City of High Point

Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260

Meeting Agenda

Monday, May 17, 2021

3:30 PM

Council Chambers

Manager's Briefing

Jay W. Wagner, Mayor
Britt W. Moore (At Large), Mayor Pro Tem
Tyrone Johnson (At Large), Cyril Jefferson (Ward 1), Christopher Williams (Ward 2), Monica L. Peters (Ward 3), S. Wesley Hudson (Ward 4), Victor Jones (Ward 5), and Michael Holmes (Ward 6)

As part of the city of High Point's on-going COVID-19 mitigation efforts, in-person attendance will not be allowed at this meeting. Instead, the meeting will be live-streamed and the public can listen to the meeting as it is being live-streamed by clicking on the following link www.HighPointNC.gov/VirtualPublicMeeting.

CALL TO ORDER and ROLL CALL

PRESENTATION OF ITEMS

2021-214 **Presentation- Market Authority's FY 2021-2022 Annual Budget**

As part of the budget process and in preparation of the pending adoption of the City of High Point's FY 2021-2022 Annual Budget, City Council will hear a presentation regarding a draft of the Market Authority's FY 2021-2022 Annual Budget. The draft budget was approved by the Market Authority Executive Committee on May 4, 2021, and plans are for the Market Authority board to finalize their budget on June 9, 2021. The approval of the Market Authority's draft budget will be on the City Council Agenda for May 17, 2021 at 5:30 p.m. and action may be taken at that time. The public hearing on the City of High Point FY 2021-2022 Annual Budget will be held on Monday, May 17, 2021 at 5:30 p.m.

Attachments: FINAL _ FY 2021-22 Market Authority Budget.pdf

2021-215 **Presentation- Convention & Visitors Bureau (Visit High Point Inc.) FY 2021-2022 Annual Budget**

As part of the budget process and in preparation of the pending adoption of the City of High Point's FY 2021-2022 Annual Budget, City Council will hear a presentation regarding the Convention & Visitors Bureau (Visit High Point Inc.) FY 2021-2022 Annual Budget. The approval of the Convention & Visitors Bureau (Visit High Point Inc.) FY 2021-2022 Annual Budget and contract will be on the City Council Agenda for May 17, 2021 at 5:30 p.m. and action may be taken at that time. The public hearing on the City of High Point FY 2021-2022 Annual Budget will be held on Monday, May 17, 2021 at 5:30 p.m.

Attachments: FINAL _ FY 2021-22 Convention and Visitors Bureau Budget and Contract.pdf

2021-216 **City of High Point's Proposed FY 2021-2022 Budget**

City Council will continue discussion regarding the City of High Point's Proposed FY 2021-2022 Budget in anticipation of the public hearing on the budget which is scheduled for Monday, May 17, 2021 at 5:30 p.m.

Attachments: FINAL _ Public Hearing - Proposed FY 2021-22 City of High Point Budget.pdf
Council Budget Review Follow up-May 17 2021.pdf

ADJOURNMENT

CITY OF HIGH POINT
AGENDA ITEM

HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY™

Title: Public Hearing – City of High Point FY 2021-22 Budget

From: Stephen M. Hawryluk
Budget and Performance Manager

Meeting Date: May 17, 2021

Public Hearing: Yes

Advertising Date 5-4-2021
Advertised By: High Point Enterprise

Attachments: City Manager's Message
Legal Advertisement

PURPOSE:
To receive public comment on the proposed City of High Point FY 2021-22 Annual Budget.

BACKGROUND:
Each year, prior to the adoption of the Annual Budget for the City of High Point, the High Point City Council establishes a public hearing date and time to received comments from the public. These comments are taken into consideration by Council prior to approval of the budget.

The public hearing date is Monday, May 17, 2021.

In accordance with adopted legislation regarding public hearings at remote meetings, after the public hearing is held, the required 24-hour waiting period will be open before a vote can be taken on the matter, and the public can submit any additional comments on the budget during that time.

Public comments on this matter can be submitted by:

1. Calling 336-883-3522 and leaving a message, or by
2. Emailing written comments to publiccomment@highpointnc.gov, or by
3. Dropping written comments off in the city of High Point's utility payment drop-boxes located in the Green Drive and the Commerce Avenue parking lots on both sides of the Municipal Building located at 211 S. Hamilton Street.

BUDGET IMPACT:
N/A

RECOMMENDATION / ACTIONS REQUESTED:
Acknowledge public hearing will be held to receive public input on the annual budget prior to approval.

May 3, 2021

Honorable Mayor and Members of the City Council

City of High Point, North Carolina

In accordance with the General Statutes of North Carolina, I am pleased to submit for your consideration the Manager's Recommended Fiscal Year 2021-22 Budget. The budget is balanced and was prepared in accordance with the provisions of the North Carolina General Statutes and the policies of the North Carolina Local Government Commission. It incorporates the priorities and policy direction communicated by the Mayor and City Council and reflects the City Council's commitment to responsible fiscal management, while continuing to provide services that improve the quality of life for the citizens of High Point. Additionally, the proposed budget maintains the current property tax rate of 64.75 cents per $100 of property value, which is based on a total valuation of $10,281,161,755.

A year ago, a budget was presented and adopted based on much uncertainty. Uncertainty about revenues, including sales tax, tax collection rates, registered motor vehicle taxes, utility collections and other sources. Uncertainty on how long the COVID-19 pandemic would last, what new normal may emerge on the other side, and the effect it would have on our citizens and the services we provide. A commitment was made to monitor and report on our fiscal health, so that shortfalls could be addressed as they occur, and if economic conditions fared better than projected, opportunities to restore funding to departmental services and programs.

With a new fiscal year approaching, there is hope that the worst of this pandemic is behind us. Economic conditions have recovered faster than initially projected, vaccines are being deployed to the citizens of High Point and across the nation, capacity and social gathering limits are being relaxed, and federal stimulus dollars have been approved that will provide needed financial assistance to help the City make up for lost revenues realized during the pandemic and pay for additional costs incurred to safely deliver services and provide a safe working environment to our employees.

The FY 2021-22 fiscal year looks to be one of transition through the end of the COVID-19 pandemic, and the budget begins to reflect that transition with restoration of funding to many areas that saw budget reductions in FY 2020-21.

Below are highlights of the proposed budget:

- **No tax rate increase**
- **10% decrease in residential electric rate**
- **No water/sewer rate increase**
- **No garbage collection fee increase**
- **No stormwater fee increase**
- **$10 increase to the motor vehicle license fee, to $30 per registered motor vehicle, to fund rising costs and expand the city's street resurfacing program**
- **Average 3% mid-year merit pay increase**
- **Continued 1% city match for 401K and 457 contributions**
- **Restores funding to the High Point Museum**
- **Restoration of outside agency funding**
- **Elimination of the targeted vacancy savings and targeted hiring freeze**
- **Restoration of departmental budgets to FY 2021-22 targets projected prior to the pandemic**
- **The addition of 8 full-time positions, 21 part-time positions, and 1 reclassification of a part-time position to full-time**

AMERICAN RESCUE PLAN

On March 11, 2021, the American Rescue Plan was signed into law. Included in this bill is direct financial assistance to local governments that have faced revenue losses and added safety expenses in dealing with the COVID-19 pandemic. The bill includes over $1.3 billion dollars for cities and towns in North Carolina. High Point is projected to receive $23.42 million, in two payments over the next 12 months, in direct assistance that can be used for the following:

- Respond to the COVID-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and industries such as tourism and hospitality.
- Provide premium pay to essential employees or grants to their employers. Premium pay couldn't exceed $13 per hour or $25,000 per worker.
- Provide government services affected by a revenue reduction resulting from COVID-19.
- Make investments in water, sewer, and broadband infrastructure.

The proposed FY 2021-22 budget does not include the appropriation of these funds. We are eagerly awaiting spending and program guidance from the United States Department of Treasury and will be providing updates to the Mayor and City Council as those guidelines are published.

In addition to the local aid to municipalities, the American Rescue Plan includes financial assistance for transit systems through the Federal Transit Administration (FTA), and additional HOME funding for affordable housing needs through the U.S. Department of Housing and Urban Development (HUD). The supplemental HOME allocation for High Point is projected at

$1,988,359 and will be appropriated separately via budget amendment once the funds are received and program guidance is provided.

The FY 2021-22 proposed budget does include the additional operating assistance provided by the American Rescue Plan. The $785,976 is programmed in the High Point Transit System budget.

TOTAL FY 2021-22 BUDGET OF ALL FUNDS

Funds included in the budget are adequate to continue providing the services that are expected by our citizens. The budget funds the critical elements of the City Council's Strategic Plan while looking forward to the needs of the future.

The total FY 2021-22 budgeted expenditures for the City of High Point amount to $416,288,089. This is an increase of $3,246,735 or 0.8% from the FY 2021-21 Budget.

Below is a chart of total 2021-22 budgeted revenues and expenditures compared to the 2020-21 Adopted Budget:

CITY OF HIGH POINT
TOTAL BUDGET OF ALL FUNDS SUMMARY

Sources and Use of Funds	Adopted FY 2021 Budget	Proposed FY 2022 Budget	Amount Change	Percent Change
Revenues				
Fund Balance	$19,135,718	$17,399,698	($1,736,020)	-9.1%
Property Tax	64,858,075	67,090,592	2,232,517	3.4%
Sales & Use Taxes	29,175,077	33,646,413	4,471,336	15.3%
Intergovernmental Revenues	16,576,888	18,494,377	1,917,489	11.6%
Licenses & Permits	5,222,850	6,056,850	834,000	16.0%
Charges for Services	245,925,957	240,153,925	(5,772,032)	-2.3%
Miscellaneous Revenues	10,319,721	8,469,322	(1,850,399)	-17.9%
Reimbursments	0	221,662	221,662	0.0%
Subtotal - Revenues	**$391,214,286**	**$391,532,839**	**$318,553**	**0.1%**
Interfund Activities	$21,827,068	$24,755,250	$2,928,182	13.4%
Total Revenues	**$413,041,354**	**$416,288,089**	**$3,246,735**	**0.8%**
Expenditures				
Personnel Services	$136,178,800	$141,434,811	$5,256,011	3.9%
Operating Expenditures	167,145,925	172,144,726	4,998,801	3.0%
Capital Outlay	42,517,741	38,696,244	(3,821,497)	-9.0%
Debt Service	29,674,719	31,043,041	1,368,322	4.6%
Reimbursements	12,450,821	13,706,688	1,255,867	10.1%
Contingency	1,150,000	1,150,000	0	0.0%
Subtotal - Expenditures	**$389,118,006**	**$398,175,510**	**$9,057,504**	**2.3%**
Interfund Transfers	$23,923,348	$18,112,579	($5,810,769)	-24.3%
Total Expenditures	**$413,041,354**	**$416,288,089**	**$3,246,735**	**0.8%**

FY 2020-21 MAJOR REVENUE CHALLENGES

When the budget was adopted last year, the effects of COVID-19 on local government revenues in North Carolina and across the nation was still not known. Reductions were made in local option sales tax, room occupancy taxes, the property tax collection rate, and other revenues.

Throughout the year, City staff have monitored these and other revenues and updated projections throughout the year. Discussions with staff from the North Carolina League of Municipalities, the University of North Carolina School of Government and other local governments have taken place regularly to see if there were statewide trends. While there were reductions in some revenues, others have performed much better than initially projected.

