

MINUTES OF THE MEETING OF THE CITY COUNCIL HELD
JUNE 15, 2020

WORK SESSION

The City Council of the City of Goldsboro, North Carolina, met in a Work Session in the Large Conference Room, City Hall Addition, 200 North Center Street, at 5:00 p.m. on June 15, 2020 with attendance as follows:

Present: Mayor Chuck Allen, Presiding
Mayor Pro Tem Bill Broadaway
Councilmember Antonio Williams
Councilmember Taj Polack
Councilmember Brandi Matthews
Councilmember David Ham
Councilmember Gene Aycock (Joined via phone & Webex)
Ron Lawrence, Attorney
Tim Salmon, City Manager
Melissa Capps, City Clerk

Call to Order. The meeting was called to order by Mayor Allen at 5:00 p.m.

Adoption of the Agenda. A motion to adopt the agenda was made by Mayor Pro Tem Broadaway and seconded by Councilmember Polack. Mayor Allen, Mayor Pro Tem Broadaway, Councilmembers Williams, Polack, Ham and Aycock voted in favor of the motion. Councilmember Matthews did not vote, however, pursuant to NCGS 160A-75, Councilmember Matthews vote will be counted as an affirmative vote. The motion passed unanimously.

Closed Session Held. Upon motion of Councilmember Ham, seconded by Mayor Pro Tem Broadaway and unanimously carried Council convened into Closed Session to discuss an economic development matter and a personnel matter.

Council came out of Closed Session.

FY 20-21 Budget Discussion. Ms. Catherine Gwynn stated I just want to run through the changes from the June 1 and June 9 meetings. What I am going to review are the changes to the manager's recommended number. Ms. Gwynn reviewed the following information:

Changes included in Proposed Adopted FY20-21 Budget

- Proposed 15% increase in water & sewer rates effective 8/1/20
- \$1/month recycling surcharge effective 8/1/20
- Property Tax .65 per \$100 valuation – same
- Property Tax .235 per \$100 valuation MSD – same
- Planning fees updated and added

New Positions Recommended

#	Position	Department	Salary & Benefits	Council Recomm?
1	Senior Fleet Mechanic	Garage GF	\$ 46,923	YES
2	Front Desk Receptionist	Finance GF	\$ 35,014	YES
3	Assistant Golf Professional	Golf GF	\$ 49,269	NO
4	Stormwater Maintenance Tech.	Stormwater	\$ 36,765	YES
5	Warehouse & Purchasing Manager	Billing & Meter Svc UF	\$ 73,116	YES
6	Warehouse Technician	Billing & Meter Svc UF	\$ 42,651	YES
7	Utility System Operator	Distributions & Coll. UF	\$ 42,561	NO
8	Utility Maintenance Mechanic	Distributions & Coll. UF	\$ 40,534	NO
9	Operator I	Water Treatment	\$ 42,463	YES
10	SCADA Instrumental Tech.	Water Treatment	\$ 51,732	NO
Total			\$ 461,028	

FY19-20 Authorized 474 FTE

Mayor Allen stated Mr. Rick Fletcher, Public Works Director, called me on Friday and he wanted me to ask the Council instead of doing a 15% increase doing a 17.5% which would give him enough money for his valve crew; the truck and his two people. Mayor Allen asked if Council would like to hear from Mr. Fletcher. Council agreed.

Councilmember Ham stated while we are waiting on Mr. Fletcher, on number 5 under positions, we talked about hiring a procurement manager. Ms. Gwynn stated I did note the change in the title, I just didn't have time to change the title.

Mr. Fletcher provided information on the need for a valve crew and shared the lead time for equipment is 9 to 12 months.

Councilmember Williams asked to go back to the street sweeper. What I have noticed when we have street sweepers going around, there is no notice to cars that are blocking drains. If we are going to get this piece of equipment, we have to implement something that will notify people when they should move their cars.

Mr. Fletcher stated we do not have anything in place to notify individual residents, I can look into something. Councilmember Williams stated some municipalities have signage. Mr. Fletcher explained the challenge of trying to schedule and notify, its sporadic, the number of vehicles out there, we go around. If we do not invest in sweepers, we went a couple of months not sweeping because of equipment being down.

Mayor Allen asked who was in favor of the valve crew. Mayor Pro Tem Broadaway, Councilmember Polack, Councilmember Ham, Councilmember Aycock stated they were in favor of the valve crew. Mayor Allen stated there are enough in support to do the 17.5% and the valve truck and crew.

Council went back to the street sweeper and discussed condition of current street sweepers.

Mayor Allen polled Council. Councilmember Williams, Councilmember Polack, Councilmember Matthews and Councilmember Aycock stated they would like to remove the street sweeper from the budget.

Councilmember Aycock stated he would like to see the ditches in his area cleaned out.

Mr. Marty Anderson stated the street sweeper program is part of the phase two stormwater program, it is mandated, we have to have street sweeping.

Councilmember Williams stated if we can get some clarity that signage will be in place, I will change my vote. Councilmember Matthews stated if the machine can pay for itself, then I am ok with that.

Mr. Salmon stated I think we can come up with a schedule that we can post and ask that you park off the street.

Councilmember Williams stated I make a motion if we get adequate signage notifying the public, predominately in busy areas, we get the street sweeper. The motion was seconded by Councilmember Matthews. Mayor Allen, Mayor Pro Tem Broadaway, Councilmembers Williams, Polack, Matthews and Ham voted in favor of the motion. Councilmember Aycock voted against the motion. Mayor Allen stated the motion passed 6:1.

FY20-21 Changes
6/1 and 6/9 Budget Worksessions

General Fund Dept.	Reason	Amount
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Downtown Development	Reduce \$30K HUB stage upfit. Moved to MSD Fund.	(\$30,000)
Fire Department	Amphibious Rescue Vehicle added	\$35,000
Parks & Rec	Reorganization of 2 personnel split between Parks & Rec & Golf. Benefits for PPT.	\$47,777
Golf	Remove FTE request for Asst. Golf Professional, reorganization of 2 personnel split between Parks & Rec & Golf.	(\$36,996)
Transfers & Shared Services	Reduce TIGER match funding to balance change requests	(\$5,781)
Total GENERAL FUND Increase/(Decrease)		\$-0-

Utility Fund Dept.	Reason	Amount
Billing, Meter Services & Inventory	Remove bonuses, wellness benefit	(\$5,069)
Distribution & Collections	Remove 2 new requested FTE's for valve crea; remove bonuses, wellness benefit; remove valve truck	(\$255,118)
Water Treatment Plant	Remove 1 new requested FTE; remove bonuses, wellness benefit; reduce telemetry	(\$117,523)
Water Reclamation Facility	Remove 1 new requested FTE; remove bonuses, wellness benefit; reduce Machine & Equipment Maintenance; remove distillation unit	(\$324,631)
Transfers & Shared Services	Reduce TIGER match funding to balance change requests	(\$5,781)

Utility Fund Dept.	Reason	Amount
Compost	Remove bonuses, wellness benefit; remove dump truck bed	(\$24,220)
Utility Capital Expense	Remove merit/cola	(\$65,576)
Transfers & Shared Services	Reduce transfers to fund balance	(\$93,243)
Total UTILITY FUND Increase/(Decrease)		(\$885,380)

Downtown MSD Fund	Reason	Amount
Downtown MSD	Reallocate budget for HUB stage upfit \$30,000	\$-0-
Total DOWNTOWN MSD FUND Increase/(Decrease)		\$-0-
Occupancy Tax Fund	Reason	Amount
Travel & Tourism	Advertising to be funded out of Fund Balance	\$40,000

Total OCCUPANCY TAX FUND Increase/(Decrease)	\$40,000
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Mayor Allen asked that the \$40,000 be pulled for now. He asked for details on how the \$40,000 would be spent.

Councilmember Williams asked about Parks and Recreation budget, my question was where were reductions in item 18. Ms. Gwynn stated if you look at page 305 in the big book, Felicia told me to reduce other training \$4,630, she did not specifically say what line item. Councilmember Williams stated I see a lot of traveling in Parks and Recreation budget. Councilmember Williams also expressed concerns regarding contract services for soccer officials.

Ms. Felicia Brown, Parks and Recreation Director shared line item 3914 contract services, line item used to pay for services, whether its soccer officials, basketball officials, we also use it for HVAC contract, pest control contract, as well as temporary staff through the temporary agency. Ms. Brown also shared they offer spring and fall soccer and the number of teams have expanded.

Additional discussion included playground equipment, ADA accessibility and splash pad for HV Brown Park.

There being no further business, the meeting recessed until the 7:00 p.m. meeting.

CITY COUNCIL MEETING

The City Council of the City of Goldsboro, North Carolina, met in regular session in Large Conference Room, City Hall Annex, 200 North Center Street, at 7:00 p.m. on June 15 2020 with attendance as follows:

- Present: Mayor Chuck Allen, Presiding
- Mayor Pro Tem Bill Broadway
- Councilmember Antonio Williams
- Councilmember Taj Polack
- Councilmember Brandi Matthews
- Councilmember David Ham
- Councilmember Gene Aycock (Joined via phone & Webex)

The meeting was called to order by Mayor Allen at 7:00 p.m.

Councilmember Matthews provided the invocation. The Pledge of Allegiance followed.

Approval of Minutes. Upon motion of Mayor Pro Tem Broadway, seconded by Councilmember Aycock and unanimously carried, Council approved the Minutes of the Work Session and Regular Meeting of May 18, 2020 as submitted.

CU-04-20 Ace Hardware and Flex Space – East side of Mollie Drive between Miles Lane and Southeast Drive. Public Hearing Held. The applicant requests a Conditional Use Permit for retail sales to include outside storage. In conjunction with the request, the applicant is asking for separate site plan approval for the construction of a 21,105 sq. ft. multi-tenant commercial center.

According to the City’s Unified Development Code, commercial developments incorporating retail sales of less than 30,000 sq. ft. with outdoor storage require a Conditional Use Permit. Separate site plan approval is required and shall be approved by City Council.

The subject property consist of two private lots. These lots were approved by City Council on November 7, 2005 as part of a 14-lot preliminary subdivision plat proposed for commercial development and formally known as Southeast Commercial Park.

Lot #8:
Frontage: 177 ft.

Depth: 217.5 ft. (avg.)
Area: 50,240 sq. ft., or 1.15 acres
Zoning: General Business

Lot #9:
Frontage: 150 ft.
Depth: 291 ft. (avg.)
Area: 41,983 sq. ft. or 0.96 acres
Zoning: General Business

Currently, the subject properties referenced above are clear and vacant.

The submitted site plan indicates the recombination of two private lots for the construction of a single-story, 21,105 sq. ft. metal building used for commercial development.

Ace Hardware intends to occupy 11,025 sq. ft. of commercial building space. The hardware store proposes to occupy an additional 3,937 sq. ft. for outside retail sales and storage.

Hours of Operation: 7:30 a. m. to 6:30 p. m.
(Monday – Saturday)

No. of Employees: 5

The remaining 6,143 sq. ft. of commercial tenant space will be divided into five (5) separate tenant spaces for rent or lease. At this time, there are no proposed uses for the (flex) spaces.

Two 24 ft. wide curb cuts are proposed off Mollie Drive and are adjacent to the northern and southern property lines. A 24 ft. wide access drive provides access to parking spaces located at the front and rear of the site, as well as, loading and unloading zones for on-site commercial businesses.

Parking for the proposed hardware store requires 1 space per 500 sq. ft. of gross floor area. Parking for the remaining commercial retail spaces requires 1 space per 250 sq. ft. of gross floor area. A total of 42 parking spaces are required for the site. 46 parking spaces have been provided to include 2 van accessible handicap parking spaces.

In addition to parking, the submitted site plan proposes a 12 ft. wide stacking lane sufficient for 4 vehicles along the northern building wall should a tenant opt to provide pick up window services in the future.

7 Autumn Blaze Maples are proposed as street trees along Mollie Drive. A Type A, 5 ft. wide buffer is proposed along the northern and southern property lines consisting of Blaze Maples and Variegated Privets. Snow Goose Flowering Cherries and Dwarf Yaupons will serve as vehicular surface area plantings.

An existing Type C, 20 ft. wide landscape buffer is required and present along the eastern property line adjacent to residentially-zoned property.

Currently, the owner is in the process of choosing exterior building components for the proposed commercial multi-tenant space. One option utilizes brick-veneer walls, masonry column supports, sloped metal roofs over entryways and aluminum thermal windows. The second option utilizes projected and recessed brick-veneer walls and EIFS wall panels and aluminum thermal windows. Staff will ensure that commercial design guidelines are incorporated into the construction of the commercial building.

