

**HIGH POINT CITY COUNCIL
SPECIAL MEETING (RETREAT)
MARCH 31, 2017 – 8:30 A.M.
PARKS & RECREATION ADMIN. OFFICE**

MINUTES

Present:

Mayor Bill Bencini; Mayor Pro Tem Jay Wagner (Ward 4); and Council Members Latimer Alexander (At-Large); Cynthia Davis (At-Large); Jeff Golden (Ward 1); Chris Williams (Ward 2); Alyce Hill (Ward 3); Jim Davis (Ward 5); and Jason Ewing (Ward 6) (arrived at 10:06 a.m.)

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Jeron Hollis, Communications & Public Engagement Director; Eric Olmedo, Budget & Administrative Director; Police Chief Kenneth Shultz; JoAnne Carlyle, City Attorney; and Lisa Vierling, City Clerk

Also Present:

Warren Miller, Consultant with Fountainworks Management Consulting
Judy Stalder, TREBIC

News Media Present:

Pat Kimbrough, *High Point Enterprise*

Note: The following documents were distributed during the meeting and will be attached as a permanent part of these proceedings.

- ✓ Police Department 2017 Crime Update and Budget Proposal
- ✓ Presentation: City of High Point Budget Retreat

The following document was distributed after the Retreat, but will also be attached as a permanent part of these proceedings:

- ✓ High Point City Council Retreat- The Right Questions

Mayor Bencini called the meeting to order at 8:30 a.m.

City Manager Greg Demko provided a summary of the accomplishments/policies/goals since the last Council Retreat that have resulted in some positive energy.

- ✓ Blight (drain on city resources and impact on property values)

- ✓ Embracing Millennials (group is referred to as Connect HP)
- ✓ Building a Foundation for Catalyst Project
- ✓ Completion of Children's Area @ Library
- ✓ Next Phase of Construction soon to begin @ Library
- ✓ Materials Recycling Facility (MRF) Improvements
- ✓ Taking the necessary steps to expand the life of the Landfill
- ✓ Recognition of Economic Development Alliance structure/accomplishments (Our Economic Development team has earned the #1 spot in the State)
- ✓ Community outreach has expanded
- ✓ Parks are being refreshed

Following Mr. Demko's comments, Chief Shultz was recognized and provided an update on the Police Department 2017 Crime and Budget Proposal. Some of the highlights shared were:

7 homicides so far in 2017. One was declared self- defense; arrests have been made in three of the cases and three are currently unsolved. Fourteen total arrests to date. Homicides have been a major stressor on the Police Department. The Police Department continues to have major issues with lack of cooperation and lack of communication from people that do not want to come forward. Some victims have refused to cooperate and share information. Chief Shultz reviewed how cases are resolved (on-site arrest; forensic evidence; arrests made when someone is charged with a crime, then comes forward in attempt to make a deal; cold case grant funding. Across the country, all homicides are not resolved. According to statistics released by the FBI, the overall average is 64%; High Point is at 71%.

Another important point brought forward by Chief Shultz was the accusations from mothers of some of the homicide victims accusing the Police Department of not communicating with them regarding the investigation. He explained that the Police Department has to be careful as to the information that is shared because it could jeopardize the on-going investigation. He encouraged everyone to share and pass along information.

In an effort to counter the communication problem, the Chief shared that residents can participate in HPCAV meetings as well as neighborhood watch meetings; ride-a-long programs; coffee with a cop programs, etc.....

Heroin Stats 2014-To date. The Chief reported that heroin is another big driver in the city's crime and pointed out that it is linked with the violence. (458 total overdoses; 257 non-citizens vs. 201 citizens; 33 deaths). The Police Department is now in partnership with Guilford County EMS and will assist in rotating the Narcan.

The Chief advised that the data shows that the core area of East Central High Point continues to be a driver in major crime and plans are to assign the eight new police officers to this area to take care of some of the overlap.

Council Member Alexander inquired about coordination between the different city departments in these high crime areas. Chief Shultz stated that when the Police Department gets complaints in these areas, they send a letter to the property owner as a formal notice that the property is being

used in such a manner that it greatly concerns the surrounding community and the High Point Police Department and it identifies activities that have been reported.

