

MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL
MAY 28, 2024

The City Council of the City of Goldsboro, North Carolina, met in a Special Meeting to discuss the FY24-25 Budget in the Large Conference Room, City Hall Addition, 200 North Center Street, at 5:00 p.m. on Tuesday, May 28, 2024.

Call to Order. Mayor Gaylor called the meeting to order at 5:00 p.m.

Roll Call.

Present: Mayor Charles Gaylor, IV, Presiding
Mayor Pro Tem Brandi Matthews
Councilwoman Hiawatha Jones
Councilman Chris Boyette
Councilwoman Jamie Taylor
Councilwoman Beverly Weeks
Councilman Rod White

Also Present: Matthew Livingston, Interim City Manager
Laura Getz, City Clerk
Catherine Gwynn, Finance Director

Budget Discussion.

Interim City Manager Livingston shared brief comments regarding the proposed budget.

Catherine Gwynn, Finance Director shared the presentation attached as *Exhibit A*.

Councilwoman Weeks asked what the miscellaneous category represents in slide 11. Interim City Manager Livingston shared this category is surcharges (fines).

Mrs. Gwynn shared the following proposed rates: Sewer Capitalized (Regular) 20% Increase; Sewer Capitalized Industrial Bulk 10% Increase; All Other Rates & Classes 5% increase in lieu of 7% increase; Water rate 5% increase in lieu of 7% increase.

Interim City Manager Livingston shared the city is not meeting cost recovery with our large industrial customers.

Mrs. Gwynn shared the public hearing is scheduled for Monday, June 3, 2024 at 7:00 pm in Council Chambers. The recommended adoption of the FY24-25 budget will be at the June 17, 2024 Council meeting.

Interim City Manager Livingston shared information on the industrial rates and reviewed slides 21-22.

Jonathan Perry, Engineering Services Manager shared information on the pavement condition rating. He shared the department does an in-house survey every 3-5 years. When we get a professional PCR, they will give a recommendation on what the bond should be. The last professional survey was completed in 2009.

MPT Matthews asked if the funding is available for a professional survey. Interim City Manager Livingston's recommendation is to do a large-scale project once we are off the UAL, and we can go through the bond process. Mayor Gaylor discussed the pavement study.

Mrs. Gwynn reviewed slide 21, Potential Cost Cuts to Reduce Proposed Property Tax Increase.

The Mayor and Council reviewed the proposed budget, made the following changes and/or discussed the following:

Mayor Gaylor asked if the health insurance 10% to 4% would impact the quality of the plan or services. Mrs. Gwynn and Interim City Manager Livingston shared it is the budgeted amount to cover the employer's contribution. Mayor Gaylor asked if they are amenable to change the 10% to 4%. He shared he did not want to impact COLA or new positions. He would like to look this year at reducing non-public safety authorized positions, through natural attrition to be closer to 200 positions. He shared he supports adding the Minimum Housing and Community Development positions.

Councilman Boyette shared he had an opportunity to sit down with the Interim City Manager and Finance Director and had his questions answered. He shared he wouldn't be in favor of cutting anything on the list beyond what the mayor mentioned.

Councilwoman Weeks asked about page 401, agency support to the Goldsboro Housing Authority, for close to \$100,000 for cameras. The Council, Interim City Manager and Finance Director, discussed the Goldsboro Housing Authority, paying for officers to patrol, the PILOT payment and the current agreement for cameras.

Councilwoman Jones asked about the \$100,000 distribution from the ABC Commission. Ms. Gwynn shared the funds are part of the general fund revenue and are used to balance the budget. Councilwoman Jones asked if there are any Covid funds left. Mrs. Gwynn shared the details about the Covid funds used in fund balance.

Councilwoman Jones asked about page 114, item 2202, lunch and dinner meetings. She asked if the line item pays for Council's tickets to events. Mrs. Getz shared details on the line item. Councilwoman Jones asked if there are funds to help with the MLK program. Mrs. Gwynn and Mrs. Felecia Williams shared information about the MLK Luncheon. Interim City Manager Livingston shared the MLK Luncheon was added to this year's proposed budget.

Councilman White asked about the air show food. Mrs. Getz shared the food in that line item is used for the chalet for city employees.

Councilwoman Jones asked about page 137, line item 2124, steel toed shoes. Interim City Manager Livingston shared the line item was moved to each department.

Councilwoman Taylor asked about the cameras at the Goldsboro Housing Authority. She asked to receive a copy of the agreement. She also asked if all city departments need to have a subscription to the News-Argus. She asked the Interim City Manager to find out which departments have to have the subscription.

Mayor Pro Tem Matthews shared there is more discussion that needs to take place regarding the Housing Authority issue.

Council discussed the Goldsboro Housing Authority agreement. Octavius Murphy, Assistant to the City Manager shared comments regarding the Goldsboro Housing Authority and Eastern Carolina Housing Authority. Councilwoman Weeks asked for a copy of the agreement.

