

GASTONIA CITY COUNCIL BUDGET OBJECTIVES RETREAT
JANUARY 20, 2023 – 12:00 P.M.

GASTONIA POLICE DEPARTMENT COMMUNITY ROOM, GASTONIA, NC

Mayor Pro Tem Dave Kirlin called the Budget Objectives Retreat to order at 12:10 p.m. on Friday, January 20, 2023, in the Community Room of the Gastonia Police Department, Gastonia, North Carolina. Ms. Suzanne Gibbs, City Clerk, recorded the minutes.

PRESENT: Mayor Pro Tem David R. Kirlin
 Council Members: Robert Kellogg
 James Gallagher
 Charles Odom
 Jennifer Stepp
 Donyel Barber

City Manager Michael C. Peoples
 City Attorney L. Ashley Smith
 Assistant City Manager Adrian Miller
 Assistant City Manager Melody Braddy
 Assistant City Manager Quentin T. McPhatter

ABSENT: Mayor Walker E. Reid, III (attending part of meeting via WebEx)

Staff attending included: Ms. Crystal Certain, Director of Financial Services; Ms. Mary Elliott, Director of Marketing and Communications; Mr. Trent Conard, Interim Police Chief; Mr. Brad Best, Deputy Fire Chief; Mr. Dale Denton, Director of Public Works; Mr. Joe Albright, Director of Public Utilities; Mr. Brian Potocki, Assistant Director of Public Utilities; Mr. Dale Denton, Director of Public Works; Mr. Rusty Bost, Director of Development Services; Ms. Kristy Crisp, Director of Economic Development; Ms. Judy Smith, Director of Human Resources; Mr. Steven Alvey, Asst. Director of Human Resources; Mr. Chris Koltyk, Chief Information Officer; Mr. Tripp White, Director of Parks and Recreation; Mr. Jason Thompson, Planning Director; Ms. Cherie Jzar, Coordinator of Diversity, Equity and Inclusion; Dr. Ann Tippitt, Director of Schiele Museum; Ms. Jessie Williams, Assistant Director of Financial Services; Ms. Crystal Falls, Budget Administrator; and Ms. Samantha Thibeault, Budget Analyst.

WELCOME, OPENING COMMENTS, AND
MEETING GUIDELINES

Mayor Pro Tem Dave Kirlin welcomed everyone and gave the opening prayer.

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 20, 2023**FINANCIAL OVERVIEW**

- Review of Budget Calendar & Process
- December 2022 Monthly Financial Statement
- FY2023 Revenue Forecast
- Revaluation
- Debt Analysis
- Growth Data from Building Permits
- Tourism Development Authority/Hotel Occupancy Tax Update

Ms. Crystal Certain, Director of Financial Services, gave highlights of the Budget Calendar process.

Ms. Certain presented an overview of the December 2022 Monthly Financial Report. She said 50% of the year has been completed with expenditures trending slightly less than originally budgeted. She spoke about the General Fund, the Electric Fund, the Water & Sewer Fund, the Stormwater Fund, the Solid Waste Fund, the Transit System Fund, and the Powell Bill Fund.

Ms. Certain said as to the General Fund, the majority of revenues come from Ad Valorem taxes. She said the City is \$237,000 greater in collections this year than last year. She said sales tax is above prior year.

Ms. Certain said Electric Fund Revenues exceed expenditures a little over \$1.7M. She said sales over prior year is currently \$876,000 greater while Purchased Power expenditures are approximately \$2.2M less. She said her main concern is the Net Total and the City is trending \$1.9M higher than last year at this time.

Ms. Certain spoke about the Water & Sewer Financial Summary. She said those revenues currently exceed expenditures slightly over \$2M. She said sales are slightly below budget but up from prior year. She said expenditures are trending as expected. She said as to the Net Total, the City is \$507,000 higher than last year.

Ms. Certain spoke about the Stormwater Utility Fund. She said revenues are slightly over expenditures a little over one-half million dollars. She said last year there was a rate increase. She said stormwater fees are at 49.5% of the budget. Ms. Certain said all of the funds are seeing greater interest than had been budgeted. Ms. Certain said expenditures are slightly lower than anticipated but there are some larger pieces of equipment budgeted for that have not yet been purchased.

Ms. Certain spoke about the Solid Waste Fund. She said currently the revenues exceed the expenditures \$335,000. She said the fund is trending normally.

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Ms. Certain spoke about the Transit System Fund. She said revenues exceed expenditures and other financing uses by \$193,329. She said there is outstanding revenue of \$180,000. She said almost \$48,000 has been earned year-to-date in fares. She said Transit is \$123,676 in a better position than this time last year.

Ms. Certain spoke about the Powell Bill. She said revenues are \$1.92M greater than expenditures for current year. She pointed out that maintenance shows 8.01% but next month it will greatly increase because of an encumbrance for the resurfacing contract.

There was brief discussion concerning taxing mileage on electric vehicles since those vehicles are not using gasoline but are still using the roadways.

Ms. Certain explained the Expenditure Report by Function and said the City has spent 45.1% of its total budgeted expenditures.

Ms. Certain spoke about Sales Tax. She said there has been a significant increase in Sales Tax revenues. She said when COVID-19 hit, there was an expected decrease in revenues but instead they increased. She said currently the City is trending 12.5% higher than last year.

Ms. Certain spoke about Property Tax. She said in 2020, there was a 19.7% increase because it was a revaluation year. She said a normal trend is around 2%.

Ms. Certain spoke about Ad Valorem Revenues over 5 years. She said the City has to base its budget numbers off information provided by Gaston County. Ms. Certain showed a breakdown of taxable property based on type: residential, commercial, and industrial.

Ms. Certain spoke about Real Property Tax Values over 5 years, which includes residential, commercial, and industrial. She said the majority of dollars is from residential.

Ms. Certain showed a depiction of General Fund-Fund Balance History.

Ms. Certain spoke about the 2023 Revaluation. She explained that North Carolina General Statutes states the County must provide a reappraisal at least once every eight years but that Gaston County does revaluations every four years. She said the last revaluation was in 2019. Ms. Certain shared 2023 Revaluation Increase in Property Values including 25%, 30%, and 35% scenarios. City Manager, Michael Peoples, said this is just for discussion purposes. He said this is preliminary information because Gaston County is not yet complete with the revaluation. Mr. Peoples spoke about how the tax base/tax rate of Gastonia compares with surrounding areas. He referred to a spreadsheet showing how Gastonia compares to surrounding cities. A copy of the spreadsheet is contained in the exhibits.

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Ms. Crystal Certain introduced Ms. Amy Vitner of First Tryon Advisors, the City's financial advisor. Ms. Vitner shared an interactive model on Capital Planning, Debt Capacity Analysis, and 2023 GO Bonds-Process and Calendar. A copy of the presentation is included in the exhibits.

Ms. Crystal Certain spoke about the citywide Current Annual Debt Payments. She spoke about the change in the City's population and growth in the City.

