

**GASTONIA CITY COUNCIL**  
**SPECIAL COUNCIL WORKSESSION**  
**December 14, 2021**  
**City Council Conference Room – City Hall, Gastonia, NC**

Mayor Walker E. Reid, III called the meeting to order at 6:00 p.m. on December 14, 2021, in the Gastonia City Council Conference Room, City Hall, Gastonia, North Carolina. Councilman Jim Gallagher gave the Invocation. Mayor Reid led the audience in the Pledge of Allegiance. Ms. Suzanne Gibbs, City Clerk, recorded the minutes.

PRESENT: Mayor Walker E. Reid, III  
Mayor Pro Tem Dave Kirlin  
Council Members: Robert Kellogg  
James Gallagher  
Charles Odom  
Jennifer Stepp  
Donyel Barber

City Manager Michael C. Peoples  
City Attorney L. Ashley Smith  
Deputy City Manager Todd Carpenter  
Director of Financial Services Crystal Certain  
Director of Human Resources Judy Smith

ABSENT: None

**ADOPTION OF THE AGENDA**

Councilman Jim Gallagher made a motion to adopt the agenda as presented. Councilwoman Donyel Barber seconded the motion and it was approved unanimously.

**ITEM 5: PRESENTATION OF INFORMATION ON THE**  
**ADOPTED NORTH CAROLINA STATE BUDGET APPROPRIATIONS**  
**AND SUBMITTED BUILDING RESILIENT INFRASTRUCTURE**  
**AND COMMUNITIES (BRIC) APPLICATIONS**

**ITEM 6: PRESENTATION OF INFORMATION FOR THE AMERICAN**  
**RESCUE PLAN (ARPA) FUNDING AND PROPOSED PROJECT LIST**

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**ITEM 7: PRESENTATION OF INFORMATION ON  
THE FEDERAL INFRASTRUCTURE ACT**

City Manager Michael Peoples presented a PowerPoint presentation to go over information combining Items 5, 6, and 7. He discussed information related to the 2021 approved North Carolina State Budget, 2021 BRIC Grant Applications, America Rescue Plan Act ARPA/CLFRF Funds, Community Development Services, and Federal Infrastructure Investment and Jobs Act 2021. He stated that the information he was sharing is an update to give a broader picture of all the things staff is working on and funds that the City has received.

Mr. Peoples stated that North Carolina does have its approved State Budget and that funds would probably be available in January/February, 2022. He said that some direction has been given with respect to some of the Water and Sewer funding but no direction yet on any of the General Fund money. Mr. Peoples shared a breakdown of funds that the City of Gastonia is approved to receive including funds for Gastonia Municipal Airport (\$250,000), Schiele Museum (Non-Profit) (\$1,000,000), FUSE Stadium District (\$1,500,000), Local Government Grant Miscellaneous (\$25,000), Catawba Creek Greenway (\$1,850,000), and Water/Wastewater (\$18,004,000 to include wastewater outfalls, rehabilitation of supervisory control and data acquisition system (SCADA), and water smart meters).

Mr. Peoples shared information on the 2021 BRIC Grant Applications. This included information on Duharts Creek Critical Infrastructure Protection & Stream Restoration; Water Treatment Plant Community Lifeline Emergency Power Generation; Water & Wastewater Energy Resilience Project Scoping; America Rescue Plan Act ARPA/CLFRF Funds, Eligible Uses for ARPA/CLFRF Funds; Ineligible Uses for ARPA/CLFRF Funds (The City will directly receive \$15,661,923 in ARPA/CLFRF in two payments. \$7,830,961.50 has already been received as of May 2021. The remaining balance will be received next May 2022.); Identified Areas of Eligible Services including Public Health, Addressing Negative Economic Impacts (Sims Legion Park Improvements; Paving Bob and Pat Boyd Drive for trap/skeet range; workforce development), Services to Disproportionally Impacted Communities (Community Center Improvements, Playground Improvements on City-owned Parks, Greenway Expansion, Sidewalk/Crosswalk Expansions, and Street Resurfacing); Infrastructure for Water and Wastewater, Broadband Expansion (Gastonia is eligible for fiber extension and expansion to City facilities); Revenue Replacement (Gastonia does not qualify for Revenue Replacement during the 2020 calendar year; however, the process to review will have to be completed for calendar years 2021, 2022, and 2023.); Premium Pay, and Administrative and Other Government Provisions.

