

GASTONIA CITY COUNCIL BUDGET OBJECTIVES RETREAT
JANUARY 24, 2020 – 12:30 P.M.
GASTONIA CONFERENCE CENTER– GASTONIA, NC

Mayor Reid called the Budget Objectives Retreat to order at 12:30 p.m. on Friday, January 24, 2020, at the City Council Conference Room, City Hall, Gastonia, North Carolina. Mayor Reid stated Councilman Gallagher will not be arriving for three hours. Ms. Sherry Dunaway, City Clerk, recorded the minutes.

PRESENT: Mayor Walker E. Reid, III
 Mayor Pro Tem David R. Kirlin
 Council Members: Robert Kellogg
 James Gallagher (arrived at 3:45 p.m.)
 Charles Odom
 Jennifer Stepp
 Donyel Barber

City Manager Michael C. Peoples
 City Attorney L. Ashley Smith

ABSENT: None

Staff in attendance were: Mr. Todd Carpenter, Deputy City Manager; Mr. Quentin McPhatter, Assistant City Manager; Ms. Melody Braddy, Assistant City Manager; Ms. Crystal Certain, Director of Financial Services; Ms. Dana Carpenter, Asst. Director of Financial Services; Ms. Mary Elliott, Director of Marketing and Communications; Mr. Rob Helton, Police Chief; Mr. Phil Welch, Fire Chief; Mr. Dale Denton, Director of Public Works; Mr. Joe Albright, Director of Public Utilities; Mr. Rusty Bost, Director of Development Services; Mr. Vincent Wong, Director of Community Services; Ms. Kristy Crisp, Director of Economic Development; Ms. Judy Smith, Director of Human Resources; Ms. Ann Tippitt, Director of Schiele Museum, Mr. Cam Carpenter, Director of Parks and Cultural Services; Mr. Robert Cloninger, Division Manager, Field Operations; Mr. Shaune Tooke, CMO Intern; Crystal Falls, Budget Administrator; and Jessica Williams, Budget Analyst.

FINANCIAL OVERVIEW

The following information was presented, as shown in the exhibits and discussed:

- Review of Budget Calendar & Process
- December 2019 Monthly Financial
- FY 2020 Revenue Forecasts
- Growth Data from Building Permits
- Debt Analysis
- Hotel Occupancy Tax

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Ms. Certain reviewed the Budget Calendar and proposed dates for the Budget Sessions and Tuesday, March 31st at 5:30 p.m. was selected for the Budget Outlook meeting. She proposed Tuesday, March 17th and May 14th for additional budget sessions if needed. These meetings will be held at 5:30 p.m. in the Spindle Conference Room. Council was in agreement for these dates if needed.

Ms. Braddy stated that today staff is hoping to get guidance from Council on Goals and Objectives for this upcoming budget and then the next two months all of the departments will work to complete everything on the upcoming budget and we will meet on March 31st to discuss at the Budget Outlook meeting. Staff will then work and get the balanced budget to Council for approval and this should occur in April.

Ms. Certain reviewed the December 2019 Monthly Financial Report and highlighted the following areas.

Health Insurance Fund: Health insurance claims (year to date) are below last year's numbers by \$210,918

General Fund net revenue (loss) statement shows we are currently \$2,422,066 above the five (5) year average.

Electric Fund net revenue (loss) statement shows we are currently \$12,017,474 above the five (5) year average due. This is due to year end carryovers.

Water and Sewer Fund net revenue (loss) statement shows we are currently \$658,842 above the five (5) year average.

Stormwater Fund net revenue (loss) statement shows we are currently \$70,697 above the five (5) year average.

Solid Waste Fund net revenue (loss) statement shows we are currently \$437,058 above the five (5) year average.

Transit Fund net revenue (loss) statement shows we are currently \$291,789 above the five (5) year average.

All major funds are operating as expected year-to-date with 50% of the fiscal year being complete and having expended 43.69% of expenditures.

Ms. Certain also discussed the sales tax comparisons along with other revenues.

Ms. Certain answered various questions from Council.

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Mr. Bost gave a presentation on Building Permit Growth Data and discussed the new housing and apartment developments and the building applications submitted.

Discussion followed on the growth in the community involving roads and schools and what is being done to deal with it. Mayor Pro Tem Kirlin stated at some point we need to sit down with the Gaston County School Board and see what their plans are for the future.

(Reference as contained in Exhibit Book 6 to Minute Book 109 at Page 19).

