

MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL
JUNE 18, 2021

The City Council of the City of Goldsboro, North Carolina, called a Special Meeting to discuss the adoption of the FY21-22 Budget in the Council Chambers, City Hall, 214 North Center Street, on Friday, June 18, 2021, at 5:00 p.m.

Call to Order. Mayor Pro Tem Ham called the meeting to order at 5:00 p.m.

Roll Call.

Present: Mayor Pro Tem David Ham, Presiding
Councilmember Hiawatha Jones
Councilmember Bill Broadaway (Attended via Zoom)
Councilmember Taj Polack
Councilmember Brandi Matthews
Councilmember Gene Aycock
Ron Lawrence, City Attorney
Tim Salmon, City Manager
Laura Getz, City Clerk

Absent: Mayor Chuck Allen

Adoption of the Agenda. Councilmember Aycock made a motion to adopt the agenda, the motion was seconded by Councilmember Jones and unanimously carried.

Adoption of the Annual Operating Budget Ordinance for Fiscal Year 2021-22 and Resolution for Utility Fees and Charges for Wastewater Treatment Facility. Ordinance and Resolution Adopted. G.S. §159-13 requires that the governing board adopt a budget ordinance prior to July 1 to make appropriations and levy the taxes for the budget year. Specifically, the Budget Ordinance establishes the property tax rate and any special taxes which may be levied during a fiscal year, such as the Special Downtown Municipal District Tax. The intention of a city to issue licenses upon businesses, trades and professions is also described within the contents of this document.

The major emphasis of a Budget Ordinance is to identify by fund the estimated revenues a municipality anticipates to collect during a fiscal year and to delineate by fund, department, and activity how these monies shall be appropriated. The Budget Ordinance may also describe any special authorizations granted to the Budget Officer.

Passage of the Budget Ordinance is an annual occurrence. No budget for the fiscal year can be implemented without the formal adoption of the provisions of this document. The Budget Ordinance reflects the decisions made by the City Council during its budget reviews and discussion. The Budget Ordinance assures compliance with all pertinent State Fiscal laws. It must show an exact balance between revenues and expenditures. If circumstances do not warrant the adoption of this document by the prescribed date, an interim budget must be approved by the governing body. The specific authorizations granted to the Budget Officer are the same as were delegated in Fiscal Year 2020-21 that relate to the reallocation of departmental appropriations, interdepartmental transfers, and inter-fund loans and transfers. Also, the Finance Director and Assistant Finance Director are authorized to sign all pre-audit certifications for budgetary appropriations as required by G.S. 159-28.

Council met with staff on several occasions to discuss the FY2021-22 recommended budget. During those sessions, Council discussed increases to water and sewer rates by 15%, increase to property tax by \$.03 cents, and use of American Rescue Plan Funds in the operating budgets, and changes to fees and charges for the Wastewater Treatment Plant.

The proposed adopted budget presented here reflects the following revenue changes:

- General Fund - The property tax rate will **increase** from \$0.65 cents per \$100 valuation to **\$0.68** cents per \$100 valuation. This is the first property tax increase since FY2009. The property tax for the Downtown Municipal Service District remains the same at \$0.235 per \$100 valuation.
- American Rescue Plan will fund operations as follows:

General Fund	\$1,664,500
Utility Fund	\$2,558,994
Occupancy Tax Fund	<u>\$ 28,493</u>
Total ARP Funding	\$4,251,987

- Utility Fund - **The 15% increase in water and sewer rates has been removed from the proposed budget presented here.** This is reflected as a decrease as follows:

Water Charges	(\$1,098,256)
Sewer Charges	<u>(\$1,323,548)</u>
Total Reduction	(\$2,421,804)

- Utility Fund - The changes for the wastewater treatment facility fees and charges are included as a separate resolution, and will align the city's charges with other similar treatment facilities. The revenue impact will be approximately \$14,000 annually.

The proposed adopted budget presented here reflects the following expenditure changes:

- General Fund-Agency Support
Old Waynesborough Park funding was withdrawn completely.
The remainder was equally divided between 9 other agencies providing contracted services to the City. Each receiving an additional \$2,000 to the recommended allocation.

