



**MANAGER'S BRIEFING SESSION
HIGH POINT MUNICIPAL BUILDING
DECEMBER 7, 2015 – 4:00 P.M.
3RD FLOOR LOBBY CONFERENCE ROOM**

MINUTES

Present:

Mayor Bill Bencini; Mayor Pro Tem J. Davis (Ward 5) Council Members Cynthia Davis (At-Large); Jeff Golden (Ward 1); Chris Williams (Ward 2); Alyce Hill (Ward 3); Jay Wagner (Ward 4); Council Member Latimer Alexander (At-Large); and Jason Ewing (Ward 6) (joined the meeting at 4:13 p.m.)

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; JoAnne Carlyle, City Attorney (joined the meeting at 5:00 p.m.); Jeff Moore, Director of Financial Services; Maria Smith, Deputy City Clerk, Lisa Vierling, City Clerk

Others Present:

Jason Morado, Project Manager; ETC Institute

Greg Demko, City Manager, welcomed everyone to the meeting and introduced the two topics that would be discussed, which would be followed up with the City of High Point 2016-2017 Budget Preparation Schedule.

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

- ***2014 DirectionFinder® Survey for the City of High Point by ETC Institute***
- ***City of High Point 2016-2017 Budget Preparation Schedule***
- ***Purchasing Policies & Procedures Changes***

(1) Results of Citizens Survey

Eric Olmedo, Budget & Performance Manager introduced Jason Morado, Project Manager with ETC Institute. Mr. Olmedo noted that the surveys are generally conducted every other year and this is the 5th survey to be completed, with the first survey done in 2005. He explained that ETC prepares surveys for over 300 municipalities around the country.

Mr. Morado continued and provided some background on the history of ETC. ETC is a marketing/research company based in the Kansas City area. They also provide a number of types of marketing and research services, but specialize in community surveys for local government organizations. The most common survey they do is called the Direction Finder Survey, which is essentially their citizen's satisfaction survey. ETC is a national leader in providing marketing research for local government organizations. Since 2006, ETC has surveyed over 2 million people in 850 cities and 49 states. Mr. Morado reiterated the first time ETC administered a survey in High Point was back in 2007. He reviewed the purpose of survey, the survey methodology and provided an overview of the overall survey, survey findings.

Mr. Morado reported there are several reasons to do these types of surveys in an effort to assess how satisfied citizens are with City services. Mr. Morado noted there are really two levels of this on the survey: one, they asked residents early on in the survey to rate their satisfaction by major categories in City services (i.e. Police, Street Maintenance, Parks & Recreation...). Later on in the survey, the residents were asked to rate their satisfaction in some more specific areas within those services. The survey also compares the City's performance with other residents across the country on both a regional and national basis and measures trends from previous surveys. He also pointed out these surveys are also a great way to determine priorities for the community.

Mr. Morado shared that the latest survey consisted of 7 pages. Many of the same questions were asked from the previous surveys to allow them to measure trends (short term and long term). The survey was administered by a combination of mail and by phone to a random sample of residents from across the city with a goal to get at least 400 completed surveys back. They actually ended up with 406 surveys that were completed and returned and the results of those 406 surveys had a 95 percent level of confidence, with a margin of error of +/- 4.9 percent. He stressed that overall, these survey results are very accurate.

Mr. Morado then reviewed a map of the City showing the locations of the households that actually completed the surveys, which showed there was a very good representation throughout the City. The survey results showed that generally the residents had an overall positive perception of the City: 66% of the residents being satisfied with the overall quality of services provided by the City, compared to only 8% who were dissatisfied (an 8:1 ratio). He reported that High Point residents are satisfied with the overall quality City services compared to other communities with High Point rating higher than the US average and 9% higher than the Southeast regional average in the overall quality of services provided by the City. Residents were asked to rate their satisfaction with a lot of different services and they were asked to rate the overall quality of City services. He noted the City rated very well in this area and they found that High Point rated above the Southeast Regional average in 36 of the 50 areas that were rated.

Overall, the survey results showed that the satisfaction ratings are down somewhat from the 2012 survey, but they have definitely improved since the first survey was conducted. The top overall priorities for improvement over the next couple of years: the overall quality of economic development, the maintenance of streets, sidewalks and infrastructure. Residents were asked to

rate the various items related to their perception of the City which showed a lot more positive ratings than negative. The top four items were identified as follows:

- 1) Overall quality City services
- 2) Rate the City as the place to live
- 3) Overall quality of life in the City
- 4) Rating the City as a place to raise children.

