



**MANAGER'S BRIEFING SESSION
HIGH POINT MUNICIPAL BUILDING
May 1, 2017 – 3:30 P.M.
3RD FLOOR LOBBY CONFERENCE ROOM**

Present:

Mayor William S. Bencini, Jr.; Mayor Pro Tem Golden (Ward 1); and Council Members Latimer Alexander (At-Large); Cynthia Davis (At-Large); Alyce Hill (Ward 3), Council Members Jay Wagner (Ward 4), Jim Davis (Ward 5), and Jason Ewing (Ward 6)

Absent: Council Member Chris Williams (Ward 2)

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Brent Cole, Assistant City Attorney; Loren Hill, President- High Point Economic Development Corporation; Jeff Moore, Director of Financial Services; Eric Olmedo, Budget and Performance Manager; Laura Altizer, Budget Analyst; Robby Stone, Assistant Director- Public Services; Heidi Galanti, Planning Administrator; Ryan Ferguson, Communications & Public Engagement Marketing Manager; Lee Burnette, Planning & Development Director; Angela Kirkwood, Human Resources Director; Maria Smith, Deputy City Clerk; and Lisa Vierling, City Clerk

Others Present:

Judy Stalder, TREBIC

News Media:

Pat Kimbrough, *High Point Enterprise*

Handouts: *Draft Central Business (CB) District Building Design Standards*
 Draft Central Business (CB) District Building Design Standards Meeting Schedules
 City of High Point, North Carolina – FY 2017-18 Annual Budget
 City Council 2017-18 Proposed Budget May 1, 2017

Note: *This handout will be attached as a permanent part of these proceedings.*

Greg Demko, City Manager, called the meeting to order at 3:30 p.m.

Update Moratorium Central Business District- CB Design Standards

Lee Burnette, Planning & Development Director, noted the moratorium would be up for consideration for June 5, 2017 would expire on the 6th as this is a document in progress.

Heidi Galanti, Planning Administrator, reviewed the revised version of the design standards and assessed the comments received from staff and public. She reported the "Drop in Session" on April 18, 2017 which had a low turnout. She did point out that some comments were still being received. She did indicate once

the document is finalized they would send it out to all the property owner within the (CB), will post the final version on the website and announce the public meetings. She reiterated the public hearing for Planning and Zoning Commission on May 23, 2017 and would be before Council on June 5, 2017 and the Moratorium would expire on June 6, 2017.

Council Member Alexander noted how they do not want any corrugated metal either horizontal or vertical. Ms. Galanti agreed either complete buildings as they would use as an accent material but they would not want a solid building for blank walls for pedestrian friendly. Mayor Pro Tem Wagner shared how it was about the mixture of materials and the articulation of the façade where the wall would not appear to be just flat. Council Member Alexander asked if there would be another other building that would be found to be non-compliant. Ms. Galanti suggested they would need to stay as if there were and the regulations stated if they were to expand or enlarge they would have to abide by these. Council Member Alexander asked what would happen if there was damage due to a wind storm. Mr. Burnette stated how it does address expansions of the building but not damage. He did state if they decided to address it more than 25% then they would have to comply with the standards with that new portion.

Council Member J. Davis wanted to know if there were certain proceedings or if they could not exceed for a certain type of material. As far as the corrugated metal, Mr. Burnette stated that it could not be sold nor the primary material. Council Member J. Davis had a problem with it being called corrugated metal versus in today's terminology it could be a proform of zetoxide-coded steel which would not be covered in the ordinance. As he also stated, that the corrugated metal would need to be defined as to what it looks like as there are many different forms. Ms. Galanti noted that with all design standards, there are interpretation that would also need to be made.

Presentation of FY 2017-2018 Budget

Mr. Demko discussed some of the highlights of the 2017-2018 proposed budget which also included different items and the books that were available to picked up in the Manager's office. He stated that there would be an overview included for Council. He reviewed the first worksessions:

- ✓ Thursday, May 4, 2017 from 3:00 – 5:00 p.m.

Mr. Demko recommended that we maintained our current service lines which are consistent to what we have done over the years to the Parks and Recreation programs, six different recreation centers, keeping the library operations and the hours and service that are being provided. He also pointed out the efforts that have shown in cleaning up the City with Code Enforcement and added how Council Member Golden's committee with the demolitions, Code Enforcements etc... with the City has gotten more aggressive to change the neighborhoods and the appearance. He emphasized the goal is how do we raise property levels and wealth. He added what was included in the budget was the continuation of how we addressed Council's strategic plan initiatives, increasing the population of active engaged millennials by 25% and to continue to work with Connect HP Group and try to expand their efforts and community. He commended the work performance of Lori Loosemore, Supervisor- Code Enforcement, and Mike McNair, Director of Community Development, in responding to the needs and being proactive while striving in the downtown catalyst project in producing 500 private sector jobs, restaurants and shops with additional housing units. He feels confident while establishing the catalyst project and the stadium goal would be realized within 5-10 years.