Sales tax was projected at a 20% decrease in collections for the fourth quarter of the previous fiscal year (April-June 2020) and for the first quarter of the current fiscal year (July-September 2020). On an annualized basis, this projected to a 5.3% decrease for the fiscal year. Due to the two-month lag time between when sales tax is collected and when it is reported and distributed to local governments, there was concern that the actual impact was not known right away. However, a combination of federal stimulus checks and online shopping, among others, has led sales tax to trend towards an increase for the current year Through our distribution received in April (sales through February), sales tax are increased by 8.36%. With more stimulus checks and added federal spending approved in March, and the relaxing of capacity limits, projections assume this growth will continue through the remainder of the fiscal year.

The property tax collection rate was reduced to 98.4% for FY 2020-21. Uncertain economic climate and the allowance by the State to defer registered motor vehicle tax payments 5 months led to assumptions that these revenues, which make up 54% of general fund revenues, would not meet past trends. Fortunately, collections are in-line with previous years, and property tax revenues are outperforming budget.

Lastly, room occupancy taxes were reduced by approximately 19% to reflect the expected drop on hotel/motel stays and the cancellation of large in-person events. Trends through March have this revenue dropping even more than projected. However, there is hope for next year as social gathering limits are relaxed and lifted and in-person events, including the Furniture Market, can return.

FY 2021-22 MAJOR REVENUE RECOMMENDATIONS

The proposed FY 2021-22 budget keeps the property tax rate at 64.75 cents per $100 of valuation. Of this total, 3.4 cents remain earmarked for the debt service fund.

There is no rate increase to water and sewer rates, stormwater fees, or garbage collection fees but there are several proposed changes to fees in the proposed budget.

- An electric rate decrease of 10% for residential customers. Currently, our rate consultant is modeling a 10% residential rate decrease effective October 1. This is in conjunction with a rate restructuring that should be close to revenue neutral on the commercial/industrial side. The annual effective impact of that is about a $5 million decrease in revenue. The budget proposes to use rate stabilization funds to cover this shortfall.

- An increase in the motor vehicle fee of $10, bringing that fee to $30 per registered motor vehicle. This will generate approximately $785,000 in new revenue. The 2020 High Point

Community Survey results saw the condition and maintenance of City streets as a top priority for improvement that citizens wanted to see addressed over the next two years.

In order to help meet that priority, the additional revenue received from this fee increase have been invested in the city's street maintenance division and will be used be used to cover additional costs and an expansion of the city's street resurfacing program. It currently costs the City about $88,500 to resurface one mile of city streets.

- There are also changes to the Planning & Development fee schedule. Proposed fee changes include increasing the administrative abatement cost for code violations by $25 to $125. Also proposed is a fee for when an approved plat plan is altered and new plan review fees for wireless telecommunications facilities, collocations, and modifications.

- The final fee change is an adjustment to the picnic shelter rental fees at Washington Terrace Park. Two shelters have been removed, one larger shelter has been added, and the existing inventory of shelters has been renumbered. The proposal aligns the shelters with their previous fees and adds a $40 rental fee (4-hour block) for the new shelter. **This is not an increase in fees, simply a re-alignment of existing fees.**

FY 2020-21 EXPENDITURE CHALLENGES
With many revenues projected to decrease for FY 2020-21, to balance the budget, several expenditure reductions had to be made. This included a year-long targeted hiring freeze, to achieve a general fund vacancy savings of approximately $2.2 million. **I am happy to report that through March payrolls, 80% of that target has been reached and projections show us meeting that target by the end of the fiscal year.** The proposed budget does not include a targeted vacancy savings and the targeted hiring freeze will be lifted on July 1.

Last year's budget also required across the board operating reductions to departmental budgets. While some services have been reduced, many continued at the level expected of our citizens. Year-end spending trends and increased revenues for next year have allowed me to recommend restoring departmental budgets to their expected pre-pandemic targets for FY 2021-22.

FY 2021-22 EXPENDITURE RECOMMENDATIONS
The needs, priorities and details of each fund are highlighted in detail throughout this document. Below are the major expenditure recommendations included in the FY 2021-22 Proposed Budget:

- Restores the City's Pay for Performance Program. An average 3% mid-year merit adjustment is programmed, at an estimated cost, including benefits of $1.47 million.

- Continued funding of the increased employer contribution to the Local Government Employees' Retirement System (LGERS) for regular, fire, and sworn police employees. The cost of this increase for FY 2021-22 is about $922,000.

- Continued funding of the 1.0% 401K/457 match established several years ago, at a cost of approximately $303,000.

- Restoration of operating funds and positions at the High Point Museum, as the lifting of capacity requirements will allow the Museum to fully operate in FY 2021-22.

- Restoration of outside agency funding to a total proposed amount of $337,438.

- Funding for Forward High Point downtown development group of $250,000.

- Furniture Market Authority funding restored to $240,000

- Investment of $3.3 million for neighborhood street resurfacing, including an increase of $785,000 from the proposed increase to the motor vehicle fee.

- Funding for the repayment of the twenty-year internal loan for the Catalyst Project land purchases. The amount is $443,323.

- Investments in the City's Information Technology network including updated software, maintenance of systems and applications, and upgraded infrastructure, totaling $475,810.

- Replaces $2.64 million in vehicles funded with pay-as-you-go funding from the Fleet division of the Central Services Fund. Planned fleet purchases include one dump truck, a landfill compactor, one leaf vac truck, ten police patrol cars, two police SUV's, one automated refuse truck, two underground electric trucks, and other necessary rolling stock and mid-sized sedan and light duty pickup truck replacements.

- The addition of 8 full-time, 21 part-time positions, and 1 part-time to full-time reclassification.

Department	Position	FY 2021-22 Cost
Full-Time		
Diversity, Equity, and Inclusion	Diversity, Equity, and Inclusion Specialist	$62,107
Human Resources	Training Analyst	60,256
Financial Services	Payroll Technician	46,736
Engineering Services	Erosion Control Inspector (2)	107,538
Police	Assistant Police Chief	146,290
Library – Museum	Visitor Services Supervisor	48,966
Public Services – Stormwater	Stormwater Specialist	49,635
Subtotal – Full-Time		**$521,528**

Department	Position	FY 2021-22 Cost
Part-Time		
Information Technology	911 Quality Assurance Specialist	$17,224
Parks and Recreation	Park Attendant – Oak Hollow	5,383
Parks and Recreation	Park Attendant (2) – City Lake Park	10,766
Parks and Recreation	Pool Attendant (4) – City Lake Pool	10,764
Parks and Recreation	Lifeguard (4) – City Lake Pool	16,580
Library – Museum	Administrative Coordinator	39,557
Library – Museum	Museum Park Guide (6)	18,682
Library – Museum	Museum Store Attendant (2)	9,748
Subtotal – Part-Time		**$128,704**
Reclassification		
Parks and Recreation	Groundskeeper – Part-Time to Full-Time	$4,509

2021-22 MAJOR FUND SUMMARIES

GENERAL FUND

The 2021-22 General Fund Budget of $117,722,390 is $8,227,927 or 7.5% more than the adopted 2020-21 budget of $109,499,463. The FY 2021-22 General Fund Budget is balanced with current revenues and a $500,000 appropriation of fund balance reserves.

General Fund revenues and expenditures are summarized below:

CITY OF HIGH POINT GENERAL FUND BUDGET SUMMARY				
Sources and Use of Funds	**Adopted FY 2021 Budget**	**Proposed FY 2022 Budget**	**Amount Change**	**Percent Change**
Revenues				
Fund Balance	$0	$500,000	$500,000	0.0%
Property Tax	61,476,375	63,597,720	2,121,345	3.5%
Sales & Use Taxes	28,692,077	33,161,913	4,469,836	15.6%
Intergovernmental Revenues	10,481,517	10,680,198	198,681	1.9%
Licenses & Permits	3,132,850	3,966,850	834,000	26.6%
Charges for Services	4,740,864	4,885,929	145,065	3.1%
Miscellaneous Revenues	975,780	929,780	(46,000)	-4.7%
General Fund Revenues	**$109,499,463**	**$117,722,390**	**$8,222,927**	**7.5%**
Expenditures				
Personnel Services	$80,672,445	$84,577,027	$3,904,582	4.8%
Operating Expenditures	20,270,924	23,057,226	2,786,302	13.7%
Capital Outlay	72,933	0	(72,933)	-100.0%
Debt Service	1,022,593	1,612,586	589,993	57.7%
Contingency	400,000	400,000	-	0.0%
General Fund Expenditures	**$102,438,895**	**$109,646,839**	**$7,207,944**	**7.0%**
Interfund Transfers	$7,060,568	$8,075,551	$1,014,983	14.4%
Net Expenditures	**$109,499,463**	**$117,722,390**	**$8,222,927**	**7.5%**

GENERAL FUND REVENUES

Below is a summary of major General Fund revenue changes:

- Property tax revenues represent 54.0% or $63,597,720 of the total General Fund revenues. Property tax collections are projected to increase approximately $2,121,345 or 3.5%. The projected collections are based on a collections rate of 99.1%.

- Sales tax revenues represent 28.2% or $33,161,913 of General Fund revenues and are projected to increase approximately $4,469,836, or 15,6% due to strong increases in retail sales tax during the current year and projected to continue in FY 2021-22.

- License and permit fees are projected to increase $834,000, or 26.6% due primarily to the proposed increase in the motor vehicle fee from $20 to $30 per registered motor vehicle. This would generate an additional $785,000 in revenue.

- Charges for Services are increasing by $145,065, or 3.1% due to anticipated resuming of Parks and Recreation programs.

- Miscellaneous Revenues are decreasing $46,000 from the previous fiscal year due to slightly decreased interest income.

TAX RATE AND COLLECTIONS

The proposed FY 2021-22 tax rate is 64.75 cents, no change from the FY 2020-21 approved rate. The value of one cent in tax rate will produce approximately $1.02 million of revenue. The total proposed tax rate is divided between the General Fund and the General Debt Service Fund. The General Fund receives 61.35 cents, and the General Debt Service Fund receives 3.4 cents.

A collection rate of 99.1% is planned for the proposed tax year collections, increased after being lowered to 98.4% due to uncertainty with the economic impact of the COVID-10 pandemic.

