

**HIGH POINT CITY COUNCIL
SPECIAL MEETING
Monday, May 12, 2025 - 4:00 PM
Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260**

CALL TO ORDER

Mayor Jefferson called the Special Meeting of the High Point City Council to order at 4:00 p.m.

Present: Mayor Cyril Jefferson, Mayor Pro Tempore Britt Moore, At-Large (arrived at 4:33 p.m.), Council Member Amanda Cook, At-Large, Council Member Vickie McKiver, Ward 1, Council Member Tyrone Johnson (Virtually arrived at 4:18 p.m.) Council Member Monica Peters, Ward 3, Council Member Patrick Harman, Ward 4, Council Member Tim Andrew, Ward 5, and Council Member Michael Holmes, Ward 6.

ADOPTION OF AGENDA

A motion was made by Council Member Holmes, seconded by Council Member Andrew, to adopt the agenda as presented.

The motion passed with the following vote:

Aye: Mayor Jefferson, Council Member Cook, Council Member McKiver, Council Member Peters, Council Member Harman, Council Member Andrew, and Council Member Holmes

Absent: Mayor Pro Tempore Moore, and Council Member Johnson

PRESENTATION OF ITEMS

2025-167 **Presentation of Fiscal Year 2025-26 Budget - Market Authority**

Staff from the Market Authority will present information on the FY 2025-26 budget.

Tammy Nagem, President and CEO of the Market Authority, provided an overview of the proposed budget. She reported no major revenue increases and no new state funding. While staffing levels remained unchanged, she noted a 5% increase in salaries and a 15% increase in benefits. Registration costs accounted for the largest increase in expenditures.

Council Member Johnson arrived virtually at 4:18 p.m.

Ms. Nagem discussed local integration efforts, including work with Change Often and Thrive High Point to assist local businesses in joining the Market's preferred vendor

list. She also noted that Dr. Roberts with Thrive High Point, has provided support in insurance and invoicing transitions.

She explained Community engagement efforts included tours of Central, Southwest, and Ragsdale High Schools, as well as a mentorship panel featuring younger professionals. She highlighted the “Market at Market” initiative, where nine local businesses, such as Blue Hydrangea, showcased products during the event, which was well received by Market guests.

Ms. Nagem noted that over the past five years, a half million square feet of showroom space had been added through new construction or renovations.

Council Member Britt Moore arrived at 4:33 p.m.

She outlined an emerging partnership with the National Kitchen and Bath Association (NKBA), with future opportunities in the appliance and countertop sectors. When asked by Council Member Britt Moore whether NKBA hosted its own shows, she confirmed they are currently in Las Vegas and Orlando, but noted High Point could be a valuable location for them. Council Member Patrick Harmon asked about threats to the future of the Market. Ms. Nagem responded that changing consumer habits pose the greatest challenge, particularly as new generations shift their purchasing behaviors. She emphasized the importance of maintaining a venue with sufficient space and offering relevant product education.

Council Member Monica Peters asked whether there was a push for year-round market operations. Ms. Nagem clarified that while there is ongoing dialogue within the industry, her organization remains focused on ensuring the strength and success of the biannual April and October markets. She acknowledged other groups, such as High Point x Design, are exploring year-round programming. Mayor Jefferson likened the model to New Orleans and Mardi Gras, observing that while year-round appeal has its place, the emphasis should remain on the seasonal experience. Council Member Peters commented on a promotional video that highlighted the differing needs of buyers and designers throughout the year.

Mayor Jefferson thanked Ms. Nagem for her presentation.

2025-168 **Fiscal Year 2025-26 Proposed Budget**

Staff will provide information on the City of High Point FY 2025-26 budget.

Stephen Hawryluk, Budget and Performance Director, provided a comprehensive overview of the proposed budget. His presentation included responses to Council’s follow-up questions, an overview of the Capital Improvement Program (CIP), proposed fee schedule changes, details on municipal service districts, and a review of the upcoming steps in the budget adoption process.

Mr. Hawryluk began by addressing previously submitted Council questions. Regarding bridge maintenance, he noted that \$250,000 is allocated in FY 2025-26 to address high-priority bridges. Combined with previous years' allocations, this will exceed \$600,000, allowing the City to complete or contract work on the top-tier priority bridges. On the topic of compensation for the proposed civilian traffic investigator positions, he explained that job classifications were developed through collaboration between Human Resources and a compensation consultant.

Council Member Andrew expressed concerns regarding the salary level, particularly that it may exceed the compensation of positions such as cybersecurity analyst, and requested a breakdown of salary versus equipment and operating costs and additional justification for the pay level.

Mr. Hawryluk provided further explanation of the water service and meter fee adjustments, noting the fees are updated to reflect the actual costs of meter replacement, with reductions for smaller meters and increases for larger ones. In discussing the proposed 8% water and sewer rate increase, he cited the City's share of Piedmont Triad Regional Water Authority infrastructure improvements, increased debt service, and rising capital project costs as the primary drivers. He provided cost comparison data on recent water and sewer infrastructure projects, illustrating significant budget increases from original estimates.

In response to inquiries about nonprofit funding, Mr. Hawryluk provided background on requests not recommended for direct appropriations. He highlighted prior ARPA-enabled allocations to the High Point Schools Partnership and the Tenant Education and Advocacy Mediation Program administered by UNC Greensboro and Legal Aid. He also addressed a question about sales tax distribution, noting that if Guilford County shifted to a per capita distribution method, High Point would receive nearly \$5.5 million more annually. However, this would reduce Guilford County's sales tax revenues by approximately \$16 million, making such a change unlikely.

