

GASTONIA CITY COUNCIL BUDGET WORK SESSION
MAY 16, 2016 – 5:30 P.M.
COUNCIL CONFERENCE ROOM– CITY HALL – GASTONIA, NC

Mayor Bridgeman called the work session to order at 5:30 p.m. on Thursday, May 6, 2016, in the Council Conference Room at City Hall. He then opened the meeting with prayer. Ms. Sherry H. Dunaway, City Clerk, recorded the minutes.

PRESENT: Mayor John D. Bridgeman
 Mayor Pro Tem Todd Pierceall
 Council Members: Robert Kellogg
 David R. Kirlin
 James Gallagher
 Porter L. McAteer
 David Humphries

City Manager Edward C. Munn
 City Attorney L. Ashley Smith

ABSENT: None

Also in attendance were: Mr. J. Phillip Bombardier, Assistant City Manager; Mr. Todd Carpenter, Assistant City Manager; Ms. Melody Braddy, Director of Financial Services; Ms. Crystal Falls, Budget Administrator; Ms. Dawn Cross, Senior Budget Analyst; Ms. Rachel Bagley, Managing Executive for Marketing & Revitalization Initiatives; Mr. Rob Helton, Police Chief; Mr. Travis Brittain, Assistant Police Chief; Mr. Phil Welch, Fire Chief; Mr. Michael Peoples, Assistant City Manager; Mr. Matt Bernhardt, Director of Public Works and Utilities; Mr. Jason Thompson, Planning Director; Mr. Rusty Bost, Director of Engineering; Ms. Beverly Bieker, Chief Information Officer; Mr. Vincent Wong, Housing and Neighborhood Administrator; Ms. Kristy Crisp, Economic Development Coordinator/Business Services Manager; Ms. Judy Smith, Assistant Director of Human Resources; and Mr. Chuck Dellinger, Director of Parks and Recreation.

GOVERNMENT FINANCE OFFICERS CERTIFICATE OF ACHIEVEMENT
FOR EXCELLENCE IN FINANCIAL REPORTING

Mayor Bridgeman recognized Ms. Braddy for this report.

Ms. Braddy stated this Certificate of Achievement for Excellence in Financial Reporting was awarded to the City of Gastonia for the 23rd year in a row. This award is given for outstanding financial reporting and we are one of 86 municipalities in the state to receive the award.

BUDGET REVIEW/QUESTIONS

Councilman McAteer asked about employee salary increases and if they have started.

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Mr. Munn stated the employees received a 3% salary increase (effective March 19, 2016) for all full time and part time employees. Employees are also receiving a \$350.00 Christmas bonus and a \$750.00 payment to the employees' Health Savings account (for employees covered by the City's Health Insurance Program). Wellness initiatives and incentives that positively impact employee health and claims will be implemented during FY 16-17.

Mr. Munn stated we have had a spike in insurance claims this year and there is about a \$750,000 difference from last year. We are also looking at changing the spousal option next year.

Councilman McAteer asked what is new in this year's budget that we didn't see last year.

Mr. Munn stated the Commercial Property Taxes that are due April 15th are usually returned to the City from the County the first week in May and this year it may be as much as \$600,00 more to the City of Gastonia. Mr. Munn stated there will be appeals on some of this so the numbers might move around. We are placing this money in the General Fund Capital Projects Fund Working Capital Reserve and this allows Council to dedicate that money to streets or any kind of capital project to enhance our infrastructure in the General Fund.

Mr. Munn highlighted the following from the proposed budget:

- Fiscal Year 2016-17 does not include a change to the City's current tax rate.
- A 2% Water and Sewer rate increase to be implemented effective January 1, 2017.
- No general retail electric rate increase is planned in the 2016-17 budget.

Mr. Munn stated we are increasing the solid waste fees from \$4.00 per month to \$6.50 per month as discussed in the previous meeting.

Councilman Kirlin asked how we are handling mulch (leaves, tree limbs, etc.). Mr. Peoples stated there are conversations on tipping fees for yard waste with the county and it would free up space on Duke Street and those conversations are ongoing. Mr. Peoples stated if we are able to work this out with the County, then it would free up space for the black gold (leaves) projects. Councilman Kirlin requested Staff to work on the economics of the project, how we reduce our supply and also make money for KGB, and report back with your findings.

- The City will be working on the Duhart Creek Conservation Area - the Short and Long Term Management Plan and also a study of the Duhart Basin.
- A Transit Study is underway and they are evaluating all of our routes and it will be reported back upon completion.

Mr. Bombardier highlighted the Capital Project Funds:

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- For the upcoming year Capital Projects, the City will mainly focus on continuing and/or completing projections previous funded (and currently underway).
- Other major capital projects that are being considered and have been discussed (but are not currently funded) include but are not limited to the following: FUSE District Project, Franklin Blvd. Corridor Improvements, Gastonia Technology Park Expansion/Development, Dixie Village Area Pedestrian Enhancements, Hangars, Fencing and Other Improvements at the Gastonia Airport, Martha Rivers Park Expansion (Adjoining Property Acquisition), AMI/AMR Improvements (Electric, Water/Sewer, Finance, Technology Services), NCDOT Bike/Ped Improvements (DOT projections with local share required: Franklin Blvd. from Cox Road going east), and Miscellaneous Major Capital (City) Building maintenance and Repair Projects (HVAC systems, roofs, security upgrades, etc.) funded through Departmental Operating Accounts.
- Turning back to the regular FY 2016-17 Budget, Mr. Munn noted that the City is funding equipment replacement for a total of \$3,184,045. This includes \$411,800 for computer/communication equipment replacement and upgrade' 14 Police vehicles, a new and upgraded Fire Truck (Quint) for \$774,506, and Solid Waste vehicles and equipment for \$245,012.

Mayor Bridgeman expressed concern about the number of recent traffic accidents. He stated he would like for police vehicles to be more visible on highways where there is excessive speeding and accidents hoping it would make people slow down.

Councilman Kirlin stated he would like have a FY16 wrap-up conversation to see where we are at the end of the budget year after everything is reconciled and we can see the funds available and review our project list around the end of September. Mr. Munn stated it would be put on the agenda in October.

Councilman Gallagher stated he has received calls from residents about the playground equipment at Martha Rivers being refurbished. Mr. Dellinger stated some things had been done and there are some parts that have been budgeted and he would be happy to discuss.

Mr. Munn distributed a Conference Center Operation Pro-Forma and Hospitality Tax spreadsheet for informational purposes which are hereby incorporated into the exhibits.

Councilman McAteer questioned if Council would consider naming rights for the Conference Center.

Councilman McAteer made the motion to cancel the budget work session scheduled for 5:30 p.m. on May 19th and to prepare an Ordinance to adopt the Budget as presented at the first meeting in June.

(Reference as contained in Exhibit Book 5 to Minute Book 104 at Page 122.)

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MEETING ADJOURNED

Meeting adjourned at 7:33 p.m.

Mayor John D. Bridgeman

L. Ashley Smith, City Attorney

Sherry H. Dunaway, City Clerk

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