CITY OF HIGH POINT TAX RATE HISTORY	
Year	**Tax Rate**
FY 2012-13	$0.6750
FY 2013-14	$0.6750
FY 2014-15	$0.6640
FY 2015-16	$0.6500
FY 2016-17	$0.6475
FY 2017-18	$0.6475
FY 2018-19	$0.6475
FY 2019-20	$0.6475
FY 2020-21	$0.6475
FY 2021-22 (proposed)	**$0.6475**

ASSESSED PROPERTY VALUES

The combined total assessed valuation estimates for our four County taxing authorities are $10.281 billion for FY 2021-22, for a 2.7% increase over the estimate current year valuation. Below is a chart of our historic assessed value history:

CITY OF HIGH POINT ASSESSED VALUE HISTORY								
	REAL PROPERTY							
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Total	Personal Property	Public Service Companies	Total Assessed Value	% Inc yr/yr
2006	3,481,796,314	2,491,980,410	942,275,410	6,916,052,134	1,372,316,382	117,923,262	8,406,291,778	0.9%
2007	3,615,085,429	2,530,768,578	942,311,760	7,088,165,767	1,409,442,958	122,178,728	8,619,787,453	2.5%
2008	3,778,859,150	2,729,035,922	994,596,450	7,502,491,522	1,441,055,968	131,332,066	9,074,879,556	5.3%
2009	4,231,853,123	2,408,171,911	1,005,788,880	7,645,813,914	1,452,697,393	131,984,351	9,230,495,658	1.7%
2010	4,279,155,000	2,483,747,575	1,008,165,180	7,771,067,755	1,417,186,050	131,456,290	9,319,710,095	1.0%
2011	n/a	n/a	n/a	7,682,834,650	1,402,419,615	129,766,404	9,215,020,669	-1.1%
2012	n/a	n/a	n/a	7,655,916,694	1,455,701,042	129,074,157	9,240,691,893	0.3%
2013	4,300,290,483	1,949,336,323	987,346,355	7,236,973,161	1,501,465,603	148,989,146	8,887,427,910	-3.8%
2014	4,315,429,943	2,149,860,980	969,318,600	7,434,609,523	1,489,840,190	128,387,727	9,052,837,440	1.9%
2015	4,397,388,367	1,872,215,206	977,839,178	7,247,442,751	1,555,428,785	126,857,380	8,929,728,916	-1.4%
2016	4,349,667,380	2,014,352,593	914,694,134	7,278,714,107	1,587,787,369	140,281,138	9,006,782,614	0.9%
2017	4,429,691,766	1,942,245,655	993,448,540	7,365,385,961	1,674,065,813	141,688,783	9,181,140,557	1.9%
2018	4,581,596,716	2,093,081,705	1,036,916,309	7,711,594,730	1,724,751,200	144,885,945	9,581,231,875	4.4%
2019	4,617,512,541	2,073,676,161	1,111,145,808	7,802,334,510	1,774,628,867	142,350,789	9,719,314,166	1.4%
2020	4,682,399,768	2,160,965,902	1,076,074,949	7,919,440,619	1,765,251,099	146,722,026	9,831,413,744	1.2%
2021 (est)	4,736,917,339	2,186,126,208	1,088,603,779	8,011,647,326	1,853,256,085	145,822,173	10,010,725,584	1.8%
2022 (est)	4,873,846,112	2,249,319,960	1,120,071,751	8,243,237,823	1,892,101,759	145,822,173	10,281,161,755	2.7%

SALES TAX

The sales tax category includes sales tax related to retail sales, utility sales tax, room occupancy tax and rental vehicle tax. Current year sales taxes are expected to outpace budgeted projections by 5.7% or $1.63 million from budget, and FY 2021-22 sales taxes are projected to increase 15.6%, or $4.47 million from the current fiscal year budget. Below is a chart of our historic sales tax history:

CITY OF HIGH POINT SALES TAX HISTORY						
Fiscal Year	Sales Tax	Utility Sales Tax	Room Occupancy Tax	Rental Vehicle Tax	Total Sales Tax	Percent Change
2016	17,560,270	6,702,757	1,634,432	161,061	26,058,520	
2017	18,475,363	6,361,380	1,702,471	170,329	26,709,543	2.5%
2018	19,202,141	6,516,346	1,792,063	177,452	27,688,002	3.7%
2019	20,521,699	6,834,619	1,750,000	180,000	29,286,318	5.8%
2020	20,899,026	6,536,427	1,615,129	218,620	29,269,202	-0.1%
2021 (est.)	22,922,770	6,193,384	982,508	219,304	30,317,966	3.6%
2022 (proj.)	24,508,913	6,800,000	1,618,000	235,000	33,161,913	9.4%

GENERAL FUND EXPENDITURES

Below is a summary of major General Fund expenditure changes:

- Personnel services are increasing $3,904,582 or 4.8% to fund an average 3% mid-year merit increase and a required increase to the City's contribution to the Local Government Employees' Retirement System (LGERS) for regular, fire, and sworn police employees.

  The General Fund budget also includes an additional 7 full-time, 21 part-time positions, and 1 part-time to full-time reclassification, as outlined earlier in this message.

- Operating expenditures are increasing $2,786,302 or 13.7%, primarily due to a restoration of outside agency funding, restoration of departmental budgets to pre-pandemic FY 2021-22 targets, additional investments in the City's information technology services, and increased investment in the city's street resurfacing program.

- Debt service related to short-term operating financing for capital equipment is increasing by $589,993, or 57.7%. This includes new payments for body worn cameras for the High Point Police Department and data center for Information Technology, and continued payment for fire apparatus purchases.

WATER AND SEWER FUND

The $57,044,140 Water and Sewer Fund Budget for FY 2021-22 represents a 19.9% or $14,179,381 decrease from the 2020-21 adopted budget, as summarized below:

CITY OF HIGH POINT WATER SEWER FUND BUDGET SUMMARY				
Sources and Use of Funds	**Adopted FY 2021 Budget**	**Proposed FY 2022 Budget**	**Amount Change**	**Percent Change**
Revenues				
Fund Balance	$13,982,814	$0	($13,982,814)	-100.0%
Charges for Services	55,290,433	54,749,140	(541,293)	-1.0%
Intergovernmental Revenue	563,956	490,000	(73,956)	-13.1%
Miscellaneous Revenues	1,386,318	1,805,000	418,682	30.2%
Water Sewer Fund Revenues	**$71,223,521**	**$57,044,140**	**($14,179,381)**	**-19.9%**
Expenditures				
Personnel Services	$11,004,058	$11,209,611	$205,553	1.9%
Operating Expenditures	13,712,868	13,920,009	207,141	1.5%
Contingency	300,000	300,000	0	0.0%
Debt Service	16,509,221	15,626,535	(882,686)	-5.3%
PayGo Capital	22,660,000	8,605,000	(14,055,000)	-62.0%
Reimbursements	6,987,374	7,332,985	345,611	4.9%
Water Sewer Fund Expenditures	**$71,173,521**	**$56,994,140**	**($14,179,381)**	**-19.9%**
Interfund Transfers	$50,000	$50,000	$0	0.0%
Net Expenditures	**$71,223,521**	**$57,044,140**	**($14,179,381)**	**-19.9%**

WATER AND SEWER FUND REVENUES

Below is a summary of Water and Sewer revenue changes:

- The proposed budget does not increase water and sewer rates.
- Miscellaneous revenues are projected to increase $418,682 or 30.2% due increased rebates.
- The proposed budget for water and sewer operations does not include any appropriation of reserves.

WATER AND SEWER RATES

The 2021-22 Water and Sewer Fund does not include an increase to water and sewer rates.

Below is a history of water and sewer rate increases:

CITY OF HIGH POINT HISTORIC ANNUAL WATER AND SEWER RATE INCREASES			
Fiscal Year	Effective Date	Water % Change	Sewer % Change
FY 2000-01	7/1/2000	17.20%	15.70%
FY 2001-02	7/1/2001	5.00%	22.20%
FY 2002-03	7/1/2002	8.00%	15.00%
FY 2003-04	7/1/2003	6.30%	14.50%
FY 2004-05	10/1/2004	4.90%	4.90%
FY 2005-06	10/1/2005	4.90%	4.90%
FY 2006-07	10/1/2006	4.90%	4.90%
FY 2007-08	11/8/2007	4.85%	4.85%
FY 2008-09	10/1/2008	5.90%	5.90%
FY 2009-10	10/1/2009	5.00%	5.00%
FY 2010-11	10/1/2010	4.90%	4.90%
FY 2011-12	10/1/2011	4.90%	4.90%
FY 2012-13	no increase	0.00%	0.00%
FY 2013-14	no increase	0.00%	0.00%
FY 2014-15	7/1/2014	3.00%	3.00%
FY 2015-16	10/1/2015	3.50%	3.50%
FY 2016-17	10/1/2016	4.00%	4.00%
FY 2017-18	10/1/2017	3.00%	3.00%
FY 2018-19	10/1/2018	3.00%	3.00%
FY 2019-20	10/1/2019	4.00%	4.00%
FY 2020-21	10/1/2020	2.00%	2.00%
FY 2021-22 (proposed)	no increase	0.00%	0.00%

Water and sewer revenue rates are a critical component of funding the operation, maintenance and needed capital improvements for water treatment facilities and distribution lines, and for wastewater collection lines and treatment systems. Property taxes are not used to finance water and sewer utility services.

WATER AND SEWER FUND EXPENDITURES
Below is a summary of Water and Sewer Fund expenditures:

- Personnel Services is increasing $205,553, or 1.9%, due to an average 3% mid-year merit pay increase and a mandatory increase to the City's contribution to the North Carolina Local Government Employees' Retirement System (LGERS).

- Pay as you go capital includes $8,605,000 in funding for water and sewer capital projects.

ELECTRIC FUND
The 2021-22 Electric Fund Budget of $134,655,414 represents a 0.9% or $1,228,854 increase from the 2020-21 adopted budget. The proposed budget includes an electric rate decrease of 10% for residential customers. Currently, our rate consultant is modeling a 10% residential rate decrease effective October 1. This is in conjunction with a rate restructuring that should be close to revenue neutral on the commercial/industrial side.

Wholesale power cost for FY 2021-22 is budgeted at $96.13 million, which is the single largest expense in the Electric Fund and citywide budget.

The budget plan continues to invest funds to maintain electric infrastructure and includes $8,650,000 in major capital projects. These routine capital investments are necessary to maintain efficient and ongoing operation of the Electric System.

CITY OF HIGH POINT
ELECTRIC FUND BUDGET SUMMARY

Sources and Use of Funds	Adopted FY 2021 Budget	Proposed FY 2022 Budget	Amount Change	Percent Change
Revenues				
Fund Balance	$3,450,000	$10,424,000	$6,974,000	202.1%
Charges for Services	129,182,560	123,215,210	(5,967,350)	-4.6%
Miscellaneous Revenues	794,000	794,542	542	0.1%
Reimbursements	0	221,662	221,662	0.0%
Electric Fund Revenues	**$133,426,560**	**$134,655,414**	**$1,228,854**	**0.9%**
Expenditures				
Personnel Services	$11,607,705	$11,850,807	$243,102	2.1%
Operating Expenditures	8,768,389	8,503,222	(265,167)	-3.0%
Wholesale Power Cost	95,987,088	96,137,849	150,761	0.2%
Capital Equipment Outlay	3,894,000	3,617,000	(277,000)	-7.1%
Contingency	450,000	450,000	0	0.0%
Debt Service	0	0	0	0.0%
PayGo Capital	7,667,500	8,650,000	982,500	12.8%
Reimbursements	3,941,878	4,336,536	394,658	10.0%
Electric Fund Expenditures	**$132,316,560**	**$133,545,414**	**$1,228,854**	**0.9%**
Interfund Transfers	$1,110,000	$1,110,000	$0	0.0%
Net Expenditures	**$133,426,560**	**$134,655,414**	**$1,228,854**	**0.9%**

CAPITAL IMPROVEMENT PROGRAM

Capital investments and reinvestments are critical elements in the City's total financial program. Capital improvements are financed by one of four basic methods.

The first method involves the issuance of voter approved general obligation bonds generally backed and paid by property taxes. The second method is a slight variation of the first and allows the City to issue small amounts of what are known as two-thirds general obligation bonds from time-to-time that do not require tax increases or voter approval. The third method involves revenue bonds, backed and paid by revenues from our water and sewer and our stormwater system. Revenue bonds do not require voter approval. Both general obligation and revenue bond financing involve principal, interest, and cost of issuance expenses. The fourth method is pay-as-we-go capital financing. The pay-as-we-go alternative, developed and expanded in the past ten years, allows us to finance needed capital improvements from current revenues, grants and other funds, thereby avoiding the additional and higher cost associated with the issuance and financing of long-term debt.

