



NORTH CAROLINA'S INTERNATIONAL CITY™

**MANAGER'S BRIEFING SESSION
HIGH POINT MUNICIPAL BUILDING
JANUARY 4, 2016 – 3:30 P.M.
3RD FLOOR LOBBY CONFERENCE ROOM**

MINUTES

Present:

Mayor Bill Bencini; Mayor Pro Tem Golden (Ward 1); and Council Members Cynthia Davis (At-Large); Chris Williams (Ward 2); Alyce Hill (Ward 3); Jay Wagner (Ward 4); Jim Davis Jason Ewing (Ward 6) (joined the meeting at 4:11 p.m.); and Latimer Alexander (At-Large)

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Eric Olmedo, Budget and Performance Manager; Jeron Hollis, Communications & Public Engagement Director; Loren Hill, Economic Development Director; Jeff Moore, Director of Financial Services; Mark McDonald, Director of Transportation; Angela Wynes, Transit Manager; Maria Smith, Deputy City Clerk; Lisa Vierling, City Clerk

News Media:

Pat Kimbrough, High Point Enterprise
Jordan Green, Triad City Beat

Note: The following handouts were distributed and will be attached as a permanent part of these proceedings:

- Amended and Restated Bylaws- New City Project Foundation
- Potential Names New City Project Board
- Powerpoint- Short Range Transit Plan Service Recommendations

City Project- 501 (c) 3 Presentation

Randy Hemann, Assistant City Manager, distributed a draft of the bylaws that he sent out on January 13th and noted there have been a few minor changes. He shared that on the 14th the suggested changes were presented to The City Project to see what kind of interest they had. He mentioned that The City Project folks asked for a representative from the High Point Community Foundation on this board and this revision is reflected in the proposed bylaws. The other thing they asked was that “monthly meetings” be spelled out, so this revision was also made.

Since that time, a Committee was formed that was comprised of City Manager Demko, Assistant City Manager Randy Hemann, City Project Chair (Richard Wood), City Project Vice-Chair (David Covington). They have been working on the slate for the new board and would like to have a representative board, so they plan to recommend to The City Project that two more at-large slots be added for a more balanced board. He then distributed a copy of the potential names for the new City Project Board (bold indicates the name is confirmed to serve, if approved). It was noted that Darlene Leonard's name should be removed from the list as she has not been talked to yet.

Mr. Hemann explained the way this would work is that the City Project folks would adopt a new name at some point (which is still under discussion), then adopt new bylaws and in addition to the new bylaws, it would include a full slate. Mr. Hemann noted the proposed bylaws were based on Winston Salem and some other downtown development organizations. Twenty-one directors are proposed, which are divided up in a couple of classifications. Designated directors are ones where the organization designates a person that will be their appointee to the board. Representative directors are representative of certain classes (business or property owner and a City Core Neighborhood representative). Representative directors are appointed by the Designated directors after this, as well as At-Large directors. Once the board is formed, the board will appoint those. Designated directors would continue to be appointed by the organization that is responsible for their appointment.

Council Member J. Davis inquired about #21 (an At-Large position) and asked who was being considered for this position. Mr. Hemann advised that Richard Wood has said that he will not be involved, as well as Aaron Clinard and these two would be stepping down. Mr. Hemann explained they are still discussing who to put in this slot and he would rather not throw out any names at this point. He mentioned there is a church in the Core City area that they may want to try to get an appointee from. Council Member J. Davis made the suggestion of IMC since they were such a big property owner and would be a huge part of the downtown revitalization. Mr. Demko recognized this is part of our business, property owner piece and they would be approaching them. Council Member J. Davis asked about the Plaza Hotel since they are leasing the parking deck from the city and they have plans to grow. Mayor Bencini asked about the term of the city's agreement with the Radisson on the use of that parking deck. Deputy City Manager McCaslin recalled the lease was for ten years. Mr. Demko offered to bring this information to Council during the Thursday meeting.

Mr. Hemann pointed out there are no term limits for the designated directors, but there are term limits for the representatives and at-large, and would be limited to two, three-year terms. He also noted they are trying to focus on millennials to put on the board. Council Member J. Davis mentioned Todd Nifong, Council Member Wagner's appointee on the Parks & Recreation Commission and asked if he might be interested in serving. Council Member Wagner advised that he could mention it to him and noted he is in the fabric business.

