

**GASTONIA CITY COUNCIL STRATEGIC PLANNING WORKSHOP**  
**JANUARY 27, 2018 – 8:30 A.M.**  
**GASTONIA CONFERENCE CENTER– GASTONIA, NC**

Mayor Reid called the work session to order at 8:30 a.m. on Saturday, January 28, 2017, at the Gastonia Conference Center, 145 Dr. Martin Luther King Jr Way, Gastonia. He delivered the invocation and led the audience in the pledge of allegiance. Ms. Candice Owenby, Deputy City Clerk, recorded the minutes.

PRESENT: Mayor Walker E. Reid, III  
 Mayor Pro Tem David R. Kirlin  
 Council Members: Robert Kellogg  
 James Gallagher  
 Todd Pierceall  
 Jennifer Stepp  
 David Humphries

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

ABSENT: None

Also in attendance were: Mr. Todd Carpenter, Deputy City Manager; Mr. J. Phillip Bombardier, Assistant City Manager; Ms. Melody Braddy, Assistant City Manager; Ms. Crystal Certain, Director of Financial Services; Ms. Rachel Bagley, Director of Marketing and Communications; Mr. Rob Helton, Police Chief; Mr. Phil Welch, Fire Chief; Mr. Matt Bernhardt, Director of Public Works and Utilities; Mr. Joe Albright, Director of Enterprise Services; Mr. Jason Thompson, Planning Director; Mr. Rusty Bost, Director of Development Services; Mr. Vincent Wong, Director of Community Development and Innovation; Ms. Kristy Crisp, Economic Development Director; Ms. Judy Smith, Assistant Director of Human Resources; and Mr. Chuck Dellinger, Director of Parks and Cultural Service; Crystal Falls, Budget Administrator; and Jessica Williams, Budget Analyst.

**REVIEW OF BUDGET CALENDAR & PROCESS**

Mr. Peoples proposed dates for the Budget Sessions and Tuesday, March 27<sup>th</sup> at 5:30 p.m. was selected for the Budget Outlook meeting. Mr. Peoples also proposed a special Council meeting date on Tuesday, April 24<sup>th</sup> to replace the May 1<sup>st</sup> Council meeting since several will be in Germany on that date. Ms. Braddy noted the date for the Public Hearing for the budget is April 24<sup>th</sup> at 6:00 p.m. in the Council Chambers. Council agreed to the special meeting on April 24<sup>th</sup> and also agreed to cancel the Tuesday, May 1, 2018 Council Meeting. Mr. Peoples stated the next regular Council meeting following would be May 15<sup>th</sup>. He proposed Thursday, May 17<sup>th</sup> and Tuesday, May 29<sup>th</sup> for additional budget sessions if needed. These meetings will be held at 5:30 p.m. in the Council Conference Room if required. Council was in agreement for these dates.

**COUNCIL STRATEGIC PLANNING WORKSHOP – JANUARY 27, 2018****FINANCIAL OVERVIEW**

The following information was presented and discussed:

- December, 2017 Monthly Financial Report / YTD
- FY 2018 & FY 2019 Revenue Forecasts
- 2020 Gaston County Revaluation
- Growth Data from Building Permits
- Debt Analysis
- Hotel Occupancy Tax Growth

Ms. Certain stated that there is no tax rate increase recommended. Ms. Certain noted that the County revaluation will effect FY 2020.

Mayor Pro Tem Kirlin stated he would like staff to create a FAQ page for important topics on the City website such Conference City Financials (Hotel Occupancy Tax, Debt Service, Operating Budget) and also FUSE information.

(Reference as contained in Exhibit Book 5 to Minute Book 107 at Page 1).

**HUMAN RESOURCES**

Information was provided and discussion ensued on the following:

- Compensation Discussion and Recommendation
- Health Insurance Update and Budget Recommendation
- Wellness Program
- Potential Personnel Additions/Process

Mayor Reid asked about the procedure for following up with applicants after they apply.

Mr. Carpenter explained the automated response is generated when someone applies. Mr. Carpenter noted that after that, it is up to the Department Head to make contact if they are considered for the job. Mr. Carpenter further noted that we do communicate with those that were interviewed and let them know if they did or not get the job.

Further conversation ensued about the process.

Councilmen Pierceall suggested that something be added to the automated response such as after 30 days if you have not been contacted then your application is no longer being considered.

Mr. Carpenter stated that there are some things we can probably do to communicate further and we will look into that.