Mr. Rusty Bost, Director of Development Services, spoke about the Building Permit Growth Data slide contained in the presentation.

Ms. Certain spoke about the slide related to Average Single Family Dwelling New Construction Based on Building Permit Values. She said the average home value to build is above \$300,000.

Ms. Certain spoke about the Hotel Occupancy Tax 5-year trend. She said this took a huge hit with COVID-19 but that she does expect to come in over budget.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 10).

HUMAN RESOURCES

- State Retirement Contributions
- Health Insurance Update
- General Update on Employee Survey

Ms. Judy Smith, Director of Human Resources, spoke about the importance of the compensation, benefits, and insurance. She said these were, of course, a huge part of the budget. She said there would be no recommendations made today.

Ms. Smith gave a history of benefits and information with regard to insurance, benefits, and salaries. She explained that all full-time and part-time employees with 1,000 or more hours participate in the retirement system. She said the Board of Trustees sets the rates for all of employers across North Carolina and that a ½% increase is expected which would result in an increase of approximately \$324,506 which could change if there are salary increases.

Ms. Smith spoke about the Health Insurance Program. She explained that Blue Cross processes all of the claims. She said a stop loss policy is in place so if a claim exceeds \$210,000 for the fiscal year, there is coverage in place to help cover that and the City would not be responsible for any claims over \$210,000. Ms. Smith said the projected claims for this year is slightly over \$7.9M. She said currently the Health Insurance Fund Balance is roughly \$7.7M.

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Ms. Smith stated again that there were no recommendations at this time for the health insurance. She said she does not think there will be a lot of increase but that there may be some increase in the stop loss and the admin fees but not enough to significantly impact the budget.

Ms. Smith discussed the Health Savings Account contributions. She said currently the City provides \$750 for all eligible employees and retirees. She said that cost is approximately \$775,000 each year. Ms. Smith said in order to be competitive, staff may recommend increasing the City's contribution to the Health Savings Account as there have been no adjustments to that amount since the program was implemented.

Ms. Smith explained that the biometric screenings are normally conducted in March/April timeframe and spoke about the waist incentive. She said if an employee meets the criteria for the waist incentive (35 inches or less for women and 40 inches or less for men or by a 5% reduction in waist circumference from the prior year), an extra \$250 is paid into their Health Savings Account. She said this past year 409 employees met the criteria which cost approximately \$102,000. Ms. Smith said the hope is to have more people each year meet the eligibility requirements for the waist incentive.

Ms. Smith spoke about dental coverage. She said the current plan is with Delta Dental. She said the same plan has been in place since 2007 so there may be some recommendations for increasing this benefit in order to remain competitive.

Ms. Smith spoke about vision coverage. She explained that routine eye exams are covered and employees do not pay out of pocket. She said there are also supplemental plans for purchase.

Ms. Smith spoke about the Employee Health Clinic and Wellness. She said the possibility of relocating the clinic remains on the radar. Ms. Smith said the City has a contract with Atrium to provide services. She said more and more individuals are using the Employee Health Clinic and said the clinic stays busy. Ms. Smith said there is a wellness contract with CaroMont and part of that contract is that there must be an on-site wellness coordinator. Ms. Smith said for FY2023, the City has had approximately 460 employees who have participated in at least one or more wellness event. Ms. Smith shared that the City of Gastonia had received the Healthiest Employer designation from the Charlotte Business Journal in June 2022.

Ms. Smith spoke about the Diabetes Program. She said the program costs about \$85 per participant per month. She said the cost has not increased but the number of participants continues to increase. She said there are currently 66 participants. She said she feels the program is helping with the costs associated with the treatment of diabetes.

Ms. Smith spoke about compensation and showed a summary of history on compensation since 2019. She said there have not been any system-wide increases since January 2022. Ms. Smith said staff is working on salary increase recommendations.

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Ms. Smith spoke about the employee survey. She said the City had partnered with MyGroup for that survey. Ms. Smith said the survey consisted of 22 micro-scale questions and one open-ended question. She said employees were able to vote on the open-ended question. Ms. Smith said the survey started on November 18 and closed out on December 9. She said 589 people completed the entire survey and 645 people opened the link to the survey. Ms. Smith said city staff and HR met with MyGroup to discuss the survey results on December 21 and the next steps will be for HR and management to meet with Department Heads to discuss the survey to decide how to move forward.

City Manager Michael Peoples spoke briefly about the plan for improving internal employee engagement and interaction with all employees. He said there will be a big focus on customer service.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 11).

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

- Review of 2022 Accomplishments
- Review of 2022-2024 Approved City Goals and Objectives
- Update of 2023-2025 Goals and Objectives

City Manager Michael Peoples said the Mission, Vision and Core Values are continuing from the last five years. He asked if there were any requests for modification. Council requested no changes to the Goals and Objectives.

Mr. Peoples said in 2023 staff plans to put more daily focus on practicing the Goals and Objectives.

Mr. Peoples reviewed the 2022 Accomplishments as contained in the exhibits and spoke about some of the highlights from the accomplishments. Highlights included: General Obligation Bond referendum passing with almost 70% of the vote; successfully lobbied the Gaston County's NC Legislative Delegation for direct funding for \$22,629,000; redrawing of the ward map; more Facebook followers than ever before as well as followers on Twitter and Instagram; Community Services by KGB at FUSE; consolidation of the Building Inspections with Gaston County; redeveloping the old Central YMCA site; inventory of city-owned property; multiple awards received by the Financial Services Department; all the good work by the Fire Department; completed projects by the Museum with the NC Direct money and working with Gaston County Schools in preparing for the reconstruction of Grier Middle School; Parks & Recreation Department projects including working with Gaston College for use of Sims Park, the Greenway Extensions, and the PARTF grant for Linwood; UDO revisions by the Planning Department; recruitment, retention, and training by the Police Department; technology for Stratified Policing;

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hiring of a Homelessness Coordinator; final phases of wayfinding signs; purchase of electric vehicles; the Federal BRIC Grant received for Duharts Creek; opening of Duke Street Recycling Center; Airport Layout Plan; roadside litter pick up with Trinity Hands; technology updates and improvements; Cayenta upgrades; cybersecurity improvements; completion of the Dallas sewer interconnect for wastewater; completion of the Firestone Basin Study and recommended construction of a new gravity sewer line to reduce sanitary sewer overflows; Two Rivers Utilities Water Treatment Plant has met or exceeded state and federal water quality regulations while treating over 5 billion gallons of water; purchase of property to construct the southeast electric substation; continuation of change-out of existing high-pressure sodium (HPS) lighting to LED lighting; receipt of Electric Vehicle Charger Grant; Diversity, Equity & Inclusion (DEI) training; continuing work to provide guidance with Title VI; issuance of Proclamations to raise awareness in the community; community presentations and events; continuing review and update of chapters of the Code of Ordinances by the Legal Department; redistricting of City's wards due to population information received in 2020 Census; implementation of Comp/Pay Plan study by Human Resources Department; employee survey; successful on-boarding of new Assistant City Manager Adrian Miller; hiring of new Technology Services CIO Chris Koltyk; and the hiring of Tripp White as Director of Parks and Recreation.

