

City of Gastonia

Fiscal Year 2009



Mayor

Jennifer T. Stultz

City Manager

James M. Palenick

City Council

Ward 1 - Keith Tidwell

Ward 2 - Dave Kirlin

Ward 3 - R. Dale Burkett

Ward 4 - Walker E. Reid, III, Mayor Pro Tem

Ward 5 - John B. Howren, Jr.

Ward 6 - James L. Watson





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Gastonia
North Carolina**

For the Fiscal Year Beginning

July 1, 2007

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Gastonia, North Carolina for its Annual Budget for the fiscal year beginning July 1, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

City of Gastonia, North Carolina

Vision Statement

The City of Gastonia serves as a model for civic leadership as we engage our community of dedicated neighbors (**Great People**). We share a collective passion for personal safety, economic vitality, cultural richness, and overall sustainability (**Great Place**). Our distinct character is built upon a rich and unique heritage and fueled by enthusiasm for the promise of a bright tomorrow (**Great Promise**).

Mission Statement

To provide fair, competent, responsive, cost-effective services at the highest level.

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CITY OF GASTONIA BRIEF PROFILE

The City of Gastonia was incorporated in 1877 and became the county seat of Gaston County in 1911. Located in the heart of the Piedmont section of the State of North Carolina, approximately 22 miles west of Charlotte, it is the second largest city in the Charlotte, - Gastonia, - Rock Hill Metropolitan Statistical Area (MSA) as identified by the United States Bureau of the Census. The MSA currently has a 2005 estimated population of 1,491,330. Gastonia covers an area of approximately 57.43 square miles. The City has a broad industrial, office and commercial base and is the twelfth largest city in the State with a new official estimated population of 71,349.

The City is responsible for providing governmental services, including police and fire protection, community development, recreation programs, solid waste collection and disposal, water and sewer, electricity, public transportation and other miscellaneous public services. The City is governed by a Mayor and a six-member City Council elected on a non-partisan basis. The Mayor and City Council members are elected for two-year terms in odd numbered years. Each Council Member represents a particular City ward, but elections are determined by an at-large vote. The Mayor presides over all City Council meetings (held on the first and third Tuesday of each month) and has the ability to vote on any issue as if she were a member of the City Council. The City Council enacts all general and technical ordinances, including budgetary appropriations and revenues, construction and zoning ordinances, approves contracts and originates general management policies.

The City Council employs a City Manager who directs the daily operations of the City through two Assistant City Managers; the Assistant City Manager – Public Services and the Assistant City Manager – Operations. For Fiscal Year 2009, the City of Gastonia has funds budgeted for 973 full time equivalent employees. This full time equivalent (FTE) number was arrived at by adding all full time, part time and seasonal employee hours and assuming a full time position is equivalent to 2080 hours of service. Property taxes may be levied by the City without a vote of the people and are collected as an annual ad valorem tax on the appraised value of all real and tangible personal property within its boundaries. In Fiscal Year 1994, Gaston County began collecting current taxes for the City of Gastonia. Delinquent taxes continue to be collected by both the City's collection offices as well as the County's.

EDUCATION

One public school system serves the City of Gastonia and Gaston County. The Gaston County School Administrative Unit is governed by the Board of Education consisting of nine members elected for four-year terms. A school superintendent is appointed by the Board of Education.

The State provides funding for a basic minimum educational program (approximately 72%), which is supplemented by the County and Federal governments. This minimum program provides funds for operational costs only. The financing of public school facilities has been a joint State and County effort. Thus, local financial support is provided by the County for capital and operating costs which is not provided for by the State or Federal government. The City does not provide any funding for the school system.

TRANSPORTATION

The City has approximately 429 linear miles of streets. The City and State maintain approximately 328 miles and 101 miles, respectively, of paved streets. Major expansion, improvement and maintenance of primary and secondary highway thoroughfares fall under the responsibilities of the State. Responsibility for major construction, improvement and maintenance of the local street system is shared by the State and the City. Construction of new streets within subdivisions is the responsibility of the developer and the City.

