

City of High Point

*Municipal Office Building
211 South Hamilton Street
High Point, NC 27261*



Minutes

Monday, June 18, 2012

4:45:00 PM

Council Chambers

Committee of the Whole

*Rebecca R. Smothers, Mayor
M. Christopher Whitley, Mayor Pro Tem
Latimer B. Alexander, IV, James Corey,
Foster Douglas, A.B. Henley, III,
Britt W. Moore, Michael D. Pugh,
Bernita Sims, M. Christopher Whitley*

ROLL CALL, PRAYER, PLEDGE OF ALLEGIANCE

Present 9 - Rebecca Smothers, Latimer Alexander, Britt Moore, Bernita Sims, Foster Douglas, Michael Pugh, A.B. Henley, Christopher Whitley, and James Corey

APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

The minutes of the following meetings were unanimously approved as submitted upon motion by Council Member Alexander and second by Mayor Pro Tem Whitley.

Finance Committee; Monday, May 21st @ 4:00 p.m.
Combined Meeting; Monday, May 21st @ 4:45/5:30 p.m.
Budget Review Session; Thursday, May 24th @ 9:00 a.m.
Budget Review Session; Tuesday, May 30th @ 9:00 a.m.
Combined Meeting; Monday, June 4th @ 4:45/5:30 p.m.
Regular Meeting; Thursday, June 7th @ 9:00 a.m.

FINAL ACTION TAKEN AT THIS MEETING

At the conclusion of the Committee of the Whole Session, and after all matters were heard by Council, **motion was made by Council Member Alexander, seconded by Mayor Pro Tem Whitley to suspend the rules in order to take final action on these matters at tonight's meeting. The motion carried unanimously. [9-0 vote]**

Motion was then made by Council Member Alexander, seconded by Council Member Sims that all Committee recommendations stand as final action regarding these matters. The motion carried unanimously. [9-0 vote]

This action cancels the meeting scheduled for Thursday, June 21st at 9:00 a.m.

PRESENTATION OF ITEMS**FINANCE COMMITTEE - Council Member Alexander, Chair**
Committee Members: Whitley, Smothers and Corey

(all were present)

[120157](#)

Adoption of a Budget Ordinance amending the 2011-2012 budget ordinance to appropriate funds in the amount of \$286,085 to the Early Retiree Reinsurance Program (ERRP) Funds.

Attachments: [Budget Ord Amendment ERRP Funds.pdf](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Adopted Budget Ordinance amending the 2011-2012 Budget Ordinance to appropriate funds in the amount of \$286,085 to Early Retiree Reinsurance Program (ERRP) Funds.

Ordinance No. 6926/12-43

Introduced 6/18/2012

Adopted 6/18/2012

Ordinance Book, Volume XVII, Page 117

A motion was made by Council Member Alexander, seconded by Council Member Sims, that this matter be adopted. The motion carried unanimously.

[120168](#)

Council is requested to adopt a Capital Project Ordinance in the amount of \$800,000 for the Land Development and Inspections Systems Project.

Attachments: [2. Capitol Project Ord - Land Development Software.pdf](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Adopted Capital Project Ordinance in the amount of \$800,000 for the Land Development and Inspections Systems Project.

Ordinance No. 6927/12-44

Introduced 6/18/2012

Adopted 6/18/2012

Ordinance Book, Volume XVII, Page 118

A motion was made by Council Member Alexander, seconded by Council Member Sims, that this matter be adopted. The motion carried unanimously.

[120158](#)

Award of contract for Piggyback Bid with the City of Asheville for the purchase of land management software. Purchasing and the Systems Project Administrator recommends that contract be awarded to Accela, Inc. in the amount of \$132,543.21 which is the lowest responsive and responsible bid meeting recommendation.

Attachments: [3. Contract - Accela, Inc. - Land Management Software System Project.pdf](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Awarded contract for Piggyback Bid with the City of Asheville for the purchase of land management software to Accela, Inc. in the amount of \$132,543.21, which is the lowest responsive and responsible bid meeting specifications.

A motion was made by Council Member Alexander, seconded by Council Member Sims, that this matter be approved. The motion carried unanimously.

[120159](#)

Council is requested to authorize the City Attorney's office to proceed with the purchase of property from Ms. Barbara A. Kersey located at 3310 E. Kivett Drive, in the amount of \$45,267.00. This property is adjacent to the R.V. Moss Traffic Service Center.

Attachments: [Purchase of Property - 3310 E Kivett Drive.pdf](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Authorized the City Attorney's office to proceed with the purchase of property from Ms. Barbara A. Kersey located at 3310 E. Kivett Drive in the amount of \$45,267.00.

A motion was made by Council Member Alexander, seconded by Council Member Sims, that this matter be approved. The motion carried unanimously.

120167

Council is requested to approve a Supplemental Agreement with the North Carolina Department of Transportation (NCDOT) to extend the completion date of the S. Main Street pedestrian crosswalk at Guilford Technical Community College (GTCC) to June 30, 2013.

Attachments: [Supplemental Agmt - NCDOT - S. Main - GTCC Crosswalk.pdf](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Approved a Supplemental Agreement with the North Carolina Department of Transportation (NCDOT) to extend the completion date of the S. Main Street pedestrian crosswalk at Guilford Technical Community College (GTCC) to June 30, 2013.

A motion was made by Council Member Alexander, seconded by Council Member Sims, that this matter be approved. The motion carried unanimously.

120170

Adoption of an ordinance amending the 2011-2012 Budget Ordinance for additional revenue in the amount of \$71,000 for the High Point Market Authority.

Attachments: [6. Budget Amendment Market Authority Excess.pdf](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Adopted Ordinance amending the 2011-2012 Budget Ordinance for additional revenue in the amount of \$71,000 for the High Point Market Authority.

Ordinance No. 6928/12-45 Introduced 6/18/2012
Adopted 6/18/2012
Ordinance Book, Volume XVII, Page 119

A motion was made by Council Member Alexander, seconded by Council Member Sims, that this matter be adopted. The motion carried unanimously.