Interim City Manager Livingston shared information on the PILOT program.

Councilman White asked about details of line item 2993, operational supplies. Mrs. Getz shared details regarding line 2993. Councilman White asked that line item 2993 be narrowed down. Councilman White asked about Friends of Seymour, page 115, line item 1. Council discussed the Friends of Seymour and Crossroads. The Mayor, Council and Interim City Manager discussed briefings from Crossroads and the dissemination of information.

Councilman White also asked about page 211, line item 3210, telephone and communication services. Mrs. Gwynn shared information regarding telephone services.

Mayor Pro Tem Matthews asked about page 409, part time temporary salaries in the Parks and Recreation budget. Mrs. Gwynn and Russell Stephens, Assistant Parks and Recreation Director shared information regarding part-time salaries.

Mayor Pro Tem Matthews shared she would like access to city cell phone numbers. She also asked if all of the city cell phones are necessary. Mrs. Gwynn shared the employee requirements for city cell phones and cell phone stipends.

Mayor Pro Tem Matthews asked where fire department inspections funds go. Interim City Manager Livingston shared the funds go into the general fund. Mrs. Gwynn shared information regarding special revenue funds.

Councilwoman Taylor asked about page 265, Cemetery, line item 5825. She shared the Cemetery requested an aluminum storage building and asked if there are funds to replace the building. Interim City Manager Livingston shared there is a Cemetery Reserve Fund, and he has authorized the Finance Director to fund the building.

Councilwoman Weeks asked about page 196, Downtown Development Corporation, Salaries. Interim City Manager Livingston shared the number is with COLA figured in. She also asked about DGDC non-profit funds related to grants, and artwork. Interim City Manager Livingston shared the DGDC does not charge the Downtown Development Department for office space. Mayor Gaylor discussed the DGDC and Downtown Development Department.

Mayor Pro Tem Matthews asked about the Information Technology department's travel and training budget. Scott Williams, Information Technology Director shared information regarding requested travel and training for the department.

Mayor Gaylor asked what the two vehicles requested for the Information Technology department would be used for and what vehicles they would be off-loading. Mr. Williams shared information regarding the vehicles. He shared if they got rid of a vehicle, it would be the 1997 van.

Councilwoman Weeks asked about fleet rates and standardization of vehicles. Interim City Manager Livingston shared vehicles are purchased on state contract, and he encourages standardization.

Councilman White asked about page 122, Car Allowance. The Council, the Interim City Manager and the Finance Director discussed the car allowance which is part of the city manager and assistant city manager's salary compensation.

Interim City Manager Livingston shared he would take Council's guidance and come back with requested changes.

Councilwoman Weeks asked if we could save money by reducing the COLA to 2% instead of 2.5%.

The Council and Interim City Manager Livingston discussed the COLA. Council members were not in favor of reducing the COLA.

The Mayor and Council discussed cutting requested vehicles from the budget. Mrs. Gwynn shared it would not help as vehicles are financed.

Councilwoman Weeks asked the Interim City Manager to look at the Goldsboro Housing Authority agreement.

Councilwoman Jones asked about cutting the proposed positions in the recommended budget. Interim City Manager Livingston shared information regarding why the two positions are needed.

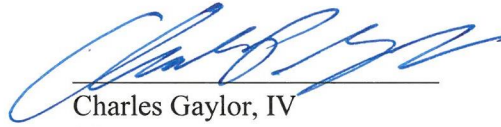
Councilman Boyette commended the staff for their work on the budget.


Mayor Gaylor shared he would like to see proper incentives, and retention for part time employees. He stated he would like a program in place that recognizes part time employees.

Mayor Gaylor asked that the Interim City Manager look at travel, employer health set aside, taking additional fund balance to make 11% to 12%, water rates to 5% and make them equitable across the board.

The meeting was adjourned at 7:35 p.m.




Charles Gaylor, IV
Mayor


Laura Getz, MMC/NCCMC
City Clerk

FY2024-25 Budget Work Session
May 28, 2024 5:00 pm



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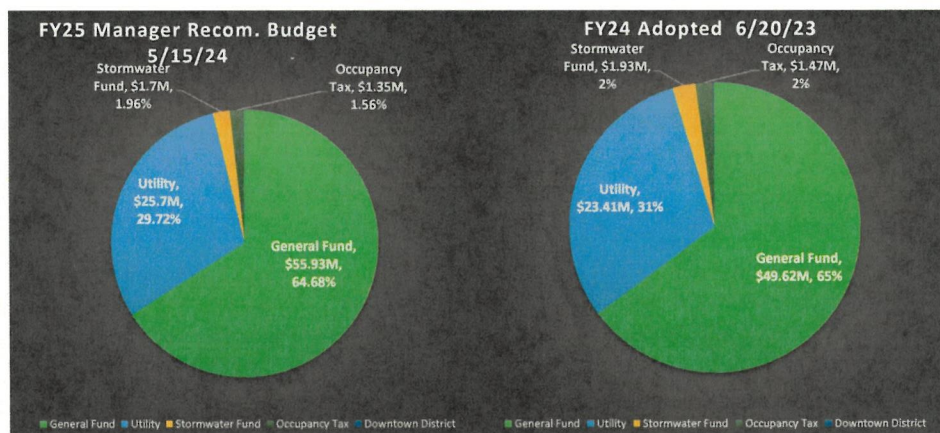
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Summary FY24-25 Budget

