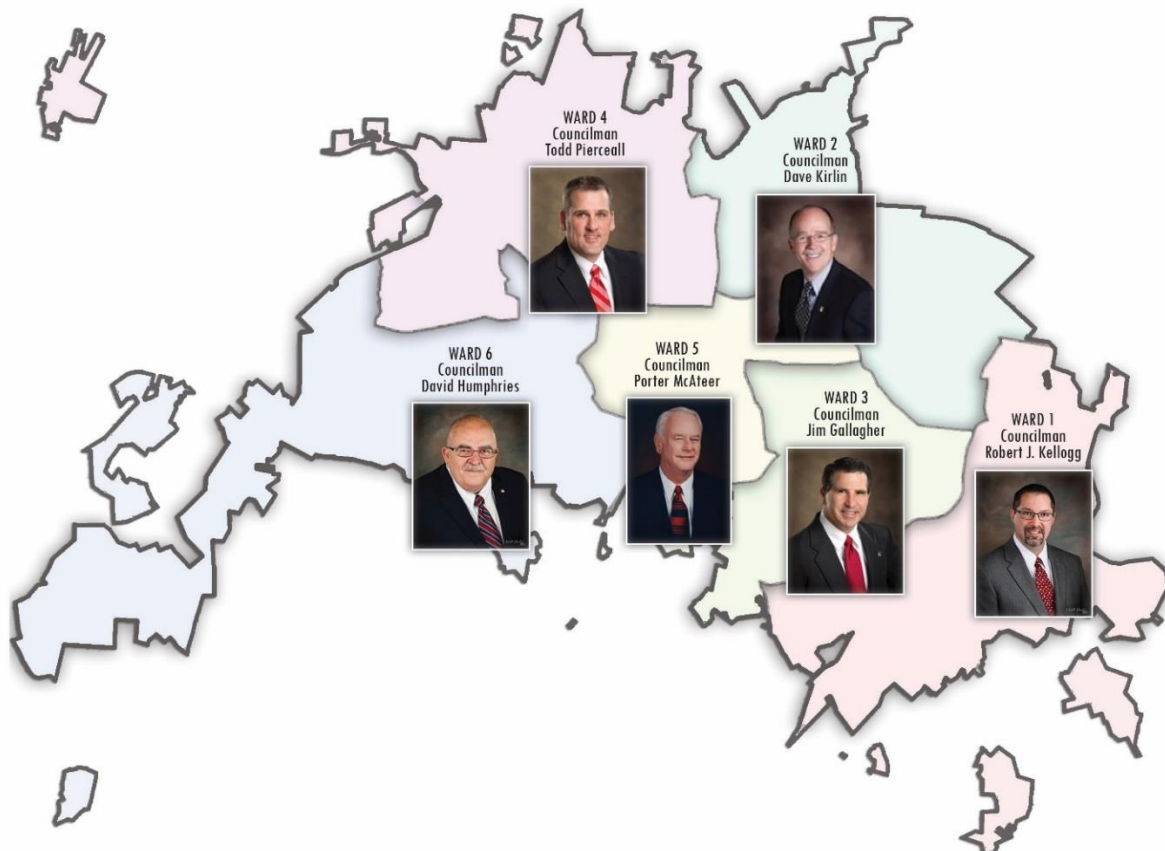


City of Gastonia

Fiscal Year 2018

Gastonia City Council by Wards



Mayor

John D. Bridgeman

City Manager

Michael C. Peoples

Director of Financial Services

Vacant



For more information about the City of Gastonia's budget, please contact the Budget Office.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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PRESENTED TO

**City of Gastonia
North Carolina**

For the Fiscal Year Beginning

July 1, 2016

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Gastonia, North Carolina** for its Annual Budget for the fiscal year beginning **July 1, 2016**. In order to receive this award, a governmental unit must publish a budget document and meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



City of Gastonia Priorities

Mission Statement

The City of Gastonia serves as a model for civic leadership as we engage our community of dedicated neighbors (Great People). We share a collective passion for personal safety, economic vitality, cultural richness, and overall sustainability (Great Place). Our distinct character is built upon a rich and unique heritage and fueled by enthusiasm for the promise of a bright tomorrow (Great Promise). To provide fair, competent, responsive, cost-effective services at the highest level.

Core Beliefs/Values

We will accomplish our mission through these core beliefs and values:

- We believe in dedicated, productive, and enthusiastic effort.
- We believe in competence, responsiveness, and professionalism.
- We stress compassion, fairness, and equity.
- We promote teamwork and a respect for diverse ideas and opinions.
- We believe that balance is necessary when weighing immediate versus long-term needs.
- We insist upon accountability to maintain public trust.
- We value and encourage citizen participation in government and its decision-making process.
- We believe in the creation of economic opportunity for all citizens.
- We promote ethics and morality in all that we do.
- We value our natural resources and will strive to achieve a sustainable environment.





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Reader's Guide

Welcome

The City of Gastonia thanks you for your interest in your local government and encourages you to use this document to expand your knowledge about our community. Included on the following pages are descriptions of City departments, the services they provide, and how much it costs to provide those services. We hope this information is useful to you and answers your questions about your city government.



Feel free to contact the **City of Gastonia Budget Office** at (704)-866-6957 or via e-mail at crystal@cityofgastonia.com with your budget questions, as well as your comments about how we can improve this document.

What's in Here?

This document is divided into numerous sections. The *Executive Summary* section immediately follows. Here you'll find the City Manager's Budget Message which gives information on what's included in the City's budget. It also includes the Budget Highlights with significant changes for expenditures and revenues from the prior fiscal year.

The *Financial Summary* section is next. This section gives budgetary information on the City's revenues and expenditures for current and previous years, along with fund structure, debt service, budgetary process, financial policies and long-range planning,

Following the *Financial Summary* section is the *Organizational Design* section. This section provides information on the organizational structure for the City as well as personnel information.

After the *Organizational Design* section is the *Appropriation by Area* section. This is the largest section of this budget document and it contains profiles and other financial information for each department or service area. For each service area in this section, it begins with an organizational chart for the department and then a chart page. On the chart page, you will find a Department Mission statement describing the department or service area, along with a table and graph with the department's budget information.

Reader's Guide

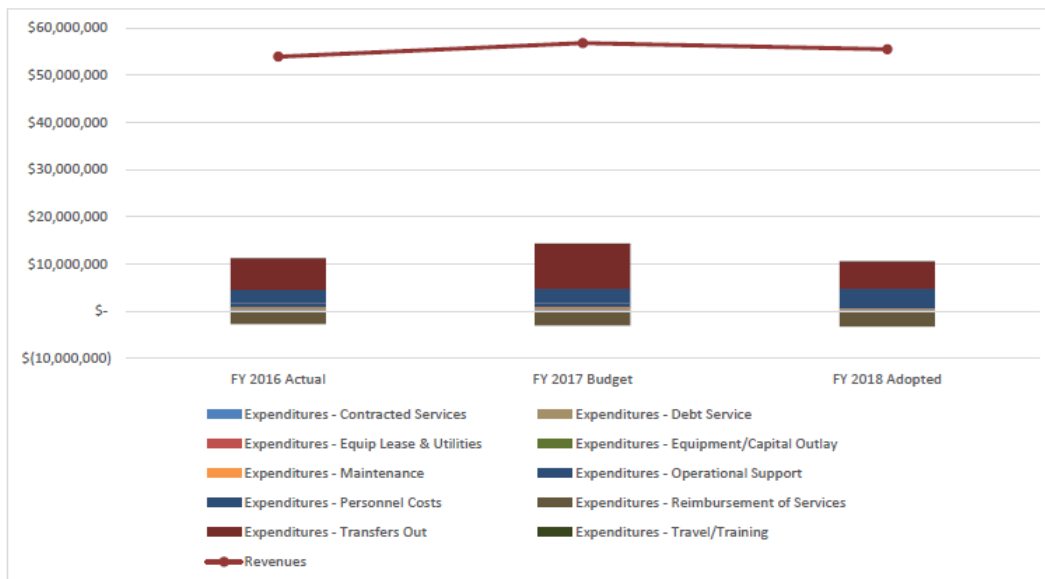


Department Name
Department Head Name

Department Mission

Brief description of the Department's mission

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	189,552	186,650	191,308	4,658	2.50%
Debt Service	514,643	496,196	344,259	-151,937	-30.62%
Equip Lease & Utilities	84,988	88,046	86,125	-1,921	-2.18%
Equipment/Capital Outlay	42,459	24,775	2,000	-22,775	-91.93%
Maintenance	41,463	57,006	43,150	-13,856	-24.31%
Operational Support	732,362	823,299	805,735	-17,564	-2.13%
Personnel Costs	2,890,371	3,070,920	3,245,905	174,985	5.70%
Transfers Out	6,657,353	9,487,224	5,728,233	-3,758,991	-39.62%
Travel/Training	12,624	20,997	21,840	843	4.01%
Expenditures Total	11,165,814	14,255,113	10,468,555	-3,786,558	-26.56%
Reimbursement of Services	-2,757,716	-3,081,815	-3,242,897	-161,082	5.23%
Revenues	53,921,325	56,812,769	55,482,865	-1,329,904	-2.34%
Funding (+ or -)	-45,513,227	-45,639,471	-48,257,207	-2,617,736	5.74%



The **expenditures** for each department are listed in summary format and include amounts budgeted for personnel costs, operational expenses, and outlays for major capital expenditures in the fiscal year. The **revenues** of each department identify the amount of money received by a department from the federal and state governments, local and other revenues. Local funds come from the property tax, unearmarked sales tax revenues, interest earnings, and so on. The City's fiscal year begins on July 1 of each year and ends on June 30 of the following year.

Figures in the **FY 2016 Actual** column list revenues and expenditures received or spent by the department in that fiscal year. The next column, **FY 2017 Budget**, lists the budgeted revenues and expenditures as adopted by the City Council plus any amendments and carryover amounts

Reader's Guide

for fiscal year 2017. The **FY 2018 Adopted** column lists the expenditure and revenue amounts the City Council adopted for the 2018 fiscal year. The **Amount Change** and **% Change** columns indicate what the expenditures or sources of funds figures changed from **FY 2017 Budget** to **FY 2018 Adopted**.

Next are the department summary, budget highlights, goals, and objectives. This page(s) has the mission statement for the department, budget highlights, department goals, which are broad and generally difficult to measure, and objectives, which are narrow and measurable steps that can be taken to meet the goal.

Also included in the *Appropriations by Area* section are some performance measurements for specific services provided by the department. The departments that contain performance measures are Development Services (Building Support), Enterprise Services (Electric and Solid Waste), Financial Services (Accounting), Fire Services (Life Safety, Training and Operations), Human Resources (Administration and Employment), Police Services (Support Services and Patrol), Public Works/Utilities (Street Maintenance, Water Treatment and Wastewater Treatment) and Recreation (Athletics and Organized Programs).



Department Name
Service Area

Service Area Objective

This section gives a brief description of the service area's objective.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
	Workload Measure			
	Workload Measure			
	Efficiency Measure			
	Efficiency Measure			
	Effectiveness Measure			
	Effectiveness Measure			

Following the *Appropriations by Area* section is the *Capital Improvements* section where you will find a brief summary of capital improvements that are budgeted in the current fiscal year, as well as a pro forma that estimates future revenues and expenditures for the major capital project funds.

Finally, at the end of this document is the *Appendices* section where you will find the Budget Ordinance, Capital Project Ordinance, and Community Development Ordinance, as well as a glossary of technical terms used in this document.



City Profile

City History

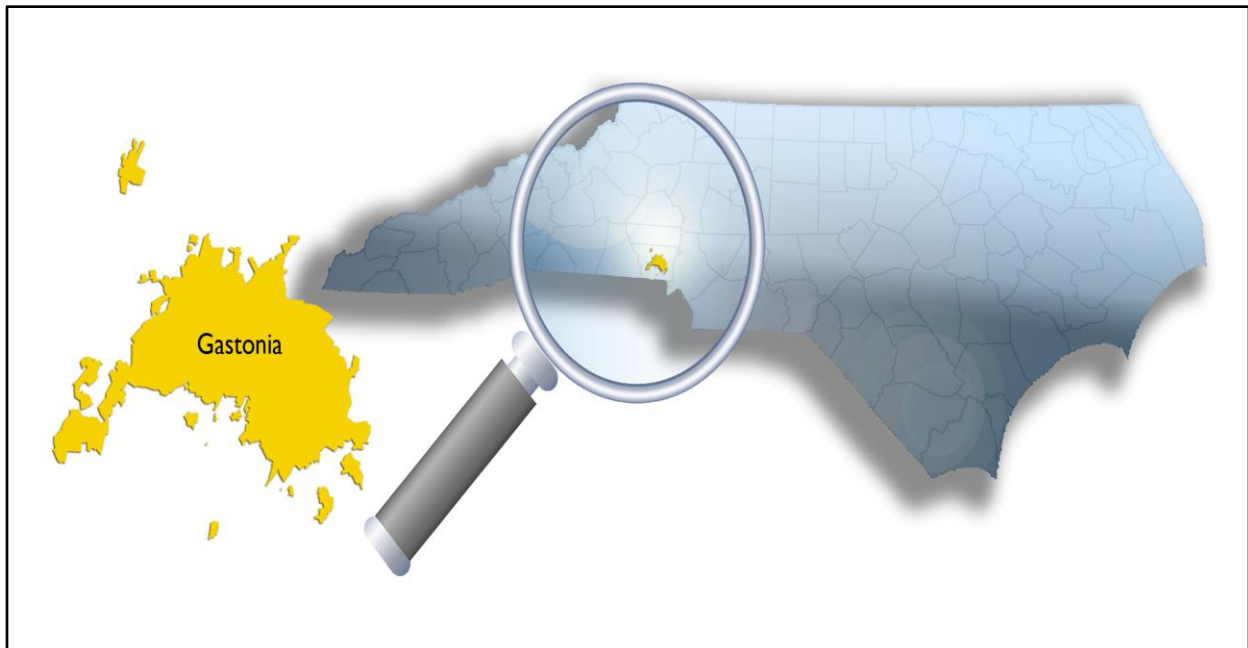
The City of Gastonia was incorporated in 1877, the year reconstruction ended, and became the county seat of Gaston County in 1911. The impetus for the early development of Gastonia, which began in 1873 as a small railroad depot, was the combined effect of the realignment of the Atlanta & Charlotte Airline Railroad (now



Norfolk Southern) from its original intended path several miles to the north of the City, the charter of the Chester and Lenoir Narrow Gauge Railroad (now CSX) which crossed the Atlanta & Charlotte railroad and the introduction of the steam powered textile mill. The crossing of these two railroads and the beginning of the City's textile industry brought opportunity for employment and social life. The initial population of the town was approximately 200 people and the land area was less than one square mile. The City's original population was reflective of the surrounding county and was comprised of English, German, Scotch Highlander, and Scotch-Irish citizens, with a few African American residents also moving into the settlement. The City has operated continuously under the Council-Manager form of government since its adoption in 1919.

Gastonia is located in the heart of the Piedmont section of the State of North Carolina, approximately 22 miles west of Charlotte, it is the third largest city in the Charlotte, - Gastonia, - Concord Metropolitan Statistical Area (MSA) as identified by the United States Bureau of the Census. The MSA 2010 Census population is 1,531,965. Gastonia covers an area of approximately 51.69 square miles. The City has a broad industrial, office and commercial base and is the fourteenth largest city in the State with an estimated population of 73,698 by the United States Bureau of the Census.

City Profile



City Government

The City is responsible for providing governmental services, including police and fire protection, community development, recreation programs, solid waste collection and disposal, water and sewer, electricity, public transportation and other miscellaneous public services. The City is governed by a Mayor and a six-member City Council elected on a non-partisan basis. The Mayor is elected for a two year term and City Council members are elected for four year staggered terms. Each Council Member represents a particular City ward, but elections are determined by an at-large vote. The Mayor presides over all City Council meetings (held on the first and third Tuesday of each month) and has the ability to vote on any issue as if he/she were a member of the City Council. The City Council enacts all general and technical ordinances, including budgetary appropriations and revenues, construction and zoning ordinances, approves contracts and originates general management policies.

The City Council employs a City Manager who directs the daily operations of the City through one Deputy Manager and two Assistant City Managers. For Fiscal Year 2018, the City of Gastonia has funds budgeted for 923.25 full time equivalent employees. This full time equivalent (FTE) number was arrived at by adding all full time, part time and seasonal employee hours and assuming a full time position is equivalent to 2080 hours of service. Property taxes may be levied by the City without a vote of the people and are collected as an annual ad valorem tax on the appraised value of all real and tangible personal property within its boundaries. In Fiscal Year 1994, Gaston County began collecting current taxes for the City of Gastonia. Delinquent taxes continue to be collected by both the City's collection offices as well as the County's.

City Profile

Education

One public school system serves the City of Gastonia and Gaston County. The Gaston County School Administrative Unit is governed by the Board of Education consisting of nine members elected for four-year terms. A school superintendent is appointed by the Board of Education. The State provides funding for a basic minimum educational program (approximately 69%), which is supplemented by the County and Federal governments. This minimum program provides funds for operational costs only. The financing of public school facilities has been a joint State and County effort. Thus, local financial support is provided by the County for capital and operating costs which is not provided for by the State or Federal government. The City does not provide any funding for the school system.

Transportation

The City has approximately 441 linear miles of streets. The City and State maintain approximately 341 miles and 100 miles, respectively, of paved streets. Major expansion, improvement and maintenance of primary and secondary highway thoroughfares fall under the responsibilities of the State. Major construction, improvement, and maintenance of the local street system is the responsibility of the City. Construction of new streets within subdivisions is the responsibility of the developer and the City.

Gastonia also owns and operates a transit system consisting of eight (8) 35-foot buses and three (3) special handicapped vans. The City will receive approximately 50% of the operating costs and 80% of the capital costs from the Federal government. The remaining funds are supplied by the City with the State contributing a small percentage for capital expenditures. In May 2000, the City of Gastonia and Charlotte Metropolitan Transit entered into a commuter bus program to help reduce vehicular traffic between the two urban areas. The City has also proposed an 85X Mid-day Express service which is ready to move forward. In addition, the City recently approved an interlocal agreement with the NC Department of Natural and Cultural Resources to provide bus shuttle service to Crowders Mountain State Park on weekends and holidays.

The Gastonia Municipal Airport, a general aviation airport, is owned by the City. The airport serves the City and the County for both business and pleasure trips. In Fiscal Year 2006, the City entered into an agreement with Fly Carolina, LLC to serve as the Fixed Base Operator for the airport.

Recreation

The City has available many different national, regional and local recreational facilities. A National Football League team, the Carolina Panthers, play in a facility located in the downtown area of Charlotte, North Carolina. In July, 2014 after 12 years, the Charlotte Bobcats officially became the Charlotte Hornets again. This changed occurred as a result of New Orleans giving up the Hornets name to become the Pelicans. A professional minor league hockey team, the Charlotte Checkers, and a Triple A minor league baseball team, the Charlotte Knights, is also located within 25 miles of the City. The US Whitewater Center is located just across the Gaston County line, approximately 4.5 miles from the City. The Center provides over 300 acres of woodlands along the Catawba River and is the world's only multi-channel re-circulating whitewater river. It has

City Profile

been designed by the United States Olympic Committee as an official Olympic Training site. The U.S. National Whitewater Center hosts World Cup competitions and Olympic Trails. In addition, the NASCAR Hall of Fame opened in Charlotte in May 2010. Also, a Summer Baseball - College All-Star League team, the Gastonia Grizzlies, plays at Sims Park.

The City sponsors a full range of recreation programs. Recreation facilities are located on approximately 587 acres of land including six community centers, eight jogging tracks, 28 tennis courts, 19 baseball/softball fields, two swimming pools, two splash parks, 16 parks, 4 soccer fields, two disc golf courses and a municipal skeet and trap range. The first portion of the City's Greenway System was dedicated in 2002 and consists of a 2.5 mile paved walking trail stretching from Lineberger Park to the Gastonia Armory. A ½ mile trail section has been added and serves as a connector to Ferguson Park. An additional 1.2 miles of abandoned railway bed was converted as part of the Rails to Trails program and begins at the corner of Broad & Long Streets and runs behind Sims Park just beyond I-85. The walking trail is within walking distance of almost 10,000 City residents.

Rankin Lake Park is newly renovated and the improvements take full advantage of the 80 acre water impoundment. The lake is now open to the public for fishing from either of the 2 piers, a 100 yard long stretch open for bank fishing, or from rental boats equipped with electric trolling motors. The lakefront amenities include a lakefront boat rental office, two corporate picnic shelters, adequate restroom facilities, a 1.6 mile paved walking trail around the lake, an outdoor classroom, and an 18 hole disc golf course.

Crowder's Mountain State Park, a 3,000-plus acre natural mountain park area, is located in the City at its western edge. The park offers hiking, rock climbing, fishing, picnicking and other nature and environmental related activities. This is one of only two state parks located within a municipality in the State.

The City also owns an approximately 58 acre park and youth sports complex named Martha Rivers Park. The \$4.5 million sport complex consists of four soccer fields; four little league baseball fields with a center control tower, restrooms, and concession stand, approximately two miles of paved walking trails, picnic tables and parking for approximately 290 cars. The Park also includes a community-built playground that includes splash pad, pirate ship, observatory, fun house and a maze of slides, swings and sandboxes.

Public Utility Enterprises

The City owns and operates the water, sanitary sewer and electric systems. Water and sanitary sewer services are provided to customers inside and outside the City limits, with customers outside the City limits paying higher rates. The water, sanitary sewer and electric systems are supported solely by user charges.

City Profile

Two Rivers Utilities

Gastonia has served as a regional provider of wholesale water and wastewater services to surrounding municipalities for more than two decades. In 2011, after years of discussion on the formation of a regional utility, a consolidation of water and wastewater utility services with the Town of Cramerton created Two Rivers Utilities (TRU). The agreement allowed Gastonia to begin the transformation into a true regional water and wastewater provider.



In addition, the establishment of Two Rivers Utilities proved to be a “win-win” partnership for both Gastonia and Cramerton. As part of the consolidation, Gastonia assumed ownership of Cramerton’s water and wastewater utilities. This includes the 4 MGD Eagle Road Wastewater Treatment Plant that will be critical for serving future growth in southeastern Gaston County. Cramerton residents benefited from Gastonia’s lower utility rates.

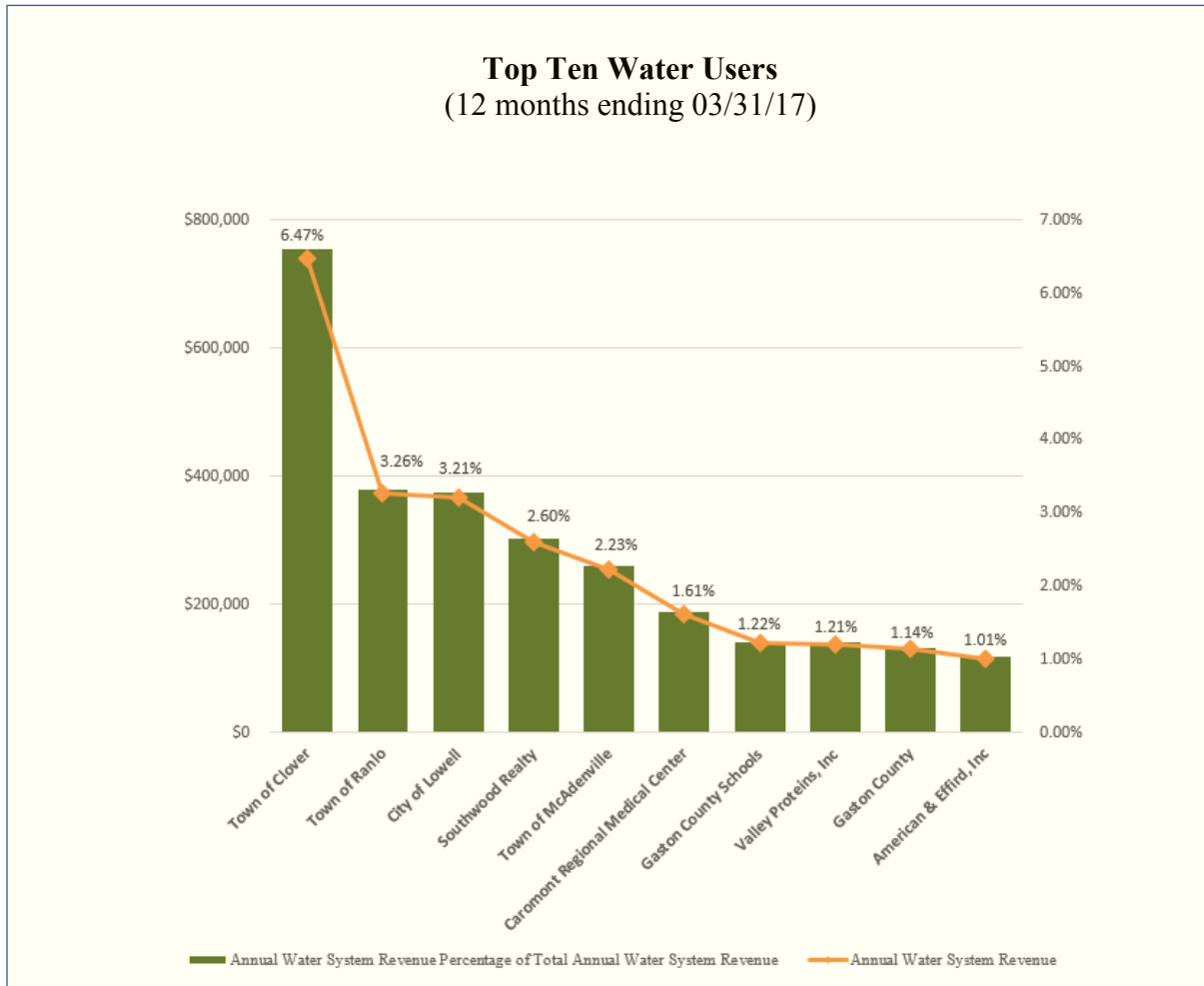
Water System

The City's water system consists of 25.3 million gallons per day (MGD) treatment capacity, with an average daily use of 14.5 MGD. There are approximately 29,800 water meters in use. The current raw water storage capacity is 275 million gallons at the Rankin Lake reservoir. The water distribution system consists of approximately 598 miles of pipeline, 7 million gallons of elevated storage and 6.75 million gallons of ground storage at its Water Treatment Plant.