Assistant City Manager Randy Hemann reported that the city has aggressively stepped up the code enforcement efforts in these areas and anytime staff gets input from the Police Department, they act on it immediately. Chief Shultz shared the Police Department does enjoy strong partnerships with Parks & Recreation, Streets Department, Electric Department and does work close with the Inspections Department. Council Member Alexander suggested that it would be helpful to identify non-compliant property owners. Council Member J. Davis pointed out a missing piece to this is that as a rule, court systems favor the tenants. Mr. Demko explained this is why the receivership legislation is so important.

Regarding staffing issues within the Police Department, the Chief explained that it takes about three months for the hiring process and then another nine months for the training. The Chief is proposing the following new positions in the upcoming 2017-2018 budget:

- ✓ Crime Analyst position to serve as back-up
- ✓ 8 new sworn officer positions
- ✓ Upgrade for a new lieutenant position to serve as Community Outreach Supervisor- Public Information Officer

Chief Shultz advised that all the media requests are putting a strain on the department's time. Deputy City Manager Randy McCaslin pointed out many of the reserve officers are retiring out, so police officers are taken off the street to work special events and this adversely affects the overtime. He explained that the people holding the events do not want to pay for officers and he noted that this is a policy decision for Council to make a determination on. This will be brought up for discussion by Council on May 4th.

Also included in the proposed budget for the Police Department is consideration of funding for the Family Justice Center. The Chief reported that the Guilford County Commissioners did agree to put it in committee for evaluation and they are looking at possibly providing the building with the city covering the costs for refurbishing and the up fit (estimated at \$500,000).

Citizen Survey Priorities

Eric Olmedo, Budget & Administrative Director, provided an overview of the Citizen Survey Priorities as follows:

- ✓ Public Safety
 - Efforts to reduce neighborhood drugs/prostitution
 - Visibility of Police in neighborhoods
 - Efforts to ensure community preparedness
- ✓ Neighborhood Services
 - Removal of dilapidated housing
 - Repair of substandard housing
 - City's efforts to manage growth

- Clean up of junk cars/debris on private property
- ✓ Transportation and Roadway Services
 - Condition/maintenance of major city streets
 - Availability of pedestrian walkways/sidewalks
 - Condition /maintenance of neighborhood streets
 - Adequacy of city street lighting
- ✓ Environmental and Utility Services
 - Value received for electrical utility rates
 - Value received for water/wastewater utility rates
 - Taste/odor of drinking water
- ✓ Cultural and Recreation Services
 - Recreation centers/programs for adults and seniors
 - Receiving info on parks and rec programs
 - Special events and festivals in the city
 - Availability of walking/biking trails in the city
- ✓ Long Term Goal
 - Increase the population of active, engaged, and entrepreneurial millennials living in High Point by 25%
- ✓ Short Term Goal
 - Create a process that will determine both the current number of active, engaged, and entrepreneurial millennials that High Point has, and develop a needs assessment on what we have to do both to attract and retain them.
 - Established Millennial Task Force comprised of young professionals representing diverse experiences across a number of industries
 - The task force serves as a liaison for High Point's young professional community by providing a platform for discussion, feedback and idea exchange on how to effectively engage this influential demographic
 - The task force will work with existing organizations and community partners to elevate opportunities to engage more young professionals in the greater High Point area

Connect HP accomplishments were reported as follows:

- ✓ Held "Plant the Greenway" event covering ¼ mile near the Museum on Sunday, October 16, 2016
- ✓ Held Young Professionals Summit November 17, 2016 (150 attendees)
- ✓ Will host a "Yoga Day" in conjunction with the Farmers Market at the Library on April 22, 2017
- ✓ Created an e-newsletter with distribution list of 700 young professionals
- ✓ Gained admin rights to Facebook page for Young Professionals

- ✓ Taped episode of Triad Today, which will be aired tomorrow
- ✓ Adopted Mission and Vision statements
 - Mission: To connect and engage young professionals in the growth and development of the City of High Point to attract and retain active, entrepreneurial and working young professionals through four focus areas: live, work, play and serve.
 - Vision: To help make High Point a supportive and desirable community for young professionals to live, work, play and serve.
 - Goal: To change the conversation about High Point.

Catalyst Project

Long Term Goal:

- ✓ Create a downtown catalyst project that produces:
 - 500 private sector jobs
 - 15-20 new restaurants and shops
 - 250 additional residential housing units
 - A centralized gathering place

Short Term Goal:

- ✓ Receive Sports and Entertainment Facility report- accept and approve, determine ownership and financing- and direct implementation

Mr. Hemann advised it is anticipated that the buildout for this project would be 2020 and reported they would be presenting more detailed information at Monday's meeting.