Existing 5 ft. wide exterior sidewalks are shown on the submitted site plan. The applicant shows interior sidewalks leading from the parking lot to the building entrances through sloped walkways and handicap ramps.

Commercial lighting plans have not been submitted. However, all exterior lighting improvements proposed for the site shall be in accordance with the City's commercial lighting design standards.

The property is not located within a Special Flood Hazard area. Water is available to serve the property and is provided by Eastern Wayne Sanitary District. City sewer is available to serve the property. Storm water calculations and drainage plans have not been submitted. Commercial building permits cannot be issued until all City engineering requirements have been satisfied.

The site falls within the 70-74 day-night average sound level (DNL) noise zone of Seymour Johnson Air Force Base. Base officials have indicated that a noise level reduction (NLR) of 25 decibels is required for the proposed commercial development to be compatible within the noise zone.

A solid waste commercial dumpster enclosure has been provided for tenants of the commercial center and is shown along the southeastern property line located behind the proposed hardware store. The dumpster will be located in a coral and screened from off-site views in accordance with City standards.

Interconnectivity has not been identified on the site plan. The applicant believes that interconnectivity would be impractical due to location of an underground storm sewer along the southern property line. The applicant is requesting a modification of the interconnectivity requirement along the southern property line. Staff is working with the developer to provide interconnectivity along the northern property line.

As previously stated, the applicant is requesting a modification of interconnectivity due to the location of an underground storm sewer along the southern property line.

Mayor Allen opened the public hearing. No one spoke and the public hearing closed.

No action necessary. The Planning Commission will have a recommendation for the City Council at their next regularly scheduled meeting on July 13, 2020.

Z-3-20 Adamsville Gateway Center, LLC. – East side of S. Berkeley Boulevard between E. Elm Street and East Street. Public Hearing Held. On December 9, 1986, City Council approved a rezoning change from Neighborhood Business (NB) to General Business Conditional District (GBCD) limiting the subject property to the following permitted uses in the General Business zoning district: retail sales, appliance installation and repairs, barber shops, pawn shops, restaurants, bakeries and apparel tailoring/alterations.

In recent months, the owner of the commercial multi-tenant center has had several inquiries regarding potential uses that were not approved as uses for the site, however, are permitted uses within the General Business zoning district.

A zoning change is requested by the owner in order to maximize the use and marketability of his commercial property. The owner is requesting the following uses to be added as permitted uses for the site: pet grooming, laundromats/dry cleaning (personal), health spas, tanning salons, fitness centers, martial arts studios, nail salons, copying/printing services, offices to include business, medical and professional and travel agencies.

Surrounding Zoning:

North: General Business (GB)

South: Property owned by SJAFB

East: Property owned by SJAFB

West: General Business Conditional District (GBCD) and Shopping Center (SC)

As previously stated, the owner is requesting a zoning change from General Business Conditional District (GBCD) to General Business Conditional District (GBCD) to amend the permitted uses allowed for the site. Separate site plan approval is required.

The following uses are requested by the owner to be added to the list of permitted uses approved for the site: pet grooming, laundromats/dry cleaning (personal), health spas, tanning salons, fitness centers, martial arts studios, nail salons, copying/printing services, offices to include business, medical and professional and travel agencies.

The submitted site plan indicates an existing 6,965 sq. ft., single-story, brick-veneer and concrete block commercial building. Currently, the commercial building is separated into seven (7) tenant spaces. If the rezoning is approved, new uses must meet building code regulations as regulated by the North Carolina State Building Code.

At this time, no other changes to parking or landscaping are required for the site. No outside storage is proposed. Any outdoor storage proposed in the future must receive City Council approval.

The City's Comprehensive Land-Use Plan recommends commercial development for the property.

The property is not located within a Special Flood-Hazard Area.

The site is not located in an Accident Potential Zone (APZ) or within the Noise Overlay District of Seymour Johnson Air Force Base. Since the property was adjacent to SJAFB, City officials contacted Base officials for comment. According to Base officials, the proposed uses requested by the owner to be added to the list of permitted uses for the site pose no commercial development concerns or hazard to flight operations.

Mayor Allen opened the public hearing. The following person spoke:

Eddie Adams spoke in favor of the rezoning.

No one else spoke and the public hearing was closed. No action necessary. The Planning Commission will have a recommendation for the City Council at their next regularly scheduled meeting on July 13, 2020.

Councilmember Williams stating I will be excusing myself and would like to be able to come back and ask the City Manager questions pertaining to this. Councilmember Williams stepped out at 7:15 p.m.

DRAFT FY20-24 Consolidated Plan (ConPlan) and FY20-21 Annual Action Plan (AAP). Public Hearing Held to receive and consider public input from citizens on the draft FY20-24 ConPlan and the FY20-21 AAP. The Department of Housing and Urban Development (HUD) requires jurisdictions receiving federal funds from Community Development Block Grant and HOME Investment Partnerships programs to develop and submit a Five-Year Consolidated Plan. The plan identifies the needs of lower-income persons in the locality and the proposed actions to be taken to serve those needs. For each year during the ConPlan period, the City of Goldsboro submits an Annual Action Plan outlining the proposed projects to serve lower-to-moderate income (LMI) persons in Goldsboro.

Goldsboro's draft FY20-24 ConPlan and the FY20-21 AAP was made available for review and comment on May 27, 2020 until 5:00 p.m. on June 25, 2020. The FY20-24 ConPlan and FY20-21 AAP will outline the proposed use of funds Goldsboro is expected to receive: **\$351,137** from CDBG, **\$237,076** from HOME, **\$206,554** from CDBG-CV and any other funding to be used in conjunction with these three grants. Goldsboro expects to receive **\$1,369,863** in CDBG; **\$1,348,095** in HOME; and **\$400,000** in Urgent Repair (URP) funds over the remainder of FY20-24 ConPlan.

Additionally, the City will have available in FY20-21 approximately **\$180,123** in prior year CDBG funds and **\$525,028** in prior year HOME funds (prior year balances as of February 1, 2020) along with program income of **\$3,120** in CDBG and **\$4,048** in HOME. Due to the restrictive use of funds placed on the HOME program to focus on projects and/or activities designed exclusively to create affordable housing for LMI households, the City has historically each year carried over a substantial amount of prior years' HOME funds when it has not undertaken large development projects.

Advertisements were published in the Goldsboro News Argus on May 12, 2020, relative to the holding of a May 22, 2020 virtual public meeting before the Commission on Community Relations and Development, on May 15, 2020 relative to the FY20-24 ConPlan and FY20-21

AAP availability for thirty-day review and comment period, and a final advertisement was published on May 30, 2020 relative to the scheduling of June 15, 2020 public hearing before City Council. Comments received at this public hearing, from the May 22, 2020 virtual public meeting, and during the thirty-day review and comment period will be incorporated as part of Goldsboro's final version of the FY20-24 ConPlan and FY0-21 AAP to be sent to HUD on or before July 15, 2020.

Councilmember Matthews stated I am looking at the packet you provided us in our mailboxes on page 87, I know fair housing is one of our number one priorities, however, when I am looking at our spending, we are only spending \$2,000 for a total of \$10,000 over this time span. Your objective is to provide decent, affordable housing so with that being so high on the priority list, we do not appear to be investing a lot of money into that area. Can you explain what the fair housing is?

Ms. Simpson-Carter stated the Community Relations department is the central hub for the City of Goldsboro fair housing and one mile outside the city limits. So this funding would be used to continue those efforts. Fair housing is just not this activity, we have housing counseling so you have two activities that will address fair housing. Ms. Simpson-Carter provided information on housing counseling events provided throughout the year and partnering with non-profits that provide housing as well as partnering with lenders, realtors and property owners.

Councilmember Matthews stated the resources available from the previous year, you gave us that total, where does it go because it was a significant amount.

Ms. Simpson-Carter stated as I brought before you all in March and you approved for that money to go towards a rental housing project through Morgan Associates, the Tiffany Garden project off of Central Heights Road. Ms. Simpson-Carter also reviewed the CDBG Program Breakdown of Prior Year Fund Balance which shows how the city's available funds to be used in FY 20-21 AAP from FY 19-18 AAP as shown in the ConPlan and AAP for HUD.

Councilmember Polack stated so am I to assume the amount that is paid out for WA Foster Center, is that something we are committed to for the duration of the loan each year.

Ms. Simpson-Carter stated you all allocated \$1.6 million for WA Foster Center, right now we are at \$1.2 million, the final payment will be FY 22-23.

Councilmember Polack stated on page 7 where it talks about needs assessment, a lot of people I work with live on the south end of John, they fear a possible buyout, a lot of people have inherited their homes or whatever, they would have to start all over again, with the flood plain, is there a way the closing costs amount could be ramped up if that was the case, where multiple people are bought out.

Ms. Simpson-Carter stated if FEMA buyouts the property, they will provide a supplement. If that is not enough, they can apply for homebuyer assistance program and if they meet eligibility they can qualify for some assistance.

Councilmember Matthews asked did we hire more people, because I am looking at our program administrative fees and they are high. I saw where we pay Wayne Community College for the workforce training, is it included in the \$90,000.

Ms. Simpson-Carter stated that would be a public service activity. I can tell you the program administration is quite low for salary when you have the Community Development Specialist, my salary and that includes our office, we pay for the consultant to prepare work write up. I am being paid partially out of the general fund. This does not cover all the costs we go through for the year.

Councilmember Matthews asked do we have a specific strategy for the CARES Act money.

Ms. Simpson-Carter stated on page 97 you will see in consultation with HUD we developed a COVID-19 grant for non-profits. On page 98, we have provided you all with the agencies and services they will provide in response to COVID-19.

Councilmember Williams returned at 7:46 p.m.

Mayor Allen opened the public hearing and the following people spoke:

1. Alicia Pierce provided comments on the Draft FY20-24 Consolidated Plan (ConPlan) and FY20-21 Annual Action Plan (AAP). A copy of the comments are attached to the minutes as Exhibit 1.

Councilmember Williams thanked Ms. Pierce for her comments. He also shared concerns regarding agencies and homelessness.

Councilmember Matthews stated have you guys read this plan.

Mayor Allen stated I have seen it before.

2. Carl Martin provided comments on the FY20-21 Annual Action Plan (AAP). A copy of the comments are attached to the minutes as Exhibit 2.

Mayor Allen stepped out at 8:24 p.m. and returned at 8:27 p.m.

Councilmember Williams thanked Mr. Martin for his comments.

3. Dr. David Craig stated I want to set the record straight, I think some of the things that took place or did not occur, in terms of helping with the Draft FY20-24 Consolidated Plan (ConPlan) and FY20-21 Annual Action Plan (AAP) may rest on my shoulders. Dr. Craig read a series of emails between Ms. Simpson-Carter, Mr. Salmon, Mr. Murphy and himself. Dr. Craig also provided comments on the Draft FY20-24 Consolidated Plan (ConPlan) and FY20-21 Annual Action Plan (AAP).

Councilmember Aycock stated I agree we have to work together as a city. We cannot work together as two separate entities. We cannot work with one entity being black and one entity being white. Councilmember Aycock stated we have to work together, the only way we are going to solve our problems is if we all work together.

Councilmember Williams thanked Dr. Craig for his comments and willingness to help.

Councilmember Matthews asked how do we plan to follow-up with the residents who came up and spoke.

Ms. Simpson-Carter stated we are required by HUD to do a 30 day comment period. We are allowing the public to continue to comment, we are bringing it back to you all on July 13th. This plan was submitted to HUD for their compliance before I put it out to anyone else.

Mayor Allen asked Ms. Simpson-Carter to prepare a response, let Mr. Salmon review and share it with Council and those who spoke.

Additional discussion included tiny homes, Habitat for Humanity and smaller foot print, energy efficient homes.

No one else spoke and the public hearing was closed. No action necessary. The Community Relations Department will have a final recommendation of the FY20-24 ConPlan and FY20-21 AAP for the Council's meeting on July 13, 2020.

Public Hearing on FY2020-2021 Annual Operating Budget. Public Hearing Held. The North Carolina General Statute §159-12 requires the governing board to conduct a public hearing prior to the adoption of the annual operating budget. Statute further requires that the budget officer file notice of the availability of the budget for public inspection and the date and time of the budget hearing. This was done on Saturday, May 30, 2020 in the Goldsboro News-Argus, and additionally published on the City's website and via social media.