Council also inquired about the cost to complete renovations on the John Coltrane House. Mr. Hawryluk stated that the City received an estimate of just over \$315,000 from the High Point Preservation Society, but noted that the scope of work has not yet been verified. He further reported that the proposed budget includes \$600,000 to demolish the Kearns Water Plant, with work anticipated to occur in the next fiscal year if approved.

Mr. Hawryluk proceeded with an overview of the Capital Improvement Program, explaining that the proposed FY 2025-26 general capital investment totals \$4.185 million, of which \$2.557 million is from local funds. Projects include ERP system upgrades, HVAC and skylight repairs, fire station renovations, and various parks and recreation facility maintenance projects. He noted ongoing projects in water and sewer, such as the installation of a 20 MGD pump and drive at Oak Hollow Lake, and highlighted capital funding for electric system upgrades, including \$16 million for the construction of a new Electric Operations Center. He also reviewed investments in bus

fleet and paratransit vehicle replacements, parking deck maintenance, landfill expansion, and culvert repairs.

The fee schedule portion of the presentation included a detailed explanation of the proposed 8% water/sewer rate increase, breaking down the contributing factors and emphasizing that this year's inclusion of PTRWA capital costs is a major shift. One percent of the rate increase equates to approximately \$660,000 in revenue, and natural growth contributes another 1.7% in revenue equivalent. The rate increase is driven largely by PTRWA capital obligations, increased debt service, and growing capital and operating costs.

Additional fee schedule changes include consolidation and updates to electric outdoor lighting rates and continuation of the renewable energy portfolio standard (REPS) fee. Mr. Hawryluk announced the elimination of the business license registration fee due to its administrative burden, upcoming technology upgrades, and the availability of similar data from alternative sources. He also discussed the proposed closure of the Northpoint payment location effective October 1, 2025, citing a sustained decline in in-person payments since FY 2019 and the availability of multiple alternative payment methods.

In the solid waste section, he outlined proposed fee increases including a \$1 monthly increase to the landfill closure/post-closure fee, and higher tipping fees at the Kersey Valley Landfill, the Material Recovery Facility, and the Ingleside Composting Facility. A new minimum charge of \$7.50 per trip is proposed at the composting site. He noted the elimination of the Redbox rental program, suspended since 2023, citing limited usage and the availability of private sector alternatives. He clarified that existing red boxes are owned by the City. The Council also discussed whether alternative disposal methods would be made available. Dead animal pickup fees for veterinarians are proposed to increase to recover rising costs.

Additional departmental fee adjustments include updated auditorium and room rental rates for the High Point Theatre, which will shift to a base or gross revenue percentage structure. Fire inspection re-inspection fees will increase to better deter non-compliance and align with neighboring jurisdictions. Transit fare reductions are proposed for veterans and students, lowering the fare from \$1.25 to \$0.50 per trip. Cemetery fees for grave openings and closings are also being updated.

Mr. Hawryluk concluded the presentation with a detailed explanation of municipal service districts (MSDs), also referred to as business improvement districts. He explained the statutory requirements for establishing an MSD, including preparation of a report with a defined boundary, justification for services, a plan for service delivery, and required public notices. Following a public hearing and adoption of a resolution, the district would become effective at the beginning of the next fiscal year. He reviewed the process for contracting services within an MSD, which must be bid out and limited to five-year terms, and reviewed the reporting obligations of any selected service provider. He presented a sample timeline illustrating how an MSD could be created for an effective date of July 1, 2026, and discussed a similar structure previously

implemented in Winston-Salem. Council compared this process to the Market Authority model, acknowledging differences in governance and funding mechanisms.

Mr. Hawryluk concluded by reviewing the next steps. A public hearing on the proposed budget will be held during the May 19, 2025, City Council meeting. A follow-up budget work session is scheduled for May 21, 2025, to address additional questions and hear presentations from Visit High Point and Downtown High Point. A second work session is scheduled for May 28, 2025, if needed, with final budget adoption tentatively scheduled for June 2, 2025. No further questions were raised at the conclusion of the presentation.

2025-166 **Closed Session- Personnel**

City Council is requested to go into Closed Session pursuant to N.C. General Statute 143-318.11(a)(6) for personnel.

Council Member Holmes made a motion, seconded by Council Member Andrew, to go into Closed Session pursuant to N.C. General Statute 143-318.11(a)(6) for personnel.

The motion passed by the following vote:

Aye: Mayor Jefferson, Mayor Pro Tempore Moore, Council Member Cook, Council Member McKiver, Council Member Peters, Council Member Harman, Council Member Andrew, and Council Member Holmes

Council Member Johnson did not vote because he was participating virtually.

At 5:08 p.m. by consensus, Council recessed the meeting until 5:15 p.m.

At 5:15 p.m. the meeting resumed.

Council Member Harman made a motion, seconded by Council Member McKiver to end the Closed Session and Resume Regular Session.

The motion passed with the following vote:

Aye: Mayor Jefferson, Mayor Pro Tempore Moore, Council Member Cook, Council Member McKiver, Council Member Peters, Council Member Harman, Council Member Andrew, and Council Member Holmes

Council Member Johnson did not vote because he was participating virtually.

Regular Session resumed at 7:19 p.m.

ADJOURNMENT

There being no further business to come before the City Council, the meeting adjourned at 7:20 p.m.

Respectfully Submitted,

Cyril Jefferson, Mayor

Attest:

Sandra Keeney, City Clerk