



Minutes of the Roanoke Rapids City Council

A Work Session of the City Council of the City of Roanoke Rapids was held on **Tuesday, February 7, 2023 at 5:30 p.m.** in the Council Chambers at the Lloyd Andrews City Meeting Hall.

Present: Emery G. Doughtie, Mayor
Carl Ferebee, Mayor Pro Tem
Sandra W. Bryant)
Tommy Daughtry)
Wayne Smith)
Rex Stainback)

Council Members

Kelly Traynham, City Manager
Geoffrey Davis, City Attorney
Traci Storey, City Clerk
Carmen Johnson, Finance Director
Bobby Martin, Police Chief
Christina Caudle, Human Resources Director
Davis Wise, Planning & Development Director
Jason Patrick, Fire Chief
Tony Hall, Main Street Development Director

Absent: John Simeon, Parks & Recreation Director
Larry Chalker, Public Works Director

Mayor Doughtie called the meeting to order and opened with an invocation.

City Manager Traynham announced that starting tonight, City Council meetings were now being broadcast via the YouTube channel rather than Zoom. The link is available on the City’s website. She stated it was very important for those speaking to speak directly into the microphone in order for those watching via the web to hear what was being said.

Mayor Doughtie stated he understood a Closed Session needed to be added to the meeting agenda as Item 5.

Motion was made by Mayor Pro Tem Ferebee, seconded by Councilwoman Bryant and unanimously carried to add Item 5 - Closed Session to discuss a personnel matter as allowed by NCGS 143-318.11 (a)(6).

Presentation of Fiscal Year 2021-2022 Audit Report

Greg Redman, CPA presented the Fiscal Year 2021-2022 audit report along with a handout (On file in Clerk's Office). He summarized the report with the following notations:

- Independent Auditor's Report
 - Unmodified Opinion - No material weaknesses and no material findings that had to be reported.
- General Fund Balance Sheet
 - Cash in Bank as of June 30, 2022 was \$6.9M versus \$4.3M in 2021
- Unassigned Fund Balance
 - Unassigned fund balance as a percentage of Total General Fund Expenditures is 31% versus 28% in 2021. The City is above the 25% the LGC likes to see.
- Changes in Long-term Liabilities
 - The main one is the tax increment financing/special revenue bonds. It started at \$11.9M. There was a payment made of \$3.5M so the ending balance as of June 30, 2022 was \$8.3M.
- Analysis of Current Tax Levy
 - The City had a 98.91% tax collection rate which was very good for eastern NC.
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
 - The results of his tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Mayor Pro Tem Ferebee asked if the City was inline with other small towns. Mr. Redman said general funds usually support themselves; that is what they are there for. A lot of towns, large or small, have utility funds that help supplant that. The City does not have that. He said it has been a struggle for the City for more than ten years with the Theatre debt, but each year they continue to increase their fund balance. Compared to other towns, overall the City is in good shape.

City Manager Traynham thanked Mr. Redman for his continued service with the City. She thanked the department heads, the staff that handles the day-to-day purchasing and receipts, especially the finance staff. During fiscal year 2021-22 they had a finance director resign so many of them were picking up the work load until Finance Director Johnson came on board. She is pleased with the way staff handled themselves with the finance department so they could get through the tough times without any penalties.

City Council will take action to accept the audit report at the next City Council meeting on February 21, 2023.

Update on Grant Funds for Uptown Murals and Streetscape

Main Street Director Hall said he would like to give them a quick update. He said it might have seemed like they weren't working, but it took him a while to find out where they stood on these things. He reported they were moving forward. The artists were chosen. They looked at what had been submitted to the committee and they picked three instead of five. When these funds were set aside no one took into account that inflation would become what it is. To stay within the budget they have to stick with three, which are great. He thinks that they will make a big impact where they will be going.

