

**GASTONIA CITY COUNCIL STRATEGIC PLANNING WORKSHOP**  
**March 28, 2017 – 5:30 P.M.**  
**COUNCIL CONFERENCE ROOM – CITY HALL – GASTONIA, NC**

Mayor Pro Tem Todd Pierceall called the work session to order at 5:30 p.m. on Tuesday, March 28, 2017, in the Council Conference Room at City Hall. Councilman David Humphries opened the meeting with prayer. Ms. Sherry H. Dunaway, City Clerk, recorded the minutes.

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

City Manager Edward C. Munn  
 Asst. City Attorney Charles Graham

ABSENT: Mayor John Bridgeman  
 City Attorney L. Ashley Smith

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. Dawn Cross, Senior Budget Analyst; Ms. Rachel Bagley, Managing Executive for Marketing & Revitalization Initiatives; Mr. Robert 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; Mr. Chuck Dellinger, Director of Parks and Recreation; Mr. Joe Albright, Director of Enterprise Services.

Mayor Pro Tem Todd Pierceall announced that Mayor Bridgeman would not be in attendance. A motion was made by Councilman Porter McAteer to excuse the Mayor. The motion was seconded by Councilman David Humphries and passed unanimously. Mayor Pro Tem Pierceall made everyone aware that in the event a vote was taken and resulted in a tie vote, the vote would not pass.

**FY2017-18 BUDGET OVERVIEW**

Mr. Munn and City staff members reviewed the information contained in the work session notebook and addressed various questions and concerns of the Council. The information from the work session notebook is included in the exhibit book.

Reference as contained in Exhibit Book 4 to Minute Book 106 at Page 54.

**COUNCIL STRATEGIC PLANNING WORKSHOP – MARCH 28, 2017**

Mr. Munn noted the budget workshop gives direction in preparing the budget and stated there will be a hearing on the budget in May. Mr. Munn also noted that there will be two budget sessions, if necessary, and then the budget will be ready for adoption in June.

Preliminary Budget Objectives Fiscal Year 2017-2018 was summarized by Mr. Munn. He stressed the objective of not having any increases for customers in electric rates for an extended period of time and emphasized rate stabilization.

Mr. Munn stated there are currently 881 full time employees. Mr. Munn noted there will be a compensation increase to all city employees this coming year of from 2.5% to 4%, plus the market adjustments, effective the pay period beginning June 24, 2017. Ms. Braddy noted that in the past, pay increases were normally implemented the first full pay period of July, but this year, the first full pay period in July falls toward the end of the month and in order to get the increases out to employees earlier, the increase had to be implemented at the end of June. Councilman Jim Gallagher questioned if the budget was okay with implementing those increases at that time and Mr. Munn stated that it was a good approach.

Mr. Munn posed the question to Vincent Wong, Housing and Neighborhood Administrator, as to ways money will be recouped for the loss of mulch revenue. Mr. Wong mentioned a softball game fundraiser and working with transit on bus advertising. Mr. Wong stated that as more ideas come through, they will look at those opportunities.

Mr. Munn discussed the road widening projects, the completion of the water plant project in spring of 2018, the airport improvements, the General Fund FY18 Thermometer, the Franklin Urban Sports & Entertainment (FUSE) District, and lastly the Municipal Service District.

**QUESTIONS/DISCUSSION/DIRECTION**

Councilman Dave Kirlin posed a question as to Fund 113, the Webb Project, and questioned as to the difference in the original and the revised numbers. Ms. Melody Braddy responded that this is carryover from previous years. Ms. Braddy also noted that anything in that fund that is left is carried over. Mr. Kirlin also asked for clarification as to the Fund 173, Federal Asset Forfeiture; if this was carryover as well. It was stated by Ms. Melody Braddy, that it was, in fact, carryover monies.