Minimum Housing Complaints (Blight)& Public Nuisance Complaints

Long Term Goal:

- ✓ 100% proactive enforcement of codes'

Short Term Goal:

- ✓ Achieve 1:1 ratio of residential complaints to proactive staff action

Mr. Olmedo then shared the stats for the confirmed Minimum Housing Complaints. There have been a total of 355 cases from August 2015 to February 2017 (citizen initiated 177 (50%); staff initiated 178 (50%). The public nuisance complaints follow about the same trend. There have been a total of 1,903 public nuisance complaints during this time period (citizen initiated 844 (44%); staff initiated 1,059 (56%). He reported one of the factors driving these numbers is that the presence of staff in the community which results in initiation of more cases.

Demolition Cases

There have been 124 total cases for this time period (citizen initiated 1 (1%); staff initiated 123 (99%)). Mr. Olmedo shared a map identifying the concentration areas and pointed out staff is focusing on the areas identified in the Market Segmentation Study. He also noted there are similar maps of the police/fire calls and the similarities of these calls compared to the code enforcement activity.

At this time, Mr. Demko introduced Warren Miller, who will be facilitating the next session on how Council wants to approach future goals/services/strategies. He asked the City Council if they would like to continue focusing on the three strategies that were identified during last year's retreat. Council Member Alexander noted that many residents were dissatisfied with the results of the recent property tax revaluation by Guilford County and the lack of growth in the property values. He stressed the importance of coming up with ways to increase property values in High Point to get the tax rate down. Council Member J. Davis shared that he has heard the opposite because what he has been hearing is that North High Point had the highest increase in property values (8%) across the city.

The Mayor felt there is some merit to raising the values in the Core. He shared some indicators that prove the city is headed in the right direction:

1. The strategic objectives/goals that were adopted were implemented and not put on a shelf, which has resulted in much progress in all three areas.
2. Many comments have been made that the city seems to be energized and moving in a positive direction.

He did not feel a change is needed at this point and entertained a motion at this time to reaffirm these strategic objectives already identified.

Council Member Alexander moved to reaffirm these goals/priorities. Council Member Wagner made a second to the motion.

For further discussion, Council Member C. Davis stated that she has no problem with the three priorities/goals that have been established, but expressed disappointment in the way the city will go about funding these with added costs to the taxpayers in order to achieve these goals.

There being no further discussion, the Mayor called for a vote on the motion to reaffirm the goals/priorities. **The motion carried UNANIMOUSLY. [9-0 vote]**

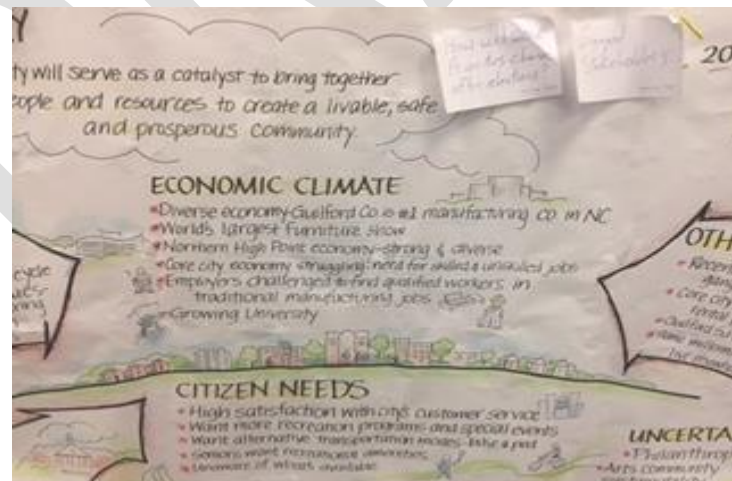
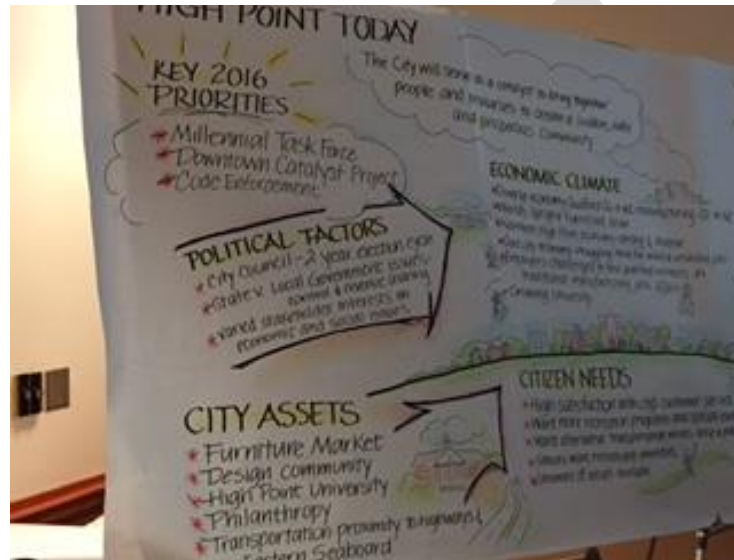
Goals/Priorities

