

**HIGH POINT CITY COUNCIL
SPECIAL MEETING
MAY 19, 2022 – 3:00 P.M.
COUNCIL CHAMBERS – MUNICIPAL BUILDING**

MINUTES

CALL TO ORDER and ROLL CALL

Mayor Wagner called the meeting to order at 3:00 p.m.

Upon call of the roll, the following Council Members were Present (6):

Mayor Jay W. Wagner; Council Member Britt W. Moore, At Large [remote participation]; Council Member Cyril Jefferson, Ward 1; Council Member Christopher Williams, Ward 2 [arrived at 3:08]; Wesley Hudson, Ward 4; and Council Member Victor Jones, Ward 5

Absent (3):

Mayor Pro Tem Monica L. Peters, Ward 3; Council Member Tyrone Johnson, At Large]; and Council Member Michael Holmes, Ward 6

Staff Present:

Tasha Logan Ford, City Manager; Greg Ferguson, Deputy City Manager; Eric Olmedo, Assistant City Manager; Meghan Maguire, Assistant City Attorney; Tommy Reid, Fire Chief; Jeron Hollis, Managing Director; Ryan Ferguson, Marketing Manager; Stephen Hawryluk, Budget Manager; Roslyn McNeill, Budget Analysis; Linda Price, Budget Analysis; Mary S. Brooks, Deputy City Clerk; and Lisa B. Vierling, City Clerk

Also Present:

Pat Kimbrough, *High Point Enterprise*

PRESENTATION OF ITEMS

2022-256 Continued Discussion: Proposed FY 2022-23 Budget

Staff will be having a continuation of discussion regarding the Proposed FY 2022-23 Budget.

Tasha Logan Ford, City Manager recognized Stephen Hawryluk, Budget Manager to provide an update regarding the Proposed FY 2022-23 Budget.

Mr. Hawryluk provided an overview of options to decrease taxes in the Proposed FY 2022-23 Budget as followed:

- **Property Tax Relief Programs:**

Elderly or disabled exclusion-excludes for \$25,000 or 50% of appraised value, owner must be 65+ years old or permanently disabled, and cannot have previous year income exceeding \$31,900.

Disabled Veteran exclusion-excluded first \$45,000 of appraised value, and no age or income limitation. (Cannot be combined with Circuit Breaker)

Circuit Breaker Property Tax Deferment-Taxes limited to a percentage of qualifying owner's income Owner must be 65+ years old or permanently disabled Income does not exceed \$31,900 = taxes limited to 4% of owner's income exceeds \$31,900, but less than 150% of income eligibility limit (\$47,850) = taxes limited to 5% of owner's income Taxes over the limitation amount are deferred and remain a lien on the property Last three years of deferred taxes (and interest) due after a disqualifying event (death of owner, transfer of property, failure to use property as owner's permanent residence)

- **Cost of Additional Tax Decrease:**

Proposed property tax rate: 61.75 cents per \$100 of valuation, 1 cent = \$1,275,482 in revenue, Additional 2 cent decrease would bring tax rate (59.75 cent property tax rate, would include a \$2,550,964 reduction in general fund revenues).

- **Potential Reductions for an Additional Tax Decrease:**

New positions to be removed, reduce outside agency funding to FY 2021-2022 level, General Capital Projects budget amendments; and defer the engine replacement for Fire Department.

- **Major Total Budget Drivers:**

Personnel-2.5% COLA, increased \$15 hourly rate, increased benefit contributions; Operating-fuel increase, fleet changes for replacement vehicles inflationary increases, capital, and capital outlay-Fire apparatus (dive tuck and engine replacement), restoration of general capital; and other expenses.

Mr. Hawryluk noted that after the budgets for the City of Greensboro and Guilford County were presented, that staff would provide council with more details regarding possible impacts.