Gastonia currently serves the cities of Lowell, McAdenville, Ranlo and Cramerton, North Carolina, and Clover, South Carolina, with water treatment and supply. Water system interconnects are also provided to the cities of Dallas, Bessemer City, Mount Holly and Belmont for use in emergency situations.

The City uses Mountain Island Lake as its primary raw water supply source. Mountain Island Lake is a man-made lake constructed by Duke Energy on the Catawba River between Lake Norman and Lake Wylie, approximately 11 miles northeast of Gastonia. Approximately 11 miles of 54-inch and 48-inch raw water lines provide raw water from the lake to the City. Gastonia has a permit to withdraw up to 75 million gallons per day (MGD) from the lake, with peak rate of withdrawal up to 150 MGD. It is anticipated that this will supply the raw water needs for Gastonia, its municipal customers, and portions of Gaston County until the year 2100.

City Profile

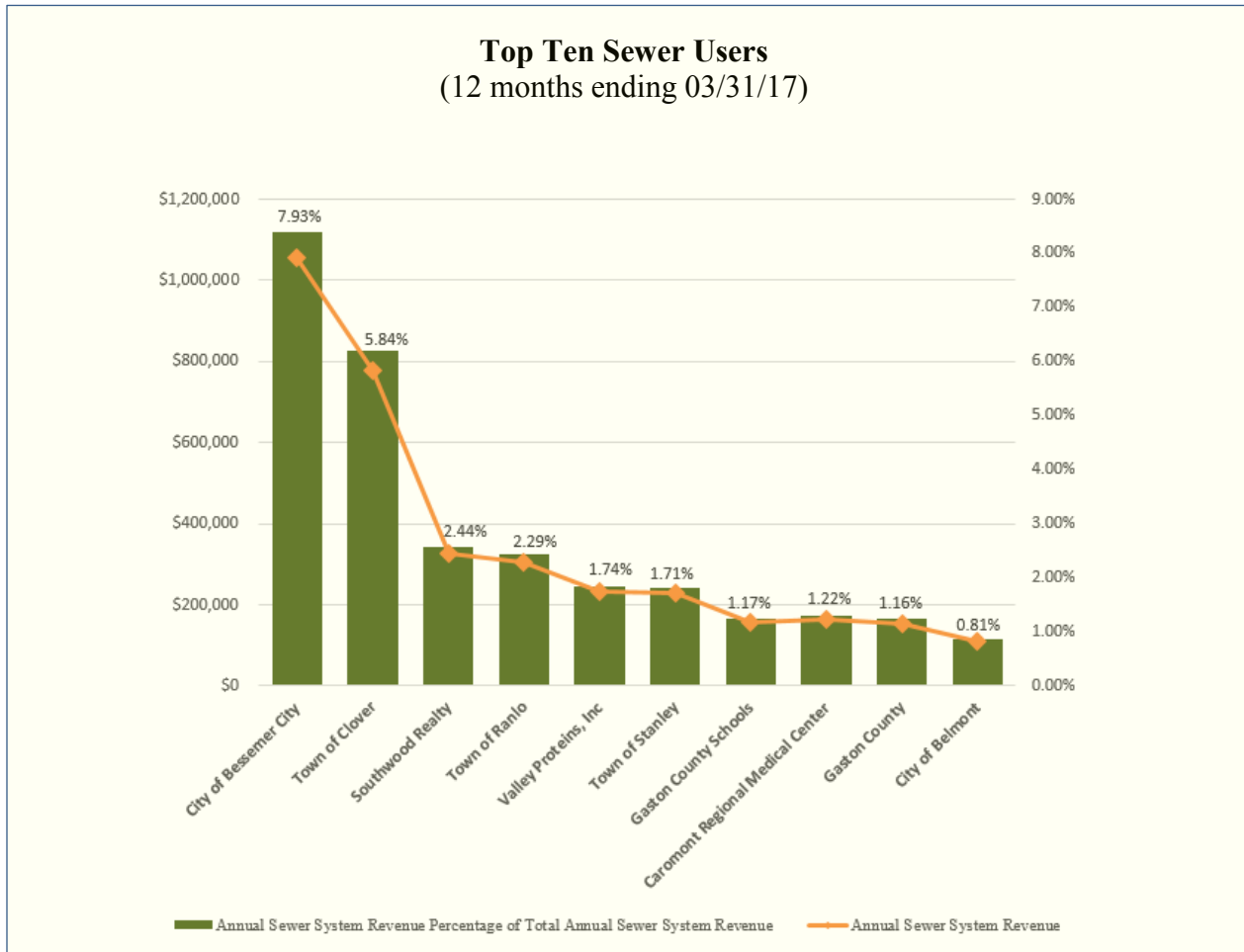


Sanitary Sewer System

The sanitary sewer system for the City consists of 26 million gallons per day (MGD) treatment capacity at three (3) wastewater treatment facilities. Average maximum daily flow at these plants is 9.6 MGD. The sanitary sewer collection system consists of approximately 559.5 miles of collection lines, including Cramerton, 38 pump stations and TRU has approximately 27,100 sanitary sewer customers both inside and outside the corporate limits. Of the approximately 27,100 sanitary sewer customers, the top ten customers comprise less than 20% of the City's billed wastewater volume. The service area for the sanitary sewer system encompasses the entire corporate limits of the City and portions of Gaston and Cleveland counties adjoining the city limits and portions of York County, South Carolina. The City also owns and operates under private contract, a 700-acre Biosolids Storage Facility and Resource Recovery Farm located at Pasour Mountain, approximately five miles northwest of the City.

Two Rivers Utility discharges wastewater tributaries of the Catawba River. TRU's Long Creek Wastewater Treatment Plant has a capacity of 16 MGD. The Crowders Creek Wastewater Treatment Plant has a capacity of 6 MGD and the Eagle Road Wastewater Treatment plant has a capacity of 4 MGD. In addition, all three Wastewater Treatment Plants have nutrient removal capability, which gives Gastonia and Two Rivers Utilities the most advanced capability in the region.

City Profile

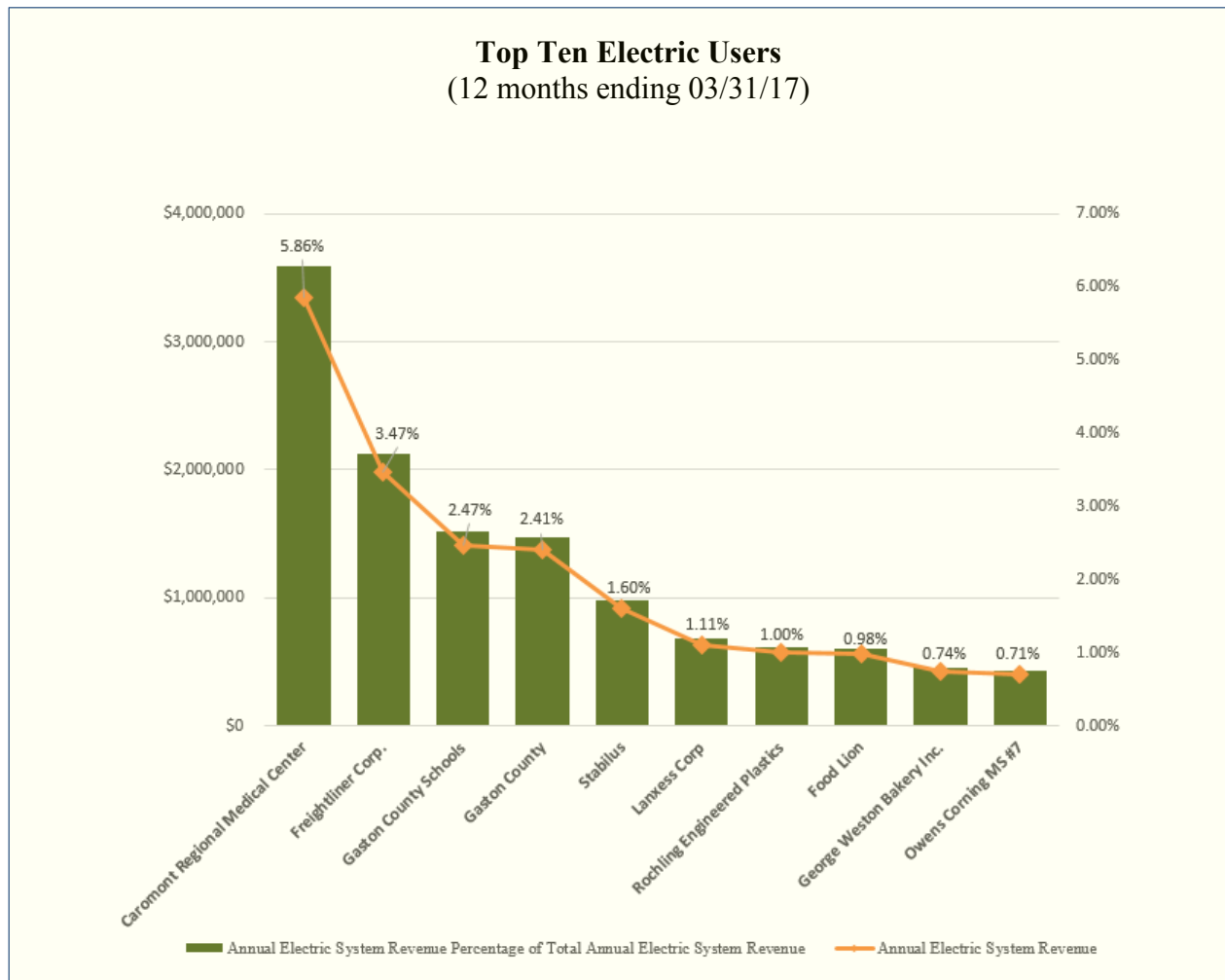


Electric System

The City is a member of ElectriCities of North Carolina, Inc., a joint municipal agency serving the interests of municipal electric systems in the State. Of the 71 municipalities in the State that own their electric systems, 64 are members of this agency. Gastonia is also one of 19 cities that own 75% of one unit at the Catawba Nuclear Station. These 19 cities are part of a Power Agency (NCMPA#1) which uses the ownership of the Catawba Nuclear Station to meet the needs of its customers. Employees of the NCMPA#1 facilitate the purchase or sale of energy to balance the energy demands of the 19 members.

The City's electric system operates under a 7,200/12,470 volt distribution system, which serves approximately 28,000 meters in a system of 473 miles of electrical distribution lines. The electric system is the largest revenue producer in the City and has been used to supplement the General Fund and other funds in previous years. In Fiscal Year 1994, the City Council voted to reduce the dependency on electric revenues and to establish a Rate Stabilization Fund to set aside monies to provide funding for capital projects, any unforeseen occurrences, and to offset future rate increases.

City Profile



Solid Waste

The City currently provides residential refuse, yard waste, bulky waste, and leaf collection to City residents. Bulk container refuse collection to City facilities and the Downtown area businesses, as well as residential curbside recycling service is provided by a private contractor. A major change to our system was implemented in October 1994, as the City modified its pick-up schedule from backyard to curbside service; while an additional improvement in July 1996 occurred when the City went forward with fully automated collection trucks for the roll out carts. These trucks only need a driver/operator and delete the need for a full manual crew for each vehicle. The City's residential and commercial waste is hauled to the Gaston County Landfill located near the Town of Dallas. In July 2011, the Solid Waste program transitioned from a divisional account within the General Fund to an Enterprise Fund. The City began charging a solid waste fee of \$4.00/month to Solid Waste customers in July 2012, and increased the fee to \$6.50 in July 2016. The City first introduced its recycling program in Fiscal Year 1994 utilizing 18 gallon bins and voluntary participation. In January 2012, the City implemented a citywide recycling program which encouraged all City residents to recycle by the eliminating of the recycling fee and distributing 95-gallon recycling carts to be collected at the curb. Multiple adaptations of solid waste services and operations have increased efficiencies, improved customer service, and enhanced the aesthetics of the City.

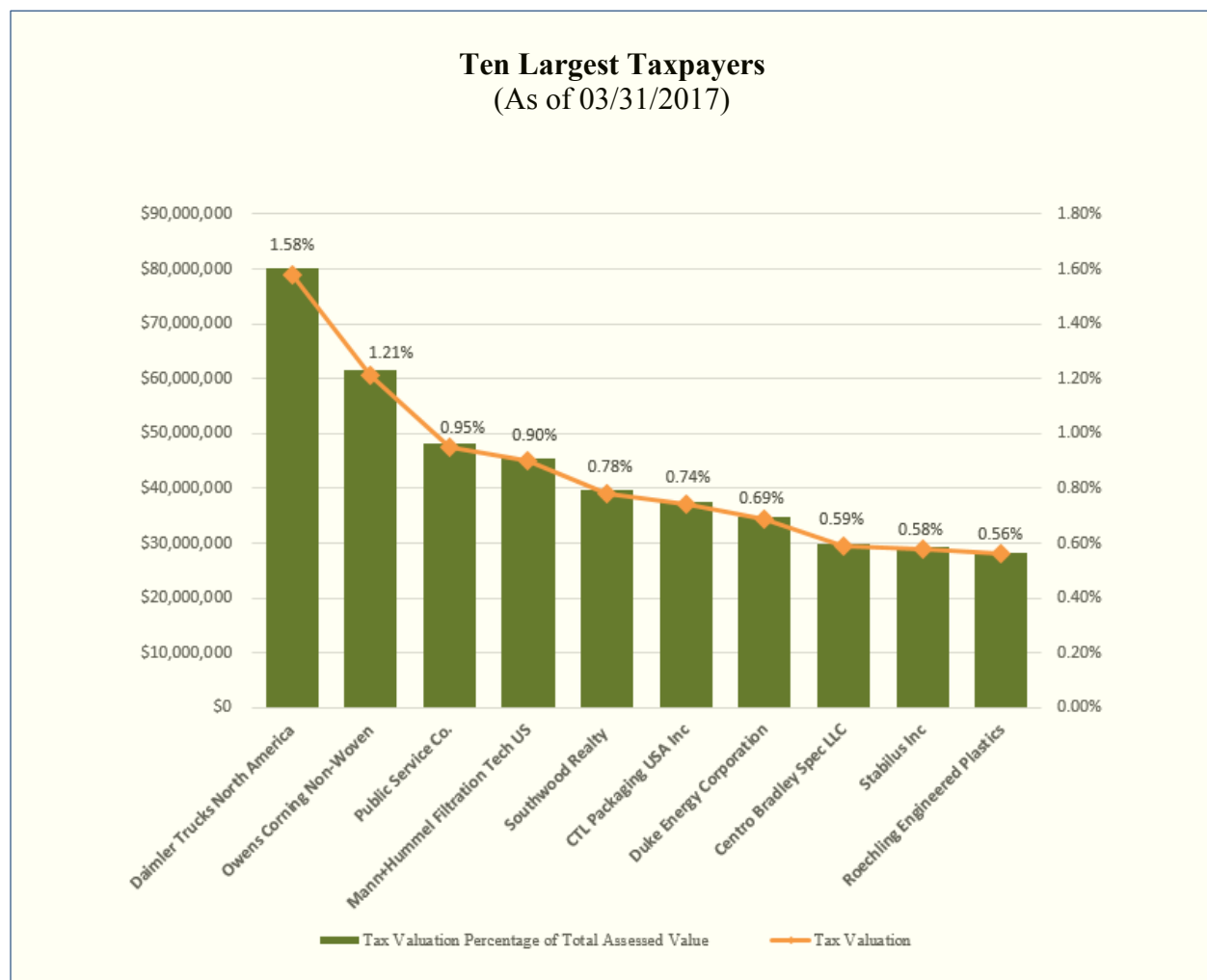
City Profile

Public Safety

The City currently provides both fire protection and police coverage for its residents. The City of Gastonia Police Department has 169 sworn officers and associated support staff and provides services throughout the City in three (3) patrol districts and twelve (12) beats. Fire services are delivered through eight (8) fire stations located throughout the City with 141 employees.

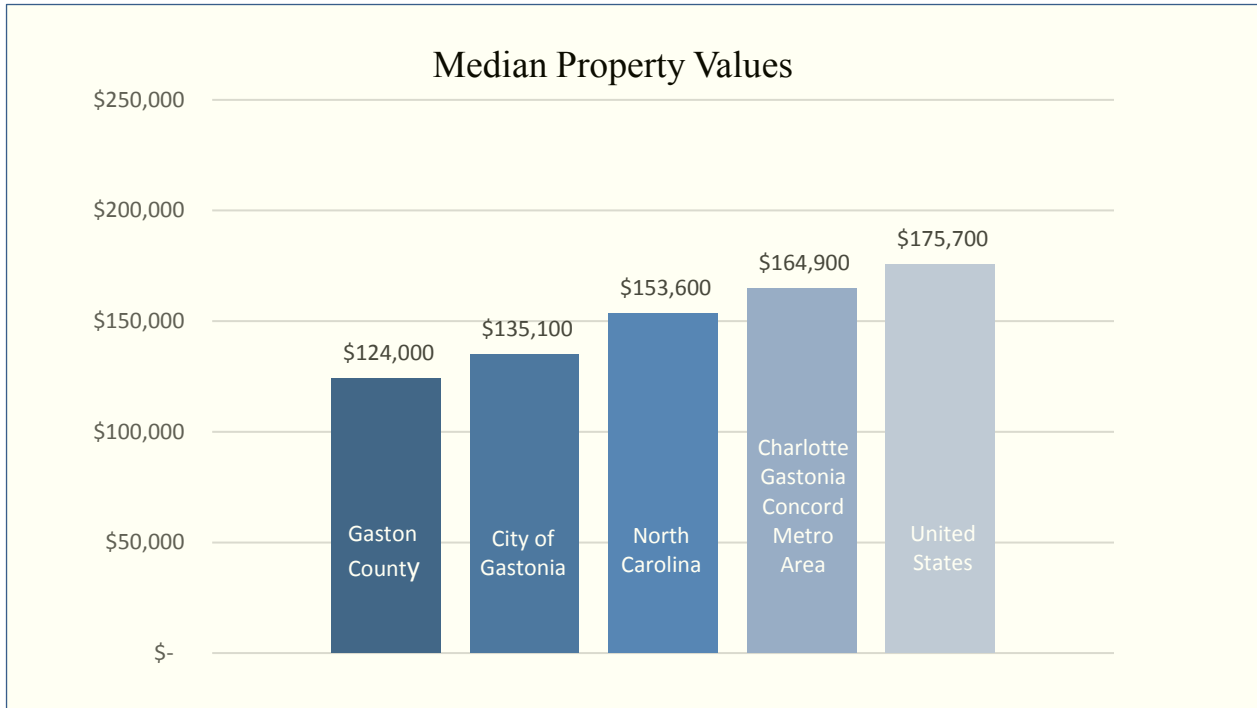
Tax Base

Another important aspect of the City's economy is its tax base, which is made up of real property (land and buildings), personal property (such as vehicles), and utility certifications. Gaston County collects these taxes on behalf of the City of Gastonia, and administers all tax value appeals, collection and administration. The largest portion of tax revenue is generated through real property. Naturally, upswings in the economy bring increased development and rising property values, causing the tax base to grow and expand. This in turn means the City brings in more property tax revenue or a lower tax rate to compensate for the increases in the tax base. During economic downturns, the opposite is true.



City Profile

Property values in Gastonia have tracked slightly higher when compared to Gaston County; however, they are significantly lower than the metro, state and national average. To further illustrate, the following chart provides a comparison of median housing values based on Census data from 2014.

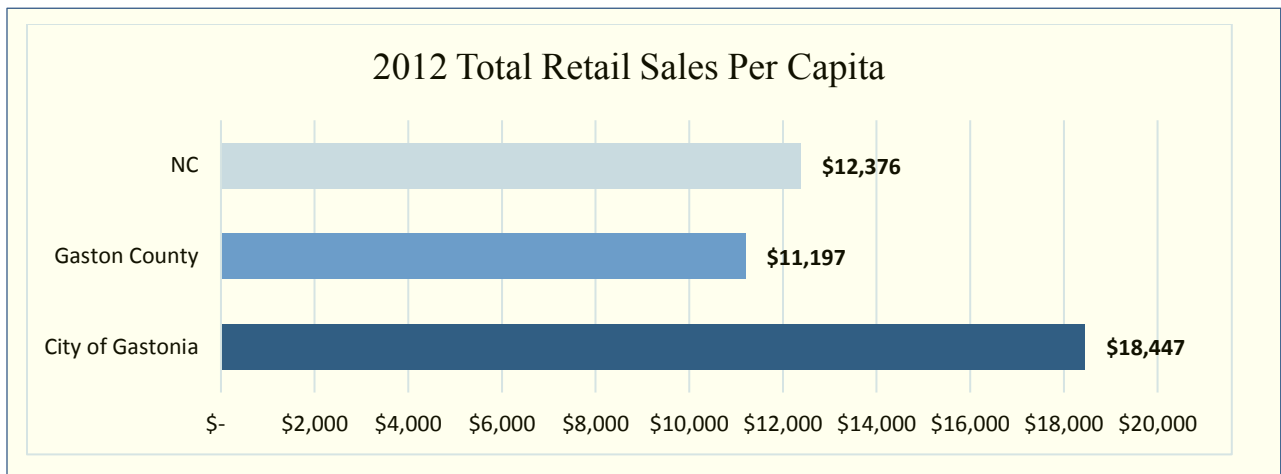


Another way to gauge the health of a location’s economy is to look at the strength of the area’s retail sales. The following table compares the total retail sales for the City of Gastonia, Gaston County, and the State of North Carolina according to the most recent data available from 2012.

2012 Retail Sales (\$1,000)		
City of Gastonia	Gaston County	State of North Carolina
\$1,341,552	\$2,329,466	\$120,691,007

The chart below shows per capita retail sales comparisons for North Carolina, Gaston County, and the City of Gastonia in 2012 dollars. Per capita retail sales in the City of Gastonia were considerably higher when compared to Gaston County or the State of North Carolina.

City Profile



Economic Development

Gastonia has proven to be a hot economic market in 2016. Loray Mill opened Phase I of their project with over \$22 million invested. Loray is boasting a 100% occupancy rate for its residential units and most closely compares to Charlotte’s successful South End. Loray is now home to the Loray Athletic Club and Growler Pub.



Gaston County YMCA will construct a new 55,230 square foot flagship site near the Robinwood Lake area and we are looking forward to additional opportunities that are developing from other commercial developers.

City Profile



The downtown area of the City is undergoing notable revitalization. Federal stimulus funds provided \$850,000 for streetscape improvements. \$2,600,000 in neighborhood stabilization funds helped create 16 owner-occupied single-family units, and another \$950,000 enabled the renovation and reuse of the former Gaston Memorial Hospital building and the Marietta Street Apartments, adding residential units to the center city and an adjacent neighborhood. Private developers are also renovating spaces for condos and apartments.



City Profile

A \$10 million, 29,506 sq. ft., LEED-certified conference center with attached parking deck has become the centerpiece of downtown redevelopment. The project's construction costs were financed through installment financing obligations issued as recovery zone economic development bonds and repaid primarily from the City's hotel occupancy tax revenues. The Conference Center has already attracted additional investment, including two new, fine-dining restaurants (located steps from the Conference Center) in renovated, historic buildings.



In addition, a nationally branded boutique hotel is currently being constructed in another historic building, along with other various new businesses. Lilly's Italian Bistro, Life of Pie and Webb Custom Kitchen have joined our existing restaurants.