The City has engaged Davenport & Company, LLC of Richmond, Virginia as our financial advisor since 2003. Davenport has assisted the City with general obligation and revenue bond planning and modeling, financial policies, rating agency strategies and interactions, bond issuance, investment analysis, and bond refunding analysis.

Capital investments are necessary for a city to replace existing infrastructure and to invest in new infrastructure. Debt financing of this infrastructure is a sound financial strategy as long as the borrowing is done in a strategic and conservative manner. Local policies are in place to ensure that borrowing is done responsibly, and oversight of our borrowing practices are in place through the Local Government Commission. The City is well prepared to address replacement of existing infrastructure to meet and provide for future growth and development.

GENERAL OBLIGATION BONDS

General obligation bonds are a common type of municipal bond that are secured by the full faith and credit of the tax rate to repay bond holders. This debt instrument was used to fund the 2004 bond authorization and will be used to fund the $50.0 million authorization that was approved by voters in 2019. The authorization is for the following uses:

- Streets and Sidewalks - $22,000,000
- Parks and Recreation - $21,500,000
- Housing - $6,500,000

These bonds will be issued in the coming fiscal years.

TWO–THIRDS GENERAL OBLIGATION BONDS

Two-thirds bonds are State authorized General Obligation bonds that may be issued without voter approval. The statute allows a local government to issue up to 2/3 of the amount of GO bonds that were paid off in the previous year. These bonds can be used for any other general obligation purpose other than the financing of auditoriums, coliseums, arenas, stadiums, civic centers or convention centers, art galleries, museums, historic properties, public transportation systems, cable television systems or redevelopment projects.

WATER/SEWER REVENUE BONDS

Revenue bonds are municipal bonds that finance income-producing projects that are secured by a specified revenue source, such as water and sewer or stormwater rates. Revenue bonds are issued by the government agency for operations that run in the manner of a business, with operating revenues and expenses, such as our Water & Sewer Fund. The pledge to repay the bond is guaranteed by the rates of the Water & Sewer Fund.

Over the next five years, staff has identified an estimated $136.2 million in additional major water and wastewater bond projects. The capital improvement plan anticipates cash funding of $43.5 million and debt funding $92.7 million in water and sewer projects.

BOND AGENCY RATINGS

The City's capacity to finance and pay for needed improvements is evaluated from time to time by the following rating agencies: Moody's Investment Services, Standard & Poor's, and Fitch Ratings. Protecting and enhancing our bond ratings is one of our highest priorities.

The City has seen a series of bond rating upgrades since 2003, including the addition of a AAA bond rating assignment by Standard & Poor's. The City's bond ratings were re-affirmed in conjunction with our bond sale in October 2018, and Moody's re-affirmed their ratings in May 2019.

PAY-AS-WE-GO FINANCING

The City has made a commitment to fund a healthy level of pay-as-we-go financing for routine improvements, infrastructure maintenance, and grant matches of capital projects funded from state and federal grant programs. Below is a summary of pay-as-we-go projects in each fund.

GENERAL FUND PAY-AS-WE-GO

The proposed budget does not include funds for any general pay-as-we-go capital improvements. Year-end general fund projections show a substantial increase to fund balance and that, combined with the influx of federal stimulus dollars to make up for lost revenues from the COVID-19 pandemic, will allow staff to bring forward a proposed general pay-as-we-go list of projects, to be funded by one-time reserves, early in the new fiscal year.

WATER AND SEWER PAY-AS-WE-GO

Water and Sewer pay-as-we-go capital reinvestments are budgeted at $8,605,000. A list of 2021-22 Water and Sewer pay-as-we-go investments are shown below:

Water Storage Tank Maintenance	$100,000
Replace Obsolete Neighborhood Water Lines	1,500,000
Replace Obsolete Neighborhood Sewer Lines	1,500,000
Water System Improvements	125,000
Sewer System Improvements	125,000
Water/Sewer Developer Reimbursements	150,000
Alum Sludge Removal	375,000
NCDOT – TIP Program (W/S Utilities)	150,000
City Lake Dam Upgrade	1,100,000
Westside Centrifuge Upgrade	1,400,000
E. Washington St. (Gaylord-Downing)	1,230,000
Watershed Protection Plan	300,000
Whites Mill Lift Station	150,000

Generators – Automation/Replacement	400,000
Water and Sewer Capital Total	**$8,605,000**

ELECTRIC PAY-AS-WE-GO
The Electric pay-as-we-go projects are budgeted at $8,650,000. Projects include:

Underground Projects	$1,500,000
Fiber Replacement	500,000
Automated Meter Reading Initiative	1,500,000
Area Outdoor Lighting	200,000
Street Lighting	300,000
Downtown Underground	200,000
Overhead to Underground Conversion	100,000
Deep River to Penny Rd. Transmission Line	3,000,000
Medium Voltage (Outdoor) Breaker Replacement	750,000
UG Subdivision Cable	600,000
Electric Capital Total	**$8,650,000**

SOLID WASTE PAY-AS-WE-GO
The Solid Waste pay-as-we-go budget is $5,221,000. The projects planned are:

Kersey Valley Landfill Ph VI Expansion	$2,000,000
Environmental Services Administration Building	825,000
Landfill Develop – Land Purchase	50,000
Kersey Valley Road Relocation	2,125,000
Kersey Valley Ph 1 – IV Post Closure – Reserve	171,000
MRF Ongoing Maintenance	50,000
Landfill Capital Total	**$5,221,000**

OTHER PAY-AS-WE-GO
The $3,708.439 in other 2021-22 pay-as-we-go investments includes the scheduled replacement of vehicles, normal computer and radio replacements, routine stormwater projects, and others outlined below:

Fleet Replacement Program	$2,640,639
Fleet Shop Equipment	50,000
Stormwater Routine Projects	945,000
Computer System Replacements	72,500
Other Capital Total	**$3,708,439**

FUND BALANCES/RETAINED EARNINGS
Fund balances and retained earnings are critical, but often misunderstood and overlooked part of the Annual Budget. Fund balances and retained earnings consist of unencumbered and unappropriated monies. They are essential for maintaining our strong bond ratings as well as maintaining positive year-round and year-to-year cash flows. Strong fund balances are essential as we plan for subsequent budgets.

The North Carolina Local Government Commission recommends maintaining an 8.0% balance in each fund. This is necessary for maintaining positive year-round cash flows, reducing the need for short term borrowing, and assisting in maintaining investment grade bond rating. The High Point City Council adopted Fiscal Policy calls for a minimum 10.0% fund balance of estimated expenditures as a signal of financial strength and fiscal stability. The City of High Point applies the policy to all operating funds *except* the Water-Sewer Fund, which calls for a 50% fund balance, and the Economic Development, General Debt, and General Capital Project funds, which are covered by more specific strategic plans.

STRATEGIC PLAN

In March of 2016, the City Council developed a strategic plan, which has been reaffirmed and expanded by the current City Council. The strategic plan has guided the last several budgets, although the fiscal realities during the pandemic have limited the amount of funding we could devote to these activities. The initial goals are below:

- Increase the population of active, engaged, and entrepreneurial and working young professionals living in High Point by 25%
- 100% proactive enforcement of codes
- Create a downtown catalyst project that produces:
    - 500 private sector jobs
    - 15-20 new restaurants and shops
    - 250 additional housing units
    - A centralized gathering place

The City Council met in February 2020 and added three new short-term goals:

- Design a marketing campaign focused on diverse groups, events, and quality of life
- Select target neighborhood and coordinate necessary city departments to implement holistic strategy
- Recruit 50 new office jobs and 5 new investors for catalyst project

As we transition to the new fiscal year and the economic climate continues to rebound, investments, time, and resources will be focused on these short-term goals.

CONCLUSION

The past year has been challenging for our citizens and the organization but there is hope that we are nearing the end of the COVID-19 pandemic. With the economy beginning to rebound and with federal assistance, I am optimistic for the future as the City begins the steps to restore funding that was eliminated or paused this past year, transitions in FY 2021-22 out of the pandemic, and returns to the growth we were projecting prior to the pandemic.

I want to acknowledge all the staff members who assist in the preparation of this policy document. The efforts and professionalism of Assistant City Managers Eric Olmedo and Greg Ferguson, Financial Services Director Bobby Fitzjohn, Budget and Performance Manager Stephen Hawryluk, Budget and Evaluation Analysts Roslyn McNeill and Linda Price, Executive Assistant Amy Meyers, and the rest of our executive team are appreciated. I also want to thank all of the City's employees who have adjusted to remote work, new social distancing and safety measures, and limited resources while continuing to provide services that improve the quality of life for the citizens of High Point. Finally, I thank the Mayor and City Council for your leadership and commitment to the City of High Point.

Respectfully submitted,

Randy McCaslin
Interim City Manager

City of
HIGH POINT
NORTH CAROLINA

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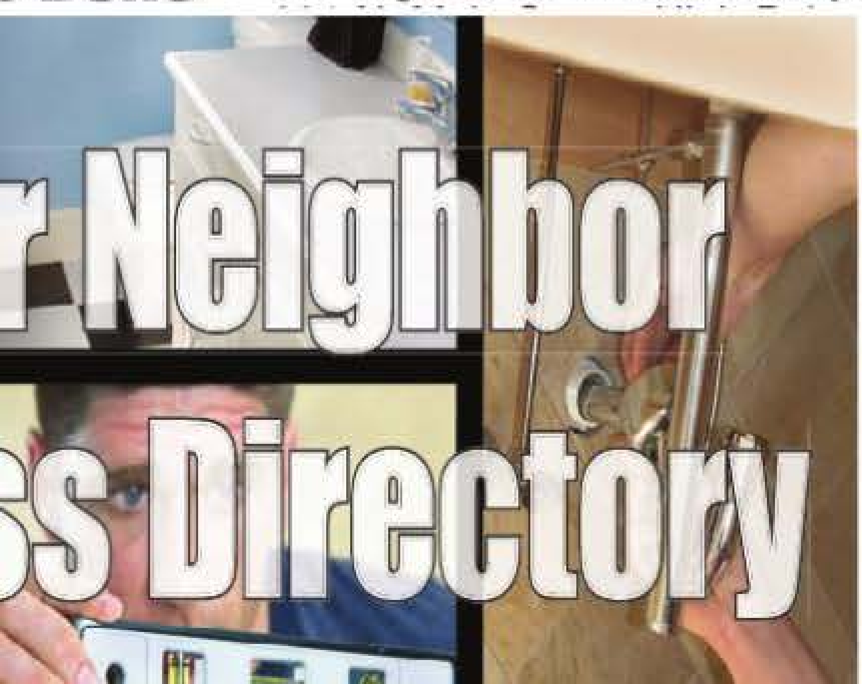


0900 LEGALS

NORTH CAROLINA
GUILFORD COUNTY

NOTICE TO CREDITORS

THE UNDERSIGNED, having qualified as ADMINISTRATOR of the Estate of PERRANOSKI DONOVAN YOUNG, deceased late of Guilford County, this is to notify all persons, firms, and corporations having claims against said Estate to present them to the undersigned on or before the 29th day of, July, 2021 or this Notice will be pleaded in bar of their recovery. All persons indebted to said estate please make immediate payment to the undersigned.

This the 27th day of April, 2021.