<i>Agency</i>	<i>Proposed Adopted</i>
Literacy Connections	\$ 11,000
Rebuilding Broken Places	\$ 15,500
HGDC Community Crisis Ctr.	\$ 6,500
Boys & Girls Club	\$ 15,500
Arts Council	\$ 24,500
Museum	\$ 15,500
Communities in Schools	\$ 15,500
MPI (Mephibosheth Project Inc)	\$ 6,500
W.I.S.H.	\$ 11,000
Total Proposed Adopted	\$464,029

- General Fund-Mayor & Council
 - Removed dues for Military Affairs Committee from Dues and Subscriptions for \$2,100. Council wishing to participate will pay dues directly to the committee.
- General Fund-Golf
 - Permanent part time employee positions (2) were not removed in the Manager's Recommended when the full time position was presented. This is a reduction of \$32,471 plus benefits, that was reallocated to fund the position for the year and add additional funds in utilities, lease expense, other operational and benefits. There was no net change to the overall operating expenditures.
- General Fund-Public Works Building & Grounds, Information Technology, and City Manager
 - Expenditures related to maintenance contracts for heating and cooling, elevator, security system, pest control, etc.. was moved from the City Manager's budget to Buildings and Grounds, and to Information Technology who manages these contracts.
- Downtown Municipal Service District – WiFi
 - As per Council wishes, the director has reallocated expenditures to fund the \$15,000 WiFi improvements for downtown Center Street. There is no increase in the overall operating expenditures.
- Occupancy Tax Fund – Advertising
 - As per Council consensus, \$40,000 has been allocated to advertising for the Travel & Tourism division in order to sustain several sports events here in Goldsboro. The return on investment for additional revenues realized in the General Fund for sales tax, and the Occupancy Tax Fund for hotel occupancy tax will exceed the investment. This will be funded with an appropriation of Occupancy Tax Fund fund balance.

As required by G.S. §159-11, the Budget Officer submitted to the governing board a balanced recommended budget with the required components on June 1, 2021. The filing of the recommended budget was also properly advertised in the Goldsboro-News Argus on June 1, 2021, and a paper copy of the budget delivered to the City Clerk as well as made available online on the City's website. Further, the Council conducted a public hearing on June 7, 2021 at the 7:00 pm meeting, and conducted budget worksessions on June 7th, 10th and 14th. Finally, there has been at least 10 days between the presentation of the recommended budget (June 1st) and the tentative adoption of the budget ordinance (June 18th).

Summary of FY2021-22 Budget

General Fund	\$	45,240,839
Stormwater Fund		1,576,200
Utility Fund		20,347,457
Downtown Special District Fund		95,174
Occupancy Tax Fund		1,139,668
General Fund Capital Reserve		1,000
TOTAL BUDGET FY21-22	\$	68,400,338

Based on instruction provided by the Council on June 7th, 10th and 14th, changes were made as requested and a summary is provided. A published copy of the final Adopted Budget for FY2021-22 will be produced incorporating all changes noted herein and will be furnished to Council and available on our website as soon as possible.

It is recommended that Council, adopt the following entitled Budget Ordinance for the Fiscal Year 2021-22 and adopt the following entitled resolution establishing a new Schedule of Fees and Charges relative to the operation of the City of Goldsboro wastewater treatment facility to be in full force and effect on all billings after July 1, 2021.

Catherine Gwynn, Finance Director presented a summary of the Fiscal Year 2021-22 Budget (see below).

TOTAL BUDGET

<u>FISCAL YEAR 2020-21</u> <u>ADOPTED</u>	<u>FISCAL YEAR 2021-22</u> <u>PROPOSED ADOPTED</u>	<u>DIFFERENCE</u>
\$63,901,947	\$68,400,338	\$4,498,391 7.04%



Proposed Adopted Budget

Fund	FY20-21 Adopted	FY21-22 Proposed
General Fund	\$42,425,220	\$45,240,839
Stormwater Fund	\$1,775,600	\$1,576,200
Utility Fund	\$18,402,385	\$20,347,457
Downtown District Fund	\$97,898	\$95,174
Occupancy Tax Fund	\$1,199,844	\$1,139,668
General Fund Capital Reserve	\$1,000	\$1,000
Total All Funds	\$63,901,947	\$68,400,338