[120175](#)

Adoption of an ordinance amending the 2011-2012 Budget Ordinance to appropriate funds in the amount of \$40,811.00 for the Community Development Program.

Attachments: [Budget Ordinance Amendment - CDBG-HOME Funds.pdf](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Adopted ordinance amending the 2011-2012 Budget Ordinance to appropriate funds in the amount of \$40,811.00 for the Community Development Program.

Ordinance No. 6929/12-46

Introduced 6/18/2012

Adopted 6/18/2012

Ordinance Book, Volume XVII, Page 120

A motion was made by Council Member Alexander, seconded by Council Member Sims, that this matter be adopted. The motion carried unanimously.

[120166](#)

Council is requested to adopt the 2012-2013 Budget Ordinance for the City of High Point and related ordinances and/or resolutions.

Attachments: [Adopted Budget Documents FY 2012-2013](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

_____ Transcript of Discussion June 18, 2012 _____

Council Member Alexander: I will ask the city attorney, should we address the electric budget first and then the general ordinance?

Strib Boynton: that's entirely up to you. They are two separate items in your packet.

Council Member Alexander: **I'm going to deal with the resolution regarding the electric rate increase of 4.9%. I will make that in the form of a motion.**

Mayor Smothers: I have a motion to adopt the resolution setting the rate at 4.9. Is there a second.

Council Member Corey: **Second.**

Mayor Smothers: Discussion? All in favor of the motion, please say Aye. Aye. Those opposed?

Council Member Douglas and Pugh: No.

Mayor Smothers: Raise your hands please. Ms. Vierling, have you got it?

Vierling: Yes. Two No.

Mayor Smothers: The motion passes. [7-2 vote] [Douglas and Pugh voted no]

Council Member Alexander: The next item before us is our High Point budget. This....you see a document that has been given to you outlining a number of different items. Following this prepared document, the salary increase for our employees would be 1.5%. **I will make a motion to approve a general fund tax rate of .6775 which would reflect a 2% increase for our employees. I will make that in the form of a motion.**

Mayor Smothers: **Do I have a second? I'll second it.** Discussion?

Mayor Pro Tem Whitley: **Can I make a substitute motion? Council got the recommended changes by the manager that came from a majority of this Council that was negotiated and somewhat worked on very diligently by all of us. That would include a reduction of the proposed 2% salary increase**

down to 1.5%, making a reduction of \$237,547; deferring the tax improvements of \$197,000 for this year. We've already dealt with moving of the funds into CDBG. It also includes a \$25,000 reduction of consultants and professional expenses which included the redrawing of the district lines, the Centrex telephone reduction of \$19,000. We have also added \$1,000 to the Methodist garden program. It includes some various changes of the computer software. That brings a salary increase of only 1.5%. The reduction brings the tax rate down to a .675 from the projected proposed .6854 as proposed by staff. It includes a no water/sewer rate increase. It covers the central services.

Council Member Sims: Second.

Mayor Smothers: I have a motion and a second for the information that you were given from the budget staff and it is entitled Manager's 2012-2013 Proposed Budget and it includes changes incorporated as directed by a straw vote of Council.

Council Member Pugh: Can you do a substitute motion?

Mayor Smothers: I think it would probably be better to...

City Attorney JoAnne Carlyle: It's best to go ahead and address this one.

Mayor Smothers: Would anybody like to make any comments on the substitute motion?

Council Member Corey: Madam Mayor, I'd like to make a comment if I could. For the past three years, our city has given our city workers 0% increase. Now I did some research on the inflation rate in this country. I also did some research on the salary increases given in North Carolina to municipal workers as well. In all three of those years, we had an inflation rate...well, let me go back. How many people know that in 2009, we had a negative inflation rate in this country (0.4%)? But then, in 2010 and 2011, it started rolling again. So in those three years, the inflation rate has gone up on average of 2.05% in those three years. In the first five months of this year, 2012, the inflation rate has been an average of 2.5% in this current year. Now the purchasing power of our workers, because they have received "0" has actually shrunk because of inflation. Not in 2009, but in 2010 and 2011 and now, of course, into 2012. Furthermore, if we look at the average wage increases of the North Carolina League of Municipalities, even in 2009 when we had a negative inflation rate, on average, they were getting 2.31% salary increase. Even though inflation was negative. But since then, their salary increases have also gone up and I think they average about...over the last three years, about 2.75% each year. Again, our city workers "0". So if our city workers purchasing power has shrunk in three years. If our city workers compared to workers in the State of North Carolina have not had received wage increases which other municipalities have granted their workers-the question is, why would a small increase in salary be so out of place for our workers,

especially when they've gotten "0" in the last three years which doesn't meet...and even a 2% increase in salary still doesn't even approach the inflation rate, so they're still going to be losing some money. But at least losing a little bit is better than losing the full amount. So therefore, I can support the 1.5%. I could also support 2%. What I cannot support is 0%.

Council Member Pugh: Madam Mayor, can I comment?

Mayor Smothers: Go ahead.

I represent...I could care less about what people make across this country. I mean that's irrelevant to me and that's not what I'm elected to look after. I'm elected to look after the City of High Point and specifically the ward that I represent. Most of the ward that I represent is made up of folks who live below the poverty level in the lower socio-economic standing. Many of which have been laid off, salaries cut, you name it, benefits lost. That's the people that I'm responsible to. Just because you work for a governmental agency, I'm not saying you don't deserve a raise, but you have to look at what our employees are already making. They're making good salaries and getting good benefits. I'd love to be able to support a raise, but I cannot do it because we are going to be putting it on the backs of the people, the majority of the people out here who are suffering. There's no doubt, they are suffering and we're going to be laying the salary increases, tax increase, utility increase-all of that flat, square on their backs. That was not what I was elected to do. I can't, in good faith, do that because that is not right. It is simply not right and I can't find an argument that would sustain it in today's economy. So therefore, I cannot in good conscience support any salary increase or any increase of any kind. I would be willing to look at things again in January to see if the economy has improved, but right now, there's just no way. It is unfair. I have not heard one person come into these Chambers and several people have come in here and spoken, but I've not heard one person come in here and speak in favor of a salary increase or any kind of an increase. I've gotten phone calls. I visited a house just before I came in here and the lady said to tell you here name. Her address is 411 Westwood Avenue and doggone I forgot her name, but I shouldn't have. But anyway, she lives at 411 Westwood Avenue.