He said they were on track with getting the furniture they need to go into the green space and with the planters. When they have the entire streetscape plan put together they will come back to them with that. They want to be good stewards of this money. They do not know if they will get this much money again so they want to get as much out of it as they can. Again, they are on track with where they need to be and they are hoping everything comes in on time. The artists have a deadline so they should be able to get these installed. He reported they should have everything ready by early spring which means sometime in April; hopefully and realistically in May.

Main Street Director Hall said they are working on the other \$75,000 which is set aside for building rehabilitation. They are working on how to best use those funds that are going to be fair and would also be an equal way to distribute those funds. When the economic committee under the Main Street Board of Directors gets that completed then he will be coming back to present it to City Council so everyone will understand how those funds will be dispersed.

Mayor Doughtie asked if he had any information or either somebody else provide some information on the building in the 1300 block they have been trying to remove. City Manager Traynham replied the City has contracted with the demolition contractor and he is in the process of obtaining the state demolition permit. It should be demolished and cleared within the next month or sooner.

Councilman Smith asked if the \$75,000 was the uptown incentive program. Main Street Director Hall replied yes, it is for the incentive program for uptown historic building rehabilitation. They cannot just walk down the street handing out money so they wanted to make sure they came up with an equal and fair way to distribute and make the best use of those funds. They do not feel like they are where they need to be with how to distribute those funds. Hopefully after this month's meeting they should have a little more clarification as how to do that. The goal is to make sure they get as much bang for that money as they can possibly get. They want to make sure the changes they make are going to be lasting and will be something that is going add value to the areas these funds are set aside for.

Councilwoman Bryant asked where the murals would be going. Main Street Director Hall replied one will go on the side of the former Maxway building on 11th Street. Another mural will go on the Renaissance building and then the third mural will go on the backside of the Quality Shop that should help us finish the green space area.

Roanoke Rapids Theatre Proposals

City Manager Traynham stated since the City took back ownership of the Roanoke Rapids Theatre last summer, they have conducted a few processes for the sale of real property that have resulted in one proposal the City was unable to accept. Then another round of proposals where they received no submittals back in December. They have had a couple proposals that have come to the City. Out of City Council's directive to conduct Theatre business and conversations in a public forum, the work session was the appropriate place to consider these proposals.

She stated as a brief before they ask the proposal submitters to speak up, she wanted to talk about the status quo of the building right now. The City is the owner of the building and they are currently funding operations and have set aside approximately \$10,000 per month on average to have pretty much the building in a dormant or minimal use state. This would equate to about \$120,000 annually. A lot depends on the usage of the building and any utilities that would fluctuate with extreme heat and cold. Currently the liabilities are formed by the City. The City is exempt from paying property taxes so as the owner of the property they do not receive any property taxes right now. The City is funding all of the maintenance needs for it and they are currently using minimum levels of City staff to keep the building the way it is right now. The expenses are at a minimum level.

City Manager said what she was calling proposal number one is an offer to purchase. The offer amount is \$1,250,000 and that comes with a due diligence deposit of \$1,000 and a deposit of \$49,000. The financing option with this proposal is for the seller to finance or for the City to finance the amount of \$1,200,000 for a term of 120 months which equates to 10 years at a rate of 4%. That proposal would have the new owner of the building fund the operations and maintenance and takeover the Theatre. The City would no longer have any interest in the building other than being a lien holder. All of the liabilities would be gone through the purchaser, the property taxes would be charged to the new owner, and everything will be born to the new owner of the building if that were to move forward.

She reported the second proposal that they received is vastly different. In fact, there is really no similarities to it other than interest in the Theatre building itself. It is a business partnership so it is not an offer to purchase so there is no financing terms involved. It would require the City to budget the operational funds and staffing for that. In the proposal it states \$650,000 and then a performing fee or booking fee per show about \$50,000 depending on the act. The City would continue with its liabilities, it would be still be exempt

from property taxes under City ownership and the City would still be responsible for the maintenance and staffing and so forth.