Mr. Hemann emphasized that it is not necessary for Council to vote on this and noted the way Council would vote is if they put together something that is acceptable for funding at some point.

He suggested Council take this information, review and consider it and he would be more than happy to talk to anyone further about it. Mr. Hemann advised that this will go back to the City Project Board on February 8th to have them ratify it and until they vote to change and restate and amend their bylaws, there really is not anything to deal with at that point.

Council Member Alexander asked if the African-Americans were under-represented on this list. It was noted there were about three in this category. Council Member Alexander noted since it was such a key group, it should be reflective of the community.

Outside of assembling a group of people, Council Member J. Davis asked what would be accomplished if the Council decides to fund this because it was done once before without a lot of success. Mr. Hemann feels this group of people could provide the leadership and direction once there is a plan that is agreed upon to change this community. He also reported that there is no reason why we cannot have several hundred living units in the downtown, dozens of restaurants, and a very vibrant downtown. He noted the only thing keeping us from doing that is us. He pointed out the following would be necessary for success:

- You need a plan
- You need to fund it
- You need to have a public/private partnership

Mr. Hemann noted this will take time, but results would be realized from this and it would create a live downtown that would help the city do other things. Council Member J. Davis asked how they plan to bring restaurants in and people downtown. Mr. Hemann shared that they will be looking at every aspect of it. There will be an Executive Director, a list of all the properties, and this person will be out making deals. They will look at the city's incentive packages, etc... and they will implement the Downtown Master Plan. He noted it's the Main Street approach; it's for areas organization, promotion, design, economic restructuring, etc.... He added that there will be committees of additional people formed off of this such as a committee that will work on the Arts. He pointed out this will be the guiding force to make sure we stay on track with our mission and our master plan and involve additional people to fulfill the mission.

Council Member J. Davis mentioned earlier last year, Retail Strategies said that High Point did not have the roof tops, office workers or the demographics downtown and in the Core to attract any national retailer or national restaurant chains. They suggested the focus needed to be on the small "mom and pop" small entrepreneur type businesses. He asked how this would be done. Mr. Hemann replied, "One small project at a time." Mr. Hemann pointed out it has happened in other communities and it can happen in High Point if we commit to it. Mr. Demko shared it is setting the vision, putting it out there, and having the discipline to work it every day. Mayor Bencini stated if nothing is done, nothing will happen. Council Member J. Davis stated he wanted to make sure that we just do not do another plan and throw money out like in the past and accomplish nothing. He wants to see accountability and results.

Mr. Demko shared that it is finding vision in steps that can be actionable and finding the support and help from the community to do this. He also noted that this is a key element to be a bridge between the private sector, public/private sector and a public sector, and how we work with all

the different partners will be the key. Getting down to the actionable items and measuring the progress. Council Member J. Davis recognized that the most important key member of this whole team will be the new Director and asked how they will get the right person for this position if an outside board is doing the hiring. Mr. Hemann assured Council Member J. Davis that he would be highly involved in the process, as would Mr. Demko. Council Member J. Davis expressed concerns about having an Executive Director that answers to a board of directors and does not answer to the city at all, even though the city is funding it and felt the city should have a stronger voice since they would be funding it.

Mr. Hemann explained that the city is represented on the board. He advised the Executive Committee would be the officers, plus one representative director and one other designated director. Council Member Alexander pointed out the Council approves what money will be appropriated and noted the city would not be locked into guaranteeing any funding stream if the desired results are not realized. Council Member Ewing shared that compared to what we had before; the director will be an employee of this organization, not the City. Council Member C. Davis noted that the original director was not an employee of the City until the previous Council pulled that person back in and then everybody fell off. Council Member Wagner stated that that the director was an employee of the City the whole time and reported to the city manager.

Mr. Hemann reiterated that this is the successful model that everyone around us is using (Downtown Greensboro, Downtown Winston Salem, Raleigh, Charlotte, Statesville, Salisbury) and that person reports to the board, they do not report to the city, which holds them accountable. A board that sets goals, follows a master plan, and produces results.