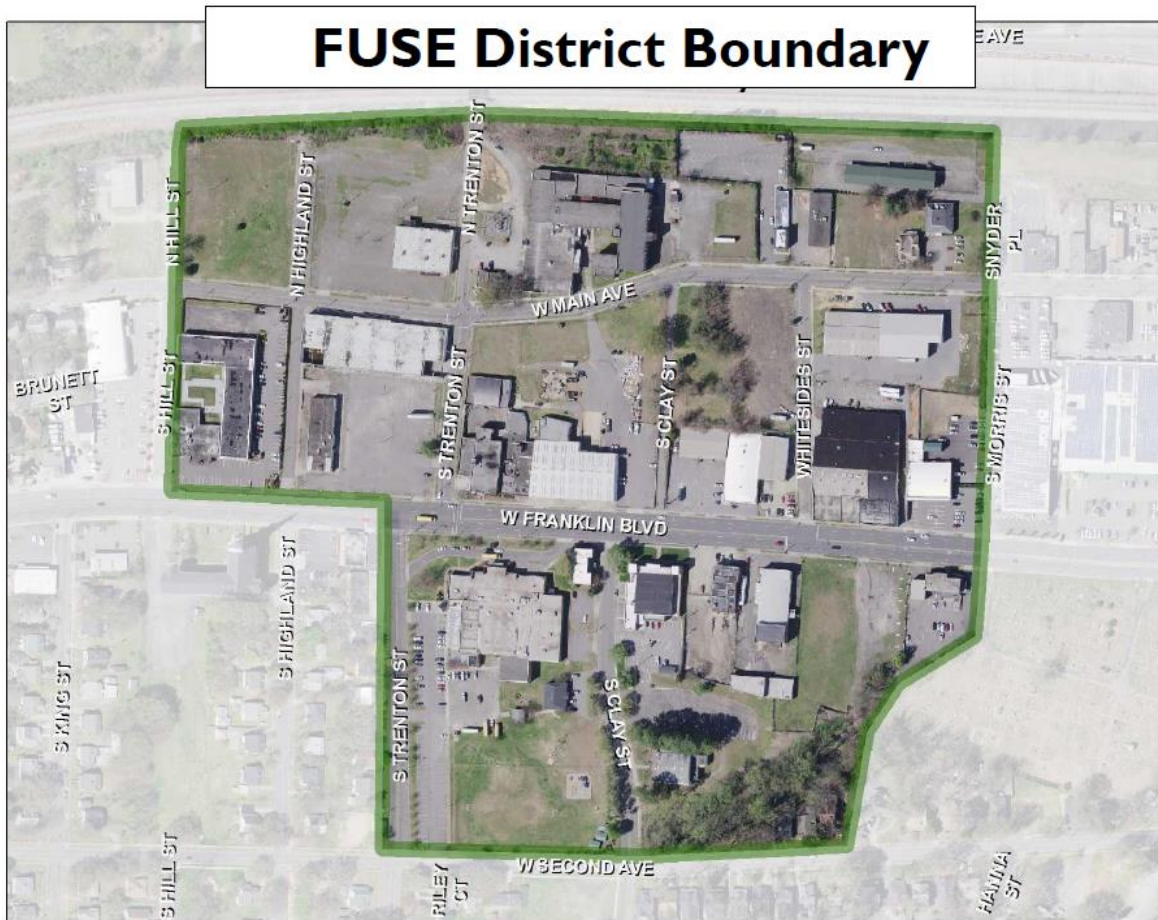
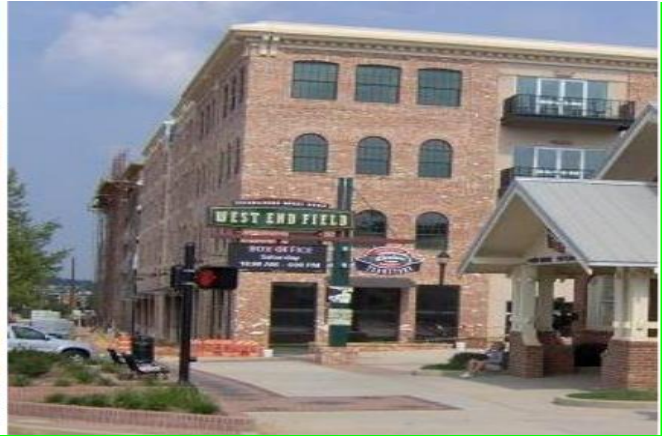


A developing arts district is also spurring development with a \$7.9 million "live-work" ArtSpace development planned, an artists' center of studios and galleries located in a 30,000 sq. ft., City-owned building, a new artists supply store, and numerous private studios and galleries nearby. The \$600,000 pedestrian plaza (which opened in 2010) and the downtown's urban park both feature major pieces of public art, which regularly attract visitors to downtown. The \$1.5 million renovation to another historic building to house the business district's third large antique mall became the catalyst for highlighting downtown as an emerging arts & antiques district. Construction of a new 7,700

square foot, LEED-Certified Environmental Studies Center addition to the City's Schiele Museum of Natural History has also been recently completed.

The most notable project is Gastonia's new Franklin Urban Sports & Entertainment (FUSE) district. This visionary project is located in the former Trenton Mill neighborhood and will serve as a catalyst for redevelopment. The FUSE district will be anchored by a new multi-sport and entertainment venue that will be home to the Gastonia Grizzlies baseball team. Gastonia is in the property acquisition phase currently and will begin design in 2017.

City Profile



Commerce and Industry

Gastonia's retail market has been competitive with a steady rise in new stores. The grocery sector has been nothing short of explosive. Two new high-end grocery stores opened in 2016. Publix occupied an existing grocery store space bringing a \$4 million remodel investment. Harris Teeter returned to the Gastonia market with a \$7 million new shopping complex. Additionally, Lidl and

City Profile

WOW supermarkets have entered the Gastonia market. Wild Wings Café is currently under construction of a \$1.2 million new restaurant.

The Gastonia Technology Park, the area's premier international business park, has welcomed Owens Corning in 2016 with 120 jobs and \$120 million investment. Now at almost full build-out, several of the existing industries have already begun expansions. Lanxess has expanded with additional warehouse space and a new production line. Dixon Quick Coupling has also expanded from their original operation.



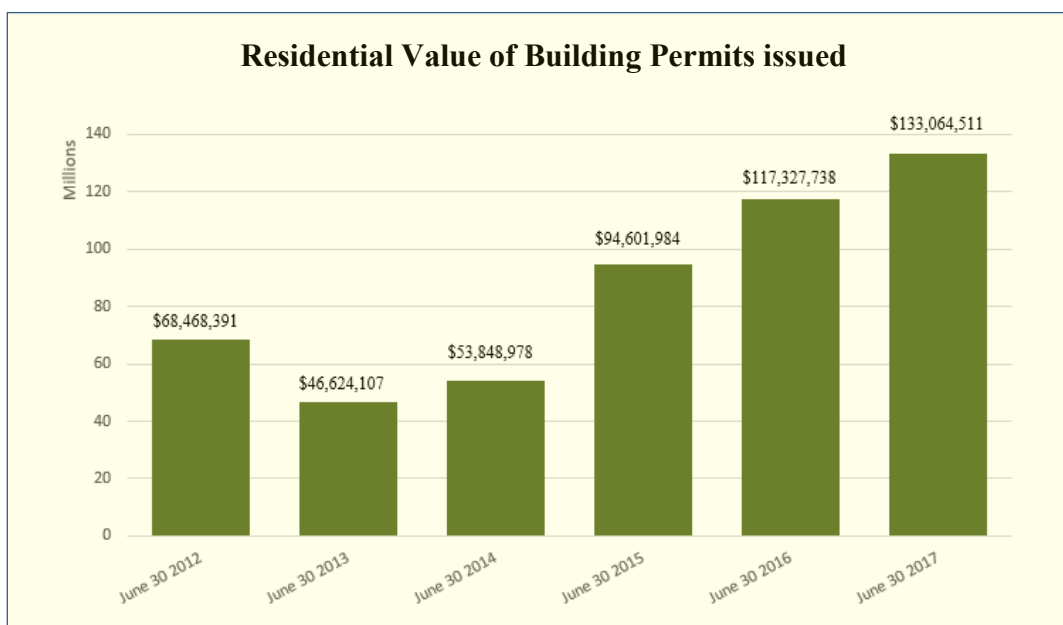
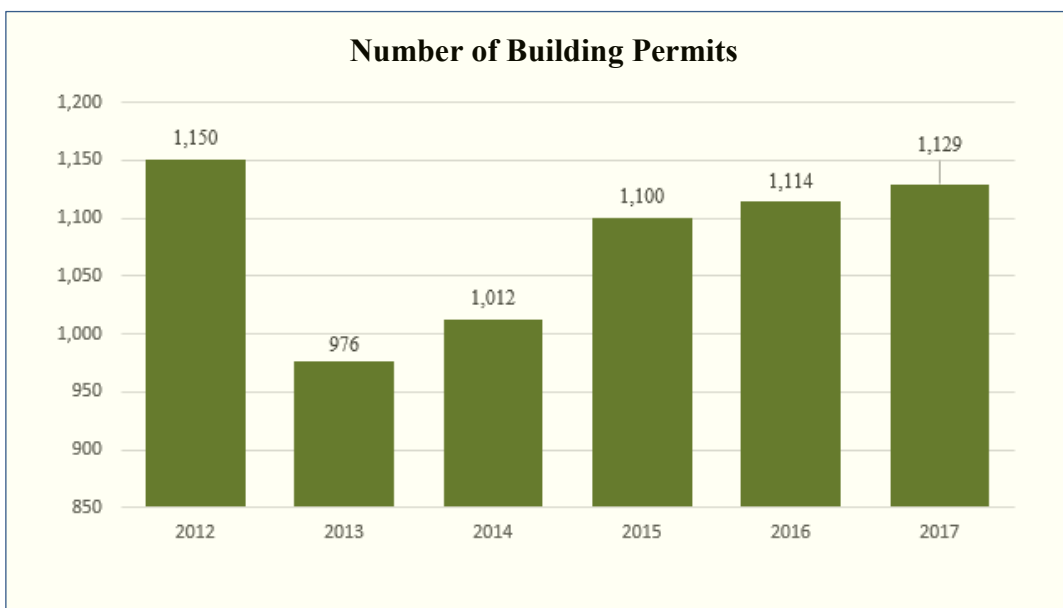
CaroMont Health, Inc., the parent corporation for a multi-state, integrated health care system consisting of CaroMont Regional Medical Center (the “Hospital”), physician office practices, imaging centers, outpatient centers, an ambulatory surgery center, a nursing home, occupational medicine, and hospice, maintains its principal offices in the City. The health system’s service area includes

Gaston, Cleveland and Lincoln Counties in North Carolina and York County in South Carolina. The Hospital is located in the City on an 83-acre medical campus and is one of the City’s largest employers. The Hospital’s physical plant is approximately 1,300,000 square feet and includes 435 licensed beds, a specialty surgery center, a diagnostic center, medical office buildings and a business services annex. The campus is owned by the County and leased to CaroMont Health, Inc. and the non-profit corporation operating the hospital. The Hospital provides a wide variety of medical services including open heart surgery, a comprehensive cancer center, a neonatal intensive care unit and emergency services. In addition to the medical campus of the Hospital, services are provided at multiple locations throughout the region. The Hospital has received numerous awards and recognition, including Thomson Reuters’ “Top 100 Hospitals” award for Quality and Safety and the Advanced Diabetes Certification and Advanced Certification in Heart Failure from the Joint Commission.

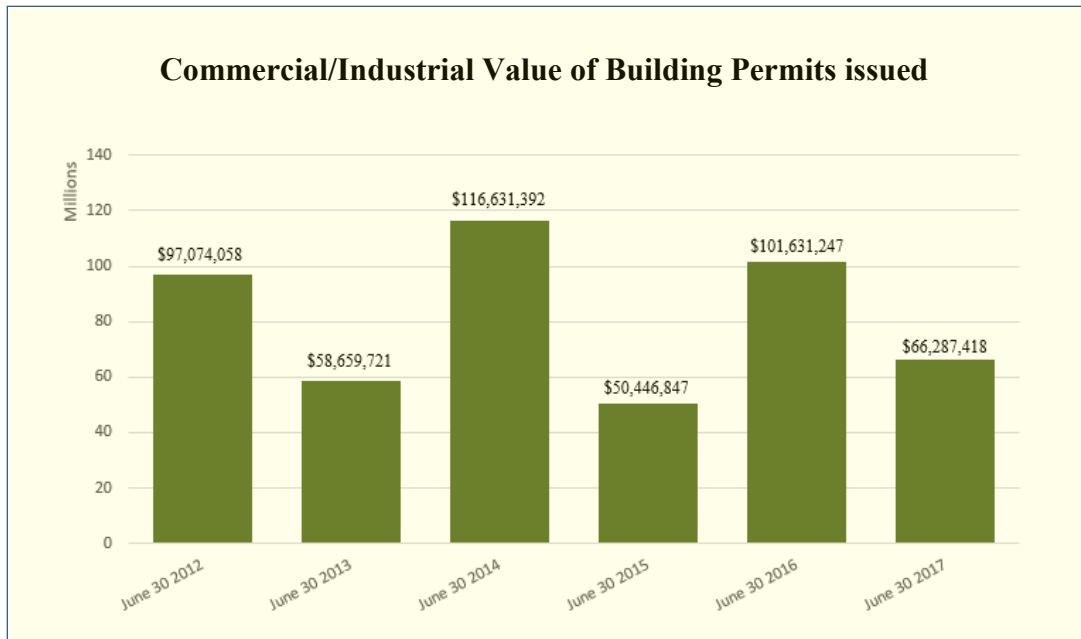
City Profile

During the previous budget year, the City took a major step to transform an area of chronic disinvestment at the intersection of Main Avenue and Trenton Street. This is an important corridor along Franklin Boulevard as it is in the middle of Downtown Gastonia and Loray Village. The City has moved forward with the purchase of 16-acres that will serve as a multi-sport & entertainment center offering a fun experience, multi-family living, office, retail and restaurants. The upcoming year will involve engineering and architecture of the new facility while also focusing on recruiting private investment and development.

The City and surrounding area have been defined as a metropolitan-dominated region, with Charlotte serving as the central economic engine and employment center. Within this context, the City and the County are fast becoming what economists refer to as a “regional retail center.” With the establishment of the City as a retail destination, an influx of shoppers from surrounding counties such as Lincoln, Cleveland, York and Mecklenburg has been noted.



City Profile



Tourism

Tourism is another important aspect of Gastonia’s economy. Not only does tourism help local businesses and workers in the tourism industry, but it also helps increase the City’s sales revenues.

Some of the area attractions include:

Crowders Mountain State Park



Climb rugged peaks rising 800 feet above the surrounding countryside and watch raptors soar in the wind currents. Rocky ledges and outcrops are the perfect seats from which to view the panorama below. The park itself is 5,096 acres.

Schiele Museum

The Schiele Museum features the largest collection of land mammal specimens in the Southeast, Five permanent galleries, plus an outdoor Indian Village and an 18th Century Farm. The Schiele is one of only 70 museums in the U.S. designated as an affiliate of the Smithsonian Institution, enabling it to work with Smithsonian artifacts and materials.



City Profile

US National Whitewater Center



The U.S. National Whitewater Center is an outdoor recreation facility set on the banks of the Catawba River. The 307 acres of woodlands is home to the world's largest recirculating river, 14 miles of biking, hiking and running trails, and one of the world's largest outdoor climbing facilities.

American Military Museum

The American Military Museum, originally founded by American Legion Post 23, houses an authentic collage of military and related memorabilia from past wars and periods. The Military section, on the second floor in an octagonal room, features a mannequin dressed as a combat infantry soldier in World War II, displays of uniforms and weapons from other wars, and a large model collection of ships, planes, tanks, and other military vehicles from all wars. Medals of Gastonia's most decorated soldiers are also on display. The Drum and Bugle Corps section located in Memorial Hall features the alumni memorabilia of the Rambling Rebels which was one of the premier marching and music organizations in North Carolina for 30 years.



Rankin Lake Park

Rankin Lake has been a community landmark for the citizens of Gastonia and Gaston County since its construction in 1922 on 242 City-owned acres as a reservoir to provide the City's drinking water. Early work to the park by the depression-era Works Progress Administration helped to develop it as Gastonia's second City park.

Rankin Lake Park expanded public recreation in the area and was a favorite spot for family gatherings, picnicking, bank fishing, and other passive activities. To protect the lake as a first class water source, the City fenced off the lakeside part of the property in the late 1980s, which would then deny public access for more than twenty years. As the lake evolved into a secondary/emergency water source, and governing perceptions changed about public recreation on the lake, the park received the support and funding for a major renovation project that was completed in August 2012. The park features a clubhouse with tables and chairs to accommodate group rentals, a "warming" kitchen, and restrooms; two lakeside, corporate picnic shelters; one large picnic shelter; eight small picnic shelters; an 18-hole disc golf course; two horseshoe courts; an outdoor classroom; trailhead and connector to the Highland Rail Trail of the greenway system; two boardwalks over Kaylor Creek; an approximately 80 acre lake with a 1.569 mile paved trail around the perimeter; wooden boardwalk over the lake spillway; two fishing piers; one viewing pier; a lake office to handle boat rentals (jon boats, canoes, kayaks, and pedal boats) and fishing permits; and a restroom building.



City Profile

Martha Rivers Youth Sports Complex



In 1995, the Gastonia City Council, Gaston County Commissioners, and the Gaston County School Board collectively worked to deed an existing 20-acre passive park (named Martha Rivers Park, after the daughter of the



original landowner), and 34 adjoining acres, originally purchased as a future school site, to the City for a Youth Sports Complex. The City then purchased an additional three adjacent acres bringing the total park size to 57.95 acres. Two phases of construction took place between 1997 and 2001 to produce the present facility. The park features four, lighted soccer fields; three, lighted youth baseball fields; one lighted youth softball field, two batting cages, and a scorers' tower with a concessions stand and restrooms. There is one small play area within the baseball complex area. Paved walking trails loop around the outer edge of the baseball fields, playground and soccer fields with several adjoining crossovers to vary distance and geography. There are two large picnic shelters, a sand volleyball court, two horseshoe courts, and a restroom building. The highlight for most children who visit the park is the result of Operation Playground – a one-acre playground designed by children, and built by hundreds of community volunteers who were organized by a group of dedicated citizens using thousands of private fund donations. The largely wooden structure, simply referred to as “the castle” consists of multiple levels and includes such features as a fort, a ship, a race car, swings, slides, a sand pit in which to dig “dinosaur” bones, places to hide, things to climb, places to explore and more, all interconnected by a series of ramps and catwalks above a safe, rubberized surface.

Economic Trends and Indicators



The chart to the left shows monthly unemployment trends for the state and the City of Gastonia since 2011. After reaching a peak in early 2011, unemployment within the City of Gastonia has continued to fall. The City of Gastonia's unemployment rate has tracked slightly above the rate for the State of North Carolina for the past five years. The unemployment rate peaked in the City of Gastonia in 2011 at 11.6%; when compared to the state rate of 10.3%. According to the U.S.

Department of Labor, the most recent unemployment data for the City of Gastonia shows the rate at 5.4% for the month of October, 2016.

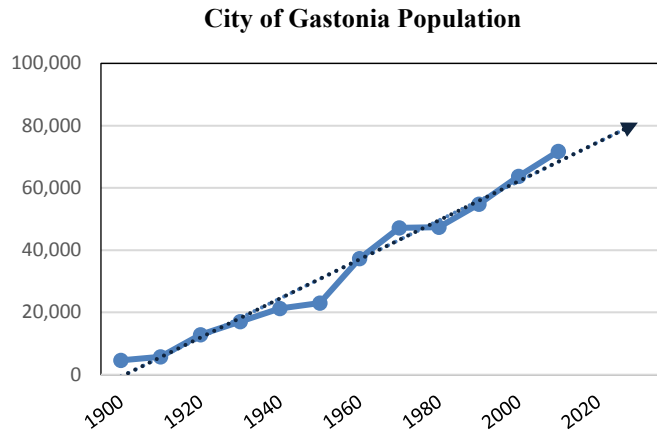
Moving forward, Gastonia has looked to other industries to expand the local economy. Today, Gastonia's economy is more diversified with a variety of industry, trade, and tourism businesses. Major business and institutional employers in the City include: CaroMont Healthcare, Freightliner Corporation, Gaston County Schools, Gaston County Government, Wix Filtration, Stabilius, City

City Profile

of Gastonia, and Wal-Mart Stores.

Population

The City of Gastonia's population has increased steadily over the past century, as the graph to the left illustrates. In 1900, the city's population was 4,610; in 2010 the population was 71,741. The current population in 2017 is estimated at 73,843, according to the State of North Carolina OSBM Demographic Division. Based on projections, population within the City of Gastonia should climb to well over 77,000 by the next census and surpass 80,000 in the year 2025. To that end, projections for population growth for the City of Gastonia suggest a continued stable increase over the next two decades, and a continued relatively constant share of Gaston County's overall population.



Executive Summary

CELEBRATING



GASTONIA
NORTH CAROLINA

Great Place • Great People • Great Promise



City of Gastonia
A Commitment to Excellence
August 24, 2017

CITY MANAGER'S BUDGET MESSAGE

Mayor and City Council:

Enclosed is Gastonia's 2017-2018 Adopted Annual Budget. I want to thank all our employees for their hard work and dedication in preparing this budget. The Annual Budget is our financial plan that will guide the City through the coming fiscal year. Under the direction of the Mayor and City Council, the City staff and I will implement and manage the new budget in a manner that takes advantage of opportunities and meets challenges as they occur during the year. The budget addresses, within the scope of available revenues, the goals and many of the action steps previously identified by the City Council and Mayor.

Supporting economic development that produces jobs and capital investment continues to be the City's focus, as we make decisions on where and when to spend our limited resources. Basic municipal services such as water, sewer, electricity, public safety, streets, and solid waste must be in place to support economic development throughout the City. Parks, recreation, sidewalks, greenways, and museum amenities also support the goal of city-wide quality economic development within Gastonia.

Budget Principles and Objectives

The focus for this budget has been centered on three guiding principles: ***financial responsibility***, ***customer service***, and ***economic development***.

Financial responsibility means that the budget includes programs and expenditures that are supported by adequate and predictable revenues. Also, financial responsibility means that capital projects, equipment, and human resource costs are budgeted each year so that the City is not faced with a deterioration that would require a crisis in future years. This budget has focused on a three-year operating budget horizon.

Customer service means that the budget focuses on the direct delivery of services to our customers. Expenditures that are directed to serving our citizens deserve to be emphasized. Our customers include our taxpayers, utility customers, and others that receive a service from the City. Our customer base also includes people simply looking to live or start a business venture in Gastonia.

Economic development means that the City should invest in specific ways to grow Gastonia's economic base. Expenditures in the budget that are targeted to encourage private economic investment are important because they stimulate additional jobs and commerce in our City. Public sector expenditures and carefully designed revenues can grow the tax base, so we will not have to increase the tax rate.

Budget Objectives

- Provide adequate funding for the basic operations of the City
- Provide adequate funding for City facilities and equipment
- Provide excellent customer service through effective and efficient programs and projects
- Maintain a three-year financial plan
- Maintain adequate fund balances
- Provide competitive compensation for employees
- Stabilize the City's Health Insurance Fund
- Maintain the City's existing infrastructure
- Expand the City's infrastructure to promote economic development
- Fund capital projects that enhance the City
- Make improvements to neighborhoods and commercial areas throughout the City as funds are available
- Look for opportunities to reduce the cost of municipal operations
- Avoid a property tax increase
- Limit fee increases to amounts necessary to provide adequate City services
- Look for opportunities to grow our local economy

General Fund



The adopted budget for Fiscal Year 2017-18 does not include a change to the City's current tax rate. Property tax revenue resulting from tax base growth is projected to increase again this year. The 2015 County Revaluation of real property resulted in a slight decrease in values, but currently the net revenues from all property tax categories are projected to increase by .22% over last year's budget. The tax rate remains the same at \$0.53 per hundred dollars

of value. We will continue to closely monitor the general economic conditions, as well as any changes by State government to the City's revenues.

The General Fund has had revenue and expenditure challenges which have been graphically depicted by our "thermometers." Fortunately, the City has been able to balance each year

with additional revenue, expenditure reductions, and the careful use of excess fund balance. For the future, the General Fund will continue to be the area where expenditures and revenues will be pressured. For this reason, the staff will continue to focus on the General Fund and manage to a three-year horizon. In upcoming fiscal years, debt service payments begin to fall, which will help, but as salary increases are embedded, the pressure on the General Fund will increase.

Electric Fund

No general retail electric rate increase is planned in the 2017-18 budget.