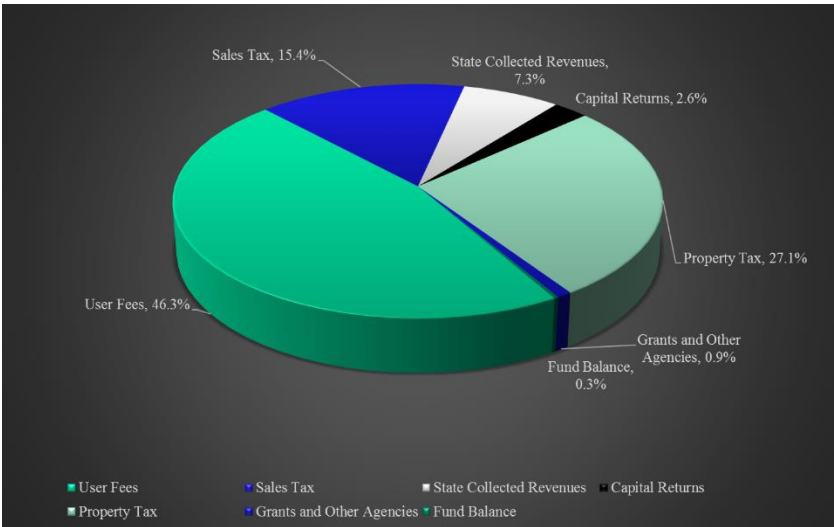
Ms. Gwynn presented the following information:
TOTAL BUDGET

<u>FISCAL YEAR 2019-20</u>	<u>FISCAL YEAR 2020-21</u>	<u>DIFFERENCE</u>
<u>ADOPTED</u>	<u>PROPOSED ADOPTED</u>	
\$63,184,771	\$63,548,598	\$363,827
		0.58%

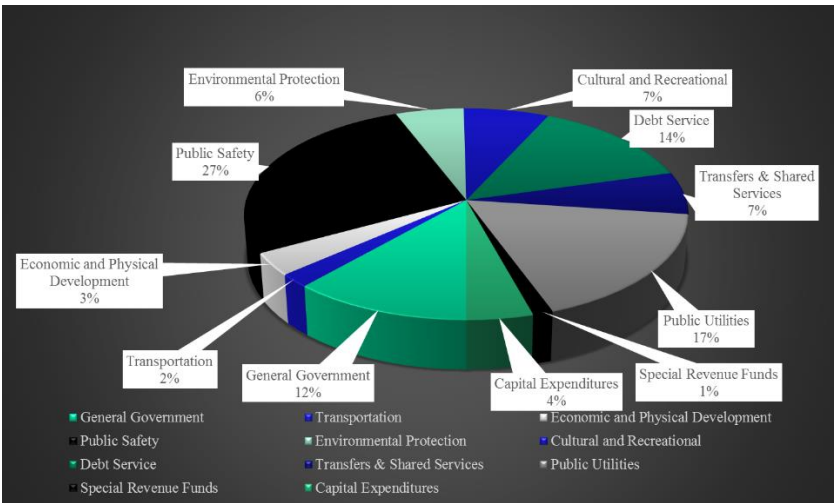
Changes included in Proposed Adopted FY20-21 Budget

- Proposed 15% increase in water & sewer rates effective 8/1/20 (per discussion at work session 17.5% increase in order to fund valve crew and equipment)
- \$1/month recycling surcharge effective 8/1/20
- Property Tax .65 per \$100 valuation – same
- Property Tax .235 per \$100 valuation MSD – same
- Planning fees updated and added

Where It Comes From



WHERE IT GOES



PROPOSED ADOPTED BUDGET
FOR FISCAL YEAR 2020-21

<u>FUND</u>	<u>EXPENSE</u>
GENERAL FUND	\$42,425,220
STORMWATER FUND	1,775,600
UTILITY FUND	18,048,236
OCCUPANCY TAX	1,199,844
DOWNTOWN DISTRICT	97,898
CDBG	800
GENERAL FUND CAPITAL RESERVE	1,000
TOTAL ALL FUNDS	\$63,548,598

Ms. Gwynn noted the Utility Fund will change due to the increase in water and sewer fees.

AGENCY RECOMMENDATIONS/FUNDING SOURCE

FY 2020-21 Agency Requests					
Agency	FY 18-19 Allocation	FY 19-20 Allocation	FY 20-21 Requested	FY 20-21 Manager's	FY 20-21 Adopted
	General	General	General	General	General
Chamber of Commerce	20,000	20,000	20,000	20,000	20,000
Wayne County Alliance	25,000	25,000	25,000	25,000	25,000
Literacy Connections	10,000	10,000	15,000	9,000	9,000
Rebuilding Broken Places	5,000	15,000	13,000	13,500	13,500
HGDC Community Crisis Ctr.	5,000	5,000	15,000	4,500	4,500
Boys & Girls Club	10,000	15,000	15,000	13,500	13,500
Arts Council	25,000	25,000	35,000	22,500	22,500
Wayne County Schools - PEG distribution		27,339	27,400	27,400	27,400
WAGES	20,000	20,000	20,000	18,000	18,000
W.A.T.C.H.	20,000	20,000	50,000	18,000	18,000
Museum	15,000	15,000	17,000	13,500	13,500
Communities in Schools	15,000	15,000	20,000	13,500	13,500
Mental Health Association (3 year agrmt. FY20-FY22)		12,000	12,000	12,000	12,000
Waynesborough Park	20,000	20,000	25,000	18,000	18,000
Goldsboro/Wayne Transportation	258,129	303,129	378,129	200,000	200,000
MIP (Mephibosheth Project Inc)	-	5,000	12,000	4,500	4,500
W.I.S.H.	10,000	10,000	12,000	9,000	9,000
Three In One Family Center	-	-	40,000	-	-
A Drummers World Drumline Performing Arts School	-	-	2,500	-	-
TOTALS	458,129	562,468	754,029	441,900	441,900

Councilmember Williams stated Human Resource, they have the Employee Assistance Program, the services are already provided with the current health insurance plan they have; that could be \$6,000.

Ms. Carter-Dove stated that is for the EAP provider for all employees, it is not included in the health insurance, however, you can use it for psychological services. It provides three free visits for employees and their immediate family. EAP is not a part of the state health plan.

Councilmember Williams asked that she double check that and send him a copy of the health insurance benefits. Councilmember Williams also asked about the health management program and have we renewed the contract. Ms. Carter-Dove stated if I am not mistaken the contract was renewed at the beginning of the calendar year. Councilmember Williams asked that she provide a copy of the contract and suggested bidding it out or hiring our own nurse. Councilmember Williams suggested changing the sensitivity training to race relations training. Travel was also discussed.

Mayor Allen opened the public hearing and the following people spoke:

1. Mary Ann Dudley and Jacquelyn Cannon with the Boys and Girls Club spoke, thanked Council for support and provided a short video.

Councilmember Williams suggested the Boys and Girls Club look at providing carpentry.
2. Jennifer Kuykendall, Executive Director of the Wayne County Museum spoke and shared concerns regarding revenues and COVID-19.
3. Yvonna Moore shared concerns about the city’s financial state, the previous vote on performing a forensic audit, a forensic audit not being funded in the upcoming budget and the Community Relations department.

No one else spoke and the public hearing was closed.

Mayor Allen stated I want everyone to know we did vote on a forensic audit and it was approved. Then sometime after that, we told them to bring someone in and do a presentation on a forensic audit. I think after that a majority of Council decided it was not needed especially because Ms. Gwynn was digging so deep, when she gets done, if we need to do something differently then we will. We have funded an additional position for the finance department.

Councilmember Williams stated a forensic audit is needed. I would like Council to follow through with their vote.

Councilmember Matthews asked what the process was, seems there is a vote on the table where we agreed to go forward with the audit, and now we are just saying we are not going to do it.

Attorney Lawrence stated I would like for the clerk to pull the motions and votes to look at whether proper procedures were followed. There are some thing you can change your votes on but there are some you cannot such as longterm financial items. Attorney Lawrence stated he would like into it and get back with Council.

Councilmember Matthews stated she looked back at the minutes and did not see the vote for the audit and asked at that point do you look at the video. Councilmember Matthews stated when decisions are made, those definitely need to be put in the minutes.

Ms. Capps stated the vote for the audit was in the minutes of the September 23, 2019 work session.

Councilmember Aycock dropped off of the call and Webex meeting.

Each item on the Consent Agenda was reviewed. Additional discussion included the following.

Item G. Accept or Reject Initial Bid and Authorize Finance to Advertise for Upset Bids for 119 N. James Street from John Patrick Reilly. Upon motion of Councilmember Williams, seconded by Mayor Pro Tem Broadaway and unanimously carried, Council amended the motion to accept the offer on 119 N. James Street and adopt a resolution authorizing Finance to advertise for upset bids.

Consent Agenda - Approved as Recommended. City Manager, Timothy Salmon, presented the Consent Agenda. All items were considered to be routine and could be enacted simultaneously with one motion and a roll call vote. If a Councilmember so requested, any item(s) could be removed from the Consent Agenda and discussed and considered separately. In that event, the remaining item(s) on the Consent Agenda would be acted on with one motion and roll call vote. Councilmember Ham moved the items on the Consent Agenda, Items F, G, H, I, J, K, L, M and N be approved as recommended by the City Manager and staff. The motion was seconded by Mayor Pro Tem Broadaway and a roll call vote resulted in all members voting in favor of the motion. The items on the Consent Agenda were as follows:

Amendment to the WNB Landlord, LLC Redevelopment Agreements. Approved. Rehab Development, Inc. (WNB Landlord, LLC), the Design-Build company is investing over \$12M in rehabilitating six historic buildings downtown. All properties are in need of significant rehabilitation to make them productive once again.

The original agreement for this project was approved by Council on November 20, 2017.

The project scope consists of the following properties: 200 E. Walnut Street, 204 E. Walnut Street, 206 E. Walnut Street, 106 S. John Street, 135 W. Walnut Street and 139 W. Walnut Street.

The originally approved agreements state the completed project will result in a minimum of 12,000 sq. ft. of commercial, ready-to-lease space and 55 market-rate residential units and successfully repurposing 68,000 sq. ft. of vacant, non-productive space. After official measurements and consulting professionals in the construction process, the project will result in approximately 10,900 sq. ft. of commercial space and not less than 60 market-rate residential units. The total building area will be 67,000 sq. ft.

WNB Landlord, LLC is requesting to amend these agreements to reflect these revisions.

It was recommended Council accept and authorize the Mayor to sign the revised agreements with the following changes subject to City Attorney review, approval and based on the intent, expectations and assurances as stated herein and intended.

1. The developer will be building not less than 60 housing units. They are/have submitted plans for 63 units.
2. The developer will be building approximately 10,900 SF of commercial space.
3. The project's entire scope, upon most recent actual measurements done by their

architect, is approximately 67,000 square feet. Consent Agenda Approval.
Ham/Broadaway (6 Ayes)

Accept or Reject Initial Bid and Authorize Finance to Advertise for Upset Bids for 119 N. James Street from John Patrick Reilly. Resolution Adopted. Staff has received an offer to purchase city owned property. Council must either accept or reject the offer, and if accepted authorize advertisement for upset bids (G.S. 160A-266 and 160A-269).

The following offers have been received:

119 N. James Street

Offeror: John Patrick Reilly

Offer: \$60,000.00

Bid Deposit: \$6,000.00

Parcel #: 0103183 Pin #: 2599863376

Tax Value: \$39,320.00 Zoning: 10-Commercial

The offer is at least 50% of the tax value of the property. The bid deposit of 5% has been received in the form of a business check.

It is recommended the Council accept the offer on 119 N. James Street and adopt the following entitled resolution authorizing Finance to advertise for upset bids. Consent Agenda Approval.
Ham/Broadaway (6 Ayes)

RESOLUTION NO. 2020-40 “RESOLUTION AUTHORIZING UPSET BID PROCESS”

Operating Amendment FY19-20 Budget. Ordinance Adopted. Council adopted the FY19-20 operating budget on June 17, 2019. There are several items that have occurred during the year that need to be formalized in a budget ordinance amendment.

Please see detailed memo attached (Exhibit 3) explaining budget amendments proposed for the General Fund and Utility Fund.