Council Member C. Davis asked about the Core City neighborhood piece and shared that she heard from some of the neighborhood representatives and they expressed concerns about just having one individual represent them who may not be in-tune with what is going on in their neighborhood. She also shared that she was surprised to see the number on the board increased from 19 to 21 because at the last City Project meeting they wanted one and now two more are proposed to be added. She shared another concern that she has had from people is the city paying for the position of a non-profit executive, and them not working for the city because they should be an employee of the city and held accountable. She noted many people felt there wasn't a whole lot done with the City Project other than the Duany Study, so people are very interested in seeing the results. Mr. Demko shared that people have to look forward to making it positive.

Mayor Pro Tem Golden asked if Mr. Hemann checked into the ability of this board to endorse candidates under the 501(c)3. Mr. Hemann replied the 501(c)3 is prohibited in doing this, but thought the 501(c)6 could, but they could amend the bylaws to reflect this. Council Member C. Davis expressed another concern that city manager's usually stay for five years and right now we have good staff, but questioned what would happen when these managers are no longer here.

Code Enforcement Positions

Mr. Hemann mentioned that the Code Enforcement positions were advertised. Four interviews were scheduled, three backed out. These positions are being re-advertised and the city is receiving new applications and working as hard as possible to fill these positions.

Review on Development Services

Mr. Hemann reported on the Development Services review that is currently being conducted and informed Council that they have conducted about 40 interviews with the staff and 19 with contractors. They plan to take a real in-depth look at the organizational structure, the workflow, the technology to see how the new technology is performing, staffing issues, management issues, certification and training needs, as well as customer service. He also reported that Benchmark Planning is assisting in this process, as well as Pete Bogle, who is an architect from Salisbury who was the Rowan County Building Inspections Director. He noted he is intimately knowledgeable about going into a department and making changes in that department. He expects to have some results, but it will take a couple of months longer to get all the results due to the details.

Council Member C. Davis asked how many staff are doing the jobs of two to three people that might not allow them to provide the customer service the department needs. Mr. Hemann does not believe that anyone is doing the job of two to three people right now, but this would come out. Council Member C. Davis refuted this and stated she was aware that this is happening and has been since she was on Planning & Zoning. She suggested that these positions need to be looked at and re-coded because they are being overworked and given extra duties with fewer staff. Mr. Demko noted they would take a look at it.

On a positive note, Council Member J. Davis shared there are 19 builders that have been given hope and a light at the end of the tunnel. He questioned the reasons why the city could not find employees for the inspector positions and asked if the lower salary might be a hindrance, but pointed out it is a skilled position. Mr. Hemann agreed this might be part of it and would take a look at this.

Council Member Hill noted it is written up as an entry level position and asked if this is accurate. She shared that she knows a couple of people that have applied and felt they could do an entry level position. Mr. Hemann reported that they had some highly qualified candidates to apply and noted the low salary may be an issue as suggested by Council Member J. Davis. Council Member C. Davis asked if the pay is increased, would it be possible to revisit the three that walked away with a better offer. Mr. Hemann noted this might be possible, but felt it was driven more by family decisions than anything else.

Mr. Demko explained the other piece of this, along with Planning; we will be working on some legislation to try to get the authority from the State to contract out work as well, contract plan review work, contract the ability to do inspections during the peak periods. Mr. Hemann shared that in order to do this, you need to have a person that is a licensed inspector in another jurisdiction and in North Carolina they have to be employed at another jurisdiction. He also added another issue is that we do have some multi-trade and the need to look at how to get more multi-trade and how to promote people in the department now and help them get additional trades under their belt. Mr. McCaslin, shared that as far as he knew, there are no inspectors with all four trades, but several have two trades. Council Member C. Davis wanted to know if any staff is willing to do any cross training. Mr. McCaslin reported that they do try, but they

have to go through the training and pass the test and they all are very busy which makes it difficult to cross train. He agreed this is something they need to work on. Council Member C. Davis asked how many employees in this department have already put in for retirement and Mr. Demko replied he was not aware of this information. Council Member J. Davis brought up the consideration of having the inspectors work directly from home with some regular scheduled office hours. Mr. Hemann mentioned that Raleigh is currently doing this with their Field Inspectors and this is something they can also look at.