Council Member Sims: Idol.

Council Member Pugh: Yes, Ms. Idol and she said no. So I have to listen to the people that I represent. When they say "no" and when they say "please", then we have a responsibility to those people to do as much as we possibly can to lessen the burden on them. They are our employers. So that's my comment. What I had rather see would be an across-the-board cut of 2% of every department in this municipality and run a leaner, more efficient municipality. I'm sure there's some waste in there that can be found and if we could force the hand and try to operate on a leaner, more efficient government, it might just work. I don't know that we've tried that, but maybe we ought to give it a try. Thank you.

Mayor Smothers: Thank you Mr. Pugh. Anyone else?

Council Member Douglas: Yes. I also commend all of our city employees on the work that they do. But at this point in time, there's no way that I could support a pay increase, nor a utility increase. Not at this point in time. I don't think the 1st of January is going to be any different than what it is right now. We have a lot of people out there that are suffering. It is hard for them to make payments on utilities or other things that are necessities. But, you know, the research that you done, Mr. Corey, I mean that's fine. But we've got to look at what's going on here in High Point. You know. My ward, I know what the economic status of the people is in most of my ward and a lot of them cannot stand to pay more utility rates piled on their backs. They can't stand, you know, increases in their property taxes. They can't stand that. I also agree that I haven't heard one person from the public come in here and state that they are in favor of a pay increase, or a utility increase. You know, and one of the things that we always hold hostage is cutting services, cutting services. I don't think the people in the public would mind some of their services being cut if it would lower their rates. Lower their utility rates. Lower their tax rates. I don't think they would mind, but I don't think that was polled to the public. I think a good suggestion is...I mean what are we cutting? We haven't proposed any cuts. It's always been increases. Why we can't operate less with what we have and keep the same level of budget that we had from last year, or maybe just increase it maybe a couple of million dollars or so. But we are making a big jump here. A lot of people can't afford to do that. They just can't do it. I was elected to represent my ward and vote for what is in their best interest, but right now, the way the economy is, a pay increase that's going to bring more havoc on them when they've got to choose between medicines, because they are on fixed incomes, and paying their utility rates. Right now, I can't support that.

Council Member Corey: Madam Mayor:

Mayor Smothers: Thank you Mr. Davis. Let's let everybody have their say and then we can start all over again. Anyone else like to speak?

Council Member Henley: One thing that is disappointing about this process is that we go through reams and reams of paper and then at the end of the day, there's two levers to pull. The employee pay increase or decrease lever and the property tax lever. It's very unfortunate that it boils down to this body making an assessment of what that property tax rate needs to be in order to send a vote of confidence about the deservability of an employee salary adjustment. This is not a referendum on whether the City of High Point employees deserve a pay increase. I suspect, I'm not foolish enough to think that 100% of the employees deserve it, but I think it is a strong percentage. That's not what our jobs, or my view, as Council men and women are. It's about stewardship and the affordability of that at the particular time. Each of us run around High Point and we talk to people and we take their temperature as to how they're doing in a positive or a negative way and we digest those conversations and we form

opinions. So this decision that we're making is a referendum on as a stewardship body how we interpret those impressions. So I will be voting in a negative fashion for either the primary motion by Mr. Alexander or the substitute motion by Mr. Whitley-not as a statement to Herb Shannon on the job that he does, but as a statement of my requirement and responsibility as a steward in this city or whether or not that's affordable this year. Thank you.

Mayor Smothers: Thank you, Mr. Henley. Is there anyone else?

Council Member Sims: Madam Mayor, if I could and I'm glad to hear that the rhetoric has changed to some degree and that's refreshing to me that we are not necessarily using language that says our staff is not deserving of a raise. I find that offensive to even myself.

Council Member Pugh: Who said that?

Council Member Sims: So, at this point, again, we get back to the affordability issue that Mr. Henley talked about and whether or not the timing is right. I had asked that Mr. McCrary provide me with some information on our benefits over the last three years-the same time period that staff did not receive raises. As our health benefit costs have...we shifted some of those back to our employees because we were trying to balance these very same budgets that we are talking about right now. What has been shifted back to the employee in terms of their co-pays, co-insurance and just the actual benefit structure we have, actually exceeds the 2% number that was being recommended in the manager's budget. So they are already receiving over 2% less than what they were getting just in absorbing those benefits. I do believe that if it is the intention of this Council for us to be meaner and leaner as it relates to how we operate the city, then that ought to be a discussion that we start early on in the budget process. It is incumbent upon us, as good stewards, to give good direction to say what it is we would like to have the manager do. If it is the intent of the Council to say that our budget needs to be reduced by 2%, that's the instruction that we need to give the manager early on in the process so that we have a definitive discussion that actually reflects or mirrors what that instruction is. So, very late in this process, we started talking about how the expenses need to be decreased, that, you know, we can run a tighter machine and we probably can. You know, there's no doubt in my mind that somewhere in that budget we can do all those things, but it is incumbent upon Council to sit down and put in the time that is required to make that happen because once the manager gives us his budget, it is now ours to do what we will with it. I think that we were remiss as a Council in what we were charged to do by not sitting down and actually getting engaged and involved in the process saying we believe these things don't need to be done this year and making those hard decisions about whether or not we're going to pave streets and roads and that's a tough decision. You know, that's in the budget. Now I've been on a lot of city streets where you might tear up an axle on your vehicle trying to get to where you're going, but if that's where we want to be, then we need to make that tough decision and say we're going to delay resurfacing roads. We're going to delay some of these things that have come to us as a given because our

