BILL LABORER I	30,427	28,807	
" " " "	23,117	28,807	5,690
" " " "	23,186	28,807	5,621
" " " "	24,636	28,807	4,171
" " " "	24,317	28,807	4,490

SANITATION SUPERINTENDENT			56,919	71,069	14,150
SANITATION SUPERVISOR			39,964	45,638	5,674
EQUIPMENT OPER III			38,593	34,088	
SANITATION EQUIPMENT OPERATOR			32,126	31,814	
"	"	"	29,503	31,814	2,311
"	"	"	28,660	31,814	3,154
"	"	"	29,592	31,814	2,222
"	"	"	30,184	31,814	1,630
"	"	"	30,184	31,814	1,630
"	"	"	30,281	31,814	1,533
"	"	"	31,645	31,814	169
"	"	"	32,730	31,814	
"	"	"	29,234	31,814	2,580
"	"	"	28,099	31,814	3,715
"	"	"	37,293	31,814	
"	"	"	29,321	31,814	2,493
SANITATION COLLECTOR			24,050	28,392	4,342
"	"		23,932	28,392	4,460
"	"		22,016	28,392	6,376
"	"		23,116	28,392	5,276
"	"		28,090	28,392	302
"	"		27,007	28,392	1,385
"	"		26,719	28,392	1,673
"	"		24,123	28,392	4,269
"	"		24,050	28,392	4,342
"	"		23,116	28,392	5,276
"	"		23,186	28,392	5,206
"	"		24,050	28,392	4,342
"	"		24,123	28,392	4,269
"	"		24,605	28,392	3,787
"	"		24,005	28,392	4,387
"	"		23,186	28,392	5,206
AUTO MECHANIC III			39,262	41,458	2,196
GARAGE SUPERINTENDENT			48,039	55,456	7,417
AUTO MECHANIC II			36,530	41,458	4,928
FLEET SERVICE ASSISTANT			36,481	NOT AVAILABLE	
RECREATION DIRECTOR			67,622	96,443	28,821
OFFICE SUPPORT III			41,115	35,625	
RECREATION PROGRAM DIRECTOR			41,825	48,622	6,797
"	"	"	39,537	65,788	26,251
CENTER DIRECTOR I			30,978	44,266	13,288
RECREATION SPECIALIST			40,420	39,009	
SUPERINTENDENT OF PARKS			39,537	64,550	25,013
CREW LEADER			34,140	41,515	7,375
LABORER III			28,757	28,807	50
LABORER II			28,098	28,807	709

PUBLIC SERVICES DIRECTOR	81,711	111,696	29,985
COLL/CUSTOMER SERVICE SUPR.	52,153	52,426	273
LEAD BILLING CLERK	34,657	38,651	3,994
BILLING CLERK	30,978	38,651	7,673
COLLECTIONS CLERK	29,454	30,209	755
" "	29,090	30,209	1,119
METER SERVICES TECHNICIAN	28,098	36,329	8,231
LEAD METER READER	31,598	31,901	303
METER READER	27,336	31,901	4,565
" "	26,760	31,901	5,141
CONSTRUCTION SUPERINTENDENT	58,670	62,633	3,963
CREW LEADER	39,537	36,981	
" "	41,514	36,981	
" "	32,527	36,981	4,454
" "	37,654	36,981	
EQUIPMENT OPERATOR I	25,486	32,618	7,132
" " "	26,760	32,618	5,858
" " "	29,310	32,618	3,308
" " "	37,654	32,618	
LABORER I	41,514	30,827	
" "	27,336	30,827	3,491
" "	22,016	30,827	8,811
WATER PLANT SUPERINTENDENT	66,638	65,933	
WATER PLANT OPERATOR B	37,654	36,240	
W/S LEAD PLANT OPERATOR	37,654	42,679	5,025
WATER PLANT OPERATOR C	34,154	36,240	2,086
WATER PLANT OPERATOR A	44,599	42,679	
" " " "	37,654	42,679	5,025
MAINTENANCE SUPERVISOR	51,012	42,575	
WATER PLANT RELIEF OPERATOR	37,654	36,240	
SEWER PLANT SUPERINTENDENT	78,942	66,666	
LABORATORY SUPERVISOR	64,849	53,330	
W/S PLANT OPER./LAB TECH.	43,735	39,348	
RELIEF PLANT OPERATOR	43,046	42,679	
SEWER PLANT OPERATOR IV	39,536	42,679	3,143
" " " "	39,537	42,679	3,142
" " " "	39,233	42,679	3,446
" " " "	38,868	42,679	3,811
SEWER MAINTENANCE SUPV.	43,191	42,575	
W/S CHIEF MAINTENANCE MECHANIC	35,862	42,575	6,713
W/S PLANT OPERATIONS ASSISTANT	29,843	39,523	9,680
" " " "	25,486	39,523	14,037

HEAD GOLF PROFESSIONAL 63,714 NOT AVAILABLE
GOLF COURSE SUPERINTENDENT 78,307 NOT AVAILABLE

ASST./SPRAY TECHNICIAN	33,139 NOT AVAILABLE	
GOLF LEAD OPERATOR	35,523 NOT AVAILABLE	
GOLF TURF MECHANIC	30,978 NOT AVAILABLE	
GREENSKEEPER II	28,099 NOT AVAILABLE	
		1,192,751