Hi Tran – Expanded Route Option

Angela Wynes, Transit Manager, advised the last time Council received an update regarding the Hi Tran expanded route option/service, Council tasked her to determine what we could do for additional funds that would be a total city investment in transit equivalent to a penny on the tax rate. Based on this, she looked at the three big requests from the passengers:

1. Amount and Span of service on weekdays and weekends are inadequate
2. Routes being indirect, leading to lengthy travel times.
3. Stop infrastructure is limited.

Ms. Wynes noted that the biggest one is the amount and span of service on weekdays and weekends being inadequate. With the additional funding, these three things could be added:

1. Evening service until 9:30 p.m.
2. Start Saturday Service one hour earlier and end one hour later
3. Assist PART with funding the operation of the Palladium/Deep River Circulator (Mon.-Fri)

Ms. Wynes shared that PART is applying for some congestion Mitigation and Air Quality (CMAQ) funds which would fund the circulator for three years, but Scott Ryan, Executive Director, also does not think that three-year funding will be enough to spread out, so the City of High Point would have some additional funding to put in with that and then we could do those three things with the additional funding.

Ms. Wynes reviewed the Operating Budget as follows:

Operating Budget			
	Current	Proposed	
Total Expenses	\$3,300,000	\$3,900,000	
Ineligible Expenses	(\$1,200)	(\$1,200)	
Net Operating Expenses	\$3,298,800	\$3,898,800	
Farebox Revenues	(\$550,000)	(\$600,000)	
Net Deficit	\$2,748,800	\$3,298,800	
FTA Subsidy	\$1,374,400	\$1,649,400	
Local Share	\$1,374,400	\$1,649,400	
Concessions	(\$10,000)	(\$10,000)	
Advertising	\$0	\$10,000	
Vehicle Registration Fees	(\$390,000)	(\$390,000)	
State Subsidy	(\$375,000)	(\$375,000)	
Railroad Lease	\$1,200	\$1,200	
City Share	\$600,600	\$865,600	

Regarding the advertising estimate, Ms. Wynes explained this is a conservative estimate and could be considerably more. She noted High Point is working jointly with PART, Greensboro and Winston Salem on doing joint ventures to award a contract to one firm and then they would sell each individual market, as well as a region with the draw of larger advertisers coming in and advertising on our vehicles. Council Member Alexander noted that although he lies the advertising part, he would like to take a look at a policy governing who we would sell the advertising to. Ms. Wynes shared that the first ad had already been sold with four buses going around with “Metro PCS”. She offered to provide a copy of the policy that they are using. Council Member J. Davis, who serves on the PART Board, shared that they have already approved an advertising policy and he felt it was a good policy.

Ms. Wynes did not believe the State would be providing any additional funding and pointed out the State subsidy has grown less and less each year. She noted the bottom line the new city share would be \$865,600 and with the addition of the \$60,000 the city matches for the routine capital items, it puts it right at the one penny. This would include the following:

- Evening service until 9:30 p.m., but not on all routes (excluded: Jamestown and GTCC)
- Allow to start one hour earlier on Saturday and run one hour later (7:45 a.m. - 6:15 p.m.)
- Palladium/Deep River Circulator operates (Monday–Friday from 5:45 a.m. - 5:45 p.m.)

Council Member J. Davis asked if any fare increases were factored in this and Ms. Wynes replied that they did factor the fare increase at \$1.25 (current fare is \$1.00 and it is being proposed to be raised to \$1.25) and noted for every 3% in fares, generally there's about a 1% decrease in ridership. She explained they were counting on along with raising the fare, we will be providing additional service to cut some of that reduction in ridership.

Council Member Alexander asked if they anticipate any security issues around the Terminal or along the routes. Ms. Wynes explained they have a wonderful relationship with the Police Department and asked them to make sure they patrol this area on a frequent basis. In addition to that, they also have cameras and she does not anticipate needing a body to provide security. Council Member J. Davis asked if the extended bus hours to 9:30 would be for all routes. Ms. Wynes explained it is for select routes: North and South Main, East Greene, Westchester, Montlieu, a combination of what is currently the West Greene/Kearns (Southside Route), Washington Drive, the Westchester/Lexington connector that serves the Westchester/Lexington corridor and then on the other end at the Ralph Lauren facility.

