

**HIGH POINT CITY COUNCIL
SPECIAL MEETING
AUGUST 5, 2019 – 4:00 P.M.
COUNCIL CHAMBERS – HIGH POINT MUNICIPAL BUILDING**

CALL TO ORDER

Present (8):

Mayor Jay W. Wagner, Mayor Pro Tem Jason Ewing (Ward 6); Council Member Donald A. Scarborough (At Large); Council Member Britt W. Moore (At Large), Council Member Jeffrey J. Golden (Ward 1) Council Member Christopher Williams (Ward 2); Council Member Monica L. Peters (Ward 3); and Council Member S. Wesley Hudson

Absent (1): Council Member Victor A. Jones (Ward 5)

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Meghan Maguire, Assistant City Attorney; Terry Houk, Director of Public Services; Jeron Hollis, Director of Communications & Public Engagement; Laura Altizer, Budget & Performance Manager; Lisa Vierling, City Clerk, Mary Brooks, Deputy City Clerk

Others Present:

Jennifer Imo, The Ferguson Group

News Media:

Pat Kimbrough, *High Point Enterprise*

Mayor Wagner called the meeting to order at 4:00 p.m.

2019-345 Closed Session: Attorney Client Privilege

Staff is requesting for Council to go into Closed Session pursuant to N.C. General Statute §143-318.11(a)(3) to preserve Attorney-Client privilege.

Council Member Moore moved to enter into closed session at 4:00 p.m. to discuss matters involving attorney-client privilege and personnel. Mayor Pro Tem Ewing made a second to the motion which carried by an 8-0 unanimous vote. [Council Member Jones was absent].

2019-346 Closed Session: For Personnel

Staff is requesting for Council to go into Closed Session pursuant to N.C. General Statute §143-318.11(a)(6) for Personnel.

Council Member Moore moved to enter into closed session at 4:00 p.m. to discuss matters involving attorney-client privilege and personnel. Mayor Pro Tem Ewing made a second to the motion which carried by an 8-0 unanimous vote. [Council Member Jones was absent].

Council reconvened into open session at 4:33 p.m. Mayor Wagner reported there would be no action taken as a result of the closed sessions held previously.

2019-347 Federal Legislative Updates- The Ferguson Group

Staff will hear a presentation from Jennifer Imo of the Ferguson Group for a Federal legislative update.

Jennifer Imo with The Ferguson Group provided an update on activities that have occurred regarding legislation and discussions taking place in Washington, D.C. She shared that they have been told there might be another federal government shutdown at the end of September; however, last week the Senate passed a two-year Bi-Partisan budget deal which increased spending by about \$320 billion for defense spending and non-defense spending. The non-defense spending is discretionary programs that local governments benefit from. The deal also lifts the debt ceiling for two years and she noted there were concessions from the right and left that in the next two appropriation cycles 2020 and 2021, and it was agreed that during this time there would be no "poison pills" added to these bills, but that was not defined.

She shared the good news that Congress seems to be on the right path for FY 2020-2021 in getting the budget and appropriation cycles in good order. She mentioned the new 5-year Transportation Authorization bill and stressed that now is the time for the city of High Point to be working on this measure and parts of the plan that are of interest to High Point.

Ms. Imo reported that she met with the managers and department heads (Police Department, Public services, Parks and Recreation, and Community Development) prior to this meeting to discuss potential grant opportunities. She advised the city has some larger water, wastewater, stormwater, infrastructure projects that could benefit from the WIFIA program, which is a long-term financing option that is relatively new. Another subject matter discussed with the Public Services department involved funding for bridge maintenance. The city of High Point did apply for funding last year only to be told there was not enough money. Ms. Imo advised there is an "Off System Bridge Program" where each state gets annual allocations and NCDOT is required to set aside and allocate 15% to fund the "Off System Bridge Program".

Council Member Golden asked if she talked with the Police Department about any funding for new technology to help them such as body cams or ways to track weapons going across state lines. Ms. Imo replied they did not, but they did talk about a grant opportunity to fund a firearms tech position and the money to purchase the machine that analyzes shell casings from weapons fired. She advised there is a grant out of the Department of Justice called the Paul Coverdell Forensic Science Grant Program which will be coming out in the first quarter of next year. She also reported for the first time in two years, the Department of Justice is about to release a solicitation for grants for police departments to apply for new officers.

Council Member Peters inquired about grant funding, etc... for affordable housing in the core city. Ms. Imo replied there is not a lot of affordable housing grant funding outside of

the public housing sphere and mentioned a HUD program called "Good Neighbor, Next Door" that is available for police, fire, and teachers.