There was some discussion about usage and possible future charge to use the electric vehicle charging stations.

Mr. Peoples reviewed the 2023-2025 Proposed Departmental Goals and Objectives as contained in the exhibits. The list is currently comprised of 58 Proposed Goals and Objectives.

Mr. Peoples spoke about continued work with NCDOT on Catawba Crossings; the \$75M Transportation General Obligation Bond Projects and plans for safety improvements around schools and parks, greenways, bridges, and parking areas in parks.

Mr. Peoples spoke about the proposed Capital Improvement Projects. A full list is contained in the exhibits. These include sidewalk projects, Highland Branch Greenway, Catawba Creek Greenway Southeast Extension, Carolina Thread Trail; greenway/connectivity/bicycle pedestrian projects; Marietta Street park property; greenway extension from Ferguson Park, connecting Marietta Park property and continuing into downtown and the Highland Rail Trail; continue working with the State on the Sims Legion Park Mitigation Project. Proposed Capital Improvement Projects also include continuing to work on Inflow & Infiltration (I & I) in the Firestone Wastewater Basin; the Advanced Metering Infrastructure (AMI) project using the \$8M direct appropriation in the Fiscal Year 2022 State Budget; \$6M for Supervisory Control and Data Acquisition (SCADA) improvements; and update to data server infrastructure as current data server infrastructure will be end of life in 2023.

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Mr. Rusty Bost, Director of Development Services, reported briefly on the Southeast utility extension project.

Mr. Joe Albright, Director of Public Utilities, reported that the City is continuing to work with Pharr Yarns to accept ownership of the sewer system they maintain and control. He said they are making upgrades to the system to meet the City's standards. Mr. Albright said with respect to the water/sewer merger study with the town of McAdenville, McAdenville has applied for State funding so that they can complete their Capital Projects list, a precursor to the merger.

Mr. Rusty Bost spoke about the possible private/public sewer extension partnership for development of Howe Dairy Farm property (Derry property). Mr. Peoples spoke about the Southwest Utility Study.

Mr. Peoples spoke about the transit organizational options which include commuter rail, high speed rail, multi-modal transportation, and partnerships with Gaston County, CATS, and/or private providers. He spoke about the Silver Line and the hope of having the light rail come to Gaston County at some point in the future. Some discussion ensued regarding the long-term goal of high speed rail coming to Gaston County and the magnitude of the costs involved.

Mr. Peoples spoke about the I-85 widening project.

Mr. Peoples spoke about the Linwood Springs project, the \$500,000 PARTF grant that was awarded, the Erwin Center swimming pool, and remodel to the clubhouse.

City Manager Michael Peoples spoke about the Public Works Campus Master Plan and solutions to address building space needs in City Hall, Garland Center, the Municipal Operations, Warehouse, Solid Waste, Equipment Services, Technology Services facility on Second Avenue, Memorial Hall, and the Adult Recreation Center.

Mr. Peoples spoke about Goals and Objectives for Healthy Community which includes updating the Greenway Master Plan, partnering with developers on greenfield properties for recreation and park uses, completing strategic plan for an all-inclusive park site plan, completing the site plan and renovation of the Marietta Street property into quality athletic field spaces, continuing to develop plans and projects in efforts to reduce potential for flooding in the Duharts Creek watershed, continuing to partner with Gaston County Schools on the reconstruction of Grier Middle School, developing right-of-way access from the museum parking lot to Burtonwood Drive to improve public safety with another entrance and exit for school buses, partnering with Gaston County Schools to improve athletic fields at Grier Middle School for city use, and continuing to evaluate opportunities to expand and relocate the City's Employee Health Clinic.

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It was mentioned whether the City would be willing to partner with a church that might be willing to allow the City to use their facilities already set up with gyms, fields, and rooms. Mr. Peoples said he feels that is certainly a possibility.

Mr. Peoples discussed the Goals and Objectives for Good Government which include focus on employee engagement. He said the employee survey will be used to monitor the progress of employee engagement. Mr. Peoples spoke about the need to continue monitoring the job market for compensation and hiring trends, making adjustments when needed to ensure the City continues to attract and retain qualified employees, develop an anonymous avenue for employees to be able to report fraud, waste, or abuse of City resources, maximize investments and cash balances to make the most of City revenue in a safe, fiscally responsible manner, hire necessary staff in Finance to obtain the City's first Triple Crown Award, continue and improve the Alliance for Community Engagement (ACE) Program and the *Farm to Table* Program, continue to work on litter control efforts, continue to implement new technology, support telework, and virtual meetings, and continue to seek funding and support solutions to promote community-wide commitment to end homelessness. Councilman Kellogg suggested one item missing from the homelessness initiative is to include personal experience from those who have experienced homelessness.

Mr. Peoples spoke about advancing diversity, equity, and inclusion (DEI) through training and continued learning opportunities. He spoke about continuing to monitor and assess the City's cybersecurity posture and implementing an inventory control bar-coding system for warehouse supplies to allow for inventory control.

Mr. Chris Koltyk spoke about cybersecurity and said the City is doing its best with resources available to keep the City's system from being hacked and keeping the City's data safe.

Mr. Peoples spoke about Goals and Objectives related to Safety. He said the City will continue to look at meeting and exceeding personnel levels through improved social media presence and focused recruitment and retention efforts to better serve the community, maximize officer safety, promote professional standards, and increase diversity and inclusion. He said the City will continue to manage public safety issues, increase public confidence, and promote accountability through community policing tactics that focus on statistics, problem solving, and evidence-based solutions.

Mr. Peoples said the City will continue to partner with NCDOT to upgrade the City's traffic signal system. Mr. Rusty Bost spoke about signalized intersections.

Mr. Peoples spoke about planning and securing land for additional fire station(s) as necessary. He spoke about investing in smart technologies and improving support and management of a security

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camera system to improve safety for citizens and employees, as well as monitoring high value properties.

City Manager Peoples spoke about the Goals and Objectives for Community Identity which include engaging and convening community partners to work towards developing a coordinated and innovative approach to promote diversity, equity, and inclusion (DEI) within the community; continuing to improve the City's website to make it more robust for user experience, search engine optimization, and accessibility; continue to cultivate relationships with local and national reporters and writers to position stories that highlight the City of Gastonia; pursue additional opportunities to connect marketing communications strategies that support diversity, equity, and inclusion efforts; develop a HOME ARP allocation plan which authorizes the use of federal funds needed to partner with local non-profits, businesses, entities and other units of local government to create housing opportunities for the most vulnerable populations.

Mr. Quentin McPhatter, Assistant City Manager, spoke about the need to continue with revitalization and stabilization efforts within the neighborhoods of Gastonia through the use of various funding sources and through partnerships with non-profit agencies and developers for safe and affordable housing. He said the City is currently working with UNCG on an affordable housing study and updates on that will be provided through the Central City Revitalization and Housing Committee. Mr. McPhatter spoke about the Community Development Housing Organization (CHDO) for two housing units. He said there is currently an RFP for various housing types for Highland properties.