citizens say these are the things they like. We do take the temperature of our community and say, are you satisfied with the level of service that is being given to you at this point and the citizens are saying yes. Not one of them came back and said I don't want any more parks. I don't want our roads resurfaced. I don't want all these things. They didn't give us a litany of things they said they could live without. So I think the process that we need to go through, if this is in fact where we're headed, is to sit down with our citizens and ask them, if we do this thing, what is it that you can absolutely live without? What level of service do you feel can be reduced for you and it won't impact you to that degree? We need to ask those questions as a council. Again, I understand that some of you have received phone calls. Not one person has called me about this budget...period. I talked to several people about the increase in the salaries and not one person had an objection to the increase in the salaries. So everybody is not hearing from the same group of individuals. What is more important to me is the silent majority that did not come to this Council and raise any concerns about what we're about to do. Those are the people that I'm more concerned about. We are at 107,000 people. We've had maybe ten people come to Council and give us their comments on this budget. I'm concerned about that other 106,000 or whatever that number is that did not show up in Council to tell us how they felt about it. So I will be supporting this budget with the 1.5% increase. I think it's only fair to our employees and in the scheme of things if where our Council wants to go is leaner and meaner, you guys have got another year to make that happen. I think you start with your manager and you tell him right now, we want to see a difference in what we get. We want a 2% reduction if that's the number, or whatever that may be. But I think it's incumbent upon us to give him the instruction and not assume that he knows what we are thinking. I think that's a bad precedent. Thank you Madam Mayor.

Mayor Smothers: Thank you, Ms. Sims. Mr. Alexander or Mr. Whitley?

Mayor Pro Tem Whitley: Unless Mr. Alexander wants to go first.

Council Member Alexander: I made my motion.

Mayor Pro Tem Whitley: Okay, Madam Mayor, I'm going to reiterate some of the remarks that Ms. Sims just stated. Particularly the fact that this is our budget. It is what you put into it and quite frankly, I have spent quite a bit of time on this budget this year. I'm going to be honest. Tax evaluation was 61% of the properties went down; 34% went up and 5% didn't change. I hear that folks are worried about a tax increase affecting them. It's affecting 34% of the people in High Point. For the most part, 61% are going to get a reduction in their rate this year. I don't know what that's about and I continue to hear it across this table. It seems like the biggest discussion is salaries. I started at 1% and budged off and came up to 1.5%. Citizens across town are getting salary increases. I know citizens in town that are not getting salary increases. It just depends on who it is and what industry you're in. The City of Greensboro is still at 1.5%. We all received the same list of what all the other municipalities are providing. Quite frankly, the city employees are not all the same as the private sector. That's the

other good topic that we've had. I don't see water treatment employees in the private sector for the most part, or at least not in this area. Nor do I see another separate police or fire department running this city. You've got security, but that's not the same. So I'm not talking about salaries anymore. That's been beat to death. The State's neutral rate was.....we could have gone up to .696. Eight years ago, we went down when the evaluations went up. What if we would have stayed the same then? What's the difference? The manager came in with a \$.685 rate. We have come down to a \$.675 % rate increase. I hear there's proposals to turn around and cut services. Well I've got a little small list right here that I just wrote up real fast. Are we going to eliminate loose leaf pick-up? Are we going to eliminate the least performing Rec Center right now? Go ahead and go after that one. I didn't have a problem making the City Project go out and become self-sustaining. That's what we originally designed them as. It has been at 6% and has not moved off where they were originally at. The Theatre is 31%; Arts Council is \$117,000. Shakespeare is at \$50,000, you know. I didn't hear people coming in here and say they wanted all these services cut. I know the Arts Council would definitely not want services cut and neither would Theatre or Shakespeare. I have heard a lot of folks say they would like to see the City Project cut, so I'll let you make your own decision on that. I will support the budget. I think it was a compromise that five of us voted on a week ago Monday. Like I said, I spent a lot of time at multiple meetings trying to firm that up just to see that we can make sure to have a compromise and I hope that we have five votes tonight.

Mayor Smothers: Thank you.

Council Member Pugh: Madam Mayor, can I make one more comment?

Mayor Smothers: Well, let's see.

Council Member Pugh: I just want to clarify one thing.

Mayor Smothers: Okay.

Council Member Pugh: We did a city survey and I think we sent out 400 surveys.

Mayor Smothers: No, we got 400 responses.

Council Member Pugh: Okay, we got 400 responses and considering the number of people that show up here, I think ten....we did get ten or something like that. I think that's a pretty good indication of how the people are thinking if you consider the number of people that normally show up versus the number of people that showed up.

Mayor Smothers: Thank you. Mr. Moore hasn't spoken.

Council Member Moore: I'll just take one minute. This has been a very

challenging process especially in these economic times. I think that some good points have certainly been brought up here tonight. I think it's important for the citizens to know that during our discussions, many different avenues were brought up and trying to come to a consensus was a challenge. We went from everything from a 0 increase to decreasing expenses for people that serve on the Council to a one-time payment to every other percentage. But I think that it's important that they know that, at some point, we have to come up with a budget. Unfortunately, we can't operate like our central government and never pass a budget. So we have to come up with what we think is workable and doable. Thank you.

Mayor Smothers: Dr. Corey.