Mr. Carpenter stated that there were problems with salary compression and as a result we are losing employees. Mr. Carpenter proposed to moved forward with salary increases based on the

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compensation study recommendations of moving employees closer to the midpoint in their range and reduce compression based upon years of service with the City (as recommended by Staff) because we are losing employees to compression. Mr. Carpenter noted that 25 percent of our employees are still being affected by compression throughout the City. Mr. Carpenter made the recommendation to do exactly what we did last year with the exception of moving people to the minimum of their range because we did that last year and there is no need to do that this year. The reason this recommendation is before you is because it will further address compression and it will also address the need to move our employees through their range because it helps to alleviate compression issues, move long term employees to or over midpoint, and maintains market competitiveness. Mr. Carpenter stated if we do this it will be an average salary increase of 3.32% with a minimum of 2.5% for all. Mr. Carpenter noted the consumer price index over the last year rose 2.1% percent so we are staying a little ahead of that with everyone and projected increases across the nation are 3% percent so we are a little ahead of that average.

Councilman Pierceall stated this is good and rewards service and we want longevity but do we have anything for performance. Mr. Carpenter stated we don't have those measures as of yet but for now we are trying to correct the compression issue. Mr. Carpenter stated he would like to figure out pay for performance at some date.

Mayor Pro Tem Kirlin stated that we should look into additional training for City Staff in the overall hiring/interview process.

Mayor Reid thinks this will help morale and thinks we are moving in the right direction. Mayor Reid stated we also need to work on making our employees feel needed and appreciated.

Councilwoman Stepp stated she would like to see employees recognized for their work in the community.

Mr. Carpenter continued to discuss the pay and issues involved and also the evaluation system and answered questions from Council and presented the Staff recommendation for compensation which would layer in an "across the board" increases to current salaries based on years of service as shown in the exhibits. Mr. Carpenter stated if everyone is in agreement we will work these numbers into our budget. Mayor Pro Tem Kirlin stated this should be of the highest priority.

Mr. Carpenter noted that there has been a Retirement Contribution Increase of (.25%) - \$125,000 which is mandated by the State and the City is required to contribute.

Mr. Carpenter stated he is recommending a 7% increase to our Insurance Claims budget due to an increase in claims to keep us budgeting correctly for our insurance noting 7-8 percent is projected in North Carolina and 8 percent is where we probably should be. Councilman Pierceall stated that we should possibly go ahead and increase to 8 percent. Councilman Humphries agreed. Mr. Peoples stated that we would look at it further.

Mr. Carpenter presented information on the Wellness Program

(Reference as contained in Exhibit Book 5 to Minute Book 107 at Page 2).

**COUNCIL STRATEGIC PLANNING WORKSHOP – JANUARY 27, 2018****ENTERPRISES SERVICES &  
PUBLIC WORKS/UTILITIES**

Information was presented and discussion ensued on the following:

- Water & Sewer Fee Schedule Options
- Review Capital Recovery Fee Discussion
- Solid Waste Fee Schedule Structure and General Fund Subsidy Disposal Service Contract with County
- Electric Cost of Services Study Implementation, Phase III
- Current Capital Projects Status Report
- Local Street Maintenance/Resurfacing Report
- Upcoming Major City Facility Needs

Mr. Bombardier reviewed all Staff Recommendations as noted in the exhibits.

Mr. Bombardier asked Council for direction to consider a 2.5% rate increase in FY 18/19 that is recommended by staff. Mr. Bombardier asked that the increase be considered to be effective either July 1, 2018 or January 1, 2019. This increase is due to the capital needs in the aging water and sewer infrastructure systems as well as on-going operational cost increases.

Mayor Pro Tem Kirlin stated due to the flooding issues at the 1700 acre watershed, the commercial development on Franklin and the money need for remediation, that we should consider a stormwater increase.

Mayor Pro Tem Kirlin stated we need to have a FAQ's tab on the City's website for any projects on GCC Financials, Stormwater issues at Franklin Woods, etc. Mayor Pro Tem Kirlin stated we could also add tips to reduce electric rates and water usage and place it in the utility bills and also post it on the website.

Mr. Bombardier asked for the sake of developing the budget, staff is seeking guidance for building in that type of increase and asked if the July 1<sup>st</sup> increase was okay. Councilman Gallagher responded it is fine.

Further discussion ensued on water/sewer system development and calculations fees. Mr. Bombardier stated that we wanted to focus on the initial strategy from last year and moving forward in the Southeast project. Mr. Bombardier noted that our goal today is to ensure that we have Council's support of pursuing system development fees both Citywide and in particular, the Southeast Water/Sewer Expansion project. He further noted that they were started last year but with the legislature some things took a turn.