Mr. Peoples spoke about Parks and Recreation, Keep Gastonia Beautiful, and other staff and stakeholders continuing to provide guidance to the City Council Arts Committee in the areas of development of the City of Gastonia Master Art Plan, partnerships for public art installations, and art-related activities and education. Mr. Peoples spoke about improving customer service by adding a centralized call center instead of an automated voice response system. He said more information would be provided on that at Saturday's meeting.

Councilman Kellogg asked if there is some way to be proactive with individuals who are seeking housing vouchers or have vouchers but can't find the housing they need or have no communication with the Housing Authority. He said this creates a disconnect and forces these individuals into homelessness. Ms. Danette Dye, Housing and Neighborhoods Director, responded and said she would look into that.

Councilman Odom asked about possible use of QR code signage for information purposes. Mr. Peoples said that program was being further developed. He said this could possibly be added to the goal referring to the City's website.

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Mr. Peoples spoke about the Goals and Objectives for Economic Vitality. He said a lot of information would be provided about FUSE during the meeting on Saturday. He mentioned the need to evaluate the market for new multi-family opportunities downtown and increase downtown and FUSE residential and commercial occupancy rate. He spoke about the desire to recruit satellite higher education facilities to Gastonia to create additional educational opportunities, create jobs, and spur additional foot traffic. Mr. Peoples spoke about strategic planning and recruitment efforts to improve key commercial corridors in Gastonia: Highway 7 Corridor; Garrison Arts & Cultural District; and New Hope Road Business Corridor. He spoke about the need to implement ways to increase downtown property owner/business engagement through coordination with the Gaston Business Association. Mr. Peoples spoke about the goal to continue to work with the Honey Hunters (Momentum Group) and Gaston College to schedule events to promote Gastonia as a travel destination for sports/athletics.

Councilman Kellogg suggested the need to include the interest for a tech hub/community that could be included with the Economic Vitality Goals.

Councilman Odom spoke about the possibility of staffing a person either full-time or part-time to target funds for affordable housing. Mr. Peoples said he and Assistant City Manager Quentin McPhatter had discussed how the City is getting more into affordable housing and utilization of city properties and whether there is capacity in the Community Engagement Department for this or if additional staff may be needed. He said he feels there is a need for this in that department.

Councilman Kellogg suggested inviting financial institutions to a meeting to speak with representatives about affordable housing money.

Ms. Cherie Jzar, Coordinator of Diversity, Equity, and Inclusion asked about minority and women-owned businesses and updating the City's procurement processes to ensure 10% of contracts are going to those businesses. Mr. Peoples said he thought that was included in the Goals and Objectives related to procurement but he would check for that.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 12).

LEGISLATIVE ADVOCACY AGENDA

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

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Mr. Peoples discussed the Proposed Advocacy Agenda for 2023-2024 as contained in the exhibits. Mr. Peoples said with respect to Federal Priority Issues, the City seeks funding for transportation projects. He said the City continues to seek funding through grant programs such as the RAISE Program, Reconnecting Communities Pilot (RCP) Program, INFRA Program, and Safe Streets and Roads for All Program.

Mr. Peoples said the City supports route options for a high-speed rail line to be constructed in the future.

Mr. Peoples spoke about tax-exempt status for local government bonds. He said this is a mainstay item.

Mr. Peoples spoke about the Federal Transit Authority (TFA) programs to secure discretionary funding for transportation system needs.

Mr. Peoples said with respect to the airport, the site layout plan is complete and now is the time to start proposing a project to lengthen the runway.

City Manager Peoples said the City supports continued funding for infrastructure initiatives in the area of Transportation, Brownfields grants, Public Water and Sewer system rehabilitations and expansions, as well as the continuation of adequate funding for targeted Economic Development, Public Safety, Community Development Block Grants, and HOME Programs.

City Manager Michael Peoples said with regard to Financial State Priority Issues, a lot of those remain the same as what the City currently supports. He said the City supports that the State should not cut or eliminate State-shared revenues to local governments unless other suitable revenues replace them. He said the City opposes unfunded mandates that are established through legislation or regulation that require additional local expenditures without corresponding revenues. Mr. Peoples said tax reform or redistribution of revenues should not adversely affect the City's revenues necessary for local services. He said the City supports legislation to provide municipalities with authority for additional locally-controlled revenue options, prepared food and beverage tax, and impact fees.

With regard to Economic Development State Priority Issues, Mr. Peoples said the City supports legislation that will provide funding for State-level incentive programs necessary to keep North Carolina competitive in its efforts to bring additional jobs and economic development to local communities when competing with projects in other states. This includes the Governor's OneNC Fund, Golden Leaf Foundation, and Job Development Investment Grants (JDIG). He said the City supports legislation that provides additional tools for redevelopment of downtown properties. He said the City is looking at 160D to see how it could be amended to provide for more flexibility in the negotiation of economic redevelopment agreements and the sale of city properties when addressing urban blight and downtown revitalization.

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Mr. Peoples said the City supports the re-establishment of North Carolina Mills Tax Credit or a similar incentive.

Mr. Peoples said the City supports the efforts to revitalize the P&N Rail Line for further utilization.

City Manager Peoples said the City seeks funding to encourage job growth and supports the revitalization of vacant and abandoned properties with funding.

With respect to Local Governance, Mr. Peoples said the City supports greater opportunities for local “Home-Rule” decision-making. He said the City supports a system of spirituous liquor sales that maintains a local referendum about the decision to sell, preserves local control over the location and density of outlets, and preserves the local revenue stream.

Mr. Peoples said the City seeks authority to criminally enforce City regulations for the towing and booting industry (such as mandatory signage, procedures to tow or boot, business hour’s operation, and mandatory acceptance of credit cards). He said the City supports state regulations that prevents abusive price gouging and extortion that occurs in the towing and booting industry.

Mr. Peoples said the City seeks to reduce pressure on property tax payers by expanding locally-controlled options.

Mr. Peoples said the City supports legislation clarifying a City’s right to establish a tree ordinance and opposes legislation impairing the right of a City to protect its tree canopy.

Mr. Peoples said the City supports amendments to the North Carolina Open Meetings Law that will clarify when and how elected officials can participate remotely in City Council meetings even when the City is not operating under a Governor’s Executive Order or a local State of Emergency.

With respect to Utilities, Mr. Peoples said the City supports the cooperative interconnection of water and wastewater utilities through partnerships and contractual negotiation. He said the City supports full funding for the State Revolving Loan Fund (SRLF) of the NCDEQ. He said the City supports full funding of the NC Land and Water Fund (formerly the NC Clean Water Management Trust Fund) for stormwater and water quality projects.

Mr. Peoples said the City supports local government authority to build broadband infrastructure in order to partner with private providers, and provide additional funding to help close the digital divide.