The ElectriCities NC Municipal Power Agency One (NCMPA1) Board has approved a small decrease in wholesale rates that will take effect July 1, 2017. With this wholesale power decrease, the City will be able to reserve funds in a rate stabilization fund in order to stabilize rates for the next five years. It is important to expand economic development into the areas served by the City's electric system. The City will continue to advocate for rate equity in NCMPA1 according to the approved schedule. The



City will move forward with the implementation of the second phase of the cost of services study to further adjust and consolidate our rate classifications which is necessary to provide equity and consistency with the complete rate structure. Capital funds will be available for redevelopment as well as for new growth corridors. The FY 2017-18 budget maintains the same amount of transfers to the General Fund as in the current budget year. Gastonia needs to maintain the level of transfers approved by the Local Government Commission as acceptable: 3% of Gross Electric Fixed Asset. The 2017-18 budget provides funding for maintenance and capital projects (including the new substation planned for the Gastonia Technology Park). Expenditures in the Electric Fund are organized into priority areas: **safety & maintenance, peak shaving & generation, load growth initiatives, and use of innovative ideas and technology.**

Water and Sewer Fund

No water and sewer rate increase is planned in the 2017-18 budget. The City implemented a small increase in water and sewer rates in FY 2016-17 for the first time in five budget years. In future years, as we have discussed in our previous meetings, water and sewer rates will begin to have modest increases periodically to help support the utility's long term financial health as major capital projects move forward. The focus of the Water and Sewer Fund continues to be completing the Water Plant renovation currently underway (\$65,000,000), meeting demands for economic development extensions, rehabilitation of older water and sewer lines, and continuing to develop cooperative agreements with surrounding municipal



systems and the County. The Water Plant project is scheduled to be completed in 2019. The City was able to secure two no-interest loans from the North Carolina Department of Natural Resources totaling \$35,000,000. The no-interest loans are expected to save the City approximately \$19,000,000 over the life of the twenty-year loan. In addition, the City will partner with the Town of McAdenville and Pharr Yarns, LLC to construct a major sewer collection line that will pump to the Duharts Creek Pump Station. Gastonia will treat 100% of sewer flow from the Town of McAdenville and Pharr Yarns, LLC when the project is complete in 2019.

We have and will continue to partner financially with the State, the private sector, other municipalities, and the County to extend lines into our important growth areas. This is particularly important now as the City and County see renewed development pressure following the last recession. New developments planned between the Union Road and New Hope Road corridors are underway and our water and sewer system will need to accommodate this growth. The proposed fee schedule will include a modest increase in the Capital Recovery Fee for water and sewer infrastructure and will also establish the southeast utility district fee that will recover capital investment costs for important utility extensions in this growth corridor. We will also seek to increase water and sewer usage through infill development because the infrastructure is already in place. Our priority for the Water and Sewer Fund will be **safety, increasing our sales, infrastructure maintenance, system performance, system expansion in those areas that provide a viable return on our investment, and use of innovative ideas and technology.**

Solid Waste Fund

The City's Solid Waste Fund that was created over five years ago receives revenues directly from solid waste fees and transfers from the General Fund. The City is completing the first year of a new five year contract for recycling services which will continue to result in significant cost savings. The introduction of improved equipment and stable landfill tipping fees help to maintain the effective operations in this fund.



Stormwater Fund

The changes to the City's Stormwater Fund, approved by City Council in November 2013, were fully implemented in the FY 2014-15 budget. The revenues have been directed to stormwater improvement projects throughout the City. Currently, the Stormwater Fund pays for a wide variety of maintenance and capital improvement projects. The priority for stormwater projects is concentrated on projects within public rights-of-way that the City has



an obligation to maintain and repair. Improvements proposed for stormwater problems (outside of the rights-of-ways) are given priorities by the Stormwater Citizen's Advisory Committee. Projects are rated according to a three-tier priority system. In addition, the City will be working on the Duharts Creek Conservation Area – Short and Long Term Land Management Plan, approved by City Council in November 2015.

Employee Compensation and Benefits

The total number of budgeted full-time employees for the upcoming fiscal year is 881. The size of our workforce has grown slightly following the cutbacks initiated during the recession. The infill of existing residential subdivisions are under construction placing increased demands on City services. The FY 2017-18 budget includes a 2.5% - 4.0% salary increase (effective June 24, 2017) for all full-time and part-time employees, plus market adjustments.



The budget also maintains the annual \$350 Christmas Bonus for eligible employees. The bonus will be given to employees the last week in November. The City will continue the 401(k) program for all full-time employees at the 5% level. The 2017-18 budget provides continued funding for the Employee Education Reimbursement Program (\$500 maximum per employee).

Like other public and private organizations, controlling health care costs remains a budgetary challenge and will be so for the foreseeable future. The FY 2017-18 budget increase for the City's Health Insurance Fund is \$583,811 (6.9%) higher as compared to the current year. The Adopted Budget also provides funding for a \$750 payment to the Health Savings Account for all employees covered by the City's Health Insurance Program. Employees not eligible for a federally designated HSA would get the same dollar amount. Wellness initiatives and incentives that positively impact employee health and claims will be implemented during the FY2017-18 budget year. We plan to use employee wellness committees and focus groups to improve our Health Insurance Program. Staff will continue to monitor claims throughout the year and will provide consistent updates through the City Council Audit, Bids, and Insurance Committee.

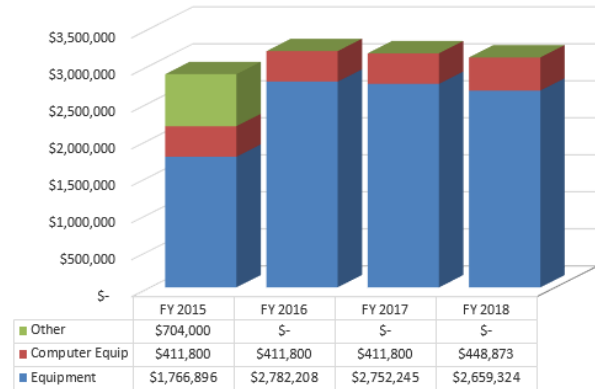
Infrastructure

The City of Gastonia is responsible for approximately 441 miles of paved streets (341 miles of local streets) with sidewalks and traffic control systems, 598 miles of water lines, 559.5 miles of sewer lines, and 473 miles of electrical distribution lines. Our municipal facilities are spread from Mountain Island Lake to the South Carolina state line. One of the most important responsibilities of our City is to provide and maintain the critical public infrastructures that we all take for granted. The City maintains the water plant, overhead storage tanks, stormwater systems, wastewater treatment plants, parks, and rights-of-ways. Additional challenges related to maintaining other aspects of our vast infrastructure will be addressed through this budget and future budgets. Maintenance of our infrastructure, such as streets, water, sewer, electric, and other City facilities, while not glamorous, is critically important and commands significant resources. In order to capture new economic development opportunities, we must consistently maintain and expand when necessary, our diverse infrastructure.



Funding for Equipment

Vehicles, large equipment, and computer/communications hardware are funded through an annual equipment loan. The loan for the equipment is spread over a fifty-nine month period, thereby leveling the impact of equipment needs from year to year. More than \$5.2 million of vehicle equipment was requested by City departments for replacement or additional equipment. This proposed budget appropriates a total of \$3,108,197 in funding for equipment replacement. This includes, \$448,873 for the replacement and upgrade of necessary computer and communication equipment. We are proposing to replace various fleet vehicles, including 15 Police vehicles, a new fire pumper truck for \$602,006, and \$414,012 for Solid Waste vehicles and equipment. Requests by departments for replacement equipment that were approved by the Fleet Services Manager and Enterprise Services Director are included in the budget.



Transportation

The street bond projects approved by the voters in 2010 should be completed in the current budget and the proposed budget. Titman Road is now finished and will be accepted in this current fiscal year and the Myrtle School Road project will be finished this summer. The



contract for the South New Hope Road widening project will be led by the State in the next few months and the Union Road project is currently under agreement with NCDOT. The FY2017-18 budget provides \$1,715,862 for resurfacing and repairing local City streets. Funding comes from Powell Bill funds – \$165,862, Auto Tag Fee revenues of \$800,000 and \$750,000 from the General Fund balance. Traffic calming devices, such as speed

humps, continue to be funded in the 2017-18 budget to address neighborhood safety issues. The State Highway Project upgrading the US 321/I-85 Interchange should move forward to construction in the coming year. During the 2017-18 fiscal year, we will begin implementing the results of the Comprehensive Transit Study. Funding scheduled for the Gastonia Airport this year includes \$166,667 for multiple projects, including a comprehensive relocation or realignment study and the renovation of the existing fueling area and tarmac (90% State and Federal funding). Ongoing communications with NCDOT will continue to identify and fund pedestrian improvements, medians, and lane realignments along the Franklin Boulevard corridor. The City will continue to partner with the NCDOT to prepare for the proposed widening project for I-85 throughout Gaston County. Finally, the City will continue to support the Catawba Crossings Project (bridge crossings over the South Fork and Catawba Rivers). This is a critically important transportation project, connecting South New Hope Road to I-485 and Charlotte-Douglas International Airport.

Maintaining the Fund Balance

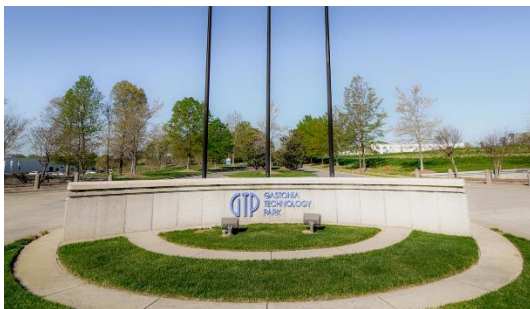
Gastonia is currently well over the 8% minimum available fund balance for the General Fund as recommended by the Local Government Commission. In the General Fund, we are currently at 34% of annual expenditures. This is well above our minimum, as defined in the City's Reserve Policy; the available fund balance should be between 12% and 15% as a minimum. Beginning in this fiscal year and over the next three fiscal years, the General Fund balance will be drawn down carefully to an amount just over 15%. A total of \$1,185,733 of General Fund balance (\$750,000 appropriated again for street resurfacing) is appropriated this year to balance the operating and capital budgets. It should be noted that although the City uses fund balance appropriations to balance each year, these funds are not actually spent, since revenues have expanded and expenditures have been contained.

The 2017-18 budget will increase fund balances for both the Electric and Water & Sewer Funds so that funds will be available for capital projects and rate stabilization. The Hotel Occupancy Tax Fund revenues currently cover the Conference Center debt service and operating deficit. The contracted management company Culinaire has significantly reduced the projected operating deficits for this current year and next. However, beginning in fiscal year 2020, the annual debt service will increase from \$308,151 to \$751,006 so all savings in operational costs will be necessary for future debt service payments.

Due to State shared revenue allocations, staff will not know the precise amount of fund balances for each fund until September 2017, after the close of the 2016-17 budget year. Accounting practices will allocate the last three months of sales tax and reimbursements received during the summer back to the 2016-17 budget year.

Economic Development

Gastonia has experienced some return of positive economic growth. Several new retail commercial developments are under construction throughout the City. The Gastonia



Technology Park is almost at full capacity with new industrial development. Additional industrial sites will need to be identified to sustain further industrial growth. The County and the City are perusing potential properties for a new technology park. Previously approved residential developments, primarily in the southeastern portion of the City, that were halted during the 2008 Recession, have restarted. The challenge for Gastonia is to encourage developments of high quality. Developments with

high values are more fiscally sustainable and will contribute more to the expansion of the tax base. Consistent with our land development plans, Gastonia encourages commercial, office, industrial, and residential development in each sector of the City. In particular, infill developments are the most desirable form of economic growth because the infrastructure is already in place, thereby reducing the cost to serve the new development.

The City staff, partnering with Gaston County and the Gaston County Economic Development Commission, will complete the funded NC Highway 7 Corridor Study in the 2017-18 budget year. This study will focus on infill development along this important corridor while also improving the gateway experience into downtown Gastonia. The City will also partner with the Greater Gaston Development Corporation, Gaston County, and other neighboring Gaston municipalities to complete the Gaston County addition of the Charlotte-Douglas International Airport Economic Impact Study in the 2017-18 budget year. The City will take steps towards being more proactive and focused with the creation of a dedicated economic development create a new position to initiate economic development. High value growth is important to the General Fund and also to our utility funds that need the growth of customers to broaden their revenue base. ***It is our objective to grow our tax and utility bases and not our rates.***

Gastonia's Center City area has been identified as being critical to our economic development and to our image. However, significant areas in the northern and western portions of the City have still not experienced the kind of economic growth that is otherwise occurring throughout the region. Specifically, the City will focus on the West Franklin corridor and the surrounding neighborhoods. The Loray neighborhood will receive continued focus so that the \$40 million redevelopment effort underway at the Mill, Optimist Park on Vance Street, and the focused efforts of Preservation NC can be leveraged and the surrounding community revitalized.



The largest economic development project moving forward in this budget will be the Franklin Urban Sports and Entertainment (FUSE) Economic Development District. The City has almost completed the purchase of approximately 16 acres of contiguous property and is currently working on the demolition of a portion of the site. Staff should complete the recruitment process for an architectural/engineering firm

in the current fiscal year and then move forward with the development of the proposed concept in the FY 2017-18 budget year. The City has entered into a partnership with the UNC School of Government Development Finance Initiative group to assist the City in leveraging public investment with necessary private funding. The City will also continue to partner with ElectriCities and Retail Strategies to market and recruit potential developers and businesses to the area. The FUSE should include a mix of entertainment, restaurants, offices, multi-family residential, and other attractive uses that will make downtown Gastonia a destination for the region.



Despite the challenges facing the City, the long-range future for Gastonia remains bright. We are located in one of the fastest growing and most affluent metropolitan areas in the United States. Our region is home to the second largest financial center in the country. Gastonia is located only twenty-five minutes west of the center of the region. Our location is excellent. Interstate 85, the transportation link between Atlanta and Charlotte, bisects our City with eight interchanges. US Highway 321 links us to Hickory and Interstate 40, while the proposed Catawba Crossings project would further connect Gastonia to the Charlotte-Douglas International Airport and Interstate 485.

We will need to make wise investments that capitalize on our location within the metropolitan region. Also, we will need to capitalize on our current strengths - an abundant water source at Mountain Island Lake, natural features such as Crowders Mountain State Park, the Schiele Museum, our City parks, the Conference Center, the quality of our neighborhoods and our schools. To further enhance our ability to attract quality new investment, we must create a positive private investment climate. Streamlining our regulatory process while delivering excellent citizen services will be our challenge every year.

Creating and Maintaining a Fiscally Sustainable Organization for the Future

In preparing this budget and during City Council work sessions earlier this year, the staff looked beyond this year's budget to identify revenue and expenditure trends focused on the next three years. On the revenue side, the General Fund depends upon tax base growth, which is tied so closely to the economic condition of our community. Regarding future expenditures, over 59% of the General Fund consists of salary and fringe benefits. Therefore, most meaningful changes to General Fund expenditures in the future will have human resource implications.

We must always be vigilant for ways to reduce operating costs. Some operating costs will increase no matter what we do so in some cases, services may be reduced or even eliminated. There may be some services that simply cannot or should not be reduced at all. In those cases, we will still carefully examine their operating procedures to produce savings. The nature of these changes will be developed cooperatively with each City department and the Budget Office of the Financial Services Department. Expenditure reductions can be accomplished by using the following tools when appropriate: ***process simplification, technology and automation, program reduction, program elimination, consolidation, privatization, and innovation.***

Our organization and regulations should be streamlined to allow decision-making easier and more efficient. The structure of our organization should be as flat as we can make it. Fewer levels of organization will make us more efficient. We will search for best practices for delivering services by examining other jurisdictions and benchmarking our efforts with theirs.

New and expanded expenditures are carefully evaluated and must be viewed as an investment. Questions should be asked. If we make this expenditure, what kind of investment return will the City receive? We must view each new expenditure as one that may cause us to reduce an expenditure elsewhere within the City. A request to spend funds must always be viewed within the larger context of our budget. What is the choice we are making? Are we sure that this is the best utilization of our very scarce resources? We must also ask hard questions about the effectiveness of existing expenditures, be willing to modify our service levels and look for innovative ways to deliver services in the most efficient and effective manner.

Regularly, the City reviews user fees so that the actual costs can be tied to services delivered. Fees not representative of true costs should be evaluated and adjusted to reflect actual costs. Fees should be consistent with City objectives and within the market rates for similar services.

Normally, fees increase over time, but there are occasions that the City has reduced fees based upon lower actual service costs or to encourage more use of a service. As in previous years, the staff will review fees and make recommendations, if warranted, to the Mayor and City Council for their consideration.

Challenges Ahead

In closing, there were many worthy operating and capital projects that were considered for this budget, but limited funding means they must be considered in subsequent years. Employee related costs will continue to be the most significant challenge to fund each year. As pay increases are implemented and embedded into our budget, the new total becomes the floor for the following year. Growing our revenues through economic development will be our way to provide the services expected for our City.

For the new fiscal year, our efforts will focus on implementing actions that support the Mayor and City Council goals to build a City with on-going economic development and livability. We will continue to evaluate operations and processes for methods of efficiency and effectiveness. We will persistently strive to improve the quality of city services at the lowest cost possible, while seeking opportunity to improve all of our citizens' quality of life.

Respectfully submitted,

Michael C. Peoples

Michael C. Peoples
City Manager

Budget Highlights

Significant changes in expenditures from FY 2016-2017 to FY 2017-2018 include:

- **City-wide Overview**
 - \$2,267,875 Increase in Salaries due to compensation increases for all employees based on years of service
 - \$133,463 Increase in General and Police Retirement costs
 - \$772,990 Increase in Medical Insurance costs
- **General Fund Overview**
 - \$151,725 City Hall roof repairs
 - \$94,500 Technology Services roof repairs
 - \$21,000 City Hall HVAC Heat Pumps
 - \$42,000 Replace fire panel at the Garland Center
 - \$40,000 Improvements at Phillips Recreation Center
 - \$260,093 Retiree Health Insurance cost increase
 - \$75,352 Increase for City election costs
- **Water/Sewer Fund Overview**
 - \$275,500 Decrease in Water & Sewer Debt Service
 - \$800,000 Increase in transfer to Water/Sewer Capital Projects for utility lines relocation for the Franklin Urban Sports & Entertainment (FUSE) project and Southeast Sewer right-of-way easement
- **Electric Fund Overview**
 - \$1,000,000 Increase in transfer to Electric Capital Projects for relocating electrical lines for the Franklin Urban Sports & Entertainment (FUSE) project
- **Transit Fund Overview**
 - \$80,000 Purchase and install Genfare ticket vending machine
 - \$30,000 Purchase six (6) new Transit Shelters
- **Health Insurance Fund Overview**
 - \$488,386 Increase in Group Health costs
 - \$143,000 Implementation of City wellness program
- **Vehicle/Equipment Replacement Fund Overview**
 - \$602,006 Fire Engine
 - \$401,275 Police vehicles (15)
 - \$234,012 5 yd Dump Truck with Snow Plow (2)
 - \$140,000 Tractor with Boom Mower
 - \$109,006 5 yd Dump Truck
 - \$44,272 Compact Utility Trailer
 - \$55,606 Jetter Trailer
 - \$167,006 Knuckleboom Truck for Solid Waste
 - \$247,006 Automated Garbage Truck
 - \$125,000 Backhoe/Loader

Budget Highlights

Significant changes in revenues from FY 2016-2017 to FY 2017-2018 include:

- **General Fund Overview**
 - \$114,350 Increase in Ad Valorem Taxes
 - \$142,405 Increase in Payment in lieu of Taxes
 - \$490,000 Increase in Sales Tax
 - \$200,000 Increase in Building Permit revenue
- **Water/Sewer Fund Overview**
 - \$816,627 Increase in Water/Sewer sales
- **Electric Fund Overview**
 - \$5,327,602 Increase in Electric sales
- **Transit Fund Overview**
 - \$803,621 Decrease in Federal Transit Administration grant funding due to the purchase of 3 Buses and 1 Transporter Van
- **Health Self-Insurance Fund Overview**
 - \$637,111 Increase of Health Insurance Premiums
- **Fund Balance Appropriated**
 - \$1,185,733 Fund Balance Appropriated in the General Fund

Financial Summary

CELEBRATING



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Total Budget - All Funds

Fund	Fund Title	FY 16/17 Original	FY 16/17 Revised	FY 17/18 Adopted	% Change from Original Budget
110	General Fund	62,319,952	65,101,266	62,708,342	0.62%
113	Webb Project	62,612	262,612	73,731	17.76%
114	Conference Center Operations	689,250	862,460	754,250	9.43%
115	Solid Waste Disposal Tax	240,000	260,000	46,000	-80.83%
118	M Rivers Oper. Playground	0	4,900	0	0.00%
119	Technology Support	25,100	220,100	35,400	41.04%
173	Fed Asset Forfeiture Trust	20,000	712,711	40,000	100.00%
174	State Asset Forfeiture Fd	20,000	151,000	20,000	0.00%
176	Local Law Enf Block Grant	0	187,881	0	0.00%
244	C.P.-Airport Projects	166,667	1,119,574	166,667	0.00%
263	Capital Proj.-Street Improvement	236,000	18,892,269	80,000	-66.10%
264	Developer Sidewalks	0	63,200	0	0.00%
283	General Fund Capital Projects	3,298,409	10,006,980	2,907,486	-11.85%
312	Water/Sewer Stimulus Grant	3,977	3,977	3,977	0.00%
330	Water & Sewer Fund	35,881,017	36,355,204	36,753,708	2.43%
331	Electric Fund	76,535,526	76,883,412	81,630,628	6.66%
332	Transit System Fund	3,667,461	3,746,377	2,699,629	-26.39%
335	Solid Waste Fund	5,114,954	5,118,448	4,982,839	-2.58%
336	Stormwater Utility Fund	2,541,450	2,791,450	2,548,188	0.27%
342	W&S Capital Expansion/Dev	3,033,729	4,994,729	3,058,490	0.82%
351	W&S Renewal & Replacement	1,694,814	1,694,814	1,781,000	5.09%
352	Electric Renwal & Replace	1,525,384	1,525,384	1,590,884	4.29%
460	Water & Sewer Capital Recovery Fee	320,000	320,000	0	-100.00%
462	Water & Sewer Capital Projects	1,300,000	56,366,563	2,161,900	66.30%
478	Capital Proj.-Electric System	1,000,000	6,004,067	2,000,000	100.00%
479	Stormwtr Capital Projects	646,966	1,902,242	640,788	-0.95%
611	Gen Fund Stimulus Grants	6,182	184,310	6,647	7.52%
621	Comm Dev Block Grant	722,112	1,859,579	861,380	19.29%
622	108 Loan-Downtown Revitalization	21,000	99,361	20,140	-4.10%
624	Home Investment Trust Fund	627,552	1,763,566	822,565	31.08%
628	Occupancy Tax	590,000	590,000	670,000	13.56%
629	Downtown Municipal Svcs District	129,270	176,270	131,924	2.05%
687	Infrastructure	207,259	812,469	945,106	356.00%
775	Police Memorial Trust	2,000	2,000	2,000	0.00%
868	Health Self-Insurance	8,420,253	8,420,253	9,004,064	6.93%
870	Dental Self-Insurance	340,000	340,000	340,000	0.00%
880	Veh/Equip R&R Program	6,145,728	8,414,749	6,173,171	0.45%
881	Tech Internal Svcs Fund	6,253,005	7,541,854	6,573,368	5.12%
Grand Total		223,807,629	325,756,031	232,234,272	3.77%

FY 2017-2018 Budget Summary
\$232,234,272

Summary of Revenues and Expenditures by Fund Type

	Capital Project Funds	Enterprise Funds	General Government Funds	Internal Service Funds	Special Revenue Funds	Trust and Agency Funds
Ad Valorem Taxes			\$31,797,466		\$129,204	
Appropriated Fund Balance		\$5,048,316	\$1,185,733	-\$19,747	\$751,366	
Assessments		\$1,678				
Electric Collections		\$80,042,128				
Fees		\$2,009,869	\$4,693,456	\$4,905,014	\$2,520	\$2,000
Funding for Roads			\$2,438,258			
Investment Earnings		\$94,700	\$52,200	\$2,250	\$400	
Non-recurring Grants			\$64,900		\$6,647	
Operating Grants		\$1,606,140	\$422,254		\$1,286,976	
Other Revenues	\$160,000	\$1,101,200	\$2,354,960	\$17,203,086	\$1,280,649	
Sales Tax			\$17,760,496			
State Transfers			\$868,000			
Stormwater		\$2,533,638				
Transfers	\$7,796,841	\$4,910,963	\$2,040,000			
Water & Sewer		\$35,852,711				
Solid Waste Fees		\$1,848,000				
Revenues Total	\$7,956,841	\$135,049,343	\$63,677,723	\$22,090,603	\$3,457,762	\$2,000
Contracted Services	\$1,769,636	\$4,507,592	\$1,345,627	\$1,766,383	\$1,218,896	
Debt Service		\$6,688,808	\$4,967,886	\$3,058,974	\$20,140	
Equip Lease & Utilities	\$2,850	\$5,053,869	\$2,622,661	\$523,262	\$53,495	
Equipment/Capital Outlay	\$5,727,799	\$4,075,429	\$155,200	\$2,755,424	\$3,899	
Maintenance		\$4,237,677	\$2,160,078	\$162,326	\$23,000	
Operational Support	\$456,556	\$12,644,607	\$8,359,320	\$10,461,129	\$1,154,249	
Personnel Costs		\$17,193,375	\$44,808,309	\$3,310,655	\$193,030	
Purchases - Resale		\$65,430,618	\$84,500			\$2,000
Reimbursement of Services		\$6,870,628	-\$6,862,225		-\$8,403	
Transfers Out		\$8,231,665	\$5,728,233		\$787,906	
Travel/Training		\$115,075	\$308,134	\$52,450	\$11,550	
Expenditures Total	\$7,956,841	\$135,049,343	\$63,677,723	\$22,090,603	\$3,457,762	\$2,000

