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 Broadaway  
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. $400M 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

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Water (No Increase)</td>
<td>113.61%</td>
<td>114.84%</td>
<td>115.31%</td>
<td>94.01%</td>
<td>$479,705</td>
</tr>
<tr>
<td>Water Reclamation (No Increase)</td>
<td>92.33%</td>
<td>88.74%</td>
<td>97.08%</td>
<td>79.26%</td>
<td>$(2,031,271)</td>
</tr>
<tr>
<td>Water (15% Increase)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-10.01%</td>
<td>$62,458</td>
</tr>
<tr>
<td>Water Reclamation (15% Increase)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>94.41%</td>
<td>$(630,458)</td>
</tr>
</tbody>
</table>

The utility rate study has shown that if we do not fund a 15% rate increase in FY22-23 that our reserves will be depleted by FY23, and if we will not be able to cover our operating expenses and debt service. There is very little capital outlay included in the FY20-22 budget. The recommended CIP in the next 10 years totals approximately $220M (including inflation). An updated Utility Master Plan (2020) is urgently needed. The estimated cost of the Plan is $55M, and it should be funded in 2021/22 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)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Water</th>
<th>Sewer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jacksonville</td>
<td>$36.43</td>
<td>$66.36</td>
<td>$104.79</td>
</tr>
<tr>
<td>Johnston County</td>
<td>39.40</td>
<td>56.25</td>
<td>95.65</td>
</tr>
<tr>
<td>Smithfield</td>
<td>33.11</td>
<td>59.60</td>
<td>92.71</td>
</tr>
<tr>
<td>Mt. Olive</td>
<td>24.66</td>
<td>64.34</td>
<td>89.00</td>
</tr>
<tr>
<td>Kinston</td>
<td>41.86</td>
<td>46.35</td>
<td>88.21</td>
</tr>
<tr>
<td>Wilson</td>
<td>37.14</td>
<td>44.49</td>
<td>81.63</td>
</tr>
<tr>
<td>Goldsboro (FY22)</td>
<td>35.80</td>
<td>42.05</td>
<td>77.85</td>
</tr>
<tr>
<td>Greenville Utilities Commission</td>
<td>31.85</td>
<td>38.28</td>
<td>70.13</td>
</tr>
<tr>
<td>Goldsboro (Current)</td>
<td>31.11</td>
<td>36.55</td>
<td>67.66</td>
</tr>
<tr>
<td>Rocky Mt.</td>
<td>21.57</td>
<td>28.50</td>
<td>50.07</td>
</tr>
<tr>
<td>Average Cost (Excl. Goldsboro FY22)</td>
<td>$33.01</td>
<td>$46.64</td>
<td>$82.65</td>
</tr>
</tbody>
</table>

DEBT PAYMENTS AND BALANCES - Manager's Recommended FY22-23

- Rate History
- Water/Sewer Rate Comparison
- Water/Sewer Rate Comparison Average Consumption (5,000 gallons)
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**

<table>
<thead>
<tr>
<th>FY 20-21 Budget</th>
<th>FY 21-22 Recommend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
</tr>
<tr>
<td>80% Civic Center</td>
<td>686,100</td>
</tr>
<tr>
<td>20% Travel &amp; Tourism</td>
<td>175,700</td>
</tr>
<tr>
<td>County of Wayne 1%</td>
<td>175,000</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>175,000</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>6,580</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>1,159,483</td>
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<tr>
<td>Expenditures:</td>
<td></td>
</tr>
<tr>
<td>Civic Center</td>
<td>446,621</td>
</tr>
<tr>
<td>Debt Service</td>
<td>446,622</td>
</tr>
<tr>
<td>County of Wayne (40% Park)</td>
<td>354,630</td>
</tr>
<tr>
<td>Travel &amp; Tourism</td>
<td>311,016</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>1,159,483</td>
</tr>
</tbody>
</table>

- Current levy is 3% for local hotel and motel occupancy
- County of Wayne's funding of 1% occupancy tax
- Fund Balance Appropriation of $110K 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 year's 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.

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David Ham
Mayor Pro Tem

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Laura Getz, MMC/NCCMC
City Clerk