



**HIGH POINT CITY COUNCIL
SPECIAL MEETING
(PRESENTATION OF THE PROPOSED FY 2016-2017 BUDGET)
HIGH POINT MUNICIPAL BUILDING
MAY 11, 2016 – 4:30 P.M.
3RD FLOOR LOBBY CONFERENCE ROOM**

MINUTES

Present:

Mayor Bill Bencini; and Council Members Cynthia Davis (At-Large); Latimer Alexander (At-Large); Chris Williams (Ward 2); Alyce Hill (Ward 3); Jay Wagner (Ward 4); James Davis (Ward 5; and Jason Ewing (Ward 6)

Absent:

Mayor Pro Tem Golden (Ward 1)

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; JoAnne Carlyle, City Attorney; Angela Kirkwood, Human Resources Director; Eric Olmedo, Budget & Performance Manager; Laura Altizer, Senior Budget Analyst; Roslyn McNeil, Budget Analyst; Jeron Hollis, Communications & Public Engagement Director; Loren Hill, Economic Development Director; Jeff Moore, Director of Financial Services; Tommy Reid, Fire Chief; Glenda Barnes, Public Services Analyst; and Lisa Vierling, City Clerk

Others Presents:

Ralph Rodland, Caring Services

News Media:

Pat Kimbrough, High Point Enterprise

Note: The following handouts that were distributed during this meeting will be attached as a permanent part of these proceedings:

- City of High Point; Outside Agency Funding Requests; FY 2016-2017

Presentation of the FY 2016-2017 Proposed Budget

City Manager Greg Demko expressed pleasure in presenting the Proposed FY 2016-2017 Budget. He advised that the public hearing on the proposed budget has been scheduled for Monday, May 16th and he would be reviewing the budget calendar at the end of this

presentation. Mr. Demko noted the budget incorporates all the work that has been done since January as a result of the on-going budget review sessions with Council highlighting the different departments. Mr. Demko announced that the budget is balanced and meets all statutory requirements.

*He then reviewed some of the **Policy Goals** that were established with this proposed budget:*

- Current service levels have been maintained
- Prior year priorities remain funded
- Additional Council priorities have been added to the proposed budget (as a result of the Strategic Planning Session)

Revenue Policy Changes in this proposed budget include:

- Property Tax Rate Decrease of .25 cents
 - From .65 cents to .6475 cents
 - Completes Solid Waste transition to Enterprise Fund
 - Prior planned decrease adjusted to recognize impact of unintended consequence of sales tax loss
- Solid Waste Fee Increase of \$3.00
 - From \$11/month to \$14/month
- Municipal Vehicle Fee increase
 - From \$5 to \$20 annually
 - (also funds an additional \$300,000 for street improvements)
- Implement Business Registration Program
 - \$25 Annual Fee
 - Restore information of former Business License Program
- Increase Water and Sewer Rates 4% effective October 1, 2016
 - Continues long range financial strategy to fund needed water and sewer system improvements
- Increase Stormwater ERU fee \$1/month
 - From \$3 to \$4/month
 - Allows issuance of \$21 million in revenue bonds to fund capital projects over the next 5 years, including.....
 - ✓ Jacobs Place- \$3.3 million
 - ✓ Hamilton Street- \$1.57 million
 - ✓ Rockford/Rotary/Farris- \$400,000
 - ✓ Kensington/Country Club/Dovershire- \$1.54 million
 - ✓ Ray Street/Hospital area- \$14.34 million

Mr. Demko explained this was the completion of a plan that was done in 2007 where only a partial amount of money was borrowed to do the known projects at that time. He pointed out staff continues to hear from the community and Council on these stormwater projects, so they have been included in the proposed budget.