Ms. Imo advised another thing they will include on the Federal agenda is the Opportunity Zone program because the city does have two significant opportunity zones within the Core City. Mayor Wagner noted in order to get the full benefit of this program, jurisdictions would need to be in with the full investments if they stay in it for the full ten years and with the delay in regulations for the program, it has been suggested to possibly add a couple of years on the backend to allow people more time to get into the system. He asked Ms. Imo if there has been any traction on this and Ms. Imo replied that they did hear that but have not heard the response from the Treasury Department. She advised this would be a perfect thing to take to the White House Office Intergovernmental Affairs.

Ms. Imo reported that The Ferguson Group would be constantly monitoring funding opportunities and communicating these to the city.

2019-348**Update on the Theatre Annual Statistics**

Staff will provide statistics for the High Point Theatre.

David Briggs, Theatre Director, reported that the Theatre had an extremely strong and stellar year this past year. He shared some statistics for the events that took place at the Theatre and comparisons of the numbers from 2015-2019. Mayor Pro Tem Ewing asked if the increase in funding approved by Council for the Theatre several years ago made a difference and Mr. Briggs replied that it has made a significant difference in the operations at the Theatre. Mr. Briggs then shared the following numbers/statistics:

- *Attendance at the Theatre from 2015-2019 increased 7% over the previous year and increased 23% over the past five years.*
- *Box office gross also increased significantly with box office gross sales of \$370,054.70 in FY 2014-2015 up to \$665,347.09 for FY 2018-2019 (an increase of over \$295,000).*
- *Theatre events versus utilization for FY 2014-2015 was 326 events held and 204 days the Theatre was utilized versus 348 events in FY 2018-2019 and 223 days utilized which indicates they are making more money in a less amount of time.*

Mr. Briggs then shared the following Observations for 2019.

*Total events: 348
Rental/private/promoter events: 216
City sponsored events: 132
Ticketed events: 76
Reserved hours: 12.28 (average)
Estimated hotel rooms utilized: 2725*

Only 15% of total ticket issues were complimentary

(Fewest since staff has been tracking numbers and includes the Air Force Band performance)

Concession growth from 2011-2019 also increased significantly with \$15,570 in gross sales in FY 2011-2012 to \$52,550 in FY 2018-2019 which represents a 23% cost of goods/income at a \$1.64 average per patron.

Other Notable Numbers:

- *Per cap spending on concessions rose to \$1.64 per patron for FYE 2019; this includes all events, even meetings where concessions were not offered.0*
- *Sales Tax collected from concessions: \$3,360*
- *Sales tax collected from Box Office sales: \$38,840.56 (4.75% in state taxes + 2% in county taxes = 6.75%)*
- *Total tickets sold 27,699; on-line tickets sold 11,655*
- *20 performances with 500+ patrons*
- *40 performances sold 50% of stock*

Mayor Pro Tem asked how many of the events actually had concessions. Mr. Briggs stated he was unsure, but he could get the information for Council.

Mr. Briggs pointed out rental income includes auditorium, gallery, and terminal rentals and noted there have been no rental rate increases since FY 2013-2014, but yet the total rent for FY 2014-2015 was \$68,170.01 compared to \$135,878.76 in FY 2018-2019 which can be attributed to the investment/upgrades made in the main gallery.

Mayor Pro Tem Ewing asked if the \$30,000 in rent that the city grants to the Theatre Art Galleries (TAG) is consistent with the current market rate. Mr. Briggs explained the rack rate would be \$89,000, but noted the Theatre is not losing money because TAG is there; however, no additional money is being realized because TAG is there.

Summary by the numbers:

- *Attendance growth from FY 2017-2018 to FY 2018-2019 has increased from 7% to 80% respectively.*
- *Gross Box Office income rose by 23% from FY 2017-2018 and 80% from FY 2014-2015.*
- *Rent from the Gallery has increased 530% since the acoustical upgrades.*

- *Increase of 40% in Auditorium rentals FY 2014-2015 (without changing fees) and the overall facility rental revenue increased 99% since FY 2014-2015.*
- *Concession sales increased from \$0.96 per patron in FY 2013-2014 to \$1.64 per patron in FY 2018-2019.*

Mr. Briggs pointed out there is no doubt that the High Point Theatre is truly an economic engine for the city, having an overall direct impact of \$8.75 million between the High Point Theatre and the Mendenhall Transportation Terminal. He noted the High Point City Council's role and support has been huge in taking the Theatre to the next level and expressed concerns about the effect that the Tanger Center in Greensboro might have on the High Point Theatre as it becomes operational in 2021.

Mr. Briggs concluded his presentation by sharing some of the upcoming attractions that will be held at the Theatre and distributed a "Passport to Entertainment" pamphlet to everyone identifying the upcoming events.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 5:22 p.m. upon motion duly made and seconded.

Respectfully Submitted,

Jay W. Wagner, Mayor

Attest:

*Lisa B. Vierling, MMC
High Point City Clerk*