Mayor Wagner asked for a breakdown regarding the 14 new staff positions; and asked how long the city retained fire trucks before being replaced. Ms. Logan Ford explained how each staff position was placed in the budget under the general and enterprise funds. Eric Olmedo, Assistant City Manager replied that typically the fire trucks were a part of the first line service for 15 years; then would be reverted to a backup status; said that the city had an estimate of 27 fire trucks, and 14 fire stations.

Mr. Hawryluk advised that the next steps regarding the proposed budget would be to hold

another budget work session (if necessary) on Monday, May 23rd; and adopt the budget at the next council meeting scheduled for June 6th.

Council Member Moore inquired on the impact that the Guilford County's budget, and the 2022 bonds, if approved by voters, would have on the city's budget. Mr. Hawryluk stated that, by law, the city had until June 30th to approve the budget. Ms. Logan Ford replied that the city could adjust the budget according to what is approved in the county's budget regarding the sales tax rate.

Mayor Wagner advised everyone that public comments could be made at the upcoming Proposed FY 2022-23 Budget public hearing.

Council Member Williams inquired on the approval process regarding the 2022 Bonds. Mr. Olmedo explained the approval process regarding the Local Government Commission (LGC) series of bonds; and that the process determined the capability to pay the bonds back.

Ms. Logan Ford advised that staff would be preparing to make adjustment to the city's tax rate; spoke to staffing challenges in the Legal and Fire Departments; the positions for these departments would have an impact on the budget; spoke to the one-time expenditures in the general budget (fire engine replacement) that were non-recurring; and to the adjustments made mid-year for capital projects.

Mayor Wagner asked for a breakdown for the capital projects. Mr. Hawryluk provided a list of capital projects to include but not limited to the following: renovations for city hall, and recreation centers; fire alarms for the Oak Hollow Golf Course; cemetery improvements-paving; streetscape; and the Mendenhall Terminal Project.

Mayor Wagner stated that council was in agreement to expanding the Legal Department; and mentioned the long terms savings that the city would have due to using outside counsel.

Meghan Maguire, Assistant City Attorney spoke to the Legal Department's capacity concerns; provided comparables with other city's legal departments; and spoke to the benefits of the expansion.

Council Member Jefferson asked how the Walkability project on Main Street would impact the city's budget; and what the city's next steps were regarding walkability. Ms. Logan Ford replied that the last Walkability Study was conducted in 2014; that a placeholder was in the budget to conduct another study (cost between \$60,000 & \$100,000); and that the initial steps would be to revisit the design and begin the study. Greg Ferguson, Deputy City Manager said that the city's next steps would also include making the pedestrian crosswalks safer; identifying funds as the city move forward; partnering with the Uptown Association; spoke to a previous traffic study that was conducted; and stated that the study concluded that there will not be a reduction in traffic.

Discussion took place regarding prioritizing the budget; traffic safety concerns; parking; feedback from the community on addressing walkability; expanding the walkability scope of work; and pedestrian safety concerns.

Council Member Jones stated that the Fire Department did present their annual budget at the last Public Safety Committee meeting.

Tommy Reid, Fire Chief provided an overview regarding justification for the two fire chief positions requested; said that the request from the fire department came from the ISO accreditation model to maintain its ratings; explained the operational procedures for each fire department; said that there were actually 21 frontline apparatus trucks, eight specialty units; eight reserve apparatus trucks; and that the Fire Department was required, by ISO, to have one reserve truck for every five apparatus trucks.

Mayor Wagner announced that the next budget work session would be on Monday, May 23, 2022 @ 3:00 p.m. to include a closed session for economic development; and advised council to provide staff with any additional budget request by Friday, May 20th.

ADJOURNMENT

There being no further business to come before Council, the meeting adjourned at 4:11 p.m. upon motion duly made by Council Member Jefferson and second by Council Member Williams.

Respectfully Submitted,

Jay W. Wagner, Mayor

Attest:

Mary S. Brooks, CMC
Deputy City Clerk