HUMAN RESOURCES

Mr. Carpenter presented information and discussion ensued on the following:

- Compensation Discussion and Recommendation
- State Retirement Contributions
- Health Insurance Update and Budget Recommendation

Mr. Carpenter noted no increases are recommended in insurance this year. Mr. Carpenter discussed the increase in retirement contributions that are dictated by the state. Mayor Reid noted that these benefits are what helps gain and retain employees and he thinks overall the compensation plan is working.

Mr. Carpenter stated with Council's approval they would like to add these salary numbers into the budget because we will be meeting with department heads soon to go over their budgets. Mayor Reid stated this helps in recruitment because we are competitive now.

It was the consensus of Council to proceed with the salary recommendations as presented and shown in the exhibits.

Mr. Carpenter stated they are not recommending an increase to the insurance claims budget this year.

Mayor Pro Tem Kirlin stated he would like to increase the Health Savings Account ("HSA") at some point if the claims go down and he would like to see this taken under consideration.

Mr. Carpenter stated staff recommends to maintain the \$750 HSA contribution to employees. Mr. Carpenter discussed the \$250 bonus that could be added into an employee's HSA if an employee is participating and reduces their waist circumference by 5% or reduces their body weight 5%. Mr. Carpenter stated in March there will be another measurement and if an employee has reached the guidelines they will receive this bonus into their HSA. Mr. Carpenter also discussed the Rx Savings Program which allows Blue Cross to notify an employee of lower priced medications and the City this will also save money as well as the employee and we would like to sign up for this program for our employees.

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Councilman Gallagher asked if the Wellness program has helped diminish the cost of claims. Mr. Carpenter stated the Wellness programs that we have in place have to be having an impact. Mr. Carpenter stated our claims are down and he would like to believe that it is a result of the Wellness programs.

Mr. Carpenter stated in terms of the wellness recommendation we would recommend that we continue our contract with Caromont for Wellness noting that it is an additional \$956 and that is really just for a salary increase for our coordinator and the same holds true with the Atrium Clinic contract which we recommend that we continue that and that is an additional \$5,013 increase. Mr. Carpenter stated the Diabetes Management Program is underway and we just started this program this fiscal year. Mr. Carpenter noted that we have 44 employees that are currently participating and it is currently \$75 per month per participant.

Councilman Kellogg asked if we are doing anything to address the mental health aspect.

Mr. Carpenter noted that we have already conducted four mental health training sessions which are day long events for our employees and we started with department heads and we are working through employees and we have sessions 5 and 6 scheduled and they are full. Mr. Carpenter stated we heard from you last year and we are trying to incorporate that and we have also had some Lunch and Learns that have focused on mental health. Mr. Carpenter noted that all fire department employees have been through this program.

(Reference as contained in Exhibit Book 6 to Minute Book 109 at Page 20).

REVIEW OF MISSION, VISION AND CORE VALUES
REVIEW OF STRATEGIC PLAN GOALS AND OBJECTIVES

- Review of 2019 Accomplishments
- Review of 2019-2021 Approved City Goals and Objectives
- Update 2020-2021 Goals and Objectives

Mr. Peoples stated the Mission, Vision and Core Values were reviewed last year and we are putting this out to see if it is still good moving forward or do we want to make any amendments. Mr. Peoples noted the pictures will be updated along with any amendments recommended.

Mr. Peoples reviewed the Goals and Objectives as shown in the exhibits. Mr. Peoples noted that we try to narrow it down to 50 but last year we had 52.

Mr. Carpenter noted that we have 59 goals listed and everything new is in yellow and then the other items are things that are incomplete but ongoing.

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Considerable discussion ensued on the 2020-2022 Goals and Objectives with Council giving some direction on items.

Mayor Reid requested a meeting be set up with Mrs. Debbie Whiteside and other parties involved with the Hassan Whiteside Foundation to complete the Phillips Community Center gymnasium renovations and the target date to have a definitive answer is March 5th.

Mayor Pro Tem Kirlin stated sometime in the next 12-24 months, if Council agrees, that he would like to direct staff to look at the process of funding and to do something significant to begin to strategize about funding on the Master Plan noting he feels this needs to be discussed at some point in time.

Mayor Pro Tem Kirlin stated he would like to see a sculpture garden considered at the Linwood Springs property (Future Westside Park).