**Revenues, Expenditures and Other Financing Sources/Uses
110 General Fund**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Ad Valorem Taxes	30,751,148	31,520,711	30,998,463	31,797,466
Appropriated Fund Balance	0	4,651,485	0	1,185,733
Fees	3,961,396	4,452,154	4,132,446	4,658,456
Funding for Roads	2,619,679	2,458,258	2,383,094	2,438,258
Investment Earnings	49,520	29,300	56,637	51,800
Non-recurring Grants	70,029	106,044	46,978	64,900
Operating Grants	416,640	385,655	208,350	422,254
Other Revenues	1,597,286	1,342,027	1,200,001	1,460,979
Sales Tax	16,692,142	17,285,133	10,950,449	17,760,496
State Transfers	837,998	847,165	596,318	868,000
Transfers	3,300,000	2,023,334	1,856,671	2,000,000
Solid Waste Fees	4331.38	0	0	0
Revenues By Type Total	60,300,168	65,101,266	52,429,405	62,708,342
Benefits	9,452,019	10,391,929	9,338,052	11,327,538
Capital Outlay	27,890	530	507	500
Debt Service	5,979,681	5,322,545	4,871,676	4,302,115
Equipment & Capital Outlay	512,026	294,166	62,487	154,700
Insurance	1,422,260	1,475,200	1,284,362	1,485,000
Maintenance	1,794,210	2,181,156	1,660,541	2,115,078
Operational Support	4,826,847	5,053,052	4,245,043	5,071,476
Other Expenses	897,697	952,486	701,210	1,555,984
Other Purchases for Resale	77,956	87,375	75,252	84,500
Overtime	629,379	561,325	630,445	601,100
Professional & Contracted Svcs	1,172,052	1,425,988	1,035,180	1,336,377
Reimbursements	-6,113,748	-6,696,156	-5,869,374	-6,862,225
Salaries & Wages	30,162,084	31,916,930	26,931,733	32,879,671
Transfers	6,657,353	9,487,224	8,542,936	5,728,233
Travel & Training	207,737	282,671	190,962	305,634
Utilities & Leases	1,943,189	2,364,845	2,112,884	2,622,661
Expenditures By Type Total	59,648,631	65,101,266	55,813,897	62,708,342

**Revenues, Expenditures and Other Financing Sources/Uses
113 Webb Project**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	200,000	0	0
Fees	0	0	0	0
Investment Earnings	1,608	0	428	0
Other Revenues	30,625	62,612	61,423	73,731
Transfers	0	0	0	0
Revenues By Type Total	32,233	262,612	61,851	73,731
Debt Service	32,538	33,000	32,302	33,000
Equipment & Capital Outlay	0	0	0	0
Maintenance	0	0	0	0
Other Expenses	0	229,612	0	40,731
Professional & Contracted Svcs	0	0	0	0
Utilities & Leases	134	0	0	0
Expenditures By Type Total	32,672	262,612	32,302	73,731

**Revenues, Expenditures and Other Financing Sources/Uses
114 Conference Center Operations**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	173,210	0	0
Investment Earnings	3,496	0	5,826	0
Other Revenues	577,288	639,250	172,551	714,250
Transfers	69,000	50,000	45,837	40,000
Revenues By Type Total	649,784	862,460	224,215	754,250
Debt Service	424,499	527,292	389,299	632,771
Maintenance	34,115	48,319	45,664	45,000
Operational Support	7,962	23,130	20,121	24,479
Other Expenses	105,701	245,728	93,392	50,000
Professional & Contracted Svcs	4,239	5,070	300	2,000
Utilities & Leases	21,548	12,921	0	0
Expenditures By Type Total	598,065	862,460	548,776	754,250

**Revenues, Expenditures and Other Financing Sources/Uses
115 Solid Waste Disposal Tax**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	220,000	0	0
Fees	0	0	18,632	0
Investment Earnings	547	0	639	0
Operating Grants	6,225	0	0	0
Other Revenues	46,489	40,000	49,667	46,000
Revenues By Type Total	53,261	260,000	68,938	46,000
Operational Support	19,328	6,500	0	46,000
Other Expenses	0	53,500	32,879	0
Transfers	0	200,000	183,337	0
Expenditures By Type Total	19,328	260,000	216,216	46,000

**Revenues, Expenditures and Other Financing Sources/Uses
118 Martha Rivers Operation Playground**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	4,900	0	0
Investment Earnings	14	0	26	0
Revenues By Type Total	14	4,900	26	0
Maintenance	0	4,900	0	0
Expenditures By Type Total	0	4,900	0	0

**Revenues, Expenditures and Other Financing Sources/Uses
119 Technology Support**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	195,000	0	0
Fees	53,333	25,000	45,453	35,000
Investment Earnings	475	100	1,095	400
Other Revenues	52	0	188	0
Revenues By Type Total	53,860	220,100	46,736	35,400
Operational Support	417	18,558	16,041	15,024
Other Expenses	0	195,000	0	10,626
Professional & Contracted Svcs	6,050	4,042	235	7,250
Travel & Training	0	2,500	0	2,500
Expenditures By Type Total	6,467	220,100	16,276	35,400

**Revenues, Expenditures and Other Financing Sources/Uses
173 Federal Asset Forfeiture Trust**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	580,169	0	0
Investment Earnings	1,400	0	3,452	0
Other Revenues	112,948	132,542	145,647	40,000
Revenues By Type Total	114,348	712,711	149,099	40,000
Operational Support	0	378,503	0	40,000
Professional & Contracted Svcs	34,305	328,784	0	0
Travel & Training	0	5,424	5,328	0
Expenditures By Type Total	34,305	712,711	5,328	40,000

**Revenues, Expenditures and Other Financing Sources/Uses
174 State Asset Forfeiture Fund**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	131,000	0	0
Investment Earnings	295	0	262	0
Other Revenues	46,851	20,000	35,633	20,000
Revenues By Type Total	47,146	151,000	35,895	20,000
Operational Support	3,151	151,000	137,710	20,000
Professional & Contracted Svcs	6,762	0	0	0
Expenditures By Type Total	9,913	151,000	137,710	20,000

**Revenues, Expenditures and Other Financing Sources/Uses
176 Local Law Enforcement Block Grant**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	25,765	0	0
Investment Earnings	12	0	-105	0
Non-recurring Grants	23,585	69,387	12,275	0
Operating Grants	1,169	0	0	0
Other Revenues	11	0	0	0
Recurring Grants	0	92,729	68,392	0
Revenues By Type Total	24,777	187,881	80,562	0
Benefits	0	0	1,099	0
Equipment & Capital Outlay	10,450	19,294	18,073	0
Operational Support	0	81,661	51,233	0
Overtime	3,873	15,797	8,991	0
Professional & Contracted Svcs	0	58,658	53,399	0
Travel & Training	11,843	12,471	13,143	0
Expenditures By Type Total	26,166	187,881	145,938	0

**Revenues, Expenditures and Other Financing Sources/Uses
244 Capital Projects - Airport Projects**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	72,297	0	0
Investment Earnings	-59	0	551	0
Other Revenues	2,618	1,030,610	54,893	150,000
Transfers	16,667	16,667	15,279	16,667
Revenues By Type Total	19,226	1,119,574	70,723	166,667
Equipment & Capital Outlay	0	1,019,120	0	166,667
Operational Support	0	80	0	0
Professional & Contracted Svcs	2,165	100,374	4,016	0
Expenditures By Type Total	2,165	1,119,574	4,016	166,667

**Revenues, Expenditures and Other Financing Sources/Uses
263 Capital Proj.-Street Improvement**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	15,198,106	0	0
Funding for Roads	779,324	3,354,439	-246,358	0
Investment Earnings	13,621	0	-19,499	0
Operating Grants	0	262,400	0	0
Other Revenues	196	0	144	0
Transfers	79,155	77,324	75,661	80,000
Revenues By Type Total	872,296	18,892,269	-190,051	80,000
Capital Outlay	60,338	1,676,447	99	0
Equipment & Capital Outlay	4,217,872	16,406,777	9,892,580	80,000
Other Expenses	604	88,547	0	0
Professional & Contracted Svcs	382,276	720,498	377,286	0
Transfers	1,300,000	0	0	0
Expenditures By Type Total	5,961,091	18,892,269	10,269,965	80,000

**Revenues, Expenditures and Other Financing Sources/Uses
264 Developer Sidewalks**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	63,200	0	0
Investment Earnings	183	0	126	0
Other Revenues	750	0	0	0
Revenues By Type Total	933	63,200	126	0
Equipment & Capital Outlay	0	0	0	0
Other Expenses	0	5,876	0	0
Professional & Contracted Svcs	0	0	0	0
Transfers	0	57,324	57,324	0
Expenditures By Type Total	0	63,200	57,324	0

**Revenues, Expenditures and Other Financing Sources/Uses
283 General Fund Capital Projects**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	1,275,755	0	0
Fees	90,000	28,225	23,758	0
Funding for Roads	352	382,874	191,225	0
Investment Earnings	4,180	0	13,561	0
Non-recurring Grants	5,000	508,340	98,340	0
Other Revenues	771	1,908,488	139,070	0
Transfers	798,000	5,903,298	5,628,426	2,907,486
Revenues By Type Total	898,302	10,006,980	6,094,380	2,907,486
Capital Outlay	26	3,460,633	2,077,186	0
Equipment & Capital Outlay	1,793,416	4,688,657	1,801,748	1,550,000
Maintenance	131,297	182,139	86,640	0
Operational Support	0	20,967	18,147	0
Other Expenses	1,145	234,166	565	0
Professional & Contracted Svcs	154,011	1,392,193	481,833	1,354,636
Utilities & Leases	0	28,225	2,985	2,850
Expenditures By Type Total	2,079,896	10,006,980	4,469,103	2,907,486

**Revenues, Expenditures and Other Financing Sources/Uses
312 Water/Sewer Stimulus Grant**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Investment Earnings	14	0	23	0
Transfers	3,977	3,977	3,641	3,977
Revenues By Type Total	3,991	3,977	3,664	3,977
Debt Service	3,977	3,977	3,646	3,977
Expenditures By Type Total	3,977	3,977	3,646	3,977

**Revenues, Expenditures and Other Financing Sources/Uses
330 Water & Sewer Fund**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	474,187	0	0
Assessments	16,736	6814	5514.08	1678
Fees	865,798	755,869	718,180	788,069
Investment Earnings	21,334	8,000	44,907	26,000
Other Revenues	104,057	74,250	100,538	85,250
Water & Sewer	34,668,038	35,036,084	32,158,761	35,852,711
Revenues By Type Total	35,675,963	36,355,204	33,027,901	36,753,708
Benefits	2,121,275	2,353,836	1,830,832	2,497,723
Capital Outlay	1,028	0	0	0
Debt Service	4,238,434	6,944,462	5,000,039	6,667,962
Equipment & Capital Outlay	88,136	198,064	134,219	263,790
Insurance	191,357	351,100	178,113	190,000
Maintenance	2,305,799	3,288,246	1,822,463	2,574,648
Operational Support	2,855,421	3,296,298	2,664,135	3,255,315
Other Expenses	2,619,190	3,207,037	2,509,105	3,290,888
Overtime	372,440	402,300	337,177	324,300
Professional & Contracted Svcs	2,030,593	2,027,685	1,368,841	1,816,442
Reimbursements	3,009,210	3,190,221	2,798,674	3,222,347
Salaries & Wages	5,470,363	5,917,982	4,637,343	6,303,378
Transfers	6,682,300	1,438,981	1,324,415	2,236,900
Travel & Training	48,117	61,150	47,772	63,750
Utilities & Leases	3,642,300	3,677,842	3,498,352	4,046,265
Expenditures By Type Total	35,675,963	36,355,204	28,151,478	36,753,708

**Revenues, Expenditures and Other Financing Sources/Uses
331 Electric Fund**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	267,886	0	0
Electric Collections	75314836.36	74714526	70178784.61	80042128
Fees	748,211	759,500	747,587	782,000
Investment Earnings	19,979	10,000	49,436	30,000
Other Revenues	808,848	751,500	860,981	776,500
Transfers	380,000	380,000	0	0
Revenues By Type Total	77,271,874	76,883,412	71,836,788	81,630,628
Benefits	853,392	881,327	831,488	987,500
Debt Service	16,869	16,869	15,463	16,869
Equipment & Capital Outlay	183,596	229,351	181,428	214,255
Insurance	64,235	304,000	306,869	108,500
Maintenance	1,008,455	961,715	825,969	1,012,318
Operational Support	1,051,189	1,244,404	1,045,723	1,295,658
Other Expenses	1,042,568	1,497,116	1,281,014	1,655,106
Other Purchases for Resale	61,413,772	62,301,288	55,957,543	65,430,618
Overtime	188,125	192,000	208,397	198,000
Professional & Contracted Svcs	785,566	789,664	596,178	1,090,760
Reimbursements	2,100,858	2,310,744	2,013,394	2,385,319
Salaries & Wages	2,469,408	2,517,826	2,151,914	2,661,381
Transfers	3,128,840	3,124,167	2,869,167	4,060,000
Travel & Training	30,083	37,850	32,614	41,100
Utilities & Leases	478,781	475,091	411,714	473,244
Expenditures By Type Total	74,815,737	76,883,412	68,728,875	81,630,628

**Revenues, Expenditures and Other Financing Sources/Uses
332 Transit System**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	320,870	0	75,442
Fees	207,172	220,500	171,851	210,500
Investment Earnings	961	0	2,095	700
Operating Grants	1,312,132	2,394,137	665,295	1,606,140
Other Revenues	253,156	235,800	349,672	235,800
Transfers	686,069	575,070	523,468	571,047
Revenues By Type Total	2,459,490	3,746,377	1,712,382	2,699,629
Benefits	349,888	363,013	318,456	385,297
Equipment & Capital Outlay	182,936	1,276,598	19,249	225,500
Insurance	2,430	44,000	13,124	44,000
Maintenance	145,286	163,300	93,708	140,100
Operational Support	209,785	351,738	186,119	312,934
Other Expenses	14,865	1,000	10,258	1,000
Overtime	50,036	38,000	34,396	40,000
Professional & Contracted Svcs	100,024	110,801	83,631	125,700
Reimbursements	380,186	386,487	338,322	393,845
Salaries & Wages	939,703	993,938	810,998	1,011,700
Transfers	34,399	0	0	0
Travel & Training	1,805	3,200	557	3,200
Utilities & Leases	13,571	14,302	13,377	16,353
Expenditures By Type Total	2,424,915	3,746,377	1,922,196	2,699,629

**Revenues, Expenditures and Other Financing Sources/Uses
335 Solid Waste Fund**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	178,829	0	14,000
Fees	183,502	110,950	215,263	216,250
Other Revenues	6,643	3,900	7,300	3,650
Transfers	3,476,769	3,017,189	2,765,763	2,900,939
Solid Waste Fees	1,102,753	1,807,580	1,648,751	1,848,000
Revenues By Type Total	4,769,667	5,118,448	4,637,077	4,982,839
Benefits	538,606	603,459	539,294	659,357
Equipment & Capital Outlay	415,639	0	0	0
Insurance	10,619	16,500	11,350	16,000
Maintenance	488,113	356,900	354,378	373,800
Operational Support	322,598	516,344	343,923	416,830
Other Expenses	13,598	13,500	8,517	13,500
Overtime	138,995	150,000	99,041	128,650
Professional & Contracted Svcs	1,515,298	1,539,900	1,141,477	1,439,250
Reimbursements	-59,729	-46,192	-37,860	-45,147
Salaries & Wages	1,264,934	1,397,984	1,144,299	1,464,409
Transfers	62,287	0	0	0
Travel & Training	1,793	3,381	3,191	3,800
Utilities & Leases	460,169	566,672	516,040	512,390
Expenditures By Type Total	5,172,920	5,118,448	4,123,649	4,982,839

**Revenues, Expenditures and Other Financing Sources/Uses
336 Stormwater Utility Fund**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	250,000	0	0
Fees	22,848	13,362	18,166	13,050
Investment Earnings	1,678	650	3,276	1,500
Other Revenues	2,870	0	1,084	0
Stormwater	2,506,110	2,527,438	2,323,700	2,533,638
Revenues By Type Total	2,533,505	2,791,450	2,346,226	2,548,188
Benefits	142,267	160,126	116,345	147,297
Insurance	6,917	8,000	749	8,000
Maintenance	117,429	157,712	109,283	136,811
Operational Support	246,306	264,546	222,844	280,635
Other Expenses	0	1,728	1,618	1,728
Overtime	15,913	500	9,439	5,000
Professional & Contracted Svcs	31,728	35,946	31,283	35,440
Reimbursements	690,027	865,610	762,578	914,264
Salaries & Wages	343,464	404,885	273,583	379,383
Transfers	953,880	886,966	833,891	630,788
Travel & Training	3,295	2,022	1,056	3,225
Utilities & Leases	7,050	3,409	3,030	5,617
Expenditures By Type Total	2,558,275	2,791,450	2,365,698	2,548,188

**Revenues, Expenditures and Other Financing Sources/Uses
342 W&S Capital Expansion/Development**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	3,684,729	0	1,733,490
Investment Earnings	19,803	10,000	46,903	25,000
Other Revenues	1,340	0	684	0
Transfers	6,682,300	1,300,000	1,191,663	1,300,000
Revenues By Type Total	6,703,442	4,994,729	1,239,250	3,058,490
Other Expenses	0	1,729,752	0	1,754,513
Transfers	4,407,588	3,264,977	3,156,304	1,303,977
Expenditures By Type Total	4,407,588	4,994,729	3,156,304	3,058,490

**Revenues, Expenditures and Other Financing Sources/Uses
351 W&S Renewal & Replacement**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	1,617,000	0	1,700,000
Investment Earnings	4,453	3,000	8,631	6,000
Transfers	0	74,814	68,585	75,000
Revenues By Type Total	4,453	1,694,814	77,216	1,781,000
Equipment & Capital Outlay	0	1,694,814	0	1,781,000
Expenditures By Type Total	0	1,694,814	0	1,781,000

**Revenues, Expenditures and Other Financing Sources/Uses
352 Electric Renwal & Replace**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	1,465,384	0	1,525,384
Investment Earnings	3,978	0	7,797	5,500
Transfers	60,000	60,000	55,000	60,000
Revenues By Type Total	63,978	1,525,384	62,797	1,590,884
Equipment & Capital Outlay	0	1,525,384	0	1,590,884
Expenditures By Type Total	0	1,525,384	0	1,590,884

**Revenues, Expenditures and Other Financing Sources/Uses
460 Water and Sewer Capital Recovery Fee**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Fees	314,568	320,000	112,849	0
Revenues By Type Total	314,568	320,000	112,849	0
Other Expenses	0	320,000	0	0
Expenditures By Type Total	0	320,000	0	0

**Revenues, Expenditures and Other Financing Sources/Uses
462 Water & Sewer Capital Projects**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	25,642,493	0	0
Investment Earnings	49,560	0	157,216	0
Non-recurring Grants	0	600,000	0	0
Operating Grants	300,000	0	0	0
Other Revenues	33,905,471	26,863,070	11,857,659	0
Transfers	4,208,600	3,261,000	3,152,663	2,161,900
Revenues By Type Total	38,463,630	56,366,563	15,167,538	2,161,900
Capital Outlay	68,392	10,833	9,253	0
Equipment & Capital Outlay	12,416,397	50,882,819	15,462,061	2,161,900
Maintenance	87,284	609,783	608,651	0
Operational Support	889	0	0	0
Other Expenses	3,916	143,878	0	0
Professional & Contracted Svcs	2,152,933	4,719,250	1,305,707	0
Transfers	83,155	0	0	0
Utilities & Leases	6,870	0	0	0
Expenditures By Type Total	14,819,837	56,366,563	17,385,672	2,161,900

**Revenues, Expenditures and Other Financing Sources/Uses
478 Capital Projects - Electric System**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	4,863,023	0	0
Funding for Roads	0	141,044	0	0
Investment Earnings	11,470	0	25,212	0
Non-recurring Grants	5,000	0	0	0
Other Revenues	249	0	125	0
Transfers	4,035,391	1,000,000	916,663	2,000,000
Revenues By Type Total	4,052,110	6,004,067	942,000	2,000,000
Capital Outlay	320	6,000	6,000	0
Equipment & Capital Outlay	455,888	4,425,123	802,867	1,585,000
Other Expenses	100,000	156,705	0	0
Professional & Contracted Svcs	95,491	1,416,239	196,739	415,000
Transfers	24,000	0	0	0
Expenditures By Type Total	675,699	6,004,067	1,005,606	2,000,000

**Revenues, Expenditures and Other Financing Sources/Uses
479 Stormwater Capital Projects**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	1,005,276	0	0
Investment Earnings	2,654	0	5,723	0
Other Revenues	117	10,000	153	10,000
Transfers	942,413	886,966	833,891	630,788
Revenues By Type Total	945,184	1,902,242	839,767	640,788
Capital Outlay	2,456	12,043	11,333	0
Equipment & Capital Outlay	735,174	1,073,721	234,985	184,232
Other Expenses	129,544	384,925	98,237	456,556
Professional & Contracted Svcs	19,575	431,553	264,328	0
Expenditures By Type Total	886,748	1,902,242	608,884	640,788

**Revenues, Expenditures and Other Financing Sources/Uses
611 General Fund Stimulus Grants**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	45,128	0	0
Investment Earnings	45	0	441	0
Non-recurring Grants	6,648	5,182	6,094	6,647
Other Revenues	13	134,000	62,211	0
Transfers	123,307	0	0	0
Revenues By Type Total	130,013	184,310	68,746	6,647
Professional & Contracted Svcs	98,623	183,625	60,680	6,647
Utilities & Leases	956	685	284	0
Expenditures By Type Total	99,578	184,310	60,964	6,647

**Revenues, Expenditures and Other Financing Sources/Uses
621 Community Development Block Grant**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	122,279	0	0
Investment Earnings	20	0	-2,638	0
Operating Grants	743,652	1,624,643	934,493	704,548
Other Revenues	9,145	112,657	129,982	156,832
Revenues By Type Total	752,817	1,859,579	1,061,837	861,380
Benefits	21,270	23,058	19,997	24,424
Capital Outlay	0	0	0	1,899
Debt Service	350,081	0	0	0
Equipment & Capital Outlay	112,412	520,946	661,485	0
Insurance	0	4,340	0	3,955
Maintenance	735	1,000	179	1,000
Operational Support	13,800	67,623	19,007	29,778
Other Expenses	2,361	313,313	5,142	6,316
Overtime	0	100	0	100
Professional & Contracted Svcs	116,503	717,363	219,269	697,483
Reimbursements	-6,804	-10,714	-5,732	-8,403
Salaries & Wages	87,798	89,841	77,494	93,778
Transfers	118,186	120,000	120,000	0
Travel & Training	644	8,706	3,275	9,550
Utilities & Leases	796	4,003	692	1,500
Expenditures By Type Total	817,783	1,859,579	1,120,806	861,380

**Revenues, Expenditures and Other Financing Sources/Uses
622 108 Loan-Downtown Revitalization**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	82,681	0	3,460
Investment Earnings	53	0	63	0
Other Revenues	16,680	16,680	15,290	16,680
Revenues By Type Total	16,733	99,361	15,353	20,140
Debt Service	19,140	49,157	19,859	20,140
Other Expenses	0	50,204	0	0
Expenditures By Type Total	19,140	99,361	19,859	20,140

**Revenues, Expenditures and Other Financing Sources/Uses
624 Home Investment Trust Fund**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	27,363	0	0
Investment Earnings	0	0	-1,477	0
Operating Grants	260,761	1,491,523	543,450	582,428
Other Revenues	59,564	244,680	241,182	240,137
Revenues By Type Total	320,325	1,763,566	783,154	822,565
Benefits	14,341	15,615	13,700	16,355
Capital Outlay	0	18,000	0	0
Operational Support	8,476	11,209	6,442	7,649
Other Expenses	307,068	581,962	328,177	245,922
Professional & Contracted Svcs	80,897	1,078,379	299,975	492,266
Salaries & Wages	53,982	55,266	47,644	58,373
Transfers	1,638	0	0	0
Travel & Training	422	2,500	460	2,000
Utilities & Leases	0	635	634	0
Expenditures By Type Total	466,824	1,763,566	697,033	822,565

**Revenues, Expenditures and Other Financing Sources/Uses
628 Occupancy Tax**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Other Revenues	636,438	590,000	484,889	670,000
Revenues By Type Total	636,438	590,000	484,889	670,000
Other Expenses	636,438	590,000	484,889	670,000
Expenditures By Type Total	636,438	590,000	484,889	670,000