Council Member Corey: Well, it struck me that we wouldn't be sitting here worrying about a 1.5% or 2.0% wage increase or even a property increase, except for one factor. One factor. Guilford County's property reassessment. We lost \$2.1 million of property taxes in that reassessment. But let's talk about that reassessment. The North Carolina statute requires that counties do a property reassessment at least once every eight years. However, there's nothing that's in the statute that says they can't do one every four years or every two years or even every one year if they want to. Guilford County waited until the last possible minute to do that property assessment at the worst possible time in our economy to do that assessment. So it should be no surprise that 61% of the properties in High Point actually went down. They did the assessment at the worst possible time, but that has an impact on the city because those 61% of properties have a lower tax evaluation and will be paying lower property taxes because of their lower evaluation. There's only 34% that went up and I think I'm the only member sitting here on the Council whose property evaluation went up, so I'm going to be paying more taxes because my property evaluation went up and more taxes because we're increasing the tax rate. I'm the only one that applies to I think on this entire City Council. About four or five of our members, their tax evaluations went down. But the point of the matter is not caused by the City Council that's sitting up here. It's been caused by a property evaluation that was done at the worst possible time and Guilford County should have recognized that it was a bad time and they should have backed it up as much as they could or ask for an exemption from the State Legislature or something. You don't do a property evaluation with a housing market like it is today. It just doesn't make sense.

Council Member Moore: For the record, real quick, Mayor. I actually won the greatest increase gold medal.

Council Member Corey: I'm sorry. I thought I did. Congratulations.

Council Member Pugh: And I hold the highest...I pay more utilities I think than anyone on this Council.

Council Member Corey: Well you should cut back on the television.

Mayor Smothers: He's got a bad utility bill. Normally I do prepare remarks and I didn't do it this time. I felt there would be so much wisdom coming out from all these mouths up here that probably couldn't top it. But I would like to touch on just a couple of things. We knew that property values were going to go down. That was well known throughout the community. We did not realize that they would go down as they did. Now what we got before us, when the manager handed us that budget and many of you probably already know this, was what is called a Revenue Neutral budget that did not occur any growth that might have occurred. The substitute motion that has been made, actually reduces by over a cent on that initial recommendation from the manager. Now I will tell you this, next year we are already looking at over a cent shortfall coming from the State of North Carolina in terms of Hold Harmless revenues that pass on to the city. So you know you're going to have you a million dollar hole you're going to be looking at, plus the fact there have been things deferred in this budget. But I'm really proud that this Council has been very selective about what those deferrals will be because if there's one thing that I.....and I say this with complete admiration.....Mr. Henley mentioned stewardship because that is what this service is about. It's not about allowing a community to fall apart because somebody didn't have the political will to do what is right. And that's investing in what has been put in place before us. There have always been people on fixed incomes. There have always been poor people, but you know what? A lot of those folks sucked it up and made some sacrifices to make this community what it is today and I'm really proud of it and I'm proud of them. And yeah, somebody may have to give up one trip to the movie which is about what your impact would be with your utility increase, or you could turn off the lights a little bit. The fact is that there has been no, absolutely no one who has said reduce service levels because, you see, nobody wants them reduced. Now they might want something somebody else wants reduced, but not what they want. But I think we have tried to preserve the essential level of service to keep this community where it is so we can attract the investment that we have seen in just two companies in the past few months that are adding 1,000 jobs to this community and are investing over \$200,000. You can't do that if you get too lean. Believe me. Now, Ms. Sims, I admire you greatly, but I would challenge the next Council not to be meaner and leaner, perhaps just know what they want to put before the public in the amount of reduced service. Believe me, the public ain't ready to have anything reduced.

Are you ready for a vote? And in terms of the first of January, if you don't have the money in your budget come July 1, you're not going to have it in January. So the Council that meets in January when they do start talking about next year's budget hopefully will have a brighter picture. Hopefully, also, they won't be saying what were those nuts doing back in June that put is in this hole. That is not to say that those of you who do not vote for the budget are nuts. You're not. We disagree, but you're our nuts. All in favor of the substitute motion which would put the property tax rate at .675 with a salary adjustment, cost-of-living at 1.5% with the associated other changes in the budget that have been provided by the manager in a revised form, please raise your hand.

[Corey, Moore, Whitley, Smothers and Sims]

How many?

City Clerk: Five.

Mayor Smothers: How many are opposed?

City Clerk: Four. [Douglas, Alexander, Pugh and Henley]

Mayor Smothers: 5-4 vote. Motion passes.

Strib Boynton: Can I say something? I don't want to be remiss, but I want to humbly thank four people who have done a stellar as always, putting the budget together. Starting with Lou Hedrick who is retired. She came in and she's done an outstanding job. Her greatest challenge has been putting up with me, but I certainly admire, respect and love her for everything she's done through the years. The same thing with Glenda and Laura, who have equally put up with me as we have put the budget together before you. I thank each of them from the bottom of my heart. Nothing can go without saying, the moment cannot go without personally thanking Pat Pate, who has the uncanny job and task sometimes in telling me no or my numbers don't make any sense and correcting me and I value and trust his judgment as well. I thank the rest of the team as well, but those four in particular are the key ones and I thank each of you.

Mayor Smothers: In finishing that up, there are several people here that did come to Budget Review Sessions. I know Mr. Ewing did as well as Ms. Davis. I think you all can testify to anyone who wants to listen to you about the enormous amount of information that the staff provided to Council Members in terms of requests that were made for additional information. Almost to the point that you can't carry it to the car.

[end of transcript]

Adopted Budget Ordinance for FY 2012-2013 and Proposed Budget incorporating the changes as outlined and identified on the document entitled CHANGES TO 2012-13 PROPOSED BUDGET INCORPORATED INTO ADOPTED BUDGET- Manager's 2012-2013 Proposed Budget which also includes a 1.5% cost of living increase, and adopted Resolution amending the electric utility rate schedule increasing the electric rate by 4.9% effective for bills dated on or after July 1, 2012.

Note: Prior to adjournment of the meeting, Council Member Corey commended everyone and expressed admiration for the spirit of cooperation and compromise that went into this budget. Mr. Boynton reciprocated his accolades and thanked Council for their feedback and guidance throughout

the process.