For each of these four areas over 60 percent of the residents were satisfied, and 14 percent or less were dissatisfied.

Residents were also asked to rate their satisfaction with major categories of city services, which showed that there were a lot more positive ratings than negatives. He pointed out there were a couple of areas where the dissatisfied ratings were a little lower (maintenance of streets/sidewalks/infrastructure and overall quality of economic development), but for the other 13 services 16% or less residents were dissatisfied.

Mr. Morado shared another map of the City where the survey results were broken down by Census block groups and the reason for this was to see if the residents in different parts of the City would rate the services differently. The results showed that residents in most parts of the City were satisfied with the overall quality of services and although there were no dissatisfied areas, there were a couple areas that had an average neutral rating. They found that the overall satisfaction rating in High Point are higher than both the regional and national averages in a lot of the areas that were rated.

He noted one that stuck out to him was the “*customer service received from city employees*” of which 75% of High Point residents were satisfied, which is 16% above the regional average and 19% above the US average. Comparisons on “*public safety and emergency services*” showed that High Point rated significantly above the regional average. He reported that “*customer service*” was probably the strongest area overall. The top three areas were: 1) how courteous and polite High Point employees were; 2) employees giving accurate and complete answers to questions; and 3) timely follow-up to resident questions. Mr. Moran shared that in all three of these areas High Point rated at least 20 percent above the regional and US average. He also shared the comparisons for “*city maintenance*” that identified a couple of areas significantly above the US average (adequacy of street lighting; maintenance of sidewalks). One area that was rated below was the condition of the maintenance of major city streets and then the condition and maintenance of neighborhood streets was pretty much right at the regional and US average (slightly above). The Parks and Recreation comparisons showed one area significantly above the US average, one below. In code enforcement, High Point rated significantly above the regional average in two out of three areas: enforcement of sign regulations and clean-up of debris on private property. He noted another one of the stronger areas identified was utility services and High Point rated above the regional average in three out of four areas. In particular curbside recycling, 82% satisfaction rating for High Point, which is 22% above the regional average and 10% above the US average.

Mr. Morado noted the baseline results in 2000 of the overall satisfaction show that the results have changed for both High Point and the US average over the years the surveys have been conducted. He noted that for each of the five years the survey has been done, High Point has outperformed the US average and the City has done a great job over the years in continuing to provide great services.

ETC also looked at some of the short-term and long-term trends and shared some short term increases since the 2012 survey: increase and efforts to decrease neighborhood drugs and other crimes; taste and odor of drinking water; hours of operations of services provided by the Public Library. Notable decreases were identified in the following areas: overall cultural and recreational opportunities; availability of transportation links; Cities efforts to manage growth; and the availability of elderly and handicap van service. Changes in the long term trends since the first survey was done in 2007 which showed an increase in satisfaction were noted as: maintenance in sidewalks; availability of pedestrian walk ways and sidewalks; condition and maintenance of major city streets; traffic signals and coordination on major city street; and parking and access to the Theatre. Notable long term decreases mentioned were: trash, pick-up removal service (this rating has gone down as it was way above the US and regional average, but is still really good overall); quality of City's government's activities channel; weed, yard waste, brush removal; and city efforts to keep residents informed on local issues.

Mr. Morado reported on the top priorities for investments (importance satisfaction rating). He noted the purpose of this analysis is to help determine what should be the top, overall priorities for improvement. This analysis was based on two questions on the survey: one, How satisfied residents were with City services? And as a follow-up, they asked which services are the most important emphasized for the next two years? He noted there are two areas that stand out above the others. The top overall priority was the quality of economic development (this ranked last in terms of satisfaction).

Council Member Alexander pointed out that 406 people completed the survey. He asked Mr. Morado to help Council understand what 406 people think economic development is because it is a nebulous concept and there is a difference of opinion when it comes to the definition. It might be more industry, more retail. He asked Mr. Morado how he would define economic development. Mr. Morado moved ahead to a slide which showed that residents were asked about their most important reasons for them to decide to live in High Point, with a follow-up question asking them if their needs are being met.