Mr. Peoples said the City seeks additional state funding for utilities and infrastructure through the American Rescue Plan Act. The City supports science-based Polyfluorinated Substances (PFAS) drinking water and wastewater regulations and the funding of treatment upgrades for the removal of PFAS from drinking water and wastewater.

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As to Transportation, Mr. Peoples said the City supports the Catawba Crossing transportation project. He said the City strongly supports the extension of light rail, commuter rail and rapid transit from Charlotte to Gastonia.

Mr. Peoples said the City supports legislation that would allow for reimbursement of utility relocation projects to be phased in over a period of five years. He said the City seeks State funding and plan approval for traffic calming initiatives along the Franklin Boulevard Corridor including pedestrian enhancements.

Mr. Peoples said the City supports the NCDOT-funded project to widen Interstate 85 and partner with NCDOT to ensure the City has input in the planning and construction of improvements, including aesthetics.

Mr. Peoples said the City seeks legislation to ensure that the amount of Powell Bill funds or a future like model funding source appropriated by the State are sustained. He said the City supports an increase in the cap in State funding to support public transit projects.

With respect to Parks and Recreation, Mr. Peoples reviewed the initiatives showing that the City supports the continued funding of the Parks and Recreation Trust Fund Grant Program (PARTF Grants); supports the continuation of allocations for the Recreational Trails Grant Program (RTP Grant); supports Crowder's Mountain State Park and increased funding for future improvements; supports Mountain Island Education State Forest; and supports the mitigation of the former landfill site located adjacent to Interstate 85 North and Sims Legion Park.

With respect to Community Development & Housing, Mr. Peoples highlighted the initiatives indicating the City seeks legislation that provides additional tools and financial resources to address safe and affordable housing.

Mr. Peoples said he wants to make sure there is something included about leaving decision making for political races up to the local entities. City Attorney Ash Smith said it is already included in the Local Governance section but should be set out as a separate bullet point and sharpened with more specifics.

As to County Priority Issues, Mr. Peoples said the City supports projects and initiatives that provide opportunities to partner with Gaston County to improve employment, economic development transportation, and address homelessness. He said the City seeks to partner with Gaston County on the acquisition and development of additional property for industrial use and job creation.

Mr. Peoples said the City seeks to partner with Gaston County on mutually beneficial studies that include economic development, transportation issues, and other items of interest. He said the City seeks to continue to partner with Gaston County to fund and construct strategic utility extensions.

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Mr. Peoples said the City supports a countywide initiative to provide necessary funding for transportation improvements that includes funding for mass transit. This would include funding for the Silver Line study.

Mr. Peoples said the City seeks Gaston County financial support for the Schiele Museum.

Mr. Peoples said the City seeks to partner with Gaston County related to Downtown Beautification efforts, specifically around publicly owned spaces and include public artwork.

Mr. Peoples said the City seeks to partner with Gaston County to increase travel and tourism through capital projects and strategic marketing.

A copy of the full Proposed Advocacy Agenda for 2023-2024 is included in the exhibits.
(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 13).

SUMMARY

- Recap of Today’s Progress and Preparation for Tomorrow

Mayor Pro Tem Kirlin thanked everyone for the good meeting and thanked staff for preparing the information presented.

Mayor Pro Tem Kirlin adjourned the meeting at 5:05 p.m.

Mayor Pro Tem Dave Kirlin

L. Ashley Smith, City Attorney

Suzanne J. Gibbs, City Clerk

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GASTONIA CITY COUNCIL BUDGET OBJECTIVES RETREAT
JANUARY 21, 2023 – 8:30 A.M.

GASTONIA POLICE DEPARTMENT COMMUNITY ROOM, GASTONIA, NC

Mayor Pro Tem Dave Kirlin called the Budget Objectives Retreat to order at 8:22 a.m. on Saturday, January 21, 2023, in the Community Room of the Gastonia Police Department, Gastonia, North Carolina. Ms. Suzanne Gibbs, City Clerk, recorded the minutes.

PRESENT: Mayor Pro Tem David R. Kirlin
 Council Members: Robert Kellogg
 James Gallagher
 Charles Odom
 Jennifer Stepp
 Donyel Barber

City Manager Michael C. Peoples
 City Attorney L. Ashley Smith
 Assistant City Manager Adrian Miller
 Assistant City Manager Melody Braddy
 Assistant City Manager Quentin T. McPhatter

ABSENT: Mayor Walker E. Reid, III (attending part of meeting via WebEx)

Staff attending included: Ms. Crystal Certain, Director of Financial Services; Ms. Mary Elliott, Director of Marketing and Communications; Mr. Trent Conard, Interim Police Chief; Mr. Brad Best, Deputy Fire Chief; Mr. Dale Denton, Director of Public Works; Mr. Joe Albright, Director of Public Utilities; Mr. Brian Potocki, Assistant Director of Public Utilities; Mr. Dale Denton, Director of Public Works; Mr. Rusty Bost, Director of Development Services; Ms. Kristy Crisp, Director of Economic Development; Ms. Judy Smith, Director of Human Resources; Mr. Steven Alvey, Asst. Director of Human Resources; Mr. Chris Koltyk, Chief Information Officer; Mr. Tripp White, Director of Parks and Recreation; Mr. Jason Thompson, Planning Director; Ms. Cherie Jzar, Coordinator of Diversity, Equity and Inclusion; Dr. Ann Tippitt, Director of Schiele Museum; Ms. Jessie Williams, Assistant Director of Financial Services; Ms. Crystal Falls, Budget Administrator; and Ms. Samantha Thibeault, Budget Analyst.

WELCOME, OPENING COMMENTS, AND
MEETING GUIDELINES

Mayor Pro Tem Dave Kirlin welcomed everyone.

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 21, 2023**ECONOMIC DEVELOPMENT**

- The Retail Coach Update
- FUSE District Update
- New Development Round up

Assistant City Manager Quentin McPhatter introduced Mr. Charles Parker, Project Director, Retail Coach.

Mr. Parker said Retail Coach has been working with the City for the last few years. Mr. Parker spoke about terms of recruitment and future recruitment efforts, the demographic profile of the city and how that relates to retail, residential growth and commercial opportunities.

Mr. Parker said one way to measure the overall scale of the market is through cell phone analysis. He said the data allows for mapping out where consumers shop on a regular basis.

Mr. Parker provided information on several local retail businesses and food establishments as relates to their other locations nationwide and statewide. He said retail in general is moving towards being able to go spend more time in the same location. He said the biggest shopping density in Gastonia is around Cox Road. Mr. Parker provided information on area grocery stores as to how they relate to their other locations nationwide and statewide.

Mr. Parker said the retail trade area is growing as well as the population and incomes have increased. He said the numbers are strong.

Mr. Parker spoke about how development has impacted site selection. He said Gastonia has 200,000 people within a 20-minute drive who are potential consumers with 175,000 people in the primary trade area. Mr. Parker said area average income and employee count are the two things retailers primarily look at.