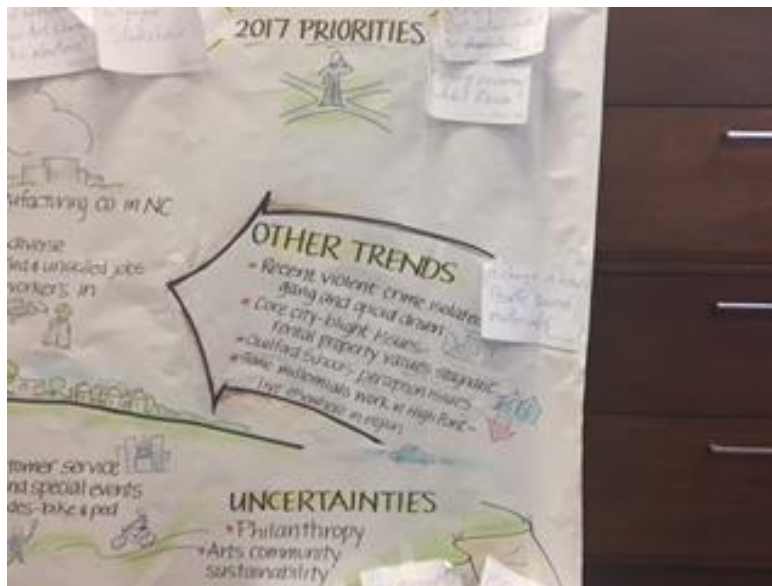
At this time, Warren Miller with Fountainworks Management Consulting asked if there were any additional priorities that Council would like to put forth in 2017/2018 or to add to the 2016 priorities that reaffirmed earlier. He proceeded to review the 2016 priorities and the city's Mission/Vision statement. He shared some points to ponder might include key issues that are

having an impact on the work that is being done; the citizen's needs; key assets; uncertainties, etc.... Questions posed to Council to consider when making recommendations were:

- ✓ Will it have long term impact?
- ✓ Will it differentiate High Point from other cities?
- ✓ Will it have a positive impact for city as a whole?
- ✓ Is it realistic and achievable?

For a visual impact, with staff's assistance, Mr. Miller created the following charts.





Mr. Miller asked Council to share additional suggestions they would like to see added to the list. The suggestions identified were reduced to the following ten:

1. How can city engage citizens in crime prevention/solving crime?
2. How do we plan for and build around our catalyst project?
3. How can we strengthen the furniture market and other furniture trades?
4. How can we work with anchor institutions to enhance connection with city?
5. What does the city look like in 10-20 years? What planning process is needed?
6. How can we drive more job creation to the Core City and get more participation in filling Core City jobs?
7. Employment for returning felons? Economic Development?
8. How can we utilize technology to communicate?
9. What can we do to put human activity in empty buildings? (reuse of buildings)
10. How do we address underperforming schools?

Other dialogue centered around political factors such as a two-year election cycle and the State versus Local government issues, control over issues, revenue sharing, varied stakeholder interests, social issues, etc.... Another element that was brought into the mix by Council Member J. Davis and briefly discussed was a lack of communication. Some felt the city does a poor job in communicating information because many residents do not seem to be aware of the happenings in the city. A suggestion that was made to increase communication was an activity app that could be accessed by residents. Mr. Olmedo pointed out the city does have an app that is updated highlighting the happenings in High Point. Council Member Golden suggested that it

is problematic that the city has not advertised the availability of the app to the public, which goes back to the lack of communication mentioned earlier.

Regarding the election cycle, Council Member Alexander pointed out it seems to be problematic that the city has two-year election cycles with concurrent terms. He challenged Council to consider going to a four-year staggered term election cycle and felt this would give city government more stability and continuity. He also issued a challenge to the various groups/organizations to attend and be more vocal at the public hearings on the budget.

