



**ROCKY MOUNT TOWN COUNCIL
SPECIAL CALLED MEETING MINUTES**

**March 15, 2021
5:00 a.m.**

The following members of Council were present:

Mayor Steven C. Angle
Council Member Billie W. Stockton
Council Member Robert L. Moyer
Council Member Mark H. Newbill
Vice Mayor Jon W. Snead
Council Member J. Tyler Lee
Council Member A. Ralph Casey

The following staff members were also present:

James Ervin, Town Manager
Mark Moore, Assistant Town Manager
Beth Simms, Economic Development Director
Cherie Compton, Acting Town Clerk

Special Called Meeting of the Rocky Mount Town Council (hereafter referred to as "Council") was held in the Council Chambers of the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia, with Mayor Steven C. Angle presiding.

1. Roll Call

The acting Town Clerk called each member of the Rocky Mount Town Council by name to account that each one was present.

2. Approval of the Agenda

Prior to the meeting, Council had received the agenda for review and consideration of approval.

Motion: To approve the agenda as presented

Motion By: Vice Mayor Snead

Seconded By: Council Member Newbill

Motion Discussion: None

3. **HPC Work Session**

Town Manager began the work session by stating that with to the Harvester shutdown due to COVID, the work-session would be different than previous formats. He stated that the discussion would be a continuation of the existing discussion around the Harvester's exposure due to COVID, what the roadmap to the solution and restart looks like and what the Town's role is in that. Previous discussion was to shut down the venue, with approximately \$600k in shows booked with possibly \$300k refund exposure for, but limited cash on hand. He further noted if all shows were canceled there was not enough cash on hand for refunds, indicating a structural issue that had to be addressed. For a short term resolution, the EDA gave the Harvester a loan of \$100,000 out of assets on hand to provide a buffer for refund liabilities. The problem that still exists is that there are future shows that have had ticket sales but those funds are no longer available as they have already been used. Mr. Ervin suggested that going forward this problem must be solved. He noted staff would be presenting potential solutions to this problem along with the new promoter for the Harvester Micah Davidson.

Mark Moore introduced Micah Davidson and praised Mr. Davidson and Beth Simms for the work they had done for charting a path forward for the Harvester. Mr. Moore explained that Mr. Davidson has worked with agents of the shows on hand to renegotiate or cancel shows. He was able to get the shows canceled at no fee charged to the Harvester. He presented the FY22 proposed figures to Council, and noted a proposed budget number of \$483,300, at the end of this fiscal year approximately \$100,000 in carry over funds and a fund balance loan to HPC, LLC of \$200,000 that will bring the total commitment for FY22 of \$783,300.

Mr. Moore informed Council members of the Save Our Stages Act passed by Congress for venues shuttered due to COVID and explained the Harvester would be applying and could receive up to \$689,000 as a tier one venue. He stated that if the Harvester received the grant, the funds would be used to repay the loans to the fund balance.

Mayor Angle questioned the likelihood of the Harvester receiving the grant. Council Member Snead stated that he did not believe Council should approve the loans based on a possible grant and questioned the likelihood of the grant as well. Beth Simms

informed members that they have every indication that the Harvester meets all of the qualifications to receive the grant as a tier one venue. She further explained that the Harvester has been over budget every year. She stated staff has cut over \$200,000 in spending and have been very diligent in order to bring the spending down as much as possible.

Council member Mark Newbill asked about previous CARES money received. Ms. Simms explained that money was received from the County but could not be used for the Harvester. She further explained the grant for venues would need to be applied for once the application period is open.

Mr. Ervin commented that with or without the Save Our Stages grant, there must be a solution to the problem. He explained in order for the grant to repay the funds given to the Harvester they must be loans. He explained that there would not be a decision on the grant prior to voting on the budget.

Council Member Snead questioned the \$200,000 figure and where it would be spent. Ms. Simms explained it was for show advertising, hospitality for bands, and refund for shows previously booked but ticket sales were already spent. Mr. Ervin further explained that in the past ticket sales were being spent prior to shows. With show revenues having already been spent, there are no funds available for advertising and other expenses that come later. An open discussion ensued revolving shows scheduled and canceled for FY22.

Council Member Newbill questioned what was included under Contract employees. Ms. Simms and Mr. Ervin explained the shift to contract employees and the benefit. There was a discussion of different line items within the proposal as to what types of expenses were included in particular line items. Staff noted the hope is the Harvester will resume shows in September 2021.

Mr. Ervin gave a recap of the proposed budget, including the loans. Mr. Davidson followed up with further explanation of the Save the Stages Act and what the process going forward will look like. He noted that it is a not a guarantee but very likely the Harvester will receive the grant. There was further discussion regarding granting a loan even though the grant is not guaranteed. Mr. Snead expressed concerns with calling it a loan when there may not be a source of income to pay back the loan if the grant is not received. Mr. Ervin stated the proposal would be the same regardless of the grant due to the current needs of the Harvester.

Mr. Davidson expressed the music industry is a gamble but they are working hard and implementing things that will leave the Harvester more protected than it has been in the past. He stated he has streamlined things and made everything very transparent. Ms. Simms noted that once shows began, reports could be provided immediately instead of quarterly as in the past. Mr. Moore noted staff is actively working to mitigate issues that occurred in the past.

Ms. Simms discussed the role the Harvester has in the town as an economic engine and how they are working to make it more profitable. She discussed some of the changes that are being made to improve the venue and potentially increase profits. An open discussion ensued revolving changes regarding concessions, merchandise, seating, assigned seating and ticketing.

Mr. Ervin stated that Council will receive a normal budget with the addition of required restart funds post COVID. Mr. Ervin further explained that the budget would only include the items discussed at the work session and highlighted in the proposal provided. He noted that if there is a decision from the Save the Stages there may be an additional revenue item. Mr. Ervin provided a summary of the request.

Council Member Snead asked for refresh of the long range plan of the Harvester. Mr. Ervin stated long term plans are converting to a 501C3 and transferring the lease to them and functioning largely with contract employees. He also gave an overview of the changes made and steps taken to improve the Harvester and get it on track for success. He noted that the first step is getting over this hurdle with the FY22 Budget.

Mayor Angle praised the staff for the financial information provided and asked for further comment. With no other questions, the Mayor asked for a motion to adjourn.

4. **Adjournment**

Motion: To adjourn

Time: 6:03 p.m.

Motion By: Council Member Stockton

Seconded By: Council Member Newbill

Motion Discussion: None

Ayes: (6): Council Member Lee, Council Member Moyer, Council Member Newbill, Vice Mayor Snead, Council Member Stockton, and Council Member Casey

Approved by a unanimous vote

Action: Meeting was adjourned

Steven C. Angle, Mayor

ATTEST:

Cherie Compton, Acting Town Clerk