Mr. Parker said the Fuse District has been a major catalyst for development. He said it draws the foot traffic and attention that additional retailers and businesses want to be around. He spoke about leveraging possible relationships and recruiting retailers and developers for that area.

Mr. Parker spoke about Dixie Village being a big redevelopment project. Ms. Kristy Crisp, Director of Economic Development, said it has been confirmed that WOW Supermarket has a long-term lease and will be staying there.

Mr. Parker said retail is trending in the direction of a “retailtainment” area which provides retail and entertainment together and gives people a place to hang out.

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 21, 2023

Mr. Parker said Retail Coach stays in constant contact with all of their targets and they work closely with local property owners.

Mr. Parker responded to questions.

A copy of Mr. Parker's presentation is included in the exhibits.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 14).

Ms. Kristy Crisp, Director of Economic Development, presented an update on the FUSE District. She presented a current status update on projects and gave a forecast of what to expect over the next nine to twelve months with those projects. Update overviews included: Franklin Yards/Highline Partners; redevelopment of the old YMCA property; Dellinger/Lenox Development; Food Hall/Lenox Development; Durty Bull/North of Fifth; The Foundry/LMG; Velocity Development.

Ms. Crisp responded to questions.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 15).

Ms. Kristy Crisp, Director of Economic Development, presented an update on New Development. She said one of the biggest commercial investments happening now is CaroMont Regional Medical Center. She said the hospital expects to move patients in May 15, 2023. Additional New Development updates included: Gateway 85; Trinity Partners/Delta Drive; Applecreek Corporate Center; upcoming projects near Shannon Bradley Road; and a new project that has come in this past year that is very early in the development project near the Interchange of I-85 behind Sadler Elementary School.

Ms. Crisp responded to questions.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 16).

**POLICE DEPARTMENT AND
FIRE DEPARTMENT UPDATE**

- Update on Police Department Recruitment and Retention Strategy
- Update on Fire Department Apparatus and Equipment Schedule

Assistant City Manager Adrian Miller introduced the topics of Police and Fire Updates. He said there have been staffing concerns with the Police Department. He said there must be adequate safety to support the upcoming economic development. Mr. Miller said the immediate goal of the Police Department is to get to 100% staffing. He said a challenge for the Police Chief is recruiting

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 21, 2023

new officers who can get out on the streets quickly but also retain current staff and make everyone feel appreciated. Mr. Miller spoke about how there have been aggressive compensation efforts in the past and said he wants Chief Conard to speak about some new things he has been thinking about for retention and recruitment. Mr. Miller said the Public Safety Committee will be reviewing that and proposals will be brought forward to Council. Mr. Miller said all police agencies in our area are competing and the need is to make Gastonia more competitive for new police officers and to retain officers.

Interim Police Chief Trent Conard gave a brief history on compensation for police officers since 2019 to current date. He spoke about Special Pay including Intoxilyzer, PTO, Sign-on lateral bonus, Referral Bonus, Advanced/Intermediate Pay; Inside City Relocation Bonus; Take-Home Car Program; Clothing Allowance for certain employees; Bilingual; and Degree Attainment. Interim Chief Conard spoke about additional changes that have taken place over the last two years at the Police Department.

Interim Police Chief Conard spoke about some recruitment and retention ideas. He spoke about proposed increases in Intermediate and Advanced Certification Pay; Organizational Restructuring (to include corporals and lieutenants); Sign-on Bonus; PTO/PTS Pay; Bilingual Pay; Shift Differential Pay; and Career Development Plan.

Interim Chief Conard responded to questions.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 17).

Deputy Fire Chief Brad Best presented an update on the Fire Department Apparatus and Equipment Schedule. Deputy Fire Chief Best discussed fire stations, fire apparatus, and air packs.

Deputy Fire Chief Best said a station analysis had been completed in March, 2022, which broke the city into polygons. He showed a map from that study which is called a one and a half mile district map which shows engine coverage on that district. He said there is a donut hole on that map in the center of the city which is referred to as the Downtown District. Deputy Fire Chief Best said the Fire Department is recommending a future fire station downtown to provide coverage for that area. He said there is a definite need for that station because of the future development coming downtown.

Deputy Fire Chief Best also spoke about the need for a fire station in the Southeast Corridor to serve the rapid expansion in that area.

Deputy Fire Chief Best said the Fire Department would continue to partnership with the Planning Department to determine the best location for a fire station downtown. He showed a picture of a fire station in the NODA corridor in Charlotte and said that is an example of what the Fire Department would like to see in downtown Gastonia.

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Deputy Fire Chief Best spoke about pumper replacement requests for FY2024. He said the Fire Department is requesting two pumpers for Engine 6 and Engine 2. He said Engine 6 is the busiest engine company in the city and it covers the northeast corridor. Engine 2 serves the Highland Community. Deputy Fire Chief Best said both of these trucks have had extensive maintenance issues over the past year and both of the trucks are currently at the garage. He said Engine 6 has been down since mid-November waiting on parts and Engine 2 just went down with a transmission issue last week. Deputy Fire Chief Best said a big challenge in the past has been that the lead time for a fire truck is around 8 to 9/10 months and currently the wait time has increased to 24-30 months. Deputy Fire Chief Best said there is a reserve fleet but it is aging. He said on Monday, the Fire Department was down to zero reserves.

Deputy Fire Chief Best said he wanted to put the need for air packs on the radar for the next fiscal year. The current Self-Contained Breathing Apparatus (SCAB) are approaching being 10 years old. He said the City has 92 of these apparatus and they come with a 10-year warranty. He said the apparatus increase in maintenance with the warranty expiring after 10 years.

Assistant City Manager Melody Braddy spoke about money spent traditionally on rolling stock. She said traditionally the City has borrowed around \$2M/\$2.5M. She said the cost of a new truck, which is around \$900,000, would use the entire budget. She said one of the things the City is looking at (because time is of the essence with these trucks) is to appropriate fund balance. She said it is her understanding that the City could purchase the fire truck for \$865,000 if a contract is signed by April. After that, the price would go up to \$900,000. She said no money would be spent initially; there was just be the need to sign a contract. Ms. Braddy said they are looking at ordering the trucks now instead of waiting until July. Deputy Fire Chief Best said they are anticipating an April price increase for the truck and then possibly a June or July increase. He said the price range for the truck would be around \$850,00/\$860,000 if a contract could be signed between now and mid-April but no money would be spent now. He said after July, it would be pushing \$900,000. Deputy Fire Chief Best said Engine 6 and Engine 2 would go into the reserve fleet and the two older trucks that the Fire Department is using as reserve now would be cycled out into surplus. Deputy Fire Chief Best said the fire trucks are used every day. Councilman Gallagher said he thought it would be best to go ahead with signing the contract.

There was discussion regarding a possible new fire station downtown to be similar to the picture of the one in the NODA section of Charlotte. It is a smaller station with one truck. City Manager Michael Peoples said this could be accomplished in a small amount of space and would not require as many staff as a regular Fire Station.