Mr. McCaslin asked when they need a decision by Council in order to put this in effect by a certain date. Ms. Wynes stated if they know something by June, that would give them the opportunity to work everything out and get the service started by January 1, 2017. She pointed out one of the more difficult parts will be finding qualified bodies to come in and work later evening hours at the city's rates, which are not as high as Winston and Greensboro.

Council Member J. Davis asked staff if they were proposing to raise the property tax this year in the budget to cover the \$265,000 or if it would be absorbed elsewhere in the budget. Mr. Demko explained staff has not started putting the budget together yet, but has been presenting the items to the City Council as far as priorities and noted right now it is way premature to know. Council Member Alexander pointed out it is an increase of only three-tenths of a cent. Council Member J. Davis asked if increasing the hours to later at night, if staff anticipates an increase in ridership. Ms. Wynes acknowledged there might be some increase and pointed out the passengers have been asking for this for at least fifteen years and many want it so they can have transportation when working a second shift job. She explained that they can get to their jobs by riding the bus, but they know they have to make other arrangements to get back home because the buses will not be running. Council Member Williams shared that they use temp services to get a ride back home.

Council Member C. Davis asked staff to elaborate on the flyer that was recently sent out. Ms. Wynes noted it was for an Open House for the Call Center, that has been in operation for six and a half months now.

Council Member Hill reiterated the only changes we would be making if this is implemented and asked if we would still be making changes to the routes. Ms. Wynes confirmed that some routes would be modified as explained earlier in the presentation along with the fare increase from \$1.00 to \$1.25.

Council Member C. Davis stated she still has some heartburn for people that live down Green and she has talked to some riders that are just not happy with the modification of this route. She

explained that she has talked with Larry Diggs and he expressed concerns about the service in the West Green area. Ms. Wynes explained there would have to be some trade-offs and pointed out because West Green is a low ridership area, that route was modified. She expects that these changes will not go lightly, but would try to work with each individual to try to accommodate them the best that they can.

Council Member Alexander brought up that at one time citizens said they would be willing to pay up to a nickel for increased service. Ms. Wynes believed it was a voter referendum.

Mr. Demko asked if there was any interest from Council to expand the transit routes and increase the fares. Council Member Alexander noted every year there is a constant drum beat of citizens that they want this. Mr. Demko noted these are choices that Council needs to make: what level of service and what services they want to provide.

Council Member Alexander asked when the new buses would be coming in. Wynes expects the first bus to be delivered in September and hope to have everything running by the end of the year. Council Member Alexander inquired about the existing fleet. Ms. Wynes shared that the fourteen will be stripped for parts and the remaining two will continue to be used and the remainder will go on that will still be running and the remaining will go on GovDeals for on-line auction.

Mr. Demko reported for the Thursday meeting, there would be a presentation on transportation and one on water/sewer.

Praises to City Crews During Recent Snow Storm

Council Member Alexander shared all the positive things he heard from the citizens regarding the great job the city crews did during the recent snow storm. Mr. Demko also applauded the city crews/employees in all departments that helped during the storm. Mr. McCaslin advised the storm related expenses totaled about \$300,000 (about one-third of a cent on the tax rate). He reported that the majority of it was public services, overtime operation and they had to bring in some crews for electric and various other departments.

Council Member C. Davis mentioned the major water line break on Woodrow Avenue that was caused by defective pipes. She felt it was important that everyone know this was a problem with the current contract we have. Mr. Demko stated that we would take care of it.

Willard Dairy Road

Council Member J. Davis inquired about the classification of Willard Dairy Road. Mr. McCaslin reported that it is a State Road and it would be up to DOT to take care of it. Council Member J. Davis shared that from Friday night from midnight to 7 a.m., he witnessed six city dump trucks scrape Willard Dairy six times and he had two to three people complain because they scraped Willard Dairy and did not scrape Barrow Road.

There being no further discussion, the meeting adjourned at 5:10 p.m. upon motion duly made.

Respectfully Submitted,

Maria A. Smith
Deputy City Clerk

DRAFT