Gastonia also owns and operates a transit system consisting of seven buses and three special handicapped vans. The City will receive approximately 50% of the operating costs from the Federal government. The remaining funds are supplied by the City with the State contributing a small percentage for capital expenditures. Through funds from the State and the Federal government, the City purchased all new transit buses in Fiscal Year 2004. In May 2000, the City of Gastonia & Charlotte Metropolitan Transit entered into a trial commuter bus program to help reduce vehicular traffic between the two urban areas.

The Gastonia Municipal Airport, a general aviation airport, is owned by the City. The airport serves the City and the County for both business and pleasure trips. In Fiscal Year 2006, the City entered into an agreement with Fly Carolina, LLC to serve as the Fixed Base Operator for the airport.

RECREATION

The City has available many different national, regional and local recreational facilities. A National Football League team, the Carolina Panthers, play in a facility located in the downtown area of Charlotte, North Carolina. In January 2003, Charlotte was awarded an expansion National Basketball Association team, the Charlotte Bobcats, to replace the NBA Charlotte Hornets, which relocated to New

Orleans in 2002. The team began to play in the 2004 NBA Season. A professional minor league hockey team, the Charlotte Checkers, and a Triple A minor league baseball team, the Charlotte Knights, is also located within 25 miles of the City. Also a Summer Baseball - College All-Star League team, the Gastonia Grizzlies play at Sims Park. The City sponsors a full range of recreation programs. Recreation facilities are located on approximately 418 acres of land including five community centers, 46 tennis courts, nineteen baseball/softball fields, two swimming pools, 14 parks, 4 soccer fields, one skate park, and a municipal skeet and trap range. The first portion of the City's Greenway System was dedicated in 2002.

Crowder's Mountain State Park, a 3,000-plus acre natural mountain park area, is located in the City at its western edge. The park offers hiking, rock climbing, fishing, picnicking and other nature and environmental related activities.

In 1996, Gaston County and the Gaston County School Board donated 27.5 and 29 acres of land respectively to the City for development of the \$4.5 million Martha Rivers Park. The park consists of four soccer fields; four little league baseball fields with a center control tower and concession stand, community based planned playground, parking lots, entrance beautification, and walking trails. The park opened October 23, 1999.

PUBLIC UTILITY ENTERPRISES

The City owns and operates the water, sanitary sewer and electric systems. Water and sanitary sewer services are provided to customers inside and outside the City limits, with the outside customers paying higher rates. The water, sanitary sewer and electric systems are supported solely by user charges.

Water System

The City's water system consists of 27.3 million gallons per day (MGD) treatment capacity, with an average daily use of 12.95 MGD. There are approximately 27,703 water meters in use. The current raw water storage capacity is 275 million gallons at the Rankin Lake reservoir. The water distribution system consists of approximately 588 miles of pipeline and 7 million gallons of elevated storage.

Gastonia currently serves the cities of Lowell, McAdenville, Ranlo and Cramerton, North Carolina, and Clover, South Carolina, with water treatment and supply. Water system interconnects are also provided to the cities of Dallas, Bessemer City and Belmont for use in emergency situations.

The City uses Mountain Island Lake as its raw water supply source. Mountain Island Lake is a man-made lake constructed by Duke Energy on the Catawba River between Lake Norman and Lake Wylie, approximately 11 miles northeast of Gastonia. Approximately 11

miles of 54-inch and 48-inch raw water lines provide raw water from the lake to the City. Gastonia has a permit to withdraw up to 75 million gallons per day (MGD) from the lake with peak rate of withdrawal up to 150 MGD. It is anticipated that this will supply the raw water needs for Gastonia; it's municipal customers and portions of Gaston County until the year 2100.

