

MINUTES OF THE RECESSED MEETING OF THE CITY COUNCIL
JUNE 14, 2021

The City Council of the City of Goldsboro, North Carolina, recessed from a Special Meeting on June 10, 2021 to meet on June 14, 2021 at 5:00 p.m. to discuss the FY21-22 Budget in the Council Chambers, City Hall, 214 North Center Street, Goldsboro, NC with attendance as follows:

Present: Mayor Pro Tem David Ham, Presiding
Councilmember Hiawatha Jones
Councilmember Bill Broadway
Councilmember Taj Polack
Councilmember Brandi Matthews
Councilmember Gene Aycock
Tim Salmon, City Manager
Laura Getz, City Clerk

Absent: Mayor Chuck Allen

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

Budget Discussion

Council resumed the discussion on the FY21-22 proposed budget.

Tim Salmon, City Manager shared the following presentation:

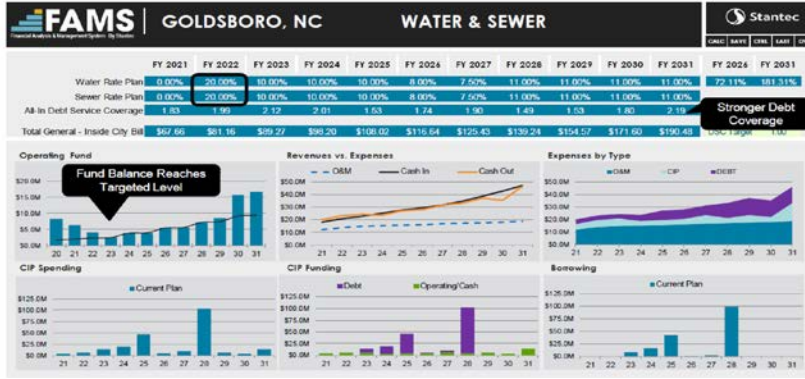
Do you concur with or modify the following:

1. Use a portion of the ARP (\$1.7M) for the provision of services; place the remainder of ARP funds received this year (\$2.7M) in a special revenue fund to be used as determined by Council
2. A loan for essential vehicles (\$1.8M)
3. Raising the property tax 3-cents per \$100 valuation (\$38/year for \$127K median value home in Goldsboro per U.S. Census Bureau information)
4. Raising the water and sewer utility rates 15% (\$10/month inside the City \$68 to \$78; \$19/mo outside the City \$127 to \$146; still < avg for utilities in NC using same rate structure per UNC SoG Dashboard)

ARP Considerations:

1. Use of Wayne County ARP (\$24M) may address the County Genoa Wastewater System concerns but there has been no indication any of those funds would be used to fix Goldsboro Public Utility concerns.
2. Use of NC State ARP (\$800M proposed by Governor) for infrastructure grants is as follows:
 1. \$440M for "Distressed" (118) and "At-Risk" (120) local governments
 1. No match for distressed or regional government projects
 2. 75/25% match for at-risk government projects
 2. \$360M for all governments statewide (Goldsboro in this category)
 1. 50/50% match for all other governments
 2. If we want to leverage ARP funding, we will likely need the recommended rate increases to do so

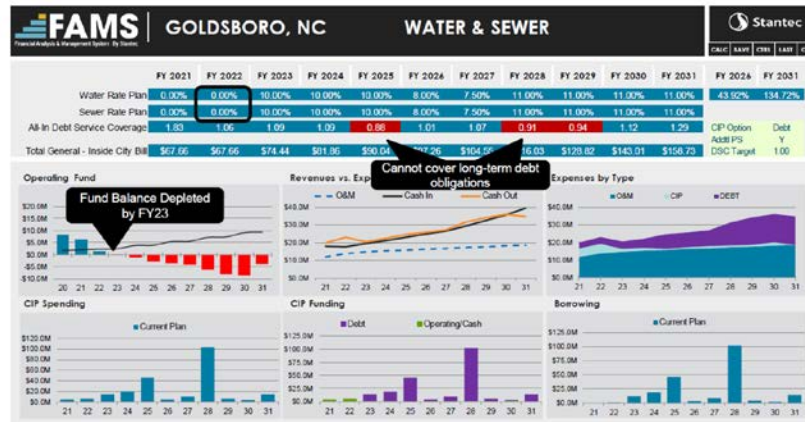
Financial Plan with 20% Rate Increase in FY 2022