Ordinance No. 6930/12-47

Introduced 6/18/2012

Adopted 6/18/2012

Ordinance Book, Volume XVII, Page 121

Resolution No. 1240/12-41

Introduced 6/18/2012

Adopted 6/18/2012

Resolution Book, Volume XVII, Page 91

A motion was made by Mayor Pro Tem Whitley, seconded by Council Member Sims, that this matter be adopted to adopt the 2012-2013 Proposed Budget incorporating the changes as outlined and identified on the document entitled CHANGES TO 2012-13 PROPOSED BUDGET INCORPORATED INTO ADOPTED BUDGET- Manager's 2012-2013 Proposed Budget which also includes a 1.5% cost of living increase. The motion carried by the following vote:

Aye: 5 - Rebecca Smothers, Britt Moore, Bernita Sims, Christopher Whitley, and James Corey

Nay: 4 - Latimer Alexander, Foster Douglas, Michael Pugh, and A.B. Henley

[120173](#)

.Council is requested to approve the annual budget for the High Point Convention & Visitors Bureau (CVB) for FY 2012-2013, and authorize the City Manager to execute the contract agreement as presented by the CVB Board of Directors.

Attachments: [9. CVB Budget 2012-2013](#)
[CVB Budget 2012-2013 \(signed\)](#)

Chairman Alexander explained this matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting and although it met with a favorable recommendation from the Finance Committee, there were some additional recommendations by Mayor Smothers to be incorporated into the CVB's budget that may warrant further discussion.

Chairman Alexander then moved to approve the High Point Convention & Visitor's Bureau Budget incorporating the following amendments: the CVB shall budget appropriations to the organizations as follows (Coltrane Festival \$50,000; Rosetta C. Baldwin Museum \$10,000; and Piedmont Triad Film Festival \$15,000) with the funds being available after July 15, 2012; and the CVB shall submit their budget to the City Council annually.

Council Member Whitley made a second to the motion.

For further discussion, Council Member Sims expressed concerns about the directive that's being given to the Convention & Visitors Bureau and questioned the city's support of the festival because the city is now asking that the festival be funded through the CVB. She asked for a vote of confidence from the individuals sitting on the City Council. She further explained this is a significant event and for at least the first five years of the festival, they will be looking for some support from the city. Council Member Sims wasn't sure whether putting the onus on the CVB is where Council needs to go and wasn't sure if she would support this.

Mayor Smothers felt the City Council has at publicly stated their support for the John Coltrane Festival and what the Friends of John Coltrane are trying to do. She reminded everyone that the tax dollars being generated through the hotel/motel tax come to the city for allocation and while these monies are currently being allocated to the CVB, they could be allocated to any non-profit who commits to do what the CVB generally does in its program of work. The Mayor felt Festival was widely successful in its first year, and thought it would be good for them to have some money to start promoting it explaining that the CVB does not do their allocations until the fall (after the Festival will have been held). She hoped the CVB would see the value of being part of the promotional effort for the Festival. Mayor Smothers also stated that there is no doubt in her mind that the Piedmont Triad Film Commission and the Rosetta C. Baldwin Museum also deserve to be funded

through the CVB and mentioned the movie starring Ed Asner will go on sale tomorrow. She referred to the priceless items housed in the Rosetta C. Baldwin Museum and pointed out the need for some infusion of additional dollars to get the facility so the public can access it. She noted while the city is committed to putting some money into it, she felt it appropriate for it to come out of the CVB budget. Mayor Pro Tem Whitley stated he agreed.

The Mayor asked if there were any further comments/discussion. There being none, she called for a vote on the motion **to approve the High Point Convention & Visitor's Bureau Budget incorporating the following amendments: the CVB shall budget appropriations to the organizations as follows (Coltrane Festival \$50,000; Rosetta C. Baldwin Museum \$10,000; and Piedmont Triad Film Festival \$15,000) with the funds being available after July 15, 2012; and the CVB shall submit their budget to the City Council annually.**

The motion carried by a 7-2 vote as follows:

Votes: Aye. Mayor Smothers, Mayor Pro Tem Whitley and Council Members, Alexander, Moore, Sims, Douglas, and Corey.

Nay: Henley and Pugh

A motion was made by Council Member Alexander, seconded by Mayor Pro Tem Whitley, that this matter be approved to approve the High Point Convention & Visitors Bureau budget incorporating the following amendments: the CVB shall budget appropriations to the organizations as follows (Coltrane Festival \$50,000; Rosetta C. Baldwin Museum \$10,000; and Piedmont Triad Film Festival \$15,000) with the funds being available after July 15, 2012; and the CVB shall submit their budget to the City Council annually. The motion carried by the following vote:

Aye: 7 - Rebecca Smothers, Latimer Alexander, Britt Moore, Bernita Sims, Foster Douglas, Christopher Whitley, and James Corey

Nay: 2 - Michael Pugh, and A.B. Henley

[120174](#)

Council is requested to approve the FY 2012-2013 Budget for the International Home Furnishings Market Authority (Market Authority).

Attachments: [10. Market Authority Budget 2012-2013.pdf](#)

This matter was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation for approval.

Mayor Smothers pointed out that the Market Authority may have to come back with an amended budget after the General Assembly recesses once the state budget is finalized.

Approved the FY 2012-2013 Budget for the International Home Furnishings Market Authority (Market Authority).

A motion was made by Council Member Alexander, seconded by Mayor Pro Tem Whitley, that this matter be adopted. The motion carried unanimously.

Pending Items

[120145](#)

Council is requested to authorize the City Attorney to proceed with condemnation proceedings on property located at 3880 Brian Jordan Place belonging to Wendeck, LLC. The property is needed for the Penny Road transmission line.

Attachments: [condemnation - 3880 Brian Jordan Place - Penny Road Transmission Line.pc](#)

Chairman Alexander explained this matter was moved to the pending list at the last Council meeting and was discussed during a Finance Committee meeting held at 3:30 p.m. prior to this meeting.

Chairman Alexander made a motion to take this matter out of pending and place it back on the agenda for action. Mayor Pro Tem Whitley made a second, which carried unanimously.

City Manger Strib Boynton reported that he would be meeting with the property owner on Monday.