**Revenues, Expenditures and Other Financing Sources/Uses
629 Downtown Municipal Svcs District**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Ad Valorem Taxes	127,136	126,740	128,720	129,204
Appropriated Fund Balance	0	47,000	0	0
Fees	2,135	2,360	2,875	2,520
Investment Earnings	214	170	366	200
Other Revenues	26	0	927	0
Revenues By Type Total	129,511	176,270	132,888	131,924
Maintenance	58,942	2,000	0	2,000
Operational Support	2,723	1,775	1,711	1,775
Other Expenses	19,545	70,677	31,608	53,949
Professional & Contracted Svcs	26,522	42,881	28,620	22,500
Transfers	69,000	50,000	45,837	40,000
Utilities & Leases	8,823	8,937	9,285	11,700
Expenditures By Type Total	185,554	176,270	117,061	131,924

**Revenues, Expenditures and Other Financing Sources/Uses
687 Infrastructure**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	605,210	0	747,906
Investment Earnings	2,043	200	5,033	200
Other Revenues	348,043	207,059	237,238	197,000
Revenues By Type Total	350,085	812,469	242,271	945,106
Equipment & Capital Outlay	0	2,831	0	2,000
Maintenance	5,131	24,870	2,195	20,000
Operational Support	428	12,227	9,654	862
Other Expenses	0	632,822	0	134,043
Professional & Contracted Svcs	0	41,961	0	0
Transfers	0	0	0	747,906
Utilities & Leases	31,839	97,758	33,646	40,295
Expenditures By Type Total	37,397	812,469	45,495	945,106

**Revenues, Expenditures and Other Financing Sources/Uses
775 Police Memorial Trust**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Fees	280	2,000	51	2,000
Investment Earnings	0	0	-29	0
Other Revenues	4	0	40	0
Revenues By Type Total	284	2,000	62	2,000
Other Purchases for Resale	2,000	2,000	0	2,000
Expenditures By Type Total	2,000	2,000	0	2,000

**Revenues, Expenditures and Other Financing Sources/Uses
868 Health Self-Insurance**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Investment Earnings	1,075	750	1,159	750
Other Revenues	7,539,774	8,419,503	7,864,357	9,003,314
Transfers	1,363,523	0	0	0
Revenues By Type Total	8,904,371	8,420,253	7,865,516	9,004,064
Maintenance	31	0	0	0
Operational Support	8,027,456	7,497,028	5,384,944	7,977,414
Other Expenses	697,390	697,650	643,716	700,000
Professional & Contracted Svcs	179,494	225,575	171,790	326,650
Expenditures By Type Total	8,904,371	8,420,253	6,200,450	9,004,064

**Revenues, Expenditures and Other Financing Sources/Uses
870 Dental Self-Insurance**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Investment Earnings	272	0	212	0
Other Revenues	306,344	340,000	292,507	340,000
Revenues By Type Total	306,616	340,000	292,719	340,000
Operational Support	321,042	340,000	312,092	340,000
Expenditures By Type Total	321,042	340,000	312,092	340,000

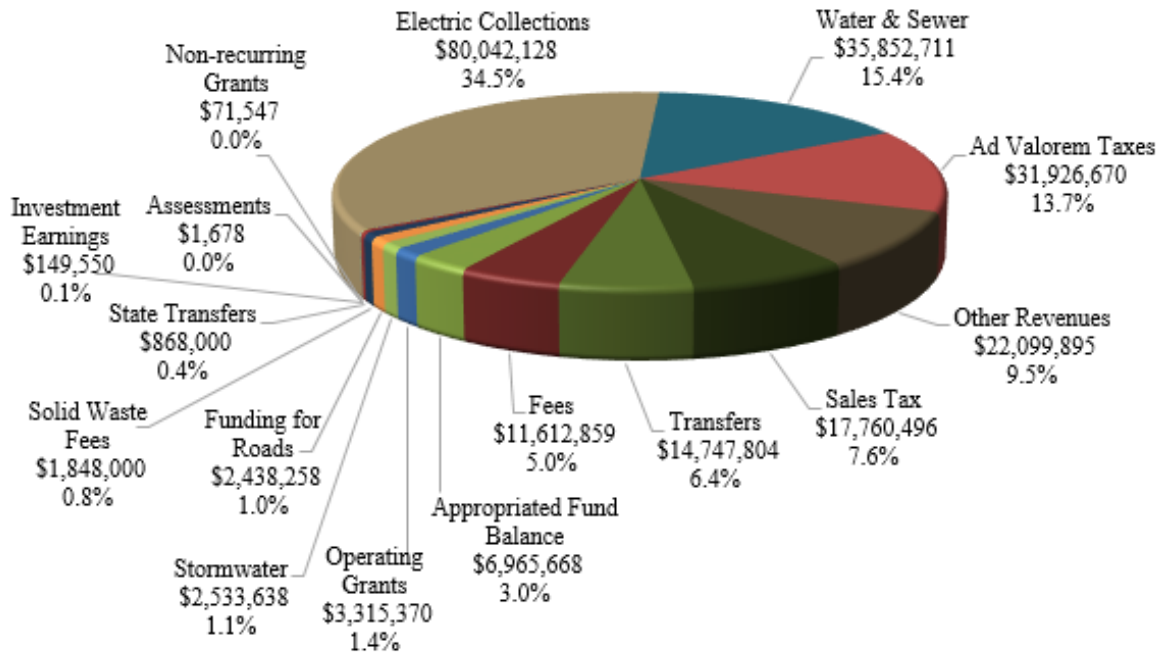
**Revenues, Expenditures and Other Financing Sources/Uses
880 Vehicle/Equipment R&R Program**

	FY 2016 Actuals	FY 2017 Budget	YTD 05/31/2017	FY 2018 Adopted
Appropriated Fund Balance	0	2,233,426	0	-19,747
Investment Earnings	2,150	0	4,773	0
Other Revenues	5,958,105	6,181,323	6,088,914	6,192,918
Revenues By Type Total	5,960,255	8,414,749	6,093,687	6,173,171
Debt Service	2,659,446	3,256,907	2,673,064	3,058,974
Equipment & Capital Outlay	2,703,868	4,754,325	2,734,194	2,717,424
Maintenance	110,427	25,303	0	9,000
Operational Support	498,000	298,690	126,518	381,773
Other Expenses	0	72,671	0	0
Professional & Contracted Svcs	5,628	6,853	4,228	6,000
Expenditures By Type Total	5,977,368	8,414,749	5,538,003	6,173,171

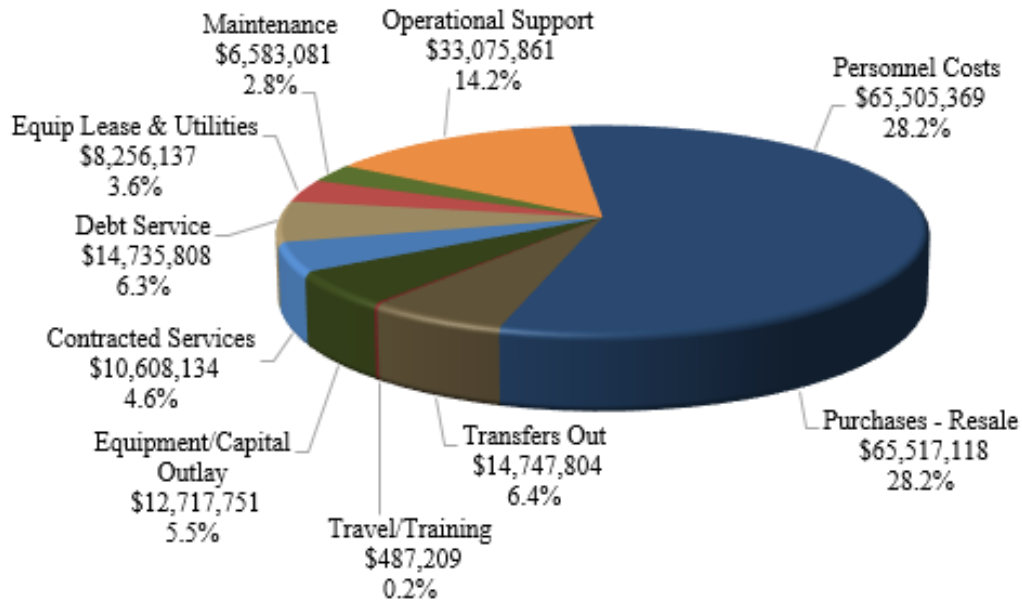
**Revenues, Expenditures and Other Financing Sources/Uses
881 Technology Internal Services Fund**

	FY 2016	FY 2017	YTD	FY 2018
	Actuals	Budget	05/31/2017	Adopted
Appropriated Fund Balance	0	1,288,849	0	0
Fees	4,636,206	4,591,737	4,210,951	4,905,014
Investment Earnings	1,732	600	5,662	1,500
Other Revenues	1,556,959	1,660,668	1,186,308	1,666,854
Revenues By Type Total	6,194,897	7,541,854	5,402,920	6,573,368
Benefits	682,629	758,288	599,503	799,816
Equipment & Capital Outlay	21,808	31,905	31,905	38,000
Maintenance	125,245	199,783	152,698	153,326
Operational Support	639,110	674,725	554,873	649,380
Other Expenses	81,950	1,307,165	215,767	412,562
Overtime	32,449	36,000	31,708	37,000
Professional & Contracted Svcs	1,349,800	1,540,483	1,105,341	1,433,733
Salaries & Wages	2,237,698	2,425,975	1,842,024	2,473,839
Transfers	54,097	0	0	0
Travel & Training	56,475	76,150	25,349	52,450
Utilities & Leases	563,460	491,380	445,064	523,262
Expenditures By Type Total	5,844,722	7,541,854	5,004,232	6,573,368