The Proposed FY 2016-2016 Budget also includes the following:

- \$500,000 funding for Core City Redevelopment Programs (adds to the \$500,000 appropriated in FY 2016)
- Forward High Point appropriation- \$250,000 (offset by reduction of current cost of \$125,000)
- Continuation of Countywide EDC Agreement- \$100,000
- Continuation of the Façade Grant Program- \$50,000
- Lease purchase of three Fire Department apparatus- \$2 million
- Replaces \$5.275 million in vehicles and large equipment (\$3.275 million in cash funding, \$2 million in lease purchase)
- Adds three additional leaf collection vehicles
- Increases annual street resurfacing funding from \$1.925 million to \$2.315 million
- Adds Wi-Fi at Southside, Morehead and Washington Terrace Recreation Centers- \$38,000
- 2017 Employee Pay for Performance Program- 0% to 4% increase, based on merit (General Fund \$1.2 million; Water/Sewer \$138,000; Electric Fund \$68,000; Other Funds \$59,000). No COLA is included in the proposed budget.
- Application for Federal COPS Grant (if successful, it will add eight grant funded police officers positions (grant award outcome will be known in September). Mr. Demko pointed out there is a need for these additional officers based on call volumes, which equates to about 16 officers. Proposing eight this year and eight in another year, using grant funding to transition monies for the city. He noted there is a need to drive growth and more values to be able to afford to do this once the grants come off.
- Adds \$100,000 for Neighborhood Traffic Calming Devices. Council Member C. Davis asked if this would be for Rotary Drive. Mr. McCaslin explained that it is not earmarked for any one specific project at this time; that it would be up to the Prosperity & Livability Committee to come up with a recommendation for a policy to implement it.
- Expanded Transit Service- \$600,000 (\$480,000 Federal Grant, \$120,000 City match)
- Funds one additional transit bus- \$560,000 (\$504,000 Federal Grant, \$28,000 State Grant, \$28,000 City match)

*Mr. Demko advised that the city has started to use an increased amount of cash in **Pay-As-You-Go projects**- it funds over \$29 million in **Pay-As-You-Go** projects as compared to approximately \$24.5 million from the prior year.*

Council Member J. Davis asked who would be administering the Façade Grants. Mr. Demko explained this would come under Assistant City Manager Randy Hemann's administration and would be done in partnership with Forward High Point with Mike McNair involved. He shared that how it would be defined and how the process works is still to be determined.

Council Member J. Davis asked if staff could explain how the sales tax was affected by reducing the property taxes. Mr. Demko replied in North Carolina, sales tax is distributed on an ad-valorem basis (the property values times the tax rate) and it is distributed based on that percentage to all the taxing entities/authorities within the county. He noted there is a statutory limitation of no more than \$1.50 on the total property taxes that can be billed in North Carolina.

Council Member Alexander asked where the budget can be viewed. Eric Olmedo, Budget & Performance Manager explained a copy is available in the City Clerk's Office at City Hall; a copy at the Library and on-line on the city's website as well.

Council Member C. Davis reported that she mentioned some concerns during the Finance Committee meeting held just prior to this meeting about the public hearing on the budget being scheduled for Monday, May 16th at 5:30 p.m. She felt this was not enough time for the citizens to go through and review the budget and formulate questions and/or concerns by Monday. She suggested that Council hold a special called meeting on Monday, May 30th and have the public comment session at 5:30 p.m. then to allow them more time to review and inspect the budget. It was noted that May 30th was Memorial Day.

At this time, Mr. Demko reviewed the next steps in the budget process:

- Monday, May 16th- Budget Public Hearing at regularly scheduled Council Meeting at 5:30 p.m.
- Wednesday, May 18th- Friday, May 20th 3:00 p.m. – 5:00 p.m. Special Meetings of City Council as needed
- Monday, June 6th- Council consideration/adoption of the FY 2016-2017 Budget at regularly scheduled City Council Meeting

Council Member C. Davis felt these meetings were all well and good but didn't change the fact that the citizens would not have adequate time to review the budget before having an opportunity to comment on it. She reminded Council that citizens show up to the meetings, but are not allowed an opportunity to speak. She suggested possibly having a public comment session on Tuesday, May 31st since Monday, May 30th was a holiday.

Council Member Alexander then **MOVED TO ALLOW PUBLIC COMMENT AT THE MEETING FOR WEDNESDAY, MAY 18TH; THURSDAY, MAY 19TH AND FRIDAY, MAY 20TH.**

Mayor Bencini pointed out those meetings may not happen because they are scheduled "as needed."