City Manager Traynham stated unless they have any questions of her, this is a generic overview of the two proposals compared to the status quo right now. She wanted to also reiterate that this is a work session and they want to hear from those who have submitted the proposals and give an opportunity for City Council to ask any questions or determine any information that they may need to take into consideration. There is no action that would be allowed tonight because this is a work session. Currently, they do not have an open, bidding process. In a matter of transparency and discussing Theatre business in an open forum is what they are doing tonight.

Mayor Doughtie suggested having the individuals making the proposals speak first and then they can expand on that.

Councilman Smith said in the information City Manager Traynham sent out to them, it said the average cost or amount allocated was \$10,000 per month. He recalled it was \$5,000 that City Council authorized Public Works and if they needed additional money they would come back. In the reports they've had, the light bill was about \$2,000 a month. He asked if he was wrong about that. City Manager Traynham replied they set aside funds for about 3 months, but they have been very conservative with those funds. Unfortunately, Public Works Director Chalker is not here tonight, but he worked with the previous owner and their staff to determine what their fees were. A lot of it depends on the rates that are being charged and they can fluctuate significantly. They were trying to be conservative in their estimates. If they had more rentals of the Theatre they would see those costs go up quickly.

Councilman Smith said basically for the last six months that they've had control of the Theatre, the light bill has been approximately \$2,000.

Finance Director Johnson said in December when it was really cold it was about \$7,000 for the light bill. They set aside \$30,000 just for electricity in that three-month budget. They have about \$10,000 left out of that \$30,000, but like the City Manager said when the weather fluctuates the electric bill goes up and down.

Mayor Doughtie asked how much was the total that they set. Finance Director Johnson replied it was around \$53,000. He asked if they had a ballpark time frame. Finance Director Johnson said it was for three months. City Manager Traynham added initially they estimated three months. They were also anticipating some possible usage of the building through rentals. There hasn't been more than a dozen people in there at a time since they had taken the ownership back on it again. They have been very conservative

and made sure that the temperature in the Theatre is a controlled environment to maintain it as best they can. Again, those costs go up when you start adding people to the building and so forth.

Councilman Smith said when they add people to the building they have to pay a fee to come in there so that reduces the City's cost. He questioned whether or not the City set a price on what they would charge people to rent the Theatre. City Manager Traynham said yes they did set rental fees that were intended to help offset the expenses. Councilman Smith stated if they had people in there, the \$120,000 wouldn't have been that much. Finance Director Johnson said if the City rented it out it would not, but they did not rent it out. She believes the City Manager was just trying to give a ballpark estimate.

City Manager Traynham added that there are other expenses involved like the liability insurance in which they pay over \$9,000 per year. There are other things they've had to take over such as the sprinkler system, the elevator and other things. They have set it up at very minimum levels right now to conserve taxpayer funds for the building.

Mayor Pro Tem Ferebee said for clarity the \$120,000 includes all expenses from liability insurance to electricity. City Manager Traynham said yes, that is a conservative amount based on approximately \$10,000 a month and that could change with different months.

Mayor Doughtie called on representatives for the first proposal.

Attorney Keith Whited representing Brown Entertainment thanked City Council for what they do. Most people don't understand how difficult it is to both meet the obligation that the statute has for you and the privilege to try to figure out the best way to use the citizens money. This particular problem that they are here to talk about, the Roanoke Rapids Theatre, is a particularly difficult problem and frankly he was glad he did not have to solve it. His clients Leslie and Dewey Brown have formed this little corporation within which to hopefully hold the title to the Roanoke Rapids Theatre. They own two other theaters. They are actually doing now what they propose to do with your theater here in town which is to provide entertainment to two other communities. One is in Liberty, NC which is right on edge of Chatham County and in Reidsville, NC. They have a theater in each city now providing really good shows. They can go online and look at what they do and look at their lineup of talent. They are substantially smaller than your theater so doing what they do here is a daunting task. They believe that they have made the City an offer that gives them the best chance to be successful here and provide your city with an influx of visitors. In his view, he does not believe there are enough people living here in Roanoke Rapids to make a commercial success out of a theater that large, so they are going to have to have visitors come to enjoy it. That is a good thing for the City because you get all that traffic and all the dollars coming in. If he read the history correctly, he believes that was the