Where the Money Comes From

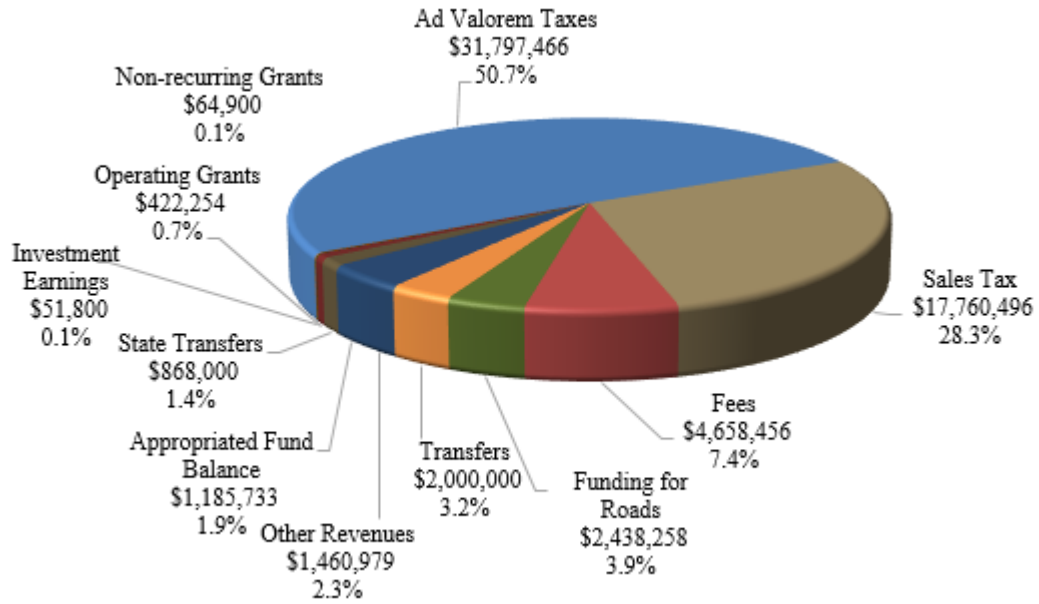


Where the Money Goes

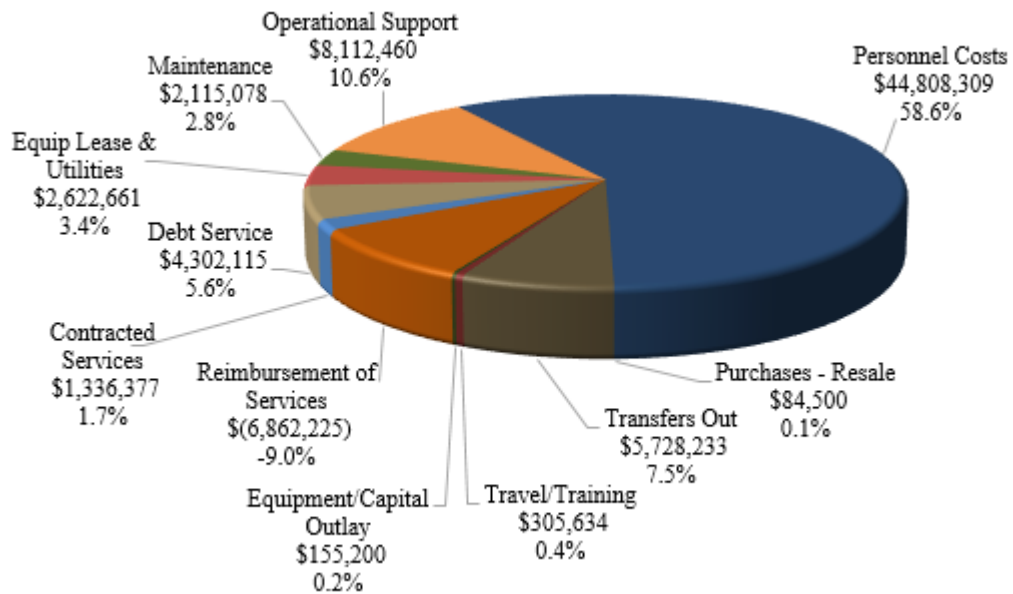


General Fund \$62,708,342

Revenues

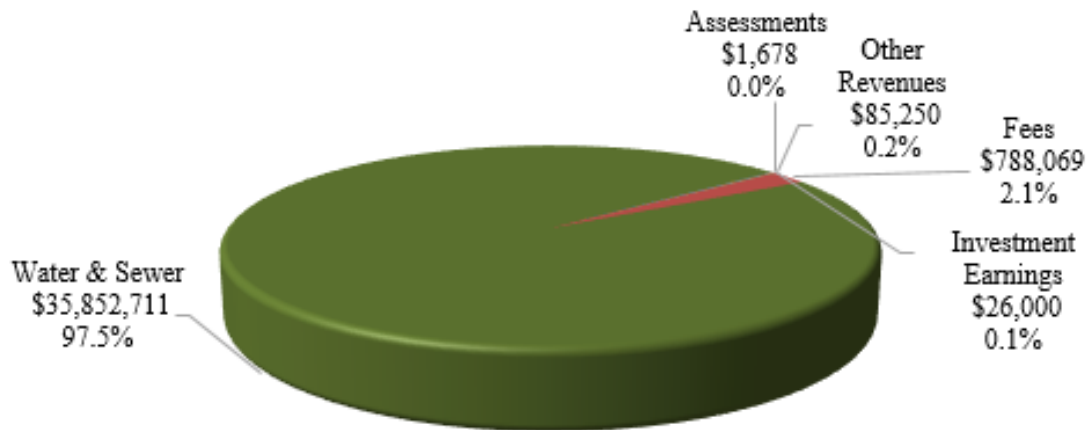


Expenditures

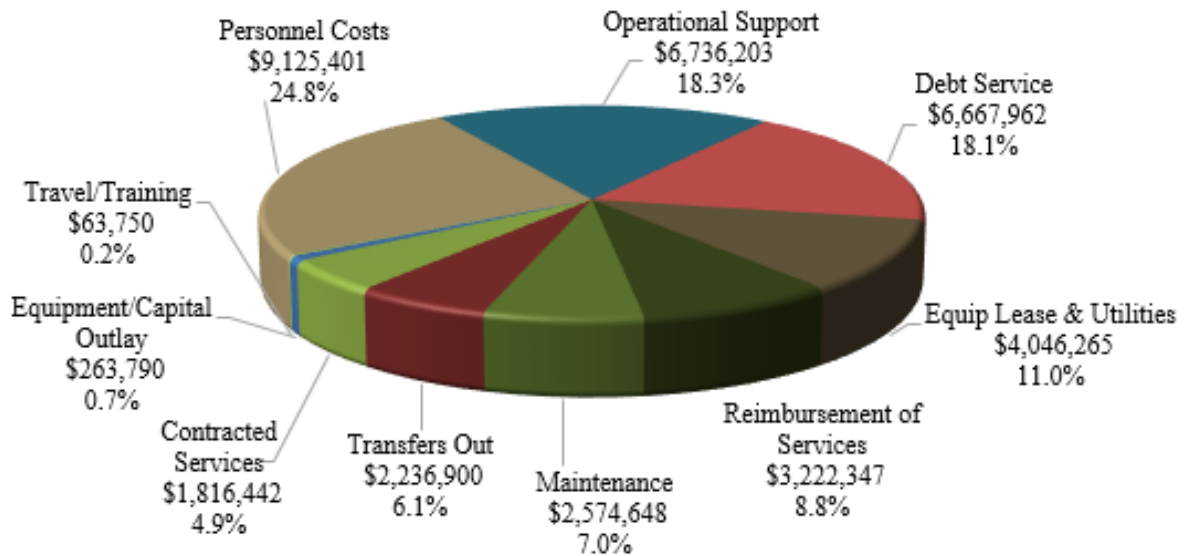


Water & Sewer Fund *\$36,753,708*

Revenues

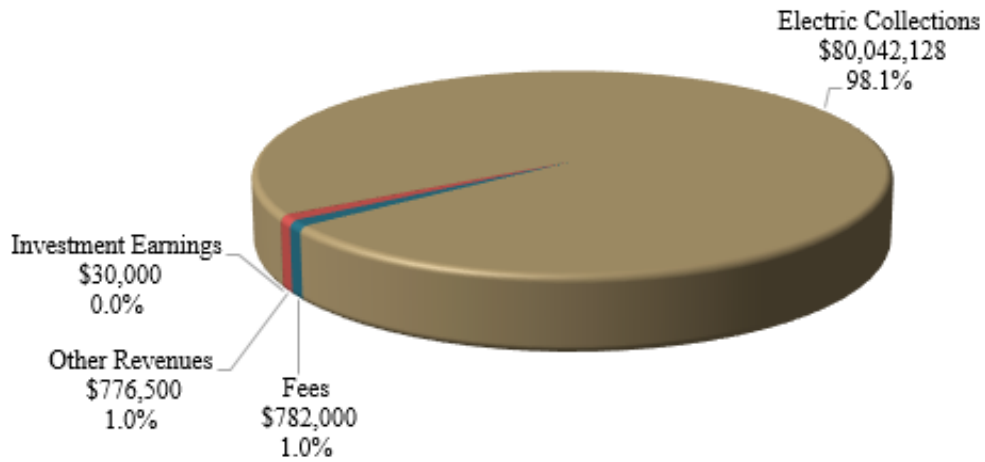


Expenditures

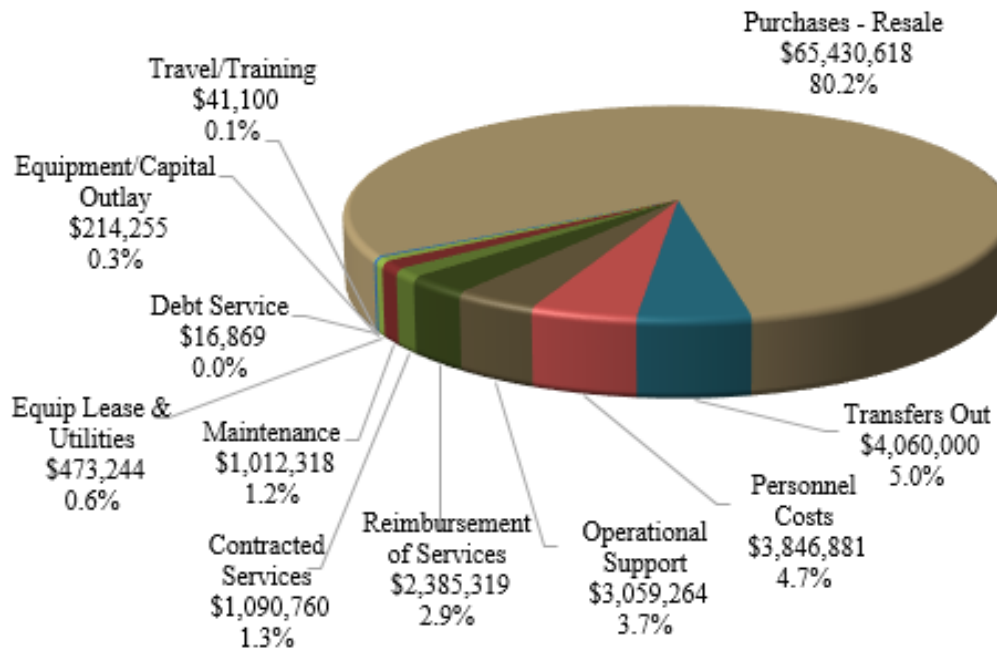


Electric Fund *\$81,630,628*

Revenues

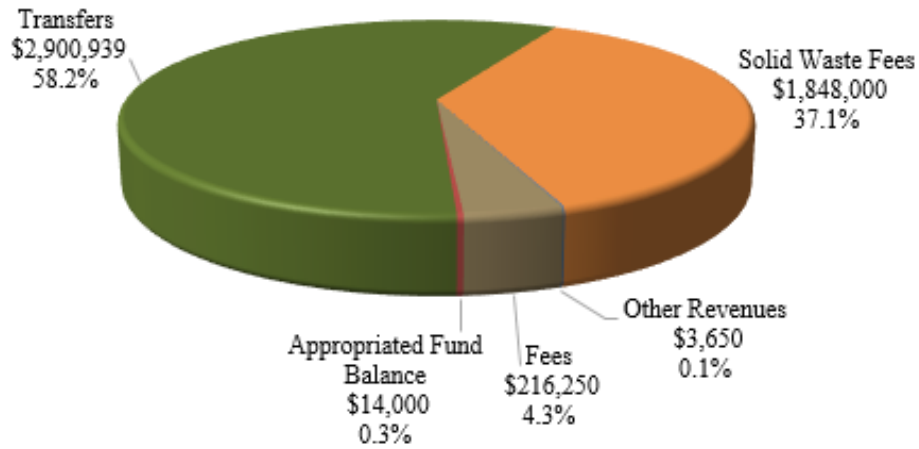


Expenditures

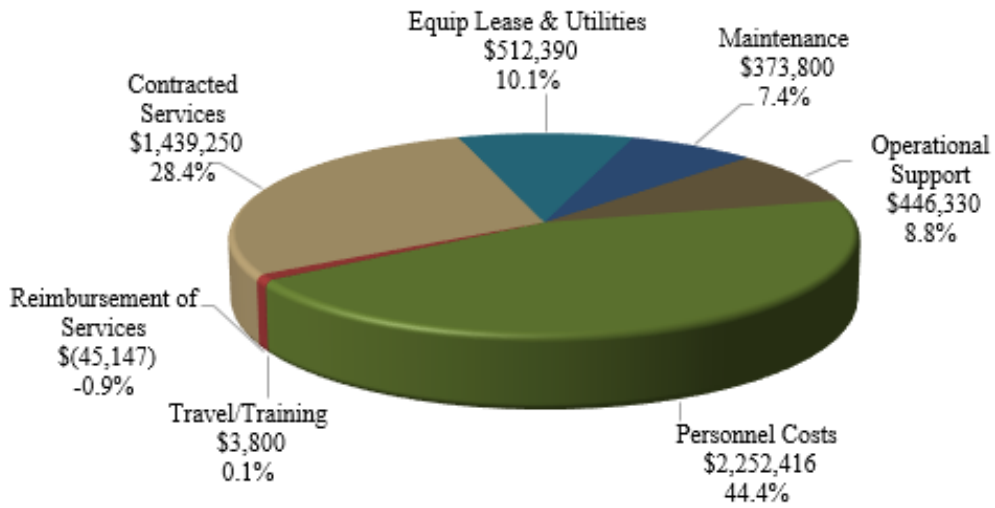


Solid Waste Fund \$4,982,839

Revenues

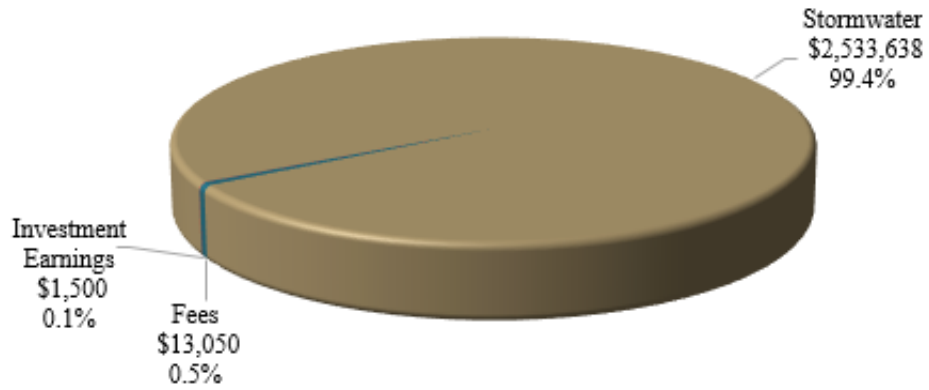


Expenditures

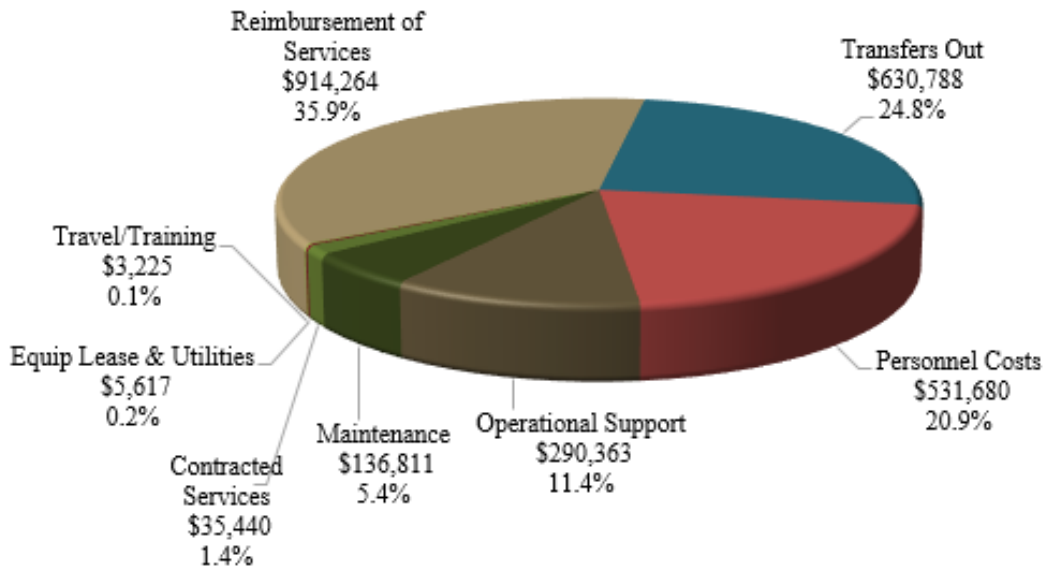


Stormwater Fund
\$2,548,188

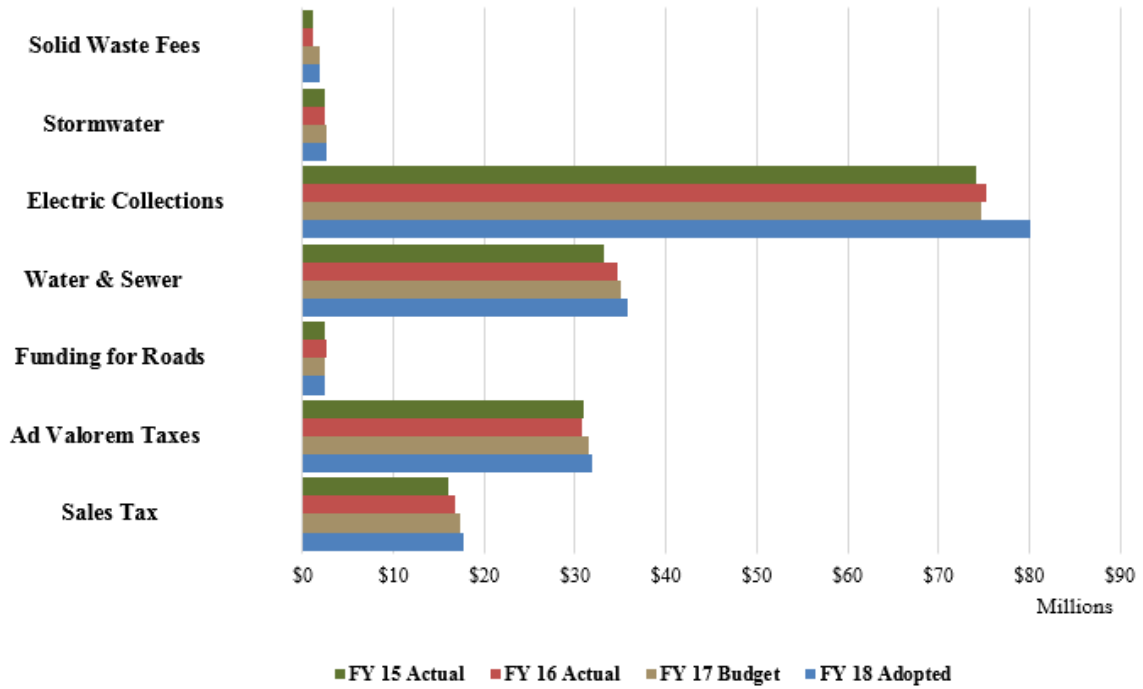
Revenues



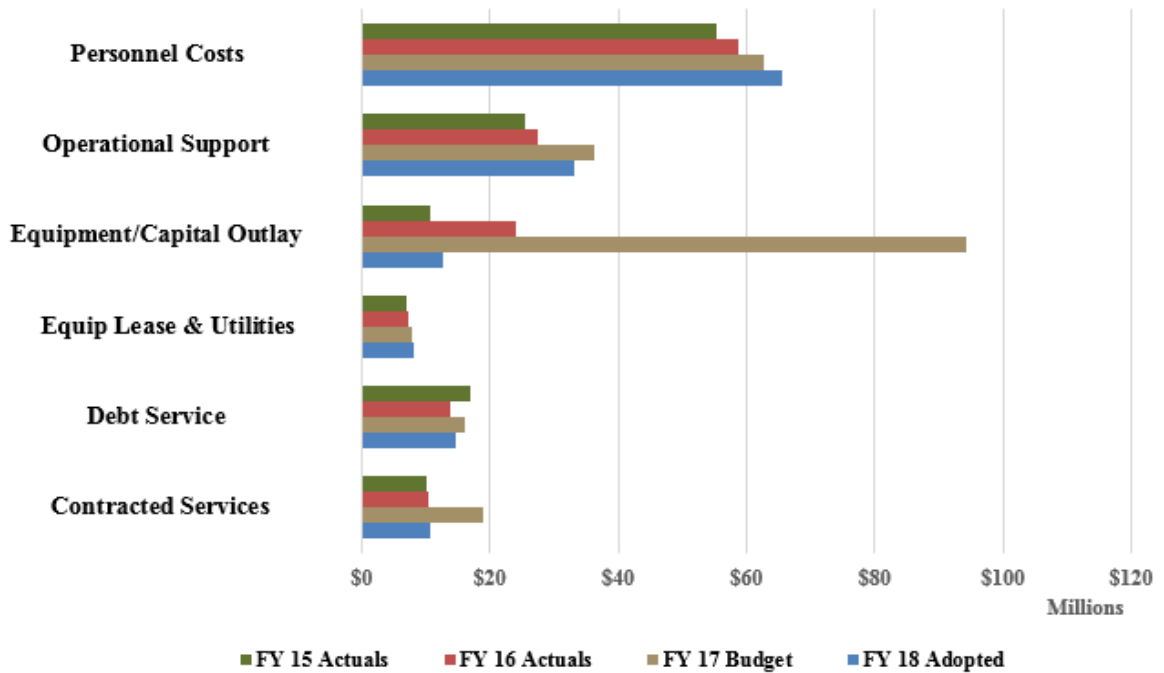
Expenditures



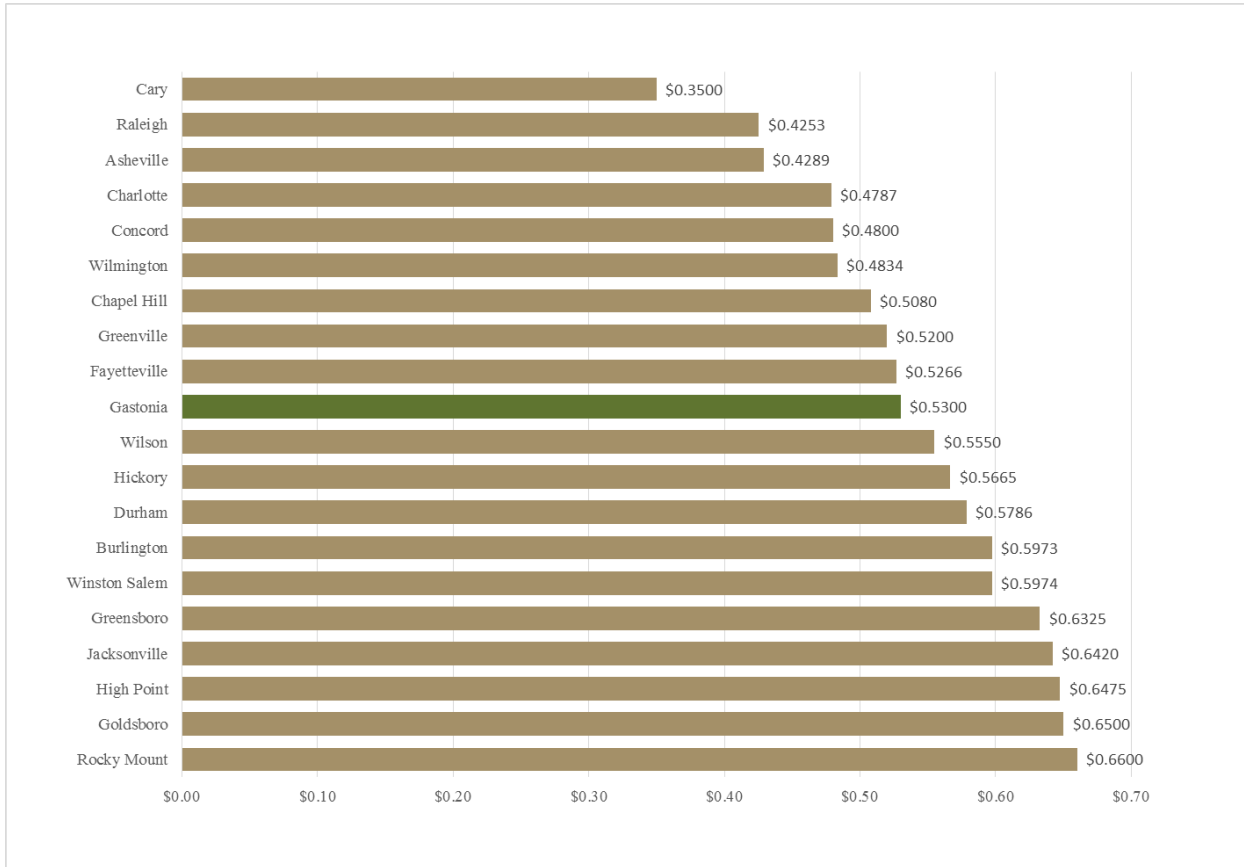
Comparison of Major Revenues



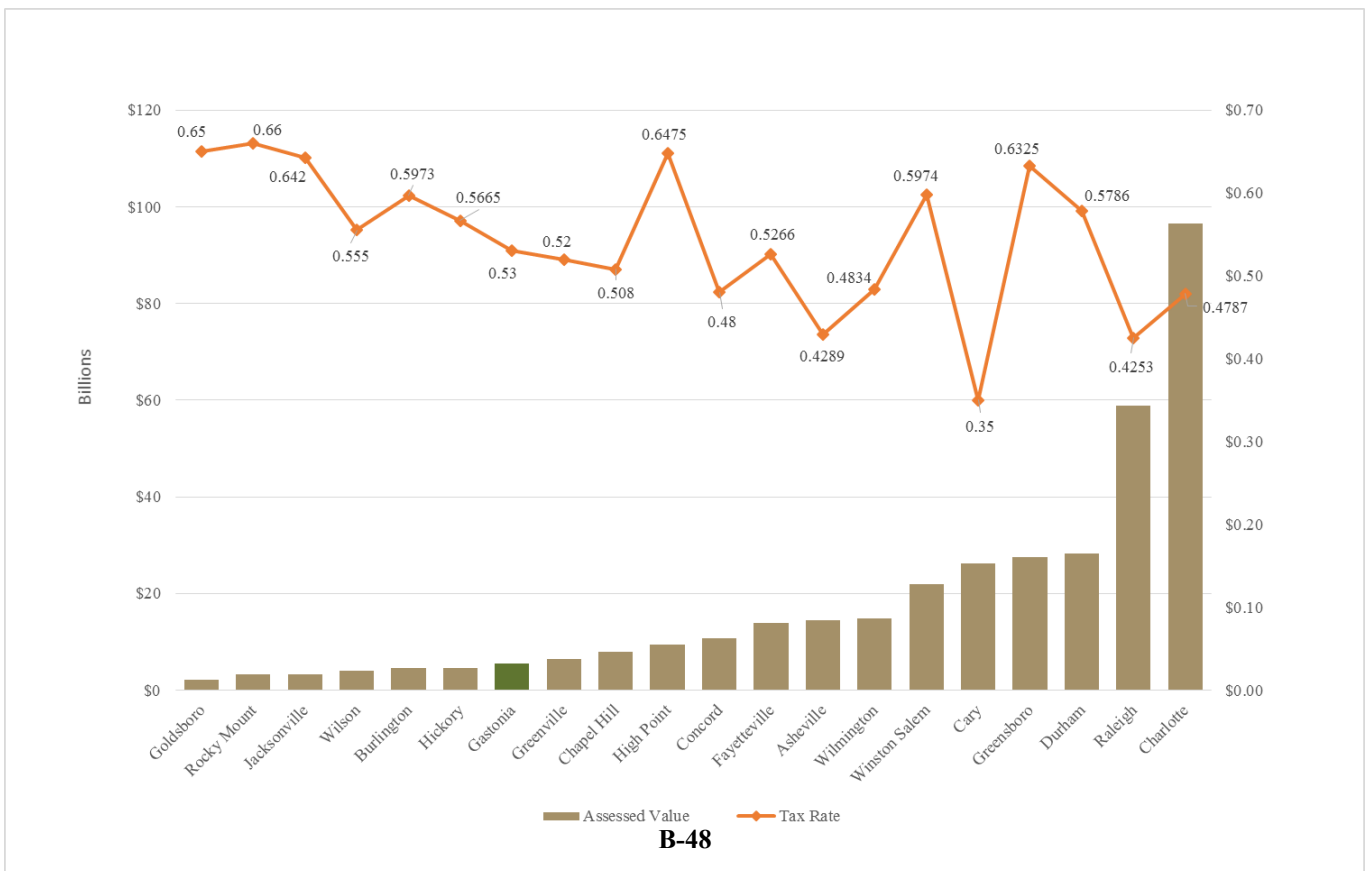
Comparison of Major Expenditures



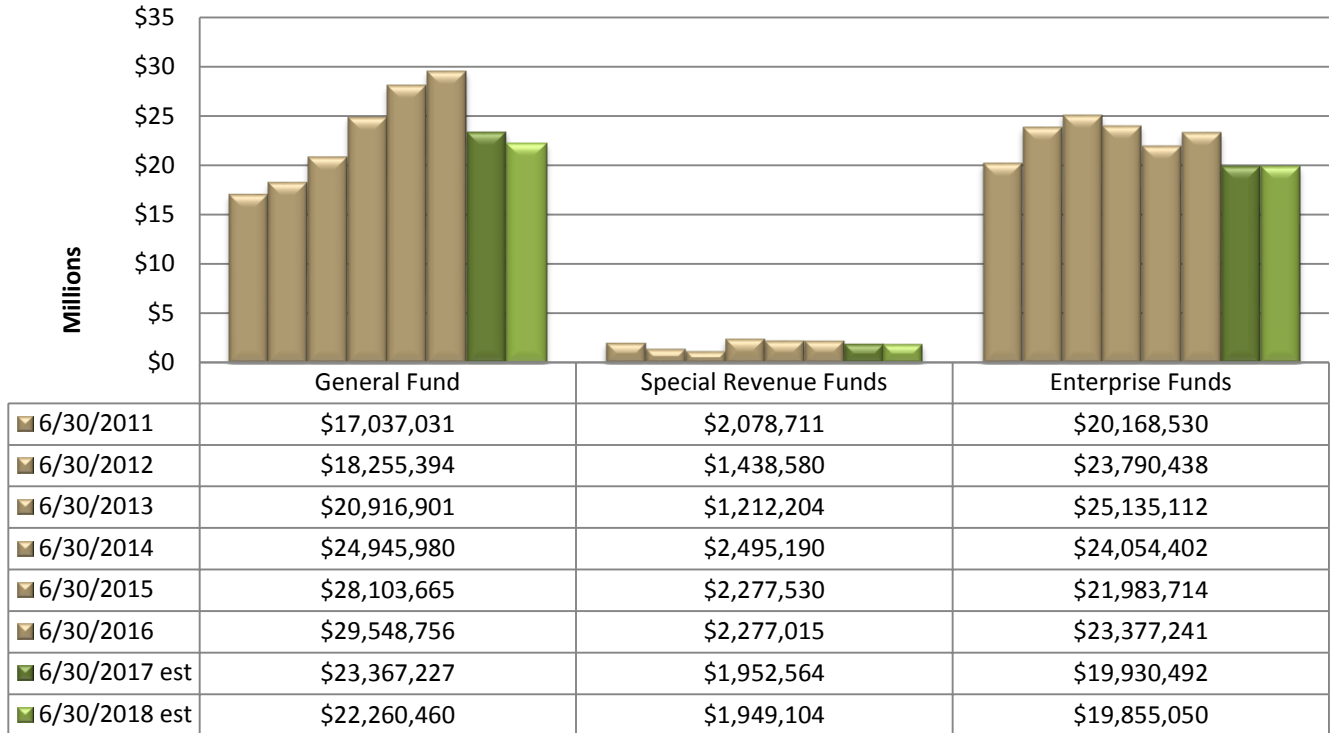
Comparison of Ad Valorem Tax Rates 20 Largest Cities in North Carolina



Comparison of Total Assessed Values & Ad Valorem Tax Rates 20 Largest Cities in North Carolina

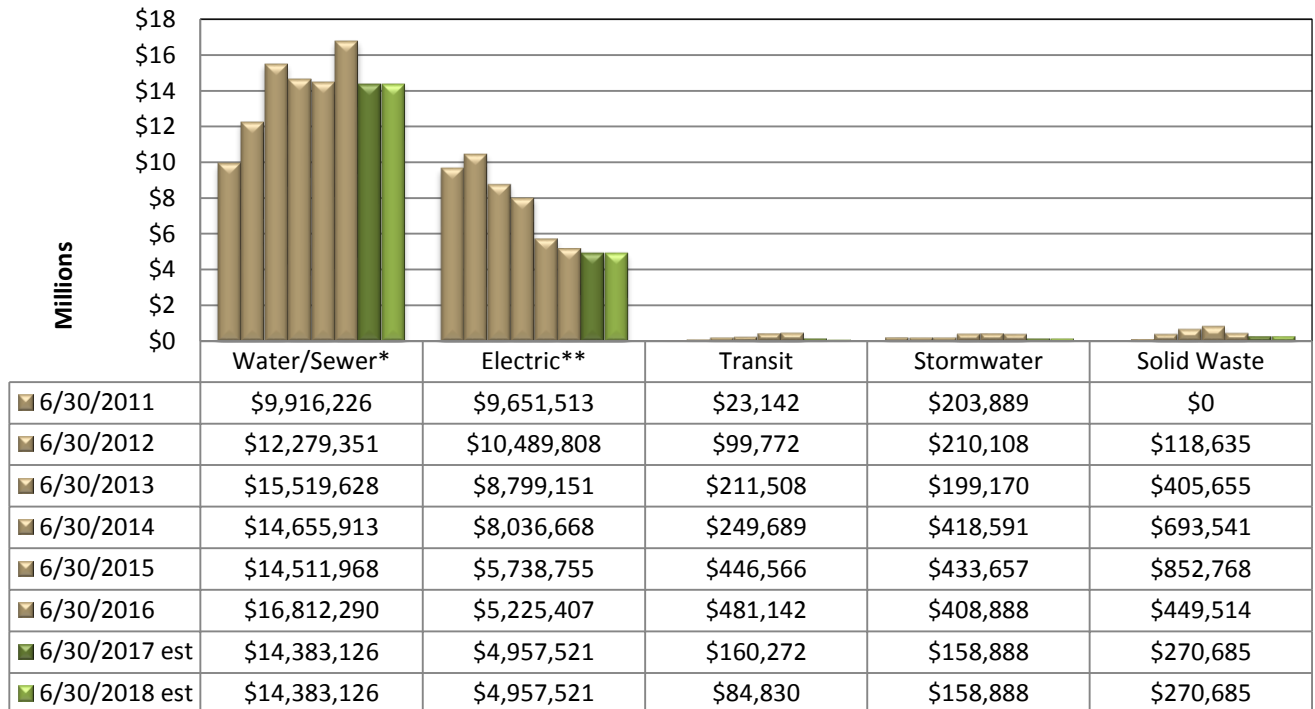


Year Over Year Fund Balance Comparison
By Accounting Fund Type
Fiscal Years 2011-2018 (estimate)



General Funds: 110, 113, 114, 115, 117, 118, 119, 145, 146, 147, 148, 167, 169, 171, 173, 174, 775, 176 Enterprise Funds: 330, 342, 351, 460, 331, 352, 332, 333, 335, 336, 337
 Special Revenue Funds: 611, 621, 622, 623, 624, 625, 626, 627, 628, 629, 687

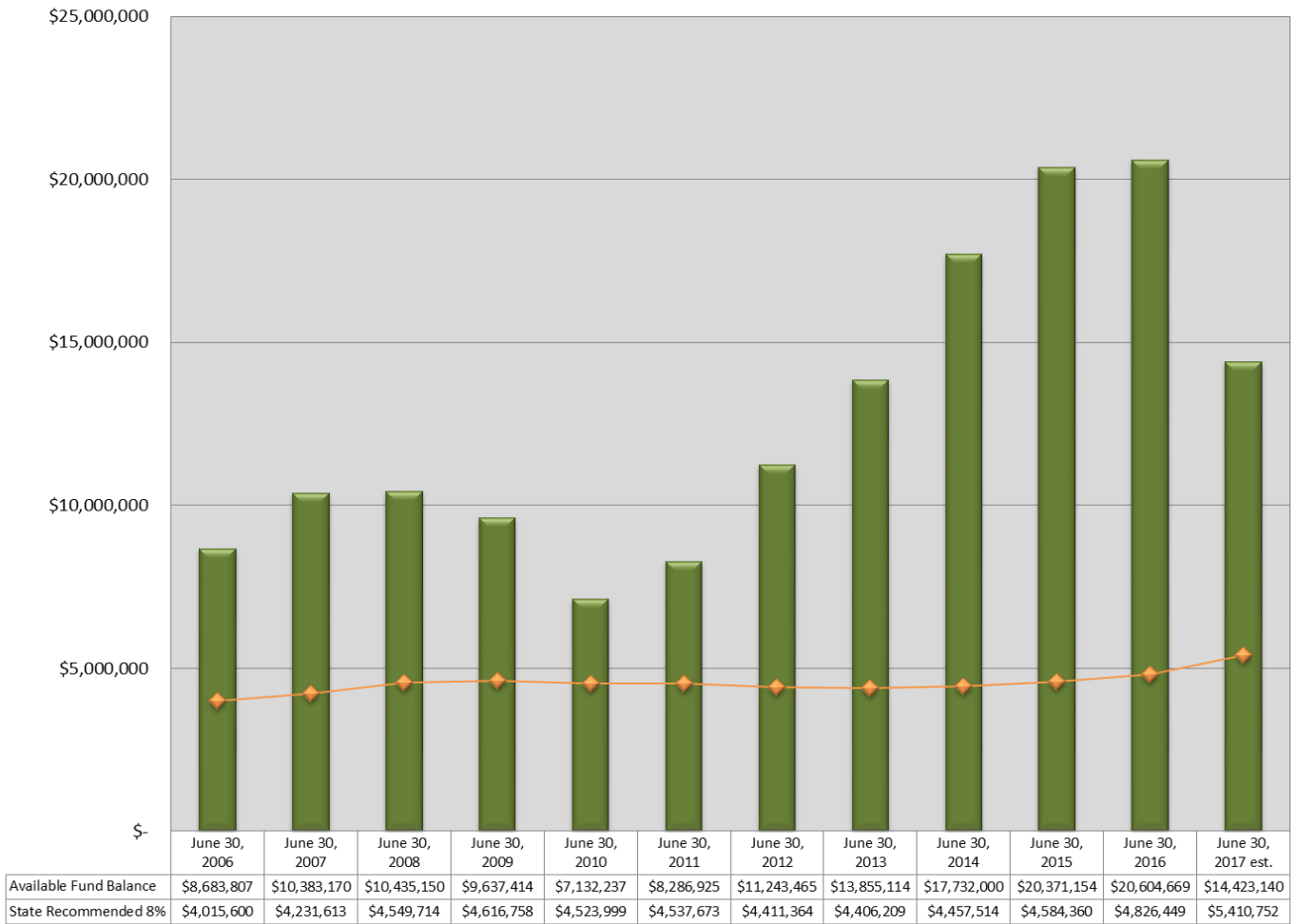
Year Over Year Fund Balance Comparison
Enterprise Funds
Fiscal Years 2011-2018 (estimate)



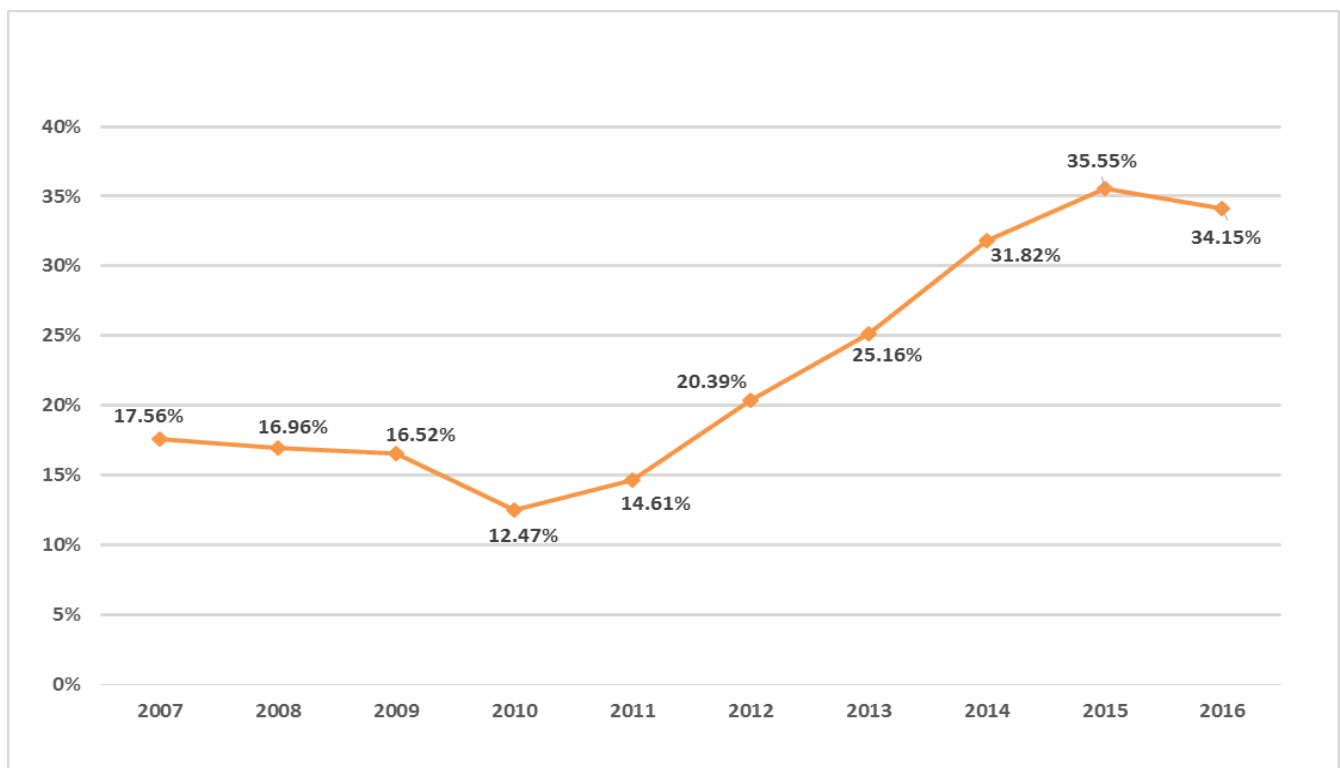
* Includes Funds 351 Water & Sewer Renewal & Replacement Fund, Fund 342 W/S Expansion Fund, and Fund 312 Water & Sewer Stimulus Grant Fund

** Includes Funds 352 Electric Renewal & Replacement Fund and Fund 337 Power Agreement Settlement Fund

Historical Trend of General Fund Available Fund Balance



History of General Fund Balance Percentage



Fund Balances

Fund balance equals the difference between a fund's assets and liabilities, in the same way *owner's equity* equals the difference between assets and liabilities in business accounting. Put simply, fund balance comprises the City's reserves, minus non-spendable items such as inventories. Fund balance mostly includes cash and investments.