Deputy Fire Chief Brad Best responded to questions.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 18).

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 21, 2023**PUBLIC UTILITIES, PUBLIC WORKS,
DEVELOPMENT SERVICES & PARKS AND RECREATION**

- Water & Sewer Southeast Utility Update
- Review of Water and Sewer Fee Schedule
- Solid Waste Update
- Update on City Facility Projects and Future Needs
- General Obligation Transportation Bond Project Update
- Update on Parks and Recreation Construction Projects
(Linwood and Marietta Parks)

Mr. Rusty Bost, Director of Development Services, presented Southeast Utility update showing what had been completed and what has not been completed. He said the portion not yet complete is the \$50M currently being anticipated. Mr. Bost gave highlights about the Armstrong Ford Regional Pump Station. He stated there is added security for the station because of its location and the lay of the land. He said it can't really be seen from the road because of a curve in the roadway.

Mr. Bost said he is proud of the Armstrong Ford Pump Station. He presented information on Phase 2 of that project and coordination with NCDOT on the South New Hope Widening Project. He said there is an upcoming meeting with NCDOT.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 19).

Mr. Joe Albright, Director of Public Utilities, presented fee information on Water & Sewer. He said there is a proposed meter fee increase and tap fee increase because of the increased cost for materials and labor.

Mr. Albright spoke about residential and commercial/industrial water and sewer monthly bill rates for Gastonia as compared to surrounding areas. He said the hope was not to have a usage rate increase but that the rate study is not yet complete.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 20).

Mr. Dale Denton, Director of Public Works, presented information on Solid Waste. He said the goal is still to provide predictable, reliable, and consistent solid waste services to our residents. He provided a breakdown of the City's solid waste services which includes Garbage Carts, Household/Excess Trash (Weekly), Yard Waste (Carts and Loose-Weekly), Leaf Collection (Twice per Month – October 15-February 15), Free Household/Excess Trash Weeks (Twice

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Annually), Call Truck Services (cart delivery and repair, pick up appliances, electronics, tires, and animal carcass removal from public streets).

Mr. Denton said the City is experiencing a substantial increase in single-family units and expects this trend to continue.

Mr. Denton provided information on Landfill costs which are projected to increase.

Mr. Denton said the Gaston County MSW Landfill 5-Year Contract will end June 30 this year and provided information on a proposed plan to increase rates in years FY25, FY27, and FY28.

Mr. Denton presented information on Leaf Collection. He said service calls received have trended down over the past five years. Mr. Denton spoke about options for overcoming challenges.

Mr. Denton spoke about the Biannual Excess Household Trash Events.

Mr. Denton spoke about Solid Waste equipment needs. He said requested equipment replacements include two manual pull behind leaf trucks with automated leaf trucks, two rear loader garbage trucks with two knuckle-boom trucks, and one automated garbage truck with an automated garbage truck. Total projected cost for all five vehicles is \$1,365,000.

Mr. Denton spoke about future planning and fleet route optimization to enhance Solid Waste efficiencies.

Mr. Denton responded to questions.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 21).

Mr. Brian Potocki, Assistant Director of Public Utilities, spoke about Municipal Operations improvements. The MOC houses divisions from two departments: Public Works and Public Utilities. He said approximately 180 employees total work out of the MOC. Mr. Potocki said a study was conducted in 2019 by Stewart Newell & Cooper and a master plan for renovations was presented to Council in January 2020. That plan included renovation of the existing facility with the addition of a training center, overall modernization of the existing office space, and to relocate the Electric Division to a new facility across the street. Also included in the plan were ready room updates and repairs, parking lot improvements, and additional storage sheds and covered storage sheds. At the end of 2020, a design-build agreement was entered into with Edifice. Mr. Potocki presented information on the Electric Division Facility Site Plan, the Electric Division Building Rendering; construction progress photos. Mr. Potocki said Phase I of the project is expected to be

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completed next month and Phase II is expected to be completed later this year hopefully in July and the Electric Facility will hopefully be completed by July this year.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 22).

Mr. Peoples said the Airport Update had been discussed during Transportation. A copy of the printout is included in the exhibits.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 23).

Mr. Dale Denton, Director of Public Works, spoke about the FY2024 City Facility Needs. He said total estimated facility needs are \$1,488,000 but there are some additional needs that do not currently have cost estimates. A copy of the printout showing Major Capital Projects Update and FY2024 City Facility Needs is included in the exhibits.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 24).

Mr. Rusty Bost, Director of Development Services, presented an update on the General Obligation Transportation Bond Project. He spoke about the resurfacing list. Mr. Bost said \$10M of streets will be done this year and \$10M next year; 30 miles of streets this year and probably the same amount next year. Mr. Bost said there is about 350 miles of street. He said there will need to be restriping on streets.

Mr. Bost said the Pavement Condition Study will be complete in May which will help influence the 2024 paving list.

Mr. Bost said the results of the public survey will be analyzed and the results will help identify and prioritize projects.

Mr. Bost responded to questions.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 25).

Mr. Tripp White, Director of Parks and Recreation, presented an update on the Parks & Recreation Construction Projects for Linwood Springs and Marietta Parks.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 26).

No discussion was had but information is included on Public Works: Stormwater Utility.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 27).

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 21, 2023**LUNCH AND PLANNING UPDATE**

- Metrocology Update and 2022-2023 Work Plan
- Small Area Plans Update
- Comprehensive Plan Update

Assistant City Manager Quentin McPhatter introduced Mr. Demetri Baches from Metrocology. Mr. Baches presented information on UDO Upgrades, Small Area Plans, and the Comprehensive Plan Update. Mr. Baches emphasized that growth is constant and is only as good an outcome as the way it is managed. He said focus for the last three and a half years has been on Development Ordinances and Master Plans. Mr. Baches said planning has to be a critical component of any budget because it impacts everything.

Mr. Baches gave a UDO Progress report which included: completed revisions to townhome regulations; completed Multi-family housing regulations; completed mixed use building regulations; completed additional street design standards for curb radii, site triangle requirements and intersection spacing; completed revisions to new parking regulations; reviewed and revised site plans for six different zoning applications submitted to the City by developers for new projects in compliance with new regulations; prepared Site Plan Concept for NC-7 Corridor Study property based on new Multi-Use Building regulations; and to complete and adopt new C-3 and I-U regulations to permit mixed building type for lease residential development.

Mr. Baches spoke about Urban Building Types and Multi Family & Mixed Use Regulations. Mr. Baches spoke about Small Area Plans including Parkdale, Highland/Sims, Eastridge Mall/Akers, Glenwood, Hand/Wilson, and Howe Dairy.

Mr. Baches spoke about the 2023-2024 Work Agenda. That work agenda included: new curb radii, site triangle and centerline radii specifications; office, industrial, landscape regulations, continue reviews of new site plans submitted to the City by developers for townhome and small lot single family subdivisions in compliance with new regulations; and full draft of City's new Comprehensive Plan to support UDO upgrade. Mr. Baches spoke about adoption of additional building types. He spoke about completing the Small Area Plan with Downtown East.