It is recommended that the attached FY19-20 Operating Fund Budget Ordinance amendment be adopted. Consent Agenda Approval. Ham/Broadaway (6 Ayes)

ORDINANCE NO. 2020-11 “AN ORDINANCE AMENDING THE BUDGET ORDINANCE OF THE CITY OF GOLDSBORO FOR THE 2019-20 FISCAL YEAR”

Establishing a Community Relations Special Revenue Fund Ordinance (G1108). Ordinance Adopted. The City has received several donations and sponsorships that are funded with donor specific restrictions, such as the Human Relations Committee, Interfaith Breakfast, Martin Luther King, Jr. Commemoration, Mayor’s Committee on Disabilities and the Mayor’s Youth Council.

In the past, these items were accounted for in balance sheet “wash accounts”, and in an attempt to properly recognize the revenue and expenses in FY19 I created named accounts within the General Fund operating budget.

The department would like to use any unspent funding in subsequent years, which would require an operating amendment to the General Fund and appropriation of fund balance. In order to make the accounting and tracking more transparent, I would recommend establishing a special revenue fund which will allow the funds to remain intact and discretely presented, and will span the life of the project rather than a single fiscal year.

It is recommended the following entitled Grant Project Budget Ordinance be adopted to establish the Community Relations Special Revenue Fund (G1108) be approved for \$14,023. Consent Agenda Approval. Ham/Broadaway (6 Ayes)

ORDINANCE NO. 2020-12 “AN ORDINANCE ESTABLISHING THE GRANT PROJECT BUDGET FOR THE COMMUNITY RELATIONS SPECIAL REVENUE FUND”

Establishing a Parks & Recreation Special Revenue Fund Ordinance (G1107).
Ordinance Adopted. The City has received several donations and sponsorships in which the donor/sponsor has requested that the funds be spent on various special programs sponsored by Parks & Recreation.

In the past, these items were accounted for in balance sheet “wash accounts”, and in an attempt to properly recognize the revenue and expenses in FY19 I created named accounts within the General Fund operating budget.

The department would like to use any unspent funding in subsequent years, which would require an operating amendment to the General Fund and appropriation of fund balance. In order to make the accounting and tracking more transparent, I would recommend establishing a special revenue fund which will allow the funds to remain intact and discretely presented, and will span the life of the project rather than a single fiscal year.

It is recommended the following entitled Grant Project Budget Ordinance be adopted to establish the Parks & Recreation Special Revenue Fund (G1107) be approved for \$20,708. Consent Agenda Approval. Ham/Broadaway (6 Ayes)

ORDINANCE NO. 2020-13 “AN ORDINANCE ESTABLISHING THE GRANT PROJECT BUDGET FOR THE PARKS & RECREATION SPECIAL REVENUE FUND (G1107)”

Amend Contract for Audit Services for Fiscal Year Ending June 30, 2019.
Resolution Adopted. The City changed auditors for the FY2019 audit from Carr, Riggs & Ingram to Dixon Hughes Goodman, LLP. This was the first time auditors had been changed in 22 years.

The Finance staff has worked the past 11 months to complete the FY19 audit. We have had multiple challenges completing the audit, even with working well outside reasonable hours. We are requesting approval of an extension to complete the FY2019 audit until August 31, 2020. Finance hopes to complete its portion of the audit in the next 4 to 6 weeks, but need to allow the auditor time to complete their portion of the audit, and time to draft and review financial statements.

It is recommended that the Council approve the following entitled Resolution to amend the contract for the auditing services for the Fiscal Year ending June 30, 2019 to Dixon Hughes Goodman, LLP for a proposed completion date of August 31, 2020. Consent Agenda Approval. Ham/Broadaway (6 Ayes)

RESOLUTION NO. 2020-41 “A RESOLUTION TO AUTHORIZE THE MAYOR TO EXECUTE A CONTRACT AMENDMENT NO. 2 BETWEEN THE CITY OF GOLDSBORO AND DIXON HUGHES GOODMAN, LLP FOR THE EXTENSION OF THE AUDIT OF CITY’S ACCOUNTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019”

Amending Capital Project Fund Ordinance – Police Evidence Room and Fire Department Renovation (G1106). **Ordinance Adopted.** On October 1, 2018, the Council approved the establishment of a capital project fund for the construction of the Police evidence room and Fire Station renovation which was funded with a \$5.3 million dollar loan.

The project is completed and there are additional funds that need to be appropriated so that they may be expended for items necessary to the project.

In July, 2014 the City issued \$4.5 million in debt for multiple General Fund projects which included approximately \$500 thousand for HVAC for the Police building. Those funds have not yet been expended and need to be appropriated. The debt revenue was recognized in the General Fund in fiscal year 2015, so the appropriation to fund this is a transfer from the General Fund in the amount of \$516,264.

There is associated investment interest in the amount of \$113,412 from the 2014 loan and the 2018 loan that has not yet been appropriated for the project and will be used to offset

unanticipated expenditures. There is also revenue from a bid dispute settlement of \$40,000 to also be used to offset unanticipated expenditures. The total revenue appropriation for these items is \$669,676.

The total expenditure appropriation will increase by \$669,676. To date, these appropriations have been obligated or spent as follows:

Architect Fees	\$ 7,000.00
Computer Network Cabling – Brady	59,967.00
Computer Network Cabling – Brooks	80,478.00
Buck’s Fire Extinguisher	325.00
Enviro Assessments – Mold	18,200.00
Crane Rental – Generator	5,000.00
HVAC	16,127.00
S&ME – soil testing	685.00
Miscellaneous	1,951.00
Furniture for Fire Department Quarters	35,000.00
Furniture for Police Offices and Evidence (estim.)	<u>60,000.00</u>
	\$284,733.00

It is recommended the following entitled Capital Project Ordinance for the Police Evidence Room and Fire Department Renovation (G1106) be amended for \$669,676. Consent Agenda Approval. Ham/Broadaway (6 Ayes)

ORDINANCE NO. 2020-14 “AN ORDINANCE AMENDING THE POLICE EVIDENCE ROOM & FIRE DEPARTMENT RENOVATION CAPITAL PROJECT FUND (G1106)”

Amending a Special Revenue Fund Ordinance – Police Other Restricted Revenue Funds (P3104). Ordinance Adopted. The Council authorized the creation of a special revenue fund to account for donor and sponsor restricted program funding on June 17, 2019.

The Police department has received various donations and sponsorships, and sales of found property over the past year and it is necessary to appropriate these revenues at this time.

Walmart Grant	\$ 4,000.00
Calendar Project	4,000.00
Found Guns sold through Property Room.com	9,555.15
Investment Interest	<u>113.00</u>
Total	\$17,668.15

The City has received the funds noted, and in order to comply with G.S §159-28 that requires all expenditures to be budgeted, it is necessary to appropriate the expenditures for the items purchased in FY20. This fund will continue to be amended as needed to account for the receipt of revenues and corresponding disbursements.

It is recommended the following entitled Special Revenue Fund Ordinance for the Police Other Restricted Revenue Funds (P3104) be adopted for \$17,668.15. Consent Agenda Approval. Ham/Broadaway (6 Ayes)

ORDINANCE NO. 2020-15 “AN ORDINANCE AMENDING THE SPECIAL REVENUE FUND FOR THE POLICE OTHER RESTRICTED REVENUE FUND (P3104)”

Departmental Monthly Reports. Accepted as Information. The various departmental reports for April 2020 were submitted for the Council’s approval. It was recommended Council accept the reports as information. Consent Agenda Approval. Ham/Broadaway (6 Ayes)

End of Consent Agenda.

CU-3-20 Jerry Futrell – East side of US 117 South between Arrington Bridge Road and South George Street (Increase in electronic gaming machines from 50 to 100 for existing Internet Café). Approved. An internet café was previously approved for 20 gaming machines at this location on September 3, 2013. On June 2, 2014, City Council denied a request

to increase the number of gaming machines from 20 to 35 based on requiring 2 parking spaces per machine.

On August 4, 2014, the Council approved a parking ordinance amendment to the City's UDO requiring 1.5 parking spaces per machine. In addition, they approved the previous owner's request to allow an increase in the number of gaming machines from 20 to 35.

The previous owner closed the business in March of 2016 upon order from the District Attorney's office. Once software upgrades were installed and in compliance with State law, he reapplied for a Conditional Use Permit to operate an internet café in accordance with the City's Unified Development Ordinance. City Council approved site, landscape and floor plans for the previously approved 35 gaming machines on January 3, 2017.

On May 8, 2017, City Council amended the City's Electronic Gaming Ordinance. The following requirements were approved as they pertain to new gaming establishments proposed for operation in the City of Goldsboro's planning jurisdiction:

- (1) Electronic gaming operations are permitted only in the General Business (GB) zoning district after the obtainment of a Conditional Use Permit approved by City Council.
- (2) No establishment shall be located within five hundred (500) feet of any residentially zoned or developed property, church, school, day care, playground or public park. Where the proposed establishment is separated from residentially zoned or developed property by a four-lane highway, the five hundred (500) foot separation shall only apply to the properties along the sides and rear of the establishment.
- (3) No such establishment shall be located within one mile (5,280 ft.) of another such establishment.
- (4) The hours of operation for such operations shall be limited to 7:00 a. m. to 2:00 a. m.

On February 3, 2020, City Council approved a request by the applicant to amend a Conditional Use Permit for the operation of an internet café to increase the number of gaming machines from 35 games to a maximum of 50 gaming machines. 52 existing paved parking spaces were available to serve the site.

The applicant contended that the City's commercial parking ordinance requiring 1.5 parking spaces per gaming machine was excessive based on the fact that only one customer could operate one gaming machine at any one time.

Now, the applicant is requesting to amend an existing Conditional Use Permit for the operation of an internet café to increase the number of gaming machines from 50 to 100.

Frontage: 454.3 ft. (US 117)
Area: 97,220 sq. ft., or 2.23 acres
Zoning: General Business
Hours of Operation: 10:00 a.m. to 2 a.m. (7 days)
No. of Employees: 2 (17 employees; maximum 2 per shift)

Site and landscape plans for this operation were previously approved with Conditional Use Permit #CU 16-16. The following modifications were also approved:

- a. Rear yard landscape buffer due to grade separation at railroad tracks.
- b. Vehicular surface buffer at front due to existing paving and public right-of-way;
- c. Street tree requirement; and
- d. Distance from residentially zoned property from 200 ft. to 125 ft.

As previously stated, parking is required at 1.5 space per gaming machine. Currently, there are 52 paved parking spaces to serve the site. 150 parking spaces are required. The applicant is proposing to pave an additional 50 parking spaces for a total of 102 parking spaces. Previous

parking modifications have been granted by City Council for electronic gaming operations at one (1) space per gaming machine. A modification from 150 to 102 parking spaces will be necessary.

At the public hearing held on May 18, 2020, the applicant came forward to speak in favor of the request and no one appeared to speak against the request.

The Planning Commission, at their meeting held on May 26, 2020, recommended modifying the applicants request from 50 games to a maximum of 100 gaming machines.

City Council at their meeting June 1, 2020 deferred action on Planning Commission's recommendation until June 15, 2020.

Councilmember Polack asked for clarification on parking. Ms. Collins stated the site plan shows 52 existing spaces and he would add 50 additional spaces. Councilmember Polack expressed concerns regarding flooding. Ms. Collins stated engineering has reviewed.

Councilmember Williams made a motion to accept the recommendation of the Planning Commission and:

- (1) Adopt an Order approving the Conditional Use Permit for the operation of an internet café by increasing the number of gaming machines from 50 to 100 located within the General Business District (GB) zoning district.
- (2) Approved the Conditional Use permit with the following modification;
 - a) Modification of the required parking from 150 spaces to 102 parking spaces.

The motion was seconded by Councilmember Matthews. Mayor Allen, Councilmembers Williams, Polack, Matthews and Ham voted in favor of the motion. Mayor Pro Tem Broadaway voted against the motion. Mayor Allen stated the motion passed 5:1.

Mayor and Councilmembers' Reports and Recommendations.

Proclamation – Phillip & Sherrie Stokes Day. Captains Phillip and Sherrie Stokes are the commanders of the Salvation Army in Goldsboro, NC. After being in Goldsboro for the last five years, the Stokes family will be leaving Goldsboro on June 21, 2020. Phillip and Sherrie have assisted the community through hard times by providing disaster relief during several hurricanes and recent floods. The commanders started new programs while in Goldsboro, including a community movie night and a community garden. They have assisted the homeless, helped families provide Christmas gifts for their children and have provided spiritual guidance for many of the citizens in the City of Goldsboro. Phillip and Sherrie Stokes have been role models, great neighbors, friends, and advisors and they will be dearly missed by this community. Mayor Allen proclaimed June 15, 2020, as PHILLIP AND SHERRIE STOKES DAY in Goldsboro, North Carolina.