original intention for the building. Nobody knew in 2006 that there was going to be a depression in 2008 and property values would plummet. The City Council that was sitting there did the best they could, but now they are left with a pretty thorny problem. That is a facility that is eating up \$120,000 a year of your taxpayers' money. Their proposal would reverse that. The City would no longer be paying any money out of your pocket and our proposal is for the Browns to pay a little over \$12,000 a month or \$144,000 a year to the City on note of \$1.2M. The \$50,000 would be paid upfront. They haven't signed that offer but they are willing to do it anytime. He has made that clear to both Attorney Davis and the City Manager. He did not have a fancy proposal for them tonight, but at the session in which they take action, they will have one ready. They hope it will be a money making venture for the Brown's or they would not be doing it. They hope it will help the citizens of Halifax County and the City of Roanoke Rapids because the money won't be going out of your pocket to keep that really nice facility up. The money will be coming in over here and they will essentially turn \$1.2 million into a savings account that pays out in 10 years. Essentially \$260,000 every year plus the property taxes on the building and not have the liability of the building. They think it's a win-win for the City and for the Browns. They are good at what they do, he has been to shows at their theater. He thinks they will make a successful venture here where others have not been successful. He does not have any guarantee about that and it's show business which is a tough business. This is just a summary of what they presented. They had a nice meeting with the City Manager, the City Attorney and the Mayor. They are trying to be transparent as they can be and will answer any questions.

Mayor Doughtie asked how long have the theaters the Browns own been in business. Ms. Leslie Brown replied have been in business at their Liberty location for eight years and have been in business at their Reidsville location for just a little over a year. They are very thankful for their success in both theaters.

Mayor Doughtie asked for the size of those venues. Ms. Brown replied the Liberty Showcase Theater seats 454 patrons. They have a balcony and a lower level. In Reidsville, they seat 325 patrons.

Mayor Pro Tem Ferebee asked if they have looked at this proposal per se to some degree or were they just getting it for the first time to discuss it tonight. City Manager Traynham said the City has received the proposal on behalf of the Browns from their attorney. They have taken a look at it and they have stated the facts. It is an offer for \$1.2 million with seller financing. Their proposed terms are 4% for 120 months or 10 years with approximately \$50,000 down. At this point there is probably other things that could be talked about. The actual offer to purchase is before them in their packet.

Mayor Pro Tem Ferebee stated just thinking of history to some degree with the seller financing. What if there was a default or if for one reason or another, they decided they just don't want to do this anymore, how would that work with the 10 years versus some sort of default penalty? Attorney Davis replied if the City is financing it, it could essentially be a good comparison to the situation they had with G&T. If there was a default and that default could not be cured, the solution is essentially foreclosure unless they agree to sign it back over to the City by a Deed in Lieu which was what happened last time.

Mayor Pro Tem Ferebee said for clarity it would be \$12,000 a month. City Manager Traynham said she ran it through a basic calculator and it would be a monthly payment of about \$12,150. Mayor Pro Tem Ferebee clarified that any of the other expenses, liability, and tax would go to the buyer. City Manager Traynham replied that was correct.

Councilman Smith asked how did they come up with the 4% rate. Attorney Davis replied that was the Brown's offer. Councilman Smith questioned if that was below the market rate right now. Attorney Davis replied he was not sure what the market rate is, he would have to defer to someone else. Councilman Smith said he knows the housing market is a little bit higher than that, he didn't know about the real estate market.

City Manager Traynham stated this is an offer that was proposed by Brown Entertainment. The City has not done any negotiation or anything like that at this point. These are all terms that have been proposed and really this is an opportunity for there to be some discussion if there needs to be any amendments or changes. This is basically trying to give them some feedback. They are following City Council's directives of having these conversations in open session which is why they are presenting them as facts.

Councilman Smith stated Council understands this is a proposal and that is the reason they are able to ask questions on some of the things they read in the contact.