Mr. Baches spoke about the Comprehensive Plan re-write and the need for it to be updated.

Mr. Baches responded to questions.

Mr. Jason Thompson, Director of Planning, spoke about UDO Upgrades related to residential development and showed two maps related to Single Family Developments and Apartments.

Mr. Thompson responded to questions.

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(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 28).

EQUIPMENT

- Major Rolling Stock Equipment Needs Update
- FY2023-24 Technology Needs Update and Presentation
Of Information on Proposed Customer Service Call Center

Mr. Dale Denton, Director of Public Works, gave an update on Equipment Needs. He said \$3.1M was requested and \$2.3M is being recommended. He said the two fire trucks are not on this list. Mr. Denton said there are some big ticket items including an asphalt truck, replacement of a sweeper, and equipment for solid waste.

Ms. Melody Braddy, Assistant City Manager, said the two fire trucks are not included in this and they are going to be purchased sooner than later.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 29).

Mr. Chris Koltyk, Chief Information Officer, gave an update on the needs of the Technology Services Department. Mr. Koltyk said the IT Department has 17 different agencies they support, 1,370 users, 175 applications, 84 sites, and 32 IT staff. Mr. Koltyk said in the last few months several projects have been completed by Technology Services.

Mr. Koltyk spoke about the significant FY24 budget items for Tech Services. Normal budget items include capital refresh Mobile Data Terminals (MDTs) (for Public Safety, Fire, and Police). Large one-time budget items include: Uninterrupted Power Supply (UPS), Data Center/Server Storage Refresh, Microwave Update for P25 radios, New software/systems, or licensing count increases, and AV Room Kits for conference rooms.

Mr. Koltyk also spoke about Tech Services – Capital Needs.

Mr. Koltyk spoke about the proposed Customer Service Call Center. He said per week, the City makes about 12,300 calls. He said the IVR system receives about 8,000 calls per week. Mr. Koltyk said the recommendation is to hire 6 personnel to man the call center which would be housed in the MOC. Mr. Koltyk said the reoccurring cost would be approximately \$420,000 and a one-time expense of \$95,000 to buy the infrastructure.

Mr. Koltyk spoke about how the Customer Service Call Center would work and how calls would be answered and transferred.

Mr. Peoples said the goal is to have the Call Center up and running by July 1.

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 21, 2023

Councilman Kellogg suggested maybe the name be changed from a Call Center to something more customer-focused like a Customer Care Center. He also spoke about the need for training since the people answering calls will be the face of Gastonia.

Mr. Koltyk responded to questions about the Call Center.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 30).

**AMERICAN RESCUE PLAN ACT (ARPA),
NC STATE DIRECT GRANT, and
BRIC PROJECT UPDATE**

City Manager Michael Peoples spoke about the American Rescue Plan Act (ARPA), NC State Direct Grant, and BRIC Project.

North Carolina State Direct Grants

Gastonia Municipal Airport (\$250,000) – fencing is complete

Schiele Museum (\$1M for capital improvements) – will be complete by June 2023

FUSE District (\$1.5M) – Parking completed; Kid Zone finished along with inflatables and electric work; AV upgrades; Constructing the umpire room which will also serve as a greenroom for performers

Parks and Recreation Facility Entrance Signs (\$25,000)

Catawba Creek Greenway (\$1,850,000)

Wastewater Outfalls (Firestone Basin) (\$4,425,000)

Supervisory Control and Data Acquisition (SCADA) (\$5,579,000)

Water Smart Meters (\$8M) (AMI)

American Rescue Plan Act (ARPA)

Eligible Uses for ARP/CLFRF Funds include COVID Response and Adaption, Premium Pay, Revenue Loss, and Infrastructure Investments

Mr. Peoples said the City of Gastonia received over \$15M in ARP/CLFRF in two payments. Funds were received by June 2022 and \$1.4M has been spent as of December 2022. He said the funds must be appropriated and encumbered by 2024 and spent by 2026.

Mr. Peoples said some completed projects include public health projects, new playgrounds for community centers, Catawba Creek Golf Course Bridge, street resurfacing, and Police body cameras and Tasers.

Mr. Peoples said current projects include budget transfer for salaries, upgrade Public Works Facility, ARPA Grant Administrator position, Cybersecurity, Erwin Center Park swimming pool

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 21, 2023

and bathhouse renovation, Linwood Springs redevelopment, advertising campaign for tourism and economic development, and wayfinding signs.

Mr. Peoples said pending projects include security at Martha Rivers Park, FUSE Stadium District (contractual obligations for increased capacity), Grier Middle School athletic field improvements, Conference Center lighting and upgrades, affordable housing projects, T. Jeffers Community Center improvements, traffic remote devices partnership with NCDOT, Public Works Campus, CDBG-CV Grant, and Home-ARP Community Development Services.

There was discussion about pickle ball courts at community centers.

Mr. Peoples spoke about the 2021 BRIC Grant Applications (Duharts Creek) and 2022 BRIC Grant and NCDEQ LASII Applications.

(Reference as contained in Exhibit Book 5 to Minute Book 112 at Page 31).

Mr. Peoples showed a video of drone footage taken at Linwood Springs.

Mr. Peoples shared information about property as a possible opportunity for the Employee Health Clinic and maybe additional use. He said the old depot property has been for sale for almost a year. He said the price started out at well over \$1M and has been reduced to \$699K. He said a portion of the building has been renovated and could be used almost immediately for a health clinic.

Discussion ensued.

Councilman Gallagher made a motion to pursue purchasing the two properties (the depot property and the grassy field) for a total not to exceed \$1M contingent upon inspections. Councilman Kellogg seconded the motion and it was approved unanimously.

RECAP/WRAP UP

- Major Consensus Items
- Overview of FY 2024 Budget Process

Mayor Reid (joining via Webex) said he was very pleased with the decision to move forward to purchase the property. He said he is very proud of what has been done and what is going to be done. Mayor Reid thanked Mayor Pro Tem Kirlin for performing duties in the Mayor's absence. Mayor Reid said he is looking forward to returning. He thanked management and Council for their support. Mayor Reid asked that Department Heads share with their employees how much he appreciates all the messages on social media, the calls, and the cards while he is recuperating. Mayor Reid said he looks forward to meeting the new employees in person. He asked that

CITY COUNCIL BUDGET OBJECTIVES RETREAT – JANUARY 21, 2023

everyone continue to pray for him to be strengthened so that he can come back to do what God has laid on his heart and called him to do.

Mayor Pro Tem Kirlin thanked everyone for the good meeting and thanked staff for preparing the information presented.

Mayor Pro Tem Kirlin adjourned the meeting at 2:24 p.m.

Mayor Pro Tem Dave Kirlin

L. Ashley Smith, City Attorney

Suzanne J. Gibbs, City Clerk

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