He mentioned the 2018 budget to increase of a total .6% which goes to \$377,513,076. He reviewed the key components which he shared:

- Adding eight additional Police Officers
- Adding a Crime Analyst
- Public Information is critical
- Continue to work to reduce deferred maintenance
- Data needs and looking to add a position to address critical needs

- Public Services being a key in critical area of experience in water/sewer operations – trying to engage the younger public earlier for this type of career opportunity
- Realignment staffing in Parks and Recreation Library which would change the personnel from part-time to full-time and vice versus
- Pay for Performance Program to keep it consistence and to keep the merit system we currently have between 0% - 4% increase.

Mr. Demko reviewed the total program highlights while recognizing the General Fund at \$893k and Eric Olmedo, Budget and Performance Manager, shared his corrected amount of a little over \$1.1 million.

- For two years \$500,000 was set aside for continued work for Core City issues
- Continues to support Forward High Point for downtown development
- Increasing the annual street resurfacing from \$2.315 million to \$2.45 million
- Continued support of our Economic Development Alliance with Guilford County and the City of Greensboro when our share was \$100,000
- Traffic calming and neighborhoods are looking to have speeding control or traffic control within the residential neighborhoods with another \$100,000 for 2018
- Fire Department (with 15 different fire stations) explained how to keep the apparatus current, how to keep in working order, and looking to have the lease purchase for three new units that total \$1.9 million.
- \$4.15 million for vehicles and large equipment for pay-as-you-go funding for fleet of the vehicles up to \$250,000
- Other pay-as-you-go funding as he mentioned they extended the street resurfacing
- Looking to set aside \$500,000 to set aside to take care of some needs at two fire stations that have single pane windows with very energy inefficient doors that do not operate well.
- GIS is base mapping is an annual fee is part of the data driven efforts to help operate and manage the City. Also, helps to make sure that our base maps our current and accurate as we move forward.
- The parking lot replacement at Parks and Recreation. He reported that last year we updated half of them (golf course at Oak Hollow, City Lake Park this year, several of the recreation centers) as a two-year program as a \$500,000 last year with \$500,000 again this year.
- Selected a new dog park
- Mentioned the playground equipment with an annual budget of \$50,000
- Tennis center improvements at \$100,000
- Preferred maintenance and the athletic complex \$100,000
- Library with alternate improvements and looking to do the extras, Randy Hemann, Assistant City Manager, added the electric the food trucks, lighting and the bands.
- Mendalhall Terminal improvements \$150,000
- Signage on I74 for the second year of funding for a traffic storage building at \$100,000
- Upgrading the Electrical system at City Hall for the total amount, Mr. Olmedo added \$400,000 original estimate and stated that Tim McKinney, Maintenance Operations Director, does not think it would not be enough.
- Water/Sewer pay-as-you-go setting \$2.7 million dollars' aside
- Electric Fund pay-as-you-go which would be over \$9 million of improvement while including the underground improvement which was approximately at \$200,000 a year for the downtown area for a five-year program with other areas to increase the underground areas.
- Solid waste with a little over \$1 million dollars in pay-as-you-go
- Other pay-as-you-go would be another \$6 million dollars to be invested into computer system replacements, stormwater projects, system upgrades.
- Stormwater fund, Mr. Olmedo reported that it was at \$375,000/year for pay-as-you-go for basis projects until they come forward with the revenue bond.

Mr. Demko request Council to consider stormwater fund since it was not included to have it built up to \$20 million and believes that it would satisfy half of the issues. He suggested to address this with bonds.

He also recommended to keep the tax rate at the current level. He noted that each General Fund area reduced their operating budgets by 2%.

Council Member J. Davis was disappointed that this budget was not revenue neutral. He spoke on behalf of north High Point which is whom he represents which has shared the biggest burden of property taxes and has seen this year of 8-10% in property values. He expressed how other areas did not see that. He shared how his home when up to \$39,000 and the property in High Point over \$250,000. He is concerned with this type of increase not only for him but for other citizens. He is curious as to what Winston-Salem and Greensboro's numbers are. Mr. Demko expressed how they struggled how to recommend to Council and how it has been a disconnect as they have studied how part of the city grows and how the other part declines. Mr. Demko suggests to improve the Core City and work on changing the values and increasing the wealth. Council Member J. Davis recognizes while the budget has grown every year while the City Manager Greg Demko has been here. Council Member J. Davis explained if Council would not be able to reduce the property tax rate on residential to make it revenue neutral then he would have to be a NO vote again this year for the budget.