Mr. Carpenter discussed the Neighborhood Program Initiative Neighborhood Association which is Partners for Stronger Neighborhoods. Mr. Carpenter stated that we want to foster citizen involvement and engagement with the City and in turn we want to be a resource and provide support and technology support and help to serve and improve the neighborhoods. Mr. Carpenter stated this is not meant to replace our Community Watch Program and further noted that the plan is to fold the Community Watch and our Community Coordinator program into the Stronger Neighborhoods Program and make the police part of this a component of the Stronger Neighborhoods Program. Mr. Carpenter stated there is a broader approach to neighborhoods that we can offer than just police issues. Mr. Carpenter reviewed the Neighborhood Program Initiative as shown in the exhibits. Mr. Carpenter stated this project is still evolving but we feel it would be most beneficial to the citizens and the City.

Mr. Peoples stated this is a good opportunity to work with neighborhoods and not rely only on social media to relay information. Mr. Peoples stated this could be a great opportunity noting that Concord has implemented it and it has been very successful. Mr. Peoples stated moving forward this is something that we will try to include in the recommended budget that is coming back to you.

Further discussion ensued on Goals and Objectives.

Mr. Peoples discussed a partnership with the US Postal Service to evaluate overall postal service and facilities in Gastonia and the potential purchase of the Post Office located at 305 West Main Avenue for future community use.

Mayor Reid stated this is something that we can definitely utilize and saving another building downtown and making something serve a good purpose and stated we should move forward.

Mr. Peoples stated with the information and direction received today the Goals and Objectives will be updated to include the changes.

After a pause for a Fit Break, the meeting resumed at 3:39

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Councilman Gallagher asked if a motion can be made that campaign signs can be put out sixty days before an election. Mr. Smith stated they are going to track the state statute that talks about signs in the right of way and the language talks about thirty days before the first day of early voting so it is longer than thirty days and when people put signs out in the County it will be the same time they put them out here and then we will be consistent. Mr. Smith stated this will apply to all non-commercial signs. The City will still remove commercial signs that are placed in the right of way during this time period.

Councilman Gallagher made a motion for Legal to track the state statute and bring the information back to Council. Councilwoman Stepp seconded the motion.

Further discussion ensued. Mayor Pro Tem Kirlin stated he would like feedback about what other cities are doing and also what the KGB is doing and how this impacts the appearance of the city during that period of time. Mayor Pro Tem Kirlin also requested to know the problems in the past with compliance, such as are signs going out early or not being picked up afterwards so that these decisions are made for the good of the community and analyze if it is really effective.

Councilman Gallagher stated this is a vote to get that type of information.

Council approved the motion unanimously.

(Reference as contained in Exhibit Book 6 to Minute Book 109 at Page 21).

LEGISLATIVE ADVOCACY AGENDA

- Federal
- N.C. General Assembly
- Gaston County
- Legislative Calendar

Mr. Peoples reviewed the Legislative Advocacy Agenda as shown in the agenda for comments.

Councilman Kellogg asked if there was any way to include a goal to find ways to cooperate with the county and state level on initiatives that could address homelessness and seek funding.

(Reference as contained in Exhibit Book 6 to Minute Book 109 at Page 22).

SPECIAL COUNCIL REQUESTED TOPICS

- Affordable Housing Information
- Homelessness
- Diversity, Equity and Inclusion

Mr. Peoples recognized Vincent Wong, Melody Braddy and Todd Carpenter.

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Mr. Wong discussed affordable houses and the four activities that deal with affordable housing as shown in the exhibits.

Mayor Reid discussed the homeless issues the City is facing and noted this issue is bigger than the City of Gastonia and also the County. Mayor Reid said we should be concerned and we want to help but we cannot take up the whole role ourselves as a City.

Mr. Smith discussed the panhandling issues and the difficulties concerning arrests.

Mr. Carpenter presented the Diversity, Equity and Inclusion (DEI) plans and initiatives that are being implemented in the City. Mr. Carpenter stated this is a work in progress.

Further discussion ensued.

Councilwoman Barber suggested a chief Diversity Officer position. Mayor Pro Tem Kirlin stated if we are serious about this we need to apply resources and do research. Councilman Odom stated that he agreed that more research needed to be done. Mayor Reid stated he also felt like a position was needed that deals with this specifically. Mayor Pro Tem Kirlin was in agreement. Councilwoman Barber stated this is an important issue that requires us to be intentional.

(Reference as contained in Exhibit Book 6 to Minute Book 109 at Page 22).

SUMMARY

- Recap of Today's Progress and Preparation for Tomorrow

Mr. Peoples stated that he would be sending out all updates and taking the information presented and reporting back to Council.

(Reference as contained in Exhibit Book 6 to Minute Book 109 at Page 23).

MEETING ADJOURNED

Mayor Reid adjourned the meeting at 6:04 p.m.

Mayor Walker E. Reid, III

L. Ashley Smith, City Attorney

Sherry H. Dunaway City Clerk
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