FY24-25 Manager's Rec. \$86.5M

FY23-24 Adopted Budget \$76.6M



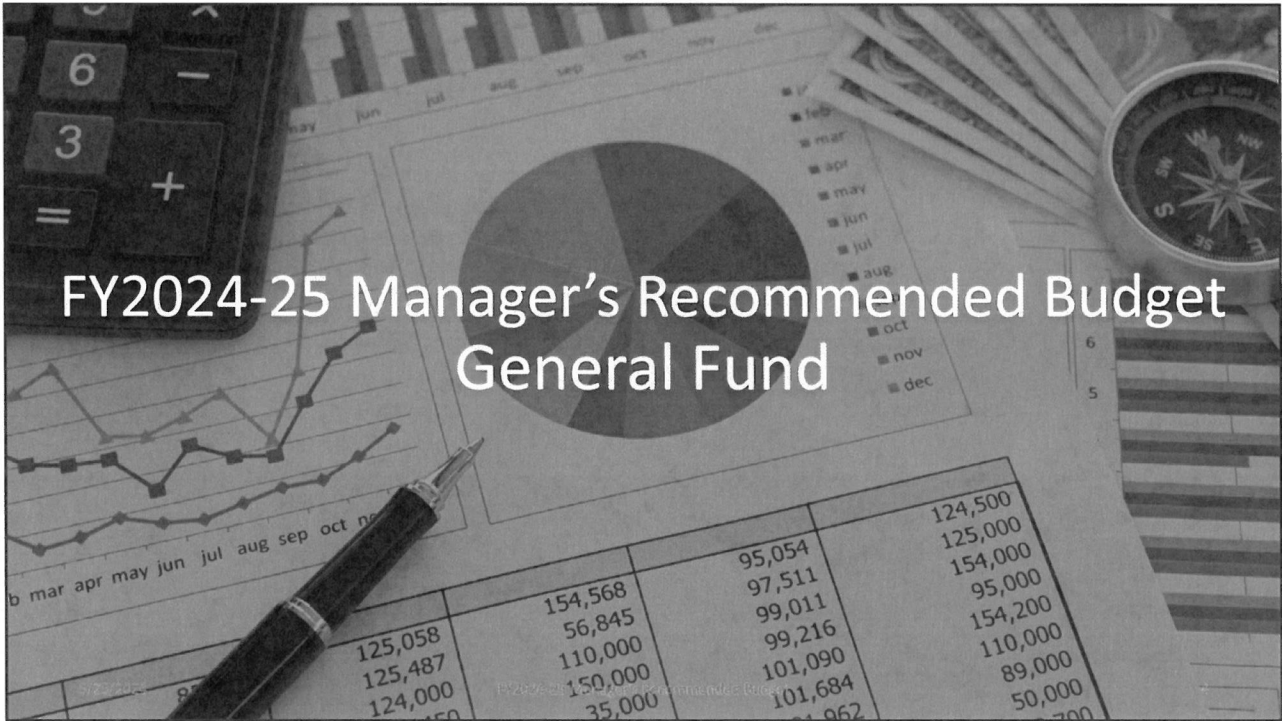
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FY2024-25 Manager's Recommended Budget