Top Ten Water Users
(12 months ending 6/30/08)

<u>Number</u>	<u>Customer</u>	<u>Water Gallons Used (000's)</u>	<u>Annual Water System Revenue</u>	<u>Percentage of Total Annual Water System Revenue</u>
1.	Town of Cramerton	204,154	\$503,851	3.82%
2.	Town of Clover	201,706	476,985	3.61%
3.	City of Ranlo	123,272	316,685	2.40%
4.	Town of Lowell	114,046	306,051	2.32%
5.	Town of McAdenville	82,015	224,899	1.70%
6.	Gaston Memorial Hospital	77,120	209,594	1.59%
7.	Gaston County Schools	30,634	119,474	.90%
8.	CBP Resources Inc.	34,726	117,344	.89%
9.	Gaston County	33,922	110,681	.84%
10.	Choice USA	36,337	97,138	.74%
	TOTAL	<u>937,932</u>	<u>\$2,482,702</u>	<u>18.81%</u>

In November 1999, the City, in advance of a potential major residential and commercial development being built adjacent to our new water intake at Mountain Island Lake, purchased the 430-acre proposed development - for \$9.4 million. The State of North Carolina Clean Water Trust Fund subsequently awarded the City a \$1,000,000 grant to help establish a conservation easement on this property.

Sanitary Sewer System

The sanitary sewer system for the City consists of 22 million gallons per day (MGD) treatment capacity at two (2) wastewater treatment facilities. Average maximum daily flow at these plants is 9.5 MGD. The sanitary sewer collection system consists of approximately 503 miles of collection lines, 20 pump stations and the City currently has approximately 22,955 sanitary sewer customers both inside and outside the corporate limits. Of the 22,955 customers, the top ten customers comprise less than 18% of the City's billed wastewater

volume. The service area for the sanitary sewer system encompasses the entire corporate limits of the City and portions of Gaston and Cleveland counties adjoining the city limits and portions of York County, South Carolina. The City also owns and operates under private contract, a 700-acre Biosolids Storage Facility and Resource Recovery Farm located at Pasour Mountain, approximately five miles northwest of the City.

The City discharges wastewater into two major drainage basins: South Fork-Catawba River and Crowders Creek, which is a tributary to the Catawba River. The Long Creek Wastewater Treatment Plant has a capacity of 16 MGD and serves the Town of Ranlo. The Crowders Creek Wastewater Treatment Plant serves primarily the western and southwestern parts of the City, along with unincorporated portions of the County, portions of the cities of Kings Mountain and Bessemer City and portions of York County, South Carolina. The Crowders Creek Wastewater Treatment Plant has a capacity of 6 MGD.

Top Ten Sewer Users
(12 months ending 6/30/08)

<u>Number</u>	<u>Customer</u>	<u>Sewer Gallons Used (000's)</u>	<u>Annual Sewer System Revenue</u>	<u>Percentage of Total Annual Sewer System Revenue</u>
1.	City of Bessemer City	242,846	\$820,175	6.08%
2.	Town of Clover	146,950	495,988	3.67%
3.	CBP Resources Inc	51,387	226,517	1.68%
4.	Gaston Memorial Hospital	59,042	212,060	1.57%
5.	Town of Ranlo	48,654	165,115	1.22%
6.	Gaston County	33,323	137,715	1.02%
7.	Gaston County Schools	24,595	137,456	1.02%
8.	Easco Hand Tool	34,479	120,338	.89%
9.	Gastonia Housing Authority	25,629	92,550	.69%
10.	Parkdale Mills	23,945	89,639	.66%
	TOTAL	<u>690,850</u>	<u>\$2,497,553</u>	<u>18.50%</u>

Electric System

The City is a member of ElectriCities of North Carolina, Inc., a joint municipal agency serving the interests of municipal electric systems in the State. Of the 71 municipalities in the State that own their electric systems, 64 are members of this agency. Gastonia is also one of 19 cities that own 75% of one unit at the Catawba Nuclear Station. These 19 cities are part of a Power Agency (NCMPA#1) which uses the ownership of the Catawba Nuclear Station to meet the needs of its customers. Employees of the NCMPA#1 facilitate the purchase or sell of energy to balance the energy demands of the 19 members.