Mr. Whited said when they were looking at this together, they thought the City may want to turn this into their savings account which would add interest to their bank account. In his view, it would be similar to the other investments the City has. If that is wrong, then it is just wrong, and he guesses there could be some give and take. As he pointed out to City Manager Traynham and Attorney Davis, they did not know how to start this conversation. He did not recall the state statute, but any sale of real estate by a public entity has to stand open for upset bid so if their number is wrong somebody will out bid it. If they were to accept their offer to purchase, they would have to put it up for upset bid so the market itself could determine if the number was too low. That is the purpose and it protects the citizens from low ball offers. That is how they looked at the Theatre. It is an asset of the City and what were they getting for their other investments, his guess was around 4%.

Councilman Smith said he understood that all the income from the Theatre will be paid directly to the bank that has the mortgage on the property. City Manager Traynham stated that particular note has been satisfied approximately a year ago. Based on the current bond payments that they are making for the next nine years, there is no stipulation that any payments received would go directly to that debt. Councilman Smith said he knows there is not a stipulation with the bank, but he thought City Council had agreed that all money coming in for the Theatre would be paid directly to the bank to reduce the amount the City owed them.

Mayor Pro Tem Ferebee said they were looking at two things and yes, they would probably still do that in relation to the additional funds. Attorney Davis added that was not part of any contract negotiations, but City Council could do that as part of their annual budgeting process.

Mayor Pro Tem Ferebee asked for clarification of the bid process and now they were going a different route. Attorney Davis explained in the last situation they opened it up for bids. If they had somebody who had tendered a valid bid, met the requirements that they could accept and Council voted to accept that bid, then it would have to be advertised for an upset period. Somebody could come in and bid above that and then that would go to the process. This would basically remove that first step of the advertising of the bids. The City could accept an offer of a private sale such as this without opening it up for bids, but they would still have the upset bid to follow to make sure that it was a competitive process and that the other potential bidders or potential buyers had a fair chance to make upset offers above that.

Mayor Doughtie stated they have two offers they were going to discuss tonight. The one that they were discussing now they have talked about the interest rate on the loan. He asked if that was something they could continue to discuss with them after this meeting. He was trying to move this along. Attorney Davis replied he thought they could. Obviously there has been a little bit of discussion that resulted in this offer to purchase that was tendered to them. If the City expresses some feelings with respect to that, they can have that discussion. As Mr. Whited said this proposal has not been signed. Certainly there would be a formal offer to purchase that would have to be put forward where City Council would consider at a formal council meeting. Technically they could change some of those aspects before then if that is what he was asking.

Mayor Doughtie stated they need to move forward on an offer if they were to accept one of them. In reference to Mr. Whited's statement about the 4%, he mentioned a year ago and things have changed a lot in a year. The 4% is probably right on the mark for a savings account from what he has seen. However, if they look at it like it is an owner-financed loan, it's probably a little lower. Again, it is just a figure and can be adjusted either way.

Mayor Pro Tem Ferebee stated they could look at this and give feedback. He was looking at the due diligence fee which just looks wrong to him, but they could come back with some different numbers in relation to fees and earnest money and present that back.

Mr. Whited stated one thing about the due diligence fee. They knew there was going to be an upset bid period so they thought that due diligence fee would take the City through that period. They would know whether this couple was going to buy the building and then pay the deposit. If there was another bidder then they would not have to refund the \$50,000 or whatever that number is. If somebody makes an upset bid they have to put a deposit down and the old deposit is returned. That is why the number is like that.

Councilman Smith stated if the City Council decides to accept the bid, he was hoping that they would be able to move on something by their next council meeting so they can proceed with the upset bid period. He asked how long did they think it would be on the closing. Mr. Whited said the City graciously allowed them to look at the facility. They would need someone to look at the condition of the roof and conduct a title examination. He would expect 30-60 days; a pretty short time line.