SUPRENAI VESEE YOUNG
5116 LIBBY ROAD
TRINITY, NC 27370

April 27, May 4, 11, 18, 2021

PUBLIC NOTICE
CITY OF HIGH POINT
BUDGET HEARING

The public will take notice that the Proposed Budget for the City of High Point for the Fiscal Year 2021-2022 has been filed with the City Council of the City of High Point. The Proposed Budget is available for public inspection in the office of the City Clerk, 211 S. Hamilton Street, High Point, North Carolina, and the High Point Public Library,

0900 LEGALS

901 N. Main Street, High Point, North Carolina. A copy of the Proposed Budget is also available on the City website: WWW.HIGHPOINTNC.GOV

One public hearing on the Proposed Budget will be held. The public hearing will be held on Monday, May 17, 2021 at 5:30 P.M.

In order to maintain the health, safety, and well-being of our residents, staff, and the City Council, this meeting will be conducted electronically. As part of the City of High Point's COVID-19 mitigation efforts, in-person attendance will not be allowed at this meeting. Instead, the city will be live streaming the meeting. Once the City Council is in session, please use the following link to listen to the meeting.
www.HighPointNC.gov/VirtualPublicMeeting.

In accordance with adopted legislation regarding public hearings at remote meetings, after the public hearing is held, the required 24-hour waiting period will be open before a vote can be taken on the matter, and the public can submit any additional comments on the budget during that time.

Public comments on this matter can be submitted by:

Calling 336-883-3522 and leaving a message, or by
Emailing written comments to publiccomment@highpointnc.gov, or by
Dropping written comments off in the city of High Point's utility payment drop-boxes located in the Green Drive and the Commerce Avenue parking lots on both sides of the Municipal Building located at 211 S. Hamilton Street.

May 4, 2021

NORTH CAROLINA

Council Budget Review Follow up

Transit – Staff to bring additional information to the work session on Monday.

Police – Mental Health Professionals – from Chief Stroud

Our mental health partnership with Mental Associates of the Triad is for department personnel in crisis or to coordinate training with our peer counselors or crisis negotiators.

We have done some very preliminary looks into having a mental health professional on staff to embed with our officers on certain calls for service. This was actually one our goals with our long-term strategic plan. The first domino that needs to fall for this to happen is the new Assistant Chief position. The mental health professional would fall under that division in our new, proposed organizational model. If the new Assistant Chief spot is not approved, it will be much harder to get the mental health professional added to the mix.

Mental Health: Civilian Employee / HPPD

1. Is there a need for civilian mental health professionals to assist with calls for service?

Yes, we answer a substantial number of calls in a calendar year that are directly related to people in mental health crisis. Below are the statistics from the past 3 full years plus year to date this year for calls that are specifically classified as "Mental Patient":

CALLS FOR SERVICE NATURE	2018	2019	2020	2021
MENTAL PATIENT	865	1020	962	388
Total	865	1020	962	388

Please note….these calls are strictly those with "mental patient" as the call classification code. These numbers are not indicative of the total volume of calls that have some attachment to mental health issues and calls that our officers fail to reclassify. I estimate that roughly 30% of the other calls we go on have some sort of mental health connection in need of being addressed. We believe you can easily add 300+ calls to the numbers listed above (we are estimating low).

2. Would HPPD like to have civilian mental health professionals on staff to assist with these certain calls for service?

Yes!! We are police officers, not mental health professionals. We have base line training on identifying and dealing with various mental health issues, but this is nothing more than a "bandaid" approach. We rarely provide a solution to the problem or truly assist a person in a mental health crisis. If our officers were polled, this would be the #1 most disliked call for service.

As part of our long-term strategic plan, we identified this as a component we would like to add to our "Community" focus element. The timeline for implementation was 3 years.

3. Is HPPD ready to implement such a program right now if civilian mental health professionals were added?

No, we are not even close to being ready to implement this type of program, despite the overwhelming need. We identified this as part of our strategic plan, but with a 3-year timeline for implementation. Concerns / Notes / Explanations: • This will be a completely new program being built from the ground up at HPPD. It will take a significant leadership focus to ensure this is done the right way to have impact.

• If the new Assistant Chief of Police is added, the civilian MH professionals would fall under that chain-of-command. Right now, if the staffing model remains as-is, I am unsure where these positions would fall. All three Assistant Chiefs are over-worked now and carrying heavy loads in our current operations. There is no way the daunting task of this new endeavor could be added to their workloads right now.

• There is no need to reinvent the wheel. This program has proven to be successful elsewhere. We would like to study the successful programs and try to replicate within our system is possible. We feel that RHA and Mental Health Associates of the Triad would help us with this task. Safety of all involved would be priority #1.

• Hiring one professional is a step, but not very impactful. The mental health call volume and need is so great that one person would not make a dent. We work 24/7/365 and calls of mental health crisis happen everyday and at all hours. We feel that multiple professionals would need to be added to implement this program with any hope of impact.

• We would need time and assistance in vetting and hiring the proper individuals. Working with mental health crisis in the street is completely different than working behind the walls of a clinic. These calls are often our most volatile and dangerous and only the right mental health professionals, properly trained, will be able to handle them.

• The addition of such a unit would require a review and adjustment of General Order 3.16, Mental Illness.

This is a much-needed program/position for HPPD, unfortunately, there is no way we could implement right now. We do wish to pursue this in the future though and if our staffing model falls into place, we will start taking the preliminary evaluation steps to get the program off the ground, with a projected timeline.

J.T. Stroud Chief of Police

<u>MWBE</u>

Statistics being updated and will be presented at the work session on Monday.

Guilford County recently kicked off Disparity Study. A work session was held with the Board of Commissioners on April 15, 2021. The potential still exists to amend the contract with Griffin & Strong, P.C. to add the City of High Point.

<u>Fair Housing Assistance Program</u> – More information will be presented at the work session on Monday.

The City of High Point has referred 20 cases to the NC HRC over the past 18 months (since Nov. 2019), which is when our current tracking method was started; 15 cases from November 2019 through October 2020, and 5 cases since then.

HUD expects a City of our size would likely investigate about 8 cases per year (which is an increase from 5 per year just a few years ago). Here are the break downs by protected class:

<u>Protected Classes</u>
Disability – 10
Familial Status – 2
Sex – 2
Race – 3
* *3 residents declined to disclose the details of their complaint before being referred to the NC HRC**

It is unknown how many of those cases were investigated, and we also don't know if any High Point residents sent a complaint directly to NC HRC or HUD. We're also not sure how many people don't know where to turn when they have a complaint , though we do know that the City's Community Development team identified lack of fair housing awareness as an issue in their 2015 and 2020 Analysis of Impediments reports.

<u>Targeted Neighborhood Initiatives</u>

- Changes in the tax law from the 2020 stimulus package has made tax exempt bond financing a viable option. There are additional incentives to promote multi-family housing development in qualified census tracts (QCT). Wynnefield is in the process of assembling properties for a development in a Core-City QCTs.
- Several of the eligible uses of the Local Fiscal Recovery Funds pertains to affordable housing in QCT's:
  - Lead based paint remediation
  - Development of affordable housing to increase the supply of affordable and high quality living units
  - Housing vouchers to assist people with relocating concentrated area of low opportunity
  - Home Repair programs
  - Housing for the Homeless

The fiscal recovery funds can provide opportunities that make some significant impacts.

There is potential to make strategic improvements in neighborhoods that leverage other amenities or events. For example, we can leverage the redevelopment of Daniel Brooks by investing funds in the surrounding neighborhood (i.e. Underhill).

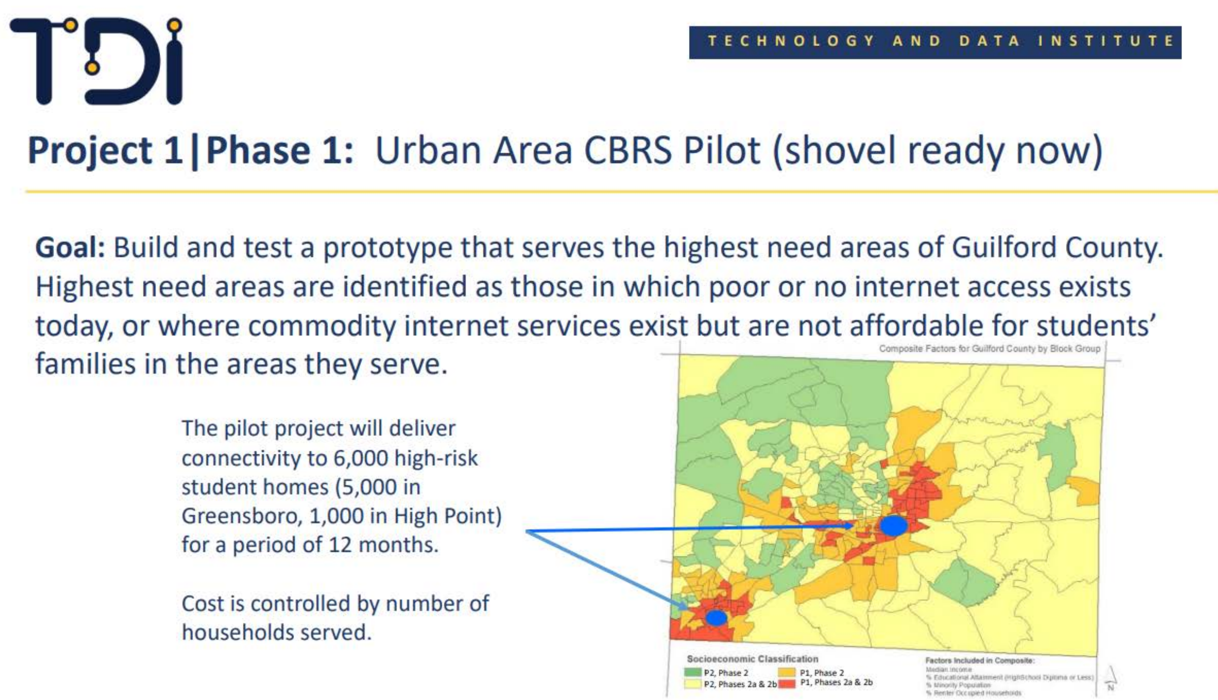
A few challenges are determining the geographic area of the initiative, the scope and scale of the proposed improvements, and the recent increase in construction activity.

WIFI/ Broadband Access

Eric Olmedo and Steve Lingerfelt have met with Matt Thiel from the High Point Schools Partnership. The Partnership has set a goal of connecting 1,000 High Point homes with high speed internet access. They are working with Northstate/Segra and Charter to leverage the Federal Communications Commission Emergency Broadband Benefit program for eligible households. There may be a request of city resources for this initiative.

Steve Lingerfelt has also served on the Piedmont Regional Technology and Data Institute, which is a nonprofit that was established in May, 2020, with a mission to provide technology and data readiness and capacity to the 12 county Piedmont Triad region of North Carolina. TDI has identified a pilot project area which would address 6,000 high risk student homes, 5,000 in Greensboro and 1,000 in High Point. The group is seeking Federal, State, County, City and philanthropic funding for the initial $4.7 million pilot program.

The ability to continue to fund the annual operating cost of each initiative is a concern.