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FY2024-25 Manager's Recommended Budget All Funds				
Fund	FY24 Adopted	FY25 Mgr. Rec.	Incr/(Decr)	% Change
General Fund	\$49,622,612	\$55,931,496	\$6,308,884	13%
Utility Fund	\$23,409,993	\$25,698,254	\$2,288,261	10%
Stormwater Fund	\$1,934,200	\$1,697,831	\$(236,369)	-12%
Occupancy Tax Fund	\$1,465,450	\$1,349,857	\$(115,593)	-8%
Downtown MSD Fund	\$102,683	\$100,225	\$(2,458)	-2%
General Fund Capital Reserve	\$1,000	\$1,000	\$0	0%
Cemetery Perpetual Fund	\$0	\$53,105	\$53,105	
Fuel System Internal Service Fund	\$0	\$1,361,421	\$1,361,421	
Utility Fund Capital Reserve	\$100,000	\$0	\$(100,000)	-100%
System Development Fees Capital Reserve	\$0	\$280,000	\$280,000	
Total All Operating Funds	\$76,635,938	\$86,473,189	\$9,837,251	13%
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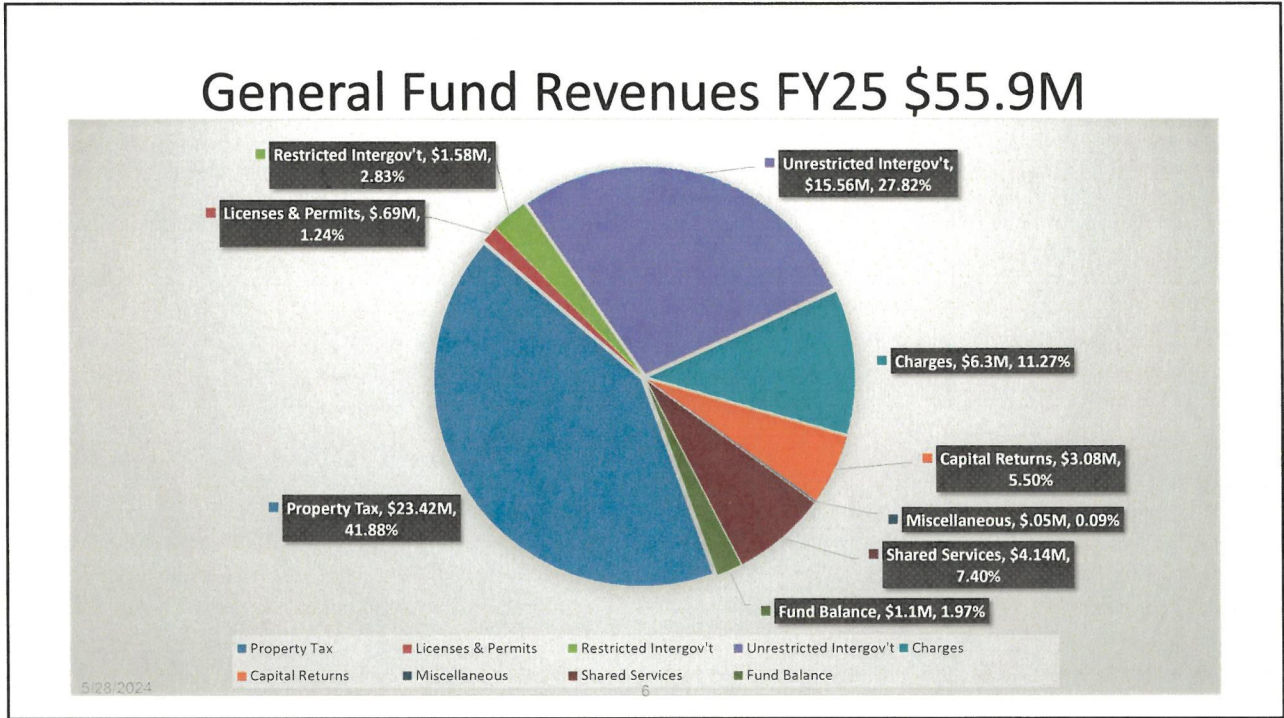
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General Fund Revenue Comparison				
Revenue Type	FY24 Adopted	FY24 % of Total	FY25 Mgr. Rec.	FY25 % of Total
Property Tax	\$19,335,688	38.97%	\$23,423,582	41.88%
Licenses & Permits	\$422,350	0.85%	\$690,775	1.24%
Restricted Intergov't	\$1,523,334	3.07%	\$1,581,752	2.83%
Unrestricted Intergov't	\$14,871,983	29.97%	\$15,560,652	27.82%
Charges for Services	\$6,110,922	12.31%	\$6,306,700	11.28%
Capital Returns	\$2,118,221	4.27%	\$3,075,469	5.50%
Miscellaneous	\$49,700	0.10%	\$49,700	0.09%
Shared Services	\$3,690,414	7.44%	\$4,139,125	7.40%
Fund Balance	\$1,500,000	3.02%	\$1,103,741	1.97%
Revenue Total	\$49,622,612	100%	\$55,931,496	100%

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General Fund Expenditure Comparison