Mr. Peoples shared information on Community Development Services and Coronavirus funds received from CDBG. He explained that the groups the City partners with so far are The United Way for utilities and Salvation Army for rental assistance. The overall amount received through this funding is \$871,269; \$24,289.61 has been spent to date (for utility payments and rental

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assistance); \$195,710.39 has been encumbered to date; with a remaining balance of \$651,269 with a deadline of May 2022 to spend.

Mr. Peoples stated that the HOME-ARP Community Development Services award of \$2,850,611 is intended to benefit the homeless population and affordable housing. Eligible Activities include Administration and Planning; Rental Housing; Tenant-Based Rental Assistance; Supportive Services; Acquisition and Development of Non-Congregated Shelter (Example: Hotels/Motels); and Nonprofit Operating and Capacity Building Assistance.

There was discussion on the status of various properties in the area that might work for Non-Congregated Shelters. Councilman Gallagher suggested that perhaps the City and County could work together on this.

Mr. Peoples spoke about the Transit CARES Funding and its eligible uses. He questioned whether Council wanted to continue free fares for an extended amount of time or to return to normal fares. He shared that the ridership was down even with the current free fare.

Mr. Peoples shared information on the Federal Infrastructure Investment and Jobs Act 2021. He stated this is the program we know the least about. He stated there is a lot of money in this program but no one is certain as to how it will be distributed. He stated the City will continue to apply for the RAISE Grant. These Federal Funds will be for airport infrastructure, clean drinking water improvements, electric vehicle charging infrastructure, and highway projects in addition to other projects.

Discussion ensued about possible projects that could be undertaken using the funds being directed to the city. Those discussions included how to address the issues of homelessness in the community. Mayor Pro Tem Kirlin said he would like to have some kind of documentation with regard to protocol of steps to relay to remedy the problem when someone contacts him with questions about the issue of homeless people being on their property when no action has been taken by the police. Deputy City Manager Todd Carpenter stated that he would assemble some information on that.

More conversation ensued about homelessness in the community and how to address the needs of the homeless.

(Reference as contained in Exhibit Book 2 to Minute Book 111 at Page 47).

**ITEM 8: DISCUSSION ON FY 2022 HIGHLIGHTS AND  
UPCOMING FY 2023 BUDGET PROCESS**

City Manager Michael Peoples stated that the FY 2022 Highlights and Upcoming FY 2023 Budget Process consists of mainly three things. Mr. Peoples said that he has had direct conversations with Department Heads surrounding employee morale and citywide workforce issues. He stated that a

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lot of these issues come from problems we all are facing because of COVID-19. Compensation, lean workforce issues, and equipment matters will be discussed in this presentation. Mr. Peoples stated that this will have a big impact on the upcoming budget as well as in multiple years ahead. He turned the presentation over to Deputy City Manager Todd Carpenter and Director of Human Resources Judy Smith.

Deputy City Manager Todd Carpenter said that there has been a great number of people dropping out of the workforce. He stated that the City values their employees and wants them to be happy and wants them to stay here with the City. Mr. Carpenter said the City is dealing with turnover rates higher than ever. He said that key people have left the City to go to the County or to other municipalities.

Mr. Carpenter said that a compensation study had been completed at the first of the year that was implemented in July. He said at that time, the County had started a compensation study of their own but they stopped it. He said that the City knew that when the County finalized their compensation study, the City would need to revisit its compensation schedule. Mr. Carpenter said that staff has made a recommendation at the management level to compete directly with employers in the City's backyard. Before when he compensation study was done, it compared the City with like-size cities. He said this proposal is basically the same as the County's methodology, which is based on the length of time employed with the City as opposed to the length of time in an employee's current position.

Ms. Judy Smith, Director of Human Resources, spoke about Phase One and Phase Two of the proposed salary adjustments which are needed in reaction to the County's salary study. She explained that the City is experiencing employee retention issues and the salary increase is needed in order to be competitive with Gaston County. Ms. Smith stated that staff recommends exactly mirroring the County's methodology, which is placing employees based on how long they have been with the municipality, not a particular job. Mirroring that methodology, if an employee has been with the City for 0 - 4.99 years, they would move to 25% into the range; 5 – 9.99 years would move to 37.5%; 10 – 14.99 years, 50% into the range; 15 – 19.99 years, would be 62.5%; 20 years or more would be 75% into the range. She stated the increases were capped at 20%. All employees will receive a minimum of at least 6.5%. Ms. Smith stated that all full-time employees would be at a minimum of \$15 per hour.