Financial Plan with 15% Rate Increase in FY 2022



Financial Plan with No Rate Increase in FY 2022



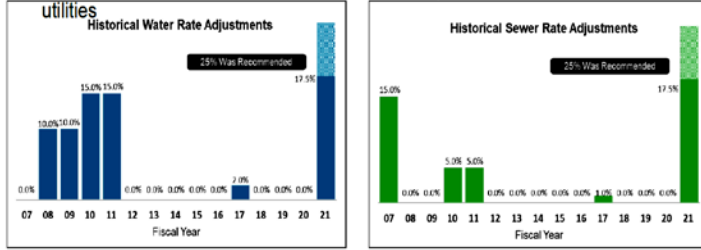
Water and Sewer Rate Self-Sufficiency

Revenues/Expenditures/Debt	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Over/Under
Water (No Increase)	111.61%	114.84%	112.51%	94.01%	\$ (479,705)
Water Reclamation (No Increase)	92.39%	88.74%	97.08%	79.26%	\$ (2,013,271)
Water (15% Increase)	-	-	-	106.81%	\$ 620,458
Water Reclamation (15% Increase)	-	-	-	94.41%	\$ (620,458)

The utility rate study has shown that if we do not fund a 15% rate increase in FY21-22 that our reserves will be depleted by FY23, and we will not be able to cover our operating expenses and debt service. There is very little capital outlay included in the FY21-22 budget. The recommended CIP in the next 10 years totals approximately \$229M (including inflation). An updated Utility Master Plan (2008) is urgently needed. The estimated cost of the Plan is \$530K, and it should be funded if Council needs confirmation of the necessity of the proposed CIP.

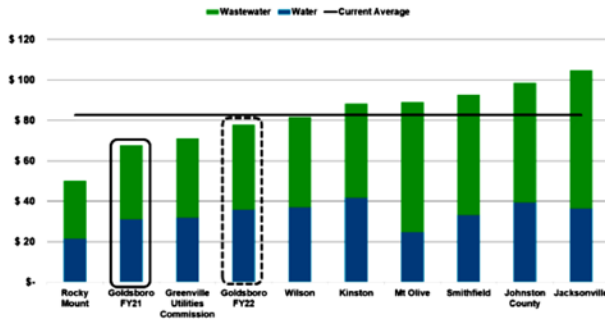
Rate History

- Minimal usage rate adjustments over the past decade
- Goldsboro water and sewer rates remain low compared to national and local utilities



Water/Sewer Rate Comparison

Residential Water/Sewer Monthly Rate Comparison
5,000 Gallons



Water/Sewer Rate Comparison

Average Consumption (5,000 gallons)			
Municipality	Water	Sewer	Total
Jacksonville	\$36.43	\$68.36	\$104.79
Johnston County	39.40	59.25	98.65
Smithfield	33.11	59.60	92.71
Mt. Olive	24.66	64.34	89.00
Kinston	41.86	46.35	88.21
Wilson	37.14	44.49	81.62
Goldsboro (FY22)	35.80	42.05	77.85
Greenville Utilities Commission	31.85	39.28	71.13
Goldsboro (Current)	31.11	36.55	67.66
Rocky Mt.	21.57	28.50	50.07
Average Cost (Excl. Goldsboro FY22)	\$33.01	\$49.64	\$82.65