Further discussion ensued.

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Mayor Reid stated he is good with it and asked Council and they acknowledged that they were.

Mr. Albright presented information on Enterprise Services/Public Works.

Mr. Albright stated that Staff recommends Council consider adjusting and implementing the fees in order to close the gap between the general and enterprise funding and to keep with the growing operational costs. Mr. Albright noted the fees they are seeking are 1) a monthly solid waste increase from \$6.50 to \$7.00 per month; 2) increase the additional “cart fee” from \$4.00 to \$7.00; 3: increase small business “residential” service from \$25.50 a month to \$30.50, and increase the cart fee from \$5.00 to \$10.00 and 4) adjust fees for yard waste to a minimum charge of \$25.00 for up to 100 lbs., and \$0.20 for each additional pound over 100 lbs.

Mr. Albright answered questions and further discussion ensued.

Councilwoman Stepp stated we should put more information on our website about the cost, benefits and cost savings of recycling.

Mayor Pro Tem Kirlin noted that we need a multi-point bulletin about why we believe increased fees are warranted and about how much things cost, and this would be good to do anytime we do a fee increase on anything. Mayor Pro Tem Kirlin noted that we should post information and justifications for fees on the website.

Mr. Albright asked if it was prudent to proceed with placing this in the proposed budget. There was no opposition.

Mr. Albright reviewed the Electric Cost of Services Study Implementation, Phase III as shown in the exhibits.

Mr. Peoples stated that where we are at currently and if nothing changes between now and 2021, there should be no rate increases, at least on the wholesale side until 2021, so no rate increase recommendations in electric.

Mr. Peoples stated in Street Maintenance and Resurfacing we are trying to keep the same expenditures levels as years past from the same revenue sources so there are no changes there. Mr. Peoples also noted that in the middle of the evaluation process now we have to RFP out per Council’s direction at the last presentation several months ago so we moving that process forward.

Mr. Peoples presented the Major Capital Projects Update as shown in the exhibits.

(Reference as contained in Exhibit Book 5 to Minute Book 107 at Page 3).

Break for lunch at 11:55 a.m.

Council reconvened at 12:30 p.m.

**ECONOMIC DEVELOPMENT**

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Mayor Reid recognized Mr. Peoples for these reports.

Information was presented and discussion ensued on the following:

- FUSE District / Progress
- NC Highway 7 Corridor Study Update
- Tech Park II / Additional Economic Development Sites
- Hotel Marketing Strategy
- Loray Mill Project Update
- GGDC Image Committee Update
- GGDC Charlotte-Douglass Update
- Private Development Update

Mayor Reid requested a meeting be scheduled with the City and County elected officials on moving forward with the Tech Park II and other inter-local government issues.

Mayor Reid stated that we need to meet with the Westfield Mall personnel and continue to look for development opportunities, including hotel, entertainment, commercial and retail options.

Councilman Kellogg asked about the potential for a Hotel at the Conference Center and would like the City to pursue this.

Mayor Pro Tem Kirlin stated that we can have more discussions about the Loray Mill space at the Strategic Planning meeting in February about pursuing development.

Mr. Peoples stated we will continue to monitor partnership outcomes as we move forward with the GGDC.

(Reference as contained in Exhibit Book 5 to Minute Book 107 at Page 4).

**EQUIPMENT**

Mr. Peoples presented the following:

- Major “Rolling Stock” FY 2018-19
- FY 2018-19 Technology Considerations

Considerable discussion ensued.

Mayor Reid stated that when the City meets with County elected officials we need to discuss our current Radio System.

(Reference as contained in Exhibit Book 5 to Minute Book 107 at Page 5).

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UPDATES

Mr. Dellinger presented the Parks and Recreation Master Plan and updates.

Mr. Peoples gave updates on various projects as shown in the exhibits.

(Reference as contained in Exhibit Book 5 to Minute Book 107 at Page 6).

LEGISLATIVE ADVOCACY AGENDA

Mr. Peoples will bring the Legislative Advocacy Agenda as shown in the exhibits back to Council for formal adoption in the near future.

(Reference as contained in Exhibit Book 5 to Minute Book 107 at Page 7).

2018 Gastonia Mayor & City Council  
Budget Objectives FY18-19  
Summary and Direction

(Reference as contained in Exhibit Book 5 to Minute Book 107 at Page 8).

MEETING ADJOURNED

Mayor Reid adjourned the meeting at 3:00 p.m.

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Mayor Walker E. Reid, III

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L. Ashley Smith, City Attorney

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Candice Owenby, Deputy City Clerk

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