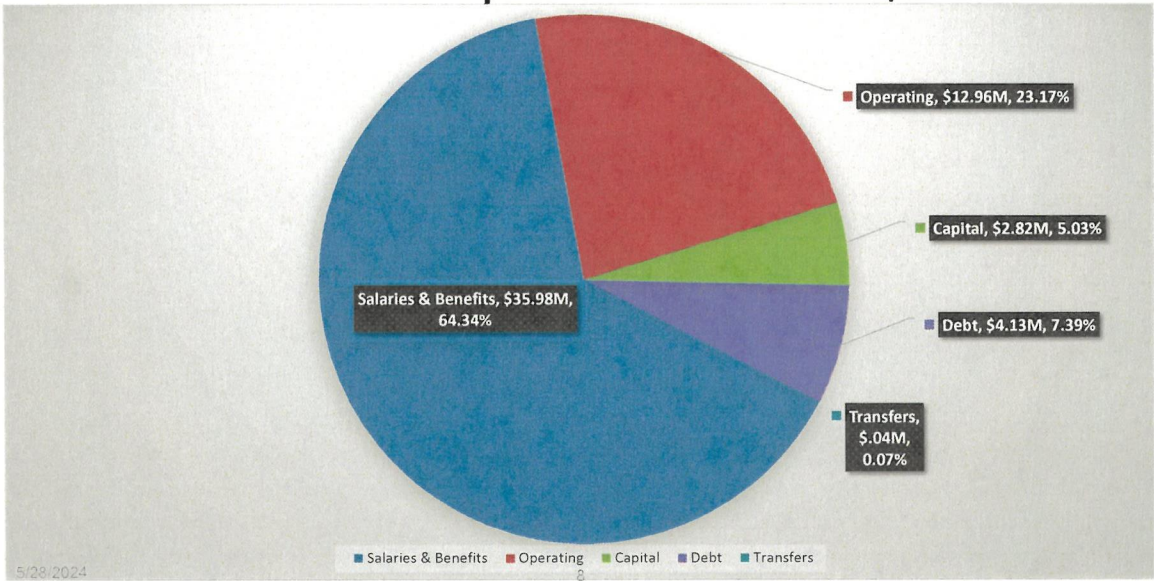
Expenditure Type	FY24 Adopted	FY24 % of Total	FY25 Mgr. Rec.	FY25 % of Total
Salaries & Benefits	\$30,961,014	62.39%	\$35,983,811	64.34%
Operating	\$11,785,547	23.75%	\$12,958,959	23.17%
Capital	\$2,213,551	4.46%	\$2,815,194	5.03%
Debt	\$4,265,500	8.60%	\$4,133,532	7.39%
Transfers (Projects)	\$397,000	0.80%	\$40,000	0.07%
Expenditure Total	\$49,622,612	100%	\$55,931,496	100%

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General Fund Expenditures FY25 \$55.9M



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Change in Police & Fire FTE Salary & Benefits
FY24 Adopted versus FY25 Mgr. Rec.

Public Safety Department	FY24 Adopted	FY25 Mgr. Rec.	Incr/(Decr)	Avg % Incr/(Decr)
Police	\$5,449,926	\$6,896,242	\$1,446,317	25.89%
Fire	\$7,452,164	\$9,433,106	\$1,980,942	26.51%
Total Salary & Benefits for FTE	\$12,902,090	\$16,329,348	\$3,427,258	26.23%

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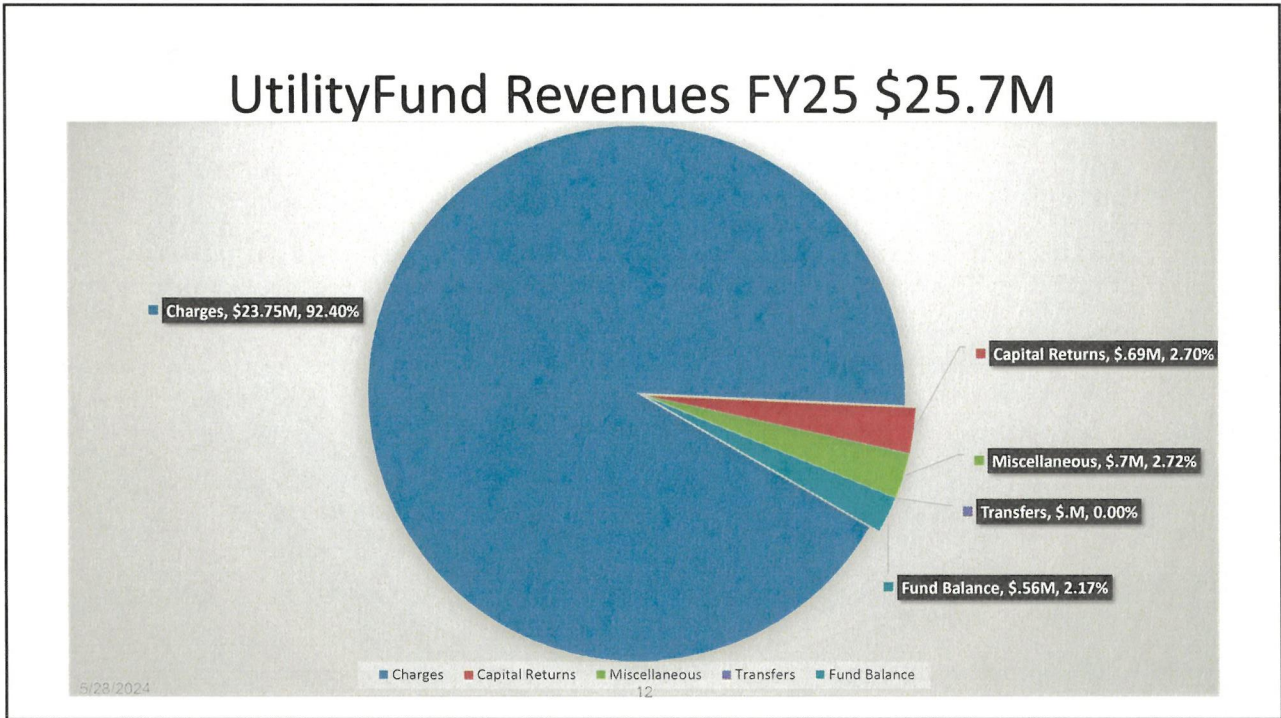
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Utility Fund Revenue Comparison				
Revenue Type	FY24 Adopted	FY24 % of Total	FY25 Mgr. Rec.	FY25 % of Total
Charges for Services	\$22,591,000	96.5%	\$23,745,833	92.4%
Capital Returns	\$201,921	.86%	\$693,956	2.7%
Miscellaneous	\$517,072	2.21%	\$700,000	2.72%
Transfers	\$100,000	.43%	\$0	0%
Fund Balance	\$0	0%	\$558,465	2.17%
Revenue Total	\$23,409,993	100%	\$25,698,254	100%