Councilmember Ham stated no comment.

Councilmember Matthews stated no comment.

Councilmember Polack shared Seymour Johnson Air Force is coordinating a Juneteenth celebration which will be on July 11th at 1:00. For those who do not know what Juneteenth, it's an annual festival that on the 19th of June, commemorates the Emancipation Proclamation of 1865 for the freedom of slaves. I also want to commend Chief Dixon and Chief Quinby with SJAFB and community leaders who worked on the EOP for the city.

Mayor Pro Tem Broadaway stated no comment.

Councilmember Williams encouraged everyone to stay safe during COVID-19.

There being no further business, the meeting recessed at 9:58 p.m. until June 17, 2020 at 10:00 a.m.

Chuck Allen
Mayor

Melissa Capps, MMC/NCCMC
City Clerk

**Alicia Pierce, Citizen
District 4
806 S. Taylor Street
Goldsboro, NC 27530**

Comments for Draft FY20-24 Consolidated Plan (ConPlan) and FY20-21 Annual Action Plan (AAP)

1. My first points is more about the process of the development of the plan. During my comments of the 2018-2019 CAPER, I mention about ways to promote citizen's participation. I noticed that none of the suggested ideas were utilized. I will share them again this evening and add another one in hopes to assist getting more citizens aware and involved. Send information about the CDBG, public comment opportunities, the how and when individuals can apply for the programs through the following sources.
 - Water Bill and Newsletter we already receive
 - Facebook Alerts and/or sponsored ads
 - Robocalls
 - Send to all the local churches
2. Another Major concern I have is the idea that the Plan was once again developed with very little support from the community and citizens. It indicates all these stakeholders, the commission and some residents input, but, that's questionable.
3. As I mention in my Caper Comments before, the Commission on Community Relations committee should be more involved. Also it states that it is a 3 years term, but several of the members have been on there for more than 3 years. There is also no minutes showing proof that the Commission members assisted with the development of this FY20-24 ConPlan. There is also comments written throughout the plan that varies local organizations (Stakeholders) were involved.
4. From page 5-9, 14 Agency/Group/Organizations were identified. It was asked to Briefly describe how they were consulted, it was repeatedly stated: One-on-one interviews, one-on-one conversations. There is no evident that those organizations provided any of the information in the plan. I suggest that the one on one interviews having some documentation proving that the meeting took place and that what was said, is interpreted correctly.
5. I am concern that individuals that provided comments and shared interest in this grant funding was not invited to participate in the development of this plan. How can a 5 years plan that should have input from the citizens and community be release on May 27 with only 30 days to comment. It almost feel like I am being asked to only come and critique, versus being asked to participate in the development of the CDBG. See Public Comment dates on Page 3

6. Page 1 – The HOME Investment Partnership (HOME) Program was created by the National Affordable Housing Act of 1990 to create local partnerships for providing decent affordable housing to lower-to-moderate income households. The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use — often in partnership with local nonprofit groups — to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.
 - But where is the evident that any of that has happen in our city with the previous funds? I am concern that nothing will get done this time.
7. Our city lacks accountability and responsibility when it comes to the CBDG.
8. Page 11 – mentions a survey that was provided to residents. How can a city with 34,000+ citizens only 141 retrieved and 56 responded. 23 stakeholders also participated, but a 5 years plan was developed. We must do better with our advertisement.
9. On page 12 – States that all comments given today will be accepted. My question is will they be used to assist in development of the plan.
10. I am also concern that it does not appear that other or new agencies are being asked to participate or be given the opportunity to prove resources to the community.
11. Page 20 If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates: Goldsboro does not provide these estimates. Instead, Goldsboro relied on the data from Comprehensive Housing Affordability Strategy (CHAS) FY11-15 and FY12-16.
 - We have a High At Risk Population in our school system. Why did we not have a full description here of our students?
12. Page 21 – Why is there not more concentrated focus and assessments on the group identified as having the greater need?
13. Page 36 – No. Utilizing methodology provided by NCHFA, a demand analysis conducted found a shortage of rental units for households earning 40 and 60 percent AMI per year. The demand has increased since the last ConPlan was conducted due to two major hurricanes (Matthews and Florence) and Goldsboro

substantial aging and deteriorated housing stock. Based on the resident survey many renters stated they would like to buy or rent in Goldsboro. However, with subsidies most renters who want to be homebuyers must earn at least \$50,000 before a reasonable proportion of homes in Goldsboro are affordable to buy

- I feel that it is imperative that you as a council started voting yes to companies that want to come here and pay more. Our current median income is between \$35,000-\$40,000.

14. On page 40 – all of these are comments to help as the document will be sent to HUD

- First Paragraph, you mention that rent listed above: Is the above the information on page 37. Because directly above is no information about rent.
- Introduction under MA-20 Housing Analysis: Condition of Housing
 - I think you meant to say, most of the houses were built before 1980. You should also have 1950-1980 versus 1980-1950.

15. Page 43 – Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing: To maintain at least a standard performer designation on the Public Housing Assessment System (PHAS). Extensive training will be provided to all HACG employees relative to the key components of the PHAS system. The Chief Executive Officer and PHAS Coordinator will be responsible for biannual reviews and evaluation of major indicators. The information will be shared with key staff members. Another strategy will be to develop an agency-wide portfolio and five year capitalization plan to serve as a framework for future development endeavors that focus on diversification and stabilization of income sources. Final, a strategy will be to establish a quality control program for maintenance work orders to ensure the quality of work performed by maintenance staff is satisfactory. The Supervisory staff will inspect a 1 percent random sample of work orders given the number of work orders. Maintenance staff having deficiency will be identified, counseled, and trained.

- Is this new or have we done this before? If so, where is the information?

16. Page 46 – As always Goldsboro will work with our North Carolina Balance of State (BoS) Continuum of Care (CoC) Neuse Regional Committee to see where additional resources and/or funding from Goldsboro can further meet housing and supportive services needs.

- Where are the minutes from these meetings?

17. Page 63-64 – The SP-35 Anticipated Resources for the 5 year ConPlan has the same information as the AP-15 Expected Resources, the one year Annual plan on page 79-80. How can the two be the same when one is for 5 years and one is for 4 years. The corresponding documents that go with them SP-45 Goal Summary for the 5 years show a larger amount than the AP-20 for the 1 year.

18. Page 89 – How many years will these awesome funds be designated to pay for the loan of WA Foster? Please provide me an answer to this question.

19. Page 91 – Description: Funds will be provided for owner-occupied housing rehabilitation for LMI households and special needs population. Funds will also be provided for Goldsboro to acquire, rehabilitate, or reconstruct housing units to ensure affordability for LMI households and special needs populations. While reducing slum & blight to benefit LMI households and special needs populations within a physical environment of a deteriorating area. Funds will be provided for all delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities.

- Do we have any idea which agencies will be utilized for this description?

20. Page 93 – Description: Funds will be used to reduce the monthly carrying costs of mortgage loans from private lenders to increase homeownership opportunities through down payment and closing cost assistance to LMI households (including individuals and families with children who are currently housed but threatened with homelessness).

- In the public meeting last June, Ms. Simpson-Cole; mention that she could not find qualified resident. What will be done differently to find qualified residents?

21. Page 95 – Sounds like a great thing, but how will this actually find its way to really happening. Are we asking for 525,028 or is this previous amount rolled over?

22. Page 98 – How do other organizations and agencies that assist with homelessness and other special needs get eligible to gain funding?

23. Page 107 – Where is the other 10% going or used for?

My comments ends with a reminder that Citizen Participation is not truly being encouraged and that accountability and responsibility of this program needs to be better monitored.

CDBG/HOME/CDBG-CV ANNUAL PLAN PUBLIC COMMENTS

- THE CITY WILL RECEIVE \$351,137 IN CDBG FUNDS IN FY2020-21.
- THE ANNUAL PLAN IS TO SPEND \$534,380, IN FY 2020-2021, OF WHICH \$180,123 IS CARRY OVER FUNDS THAT WERE NOT SPENT OVER THE PAST FIVE FY.
- FAIR HOUSING ACTIVITY IS AT THE TOP OF THE ANNUAL PLAN LIST AND IS GOAL #1, THE TOP PRIORITY.
- THE ANNUAL PLAN IS TO SPEND \$2000 IN FY 2020-2021 ON THIS ACTIVITY OVER THE NEXT 5 FY FOR A TOTAL OF \$10,000.
- IN FY 2020-2021 THAT'S ONLY .04%, OR FOURTENTHS OF 1%, OF THE \$534,380 IN AVAILABLE FUNDS.
- THE REHABILITATION ACQUISITION ACTIVITY IS RELATED TO HOUSING AND IT IS A LEVEL 6 GOAL OR PRIORITY.
- THE ANNUAL PLAN IS TO SPEND \$40,910 IN FY 2020-2021 ON THIS ACTIVITY, AND A TOTAL OF \$265,368 OVER THE NEXT 5 FY.
- THAT'S 8% OF THE TOTAL AMOUNT OF CDBE FUNDS AVAILABLE IN FY 2020-21 FOR THIS ACTIVITY.
- HOUSING COUNSELING IS RELATED TO HOUSING, AND IT IS A LEVEL 3 GOAL OR PRIORITY.
- THE ANNUAL PLAN IS TO SPEND \$6,120 IN FY 2020-2021 ON THIS ACTIVITY, AND \$24,480 OVER THE NEXT 5 FY.
- THAT'S ONLY 1% OF THE TOTAL AMOUNT AVAILABLE FOR THIS ACTIVITY IN FY 2020-2021,
- REHABILITATION PUBLIC OWNED RESIDENTIAL BUILDINGS IS RELATED TO HOUSING AND IT A LEVEL 6 GOAL OR PRIORITY.
- THE ANNUAL PLAN IS TO SPEND \$40,000 IN FY 2020-2021 ON THIS ACTIVITY, AND \$235,507 OVER THE NEXT FIVE FY.
- THAT'S ONLY 7% OF THE TOTAL AMOUNT AVAILABLE IN FY 2020-2021.
- THE ACTIVITIES INVOLVING PUBLIC FACILITIES & IMPROVEMENTS (W.F. FOSTER), PUBLIC FACILITIES & IMPROVEMENTS (CITY OWNED), ARE NOT REALLY RELATED TO HOUSING, AND THEY ARE LISTED AS A LEVEL 4 GOAL OR PRIORITY.
- THE ANNUAL PLAN IS TO SPEND A TOTAL OF \$340,123 IN FY2020-2021 ON BOTH OF THESE GOAL LEVEL 4 ACTIVITIES, AND \$816,633 OVER THR NEXT FIVE FY.
- THAT'S 64% OF THE TOTAL AMOUNT AVAILABLE IN FY 2020-2021, FOR THESE ACTIVITIES THAT ARE NOT RELATED TO AVAILABLE HOUSING FOR LMI FAMILIES IN SPECIFIC AREAS OF POVERTY IN GOLDSBORO.