He noted some of the areas showing the lowest amount of needs being met were: access to quality shopping; employment opportunities; public transportation and those areas that went down some from the previous survey. The other question where residents were asked to rate the importance of various city issues with the top three ones being: provide incentives to attract and retain businesses; provide incentives to attract fulltime private sector jobs; and provide incentives to attract and retain retail development. He felt these were the areas that people were thinking of when they responded to that question. Council Member Alexander pointed out that 97% of the people that responded thought High Point was doing a good job in providing incentives to attract business, but gave low ratings on economic development. Mr. Morado explained that 68% of

those that responded felt that it was very important to provide incentives and attract and retain businesses.

The second overall highest priority was maintenance of streets and sidewalks/infrastructure. Residents rated this really high with economic development as the most important to emphasize over the next two years and then ranked it fourth out of fifteen items in the satisfaction rating. He noted there were three things that stood out from the group as the highest priorities: efforts to ensure community preparedness (third most important item, but rated last in satisfaction rating); efforts to reduce neighborhood drugs and other crimes (rated as the most important item to emphasize over the next two years, but ranked 9th out of 14th in terms of satisfaction); then the third highest priority was visibility of police in neighborhoods (rated 2nd in importance and 13 out of 14 in satisfaction). Ratings for neighborhood services: the three that stand out as the highest priorities are enforcement and removal of dilapidated housing; enforcing repairs of substandard housing; city efforts in managing and planning for growth. Ratings for transportation/roadway services, three that stand out are condition and maintenance of major city streets; availability of pedestrian walkways and sidewalks; availability of public transportation services. Ratings for environmental and utility services: value received for electric utility rates; and the value received for water/wastewater utility rates. Ratings for Cultural/Recreational Services: the three that stand out as a top priorities were the parks and recreation programs; special events and festivals in the city; and then the availability of walking and biking trails in the city.

The residents were asked to rate the importance of various reasons why they decided to live in High Point: most important reason was safety and security; quality of healthcare; quality housing; types of housing; access to quality shopping; sense of community. The residents were then asked how well their needs are being met: accessibility to airport and other communities; quality of healthcare; proximity of family and friends; types and quality of housing. He reported some of the areas where the lowest of their needs are being met: access to quality shopping; employment opportunities; public transportation; opportunities and resources for senior citizens.

Mr. Morado noted the residents were then asked to rate the importance of various City issues. The four that stand out as most important: incentives to attract or retain business; finding incentives to attract full-time, private sector jobs; providing incentives to attract retail development; and the future well-being of the furniture market.

In summary, overall Mr. Morado reported that the residents generally have a positive perception of the City and are very satisfied with the quality of services compared to other communities. He reiterated that the trends are down a bit from 2012, but still up from the first survey, still above the US average in most areas with the top overall priorities to improve on in the next two years: quality of economic development and the maintenance of streets/sidewalks and infrastructure.

At this time, Mr. Morado entertained questions.

Council Member C. Davis asked Mr. Morado to clarify the number of surveys sent out. He confirmed that 406 surveys were returned; the surveys were mailed to 1,200 residents, which resulted in a 33% response rate, which was really good. The average response rate is close to

20%. Council Member Alexander commented on the 5 percent range and it looked like High Point was within that range. He asked if this would indicate that over time, it shows that the residents are gaining confidence that the credibility of the survey is accurate because High Point is within the margin of error. Mr. Morado acknowledged the results do show consistency over the years.

Mayor Pro Tem J. Davis remarked on how the overall satisfaction Parks and Recreation facilities went down and noted the cities that are comparable to High Point have six to eight parks while the City of High Point has between 45-50 parks, two public golf courses, and two marinas. He did not think the satisfaction would be because High Point does not provide the facilities and felt it more than likely has to do with communication and that people do not realize the city offers these facilities. Council Member Golden agreed with this comment and asked Mr. Morado if he noticed a variance in the responses from the lower income people compared to the median income people. Mr. Morado confirmed that they did track this and asked demographical questions (i.e. age, gender, race ethnicity, income) so they always make sure these results are comparable to the actual demographics of the city. He explained they could do some cross-tabular analysis to see if the results are different among different income level or ages or ethnicities. Mayor Pro Tem J. Davis shared that he often gets asked about the location of recreational facilities such as the Tennis Center, Oak Hollow Campground, etc.... and questioned if the city was just not communicating well that the city offers these types of facilities and the facilities are located.

Council Member C. Davis expressed concerns that the total population being between 105,000-110,000 and the number of surveys that went out versus the number that came back. Mr. Morado explained that the margin of error for the 400 surveys and the 95 percent low competence plus or minus the 4.9 percent. He also explained that the population does not have an impact on it at all; it is just based on the number of responses. He noted that there is obviously some margin of error, but overall it is very accurate. He further explained that nationwide polls that are conducted are based on at the most 2,000 surveys and the clarified that the 400 that High Point received back was easily a large enough number to be accurate. He noted that you could always decrease that margin of error by doing more surveys, but the cost of adding more surveys but it would only decrease the margin of error very little.