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Utility Fund Expenditure Comparison

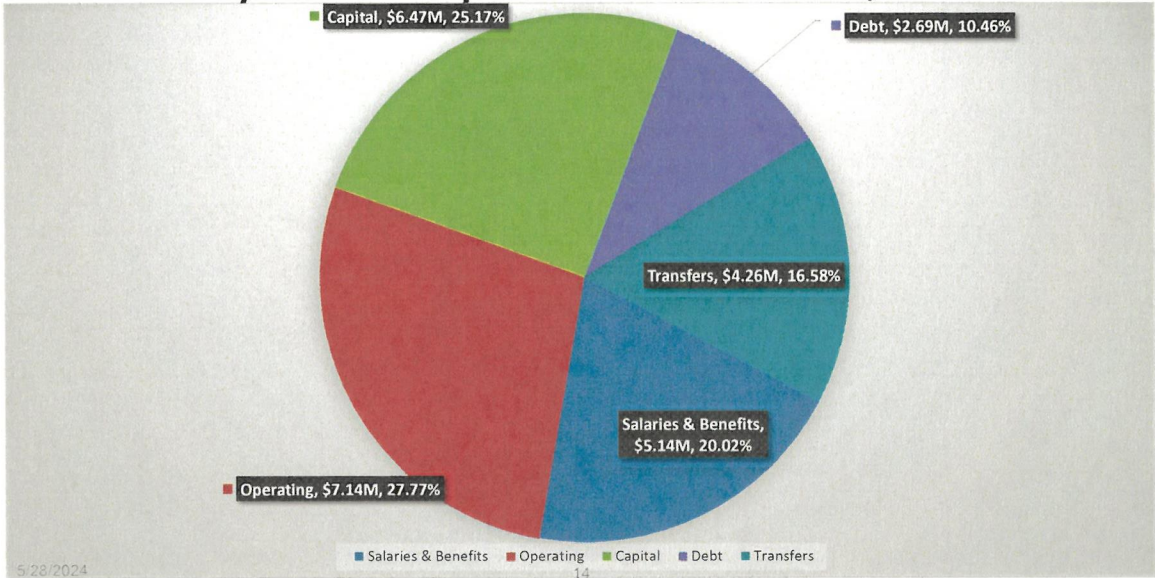
Expenditure Type	FY24 Adopted	FY24 % of Total	FY25 Mgr. Rec.	FY25 % of Total
Salaries & Benefits	\$4,852,649	20.73%	\$5,143,712	20.02%
Operating	\$7,945,496	33.94%	\$7,135,291	27.77%
Capital	\$1,557,302	6.65%	\$6,468,441	25.17%
Debt	\$3,119,000	13.32%	\$2,688,944	10.46%
Shared Services & Transfers	\$5,935,545	25.35%	\$4,261,865	16.58%
Expenditure Total	\$23,409,993	100%	\$25,698,254	100%

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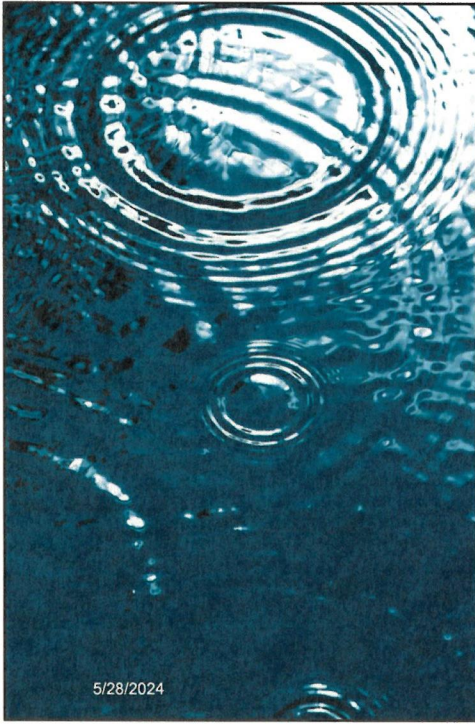
Utility Fund Expenditures FY25 \$25.7M



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Potential Utility Rate Changes FY25