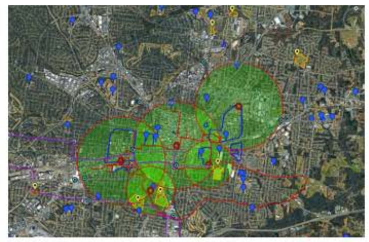


TECHNOLOGY AND DATA INSTITUTE

Project 1|Phase 1: Urban Area CBRS Pilot (shovel ready now)

The pilot will require fiber that connects six tower locations that broadcast a private LTE network that will be picked up through a cellular modem in the home. The modem will broadcast the eduRoam network allowing the Guilford County Schools (GCS) issued computing devices to connect to the GCS network as if students are sitting in the classroom. The TDI has identified 6 site locations for the pilot project: 3 macro sites in Greensboro, 1 macro site in High Point, and 2 small cell sites in Greensboro.

High Point



Greensboro

TECHNOLOGY AND DATA INSTITUTE

Project 1|Phase 1: Urban Area CBRS Pilot (shovel ready now)

Initial Pilot Project Cost: $4,732,600

Internet Service	no incurred costs	Provided by TDI stakeholders and partners
Fiber Backhaul and Connectivity	no incurred costs	Provided by TDI stakeholders and partners
Network Core	$ 280,250	unfunded
Towers and Equipment	$1,478,000	unfunded
CBRS Endpoint Devices	$1,500,000	unfunded
Eduroam Licensing	no incurred costs	Funded by Summit Rotary
Contract Staffing, External Consulting, Permitting, Operational Costs, Monitoring and Assessment, Training for Students and Parents	$1,474,350	unfunded

Ongoing Annual Operations Cost for the 6 Pilot Sites: $808,841

Solid Waste – Operating Division financial performance

Staff reviewed four years of performance in the Solid Waste Fund. The Ingleside Composting facility, Landfill Operations and Collections run at an annual operating surplus. This surplus subsidizes the Material Recovery Facility, and funds capital projects at the landfill and contributions to closure/post closure cost of the landfill.

Electric Rate Comparison

Staff compared the Duke Energy residential rate for a High Point customer (with the proposed 5.5% rate increase currently proposed by Duke) with the average High Point residential rates with 10% decreases, for a home using 1000 kWh monthly.

The average rate for a High Point Electric customer is projected to be 4.9% more than the Duke residential rate after these changes are implemented.

NOTE: This comparison is based on a known residential rate for a High Point customer. It is not known if there are other rate classes offered to High Point residents.

CITY OF HIGH POINT
AGENDA ITEM

Title: Approval of the FY 2021-22 Market Authority Budget

From: Stephen M. Hawryluk
Budget and Performance Manager

Meeting Date: May 17, 2021

Public Hearing: No

Advertising Date / Advertised By: N/A -

Attachments: Market Authority Budget

PURPOSE:
To approve the FY 2021-22 Market Authority budget

BACKGROUND:
The Market Authority requests that the City Council consider its draft budget. This draft budget was approved by the Market Authority Executive Committee on May 4, 2021, and plans are for the Market Authority Board to finalize the budget on June 9, 2021.

BUDGET IMPACT:
N/A

RECOMMENDATION / ACTIONS REQUESTED:
The Financial Services Department recommends and asks the City Council to approve the FY 2021-22 Market Authority budget.

High Point Market Authority - FY 2021-22

Revenue	Code	2018-19 Budget	2018-19 Actual	2019-20 Budget	2019-20 Actual	2020-2021 Budget	2020-2021 Forecast	2021-22 Draft Budget
High Point Area								
Showroom License	4001	$ 1,700,000.00	$1,707,840.76	$1,710,000.00	$ 1,696,954.36	$ 1,720,000.00	$ 1,670,000.00	$ 1,700,000.00
Occupancy Tax (Guilford)	4002	$ 365,000.00	$ 405,082.47	$ 415,000.00	$ 347,528.39	$ 250,000.00	$ 300,000.00	$ 325,000.00
HPCVB	4003	$ 75,000.00	$ 75,000.00	$ 75,000.00	$ 75,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00
City of High Point	4004	$ 1,000,000.00	$1,000,000.00	$1,000,000.00	$ 940,000.00	$ 700,000.00	$ 760,000.00	$ 1,000,000.00
Guilford County	4005	$ 75,000.00	$ 75,000.00	$ 75,000.00	$ 125,000.00	$ 125,000.00	$ 125,000.00	$ 125,000.00
Total		**$ 3,215,000.00**	**$3,262,923.23**	**$3,275,000.00**	**$3,184,482.75**	**$ 2,945,000.00**	**$ 3,005,000.00**	**$ 3,300,000.00**
State of North Carolina								
NCDOT	4011	$ 1,200,000.00	$1,200,000.00	$1,200,000.00	$ 700,988.00	$ 1,200,000.00	$ 1,200,000.00	$ 1,200,000.00
NCDOC	4012	$ 1,755,472.00	$1,755,472.00	$1,755,472.00	$ 1,755,472.00	$ 1,755,472.00	$ 1,755,472.00	$ 1,755,472.00
Total		**$ 2,955,472.00**	**$2,955,472.00**	**$2,955,472.00**	**$2,456,460.00**	**$ 2,955,472.00**	**$ 2,955,472.00**	**$ 2,955,472.00**

Other								
Sponsorships	4024	$ 330,000.00	$ 323,412.00	$ 329,000.00	$ 279,048.49	$ 550,000.00	$ 163,500.00	$ 525,000.00
Interest	4022	$ 60,000.00	$ 68,369.07	$ 60,000.00	$ 76,873.71	$ 65,000.00	$ 19,000.00	$ 20,000.00
Miscellaneous	4023	$ 15,000.00	$ 15,809.68	$ 15,000.00	$ 37,112.21	$ 15,000.00	$ 144,000.00	$ 15,000.00
HAM	4026	$ -	$ 40,500.00	$ 50,000.00	$ 46,000.00	$ 20,000.00	$ -	$ 15,000.00
Registration	4027		$ -		$ -	$ 200,000.00	$ 85,000.00	$ 430,800.00
COVID-19	4028	$ -	$ -	$ -		$ -	$ 725,000.00	$ -
Total		**$ 405,000.00**	**$ 448,090.75**	**$ 454,000.00**	**$ 439,034.41**	**$ 850,000.00**	**$ 1,136,500.00**	**$ 1,005,800.00**
Total Revenue		**$ 6,575,472.00**	**$ 6,666,485.98**	**$ 6,684,472.00**	**$ 6,079,977.16**	**$ 6,750,472.00**	**$ 7,096,972.00**	**$ 7,261,272.00**

FY 2021-22 Budget

Expense	Budget Code	2018-19 Budget	2018-19 Actual	2019-20 Budget	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Draft Budget
Executive Leadership & Admin								
Salaries & Benefits	5001	$ 392,000.00	$ 383,017.59	$ 417,000.00	$ 398,194.69	$ 400,000.00	$ 400,000.00	$ 352,000.00
Board of Directors	5002	$ 5,000.00	$ 5,324.93	$ 5,000.00	$ 3,493.43	$ 5,000.00	$ 7,000.00	$ 7,000.00
Audit	5003	$ 16,000.00	$ 16,279.71	$ 16,500.00	$ 16,250.00	$ 17,000.00	$ 16,250.00	$ 17,000.00
Travel & Entertainment	5004	$ 30,000.00	$ 38,074.03	$ 40,000.00	$ 15,353.72	$ 30,000.00	$ 20,000.00	$ 40,000.00
Telephone (Mobile & VoIP)	5005	$ 26,000.00	$ 25,230.96	$ 26,000.00	$ 24,406.68	$ 26,000.00	$ 28,500.00	$ 26,000.00
Government Relations	5006	$ 60,000.00	$ 88,031.49	$ 72,000.00	$ 68,272.13	$ 72,000.00	$ 70,000.00	$ 90,000.00
IT Services	5007	$ 20,000.00	$ 29,702.26	$ 26,000.00	$ 25,343.77	$ 30,000.00	$ 30,000.00	$ 30,000.00
Equipment Purchase	5009	$ 10,000.00	$ 7,679.35	$ 5,000.00	$ 5,831.36	$ 5,000.00	$ 5,000.00	$ 5,000.00
P&C, Liability Insurance	5010	$ 13,000.00	$ 5,503.17	$ 13,000.00	$ 6,024.61	$ 23,000.00	$ 18,000.00	$ 23,000.00
Equipment Maintenance & Repair	5011	$ 2,000.00	$ -	$ 1,000.00	$ 488.65	$ 1,000.00	$ 1,000.00	$ 1,000.00
Memberships & Subscriptions	5012	$ 15,000.00	$ 12,250.91	$ 15,000.00	$ 16,678.29	$ 15,000.00	$ 18,000.00	$ 17,000.00
Office Supplies & Printing	5013	$ 10,000.00	$ 16,896.87	$ 13,000.00	$ 23,213.02	$ 15,000.00	$ 15,000.00	$ 17,000.00
Postage	5014	$ 2,500.00	$ 1,832.98	$ 2,000.00	$ 1,779.33	$ 1,500.00	$ 1,000.00	$ 1,500.00
Rent	5016	$ 16,400.00	$ 16,400.28	$ 16,400.00	$ 23,400.28	$ 16,475.00	$ 16,475.00	$ 17,675.00
Bank Service Charges	5018	$ 500.00	$ 679.14	$ 625.00	$ 267.99	$ 700.00	$ 200.00	$ 700.00
City & County Taxes	5019	$ 1,600.00	$ 1,701.26	$ 1,700.00	$ 1,644.46	$ 1,700.00	$ 4,900.00	$ 6,500.00
Misc Expenses	5020	$ 60,000.00	$ 72,758.82	$ 40,000.00	$ 28,364.10	$ 25,000.00	$ 25,000.00	$ 25,000.00
Accounting & Payroll Fees	5023	$ 51,000.00	$ 49,045.76	$ 51,000.00	$ 54,783.66	$ 54,000.00	$ 50,000.00	$ 54,000.00
Economic Impact Study	5024	$ -	$ 54,266.38	$ -	$ -	$ -	$ -	$ -
Total		**$ 731,000.00**	**$ 824,675.89**	**$ 761,225.00**	**$ 713,790.17**	**$ 738,375.00**	**$ 726,325.00**	**$ 730,375.00**
Transportation								