Summary of Changes	Manager's Recomm 6/1/21	Changes (+/-)	Proposed Adopted 6/18/21
General Fund	\$ 45,242,939	\$ (2,100)	\$ 45,240,839
Stormwater Fund	1,576,200	-	1,576,200
Utility Fund	20,210,267	137,190	20,347,457
Downtown MSD Fund	95,174	-	95,174
Occupancy Tax Fund	1,099,668	40,000	1,139,668
General Fund Capital Reserve	1,000	-	1,000
Total All Operating Funds	\$ 68,225,248	\$ 175,090	\$ 68,400,338



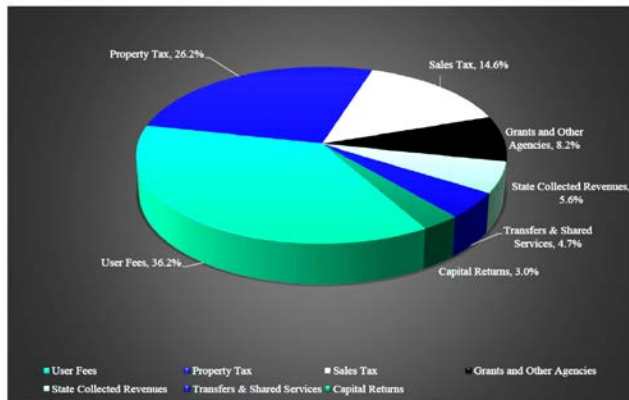
WHERE IT COMES FROM

Functional Area	FY21-22 Proposed
User Fees	\$24,792,532
Property Tax	\$17,920,718
Sales Tax	\$9,997,261
Grants and Other Agencies	\$5,637,698
State Collected Revenues	\$3,848,782
Transfers & Shared Services	\$3,208,840
Capital Returns	\$2,062,796
Miscellaneous	\$781,711
Fund Balance (Occupancy Tax Fund)	\$150,000
Total Anticipated Revenue	\$68,400,338

2021-22 City of Goldsboro Budget Presentation
June 18, 2021



Where It Comes From



2021-22 City of Goldsboro Budget Presentation
June 18, 2021



Revenue Changes included in Proposed Adopted FY21-22 Budget

- ✓ Property Tax \$0.68 per \$100 valuation – \$0.03 increase
- ✓ Property Tax \$0.235 per \$100 valuation MSD – same
- ✓ American Rescue Plan Funding

General Fund	\$1,664,500
Utility Fund	\$2,558,994
Occupancy Tax Fund	\$ 28,493
Total	\$4,251,987
- ✓ **NO** 15% Water & Sewer rate increase included

Water charges	(\$1,098,256)
Sewer charges	(\$1,323,548)
Total	(\$2,421,804)
- ✓ Wastewater fees and charges updated by resolution - \$14K per year

2021-22 City of Goldsboro Budget Presentation
June 18, 2021



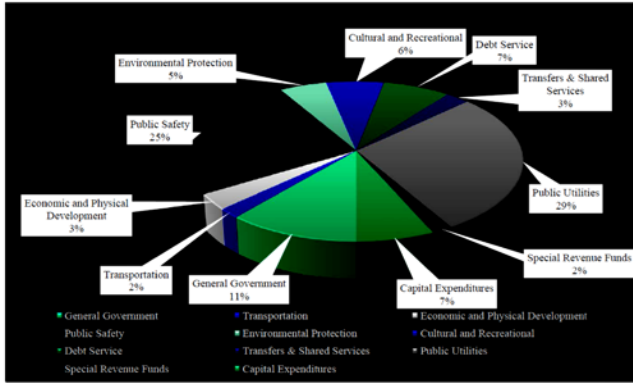
WHERE IT GOES

Functional Area	FY21-22 Proposed
Public Utilities	\$19,520,496
Public Safety	\$17,208,826
General Government	\$7,713,132
Debt Service	\$5,094,550
Capital Expenditures	\$4,567,580
Cultural & Recreational	\$4,315,630
Environmental Protection	\$3,551,765
Economic and Physical Development	\$2,193,249
Transfers & Shared Services	\$1,736,576
Transportation	\$1,278,691
Special Revenue Funds	\$1,219,842
Total Expenditures	\$68,400,338