Council Member J. Davis shared how many citizens also were concerns over the increase on the registration fee. He expressed how Council did not get the chance to meet as a group to discussed each other's thoughts. Mayor Bencini addressed that process and how it was generated by the Manager and initiated and discussed the Manager's proposed budget. Mayor Bencini advised when the meeting began today this is the proposed budget and if we discuss as a group here or outside this room that it is up to the individuals. Council Member J. Davis expressed this was not normal to him.

Council Member C. Davis wanted to know how many other items needed to be addressed and requested a list that are being deferred.

Council Member Golden wanted to know the dollar value for the 2% decrease on the operating budget. Mr. Olmedo will follow up on that. Council Member J. Davis requested to view Winston-Salem and Greensboro's taxes compared to High Point's.

Mr. Demko reviewed the Revenue Neutral just for residential to reduce the tax rate 1.54 cents and on the commercial industrial values 5.27 cents. He noted the commercial value on the new construction which would be included at \$299 million and the residential value in the construction value in construction 2016 was at \$40.7 million.

Council Member C. Davis wanted to know if Council budgeted for an increase for employee insurance. Mr. Demko confirmed that a 5% increase was budgeted for insurance and would not know the level of the plan or structure until later down the road. Council Member C. Davis asked about Catawba for any maintenance concerns or needs that Council may need to be responsible for. Council Member Alexander stated that Catawba is a top performing plant worldwide and the electric rates based on the studying analysis would be flat through 2021 which would mean that our citizens would enjoy more than seven years with no more electric rate increase. He also stated that the maintenance would be take care of. He did project with any major disaster, all bets are off but with that plant and current operations for capital operations and maintenance there would not be any increases until 2021 or later.

Council Member C. Davis also requested to the City Manager prior to her election, ElectraCities came at least once a year with a presentation and has requested to view the facility at Catawba. Council Member Alexander also suggested to visit the facility at Raleigh. He discussed how generating power and how it is handled, how it is managed and how the business is ran is another thing. He also expressed every four

seconds, 24/7 for 365 days, we are either buying or selling units of power and how it is an extremely complex machine.

Council Member C. Davis has requested a copy of what Catawba's maintenance has done over the last couple of years. Council Member Alexander would be able to provide that but stated that someone would need to help explain it. Council Member C. Davis agreed to make sure that she was forth coming and understood.

Mayor Pro Tem Wagner pointed out the figures on the revenue neutral tax rate for residential was closer to what was already being charged than what would be for the commercial. He then stated the growth was in commercial not in residential. He added if Council were to view the figures and how if they do not make investments to improve property values in the Core, that burden would continue to be shifted toward north High Point. As he stated, it would be in High Point's best interest to get the property value higher so that the burden of north High Point could go down. Council Member J. Davis shared how we went through a super recession and how we did not reduce the property tax rate during that time and we maintained consistent City services. He does not feel now is the time to raise property tax rates if we do not make the revenue neutral.

Mr. Olmedo compared the 330 utility statewide for a 5,000-gallon water/sewer bill with the current rates at \$68.05 and the median \$65.83 as we are slightly above the median. He stated if we were to assume the 3% rate increase that would push that up to \$70. Council Member Alexander share that we invested half a billion dollars in our water/sewer system in the last 20 years.

Both Council Members J. Davis and C. Davis would like to see a Revenue Neutral budget. Mayor Pro Tem Wagner is undecided.

Mr. Demko added that there were no other major revenue changes proposed. He stated the electric rates would continue at the current levels to put away funds for rate stabilization when the rates would increase.

In conclusion, Mr. Demko reviewed the upcoming worksessions:

- ✓ Thursday, May 4th Worksession to introduce to public and put into our records
- ✓ Monday, May 15th Budget public hearing scheduled at 5:30 p.m.
- ✓ Wednesday, May 17th Budget worksession from 3 – 5 p.m.
- ✓ Thursday, May 18th Budget worksession from 3 – 5 p.m. (if needed)
- ✓ Monday, June 5th Council consideration for budget

Mr. Demko concluded the Manager's Briefing discussion.

Council Member C. Davis had a final question on the handout on page MM-4, she did not see the Guilford County Economic Development Alliance for \$100,000. Mr. Olmedo confirmed it is on the budget but will confirm.

There being no further business to discuss, the meeting adjourned at 4:46 p.m.

Respectfully Submitted,

Maria A. Smith
Deputy City Clerk