FY 2021-22 Budget

Expense	Budget Code	2018-19 Budget	2018-19 Actual	2019-20 Budget	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Draft Budget
Contractor Management/ Personnel	5104	$ 220,000.00	$ 215,515.35	$ 217,500.00	$ 143,278.10	$ 243,000.00	$ 213,000.00	$ 36,000.00
Vehicle Operations	5105	$ 1,010,000.00	$ 1,016,045.75	$ 1,020,000.00	$ 515,206.50	$ 1,198,500.00	$ 1,050,000.00	$ 792,500.00
Supplies	5106	$ 3,000.00	$ 6,048.77	$ 3,000.00	$ 2,894.43	$ 175,000.00	$ 10,000.00	$ 22,000.00
Tents	5107	$ 3,000.00	$ 2,684.77	$ 3,000.00	$ 939.40	$ 3,500.00	$ 3,500.00	$ 4,000.00
Rent	5108	$ 12,500.00	$ 12,499.92	$ 12,500.00	$ 12,499.92	$ 16,475.00	$ 18,475.00	$ 17,675.00
MA Salaries and Benefits	5109	$ 202,500.00	$ 209,794.73	$ 216,000.00	$ 215,481.40	$ 209,000.00	$ 275,000.00	$ 267,000.00
Part-time Event Staff	5110	$ 30,000.00	$ 31,766.94	$ 38,000.00	$ 31,076.14	$ 59,000.00	$ 38,000.00	$ 247,000.00
Signage/Street Improvements	5112	$ 15,000.00	$ 11,156.41	$ 10,000.00	$ 6,554.96	$ 12,000.00	$ 12,000.00	$ 30,000.00
Trainings/Meetings	5113	$ 1,500.00	$ 4,004.97	$ 4,000.00	$ 6,092.04	$ 6,000.00	$ 3,500.00	$ 12,000.00
Miscellaneous	5114	$ 500.00	$ 53.50	$ 500.00	$ -	$ 12,000.00	$ 500.00	$ 12,500.00
Transportation Command Center	5115	$ 5,000.00	$ 8,276.63	$ 8,000.00	$ 4,050.35	$ 9,500.00	$ 7,200.00	$ 15,000.00
Total		**$ 1,503,000.00**	**$ 1,517,847.74**	**$ 1,532,500.00**	**$ 938,073.24**	**$ 1,943,975.00**	**$ 1,631,175.00**	**$ 1,455,675.00**
Parking								
Davis Lot (South)	5201	$ 78,000.00	$ 78,800.00	$ 80,500.00	$ 67,000.00	$ 73,700.00	$ 73,700.00	$ 80,400.00
Oak Hollow Lot (North)	5202	$ 37,000.00	$ 36,960.00	$ 37,000.00	$ 18,480.00	$ 46,000.00	$ 37,000.00	$ 37,000.00
Maintenance & Security	5204	$ 10,000.00	$ 9,302.00	$ 10,000.00	$ 7,334.43	$ 10,500.00	$ 8,400.00	$ 10,000.00
Total		**$ 125,000.00**	**$ 125,062.00**	**$ 127,500.00**	**$ 92,814.43**	**$ 130,200.00**	**$ 119,100.00**	**$ 127,400.00**
Centralized Registration								
Professional Fees, Services & Upgrades	5301	$ 165,000.00	$ 178,936.38	$169,000.00	$ 210,345.58	$ 263,800.00	$251,800.00	$200,000.00
MA Salaried Personnel	5302	$ 142,000.00	$ 136,009.79	$148,000.00	$ 203,907.86	$ 220,000.00	$ 233,000.00	$245,000.00

FY 2021-22 Budget

Expense	Budget Code	2018-19 Budget	2018-19 Actual	2019-20 Budget	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Draft Budget
Postage	5304	$ 26,500.00	$ 17,316.10	$24,000.00	$ 15,687.65	$ 17,000.00	$ 16,000.00	$24,000.00
Part-Time Event Staff	5305	$ 110,000.00	$ 105,027.50	$117,000.00	$ 97,837.01	$ 170,000.00	$ 190,000.00	$200,000.00
Ethernet Fiber Connections	5306	$ 10,000.00	$ 10,530.00	$9,720.00	$ 9,098.71	$ 10,000.00	$ 17,000.00	$16,000.00
Supplies	5307	$ 18,500.00	$ 8,089.44	$15,000.00	$ 9,526.22	$ 12,000.00	$ 2,000.00	$15,000.00
Training/Meetings	5308	$ 1,000.00	$ 1,025.95	$1,000.00	$ 925.93	$ 20,000.00	$ 41,000.00	$41,000.00
Travel/ Shipping	5313	$ 45,000.00	$ 46,302.69	$50,000.00	$ 42,128.90	$ 136,000.00	$ 80,000.00	$55,000.00
Auxiliary Services	5314	$ 10,000.00	$ 9,437.95	$10,000.00	$ 4,955.41	$ 61,000.00	$ 41,000.00	$52,000.00
Total		**$ 528,000.00**	**$ 512,675.80**	**$ 543,720.00**	**$ 594,413.27**	**$ 909,800.00**	**$ 871,800.00**	**$ 848,000.00**
Marketing								
Printed Collateral	5401	$ 130,000.00	$ 97,999.17	$ 130,000.00	$ 85,880.90	$ 100,000.00	$ 95,000.00	$ 100,000.00
Advertising: Print/Digital/Email	5403	$ 407,000.00	$ 406,954.15	$ 407,000.00	$ 438,025.85	$ 407,000.00	$ 420,000.00	$ 407,000.00
Agency Fees/Creative	5405	$ 365,000.00	$ 371,771.62	$ 380,000.00	$ 388,943.35	$ 380,000.00	$ 380,000.00	$ 405,000.00
MA Salaries & Benefits	5406	$ 110,000.00	$ 111,101.22	$ 120,000.00	$ 144,184.29	$ 220,000.00	$ 210,000.00	$ 260,000.00
PR/ Freelance	5407	$ 45,000.00	$ 45,785.00	$ 105,000.00	$ 85,135.00	$ 45,000.00	$ 50,000.00	$ 70,000.00
Postage	5408	$ 100,000.00	$ 61,981.94	$ 70,000.00	$ 69,188.98	$ 55,000.00	$ 54,000.00	$ 62,000.00
Telemarketing	5409	$ 45,000.00	$ 78,916.75	$ 65,000.00	$ 63,874.40	$ 65,000.00	$ 65,000.00	$ 80,000.00
Signage	5410	$ 17,000.00	$ 13,894.18	$ 20,000.00	$ 7,178.69	$ 10,000.00	$ 10,000.00	$ 35,000.00
Media Center	5411	$ 120,000.00	$ 114,556.02	$ 115,000.00	$ 55,300.26	$ 110,000.00	$ 70,000.00	$ 110,000.00
Travel & Entertainment	5413	$ 5,000.00	$ 4,450.31	$ 8,000.00	$ 9,572.84	$ 8,000.00	$ 1,000.00	$ 13,000.00
Rent	5415	$ 12,500.00	$ 12,499.92	$ 12,500.00	$ 12,499.92	$ 16,475.00	$ 16,475.00	$ 17,675.00
Photo/ Video	5417	$ 80,000.00	$ 82,382.46	$ 100,000.00	$ 78,905.91	$ 100,000.00	$ 80,000.00	$ 100,000.00

FY 2021-22 Budget

Expense	Budget Code	2018-19 Budget	2018-19 Actual	2019-20 Budget	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Draft Budget
Industry Education: DVS Speakers	5418	$ 70,000.00	$ 56,439.39	$ 85,000.00	$ 46,669.13	$ 60,000.00	$ 20,000.00	$ 65,000.00
Promotional Goods	5420	$ 25,000.00	$ 41,156.30	$ 30,000.00	$ 9,326.65	$ 15,000.00	$ 10,000.00	$ 20,000.00
Website/App/Data/Analytics	5421	$ 320,000.00	$ 338,170.56	$ 350,000.00	$ 358,836.21	$ 350,000.00	$ 350,000.00	$ 400,000.00
Mail house Services	5422	$ 42,500.00	$ 27,872.84	$ 32,000.00	$ 32,527.28	$ 27,000.00	$ 19,000.00	$ 25,000.00
List Acquisition	5423	$ 1,000.00	$ -	$ 8,000.00	$ 7,080.00	$ 1,000.00	$ -	$ -
Database Management	5424	$ 35,000.00	$ 35,230.00	$ 40,000.00	$ 51,468.28	$ 40,000.00	$ 40,000.00	$ 40,000.00
Sales Tax	5426	$ 28,000.00	$ 26,313.56	$ 27,500.00	$ 22,627.17	$ 26,000.00	$ 22,000.00	$ 25,000.00
Sponsored Marketing/SS/Speakers	5427	$ 140,000.00	$ 139,804.35	$ 155,000.00	$ 74,036.62	$ 125,000.00	$ 115,000.00	$ 150,000.00
Miscellaneous Expenses	5428	$ 10,000.00	$ 43,839.03	$ 10,000.00	$ 10,933.74	$ 10,000.00	$ 11,000.00	$ 10,000.00
Sponsorship Expenses	5429	$ 150,000.00	$ 112,165.28	$ 120,000.00	$ 117,330.40	$ 255,000.00	$ 53,500.00	$ 155,000.00
Depreciation	5430	$ 230,957.39	$ 232,036.49	$ 118,855.00	$ 118,858.87	$ 81,158.00	$ 81,158.00	$ 70,258.00
Tours & Partnerships	5431	$ 80,000.00	$ 75,068.68	$ 77,000.00	$ 75,255.06	$ 76,000.00	$ 40,000.00	$ 175,000.00
Social Media	5432	$ 25,000.00	$ 24,325.15	$ 25,000.00	$ 17,135.24	$ 40,000.00	$ 18,000.00	$ 30,000.00
Hospitality at Market	5433	$ 60,000.00	$ 80,090.32	$ 84,000.00	$ 86,829.61	$ 65,000.00	$ 5,500.00	$ 20,000.00
Total		**$ 2,653,957.39**	**$ 2,634,804.69**	**$ 2,694,855.00**	**$ 2,467,604.65**	**$ 2,687,633.00**	**$ 2,236,633.00**	**$ 2,844,933.00**
Guest Services								
Talent/ Operations/ Production	5502	$ 380,000.00	$ 374,946.44	$ 360,000.00	$ 191,131.38	$ 600,000.00	$ 190,000.00	$ 720,000.00
MA Salaries & Benefits	5503	$ 140,000.00	$ 143,116.47	$ 152,000.00	$ 153,803.50	$ 165,000.00	$ 132,000.00	$ 199,000.00
Food & Beverage	5505	$ 135,000.00	$ 138,764.01	$ 142,000.00	$ 77,343.37	$ 100,000.00	$ 33,000.00	$ 142,000.00
International Services	5507	$ 32,000.00	$ 31,958.58	$ 34,000.00	$ 19,027.74	$ 35,000.00	$ 31,000.00	$ 35,000.00
Program Operations	5509	$ 230,000.00	$ 191,773.59	$ 203,000.00	$ 146,270.58	$ 155,000.00	$ 52,000.00	$ 165,000.00

FY 2021-22 Budget

Expense	Budget Code	2018-19 Budget	2018-19 Actual	2019-20 Budget	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Draft Budget
Contract Labor	5512	$ 36,000.00	$ 34,443.60	$ 38,000.00	$ 20,711.19	$ 70,000.00	$ 57,000.00	$ 100,000.00
Rent	5513	$ 12,500.00	$ 12,499.92	$ 12,500.00	$ 12,499.92	$ 16,475.00	$ 16,475.00	$ 17,675.00
Depreciation	5514	$ -	$ -	$ -		$ 55,000.00	$ 54,017.00	$ 72,986.00
Total		**$ 965,500.00**	**$ 927,502.61**	**$ 941,500.00**	**$ 620,787.68**	**$ 1,196,475.00**	**$ 565,492.00**	**$ 1,451,661.00**
COVID-19	5900	$ -	$ -	$ -	$ -	$ -	$ 900,000.00	
Contingency	5600	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation	5700	$ 51,000.00	$ 33,137.36	$ 28,695.49	$ 38,632.04	$ 101,216.00	$ 51,200.00	$ 57,151.00
Disposal of Fixed Assets	8001	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Expense	8520	$ -	$ 157.84	$ 1,500.00	$ 356.09	$ 500.00	$ -	$ -
Total Expense		**$ 6,557,457.39**	**$ 6,575,863.93**	**$ 6,631,495.49**	**$ 5,466,471.57**	**$ 7,708,174.00**	**$ 7,101,725.00**	**$ 7,515,195.00**
Total Income		**$ 6,575,472.00**	**$ 6,666,485.98**	**$ 6,684,472.00**	**$ 6,079,977.16**	**$ 6,750,472.00**	**$ 7,096,972.00**	**$ 7,261,272.00**
Surplus/Deficit		**$ 18,014.61**	**$ 90,622.05**	**$ 52,976.51**	**$ 613,505.59**	**$ (957,702.00)**	**$ (4,753.00)**	**$ (253,923.00)**