Following a brief discussion on when to schedule the public comment on the budget, **Council Member Alexander amended his motion to SCHEDULE A PUBLIC COMMENT PERIOD ON THURSDAY, MAY 19TH AT 3:00 P.M. Council Member Williams made a second to the motion, which carried by an 8-0 unanimous vote. [Council Member Golden was absent]**

Outside Agency Funding Recommendations

Council Member J. Davis distributed copies of the Finance Committee's recommendation after reviewing the applications for outside agency funding requests last week. He informed Council that the Finance Committee made a unanimous recommendation to approve the funding for those agencies as identified on the attached FY 2016-2017 Outside Agency Funding Request spreadsheet.

Council Member C. Davis mentioned she had an afterthought regarding allocating the \$12,000 to Caring Services for a phone system since Council Member Alexander had suggested that the city possibly look at donating some computers from the city to Mt. Zion Baptist Church since their requested amount was not funded. She noted the telephone service in the 9-1-1 Call Center would soon be upgraded and suggested it might be possible to donate some of those phones to Caring Services, Inc., which would allow the city to retain the \$12,000.

Council Member Alexander stated he was not certain that the type of phone system used in the 9-1-1 Call Center would transfer to an office. Council Member C. Davis asked if there were any other telephone systems in the City Hall that may be compatible. Council Member J. Davis pointed out most of the phones are obsolete. Regarding the computers, Council Member J. Davis mentioned that the city replaces about 200 computers on an annual basis, and it would take a Council decision to make the donation. Mr. Olmedo explained that IT staff would wipe the hard drive clean before giving the computers away, which means it would be left without an operating system which would require them to purchase licenses to be able to use the computers.

Council Member Ewing asked if staff reached out to past recipients to make sure they were aware of the application process for the funding requests. Mr. Olmedo replied that staff did reach out via mail and email to every prior recipient and when staff receives requests during the year, and staff sends them applications also.

At this time, Council Member Alexander MOVED TO APPROVE THE OUTSIDE AGENCY FUNDING REQUESTS FOR FY 2016-2017 AS RECOMMENDED BY THE FINANCE COMMITTEE. Council Member J. Davis MADE A SECOND TO THE MOTION. The motion carried by a 7-1 vote as follows:

Ayes: Mayor Bencini; Council Members Alexander, Williams, Hill, Wagner, J. Davis and Ewing.

Nay: Council Member C. Davis

Absent: Mayor Pro Tem Jeff Golden

Budget Documents

The budget staff distributed the Proposed FY 2016-2017 Budget at this time. Mr. Olmedo thanked the City Council for all the time they committed to during the last six months and thanked the budget staff for their assistance in putting the budget together and expressed appreciation to Mr. Hollis's department for designing the front cover. He explained that although everything is contained in one notebook this year as compared to two notebooks in the past, it does include all the information that has been historically that has been contained in two. He called Council's attention to the 17-page Manager's Message, which is located in the front pocket of the notebook that gives a summary/overview of the budget.

Council Member C. Davis posed a question to the city manager regarding the Strategic Plan that was approved and discussed during the Council Retreat specifically dealing with the Millennials and the baseball complex. She asked if funding for these was incorporated in the 2016-2017 Proposed Budget. Mr. Demko explained these are addressed in the budget, with the millennial

piece being a portion of the Prosperity & Livability Committee and there is a sub-committee that will be working on that. He advised no information is available yet regarding the baseball complex and there is an expectation of receiving the information from the Baseball Task Force sometime around the end of July, so it was premature at this point to put anything in the budget for that.

Mr. Olmedo encouraged questions from Council and asked them to email staff and staff would reply back to all Council Members so everyone would have the same information.

Council Member C. Davis asked if the part-time positions for the High Point CAV were included in the budget. Mr. Demko explained there was not yet a defined program for this yet

Respectfully Submitted,

William S. Bencini, Jr., Mayor

Attest:

Lisa B. Vierling, MMC
City Clerk