Council Member C. Davis stressed the huge need for a bigger Police Department and Senior Center and shared that affordability is a big issue for many in the city (i.e. water, sewer, electric rates continue to rise) and they want to see the cost of living go down in High Point.

Some of the City's assets were identified as follows:

- ✓ Furniture Market
- ✓ Design Community
- ✓ High Point University
- ✓ Philanthropy
- ✓ Transportation (proximity to highways and eastern seaboard)

Some of the Uncertainties identified were:

- ✓ Philanthropy
- ✓ Arts Community
- ✓ Sustainability

Council Member C. Davis pointed out the city's tax exempt status on bonds could be called into question and cautioned overspending. Council Member Golden shared that the CDBG funding is also in jeopardy. Another concern voiced by Council Member Alexander was how the changes in technology would affect delivery of city services.

Each Council Member was asked to select his/her top two choices in order of priority by voting for three on the list of ten. The results were as follows:

1. How do we address underperforming schools?
2. How do we plan for and build around our catalyst project?
3. How can we utilize technology to communicate? (received same number of points as #4)
4. What does the city look like in 10-20 years? What planning process is needed? (received same number of points as #3)

Council Member Golden felt the catalyst project was a staff thing, not Councils. Mayor Pro Tem Wagner explained there would be some planning required to add revitalization and activity on the street. He noted it was all about the development around the catalyst project and stressed it was important to be careful to create the right atmosphere for on-going human activity downtown.

Major Initiatives

Mr. Olmedo reported on the following Major Initiatives for FY 2017:

- ✓ Current municipal vehicle fee of \$20 annually produces \$1.2 million of the \$2.315 million budgeted for street resurfacing
- ✓ On average, this increased resurfacing of 21 lane miles to 25 lane miles annually (\$90,000 per lane mile)
- ✓ Current stormwater fee of \$4/month will fully fund up to \$20 million in revenue bonds
- ✓ Projects under design include Country Club, Dovershire/Kensington and Hospital/Ray Street area
- ✓ Toter replacement initiative
 - Started in January, replaced 250 carts
 - 480 on order, plan to replace 5,000-6,000 annually
- ✓ Added electronic waste drop off at Ingleside
- ✓ Expanded transit service hours and routes
- ✓ Replacement of three fire apparatus
- ✓ Bank of North Carolina Partnership (infill housing)
 - Built first house at 524 Radford Street
 - Transferred three additional properties (2429 Williams Avenue, 1128 Wayside Street, 1130 Wayside Street) (all of which are now under construction)
 - Anticipate 15-20 additional properties in the following year
- ✓ There is interest in expanding program with additional qualified private partners

2016 Space Needs Study

Deputy City Manager Randy McCaslin shared the results of the 2016 Space Needs Study that was conducted by Creech & Associates, which covered four buildings: City Hall, Police Department Headquarters, Fire Department Headquarters, and Senior Center. Creech & Associates has done a number of these studies in metro areas in North Carolina and are very familiar with municipal operations.

The following three existing community buildings/complexes were evaluated as to suitability for possible use:

- ✓ Oak Hollow Mall, Sears Building
- ✓ Wesleyan School Complex
- ✓ Zaki Oriental Rugs Building

Mr McCaslin reported that the consultants met with management staff, department heads and employees to determine their space needs.

City Hall Building

The current City Hall building consists of 73,652 sq. ft.; deferred maintenance on this building is approximately \$1.3 million +. Creech & Associates made the determination that a 103,777 sq. ft. building is needed to meet the current and future needs over the next ten years. The cost to build a new city hall is estimated at \$31.5 million (not including cost of the land). Estimates are around \$11.1 million for renovations to the existing structure on the current site. A new 2.5 story addition to the north side of the building is estimated at \$10.35 million. They also looked at a new 5.5 story addition of which the first 2.5 stories would be city operations with the upper floors being leased out which is estimated at \$18.15 million.

Council Member C. Davis suggested instead of leasing the upper floor space, to put a restaurant on the first floor and have offices above and this could be an example of what others are being asked to do.

Mr. McCaslin pointed out the mall property was the only property under consideration that could be renovated for city hall operations, which was estimated at \$15.75 million (not including any lease purchase costs). He advised that staff has had some initial conversations with High Point University and they are open to continuous conversations, but nothing has been finalized nor has staff proceeded beyond the initial conversation. Council Member Alexander felt putting the senior center in the mall could revitalize it and Council Member J. Davis agreed there is a lot of opportunity at the mall.