- THE ACTIVITIES INVOLVING PUBLIC SERVICES ARE RELATED TO HOUSING AND THEY ARE LISTED AS LEVEL 5 GOALS OR PRIORITIES.
- THE ANNUAL PLAN IS TO SPEND A TOTAL \$30,000 IN FY 2021 FOR THIS ACTIVITY, AND A TOTAL OF \$170,000 OVER THE NEXT FIVE FY.
- THAT'S 6% OF THE TOTAL AMOUNT OF CDBG FUNDS AVAILABLE IN FY 2020-2021
- THE PROGRAM ADMINISTRATION EXPENSES IN THE CDBG FY 2020-2021 ANNUAL PLAN IS \$70,227, AND A TOTAL OF \$453,197 ON THE CDBG, HOME AND OTHER FUNDS THE OVER THE NEXT FIVE FY.
- THE \$70,227 IN PROGRAM ADMINISTRATION EXPENSES IN THE CDBG FY 2020-2021 IS 13% OF THE TOTAL AMOUNT OF AVAILABLE CDBG FUNDS IN FY 2020-2021.
- WHEN YOU LOOK AT HOW MUCH OF THE AVAILABLE CDBG FUNDS THAT IS PLANNED FOR SPENDING ON HOUSING ISSUES IN FY 2020-2021, IT COMES TO \$124,030 OR 23% OF THE AVAILABLE FUNDS.
- COMPARING THE \$410,350 THAT WILL BE PAID TO THE CITY FOR PUBLIC FACILITIES AND ADMINISTRATIVE COSTS FOR FY 2020-2021, THAT AMOUNT IS 77% OF THE AVAILABLE CDBG FUNDS FOR FY 2020-2021.
- NOTHING FROM THE CDBG FUNDS IS ALLOCATED TO THE HOMEBUYER ASSISTANCE, HOUSING DEVELOPMENT, AND RENTAL HOUSING DEVELOPMENT ACTIVITIES.
- IF THESE ACTIVITIES ALSO RELATE TO THE GUIDELINES FOR THE PAYMENT OF CDBG FUNDS, THEN THERE IS NO PLAN TO ALLOCATE ANY CDBG FUNDS TO THESE ACTIVITIES.
- UNDER THE CDBG-CV THERE IS \$206,544 AVAILABLE IN FY 2020-2021.
- THE GOAL OR PRIORITY LEVEL FOR THE CDBG-CV ACTIVITY TO PROVIDE ESSENTIAL SERVICE & EMPLOYMENT TRAINING, IS A #5 TARGET GOAL OR PRIORITY.
- THE GOAL/PRIORITY TO PROVIDE ESSENTIAL SERVICE & EMPLOYMENT TRAINING SHOULD BE A LEVEL 1 GOAL/PRIORITY BECAUSE, 100% OF THE CDBG-CV FUNDS ARE GOING TO THESE PUBLIC SERVICES ACTIVITY.
- THE ANNUAL PLAN IS NOT SPECIFIC ON WHAT ESSENTIAL SERVICES & EMPLOYMENT TRAINING THAT WILL BE PROVIDED FOR THE \$165,236 IN FUNDS FOR FY 2020-2021, AND BY WHOM IT WILL BE PROVIDED.
- THE CDBG-CV PROGRAM ADMINISTRATION PLANS CALLS FOR \$41,306 TO BE PAID TO THE CITY IN FY 2020-2021.
- THAT'S 20% OF THE AVAILABLE FUNDS.
- THAT PERCENTAGE IS MUCH HIGHER THAN THE PROGRAM ADMINISTRATION PLANS FOR THE CDBG FUNDS WHERE ONLY 13% OF THE \$534,380 IN CDBG FUNDS ARE BEING HANDLED.

- WHY ARE THE PROGRAM ADMINISTRATION COSTS FOR THE CDBG-CV 7% MORE THAN THE PROGRAM ADMINISTRATION COSTS FOR THE CDBG FUNDS?
- LOOKING AT THE CARRY OVER AMOUNTS OF CDBG (\$180,123) AND HOME FUNDS (\$525,028) IT APPEARS THE CITY IS FALLING SHORT IN SPENDING ALL OF THE CDBG AND HOME FUNDS THAT WERE PLANNED TO BE SPENT IN PRIOR FIVE FY.
- AND NONE OF THE SHORTFALLS IN CDBG FUND SPENDING APPEAR TO BE FOR THE ACTIVITIES INVOLVING PUBLIC FACILITIES & IMPROVEMENTS, AND PUBLIC SERVICES.
- THE CARRY OVER FROM SHORTFALLS IN SPENDING OF AVAILABLE CDBG AND HOME FUNDS MEANS THAT SOME OF THE LMI FAMILIES WHO WERE, AND ARE IN NEED, ARE NOT RECEIVING FUNDS THAT SHOULD BE, AND SHOULD HAVE BEEN MADE AVAILABLE TO THEM.
- THE \$525,028 CARRY OVER FROM SHORTFALLS IN SPENDING OF PRIOR AVAILABLE HOME FUNDS IS ALARMING IN THAT THE CARRYOVER AMOUNT APPEARS TO BE MORE THAN TWO YEARS WORTH OF FUNDING, THAT WAS SAVED AND NOT SPENT FOR THE INTENDED PURPOSES.
- THE CITY IS, HAS BEEN, AND WILL BE PAID TO USE THE CDBG FUND TO ADDRESS THE HIGH LEVELS OF POVERTY IN SPECIFIC AREAS OF THE CITY.
- WHEN YOU LOOK AT THE POVERTY LEVELS IN THESE SPECIFIC AREAS OF GOLDSBORO, OVER THE PAST CONSOLIDATED FIVE-YEAR PERIOD, THERE DOES NOT APPEAR TO HAVE BEEN ANY DECLINE IN THE POVERTY LEVELS IN THE SPECIFIED GOLDSBORO POVERTY AREAS, INSPITE OF ALL THE CDBG FUNDS THE CITY HAS RECEIVED AND SPENT.
- IF ANYTHING, THE POVERTY LEVELS APPEAR TO HAVE WORSENERD.
- THE CDBG PLANS THAT ARE BEING PRESENTED FOR FY 2020-2021, ARE VAGUE AND VERY SIMILAR TO THE FAILED PLANS THAT WERE APPROVED AND IMPLIMENTED OVER THE PAST FIVE FYS.
- IT IS MY BELIEF THAT FOR FY 2020-2021 WE NEED MORE INOVATIVE PLANNING, THAT WILL ONLY COME ABOUT THOUGH A DEPARTMENTAL LEADERSHIP CHANGE.

Extracted from May 22, 2020 Virtual Public Meeting (Slide 6)

What will Goldsboro receive in this ConPlan?

Source of Funds	Expected Amount Available Year 1 (FY20-21)	Expected Amount Available Remainder of ConPlan (FY21-24)
Community Development Block Grant - CDBG	Annual Allocation: \$ 351,137 Program Income: \$ 3,120 Prior Year Resources: \$ 180,123 Total: \$ 534,380	\$1,369,863
HOME Investment Partnership - HOME	Annual Allocation: \$ 287,078 Program Income: \$ 4,048 Prior Year Resources: \$ 525,026 Total: \$ 766,152	\$1,348,095
Community Development Block Grant-COVID - CDBG-EV	Annual Allocation: \$ 200,354	\$0
Urgent Repair & RP	Annual Allocation: \$ 400,000	\$400,000

Extracted from May 22, 2020 Virtual Public Meeting (Slide 10)

Goals & Proposed Projects Identified in ConPlan

Goldsboro Target Goals

- 1) Affirmatively Further Fair Housing Choice
- 2) Increase Affordable Rental Housing Option
- 3) Increase Access to Affordable Homeownership Option
- 4) Improve-Expand Public Facilities Access & Capacity
- 5) Provide Essential Service & Employment Training
- 6) Provide Rehabilitation Owner-Occupied & City-Owned
- 7) Program Admin to Support ConPlan & AAPs Objectives



Goldsboro Proposed Projects

- 1) Fair Housing
- 2) Housing Counseling
- 3) Public Facilities & Improvements (City-Owned)
- 4) Public Services
- 5) Rehabilitation (Acquisition, Admin., & Public Owned Residential Bldgs.)
- 6) CHDO Reserve
- 7) Homebuyer Assistance
- 8) Homebuyer Assistance & Rehabilitation
- 9) Rental Housing Development
- 10) Program Admin to Support ConPlan & AAPs Objectives
- 11) COVID-19 Public Services Grants

City of Goldsboro
Community Development Block Group (CDBG) and HOME Investment Partnership (HOME) Programs
Conservative Five Year Projections for Use of Funds (FY20-24 ConPlan)

ACTIVITY	CONPLAN & AAP STRATEGIC PLAN GOAL	FY20-21 Funds			FY21-22 Funds			FY22-23 Funds			FY23-24 Funds			FY24-25 Funds			PROJECTED AVAILABLE FUNDS FY20-24	
		CDBG	HOME	OTHER FUNDS	CDBG	HOME	OTHER FUNDS	CDBG	HOME	OTHER FUNDS	CDBG	HOME	OTHER FUNDS	CDBG	HOME	OTHER FUNDS		
Goal 1: Affordable Housing Housing Choice	Goal 1: Affordable Housing to Affordable Homeownership Option	2,000			2,000			2,000			2,000			2,000			10,000	
Housing Counseling (1,120)		6,120			6,120			6,120			6,120			6,120			30,600	
Public Facilities & Improvements (150,000)	Goal 4: Improve and Expand Public Facilities Access & Capacity	150,000			150,000			98,810			0			0			336,510	
Public Facilities & Improvements (City Owned)	Goal 4: Improve and Expand Public Facilities Access & Capacity	100,175			0			40,000			120,000			120,000			480,123	
Public Services (City Owned) Employment Training	Goal 5: Provide Essential Services & Employment Training	10,000			16,326			30,000			40,000			40,000			335,236	
Rehabilitation Acquisition Long Running & Preservation	Goal 6: Provide Rehabilitation Owner Occupied & City Owned	40,000			40,000			20,000			60,064			60,104			265,368	
Rehabilitation Administration (Owner Occupied & City Owned)	Goal 6: Provide Rehabilitation Owner Occupied & City Owned	5,000			8,064			9,962			5,036			7,410			34,431	
Rehabilitation Public Owned New Buildings	Goal 6: Provide Rehabilitation Owner Occupied & City Owned	40,000			18,036			61,561			50,615			45,122			235,507	
CHDC Program 150,000	Goal 3: Increase Access to Affordable Homeownership Option	41,604			40,651			41,171			42,813			48,444			204,956	
Homeowner Assistance Owner Occupied & City Owned	Goal 3: Increase Access to Affordable Homeownership Option	60,000			60,000			60,000			60,000			60,000			291,000	
Housing Choice (City Acquisition & Preservation)	Goal 3: Increase Access to Affordable Homeownership Option	111,000			75,028			75,000			47,917			0			232,758	
Special Housing Development Housing Choice	Goal 2: Increase Affordable Rental Housing Option	2,700,000			2,700,000			0			160,000			120,000			600,000	
Special Housing Development Housing Choice (Approved)	Goal 2: Increase Affordable Rental Housing Option	275,000			49,947			129,065			0			0			454,040	
Local CDBG Goals		0			0			0			0			0			0	
Program Administration CDBG and SAPs Goals	Goal 7: Program Admin to Support CDBG & SAPs Operations	70,279			38,708			67,600			70,193			67,195			494,595	
Program Review	Goal 6: Provide Rehabilitation Owner Occupied & City Owned				100,000			100,000			100,000			100,000			500,000	
Total Allocations		\$534,380	\$766,152	\$100,000	\$206,544	\$342,275	\$497,672	\$100,000	\$331,418	\$275,485	\$100,000	\$354,076	\$344,907	\$100,000	\$142,094	\$230,032	\$100,000	\$4,725,034
			\$1,607,076			\$939,947			\$706,902			\$798,983			\$622,176			

June 8, 2020

Exhibit 3

Memorandum

To: Timothy M. Salmon, City Manager
From: Catherine F. Gwynn, Finance Director
Re: FY19-20 Operating Budget Amendment

FINAL FY19-20 BUDGET AMENDMENT DETAIL

Please find below a discussion of the items presented for the final FY19-20 Operating Budget Amendment for the General Fund and Utility Fund.

GENERAL FUND - DEBT SERVICE (8111)

Incorrect Debt Amortization \$694,528

In working on a financial analysis model with our financial advisors, Davenport & Co., LLC, we discovered that there were errors in the amortization schedules for several loans held by the City. The effect of the errors was an incorrect split between the General Fund and Utility Fund whereby the General Fund underpaid its share of principal and interest, and the Utility Fund overpaid its share of principal and interest through June 30, 2020 in an amount of \$694,528.

Loans Affected

2008 GO Bonds \$7.425M (Debt #021-GE) 5/23/2017
Refunding 2008 General Fund Street Bonds \$1.635M
Refunding 2010 Utility Fund Sewer Bonds \$5.79M

Bank of America Loan \$7.532M (Debt #019-GE) 3/23/2017
General Fund Vehicles/Equipment \$1.911M
Utility Fund Vehicles/Equipment \$275K
AMI Infrastructure \$5.346M

Bank of America Loan \$4.659M (Debt #004-GE) 3/6/2012
General Fund Streetscape Project \$896K
Utility Fund Refunding AMR Loan \$1.036M
General Fund Refunding City Hall Phase II BB&T \$2.727M

Background

The previous Finance Director used the percentage allocation that is found on the LGC Debt Ledger sheet to split the debt between the funds. However, when the debt was issued there were specific allocations based on what was being refinanced/financed, and in some cases the maturity was kept the same as the original debt which was shorter than the overall life of the loan.

When I came aboard in late January, 2019, I was given paper copies of the loan amortization schedules used by the previous Finance Director and no other direction that the loans had any other split or allocation other than what was in the copies.