Mr. Morado reiterated that they mailed the surveys to 1,200 residents, then ten days later they follow up by a phone call. Council Member Alexander asked if the 1,200 were chosen randomly based on the criteria of where they are in the City. Mr. Morado confirmed that it was randomly generated by a list brokerage firm and the president of that company randomly selects the residents (by a list of mailing addresses by using a random number generator) to receive the survey.

Mr. Demko reported that part of these survey results will be used as part of the budget. He expressed appreciation to Mr. Morado for his work. Council Member Alexander inquired about what the City spent on the survey. Mr. Olmedo replied it was a little over \$12,000. Council Member Alexander then asked about the cost if the survey size was doubled and what the confidence level would be. Mr. Morado noted it would probably be about \$20,000 and at 800 it would be +/- 3.4%. He pointed out there would be a lot more cost only to increase the margin of

error essential by 1.5%. He explained the only reason to do this would be if the City desires to do a sub-analysis and look at the results by age, ethnicity, etc.... The surveys were only mailed out to residents, no businesses.

Mr. Olmedo noted that the survey would be available for everyone to view in Dropbox.

(2) Budget Calendar

Mr. Demko began with a proposed calendar for budget development in the next year. He remarked this is a fairly big commitment of time for the City Council. He also mentioned that he is looking for an opportunity to spend additional time, possibly up to two extra days a month (two hours for each of those days) to learn about the quality of services and issues that are there and noted there are several that will require policy decisions.

Council Member Alexander asked Mr. Demko why he chose off-Council meeting weeks because this was a deal buster for him due to his work schedule. He recommended the meetings be scheduled the weeks that Council meets. Mayor Bencini also felt this would be helpful. Mr. Demko noted the schedule could be shifted and he wanted to see how much awareness Council wanted to have when it was time to make final calls on the level of service to approve the budget.

Council Member C. Davis inquired as to why there were no meetings listed in the month of April. Mr. Olmedo commented that this was so the budget staff and the departmental staff would have time to finalize everything according to Council's feedback and noted there are a lot of decisions made that have a ripple effect on the budget. Mr. Demko explained he would also like to do a cost recovery analysis for services and review policy decisions and this information would be beneficial and give him direction on how to prepare the budget.

Mayor Bencini felt it was a great idea, but suggested that consideration be given to having these meetings on the same Monday that Council already meets. Council Member Alexander noted that Monday might not be the best day, but suggested the meetings be scheduled sometime during the week that Council meets. Mr. Demko explained he did not choose Mondays due to the substantial amount of necessary briefings already scheduled. Mayor Bencini preferred Mondays or Fridays. Mayor Pro Tem J. Davis preferred afternoon meetings during Council weeks. Council Member Golden preferred evening meetings on Thursdays, but he would have a problem with every other Friday due to his work schedule. Mr. Demko asked if 3:00 p.m. – 5:00 p.m. during Council weeks would work.

Mr. Demko reported that he anticipates some pretty significant decisions that Council will have to make and mentioned the mini workshop with Meridith Powell and noted that on March 30th Council would be meeting to take that information to build a plan for the future on how to move the community forward with the issues that we have. Council Member C. Davis asked if Ms. Powell is a strategic planner or a life coach-motivational speaker. Mr. Demko replied that being a strategic planner is part of her services that she provides to clients. Council Member C. Davis noted that what she took away from the meeting was more personnel centered than it was on City centered activities and prioritizing what we want to do in regards to the City itself. Council Member C. Davis stated she walked away with most of it being about staff and interjecting with

staff and some community input in regards to public relations than making our priority list of the top five things that we want to achieve.

Council Member Ewing asked if the March 30th date was locked down and mentioned this was Easter break. Mr. Demko replied that it was. Council Member Williams explained if the date has to be moved, his schedule would not work moving it to April due to the Furniture Market, and evening meetings work better for him. Council Member Alexander asked if it might be possible to move it up to the week of March 21st, which is a Council week. Mayor Pro Tem J. Davis mentioned in the past that Council has sometime had the retreats on Saturday mornings from 8:00 a.m. – 12:00 p.m. and he thought this schedule worked well. Mayor Bencini suggested Saturday, March 19th; several expressed this date would not work for them.