Council Member Alexander felt a big question was how the city could breathe new life into the mall building and asked if the City Hall at its current location has any value that could enhance the furniture industry. Council Member J. Davis mentioned that the previous Council had some discussions about moving city hall and city offices to the mall property. Council Member Golden asked how this would affect any future catalyst project downtown because it would be moving out of an area that the city is trying to develop. Council Member Hill agreed this would be an issue.

Mayor Pro Tem Wagner pointed out that successful cities have their major civic buildings downtown and he felt it would be a huge mistake to move the City Hall from downtown because the perception would be that the city government has abandoned the downtown. Council Member C. Davis asked if any discussions have taken place regarding additional growth at the mall and what it would cost. Council Member Ewing pointed out if there was opportunity for development in and around City Hall, he would agree with Mayor Pro Tem Wagner, but felt that was not the case. Mayor Pro Tem Wagner stated he was not saying City Hall should necessarily remain at the current location and noted that building a new city hall downtown would in and of itself have opportunity to be a catalyst project. Mayor Bencini felt it did not make any sense moving the City Hall farther away from the county government complex.

Mr. McCaslin assured Council that staff has had these same conversations/arguments and stressed this is strictly a policy decision that this Council or the next Council would need to make which would require a lot more discussion.

Police/Fire Department Headquarters

- ✓ Police Department headquarters: currently 30,000 sq. ft.; recommending 83,809 sq. ft.
- ✓ Fire Department headquarters: currently 7,000 sq. ft.; recommending 17,301 sq. ft.

Mr. McCaslin advised that both the police and fire chief have agreed to the possibility of combining the two departments and having a Public Safety Center. He advised that separate construction for the Police Department headquarters would be \$25.5 million based on the need for 83,000 sq. ft.; and an estimated cost of \$5.5 million for the Fire Department headquarters based on 17,301 sq. ft. It was determined that the Zaki building would be suitable with an estimated \$12.3 million in renovation costs and it would also require additional costs for parking. Another option would be the joint mall option at an estimated \$15.5 million for police and fire renovation. The square footage in the Sears building is about 214,000-216,000, which could be adequate for City Hall, Police and Fire Departments.

Senior Center

- ✓ Current square footage: 11,945
- ✓ Recommended new construction: 57,892 sq. ft.
- ✓ New construction cost (not including land): \$17.5 million

Council Member C. Davis asked if any of these would be considered on a bond referendum because she wanted to assure the voters would have a voice in taking on the debt. Mr. McCaslin noted they all more than likely would have to be constructed with general obligation bonds, possibly in 2018 or 2019.

Mayor Pro Tem Wagner asked if the consultants looked at the possibility of converting one of the rec centers into a senior center. Mr. McCaslin advised that they did look at this possibility, but there was nothing suitable. He noted that the Wesleyan complex would work for a senior center and the mall could be made to work, but the Zaki building would not be suitable.

Mr. McCaslin reemphasized that this would be a real policy discussion and major decision for this Council or next Council.

Outside Agency Funding

The Finance Committee met on March 29th and made recommendations for the funding requests. The Finance Committee is asking for further review and affirmation of these recommendations. Chairman J. Davis reported \$712,000 in requests were received and the Finance Committee recommended \$314,000 in funding be approved as follows:

Agency	Recommended Funding
High Point Arts Council	\$100,000
Macedonia	\$16,000
Theatre Arts Gallery	\$31,000
Carl Chavis YMCA	\$25,000
High Point Rowing Club	\$5,000
Pink Cares	\$5,000
Triad Food Pantry	\$20,000
YWCA	\$25,000
Helping Hands	\$20,000
Open Door Ministries	\$20,000
Southwest Renewal Foundation	\$12,500
West End Ministries	\$25,000
Guilford County Schools Swim Program	\$10,000
TOTAL	\$314,500

Council Member Ewing mentioned a discussion that took place a few years ago regarding the Theatre Arts Gallery and asked if staff has looked at the value that the Theatre Arts Gallery receives in utilizing the space at the Theatre. Mr. Olmedo advised that TAG is now required to sign an annual lease for use of the space, but he was not aware of an assessed value being put on the use of the space.