Councilman Smith stated it appeared they expected the seller to pay for the appraisal and those expenses. Mr. Whited replied that he was not sure that was in the contract because it was a standard form. Attorney Davis said the majority of the language in this contract is actually prepared by the National Association of Realtors. He asked Councilman Smith if he had a specific section that he was looking at. Councilman Smith said he did not remember the exact section right now. Mr. Whited added that ordinarily it is the buyers who get the appraisal.

Attorney Davis referred to page 5 where it talks about the buyers due diligence process. It states the obligation on the buyer which is what he would think it would be. Mr. Whited stated the Browns do not expect the City to pay any money. Councilman Smith referred to page 9 of 15, item (g). Attorney Davis said he did not read item (g) in saying that. It is the condition of the contract that requires the City to execute a General Warranty Deed to the buyer. He said if they get to a point for instance in the next meeting where City Council has to take a vote, they can make sure that issue is resolved. He felt comfortable in saying the buyer would be the one that would bear those costs. Mr. Whited added on item (i) of the same page, it states the seller shall pay \$0.00 toward any of Buyer's expenses associated with the purchase of the Property.

Mayor Pro Tem Ferebee said there were some things on here that he would want to discuss with City Council before the next meeting on February 21st. Attorney Davis stated he knows this is a priority for himself as City Attorney, the City Manager and for City Council as well.

Mayor Doughtie asked if they had someone here tonight that would like to speak on behalf of the other offer.

Mr. Duriel Pittman stated he was the CEO of Repute Productions. He said Halifax County was home for him. The City back in 2005, when he was in his 20s and his Operations Officer was a high school student working in this very theater, built a cash cow. The problem the City has is they just don't know how to milk it. They have brought them a proposal that they feel will help bring the money back they spent all those years ago. He hopes City Council had a chance to review the proposal.

Mayor Pro Tem Ferebee said he read through some of it, but there were parts he did not have a full understanding of.

Mr. Pittman said their proposal is asking the City to partner with them as a management company. This will allow them to come in to book their shows and manage the Theatre for the City. They ask the City to put aside a budget of \$550,000. Of the \$550,000, \$55,000 is what they will use to operate the shows per night. He called on his wife to explain the numbers better.

Ms. Tonya Pittman stated the \$550,000 that they need would be to get started. A lot of the acts they would book require a deposit. The \$550,000 will be replenished, they just need the money to get started. They wanted to put money into selling alcohol, concessions, and souvenirs which would need to be purchased prior to the shows starting. The Theatre holds 1,500 seats. At 1,500 seats and if they ask for \$66 per seat, it would bring in a gross revenue of \$99,000. That is only one show. Most acts may charge \$50,000 to come. That means they still have a gross revenue of \$44,000 per show. Even though they would not get Beyonce or Taylor Swift, they can still pack the house. They can get Dan and Shay or Kane Brown. To get started is what the \$550,000 is for. They are expected to sell out with \$66.00 tickets. She did not see an issue with getting the place booked. She said comedy shows are a big deal as well. In Richmond, they stay booked with four shows every weekend. They can keep it going. The other proposal that would bring in \$12,000 per month is not even a fraction of what they could really make.

Mr. Pittman said they like to come in and do a market study first to see what the trend is in the area. They like to start with a 50-mile radius and see what that data shows. This would be what the people in this area want to hear. The entertainment business is a data driven business.

Mayor Pro Tem Ferebee stated looking back at their history, the City tried to run the Theatre at one point and was not successful at it. Right now, he did not think the City was looking to get back into that side of it. He asked if there were any funds they were going to put in or were they looking for the City to start it and they would come in and manage it.

Mr. Pittman replied that was correct. They were asking to take one more opportunity to operate their own theater and not just depend on the tax dollars. They will only make a small fraction if they just depend on the revenue from the tax dollars. If they do it right this time, it will be more beneficial to the City.

Mayor Pro Tem Ferebee asked if they could contact some of their acts to see if they could help fund it rather than the City. It is not the City's intent right now to go back into running the Theatre. Mr. Pittman said there were some people they could reach out to for sponsorships to take away the burden of the deposit. They know something needs to be done about the Theatre now and this is the fastest way to get it done.