Sewer	Water
<ul style="list-style-type: none">• Sewer Capitalized (Regular) ✓20% Increase• Sewer Capitalized Industrial Bulk ✓10% Increase• All Other Rates & Classes ✓5% increase in lieu of 7% increase	<ul style="list-style-type: none">• All Rates & Classes ✓5% increase in lieu of 7% increase

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Water and Sewer Rates FY25 – Proposed Adopted Changes		
	CURRENT	PROPOSED
WATER RATES (5% Increase)		
(Per 1000 Gallons) (Residential / Commercial) - Inside/Outside	\$4.21/\$8.44	\$4.42/\$8.86
(Per 1000 Gallons) (Industrial) - Inside/Outside	\$3.43/\$6.23	\$3.60/\$6.54
(Per 1000 Gallons) (Wholesale)	\$3.43	\$3.60
Base Fee Increase (5% Increase) ¾" (most common)	\$17.80/\$24.61	\$18.69/\$25.84
SEWER RATES (5% Increase)		
(Per 1000 Gallons) (Residential / Commercial) - Inside/Outside	\$9.12/\$18.23	\$9.58/\$19.14
(Per 1000 Gallons) (Industrial) - Inside/Outside	\$8.16/\$16.35	\$8.57/\$17.17
SEWER RATES Capitalized (20% Increase)		
(Per 1000 Gallons) (Capitalized Sewer General Service) - Inside/Outside	\$4.03/\$8.07	\$4.84/\$9.67
SEWER RATES Sewer Capitalized (10% Increase)		
(Per 1000 Gallons) (Capitalized Sewer Industrial Bulk) - Inside/Outside	\$3.67/\$7.34	\$4.04/\$8.07
FY2024-25 Manager's Recomm. Budget		
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Utility Cost of Service

City of Goldsboro - FY25 Water and Sewer Cost of Service

Water	Treatment	Transmission	Distribution	Customer Related	Total
Cost of Service Allocations	65%	10%	17%	8%	
	\$5,155,150	\$793,100	\$1,348,270	\$634,480	\$7,930,000
Usage	1,664,488	1,664,488	1,664,488	1,664,488	1,664,488
Unit Cost	\$3.10	\$0.48	\$0.81	\$0.38	\$4.76

Sewer	Treatment	Conveyance / Transmission	Collection	Customer Related	Total
Cost of Service Allocations	57%	12%	27%	3%	
	\$7,523,986	\$1,592,253	\$3,560,721	\$423,039	\$13,100,000
Usage	1,458,478	1,458,478	1,458,478	1,458,478	1,458,478
Unit Cost	\$5.16	\$1.09	\$2.44	\$0.29	\$8.98

FY2024-25 Manager's Recommended Budget

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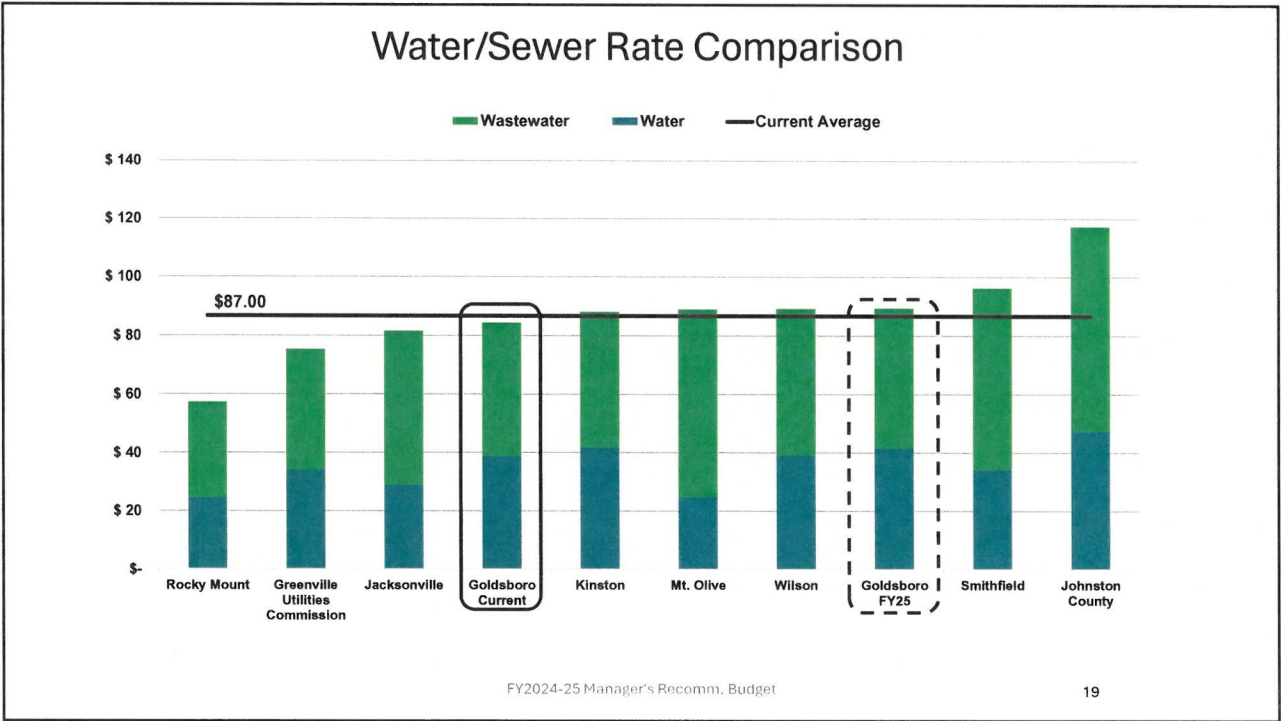
Water/Sewer Rate Comparison