Regarding the Rowing Club funding request, Mr. Olmedo reached out to the CVB and they have been in conversations with the Rowing Club. They encouraged them to pursue a CVB grant because of the impact on the local hospitality industry. Mr. Olmedo advised that staff has notified all agencies of the funding recommendations and informed them of opportunities for them to address Council.

Council Member J. Davis advised that the Finance Committee had a lengthy discussion regarding the Arts Council funding request. Mayor Pro Tem Wagner referenced an email sent to Council by the Arts Council regarding the treatment of their budget. They had requested the following:

1. That their allocation be treated as part of the economic development budget.
2. The other has to do with the mortgage on their building.

Mayor Pro Tem Wagner brought up the discussion by Council in 2013 regarding a challenge grant that ended up being a split vote. He felt it would greatly help the Arts Council for Council to put some money up as part of a challenge grant to assist them in paying off the mortgage on their building and this was something that he would like Council to consider. He noted the Arts Council does provide a good service in the city by contributing to the culture and quality of life. He asked the Mayor to elaborate on the reasons why the Arts Council is funded under the umbrella of economic development in Guilford County. Mayor Bencini explained at the time that change was made there was a fair amount of pressure on all outside agency funding and the

argument was successfully made to the commissioners by other commissioners that the arts were actually economic development drivers.

Council Member Golden recalled that concerns were voiced during the past discussion regarding the ask for an increase by the Arts Council and that they had not done any fundraising on their own. He pointed out they did not raise any money for the city to match. Mayor Pro Tem Wagner recalled the Arts Council was waiting to see what Council was going to do before starting on their capital campaign. The Mayor added that Guilford County did help the Arts Council with their building, but took that action because they thought the City of High Point would be making a contribution, which never happened. Mayor Pro Tem Wagner reiterated his support for Council to possibly do some type of matching grant to help the Arts Council.

Council Member Ewing stated he would be in support of helping them pay off their mortgage, but only if the City of High Point holds title to the building because this limits their ability to leverage the building. Council Members Alexander and J. Davis agreed. Mayor Pro Tem Wagner pointed out the Arts Council just wants to have the interest payment and mortgage payments off their books to free them up to better their programming. Council Member Alexander felt it would be valuable to talk with the Arts Council, but the core issue is whether or not they want to be a programming organization or a fundraising organization. Council Member C. Davis recalled that the conversations have always been to wean the Arts Council off.

Council Member J. Davis went on to say there have been discussions in the past about combining the Arts Council with the Theatre with David Briggs being the executive director of one entity, but nobody expressed an interest in doing that.

Discussion followed about the possible failure of the Arts Council if the funding is further reduced with no assistance in helping them with their mortgage. Council Member Hill felt the question comes down to whether or not it is of value for the city to have arts programs that can reach people that cannot afford them. Council Member Ewing pointed out it was on the board from the previous discussion, but did not make it as one of the top ten priorities. Council Member Alexander reiterated that the Arts Council would have to decide whether or not they want to be a programming or a fundraising organization and suggested it might be worthwhile to have the Arts Council come and talk to the City Council regarding their vision.

At this time, **Mayor Pro Tem Wagner MOVED to confirm the Outside Agency Funding request recommendations from the Finance Committee. Council Member Alexander made a SECOND to the motion, which carried unanimously. [9-0 vote]**

Overview of Property Assessed Value

Mr. Olmedo advised this is a revaluation year for Guilford and Forsyth counties. The preliminary estimates show an increase of 4.5% for Guilford County and a 2.8% increase for Forsyth County. He noted these numbers are subject to change.

Property Tax Assessed Value- History					
	Guilford	Davidson	Randolph	Forsyth	Total
FY 2017	\$8,520,600,707	\$435,072,536	\$49,905,451	\$56,603,152	\$9,062,680,846
FY 2018*	\$8,924,052,588	\$438,423,261	\$50,404,506	\$57,169,184	\$9,471,049,539
\$ Change	\$403,352,881	\$3,350,725	\$499,055	\$1,566,032	\$408,768,693
% Change	4.9%	0.08%	1.00%	2.8%	4.5%
*Preliminary Estimates- subject to change					

Residential Property Assessed Value		
	Residential Property	% CHG
FY 2013	\$4,300,290,483	
FY 2014	\$4,315,429,943	0.35%
FY 2015	\$4,397,388,367**	1.9%
FY 2016	\$4,349,667,380	-1.1%
FY 2017	\$4,362,873,203	0.3%
FY 2018*	\$4,471,945,033	2.8%
*Preliminary Estimates- subject to change		
**Guilford County reclass		

It was noted that much higher increases for assessed residential property values are needed.