The City's electric system operates under a 7,200/12,460 volt distribution system, which serves approximately 27,167 meters in a system of 443 miles of electrical distribution lines. The electric system is the largest revenue producer in the City and has been used to supplement the General Fund and other funds in previous years. In Fiscal Year 1994, the City Council voted to reduce the dependency on electric revenues and to establish a Rate Stabilization Fund to set aside monies to provide funding for capital projects, any unforeseen occurrences and to offset future rate increases.

Top Ten Electric Users
(12 months ending 6/30/08)

<u>Number</u>	<u>Customer</u>	<u>Electric KWH's Billed (000's)</u>	<u>Annual Electric System Revenue</u>	<u>Percentage of Total Annual Electric System Revenue)</u>
1.	Gaston Memorial Hospital	66,387	\$3,281,363	5.17%
2.	Freightliner Corp	28,371	1,606,749	2.53%
3.	Gaston County Schools	14,493	1,277,798	2.01%
4.	Gaston County	15,215	1,183,097	1.86%
5.	Stabilus	17,046	982,814	1.55%
6.	Food Lion	7,203	434,152	0.68%
7.	Gaston Gazette	4,313	367,891	0.58%
8.	Harris Teeter	4,955	345,762	0.54%
9.	Industrial Electric Plating	4,689	343,987	0.54%
10.	Covenant Village	<u>4,577</u>	<u>336,561</u>	<u>0.53%</u>
	TOTAL	167,249	\$10,160,174	15.99%

SOLID WASTE

The City currently provides residential and commercial refuse collection to City residents and businesses. Residential service is provided by City forces while voluntary commercial service is provided by a private waste hauler under contract with the City. A major change to our system was implemented in October 1994, as the City modified its pick-up schedule to curbside service. An additional improvement in July 1996 occurred when the City went forward with fully automated collection trucks. These trucks only need a driver/operator and delete the need for a full manual crew for each vehicle. The City is making a concerted effort to expand its recycling program, which was introduced in Fiscal Year 1994. The City's residential and commercial waste is hauled to the Gaston County Landfill located near the Town of Dallas.

PUBLIC SAFETY

The City currently provides both fire protection and police coverage for its residents. The City of Gastonia Police Department has 169 sworn officers and associated support staff and provides services throughout the City in three patrol districts and eleven beats. Fire services are delivered through eight fire stations located throughout the City with 141 employees.

COMMERCE AND INDUSTRY

The City's economy has benefited from its proximity to Charlotte, access to major interstate highways, and a recent retail boom. These influences have led to significant recent economic growth and diversification.

For many years, the primary industry in the City was textiles. However, the recent national trend of companies relocating manufacturing facilities outside the United States has resulted in significant losses of jobs and investments in the textile industry. Over the past decade, the City's economy has diversified and expanded its commercial and industrial base through a variety of industry, trade and tourism sectors, while the significance of the textile industry has declined. In 2007, approximately 22% of the industrial workforce in the County was employed in manufacturing, 39% in wholesale and retail trade, 25% in the service sector and 5% in public administration. The expansion and diversification of the City's economy can be attributed to the City's proximity to the City of Charlotte, and the City's access to major interstate highways.

The City emphasizes the attraction of new and diverse industry while providing support for the existing commercial and industrial community. According to the Gaston County Economic Development Commission, in 2007, from new and expanding industry, new manufacturing companies and expansions and renovations of existing companies resulted in investments of approximately \$463 million and created more than 414 new jobs.