Chairman Alexander then moved to approve the condemnation for 3880 Brian Jordan Place (Penny Road transmission line) subject to a meeting that may occur within the next five business days. Mayor Pro Tem Whitley made a second to the motion. The motion carried unanimously. [9-0 vote]

Following the vote, Council Member Henley asked the city manager about the meeting on Monday. Mr. Boynton explained he would be meeting with the property owner in hopes to a resolution, and asked Council for some clear direction in the case that a resolution cannot be reached. Chairman Alexander explained that the motion made previously authorizes staff to file the condemnation and gives the property owner five business days to get it worked out.

Adopted Resolution authorizing the City Attorney to proceed with condemnation proceedings on property located at 3880 Brian Jordan Place should a resolution not be reached after the city manager and the property owner meets.

Resolution No. 1241/12-42

Introduced 6/4/2012

Adopted 6/18/2012

Resolution Book, Volume XVII, Page

A motion was made by Council Member Alexander, seconded by Mayor Pro Tem Whitley, that this matter be adopted. The motion carried unanimously.

**PUBLIC SAFETY & COMMUNITY DEVELOPMENT COMMITTEE -
Council Member Sims, Chair**

Committee Members: Alexander, Douglas and Corey.

(all were present)

[120160](#)

Adoption of an ordinance ordering the inspector to effectuate the demolition of a structure located at 508 Hines Street, belonging to Ragsdale Brothers, LLC.

Attachments: [508 Hines St Demolition Ordinance Request.pdf](#)

Chairwoman Sims gave a brief report on this housing case. [copy of the staff report will be attached in Legistar as a permanent part of these proceedings].

There have been no repairs made to date and no permits issued. The property owner was not present to comment. The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation

Adopted Ordinance ordering the inspector to effectuate the demolition of a structure located at 508 Hines Street.

Ordinance No. 6931/12-48

Introduced 6/18/2012

Adopted 6/18/2012

Ordinance Book, Volume XVII, Page 122

A motion was made by Council Member Sims, seconded by Council Member Alexander, that this matter be adopted. The motion carried unanimously.

[120161](#)

Adoption of an ordinance ordering the inspector to effectuate the demolition of a structure located at 812 E. Russell Avenue belonging to Cathy M. Lamb and Richard D. Lamb (deceased).

Attachments: [812 E. Russell Av Demoliton Ordinance Request.pdf](#)

[copy of the staff report will be attached in Legistar as a permanent part of these proceedings].

Chairwoman Sims reported that the owner was contacted, but did not appear for the hearing. The title search indicated that the property is in the foreclosure process and is currently vacant. It is in a Trust being handled by an attorney and according to information provided to staff, the lender has not taken possession of the property so there is some uncertainty as to where it stands in the process. Neither the property owner, nor the property owner's representative was present to offer any comments.

The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Adopted Ordinance ordering the inspector to effectuate the demolition of a structure located at 812 E. Russell Avenue.

Ordinance No. 6932/12-49

Introduced 6/18/2012

Adopted 6/18/2012

Ordinance Book, Volume XVII, Page 123

A motion was made by Council Member Sims, seconded by Council Member Douglas, that this matter be adopted. The motion carried unanimously.

[120171](#)

Adoption of an ordinance ordering the inspector to effectuate the demolition of a structure located at 808 E. Russell Avenue belonging to Harbour Portfolio VI, LP.

Attachments: [808 E Russell Av Demolition Ordinance Request.pdf](#)

Chairwoman Sims gave a brief report on this housing case. [copy of the staff report will be attached in Legistar as a permanent part of these proceedings].

The property owner was not present to comment. The Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Adopted Ordinance ordering the inspector to effectuate the demolition of a structure located at 808 E. Russell Avenue.

Ordinance No. 6933/12-50

Introduced 6/18/2012

Adopted 6/18/2012

Ordinance Book, Volume XVII, Page 124

A motion was made by Council Member Sims, seconded by Council Member Douglas, that this matter be adopted. The motion carried unanimously.

[120176](#)

Instruction to staff to draft and send a letter to Jeffrey Schwarz, property owner of the Meredith Street apartments, informing them that based on a report by the Inspections Department staff, they have not met the deadline agreed upon and consequently no additional permits will be issued. Consideration of an ordinance to demolish will come back to Council for further discussion/consideration.

Chairwoman Sims asked staff to update Council regarding the Meredith Street Apartments owned by Jeffrey Schwarz. Katherine Bossi, Local Code Enforcement Supervisor, explained that the building at 515 Meredith Street is almost complete receiving their final and electrical final last week. Staff conducted a walk-through on June 15th and staff is anticipating issuance of the CO on this building after a reinspection scheduled for Friday, June 22nd.

Regarding 513 Meredith Street, building, electrical and plumbing permits have been issued. Staff reported some interior repairs have been made (mostly cosmetic), but the repairs to this building are not complete.

To date, staff has not received any further applications for repair permits on any of the remainder of the buildings. Chairwoman Sims asked staff where the property owner stands as far as the percentage of completion in the time they agreed to have the repairs made. Council Member Alexander remembered the property owner's representative saying they would take the buildings on about one a month and felt they have not lived up to their previous commitment. He asked if Council desires to move forward with demolition of the buildings where the property owner has not attempted any repairs. Council Member Douglas felt Council has already given the property owner too much leniency. Mayor Smothers suggested the city attorney send the property owner a letter saying that based on the report that's been submitted by Inspections, they have not met the time table they proposed, no more permits will be issued so it would come back to Council for demolition.

Authorized the City Attorney to draft a letter to the property owner as previously discussed.