I took it upon myself to create an excel workbook that captured the amortization schedules along with the splits between the funds so that I could have a means to check debt principal and interest when preparing budget and audit schedules. I used the paper copies of the loan amortization schedules as my document workpaper.

In March, 2020 the City Manager asked our financial advisors, Davenport, to develop a model to help in budgeting for future years since they have done similar work in the past for the City. I provided my excel amortization schedules to them so they could update and compare both sets of records. In this process, Mitch Brigulio (Davenport) found errors in the three loans above that had significant differences between what I had on my amortization schedules in comparison to their amortization schedules. Davenport has all of the City's debt records, loan closing documents and has assisted on all major financing. On April 9th, Mr. Brigulio explained that the three loans in question were refinanced loans of different types and maturities of loans. The final loan closing documents he provided to me clearly showed what he described. He said that Davenport frequently ran into issues with other governments where the government will use the percentage allocation that shows on the LGC debt ledger even when the financing had differing allocations of principal and interest, and differing maturity levels. This is not an error on the LGC's part, it's just that the LGC records don't reflect that much detail.

Current

I have updated my amortization schedules to reflect the proper allocation and maturities as per the official final loan documents, so that the current fiscal year and future fiscal years are budgeted properly and audit schedules will reflect the correct amounts.

I have discussed the issue with the City's auditors, and they understand that it is too late to budget for Fiscal Year 2019, and have agreed to pass on the adjustment for the errors accumulating up until that year. In order to make the correction, I am requesting an appropriation for FY20 for the prior years' payments in the amount of \$694,528, and this will be funded with an appropriation of General Fund balance.

Incorrect Debt Amortization 2018 Street GO Bonds \$224,868

The debt amortization schedule for the budgeted FY20 debt had been prepared prior to my arrival at the end of January. The paper document we were provided had a formula error which omitted the new 2018 GO Street Bond principal payment from the FY20 budget. I did not catch the error until I finished creating the excel workbook to track the principal and interest payments, and was able to reconcile my set of records against what was budgeted. Having created this tool will allow me to have a set of checks and balances to ensure that the debt payments are as accurate as possible. The debt payments for the FY21 budget have been based on my revised schedules.

Since all debt must be appropriated, we are requesting an appropriation of \$224,868 for bond principal expense, and this will be funded with a reduction of expenditures.

Arbitrage Rebate Fees \$2,225

The City must compute arbitrage on its outstanding debt issues. I discovered that there were fees being charged to the Utility Fund that should have been paid by the General Fund for the arbitrage fees. There is a shortage in the line item of \$2,225 and this will be funded with a reduction of expenditures. The fees have been budgeted correctly in the FY21 budget.

GENERAL FUND – NON-RECURRING CAPITAL OUTLAY (7315)

Retiree Health Insurance Benefit Allowance \$124,740

The City offers an allowance to full-time employees who retire from the Local Government or Law Enforcement Officer's Benefit Retirement System and who also were actively employed with the City at the time of retirement age 55 or older and at least 20 years of City service. The employee must pay the active State Health Plan premium, and the City contributes the remainder of the age-banded rate for all participants in the City's health care plan. This benefit continues until the retiree is eligible for Medicare.

The City was self-insured for health insurance until 2016 and those retiree premiums were simply netted out of the collections of the premiums, rather than being budgeted as an expenditure. When the City joined the State Health Plan in 2016, the practice of netting out the retiree premiums continued, and there was a small reserve of premiums left over from the old self-insurance plan to offset the retiree cost. Since the account was not reconciled annually, the deficit did not appear until my staff and I discovered the error working on the FY19 audit. The City's cost of the retiree premiums should have been budgeted in FY19 and FY20, but were not. Had I been aware of the charges I would have included them in the FY20 budget process. This has been corrected for the FY21 budget, and the premiums for retirees for the General Fund and Utility Fund have been budgeted.

We are requesting an appropriation of \$124,740 for the City's portion of retiree health insurance allowance, and this will be funded with a reduction of expenditures.

Insurance Deductible Claims \$10,000

During FY20, we were required to pay a deductible for a claim against our Law Enforcement Liability Policy. We are requesting an appropriation of \$10,000 for insurance deductible claims expense, and this will be funded with a reduction in other expenditures in this organization.

Economic Development – Alta Foods \$5,000

This is the economic development incentive with Alta Foods dated 12/5/16. I was not aware that this was a multi-year agreement when we were budgeting for FY20. I have budgeted this item going forward in FY21. The amount earned by Alta in FY20 was \$5,000. We are requesting an appropriation of \$5,000, and this will be funded with a reduction of other expenditures.

Land Lease Payable (Farms) \$10,000

The City Council approved the renewal of seven farm leases at the January 6, 2020 Council meeting. Six of the seven leases are held jointly with Wayne County. Per our agreement, we split the proceeds 50/50. We received the signed executed leases in late April, and billed them in May. We are requesting an appropriation of \$10,000 and this will be funded with an appropriation of Farm Land Lease Income in the same amount.

Non-recurring Capital Outlay - Other \$45,540

- There were some minor expenses of land sales totaling \$710. We are requesting an appropriation of this amount, to be funded with a reduction of other expenditures.
- The City has been paying property taxes on several properties related to properties owned and being marketed by the Downtown Goldsboro Development Corp.
 - 419 S. Center Street
 - 100 W. Elm Street
 - 410 S. John Street
 - 117 W. Elm Street
 - 119 W. Elm Street
 - 423 S. Center Street
 - 402 S. John Street

We are requesting an appropriation of \$230 for property tax expense, and this will be funded with a reduction of other expenditures.

- There are several dues that were previously budgeted in Special Expense, that I am moving to Non-recurring Capital Outlay so that only items related to Agency/Organizational Support remain in Special Expense.
 - Institute of Government \$14,300
 - League of Municipalities \$27,000
 - National League of Cities \$3,300

We are requesting an appropriation for these line items, and this will be funded with a reduction of expenditures.

GENERAL FUND - FINANCE (2111)

Contribution Based Benefit Cap Liability \$95,940

NC General Statute requires an additional employer contribution to fund the increased cost to the Retirement System if the member's retirement benefit is determined to be in excess of the Contribution-based Benefit Cap Liability. We received such a letter and invoice at the end of November, 2019 for Kaye Scott, and were required to pay the CBBC calculation of \$95,938.59 by January 1, 2020. Staff was not aware of this expense. I do monitor the Pension Spiking Reports each month, but there were no files prior to my arrival that were found that would have indicated this would be due. This amount was paid directly to the Local Government Employee's Retirement System as required by law.

We are requesting an appropriation of \$95,940 for LGERS – CBBC Liability (#1825) in the Finance division, and this will be funded with a reduction of expenditures.

Audit Fees \$15,000

Due to the extremely convoluted state of the FY19 records, the auditors have requested additional fees for the excessive number of hours that have been expended on working the audit. We are requesting an appropriation of \$15,000 for the additional audit fees, and this will be funded with additional property tax revenues.

Contract Services \$79,000

The contract services relate to two issues in Finance. One of our staff members was out on FMLA, and due to the workload and short staffing we could not absorb the job duties of accounts payable. We requested a contract employee to fill in Customer Service, and brought a Customer Service Representative upstairs to fill in the accounts payable duties for three months. This allowed one of our staff employees to gain additional knowledge and experience. The cost of the contract employee was approximately \$12,100.

The second issue relates to the problems we have encountered with the books while trying to work through the FY19 audit. I attempted to work through all the issues, but regardless of the time I spent working, there were too many problems, issues and daily duties required. In late January, I approached the Manager and requested to hire a contract person to help me complete the audit. When it was apparent that this was going to take additional time, I made Council aware of the contract employee at the March 16, 2020 meeting when we discussed adding a full time employee to the Finance staff.

We are requesting an appropriation of \$66,900 for the contract services, and this will be funded with additional property tax revenues.

Tax Listing Fees \$61,949

While working on the FY19 audit, I discovered that the tax listing fees for the NCDMV vehicle collections were being netted out of the gross collections. To properly account for the fees, the tax revenue should be reported in the gross amount and fees budgeted separately. The fees are approximately 3.7% of gross collections. We are requesting an appropriation of \$61,949, and this will be funded with additional property tax revenues.

GENERAL FUND – MULTIPLE DEPARTMENTS - INSURANCE PROCEEDS REVENUE \$38,629

There were several insurance claims involving City vehicles and equipment, where we received insurance proceeds from the at-fault party. The following appropriations are requested for repairs, and will be funded with revenue from insurance proceeds totaling \$38,629.

Fire Department	Pierce firetruck	\$23,638
Garage	2007 Typhoon fire truck	\$ 1,922
Engineering	light pole and signal	\$ 2,119
Police	police vehicle	\$ 4,192
Cemetery	vehicle	\$ 2,448
Downtown Dev.	Art sculpture	\$ 950
Solid Waste	vehicle	\$ 3,360

GENERAL FUND -ALLOCATION OF WORKER'S COMP RESERVE \$150,000

There were several large worker's compensation claims that departments were not able to absorb in their budgets. We have allocated the entire \$150,000 reserve set aside in FY20 to the departments, but it did not cover the entire cost.

<u>Department</u>	<u>Actual as of 6/7/20</u>	<u>Allocation</u>
Fire Department	\$153,557.17	\$115,000.00
Solid Waste	47,875.99	20,000.00
Police	87,496.82	15,000.00
Total	\$288,929.98	\$150,000.00

We are requesting an appropriation of \$150,000.00 for worker's compensation claims and this will be funded with a reduction in Worker's Comp Reserve.

GENERAL FUND - MAYOR & COUNCIL (1011) \$30,600

The City election costs were \$65,538 and only \$35,000 was budgeted. We are requesting an appropriation of \$30,600, and this will be funded with a reduction of other expenditures.

GENERAL FUND - PARAMOUNT THEATER (1018) \$118,292

In prior years, Paramount ticket payments were netted out of "wash accounts" on the City's balance sheets. We have asked the Paramount to account for the gross revenues and expenses related to ticket sales separately so that revenue may be tracked more accurately.

We are requesting an appropriation of ticket payments in the amount of \$118,292 which will be funded with revenue from ticket sales.

GENERAL FUND - DOWNTOWN DEVELOPMENT (1025) \$9,000

The cost of the lease of the 4 art pieces for downtown, crane rental and plaques was inadvertently moved to the Transfers organization (8101) in error during the budgeting process. An appropriation of \$9,000 for the Downtown Projects line item (4991) is needed, and will be funded with a reduction of Transfers to Capital Projects (81003) in the Transfers organization.

GENERAL FUND - SOLID WASTE (4143) \$106,030**Donation \$30**

The staff at Solid Waste received a donation from a citizen, Patricia Lieba who wished to say thank you to the staff for their hard work and dedication. She requested the funds be used to buy a breakfast or lunch treat for the Solid Waste staff. We are requesting an appropriation of \$30, which will be funded with an appropriation of donation revenue.

Landfill Fees \$72,000

The FY20 budget for landfill fees was reduced to help balance the budget, and as such has run short. We are requesting an appropriation of \$72,000 for landfill fees which will be funded with a reduction of other expenditures.

Recycling Fees \$34,000

The FY20 budget for recycling was budgeted at \$65,000, however we did not expect the cost of recycling to skyrocket. We are requesting an appropriation of \$34,000 to cover the additional cost of recycling fees, and will be funded with a reduction of other expenditures.

GENERAL FUND - FIRE DEPARTMENT (5120) \$6,000

The Fire Department pursued a grant with Duke Energy for the replacement of radios which was awarded in September, 2019 for \$6,000. We are requesting an appropriation for Miscellaneous Equipment, and this will be funded with revenue from local grants.

GENERAL FUND - POLICE DEPARTMENT (6121) \$42,928

5-Ton LMTV \$9,200

The Police Department had a drive line failure on the 5-ton LMTV during Hurricane Dorian. In order to keep the vehicle operational in case of another emergency, the equipment was repaired for \$9,200. We are requesting an appropriation for Vehicle Operations of \$9,200, and this will be funded with a reduction of other expenditures.

Separation Pay Major Lee Szatkowski \$12,282

During the process of reconciling and closing the fiscal year ending June 30, 2019, we have discovered two issues with regard to the Law Enforcement Separation Pay.