A variety of new manufacturing and retail establishments were established or expanded recently. A.C. Foam has located its newest production facility in Gastonia. The company will produce high quality finished foam products that are used in the commercial construction industry. The Company's trademark product, TUFF FOAM™ is a durable, cost effective and attractive exterior finish. The company has invested \$1 million in machinery and equipment at the 23,428 square foot facility and employs 12 people during this first year of operations. The Wren-Flex Building, a 27,000 square-foot facility, was recently completed and is available for occupancy. The facility was designed for single or multiple tenants needing office and warehouse space. Hapco Industries has added a 15,000 square foot building costing approximately \$346,000. Carolina Byproducts has spent approximately \$738,191 for facility upgrades and expansion. Budget Storage has completed a \$4,545,214, 75,000 square foot storage facility. Gaston Memorial Hospital has ten major renovation projects in process for over \$7,090,000. The Historic Loray Mill redevelopment project is currently under plan review. This project consists of a mixture of residential, office and retail use.

The City and surrounding area are also redefining itself as a metropolitan-dominated region. The City and the County are fast becoming what economists refer to as a "regional retail center." With the establishment of the City as a retail destination, an influx of shoppers from surrounding counties such as Lincoln, Cleveland, York and Mecklenburg has been noted.

The City is home to two enclosed malls: Gaston Mall, the home of Mary Jo's Cloth Store, the largest fabric store in the Southeast, attracting customers from all over the United States, is currently undergoing a major redevelopment including a grocery store and a new big box store. The approximate additional square footage is 18,750 and is estimated to cost \$1,782,096. Westfield Shoppingtown Eastridge (formerly Eastridge Mall) was acquired in April 2002 by Westfield Holdings Limited, an Australian company. Westfield Shoppingtown Eastridge is an approximately 1,560,000 square-foot retail facility and is the fourth largest mall in North Carolina and South Carolina. Belk, Dillard's, Sears and JCPenney anchor this facility, which is supported by 70 smaller retailers. Franklin Square is another retail shopping area consisting of over 1,000,000 square feet, anchored by Wal-Mart, K-Mart, Lowe's, Sam's Club, Best Buy and Kohl's. Numerous retailers, restaurants and a 13-screen movie theater are also located in Franklin Square, and recent expansion with the Shops at Franklin Square includes additional retail space and H.H.Gregg and Ashley Furniture as anchor stores. Other major retail investments include a new Yamato restaurant at a cost of \$544,043, Fresher Than Fresh, food-processing store for \$960,000, and new Shoppes at Gaston Mall for \$7.8M in addition to numerous fast-food restaurants and small retail space.

**Ten Largest Taxpayers
(As of 6/30/08)**

<u>Name of Taxpayer</u>	<u>Type of Business</u>	<u>Tax Valuation</u>	<u>Tax Levy</u>	<u>Percentage of Total Assessed Valuation</u>
Triangle Real Estate	Property Management	69,954,861	354,861	1.47%
Freightliner	Manufacturing	56,449,397	297,007	1.24%
Public Service/Scana	Utility	45,234,447	192,447	1.00%
Bell South	Utility	44,853,345	198,790	0.99%
Wix	Manufacturing	41,122,579	217,950	0.91%
Parkdale Mills Inc	Textile Manufacturing	37,400,403	195,548	0.82%
Stabilus	Manufacturing	35,112,312	186,095	0.77%
Pearson Properties	Property Management	27,301,469	144,698	0.60%
Wal-Mart	Retail	27,002,864	143,115	0.59%
Eastridge Mall Inc	Retail Shopping Center	<u>24,960,327</u>	<u>132,290</u>	<u>0.55%</u>
TOTAL		<u>\$406,392,004</u>	<u>\$2,062,800</u>	<u>8.95%</u>

Statistical Information

Number of Building Permits, 6/30/08	1,348
Residential Value of Building Permits issued, 6/30/08	\$98,364,116
Commercial/Industrial Value of Building Permits issued, 6/30/08	\$47,249,143
Total Retail Sales, as of 6/30/2007	\$1,491,742,556
Median Age	38
Gaston County Median Household Income, 2007	\$47,483
Net Bonded Debt per Capita, 6/30/08	\$285.29
Ratio of Net Bonded Debt to Assessed Value, 6/30/08	0.40%
Unemployment Rate, June, 2008	5.50%