Mayor Doughtie asked Mr. Pittman if he was in this type of business now and how long had he been involved in it. He replied yes, and they have been established since 2016. Mayor Doughtie asked if they were able to operate through COVID. Mr. Pittman replied yes. He knows the economy is taking a turn, but the thing about entertainment and people is they spend money on what they want to spend money on. As long as you keep your prices reasonable for the acts you are bringing.

Mayor Doughtie said he would have to concur with what Mayor Pro Tem Ferebee said. He has been on City Council for 13 years and they have labored under this debt for the Theatre. They've had several different ways that individuals have come to them and told the City what they could do. It has been bad for the City. They've had a hard time with it. The citizens want the City to rid ourselves of the ownership of this property. That is a stumbling block for City Council because they want to get it on the tax books and try to move forward. It was probably a \$25M project, but the actual Theatre itself was \$14-15M. He feels they would need to take a really hard look if they were going to get back into a business that they would be required to put money out to make something go. He was not sure that the people City Council represents want them to do that. They were here to talk about things tonight, not to take any action.

Councilman Smith said he was with Mayor Doughtie and Mayor Pro Tem Ferebee. He does not see how the City could get into the theater business. It has been tried in the past and has been a lose-lose situation each time. He would hate to invest a half-million dollars.

Mr. Pittman stated they were not asking the City for any money. They were going to do their services at no cost to them. All the work they do would be at no cost. They only look for their compensation on the back end with ticket sales. They are not asking for the City to give them a dime. They are only asking them to set it aside so if needed, it is available.

Councilman Smith asked weren't they asking them to put up a half-million dollars to operate. Mr. Pittman replied no, to just put it aside. They only anticipate operation costing

them around \$55,000 per show. That is including staff, security, ushers etc.

Mayor Doughtie questioned if they book an act for \$50,000 and they only sell 400 seats so they lose \$20,000, is that where the City is going to reimburse them to pay those people. Mr. Pittman replied no, because they are not going to book those 600-seat acts. The acts they will bring based on data will be acts that can sell out an arena. That is the avenue they plan to take with the Theatre.

Councilman Smith asked what percentage of the profit would their company take. Mr. Pittman replied 15% of ticket sales, not the entire profit because the City would still have parking, concessions, souvenir sales, and alcohol sales.

Ms. Pittman stated that it seems the City's main concern was not to be able to sell out. They would only need to sell 833 of those seats for the City to break even. They would only make money if the City makes money. If they break even, they do not take a cut.

Mayor Pro Ferebee stated maybe Mr. Pittman and the Browns need to get together and talk because it sounds like at some point something might could happen.

Miscellaneous

Councilman Smith stated he feels they are wasting a lot of time with work sessions and they are not getting any work done. If they needed a work session, they could hold the session at 5:00 p.m. followed by the regular meeting. He would like to see City Council revert back to having two regular business meetings a month so they can conduct business like they used to.

Mayor Doughtie asked how City Council felt about Councilman Smith's proposal. It was the consensus of City Council to go back to the two business meetings per month.

Attorney Davis stated the City Clerk will prepare an ordinance for their consideration at the next meeting on February 21, 2023.

Closed Session

Motion was made by Councilman Smith, seconded by Mayor Pro Tem Ferebee to go into Closed Session to discuss a Personnel Matter as allowed by NCGS 143-318.11 (a)(6).

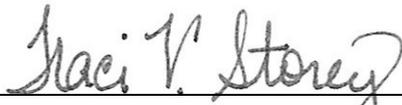
[Remainder of page intentionally left blank]

Minute Book Pages 21077 - 21081 contain Minutes and General Account of a Closed Session which have been sealed until such time as public inspection of those minutes would not frustrate the purpose of the Closed Session.

Adjournment

City Council returned to Open Session. No action was taken.

There being no further business, the meeting adjourned at 7:30 p.m.



Traci V. Storey, City Clerk

Approved by Council Action on: February 21, 2023