

**HIGH POINT CITY COUNCIL
SPECIAL MEETING
June 4, 2020 – 4:00 P.M.
3RD FLOOR LOBBY CONFERENCE ROOM**

MINUTES

Note: In order to maintain the health, safety, and well-being of our residents, staff, and the City Council, this meeting was conducted electronically. As part of the city of High Point's COVID-19 mitigation efforts, in-person public attendance was not allowed at this meeting. Instead, the city conducted a live streaming of the Open Session portion of the meeting

ROLL CALL, CALL TO ORDER

Following a roll call vote by Mayor Wagner, the attendance and participation in the meeting of the following was duly noted.

Physically Present (6):

Mayor Jay Wagner, Council Member Tyrone Johnson (At Large), Council Member Britt Moore (At Large), Council Member Cyril Jefferson (Ward 1), Council Member Wesley Hudson (Ward 4), and Council Member Victor Jones (Ward 5) [Arrived at 4:07 p.m.]

Participating Remotely (3):

Mayor Pro Tem Christopher Williams (Ward 2)[joined at 4:10 p.m.]; Council Member Monica Peters (Ward 3), and Council Member Michael Holmes (Ward 6)[joined at 4:30 p.m.]

Staff Physically Present:

Randy McCaslin, Deputy City Manager; Greg Ferguson, Assistant City Manager; Jeron Hollis, Communication & Public Engagement Director; Ryan Ferguson, Marketing Manager; and Mary S. Brooks, Deputy City Clerk

Staff Participating Remotely:

JoAnne Carlyle, City Attorney; Lisa Vierling, City Clerk; Bobby Fitzjohn, Financial Services Director; Laura Altizer, Senior Budget Analyst; Roslyn McNeil, Budget Analyst; Linda Price, Budget Analyst; Brandon Cook, Communications & Public Engagement

Mayor Wagner called the meeting to order at 4:02 p.m.

2020-196 Budget Review-Proposed FY 2020-2021 Annual Budget

Staff is requested to review the Proposed FY 2020-2021 Annual Budget

Eric Olmedo, Assistant City Manager extended greetings; recognized Bobby Fitzjohn, Financial Services Director; and the Budget Team: Laura Altizer, Senior Budget Analyst; Roslyn McNeil, Budget Analyst; and Linda Price, Budget Analyst who were in attendance remotely. Mr. Olmedo made a PowerPoint Presentation (PPP) on the FY 2020-2021

Proposed Budget; provided a summary of the General Fund Budget that included sources and uses of funds such as revenues, expenditures, and interfund activities; highlighted sales tax items that were expected to have a lower collection rate due to the COVID-19; provided a sales tax history comparison that included: sales tax, utility sales tax, room occupancy tax, and rental vehicle tax; and said that the overall general budget had a 1.5% decrease. Mr. Olmedo continued discussion regarding communicating and comparing with other entities on the city's assessed value history that included: real property, personal property, and public service companies; spoke to property evaluations; continued with the sales tax history comparison that included: Greensboro, Winston Salem, and Guilford County from FY 2013-14 to FY 2020-21 (proposed); and spoke to the proposed increase of one penny in taxes that was below Greensboro.

Mr. Olmedo continued with an overview of the budget reduction recommendations for the High Point Museum; provided a total and daily attendance average; said the director of the Museum stated that the online attendance (for exhibits and history pages) increased from April 2018 to February 2019 with an average of 471 online visitors a month; and from April 2019 to March 2020 with an average attendance of 1,388 a month.

Council Member Moore inquired on the Museum's operational cost. Mr. Olmedo replied that historically the budget was around \$850,000.

Mayor Wagner inquired on the budget details for the Museum for this FY. Mr. Olmedo explained the reasoning for keeping personnel in the budget; and what all the funds paid for.

Council Member Hudson asked for a weekly breakdown of the attendance for the Museum. Mr. Olmedo replied that staff would provide that information.

Council Member Jones inquired on other funds available to assist with the Museum; on reopening the Museum mid budget year; spoke to communicating with the Historical Society; and said that they would provide him with proposals in case of the Museums reopening to assist with cost such as volunteering and fundraising. Mr. Olmedo replied that for funding the Museum would depend on how long it remained closed; and voiced concern in maintaining the artifacts at the Museum.

Council Member Peters voiced concerns on closing the Museum; and spoke to other ways of keeping it open.

Discussion took place regarding the impacts from the economy shutting down; opposing tax

increases for the citizens; the difference between private sector versus government; recommendations for keeping the Museum open; to Museum Week; to having the IT department operate and maintain the Museum's website; feedback on keeping the Museum open from the community; the history of the how the Historical Society began being funded by the city; and to postponing the modifications in the budget for the Museum.

Council Member Peters inquired on the ramifications of terminating the contract with the Historical Society. Mr. Olmedo replied that during the budget proposal, the Legal Department looked at the contract and said that there was nothing preventing the city from making modifications to it.

Mr. Olmedo continued reviewing the proposed budget on reduction recommendation for recreation centers; said the recommendations were based on the number of users for the centers.

Council Member Peters inquired on taking the 1% merit from employees; cutting back on personnel; and spoke to salary comparisons with other cities. Interim City Manager McCaslin replied and voiced the need of retaining good employees; spoke to an annual salary survey conducted once a year; and to the feedback from employees on the recommended cuts.