- Separation pay ceased one month early for those turning age 62
- Separation pay ceased for part-time employment of Major Lee Szatkowski

Separation pay is granted to law enforcement officers by North Carolina General Statute, specifically under G.S. 143-166.42 Special separation allowances for local officers. The City of Goldsboro Personnel policy affirms this benefit on pages 31 and 32 of the policy manual.

We discovered that the City stopped paying the separation allowance for Major Lee Szatkowski when she agreed to come back to work part time in April 3, 2017 after the unexpected passing of Major Jay Memmelaar.

In reading and interpreting City Policy and applicable North Carolina General Statutes, a retired officer may go back to work in a part time status for a local government and NOT lose their separation pay benefit so long as they do not participate in contributing to the Local Government Retirement System (LGRS) which would occur if the employee works more than 1,000 hours in a calendar year. Major Lee has not worked more than the 1,000 hours since she has worked part time here at the City. To our knowledge she has not worked in any other local government in a part time status during this same period.

The issue with FY20 is that the amount due for the current fiscal year was not budgeted. We are requesting an appropriation of \$12,282 for Separation Pay, which will be funded with an appropriation of fund balance. We have corrected the issue for FY21, and the amount is budgeted. We have also corrected the issue for FY19 and accrued the amount payable up through 6/30/19 in the amount of \$41,181.

Building Maintenance \$21,446

There were multiple items related to the construction and renovation of the Police/Fire Complex that were necessary, but there was not enough funding in the project to cover those items.

Gregory Poole Equipment	Service generator engine and cooling system	\$7,817
Quality Plumbing	Replace roof drain leaders and insulate	7,099
Brady Security	Install door security with swipes	4,910
Enviro Assessments East	Asbestos abatement and analysis on 204 S Center	1,620
	Total	\$21,446

We are requesting an appropriation of \$21,446 in Building Maintenance, and this will be funded with an appropriation of fund balance \$17,696 and reduction of other expenditures \$3,750.

GENERAL FUND - AGENCY SUPPORT (7310) \$39,339**Overdose Prevention Coordinator \$12,000**

The City Council approved a multi-year funding an Overdose Prevention Coordinator with Wayne County at the 8/19/2019 meeting for \$12,000 per year. This amount was not included in the FY20 adopted budget. We are requesting an appropriation in the amount of \$12,000 to be funded with reduction in expenditures in this organization.

Wayne County Schools PEG Distribution \$27,339

The City receives state shared revenue for the Public, Education, and Governmental (PEG) channels. We share all of this revenue with Wayne County Public Schools who operates the City's PEG channel. We are requesting an appropriation of \$27,339, and this will be funded with the state shared revenue PEG Channel.

GENERAL FUND - TRANSFERS & SHARED SERVICES (8101)**Transfers to Capital Projects (G1106) \$516,264**

In July, 2014 the City issued \$4.5 million in debt for multiple General Fund projects which included approximately \$500K for HVAC for the Police building. Those funds have not yet been expended and need to be appropriated to fund HVAC related expenditures on the Police building. The debt revenue was recognized in the General Fund in fiscal year 2015, so the appropriation to fund this is a transfer from the General Fund in the amount of \$516,264.

We are requesting an appropriation of Transfers to Capital Projects in the amount of \$516,264 to fund the Police Fire Renovation Capital Project (G1106), and this will be funded with an appropriation of fund balance in the General Fund.

Parks & Recreation Special Revenue Fund (G1107) \$8,631

Parks and Rec has several programs that are funded with donor specific restrictions, such as Poultry/Beak Week, Sports Tourism Programs/Special Programs, Challenger Football, Duke RX for Play. Prior to FY19, these were handled in balance sheet "wash accounts", and in FY19, I recognized the revenue and expenses in the final budget amendment. The issue with trying to account for these items in the operating fund of the General Fund lies in any unused equity at the end of each year.

The department wishes to use any equity from prior years, which requires an operating fund amendment which is funded by fund balance. In order to make the accounting and tracking more transparent, it is more expedient to create a Special Revenue fund which has a project life rather than an annual life so it is easier to track the accumulation of revenue and expenditures. The net equity of the Parks & Rec Programs from FY19 was \$8,631 and will be transferred from the General Fund to the new Parks & Recreation Special Revenue Fund (G1107), and will be funded with a reduction of other expenditures.

Community Relations Special Revenue Fund (G1108) \$2,349

Community Relations has several programs that are funded with donor specific restrictions, such as Human Relations, Interfaith Breakfast, Martin Luther King, Jr. Commemoration, Mayor's Committee on Disabilities, and the Mayor's Youth Council. Prior to FY19, these were handled in balance sheet "wash accounts", and in FY19, I recognized the revenue and expenses in the final budget amendment. The issue with trying to account for these items in the operating fund of the General Fund lies in any unused equity at the end of each year. The department wishes to use any equity from prior years, which requires an operating fund amendment which is funded by fund balance. In order to make the accounting and tracking more transparent, it is more expedient to create a Special Revenue fund which has a project life rather than an annual life so it is easier to track the accumulation of revenue and expenditures. The net equity of the Community Relations Programs from FY19 was \$2,349 and will be transferred from the General Fund to the new Community Relations Special Revenue Fund (G1108), and will be funded with a reduction of other expenditures.

GENERAL FUND – APPROPRIATED FUND BALANCE SUMMARY

Below find the summary of appropriated fund balance summary for the General Fund.

Date	Description	Adopted
6/17/2019	Ord 2019-43 FY19-20 Adopted Budget (Tiger Match \$647,705, Cemetery Mower \$10,842)	\$ 636,863.00
8/19/2019	Ord 2019-54 FY18-19 Purchase Order Rollovers	1,516,984.83
3/16/2020	Ord 2020-07 HUB Stage Construction Contribution	100,000.00
	Current Year Appropriations	<u>\$ 2,253,847.83</u>
6/15/2020	Debt Service Corr 2012-2012 D#004-GE, 019-GE, 021-GE	\$ 694,528.00
6/15/2020	Separation Pay Major Lee Szatkowski	12,282.00
6/15/2020	Police/Fire Renovation Building Maintenance - Generator, Network Wiring, Roof Drains & Asbestos	17,696.00
6/15/2020	Debt Proceeds 2014 \$4.5M Capital One Public Funding -HVAC	516,264.00
	Proposed	<u>\$ 1,240,770.00</u>
	Current Year with Proposed	<u><u>\$ 3,494,617.83</u></u>

UTILITY FUND – UTILITY CAPITAL EXPENSE (4178) \$714,876**Purchased Sewer Capacity – Town of Fremont \$687,000**

At the October 21, 2019 meeting, Council passed a resolution (2019-91) to purchase 300,000 gallons of sewer capacity from the Town of Fremont for \$687,000. We are requesting an appropriation for Purchased Sewer Capacity in the amount of \$687,000, to be funded with additional miscellaneous revenue received from the repayment of principal and interest from the General Fund.

NCDOT U-5724 Central Heights Realignment \$27,876

The City is working with NCDOT on the Central Heights Realignment Project U-5724. There are multiple expenses required for permitting for the water and sewer utilities to be relocated. These expenses were not known to us while we were planning the FY20 budget, however they will be reimbursed by NCDOT.

We have expended the following:

Norfolk Southern Corporation	5/20/20	\$200
North Carolina Railroad Company	5/14/20	25,456
Norfolk Southern Corporation	12/5/19	200
HNTB North Carolina, PC	12/5/19	<u>2,020</u>
Total		\$27,876

We are requesting an appropriation of \$27,876 for NCDOT U-5724 Central Heights Realignment Project, and this will be funded with revenue from NCDOT Reimbursement Construction Projects.

UTILITY FUND – DISTRIBUTION & COLLECTIONS (4175)**Water Line Break Wayne Memorial Drive \$67,500**

In early October 2019, a fiber utility contractor was boring on Wayne Memorial Drive, and struck a 12" water line. Our Public Works crew responded to the incident, however due to the size it was necessary to call in a contractor to make the emergency repair. We were able to eventually find the contractor and subcontractor responsible and have filed a claim on their general liability insurance. The insurance carrier has denied the claim stating that the subcontractor was within the margins. We are in the process of appealing the denial.

The costs billed to the insurance carrier are as follows:

T.A. Loving emergency water line repair	\$59,620
Bogue Lawn & Landscaping – Kitty Askins lawn damage	7,792
City Crew force labor and equipment	15,904
Bacteriological analysis and test	60
City Engineer	228
City Construction Inspector	<u>1,750</u>
Total	\$90,259

We are requesting an appropriation of \$67,412 to cover the contracted repair costs, and this will be funded with revenue from insurance reimbursement.

Sewer Line Break Frank Street \$60,725

On Monday, December 9, 2019, City crews responded to a sink hole on Frank Street. Contractor, T.A. Loving was called in to perform the point repair and Godwin Pumps installed temporary bypass pumping for the 15" sanitary sewer line. Once bypass pumping was installed, the contractor was able to dig and found that a subcontractor for Piedmont Natural Gas bored a 2" gas line through the City's 15" sanitary sewer main. The contractor repaired the pipe and the bypass pumps were removed. We have located the contractor and filed claims with the contractor and Piedmont Natural Gas on their general liability insurance. We are waiting on a reply as to whether either will accept responsibility for the claim.

The costs billed to the insurance carrier are as follows:

T.A. Loving emergency sewer repair	\$60,437
Distribution & Collection System Supervisor	224
City Construction Inspector	64
Total	\$60,725

We are requesting an appropriation of \$60,725 to cover the contracted repair costs, and this will be funded with revenue from insurance reimbursement.

Ferguson Waterworks Sensus Software Annual Fees \$43,882

The annual cost for the Sensus software used with the AMI system is approximately \$44,000 per year. We were not aware of the fees and thus did not budget for the fees in FY20. The prior years were deducted from the loan proceeds escrow account, and not accounted for anywhere in prior year budgets. We have corrected the issue in FY21 and these fees will be budgeted.

We are requesting an appropriation of \$43,882 for the Software License fees for the Ferguson Waterworks Sensus software annual maintenance, and this will be funded with a reduction of expenditures in Transfers to Fund Balance.

UTILITY FUND - WATER TREATMENT PLANT (4176) \$45,000

The City entered into an agreement to share in the cost of a flood control structure project with the U.S. Army Corps of Engineers. The amount was budgeted at \$600,000, however we have received a request for payment of \$595,000 for solicitation of a contract for construction. This is \$45,000 over the amount available. In order to keep the project moving forward, we are requesting an appropriation of \$45,000 for the Flood Control Structure expense, and this will be funded with a reduction of expenditures in Transfers to Fund Balance.

UTILITY FUND – DEBT SERVICE (8111) \$1,425

Arbitrage Rebate Fees \$1,425

The City must compute arbitrage on its outstanding debt issues. The fees for arbitrage have traditionally never been budgeted. I am requesting an appropriation of \$1,425 in Utility Fund Debt Service to cover the cost of the arbitrage fees, and this will be funded with a reduction of expenditures in Transfers to Fund Balance. The fees have been budgeted correctly in the FY21 budget.

UTILITY FUND – REVENUE

Liquid Aluminum Sulfate Class Action Lawsuit \$12,525

We have worked with Ron Lawrence and Mike Wagner on gathering and submitting the paperwork to be a part of the class action antitrust lawsuit against GEO for purchases made of liquid aluminum sulfate between January, 1997 and February, 2011. We purchased approximately \$3,194,247 of the chemical during that timeframe, but unfortunately we could only find records substantiating payment for \$325,640 from 2009 to 2011. We received the first check in the amount of \$12,525, and according to the letter attached they are expected to make another distribution. The distribution represented approximately 3.8% of the total amount paid. We are requesting that this revenue be appropriated, and recommend that it be appropriated to Transfers to Fund Balance.

Reimbursement Revenue General Fund \$694,528

As discussed at the beginning of this memo, the Utility Fund overpaid principal and interest on three pieces of debt beginning in 2012 totaling \$694,528. We are requesting appropriation of the revenue Reimbursement – General Fund, and this will be used to fund the various expenditures mentioned in this memo for the Utility Fund.

UTILITY FUND – APPROPRIATED FUND BALANCE SUMMARY

Below find the summary of appropriated fund balance summary for the Utility Fund.

Date	Description	Adopted
6/17/2019	FY19-20 Adopted Budget	\$ -
8/19/2019	FY18-19 Purchase Order Rollovers	3,217,040.13
	Current Year Appropriations	<u>\$ 3,217,040.13</u>
		<u>\$ -</u>
	Proposed	<u>\$ -</u>
	Current Year with Proposed	<u><u>\$ 3,217,040.13</u></u>