Mr. Munn pointed out on the Revenues, Expenditures page (page 5), that there is actually more revenues than expenditures and indicated that this resides in electric. This is where the rate stabilization is going to be pushed because there is extra dollars in that fund.

Mr. Munn made reference to the Property Tax & Sales Tax, which is an ever-growing number based on numbers from 10 years ago. He stressed that property tax growth is minor stating that any growth in property tax has been, for the most part, with vehicles and personal property inventory. Ad valorem taxes are stable. 59% of the budget is for salaries and fringes. Mr. Munn pointed out that the average cost of one full-time employee is \$66,804.

**COUNCIL STRATEGIC PLANNING WORKSHOP – MARCH 28, 2017**

Mr. Munn discussed the Compensation Increase (page 8), which has been discussed previously. Mr. Munn reviewed the Health Insurance Fund (page 9) and the Vehicle/Equipment Renewal & Replacement Fund.

Councilman Humphries inquired as to how many positions are vacant, not counting seasonal. Ms. Melody Braddy stated that we average about 20-30 vacancies. Mr. Munn spoke as to positions that had been added within the city. Ms. Braddy spoke as to the fact that most electric meters can be read by riding by them but that water meters are more difficult. There was brief discussion as to how other municipalities operate water and electric operations.

Mr. Munn discussed the General Fund indicating the lessening of reliance on electric and what is included in the \$2.1 General Fund Capital Projects.

Mr. Munn discussed the 2017-2018 General Fund Thermometers indicating a reduction of debt service and also discussed the General Fund Debt and debt service payoff over the next years. Mr. Munn discussed the Water and Sewer Fund and noted that the water usage continues to increase, which increases the sewer use as well. Mr. Matt Bernhardt gave a report on the upcoming sewer projects. There was some discussion as to the surrounding cities and towns to whom the City of Gastonia sells water.

Mr. Munn discussed the water and sewer improvement costs and noted that the southeast portion of Gastonia is the area of greater growth. Mr. Munn discussed the possible factors in determining a 'Southeast' System Recovery Fee. This will allow greater growth from Union Road to the west sweeping to the South Fork River. Further discussion followed as to financing on the project and the anticipation of any developers. In response to a question from Councilman Kellogg as to Presley, Mr. Flip Bombardier stated that Presley had withdrawn their project and would not be moving further. Additional conversation was had as to whether Council wished to move forward with the system.

Mr. Bombardier explained the previously called System Expansion Fee is now referred to as the Capital Recovery Fee which is the tie-on fee at the builder level that is paid when they come in to get a building permit to tie onto the water and sewer. Additional discussion ensued and it was agreed that Council does, in fact, want to move forward with the Capital Recovery Fee.

Mr. Joe Albright, Director of Enterprise Services, spoke on the LED Lighting Plan and feels that all major corridors can be retrofitted and converted to LED's in about 5 years. Mr. Albright took questions from Council and discussion ensued as to the proposed LED Street Lighting Conversion Plan.

Mr. Graham gave an update on the FUSE project progress to-date as to the closing dates on properties. Mr. Graham noted that Council needs to move on an amendment to the Bolding contract. Council had agreed to pay \$50,000 to Bolding for moving expenses, post-closing, as long as he moved within 6 months of closing. Bolding has requested that it be extended for the entire one year after closing up through March 15, 2018.

**COUNCIL STRATEGIC PLANNING WORKSHOP – MARCH 28, 2017**

Mayor Pro Tem Pierceall recused himself in this Motion and vote because his real estate company has direct dealings in this matter. Councilman Gallagher made a Motion to accept the moving of the date forward to March 15, 2018. The Motion was seconded by Councilman David Humphries. The motion passed unanimously.