A motion was made by Council Member Douglas, seconded by Council Member Pugh, that this matter be approved. The motion carried by the following vote:

Aye: 8 - Rebecca Smothers, Latimer Alexander, Britt Moore, Bernita Sims, Foster Douglas, Michael Pugh, Christopher Whitley, and James Corey

Nay: 1 - A.B. Henley

Acquisition of Property to Improve Appearance of S. College Drive

Chairwoman Sims reminded Council about the discussion that took place during the Council Retreat regarding changing the perception and appearance of the S. College Drive, particularly with the two pieces of property on E. Russell. She requested staff look into the possibility of the city acquiring these two parcels and to make an assessment as to whether or not it would be of economic benefit to the city to do it pre-demolition or post-demolition. She felt the city should move forward with the possibility of ownership to better control the appearance of S. College at this intersection. Council Member Pugh asked if anyone has checked into what the cost might be if the city executes a lien on the property and claims value and where this would put the city as far as ownership. City Attorney JoAnne Carlyle explained staff could provide some information and show a comparison.

Pending Items

[120032](#)

Ordinance - Demolition of Structure - 1315 Vernon Place

Adoption of an ordinance ordering the inspector to effectuate the demolition of a structure located at 1315 Vernon Place belonging to David L and Minnie L. Terry.

Attachments: [Demolition Ordinance - 1315 Vernon Place.pdf](#)

PLANNING, ECONOMIC DEVELOPMENT & INFORMATION TECHNOLOGY COMMITTEE - Council Member Whitley, Chair

Committee Members: Sims, Henley and Moore

(all were present)

[120162](#)

Approval of a Resolution of Intent that establishes a public hearing date of July 16, 2012 at 5:30 p.m. to consider a request to abandon Harrison Street and to abandon a portion of Meadowbrook Boulevard lying west of N. College Drive.

Attachments: [1. ROI SA12-06.pdf](#)

Adopted Resolution of Intent establishing a public hearing date of July 16, 2012 at 5:30 p.m. to consider a request to abandon Harrison Street and to abandon a portion of Meadowbrook Boulevard lying west of N. College Drive.

Resolution No. 1242/12-12-43

Introduced 6/18/2012

Adopted 6/18/2012

Resolution Book, Volume XVII, Page 93

Volume XVII

A motion was made by Mayor Pro Tem Whitley, seconded by Council Member Pugh, that this matter be adopted. The motion carried unanimously.

MISCELLANEOUS

[120172](#)

Due to the Fourth of July holiday week and no scheduled agenda items, Council is requested to cancel meetings scheduled for the week of July 2-6, 2012. Next scheduled meeting will be July 16th at 4:45 p.m.

Approved the cancellation of the meetings scheduled for the week of July 2-6, 2012 due to the Fourth of July holiday.

A motion was made by Council Member Alexander, seconded by Council Member Corey, that this matter be approved. The motion carried unanimously.

PUBLIC HEARINGS ON ITEMS - 5:30 p.m.

PLANNING, ECONOMIC DEVELOPMENT AND IT COMMITTEE - Council Member Whitley, Chair

[120164](#)

A request by the Presbyterian Home, Inc. to rezone approximately 3.46 acres from the Agricultural (AG) District, within Guilford County's zoning jurisdiction, to a Public & Institutional (PI) District. The site is lying along the north side of Sandy Ridge Road, approximately 740 feet east of Squire Davis Road. This request is associated with an annexation application.

Attachments: [3. Z12-04 Staff Report.pdf](#)

The joint public hearing for this matter and related matter **120163 Annexation Case 12-03- Presbyterian Home, Inc.** was held on Monday, June 18, 2012 at 5:30 p.m. as duly advertised.

Herb Shannon of Planning & Development provided an overview of the staff report which is hereby attached as a permanent part of these proceedings.

Following the presentation of the staff report, Chairman Whitley opened the public hearing and asked if there was anyone present to comment. There being none, the public hearing was closed.

Following the conclusion of the public hearing, the Committee recommended this matter be placed on Thursday's agenda with a favorable recommendation.

Adopted Ordinance providing for the rezoning of this property from the Agricultural (AG) District, within Guilford County's zoning jurisdiction, to a Public & Institutional (PI) District based on consistency with the City's adopted plans. Additionally, City Council finds this action to be reasonable and in the public interest because: 1) The request is consistent with the adopted plans; 2) The requested PI District zoning will continue the established zoning pattern in this area as the property abuts existing PI District zoning to the west and an institutional use (retirement facility) use to the north; and 3) The request will promote an orderly urban growth pattern by closing a gap that exists between the primary and satellite corporate limits of the City.

Ordinance No. 6935/12-52

Introduced 6/18/2012

Adopted 6/18/2012

Ordinance Book, Volume XVII, Page 126

A motion was made by Mayor Pro Tem Whitley, seconded by Council Member Sims, that this matter be adopted. The motion carried unanimously.

[120165](#)

A request by the Technical Review Committee to abandon an unnamed alley located north of Pine Street and south of Elm Street, between Gatewood Avenue and Church Avenue.

Attachments: [4. Staff Report SA12-04.pdf](#)

The public hearing for this matter was held on Monday, June 18, 2012 at 5:30 p.m. as duly advertised.

Herb Shannon of Planning & Development gave an overview of the staff report which will be attached in Legistar as a permanent part of these proceedings.

Following the presentation of the staff report, Chairman Whitley opened the public hearing and asked if there was anyone present who would like to offer comment. There being none, the public hearing was closed.

Adopted Resolution providing for the abandonment of an unnamed alley located north of Pine Street and south of Elm Street, between Gatewood Avenue and Church Avenue based on the preliminary findings that the abandonment is not contrary to the public interest, and that no property in the vicinity of the street abandonment would be deprived of reasonable means of ingress and egress.

Resolution No. 1243/12-44

Introduced 6/18/2012

Adopted 6/18/2012

Resolution Book, Volume XVII, Page 94

A motion was made by Mayor Pro Tem Whitley, seconded by Council Member Sims, that this matter be adopted. The motion carried unanimously.

ADJOURNMENT

There being no further business to come before Council, the meeting adjourned at 6:00 p.m. upon motion duly made and second.

Respectfully Submitted,

Rebecca R. Smothers, Mayor

Attest:

Lisa B. Vierling, MMC
City Clerk