2021-22 City of Goldsboro Budget Presentation
June 18, 2021



WHERE IT GOES



Expenditure Changes included in Proposed Adopted FY21-22 Budget

- ✓ Removed Military Affairs Committee dues \$2,100 from Dues & Subscriptions. Council wishing to participate will pay directly to MAC.
- ✓ 2 PPT positions abolished in Golf that were not removed in Manager’s Recommended. Decrease of \$32,471 was allocated to new FTE and benefits addition, as well as spreading to utilities, lease expense (sprayer), and other operational. No effect on overall operating expenditures.
- ✓ Reallocation of maintenance related contracts for heating and cooling, elevator, security system, pest control, fire alarm, generator maintenance, etc... from City Manager’s budget to Public Works Buildings & Grounds, and Information Technology that manage these contracts.
- ✓ Downtown MSD – Added WiFi extension for downtown Center Street. No effect on overall expenditures, other operating lines reduced.
- ✓ Occupancy Tax – Allocated \$40,000 for Advertising to sustain existing sporting events in Goldsboro. ROI for additional revenues in General Fund Sales Tax and Occupancy Tax hotel tax exceed investment. Fund Balance appropriation.
- ✓ General Fund Agency – Withdrew funding from Old Waynesborough Park, reallocated equally between remaining 9 agencies (+\$2K each).



AGENCY RECOMMENDATIONS/FUNDING SOURCE

FY 2021-22 Agency Requests				
Agency	FY 19-20	FY 20-21	FY 21-22	FY 21-22
	Allocation	Allocation	Requested	Proposed
	General	General	General	Total
Literacy Connections	18,000	9,000	20,000	11,000
Rebuilding Broken Places	15,000	13,500	18,047	15,500
HGDC Community Crisis Ctr.	5,000	4,500	25,000	6,500
Boys & Girls Club	15,000	13,500	15,000	15,500
Arts Council	25,000	22,500	25,000	24,500
Wayne County Schools - PEG distribution	27,339	27,400	27,400	27,400
WAGES (funded with CDBG-CV funds)	20,000	18,000	20,000	-
W.A.T.C.H. (funded with CDBG-CV funds)	20,000	18,000	25,000	-
Museum	15,000	13,500	15,000	15,500
Communities in Schools	15,000	13,500	20,000	15,500
Mental Health Association (3 year agrmt. FY20-FY22)	12,000	12,000	12,000	12,000
Waynesborough Park	20,000	18,000	20,000	-
Goldsboro/Wayne Transportation	303,129	200,000	378,129	303,129
MPI (Mephiosoth Project Inc)	5,000	4,500	5,000	6,500
W.I.S.H.	10,000	9,000	12,000	11,000
Three In One Family Center	-	-	410,000	-
TOTALS	517,468	396,900	1,047,576	464,829



Final Steps

- ✓ Any additional comments or questions?
- ✓ By motion adopt the attached budget ordinance for FY2021-22.
- ✓ By motion adopt the attached resolution establishing a new Schedule of Fees and Charges relative to the operation of the City of Goldsboro wastewater treatment facility to be in full force and effect on all billings after July 1, 2021.
- ✓ A detailed copy of the Adopted Budget FY2021-22 will be published in the forthcoming weeks and posted to the City’s website.



Council discussed the recommended budget.

Councilmember Aycock made a motion to adopt the following entitled Budget Ordinance for Fiscal Year 2021-22 and the following entitled resolution establishing a new schedule of fees and charges relative to the operation of the City of Goldsboro wastewater treatment facility, the motion was seconded by Councilmember Polack.

A roll call vote resulted in the following vote, Mayor Pro Tem Ham, Councilmember Broadaway, Councilmember Polack, and Councilmember Aycok voted for the motion. Councilmember Jones and Councilmember Matthews voted against the motion. The motion passed 4:2.

ORDINANCE 2021-11 "ANNUAL BUDGET ORDINANCE FISCAL YEAR 2021-2022"

RESOLUTION "2021-49 "RESOLUTION ESTABLISHING A SCHEDULE OF CHARGES AND FEES RELATIVE TO THE OPERATION OF THE CITY OF GOLDSBORO WASTEWATER TREATMENT FACILITY"

There being no further business, the meeting adjourned at 5:25 pm.

David Ham
Mayor Pro Tem

Laura Getz, MMC/NCCMC
City Clerk