Council Member Jefferson spoke to feedback from the community on recommendations for keeping the Morehead Recreation Center open; and to having a plan to keep the Museum open. Mr. Olmedo replied that staff would look at options for keeping the Morehead Recreation open.

Council Member Holmes inquired on doing a cost analysis for a hiring freeze on positions not staffed yet; and asked would money be saved by eliminating non vital positions. Mr. Olmedo replied that positions would remain with a hiring freeze and would be funded at a lesser level.

Interim City Manager McCaslin said the six-month hiring freeze could be extended to a twelve-month hiring freeze; and that positions may become available as the economy improved.

Council Member Jones spoke to the timeframe on passing the budget; to amending the budget at a future date, if the need should arise; and voiced the concerns of his constituents of not increasing taxes.

Discussion took place regarding eliminating personnel positions; amending the budget if needed; to the city's talented work staff; retaining employees; to having furlough days to save money; concerns with furlough days; the importance of essential employees; to extending the hiring freeze; to the budget reductions recommended; and possible ways to save money by re allocating funds.

Mr. Olmedo continued discussion regarding recommendations on reductions for personnel; spoke to eliminating the average 3% merit program for 1% cost of living adjustment; eliminating 1% 401K match (does not include sworn public safety 401k which is mandated by the State statute); eliminating employee holiday bonus; six month targeted hiring freeze; and proposed adding Veteran's Day as a holiday for employees.

Council Member Jefferson asked if the 401k match start for employees around 2019; and voiced concerns of eliminating the program. Mr. Olmedo replied yes, the program did begin around 2019.

Interim City Manager McCaslin said that around 65% employees participate in the 401k match; and that is was a great recruiting tool.

Council Member Holmes echoed Council Member Jefferson's concern on eliminating the program.

Discussion ensued on the pros and cons of furlough days for employees.

Council Member Peters inquired on noting upcoming retirements into the budget.

Mayor Pro Tem Williams voiced concerns with the proposed closure of the Morehead Recreation center; said that it was in an essential area; inquired on using some of the Traffic calming funds for the center; and spoke to a question asked at a previous Community Development Committee on their allocated funds.

Mayor Wagner inquired on the usage of the Traffic calming fund.

Mr. Olmedo said that staff would revisit the Traffic calming fund in the budget.

Interim City Manager McCaslin spoke to annual request submitted annually for the Traffic calming fund; and to concerns of having available funding for future projects.

Council Member Moore spoke to the positive growth momentum in the city; and to how staff always had a conservative budget.

Council Member Peters inquired on creating mentor programs for recreation centers to help increase the numbers and reduce violence.

Discussion took place regarding different ways of funding other recreation centers; opposing a tax increase; the unemployment impact in the city; finding other cuts in the budget; the city's revenue; allocating funds; and to having another budget review session.

Mr. Olmedo continued discussion regarding budget reductions; spoke to eliminating outside agency funding; reducing Market Authority funding; reducing funding for redevelopment and blight removal efforts; and to the closure of the City Lake Pool for two seasons. Discussed the General Fund PayGo projects that included: Applying Way, Oak Hollow Lake Bulkheads Batter's Eye, Stadium bridge hydraulics, Fire Station generators; and Parking Deck improvements.

Council Member Hudson spoke to the eliminating outside funding; voiced concern of the operating expenses for the Theatre Arts gallery; and to how it would affect the Arts Council.

Discussion took place regarding the process of recommending funding to outside agencies; on the decreased number of events held because of the impact of the stay at home order by the governor; and on removing some projects from the General Fund PayGo.

Interim City Manager McCaslin informed council that management at the baseball stadium, stated that when restrictions are relaxed from the governor, that they had a list of events scheduled for the community and other groups.

Mr. Olmedo continued with an overview of the Water and Sewer Fund; said it was a separate entity; includes a 2% Water and Sewer rate increase effective October 1, 2020; the average customer impact was estimated to be \$1.51 per month; and invests \$15 million in fund balance to fund CIP projects, as outlined in the long range capital financing plan developed with Davenport and Company. For the Electric Fund; no proposed rate increase; and proposed funding \$11.56 million in Electric Pay as you go funding. Mr. Olmedo spoke to the next steps as follows: Monday, June 15 Budget Public Hearing at regularly scheduled Council Meeting at 5:30 p.m.; Wednesday, June 17 and Thursday, June 18-Budget work sessions (if needed); and Monday, June 22-Special Council meeting-Council Adoption of the

FY 2021 Budget, at 5:30 p.m.

It was the consensus of the Mayor and City Council to have a Budget work session on Thursday, June 11, 2020 at 4:30.

Interim City Manager McCaslin advised council to provide staff with any questions or concerns about the budget, so they could provide any feedback necessary.

Council Member Jefferson inquired on the difference between a hiring freeze and eliminating a position. Interim City Manager McCaslin replied and explained that a hiring freeze would be for a specific amount of time on the budget where the city would save that amount of money; whereas eliminating a vacant position would mean there would be no funding in the budget for that position.

ADJOURNMENT

The meeting adjourned at 5:43 p.m. upon motion duly made and seconded.

Respectfully submitted,

Jay W. Wagner, Mayor

Attest:

Mary S. Brooks, Deputy City Clerk