High Point Market Authority - FY 2021-22

Account	Budget Code	2018-19 Budget	2019-20 Budget	2020-21 Budget	2021-22 Budget
CAP EX					
Office Furniture	1210	$ 1,000.00	$ 1,000.00	$ 500.00	$ 2,000.00
Office Equipment	1230	$ 500.00	$ 500.00	$ 500.00	$ 3,000.00
Computer Equipment	1250	$ 5,500.00	$ 5,000.00	$ 3,500.00	$ 6,000.00
Market Equipment	1270	$ 15,000.00	$ 15,000.00	$ 10,000.00	$ 45,000.00
The Point Structure	1280	$ -	$ -	$ -	$ 9,000.00
Leasehold Improvements	1290	$ -	$ -	$ -	$ -
Market Technology & Hardwar	1300	$ -	$200,000.00	$ 10,000.00	$ -
Registration Software	1301	$ 106,800.00	$ -	$ 50,000.00	$ -
Total		**$ 128,800.00**	**$221,500.00**	**$ 74,500.00**	**$ 65,000.00**

CITY OF HIGH POINT
AGENDA ITEM

Title: Approval of the FY 2021-22 Convention and Visitors Bureau Budget and Contract

From: Stephen M. Hawryluk
Budget and Performance Manager

Meeting Date: May 17, 2021

Public Hearing: No

Advertising Date / Advertised By: N/A
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Attachments: Convention and Visitors Bureau Budget

PURPOSE:
To approve the FY 2021-22 Convention and Visitors Bureau budget and authorize the City Manager to execute a contract with the High Point Convention and Visitors Bureau for FY 2021-22.

BACKGROUND:
The Convention and Visitors Bureau requests that the City Council approve its budget on an annual basis.

BUDGET IMPACT:
N/A

RECOMMENDATION / ACTIONS REQUESTED:
The Financial Services Department recommends and asks the City Council to approve the FY 2021-22 Convention and Visitors Bureau budget and authorize the City Manager to execute a contract with the High Point Convention and Visitors Bureau for FY 2021-22.

VISIT HIGH POINT BUDGET WORKSHEET

No.	ITEM	FY 20-21 Budget Amended 12/20	Projected End of Year	FY 21-22 Budget Draft	Amt Change from Budgeted FY 20-21	% Change from Budgeted FY 20-21	Amt Change from End of Year	% Change from End of Year
INCOME								
OCCUPANCY TAX COLLECTION								
4101.0	Transient Occupancy Tax	784,000	758,000	1,300,000	516,000	66	542,000	72
	City of High Point's allocation earmarked for Stadium debt (Year 4) FY 21-22							
OTHER INCOME								
4102.0	Interest Income	700	1,130	2,000	1,300	186	870	77
4105.0	Reserve Designated Projects	125,000	125,000	19,000	-106,000	-85	-106,000	-85
4106.1	Sponsorship Revenue Earmarked for 501 c 3 Foundation Tourism Development	50,000	40,000	50,000	0	0	10,000	25
4107.0	Regional Preferred Member Revenue for Marketing	550	1,500	550	0	0	-950	-63
4109.0	COVID Grants	158,569	234,318	0	-158,569	-100	-234,318	-100
TOTAL BUDGET		**1,118,819**	**1,159,948**	**1,371,550**	**252,731**	**23**	**211,602**	**18**
GRANT PROGRAM								
	Total Restricted Income for Tourism Development Grants	50,000	40,000	50,000	0	0	10,000	25
INCOME (-1.26% grants)=Oper. Budget		**1,068,819**	**1,119,948**	**1,321,550**	**252,731**	**24**	**201,602**	**18**
EXPENSES								
ADMINISTRATIVE EXPENSES								
5201.0	Salaries (5 full-time staff positions)	300,500	287,537	315,850	15,350	5	28,313	10
5202.0	Retirement (2% back to 5% contribution)	11,000	10,000	18,000	7,000	64	8,000	80
5203.0	Life/Hosp/Dent. Ins.	47,000	44,835	53,000	6,000	13	8,165	18
5204.0	Soc. Security	22,000	21,500	23,000	1,000	5	1,500	7
5205.0	Unemployment Ins.	400	500	600	200	50	100	20
ADMINISTRATIVE EXPENSES TOTAL		**380,900**	**364,372**	**410,450**	**29,550**	**8**	**46,078**	**13**
OPERATING EXPENSES								
5301.0	Memberships/Subscriptions	1,550	3,850	2,150	600	39	-1,700	-44
5302.0	Admin Travel/Meetings/Convention/PR	2,000	2,000	4,000	2,000	100	2,000	100
5303.0	General & Admininistrative Operations	89,800	80,000	95,000	5,200	6	15,000	19
5304.0	Postage/General	1,200	4,500	4,000	2,800	233	-500	-11
5306.0	Telephone	10,250	12,000	10,280	30	0	-1,720	-14

No.	ITEM	FY 20-21 Budget Amended 12/20	Projected End of Year	FY 21-22 Budget Draft	Amt Change from Budgeted FY 20-21	% Change from Budgeted FY 20-21	Amt Change from End of Year	% Change from End of Year
5307.0	**Rent/Utilities** (year 3 of 5)	84,664	84,666	86,280	1,616	2	1,614	2
5308.0	**Comm/Board Expenses**	4,000	3,120	12,400	8,400	210	9,280	297
5309.0	**Equipment**	12,000	10,000	13,000	1,000	8	3,000	30
OPERATING EXPENSES TOTAL		**205,464**	**200,136**	**227,110**	**21,646**	**11**	**26,974**	**13**
5401.0	**Convention Advertising**	7,000	7,000	7,000	0	0	0	0
5402.0	**Convention Services**	**199,567**	**180,600**	**221,900**	**22,333**	**11**	**41,300**	**23**
5402.1	Convention Services, Registrars, etc.	6,687	600	18,400	11,713	175	17,800	2,967
5402.5	Event Booking Incentives)	30,000	30,000	40,000	10,000	33	10,000	33
5402.7	HP Market Authority	150,000	150,000	150,000	0	0	0	0
5402.8	Partner Programming	2,880	0	11,000	8,120	282	11,000	0
5402.9	Special Services/Assessments	10,000	0	2,500	-7,500	-75	2,500	0
5403.0	**Entertainment**	500	200	500	0	0	300	150
5404.0	**Literature/Printing**	6,400	6,400	14,400	8,000	125	8,000	125
5405.0	**Memberships - Convention**	6,770	6,770	6,770	0	0	0	0
5406.0	**Postage - Convention**	100	100	100	0	0	0	0
5407.0	**Conv. - Special Promotional Projects**	32,620	32,620	63,500	30,880	95	30,880	95
5408.0	**Subscription/Publications**	250	250	250	0	0	0	0
5409.0	**Travel - Convention**	4,000	4,000	9,500	5,500	138	5,500	138
5410.0	**Trade Shows - Convention**	0	0	0	0	0	0	0
5411.0	**Sponsorship Program**	500	0	500	0	0	500	0
5412.0	**Audiovisuals**	7,500	7,500	9,400	1,900	25	1,900	25
5413.0	**Intern(s)**	0	0	0	0	0	0	0
CONVENTION PROMOTIONS EXPENSES TOTAL		**265,207**	**245,440**	**333,820**	**68,613**	**26**	**88,380**	**36**
TOURISM PROMOTION EXPENSES								
5501.0	**Advertising**	38,044	40,000	37,000	-1,044	-3	-3,000	-8
5502.0	**Audiovisuals**	7,500	7,500	7,500	0	0	0	0
5503.0	**Tourism - Literature/Printing**	16,565	20,000	22,900	6,335	38	2,900	15
5504.0	**Memberships/Subscriptions - Tourism**	400	400	400	0	0	0	0
5505.0	**Postage - Tourism**	15,000	11,000	13,000	-2,000	-13	2,000	18

No.	ITEM	FY 20-21 Budget Amended 12/20	Projected End of Year	FY 21-22 Budget Draft	Amt Change from Budgeted FY 20-21	% Change from Budgeted FY 20-21	Amt Change from End of Year	% Change from End of Year
5506.0	**Special Projects**	20,599	32,000	63,820	43,221	210	31,820	99
5507.0	**Travel/Entertainment**	250	0	250	0	0	250	0
5508.0	**Travel Shows**	0	0	0	0	0	0	0
5509.0	**Visitor Information Center**	9,300	6,000	30,000	20,700	223	24,000	400
5510.0	**NCTIA & Governor's Council & BHHP Chamber Vision Investor**	29,000	29,000	36,000	7,000	24	7,000	24
5512.0	**Web**	20,000	23,000	50,000	30,000	150	27,000	117
5513.0	**Visitor Center Marketing**	14,000	14,000	15,800	1,800	13	1,800	13
5514.0	**Visitor Programming**	11,300	11,300	16,500	5,200	46	5,200	46
5515.0	**Tourism Research and Data**	2,400	5,000	13,000	10,600	442	8,000	160
TOURISM PROMOTION EXPENSES TOTAL		**184,358**	**199,200**	**306,170**	**121,812**	**66**	**106,970**	**54**
EVENT CENTER/DESTINATION PLAN/ BRANDING EVENTS								
EVENT CENTER/DESTINATION PLAN /MARKET CONCERT/CONSUMER EVENTS EXPENSES TOTAL		**123,000**	**123,000**	**25,000**	**-98,000**	**-80**	**-98,000**	**-80**
TOTAL EXPENSES BEFORE GRANT EXPENSES		**1,158,929**	**1,132,148**	**1,302,550**	**143,621**	**12**	**170,402**	**15**
GRANT EXPENSES								
5800.1	**Reserve Earmarked for Dest. Development Grants DRIVE**	*0*	*0*	*0*	*0*	*0*	*0*	*0*
	Reserve Earmarked for Destination Development Grants - Sponsorship	*50,000*	*50,000*	*50,000*	*0*	*0*	*0*	*0*
	Reserve Earmarked for Oak Hollow Lake	*27,000*	*27,000*		*-27,000*	*-100*	*-27,000*	*-100*
	Reserve Earmarked for Grant Awards for 2021			*19,000*				
TOTAL GRANT EXPENSES		**77,000**	**77,000**	**69,000**	**-8,000**	**-10**	**-8,000**	**-10**
TOTAL EXPENSES		**1,235,929**	**1,209,148**	**1,371,550**	**135,621**	**11**	**162,402**	**13**
	Total Marketing Expense	**649,565**	**644,640**	**733,990**	**84,425**	**13**	**89,350**	**14**
Subtotal of Income over Expenses		**-117,110**	**-49,200**	**0**	**117,110**	**-100**	**49,200**	**-100**
	Earmarked for Reserves				**0**	**0**	**0**	**0** **0**
Total Earmarked for Reserves		**0**	**0**	**0**	**0**	**0**	**0**	**0**
Excess of Income over Expenses		**-117,110**	**-49,200**	**0**	**117,110**	**0**	**49,200**	**-100**

Admin	30% CVB	40% DI
Operations	16% CVB	12% DI
Marketing/Programming	54% CVB	48% DI