Average Consumption (5,000 gallons)			
Municipality	Water	Sewer	Total
Johnston County	\$47.30	\$70.00	\$117.30
Smithfield	34.20	62.15	96.35
Goldsboro (FY 25)	41.54	47.90	89.44
Wilson	39.14	50.10	89.23
Mt. Olive	24.66	64.34	89.00
Kinston	41.86	46.35	88.21
Goldsboro (Current)	38.85	45.60	84.45
Jacksonville	28.98	52.57	81.54
Greenville Utilities Commission	34.17	41.20	75.37
Rocky Mount	24.51	32.89	57.40
Average Bill (Excl. Goldsboro FY24)	\$34.85	\$51.69	\$86.54


FY2024-25 Manager's Recomm. Budget

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Next Steps in FY2024-25 Budget Process



Public Hearing scheduled for Monday, June 3, 2024 at 7 pm in Council Chambers.




Recommend Adoption of FY24-25 Budget at June 17th meeting.




Questions and Discussion

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Potential Cost Cuts to Reduce Proposed Property Tax Increase			
General Fund	Potential Cut A	Potential Cut B	Potential Cut C
Employer Health Insurance 10% to 4%	(\$199,675)	(\$199,675)	(\$199,675)
Deferring 2.5% Cola 3 Months		(\$182,501)	
Deferring 2.5% Cola 6 Months			(\$365,002)
Remove New CD Position Sal & Ben	(\$62,030)	(\$62,030)	(\$62,030)
Remove New Minimum Housing Position Sal & Ben	(\$72,770)	(\$72,770)	(\$72,770)
Cut Capital Not Financed	(\$55,000)	(\$55,000)	(\$55,000)
Total Potential Cuts	(\$389,475)	(\$571,976)	(\$754,476)
	167%	245%	323%
Additional Use of Fund Balance	\$ 396,259 170%	\$ 396,259 170%	\$ 396,259 170%
Value of Penny Tax	\$233,312	\$233,312	\$233,312
Proposed Tax Increase	\$ 0.15	\$ 0.15	\$ 0.15
Reduce for Proposed Cuts	\$ (0.017)	\$ (0.025)	\$ (0.032)
Addtl Use of Fund Balance	\$ (0.017)	\$ (0.017)	\$ (0.017)
Revised Proposed Tax Increase	\$ 0.116	\$ 0.109	\$ 0.101
Note amounts provided are estimates!			
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Property Tax Scenarios									
Annual Dollar Impact of Tax Increase Scenarios									
Source	Median Property Value	Property Tax for Each 1 Cent Increase	1 cent increase	10 cent increase	11 cent increase	12 cent increase	13 cent increase	14 cent increase	15 cent increase
County-wide Tax Rate (Cents)			1.00	10.00	11.00	12.00	13.00	14.00	15.00
Impact on Average Taxable Home Value	\$ 88,000	\$ 9	\$ 9	\$ 88	\$ 97	\$ 106	\$ 114	\$ 123	\$ 132
Impact on Median Home Value Sold (Realtor.com®)	\$ 210,000	\$ 21	\$ 21	\$ 210	\$ 231	\$ 252	\$ 273	\$ 294	\$ 315
Impact on Median Home Value Sold (Zillow.com®)	\$ 194,561	\$ 19	\$ 19	\$ 195	\$ 214	\$ 233	\$ 253	\$ 272	\$ 292
Impact on Taxable Home Value \$100K	\$ 100,000	\$ 10	\$ 10	\$ 100	\$ 110	\$ 120	\$ 130	\$ 140	\$ 150
Average Taxable Home Value - Tax increase Annually, Monthly, or Daily									
			1 cent increase	10 cent increase	11 cent increase	12 cent increase	13 cent increase	14 cent increase	15 cent increase
			\$ 9	\$ 88	\$ 97	\$ 106	\$ 114	\$ 123	\$ 132
			\$ 0.73	\$ 7.33	\$ 8.07	\$ 8.80	\$ 9.53	\$ 10.27	\$ 11.00
			\$ 0.02	\$ 0.24	\$ 0.27	\$ 0.29	\$ 0.31	\$ 0.34	\$ 0.36