



**SPECIAL MEETING  
FINANCE COMMITTEE  
Chaired by Council Member Moore  
Members: Moore, Hudson, Ewing, and Jones  
May 1, 2019 – 10:00 a.m.  
3<sup>rd</sup> Floor Lobby Conference Room**

**Present:** Chairman Britt Moore, Committee Member Jason Ewing, Committee Member Wesley Hudson, and Committee Member Victor Jones

**Staff Present:**

Eric Olmedo, Managing Director; Laura Altizer, Budget & Performance Manager; Roslyn McNeill, Budget Analyst; and Lisa Vierling, City Clerk

**Others Present:**

Debbie Lumpkins, Executive Director, High Point Arts Council  
Steve Ilderton, Chair Elect, High Point Arts Council

*Chairman Moore called the meeting to order at 4:00 p.m.*

*Generally, the city sets aside \$330,000 (equivalent of one cent on the tax rate) for non-profit funding in the annual budget. Chairman Moore stated the Non-profit agencies are eligible to receive one of the following four types of grants and identified the parameters set for each.*

- 1. One-time Project Grant*
- 2. Start-Up Grant for New Programs*
- 3. Start-Up Grant for New Non-Profit Agencies*
- 4. Sustaining Grant*

*He identified the following agencies that receive fixed funding in the annual budget.*

Community Resource Network	\$200,000
National Guard	\$2,500
Piedmont Triad Ambulance and Rescue	\$5,000
Swim Program- Schools	\$10,000

*Chairman Moore pointed out over half of the application submissions deal directly with food, which is a very perplexing dilemma we are all facing.*

*Regarding funding for the Southwest Renewal Foundation, Committee Member Ewing pointed out their ask was not tied to specific initiatives. Chairman Moore noted the Southwest area in High Point has been hard hit and stressed the importance of the Southwest Renewal Foundation. Committee Member Ewing suggested the possibility of earmarking \$15,000, but hold the money back to empower the Southwest Renewal Foundation to work in conjunction with the Economic Development Corporation to come up with small area plans for the Southwest Opportunity Zone. Following the discussion, it was the consensus that no dollars be allocated at this time and if they decide to apply for a grant for a specific purpose, then they could come to Council if they need leverage for funding.*

*Regarding funding for the Arts Council, Committee Member Ewing reiterated his concerns about allocating taxpayer dollars to the organization when the auditor made a negative comment and questioned their ability to exist and continue because cash flow seems to be a consistent issue.*

*At this time, Chairman Moore recognized representatives present from the High Point Arts Council: Debbie Lumpkins and Steve Ilderton and provided them an opportunity to speak. Mr. Ilderton recognized the fact that the Arts Council has been struggling the last few years and noted a big part of the challenge has been their building. He shared that they have been working on increasing their income because funding has been down. He reported they owe about \$47,000 on the building and have \$19,000 in outstanding pledges to go towards the mortgage. He shared that they have had discussions with Dennis Speckman about the possibility of using about 8,000-10,000 sq. feet of their building space during the High Point Furniture Market. If this pans out, it would mean an additional \$60,000-\$80,000 a year in additional income for them.*

*He pointed out the Arts Council serves as an important economic driver with all the events that they sponsor and they are reaching a point where the funds they raise can be applied towards the upkeep of the building with a profit to put money back into arts to become more viable.*

*Committee Member Hudson recommended that the city pay off the Arts Council's note on the building which is about \$47,000 and reduce the amount agreed upon from whatever amount is decided on as far as their allocation for the coming year. He suggested the city could hold the money and have the Arts Council come up with a different plan now that they know what the costs are and draft their budget next year based on that.*

*Debbie Lumpkins explained that the budget for the facility is a separate budget and she pointed out the grant that they wrote was basically for operating support (for funding and arts/education, not entertainment). She felt the Arts Council is a cultural asset to the city and just as essential as the Library and the Museum.*

*Chairman Moore stated that philanthropic money seems to be on the increase and that he would love to see the arts get more philanthropic money. Ms. Lumpkins felt fundraising would become easier once their capital campaign is done because they would not be trying to raise for two campaigns. Committee Member Hudson expressed concerns that donations are down from private individuals and corporate sponsors and felt paying off their note would give them more credibility.*

*Committee Member Jones inquired about the revenue they receive for parking during special events such as the High Point Furniture Market. Ms. Lumpkins replied they generally bring in about \$36,000 a year for the spring and the fall market.*

*Committee Member Ewing pointed out the largest item in the Arts Council's budget is associated with the facility itself. He noted that showrooms are unbelievably hot in the local real estate market and with their building being in a prime location they should be able to sell it and find something elsewhere without all the overhead and maintenance.*

*Chairman Moore asked Ms. Lumpkins if they see it as a benefit to allow the city to use part of the funding that may be allocated to the Arts Council to pay off the building. Committee Member Ewing stated he did not see a direct benefit from a cashflow standpoint. Committee Member Hudson again suggested they pay off the building and possibly do naming rights to the building. Chairman Moore suggested the Arts Council discuss the pro and con implications of paying off their note and noted that he would like to solicit input from the full Council. Committee Member Ewing reiterated his concerns about their shortfall and suggested that the \$62,000 be earmarked for the Arts Council but held until they can provide a substantial action plan showing true growth and make changes so that their cash flow statement is positive.*

*A brief discussion followed regarding whether or not to restrict the Arts Council from refinancing the building after money is paid to reduce their mortgage amount. The Finance Committee reached a consensus to eliminate any restrictions on refinancing.*

*Following an in-depth review of the applications submitted, the Finance Committee agreed on appropriations to the following agencies:*

Boys & Girls Clubs of Greater HP	\$10,000	
Greater High Point Food Alliance	\$20,000	
Helping Hands High Point, Inc.	\$15,000	
Heroes Center, Inc.	\$15,000	
High Point Arts Council	\$90,000	\$62,000 quarterly reimbursement and \$28,000 for building. Hold until after mid-year review.
High Point LEAP	\$15,000	
Macedonia Family Resource Center	\$19,500	
Open Door Ministries	\$20,000	
Salvation Army/Boys & Girl Club of HP	\$14,000	
Theatre Arts Gallery	\$31,000	
Triad Food Pantry/Seventh Day Adventist Church	\$17,500	
West End Ministries	\$25,000	
YMCA of High Point	\$6,000	
YWCA of High Point	\$25,000	Strictly for upfit of room
Total allocations proposed	\$323,000	

*At the request of management, a portion of the \$330,000 was left undesignated for any funding requests that may come up during the year.*

*Chairman Moore asked if staff could provide information in next year's information that identifies when the various agencies submitted start-up grants.*

*It was noted that these are merely recommendations and subject to change.*

### **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:24 p.m. upon motion duly made and seconded.

Respectfully Submitted,

\_\_\_\_\_  
Lisa B. Vierling, MMC  
City Clerk

\_\_\_\_\_  
Britt W. Moore, Chairman