Mr. Demko noted he was looking for a block of about 6 hours for this meeting. Mayor Bencini asked if anyone had a problem doing it from 3:00 p.m. to 9:00 p.m. on a weeknight. No one voiced any objections. Council Member Alexander asked that it be scheduled during Council week. Mr. Demko noted he would shoot for the week of March 21st and noted staff would also work on revising the Budget Review schedule and he would follow up with Council on the dates.

Purchasing / Policy / Practices

Jeff Moore, Director of Financial Services, provided an update for Council on the Purchasing Policies and Procedures changes that is on this evening's agenda. He explained this culminates a year's effort of various members of his team as well as the Transit staff. He noted in the past, these revisions had been made at the administrative level because the State provides authority to the cities to contract; it is an extension of the city manager's policy as an employee of Council and he/she has always been the one to make the procedural changes, types of forms used, etc.... He pointed out nothing has changed at the State level, but due to changes in various programs such as the Community Development Program require special affirmations in what they are doing by the way of procedures with regards to purchasing, bidding, contracting.

He reported when this first started in 2014, the Federal Transit Administration was one of the first agencies to get on board and since then it has now gone from the administrative side and has actually been codified in the Code of Federal Regulations (Uniform Grants Guidance, also known as the "Super Circular"). He explained this simplifies the various office of management budget circulars that govern cost principles, purchasing, procedure and takes documentation to a whole new level. He advised that High Point has for years been working to simplify the bureaucratic process, eliminate forms, eliminate red tape and this is taking it to a whole new level, particularly with the FTA and the Housing and Urban Development. Following the findings that the City received at the conclusion of the FTA's review in 2014, Mr. Moore stated that staff started the work on this and completed it by breaking the policies and procedures up to the City in general where there are statutory guidelines, and then implemented a more restrictive policy.

Mr. Moore referenced his handout and explained staff has created a City or general policy procedure, a checklist that provides or references the federally funding in additional to what the City does. He pointed out of the 114 pages in the document procedures, approximately 50 of them relate to transit and their special forms and procedures. He advised this would eliminate

and get the City out from underneath the FTA's review umbrella at least for these findings. He noted that hot links are provided in the document for the respective websites that will direct them to the current regulations in the event that those change more frequently than this document. He reported because of the FTA and HUD, this will now require an annual review of staff and Council would see this once a year.

Council Member Alexander asked how our vendors would receive this. Mr. Moore responded that this really has nothing to do with our vendors; it is strictly an internal procedure for staff to get this information to Council. He further explained that this codifies things like the Code of Ethics Policy, Conflicts of Interest, local buying preferences, spells out the statutory authority, and provides the limits/thresholds of what departments can do and when purchasing needs to get involved, and sets out the approval process.

Mr. Moore regretted that Council did not have a whole lot of time to digest this information, but explained that Council needs to approve these procedures tonight because the FTA will be coming back a year earlier because they want to see compliance with those recommendations. Mr. Moore mentioned the next revision will be codification of the Housing Urban Development's Appendix. He explained staff was not introducing anything new in these purchasing policies that Council is not already familiar with. He added that this does delegate some additional authority to some departments raising their ability to purchase from \$1,000 to \$5,000 which will significantly address the workload issue, as well as speed up the process for departments to get what they need.

Mayor Pro Tem J. Davis inquired about the history behind how the manager was given the authority to approve up to \$90,000. Mr. Moore replied that when he first came to High Point, the authority was set at \$30,000 (which was reflective of the state statutes in the 70s and High Point's Code of Ordinances had not been updated and he brought this to the managers/mayor's attention that it needed to be updated to make it reflective of the State Statutes). He further explained that \$90,000 is the general threshold for the informal process pursuant to State Statute. He advised that a number of communities across the State have additional legislation where the Council has delegated that authority to the manager at much higher levels, but the High Point City Council has been very conservative at allowing the manager the authority to approve up to \$90,000.

Council Member C. Davis remarked on the chart and asked if there was not a limit per day and if this would change as well. Mr. Moore advised this does not change anything with the procurement limits; these are for purchases with requisitions and purchase orders and basically defines small purchases at less than \$5,000. Mr. Demko added that instead of going through four levels of signatures, it actually drops it down to two.

There being no further discussion, the meeting adjourned at 5:11 p.m. upon motion duly made and seconded.

Respectfully Submitted,

Maria A. Smith
Deputy City Clerk