Commercial/Industrial/Public Service Assessed Value		
	Comm/Ind. Property	% CHG
FY 2013	\$3,085,671,824	
FY 2014	\$3,247,567,307	5.2%
FY 2015	\$2,976,911,764**	-8.3%
FY 2016	\$3,069,327,865	3.1%
FY 2017	\$3,163,471,051	3.0%
FY 2018*	\$3,438,698,032	8.7%
* Budget Department Estimates- subject to change		
**Guilford County reclass		

Mr. Olmedo explained the decrease here was due to the County taking some of the commercial apartment complex type value out of the commercial real estate putting it into residential.

Business Personal Property		
Assessed Value		
	BP Property	% CHG
FY 2013	\$830,146,235	
FY 2014	\$885,300,328	6.6%
FY 2015	\$851,001,716	-3.9%
FY 2016	\$900,248,632	5.8%
FY 2017	\$911,051,616	1.2%
FY 2018*	\$929,272,648	2.0%
*Budget Department Estimates- subject to change		

Registered Motor Vehicle		
Assessed Value		
	Comm/Ind Property	% CHG
FY 2013	\$671,319,368	
FY 2014	\$604,539,862	-10.0%
FY 2015	\$704,427,069	16.5%
FY 2016	\$687,538,737	2.4%
FY 2017	\$624,884,976	-9.1%
FY 2018*	\$631,133,826	1.0%
* Budget Department Estimates- subject to change		

Mr. Olmedo pointed out property taxes are about 55% of the General Fund budget revenue.

Sales Tax Overview		
	Sales Tax	% CHG
FY 2013	\$15,185,120	
FY 2014	\$15,554,106	2.4%
FY 2015	\$16,050,384	3.2%
FY 2016	\$18,049,042	12.5%
FY 2017*	\$18,500,268	2.5%
FY 2018*	\$18,870,273	2.0%
*Budget Department projections		

Sales tax represents about another 20% of the General Fund budget revenue. Between property tax and sales tax, it is about 80% of the General Fund revenue. Regarding the sales tax overview, Mr. Olmedo pointed out the dramatic impact of the changes the State Legislature made when they broadened the sales tax base.

Due to the importance of sales tax revenue, Council Member Alexander suggested advocating for some type of collection of sales tax on internet goods and services and urged continued discussions with elected leaders to accomplish this.

Utility Sales Tax Overview		
	Sales Tax	% CHG
FY 2015	\$6,436,173	
FY 2016	\$6,702,757	4.1%
FY 2017	\$6,870,326	2.5%
FY 2018*	\$7,007,732	2.0%
*Budget Department projections		

Mr. Olmedo pointed out there is some volatility in the Utility Sales Tax due to the weather, but he felt 2% was a fairly conservative number.

He shared that staff is recommending a 3% water and sewer rate increase on October 1st and this is keeping in line with Davenport's projections in the next series of our Revenue Bonds. At this point, staff is not recommending an electric rate, solid waste or stormwater increase.

Staff is working towards a May 1st presentation of the proposed budget to City Council with budget work sessions to follow as needed. The public hearing is scheduled for May 15th and adoption if anticipated on June 5th.

Mr. Demko thanked everyone for their time and candid discussion and noted it would be helpful and assist staff in addressing some of the issues that were brought forward. Council Member Alexander asked if it might be possible to put more funding into the street.

Mr. Demko asked if there were any further comments from Council prior to adjournment of the meeting.

Council Member Ewing shared that he met with Council Member C. Davis last week to discuss the surge in crime and came up with an option that would help make the public aware of the way the city's form of government operates and why crime issues are dealt with in the manner that they are. Council will be asked to adopt a resolution confirming support for the Police Department for the initiatives in place, the importance for community engagement, and calling the TIP lines in an effort to help the police force more effectively in their jobs. From a publicity

standpoint, a video will be shot with the Mayor publicly reading the resolution, which will be sent out through social media for distribution to show the public that Council is engaged to the extent they are statutorily obligated.

There being nothing further to discuss, the meeting adjourned at 1:00 p.m. upon motion duly made and seconded.

Respectfully Submitted,

William S. Bencini, Jr., Mayor

Attest:

Lisa B. Vierling, MMC
City Clerk