There was further discussion on the FUSE project demolition of properties. Two buildings have been knocked down and a third is getting ready to start being demolished. Mr. Munn asked Mr. Rusty Bost to discuss the demolition of the buildings in the FUSE project as well as the surveying. Mr. Bost spoke as to these matters. Mr. Bombardier spoke as to utility relocation and potential costs. There was discussion as to the building of the multi-purpose FUSE facility and the choosing of an architecture/engineering firm. Mr. Munn stated this process is currently ongoing. Mr. Munn discussed the management of the facility. Mr. Munn stated that there has been interest and conversation with several developers. Discussion ensued as to the use of space available at the facility and how to solicit the best ideas for use of the space. There was some conversation as to partnering with Grizzlies who are very excited about the FUSE project as an entertainment center with a baseball field in it. They want to work collaboratively with the city on ideas. There was some discussion about the Sims Park contract with the Grizzlies which has an expiration date of 2018. Discussion ensued as to whether or not a ball field would be built without a team in place and the progress of any conversations/discussions with the Grizzlies as to any kind of memorandum, contract or agreement with the team that they would actually be playing in the facility. It was stated that there have been several “general terms” meetings with the Grizzlies with the idea that it could ultimately be reduced to a memorandum of understanding, which would be converted to a contract. It was mentioned that the Grizzlies are interested in actually managing the entire facility. There was discussion as to options of managing firms. Mayor Pro Tem Pierceall stated there should be something in writing from the Grizzlies that they will be playing in the ball park. Councilman Gallagher stated that something be in writing that the City could opt out of the contract if expectations weren't being met after several years. Councilman Humphries stated that when all is said and done, he wants to stress that the entire process was done aboveboard and fairly to the taxpayers, no matter if there is one person to manage it or ten people who want to manage it. Mayor Pro Tem Pierceall stated that he feels like the citizens are coming around to realize that the entertainment center will be good for the city even if they aren't a Grizzlies fan and reiterated that opinions can change very rapidly so the process has to be handled very carefully. Councilman Humphries stated that at some point, it would be good to release some information about how the design is going to keep people engaged and talking about it. Councilman Humphries noted that he felt it would be a good idea to have a long-term contract with the team is that is going to be playing in the ball field.

Discussion ensued concerning festivals and concerts and event funding. Mayor Pro Tem Pierceall proposed that any MSD monies coming in be left in MSD for either Conference Center expenditures or for IDEAL incentives and grant programs, and that another budget item be created which would be \$75,000 coming from the General Fund to cover the \$40,000 needed for concerts and \$35,000 for any other event expenditures, such as advertising, Porta-Jon rentals and other requests. Mayor Pro Tem Pierceall proposed that this have a yearly budget of \$75,000. Further discussion ensued referencing past festivals expenses and upcoming events and festival costs such as for July 4<sup>th</sup> and the 140<sup>th</sup> anniversary celebration. Discussion ensued as to how much money Council wants invested and from what sources. Mayor Pro Tem Pierceall shared the concerns

**COUNCIL STRATEGIC PLANNING WORKSHOP – MARCH 28, 2017**

from some of the downtown merchants about what their businesses are getting out of the downtown festivities besides exposure. Discussion followed as to different possibilities of splitting the monies between expenditures and keeping the event expenditures out of MSD monies. Rachel Bagley spoke on grant monies that have been available in the past and there was additional discussion about the IDEAL Grant Program.

Councilman Gallagher made the motion to take \$12,500 from MSD and \$62,500 from General Fund for a total of \$75,000 for downtown events. Councilman Humphries seconded the motion. A vote was taken resulting in a tie vote of 3 in favor and 3 in opposition. Mr. Munn noted since it is a tie vote that perhaps the Central City Committee can have further discussion on the matter.

Mr. Munn noted that the Monthly Financials were in good shape. Ms. Melody Braddy stated that if anyone had any questions concerning the Monthly Financials that they should call her.

**MEETING ADJOURNED**

Mayor Pro Tem Pierceall adjourned the meeting at 8:18 p.m.

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Mayor Pro Tem Todd Pierceall

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Charles L. Graham, Jr., Assistant City Attorney

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Sherry H. Dunaway, City Clerk

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