Deputy City Manager Todd Carpenter explained that if an employee was already further along in the range than where they should be, then that employee would only get the minimum increase which is 6.5%. The new annual minimum salary would be \$31,200.

Ms. Smith gave examples of where newly hired employees in varying departments would be placed in the range based on years of relevant experience. She gave an update on the turnover rates explaining that in 2018, it was 10.7% which continued to stay pretty stable until last year, when it jumped to 13.8%. This year annualized, the turnover rate has jumped to 19.9%. She stated

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that is partly because of the “Great Resignation” and partly because of people leaving for higher salaries or going to smaller cities.

Deputy City Manager Todd Carpenter stated that the City is short-staffed. He said there are a lot of people who feel like they are being overworked. He said that the City has a lot of growth in front of it, a lot of projects, and a lot of money to spend. He stated that the City needs the right people in the right places and to be able to pay them well and hold them accountable. He stated that is the goal with this proposal.

There was some discussion about reasons why employees are leaving the City and possible ways to determine the root cause of their leaving in order to come up with a long term solution. Mention was made that rather than discussing this at exit interviews, that discussions be held during employee annual performance interviews. There was also mention of having some way for employees to anonymously share information about issues or problems they may be having since this would likely lead to more honest, valuable results.

Ms. Judy Smith gave an update on the number of employees that have left employment with the City and gone to work for other municipalities. She stated that so far this calendar year, twenty-seven (27) employees have been lost to other municipalities. Fourteen of those went to larger municipalities; nine went to Gaston County; others went to Charlotte/Mecklenburg and Cleveland County. One employee who left the City went to Catawba County. She stated that thirteen of those went to smaller municipalities including Cramerton, Newton, Lincolnton, Huntersville, Kings Mountain, Statesville, Belmont, and Hickory. To alleviate being short-staffed, staff has recommended including twelve new positions: Human Resources – HR Generalist/Trainer; Fire – Logistics Officer; Finance – Internal Auditor; Public Works/Building and Grounds – two Building Maintenance and Construction; Police – three Civilian positions; Technology Services – Business Systems Analyst; Public Utilities/Electric – three Line Technicians. City Manager Michael Peoples stated this recommendation had come from the conversations with Department Heads and requests from previous budget years.

Deputy City Manager Todd Carpenter stated that staff proposes salary adjustments become effective January 1, 2022. He stated that staff has put together a four-year funding plan but that the upcoming next six months would be funded by fund balance. That cost would be roughly \$2.3M in the general fund.

Ms. Judy Smith stated that as to Non Full-time employees, the recommendation is to give a flat 3% increase across the board. She said this increase does not get those employees to \$15 per hour. There was conversation on bringing all part time employees to \$15.00 per hour. Deputy City Manager Todd Carpenter said that a lot of the part-time employees are in recreation. He stated that staff is in the process of putting a plan together to incorporate a number of part-time employees into full-time employees, offering them better hours and consistent hours. The plan is not yet complete.

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Deputy City Manager Carpenter stated that the proposed funding plan would be a combination over the next several years of fund balance, growth in revenues, ARPA funds, and property tax revaluation.

Mr. Carpenter spoke briefly about equipment needs for the public safety area. He stated that staff is requesting an additional equipment loan.

Deputy City Manager Todd Carpenter said that staff is requesting authority to prepare a Budget Amendment to implement the adjustment in salaries and have the Budget Amendment on the agenda for the upcoming City Council meeting on December 21.

There was some discussion about Council pay increases. The last increase in pay for Council was in 2012.

Mr. Peoples stated that the only action item necessary on the December 21<sup>st</sup> agenda is to appropriate fund balance to cover the increases discussed this evening and he needed a consensus to put it on the Agenda.

(Reference as contained in Exhibit Book 2 to Minute Book 111 at Page 48).

**ITEM 9: OTHER MATTERS**

There were no additional matters to be discussed.

**ADJOURNMENT**

Mayor Reid adjourned the meeting at 8:37 p.m.

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Mayor Walker E. Reid, III

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L. Ashley Smith, City Attorney

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Suzanne J. Gibbs, City Clerk

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