DEBT PAYMENTS AND BALANCES : Manager's Recommended FY21-22

	FY Paid	FY20-21 Adopted Princ & Int	FY21-22 Recom. Princ & Int	Outstanding Balance (7/1/2020)	Outstanding Balance (7/1/2021)	Tentative New Debt
General Obligation Bonds						
Sewer & Streets - 2011 Refunding GO	2022	\$ 257,950	\$ 246,408	\$ 485,000	\$ 240,000	
Sewer & Streets - 2013 Refunding GO	2025	\$ 346,040	\$ 332,440	\$ 1,488,000	\$ 1,168,000	
Police Lawsuit Settlement - 2014 GO	2025	\$ 190,145	\$ 186,320	\$ 850,000	\$ 680,000	
Parks & Rec (54.5%) & Streets (45.50%) 2017 GO Bonds	2037	\$ 461,657	\$ 447,906	\$ 4,675,000	\$ 4,400,000	
Streets - 2018 GO	2039	\$ 390,375	\$ 379,125	\$ 4,275,000	\$ 4,050,000	
Streets (22.8%) & Sewer (77.20%) 2017 Refunding GO	2030	\$ 972,700	\$ 949,700	\$ 7,110,000	\$ 6,410,000	
Subtotal - GO Bonds		\$ 2,618,867	\$ 2,541,899	\$ 18,883,000	\$ 16,948,000	\$ -
State Revolving Loans						
Water Plant Phase I	2032	\$ 436,757	\$ 428,358	\$ 4,031,606	\$ 3,695,639	
Water Plant Phase II	2033	\$ 147,093	\$ 147,093	\$ 1,912,212	\$ 1,765,118	
Stoney Creek Sewer Project	2037	\$ 221,806	\$ 218,645	\$ 2,857,452	\$ 2,689,366	
Plate Settlers Project (W1112) (Project to be completed May 2021)	2041	\$ 122,704	\$ 122,957	\$ 1,731,371	\$ 1,644,802	
Phase IV Sewer Improvements SRP (S1102)	2040	\$ 420,284	\$ 420,284	\$ 8,405,676	\$ 7,985,392	
Gravity Sewer Rehab (Big Ditch) SRP (S1103)	2041 (Est.)	\$ -	\$ 86,667	\$ -	\$ -	\$ 1,235,100
Water Lines & Booster Pump SRP (W1111)	2041 (Est.)	\$ -	\$ 246,452	\$ -	\$ -	\$ 3,610,000
2019 Water Improvements 2" Galvanized Lines W1F-1979	Awarded	\$ -	\$ -	\$ -	\$ -	\$ 2,998,100
Little Cherry Big Cherry Pump Station Relocation (ASADRA)	Awarded	\$ -	\$ -	\$ -	\$ -	\$ 3,058,000
Subtotal - State Revolving Loans		\$ 1,348,644	\$ 1,670,456	\$ 18,938,316	\$ 17,780,317	\$ 10,911,200

FY22 Capital Improvement Cuts If The Recommended 15% Rate Increase Is Not Approved:

		15% Increase	30% Increase	0% Increase
Water Treatment Plant				
WTP Automatic Transfer Switch	Current 4000w Generator can't be used	\$ 188,000	\$ 95,000	\$ 90,000
Cleanwell #2				
	Crack Repair, paint, and seal	\$ 138,000		
WTP Influent Flow meters	Install new flow meters on 18" and 20"	\$ 132,000		
Concrete for Flood Barriers (on hand)				
	Current barrier foundation around plant	\$ 108,000		
ARP's Automatic Transfer Switch	Replace ARP's transfer switch	\$ 140,000	\$ 195,000	\$ 190,000
Total Organic Carbon Analyser	Replace end of life lab equipment	\$ 23,000	\$ 21,000	\$ 28,000
Ford Escape				
	Replace 2005 Ford Ranger for sampling	\$ 21,700		
Update Utility Master Plan				
	Update 14-year old plan	\$ 158,000	\$ 158,000	\$ 200,000
Water Reclamation Facility				
Phase III Telemetry				
	Replace and program obsolete radars	\$ 200,000	\$ 200,000	
Westmore Generator				
	Replace generator past working life	\$ 368,000		
New Hoist PS Barscreen				
	Replace existing barscreen	\$ 308,000	\$ 308,000	
117 PS Barscreen				
	Replace existing barscreen	\$ 225,000	\$ 225,000	
Aerator Rehabilitation				
	Rehab 1 of 8 aerators past working life	\$ 122,000	\$ 122,000	
Wasting valve Replacement				
	Replace 40-year old failing valves	\$ 95,000	\$ 95,000	
Bulk Chemical Tank				
	Replace chemical tank past working life	\$ 43,000		
Lab Distillation Unit				
	Replace 14-year old distillation unit	\$ 18,300	\$ 18,300	\$ 18,300
Ford Ranger				
	Replace 2007 Toyota Yaris	\$ 25,000		
Ford Escape				
	Replace 2011 Toyota Yaris	\$ 25,000		
Sansepot Facility				
Capital ready cut				
		\$ 815,900	\$ 1,471,500	\$ 1,471,500
	3-Plant Total:	\$ 2,472,200	\$ 1,471,500	\$ 815,900

Councilmember Jones passed out a packet of information regarding the ARP funding and asked council not to pass the 15% water and sewer tax increase.

Mr. Tim Salmon responded to the discussion about the ARP funds and water and sewer rate increase. Council members discussed the rate increase. Councilmembers Jones, Polack, and Matthews were opposed to the water and sewer rate increase.

Council asked questions about the needs of the Public Utilities Department. Mike Wagner, Public Utilities Director presented information about the needs of the department.

Mr. Tim Salmon shared information concerning a request to use the occupancy tax fund from Travel and Tourism.

Occupancy Tax Fund

	FY 20-21 Budget	FY 21-22 Recomm.
Revenues:		
80% Civic Center	\$686,100	\$625,000
20% Travel & Tourism	\$175,700	\$155,000
County of Wayne 1%	\$170,000	\$175,975
Investment Earnings	\$5,500	\$200
Other Revenue	\$6,580	\$33,493
Fund Balance Appropriated	\$115,963	\$110,000
Total Revenues	\$1,159,843	\$1,099,668
Expenditures:		
Civic Center		
Debt Service	\$446,621	\$446,622
County of Wayne (40% Portion)	\$344,720	\$312,000
Travel & Tourism	\$368,502	\$341,046
Total Expenditures	\$1,159,843	\$1,099,668

- Current levy is 5% for local hotel and motel occupancy
- County of Wayne's funding of the 1% occupancy tax
- Fund Balance Appropriation of \$110K is for Musco Lighting payment for Bryan Multi Sports Complex of \$110K.

Priorities: To help our lodging industry bounce back from COVID-19 using research-based marketing plans, securing events that generate overnight travel in Goldsboro and Wayne County.

Dustin Pike, Tourism Board President shared information with council.

Erin Fonseca, Downtown Development Director recommended funding Wi-Fi in the amount of \$15,000 from the MSD budget and requested to keep the downtown art in the current budget.

Council recommendations:

Council reached a consensus to use the \$40,000 generated by tourism with no recommended staff salary increase.

Council reached a consensus to keep the Military Affairs Committee (MAC) funding in the budget and for council to pay the fees themselves if they would like to be a member.

Council reaffirmed their consensus to cut the Waynesborough Park donation of \$18K and spread the funds equally among other funded agencies.

Council reached a consensus concerning a budget transfer from the MSD at the Director's discretion for downtown Wi-Fi on the South end of Center Street. The Director will send the City Manager and Finance Director a recommendation of the line items for the transfer.

Council did not reach consensus regarding the 15% water and sewer rate increase.

Council reached a consensus to use the American Rescue Plan (ARP) funds to fund this years CIP issues.

CM Polack requested rescheduling the meeting on June 21, 2021 to vote on the budget due to a personal obligation out of town. Council discussed adopting the budget on Friday, June 18, 2021, time to be determined after discussing the issue of a remote meeting with the city attorney. The regular scheduled council meeting will be held on June 21, 2021.

There being no further business, the meeting adjourned at 6:53.

David Ham
Mayor Pro Tem

Laura Getz, MMC/NCCMC
City Clerk