Fund balance can increase during a fiscal year if actual expenditures are less than the total budgeted expenditures while revenues are greater than expected. This surplus amount is then available for use in future years.

Local governments need adequate fund balances for several reasons. To give a few examples:

- Adequate fund balance helps ensure that money is available to meet emergency or unforeseen needs.
- Most property taxes aren't received until the middle of the fiscal year, which means the government must have funds available in the meantime to pay for operating expenses.
- Bond rating agencies tend to give better ratings to governments with substantial fund balances. In turn, better ratings result in lower interest rates and savings to taxpayers. If a county or city with a low fund balance tries to issue bonds, its rating will suffer and it will have to pay more interest over the life of the bond.

North Carolina law limits the amount of fund balance available for appropriation (G.S. 159-8(a)). According to the law, "Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year."

Restricted fund balance includes amounts restricted by law for specific purposes or controlled by outside parties. The most common example of restricted fund balance would be grants.

Committed fund balance is the amount that elected officials have dedicated for a particular purpose through an official action. Unlike restrictions, commitments are not legally binding and, thus, they can be changed but only through an official action.

Assigned fund balance is the portion of fund balance that either the elected official or the appointed manager intends to use for a specific purpose. However, no formal action has taken place, or more importantly, no formal action is necessary to change the purpose.

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned for specific purposes or other funds.

The City of Gastonia has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that available fund balance is in the range of 12% to 15% of the prior year's expenditures. The Local Government Commission—a division of the North Carolina Department of State Treasurer—recommends that cities and counties maintain a fund balance of at least 8% of the government's expenditures.

Fund Title	General Government Funds	Enterprise Funds	Capital Project Funds	Internal Service Funds	Special Revenue Funds	Trust & Agency Funds
110 General Fund	X					
113 Webb Project	X					
114 Conference Center Operations	X					
115 Solid Waste Disposal Tax	X					
118 Martha Rivers Operation Playground	X					
119 Technology Support	X					
169 Capital Reserve - Insurance	X					
173 Federal Asset Forfeiture	X					
174 State Asset Forfeiture	X					
176 Local Law Enforcement Block Grant	X					
244 Airport Capital Projects			X			
263 Street Capital Projects			X			
283 General Fund Capital Projects			X			
330 Water & Sewer		X				
312 Water & Sewer Stimulus Project		X				
342 Water & Sewer Capital Exp & Dev		X				
351 Water & Sewer Renewal & Replacement		X				
331 Electric		X				
337 Power Agency Settlement		X				
352 Electric Renewal & Replacement		X				
332 Transit		X				
335 Solid Waste		X				
336 Stormwater		X				
462 Water & Sewer Capital Projects			X			
460 Water & Sewer Expansion Fee			X			
478 Electric Capital Projects			X			
479 Stormwater Capital Projects			X			
611 General Fund Stimulus Grants					X	
621 Community Development Grants					X	
622 CD/108-Downtown Revitalization					X	
624 CD/Home Investment					X	
628 Occupancy Tax					X	
629 Downtown Municipal Services District					X	
687 Infrastructure					X	
775 Police Memorial Trust						X
868 Health Self-Insurance				X		
870 Dental Self-Insurance				X		
880 Veh/Equip Replacement				X		
881 Technology Services Internal Services				X		

Fund Structure

All City funds are accounted for on the modified accrual basis in accordance with North Carolina General Statutes. Under the modified accrual basis, revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which a liability is incurred, if measurable, except for unmatured principal and interest on long-term debt which is recognized when due.

The proprietary funds (enterprise) are converted to the full accrual basis for presentation in the financial statements. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period when incurred.

The accounts of the City are organized on the basis of funds and account groups. Each fund is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City operates its various funds under three broad categories and six generic fund types. The two account groups are not funds but are used to establish accountability over the City's general fixed assets and general long-term debt.

The City of Gastonia uses the following fund types:

Governmental Funds

This group of funds are accounting segregations of financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the differences between governmental fund assets and liabilities (the fund equity) is referred to as “Fund Balance”. The primary measurement focus is “flow of current financial resources”. Put in other words, are there more or less resources that can be spent in the near future as a result of transactions of the period. Increases in spendable resources are reported in the operating statement as revenues or other financing sources, and decreases are reported as expenditures or other financing uses.

General Fund is the general operating fund for the City. It is used to account for all financial resources except for those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state-shared revenues and transfers from the Enterprise Funds. The primary expenditures are for public safety, streets and highways, parks and recreation, museum and general government services.

Webb Theatre Project Fund is used to account for debt service for Webb Theatre Project. In 2010, the City received funding from a \$500,000 U.S. Housing and Urban Development loan which helped to renovate the old Webb Theatre in downtown Gastonia and is estimated to be paid off in 2031. The theatre was a long running movie house which opened in 1927 and was designed by architect Hugh White. The building



Fund Structure

contains some 8,000 square feet and can seat approximately 175 people on two levels. The building is currently used as a restaurant.

Conference Center Operations Fund is used to account for financial costs related to the Gastonia Conference Center. The Gastonia Conference Center is a state-of-the-art facility which is owned by the City and managed by a hospitality management firm. The conference center is a two-story facility that will accommodate over 450 meeting attendees and 350 for a seated banquet function and features 10 separate, purpose-built and distraction-free meeting rooms, event spaces and 5,100 square-foot ballroom. The Conference Center is a keystone for the revitalization Gastonia's historic downtown area.



Solid Waste Disposal Tax Fund is the fund in which the receipts from the Solid Waste Disposal Tax is collected and expended when necessary. A Solid Waste Disposal Tax is imposed on the disposal of municipal solid waste and construction and demolition debris in a landfill permitted under Article 9 of Chapter 130A and on the transfer of such waste and debris to a transfer station permitted under the same Article for disposal outside this State. Effective July 1, 2008, tax at the rate of \$2.00 per ton of waste is imposed on waste and debris received from third parties and on waste and debris disposed of by the owners or operators of qualifying landfills or transfer stations.

Technology Support Fund is used to account for the technology fee that is charged based upon all building and zoning permits. The 5% fee is used to enhance technology for Building Services.

Federal Asset Forfeiture Fund is the fund in which the receipts from the sale of confiscated assets are received from the federal government. The funds are part of equitable sharing which refers to a United States program in which the proceeds of liquidated seized assets are shared between state and federal law enforcement authorities. A 1984 law set up the arrangement in which state and local police can share the seizures with federal agents.

State Asset Forfeiture Fund is the fund in which the receipts from the sale of confiscated assets are received from State of North Carolina. The funds are part of equitable sharing which refers to a United States program in which the proceeds of liquidated seized assets are shared between state and federal law enforcement authorities. A 1984 law set up the arrangement in which state and local police can share the seizures with federal agents.

Local Law Enforcement Block Grant Fund is used to account for the grant funds that we receive from the US Department of Justice for block grant funds and other Police grant funds.

Fund Structure

Special Revenue Funds

This group of funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The following are Special Revenue Funds:

General Fund Stimulus Grants Fund is used to account for grant revenues and related expenditures of various federal economic stimulus grants.

Community Development Fund is used to account for grant revenues and related expenditures under various federal and state grants. The funds are used to help provide low income housing and other programs to citizens.

CD/108 – Downtown Revitalization Fund is used to account for funds from the Section 108 Loan Guarantee Program which provides a source of financing for economic development, housing rehabilitation, public facilities, and other physical development projects. The program offers local governments the ability to transform a small portion of their Community Development Block Grant (CDBG) funds into federally guaranteed loans.

CD/Home Investment Fund is used to account for funds from the HOME Investment Partnerships Program (HOME) which provide formula grants to local governments 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 citizens.

Occupancy Tax Fund is used to account for Gastonia’s Room Occupancy Tax assessed to promote tourism and provide support for tourist-related expenditures. The taxes are levied at a rate of three (3%) of the gross receipts derived for the rental of any room, lodging, or accommodations furnished by a hotel, motel, inn, tourist camp or similar place within the City. The tax does not apply to accommodations furnished by non-profit charitable, educational, or religious organizations.

Downtown Municipal Services Fund is to account for special property taxes assessed that will be used for downtown improvements. The Downtown Municipal Services District was established in 1997 and currently the tax rate is set at \$.20.

Infrastructure Rehabilitation Fund is used to account for the accumulation of resources for infrastructure rehabilitation, construction and improvements.

Fund Structure

Capital Project Funds

This group of funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The following are Capital Project Funds:

Airport Projects Fund is used to account for the acquisition or construction of major capital facilities, equipment and improvements to the City of Gastonia Municipal Airport.

Water & Sewer Projects Fund is used to account for the acquisition or construction of major capital facilities, equipment and improvements to the City of Gastonia water and sewer facilities and assets. The fund is primarily financed with the proceeds of bond sales, interfund transfers and reimbursements from the North Carolina Department of Transportation.

Water & Sewer Expansion Fee Fund is used to account for improvements financed primarily by payments in lieu for construction.

Electric Projects Fund is used to account for the acquisition or construction of major capital improvements to the City of Gastonia electric system. The fund is primarily financed with interfund transfers.

Stormwater Projects Fund is used to account for the cost related to improvements for the City's stormwater system. The priority for stormwater projects is concentrated on projects within the public right-of-way that the City has a obligation to maintain and repair. Improvement proposed for stormwater problems (outside of the right-of-way) are given priorities by the Stormwater Citizen's Advisory Committee. Projects are rated according to a three-tier priority system. The fund is primarily financed with interfund transfers.

Street Improvement Projects Fund is used to account for major improvements to City streets and is primarily financed with the proceeds of bond sales, interfund transfers and reimbursements from the North Carolina Department of Transportation.

General Fund Projects Fund is used to account for the acquisition, construction or general improvements financed primarily by interfund transfers and bond proceeds.

Fund Structure

Enterprise Funds

This group of funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following are Enterprise Funds:

Water & Sewer Fund is used to account for the operation of water and sewer services to the residents of the City and some municipalities. This fund includes all operating and debt service associated with providing water and sewer services and is funded mainly by rates set by City Council.

Water & Sewer Stimulus Project Fund is used to account for the payment of debt service on a North Carolina Department of Environment and Natural Resources State Revolving loan for \$159,077. In June, 2009 the City received the loan and the funds were used for the main inflow pipe and vault rehabilitation at Catawba Creek Pump Station.

Water & Sewer Capital Expansion & Development Fund is the excess from the Water & Sewer Fund after paying current operating, debt service and capital projects. These cumulative funds will help offset the cost of future system needs and the cost of future expansion to the base structure needed in the instance of annexation.

Water & Sewer Renewal & Replacement Fund is funding that is to be used as a reserve for unbudgeted and unexpected capital expenditures. Prior to 1994, the City used unappropriated fund balance during the fiscal year to handle unexpected and unbudgeted capital expenditures. In February, 1994 a resolution was approved that established a formal reserve to cover the costs of these expenditures for the Water & Sewer Fund.

Electric Fund is used to account for the operation of electric service to the residents of the City. This fund includes all operating costs to provide this service and is funded mainly by rates set by City Council.

Power Agency Settlement Fund is used to account for settlement funds received from Electricities for phase out of electric Tier 1 & 2 discounts.

Electric Renewal & Replacement Fund is funding that is to be used as a reserve for unbudgeted and unexpected capital expenditures. Prior to 1994, the City used unappropriated fund balance during the fiscal year to handle unexpected and unbudgeted capital expenditures. In February, 1994 a resolution was approved that established a formal reserve to cover the costs of these expenditures for the Electric Fund.

Fund Structure

Transit Fund is used to account for the operation of transit services to the residents of the City. This fund includes all operating costs and capital costs needed to provide this service and is funded by Federal, State and local revenues.

Solid Waste Fund is used to account for the operation of solid waste services to the residents of the City. This fund includes all operating costs to provide this service and is funded by a monthly user fee and transfer from the General Fund.

Stormwater Fund is used to account for the operation and maintenance of the stormwater program to the residents of the City. Stormwater services include runoff, bank stabilization and maintenance of detention lakes and ponds. This fund includes all operating costs to provide this service and is funded by a monthly user fee.

Internal Service Funds

This group of funds is an accounting device used to accumulate and allocate costs internally among the functions of the City of Gastonia. The City has four internal service funds:

Health Self-Insurance Fund is used to accumulate and allocate the costs of providing self-insured medical coverage to the City employees.

Dental Self-Insurance Fund is used to accumulate and allocate the costs of providing self-insured medical coverage to the City employees.

Vehicle/Equipment Replacement Fund is used to accumulate and allocate the costs associated with the City's vehicle and equipment replacement.

Technology Services Fund is used to accumulate and allocate the costs of computer support and other technology services throughout the City.

Trust and Agency Funds

This group of funds are used to account for resources held for the benefit of parties outside the government. The City has one trust and agency fund:

Police Memorial Trust Fund

This group of funds are used to account for funds held on behalf of the Gastonia Police Foundation. The Gastonia Police Foundation is a nonprofit 501(c)(3) organization that assists the Gastonia Police Department by providing support and funds for equipment, programs and events which are not included in the Police Department's budget.

Fund Structure

Account Groups

These represent another accounting entity used to establish accounting control and accountability for the City's general fixed assets and the outstanding principal of its general long-term debt (General Fixed Assets and General Long-Term Debt Account Groups). These records are accounted for in a self-balancing group of accounts because the City's general fixed assets -- all fixed assets except those accounted for in Proprietary Funds or Trust Funds -- are not financial resources available for expenditures, and because the outstanding principal of the general long term debt-long term liabilities not accounted for in the Proprietary Funds or Trust Fund does not require an appropriation or expenditure during the account year.

General Fixed Assets Account Group

This group of accounts is established to account for all fixed assets for the City. General fixed assets acquired are recorded as expenditures in the various funds at the time of purchase. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings; such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are excluded. No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group

This group of accounts is established to account for all long-term obligations of the City except those which are accounted for in the proprietary funds.

Fund to Department Relationship

	Mayor/Council	City Management	Legal	Development Services	Communications & Marketing	Economic Development	Police	Fire	Human Resources	Technology Services	Financial Services	Community Development & Innovation	Parks & Recreation	Schiele Museum	Public Works/Utilities	Enterprise Services
General Fund	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X
Webb Project Fund						X										
Conference Center Fund		X														
Solid Waste Disposal Tax Fund																X
Technology Support Fund										X						
Federal/State Asset Forfeiture Funds							X									
Local Law Enforcement Block Grants Fund							X									
Airport Capital Projects Fund																X
Street Improvement Capital Projects Fund				X												
General Fund Capital Projects Fund		X														
Water & Sewer Stimulus Grant Fund															X	
Water & Sewer Utility Fund															X	
Electric Utility Fund																X
Transit System Fund																X
Solid Waste Utility Fund																X
Stormwater Utility Fund															X	
Water & Sewer Capital Expansion/Development Fund															X	
Water & Sewer Renewal & Replacement Fund															X	
Electric Renewal & Replacement Fund																X
Water & Sewer Capital Recovery Fee Fund															X	
Water & Sewer Capital Projects															X	
Electric Capital Projects																X
Stormwater Capital Projects Fund															X	
General Fund Stimulus Grant Fund												X				
Community Development Block Grant Funds												X				
Occupancy Tax Fund											X					
Downtown Municipal Services District Fund						X										
Infrastructure Fund		X														
Police Memorial Trust Fund							X									
Health Self-Insurance Fund									X							
Dental Self-Insurance Fund									X							
Vehicle/Equipment Renewal & Replacement Fund										X						X
Technology Internal Service Fund										X						

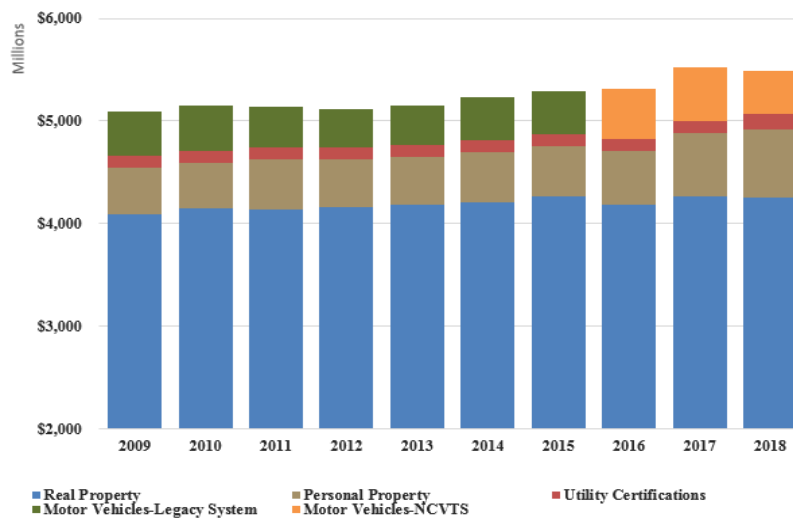
Revenues

The following analysis includes a breakdown of major revenue sources for the various operating funds. Actual revenue figures are used for Fiscal Years 2008 through 2015. The Fiscal Year 2016 numbers are budgeted amounts. The Fiscal Year 2017 estimates are determined by the operating departments' best estimates on receipts for the upcoming fiscal year.

GENERAL FUND

TAX BASE

Property tax valuations have shown an increase from Fiscal Year 2008 to the present. After 1988, the State Legislature removed property and business inventories from the taxable base but with revaluation and economic development, we have maintained some growth each year until now.

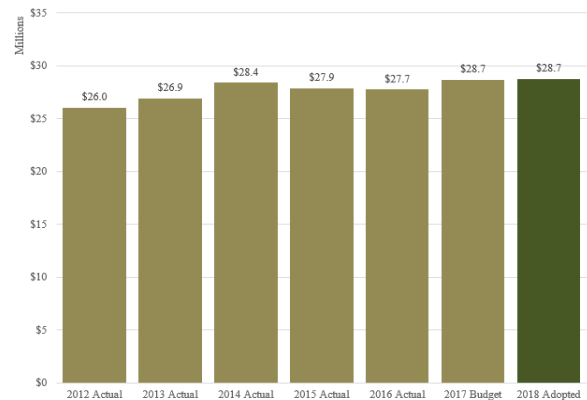


AD VALOREM TAX

Real and personal properties, as well as public service company (utilities) property, comprise the ad valorem, or property tax. Several factors determine the City's property tax revenues.

First is the total value of real, personal, and public service company property. Various system reports are used to estimate the tax base valuation.

For real property valuation, a system report indicates the value of the taxable real property as of the January 1 listing date. This number is the most reliable element of the estimate. At that time most appraisal work has been completed and the only potentially significant variable is pending real property appeals. It is possible to account for the worst case scenario with appeals by identifying the total value of property under appeal. In most years (non-reappraisal



Revenues

years) even the total value under appeal is insignificant. For the FY 2015-2016 budget, real property values were estimated at \$4.2 billion. The decrease from the prior year is associated with the reappraisal that occurred in FY 2015.

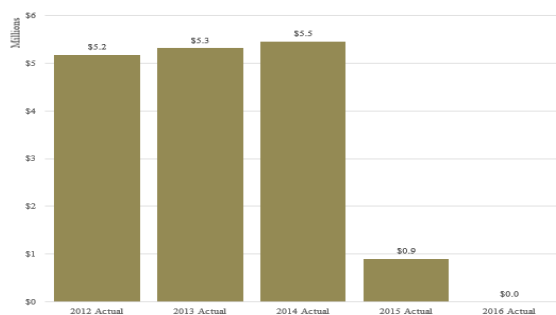
Personal property valuation is also determined as of the January 1 listing date. The system valuation report identifies the value of the tax listings that have been keyed at the time the report is generated. Although the listing deadline for personal property may be extended to April 15, the tax office makes a concerted effort to key the majority of listings – especially the largest accounts – by May 1. Typically there are a number of listings that are filed late and those numbers add to the total personal property valuation. Personal property values were estimated at \$526 million.

The North Carolina Department of Revenue provides the public service company valuations. The actual numbers for any given fiscal year are not provided until September. Therefore, the value for this element of the tax base is based upon prior year numbers. Typically, the numbers do not vary drastically from year to year. Nonetheless, there is always a chance some that some significant changes may occur. The value of public service company property was estimated at \$116 million.

The second factor in determining the county's property tax revenues is the anticipated tax collection rate. The estimated tax collection percentage in the budget is limited by G.S. 159-13(b) (6). According to the law, the estimated collection rate for budget purposes cannot exceed the prior year's actual rate, with some adjustments allowed for motor vehicle property tax collection. For FY 2015-2016, the anticipated tax collection rates for real, personal, and public service company property are 98.35%, 98.35%, and 100%.

The final factor in determining budgeted property tax revenues is the tax rate. The tax rate for FY 2015-2016 is 53 cents per \$100 of valuation, no increase over FY 2014-2015.

Budgeted net property tax estimates of \$28,683,169 for Fiscal Year 2017 are based on \$5.527 billion estimated valuation, 53¢ per \$100 valuation tax rate and a 98.42% collection rate.



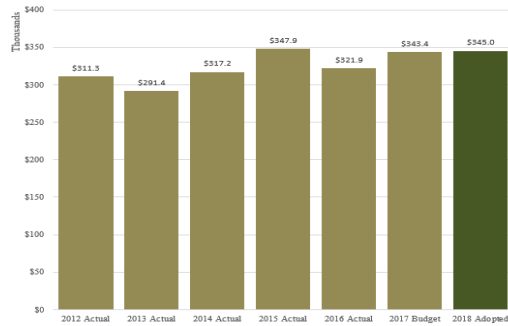
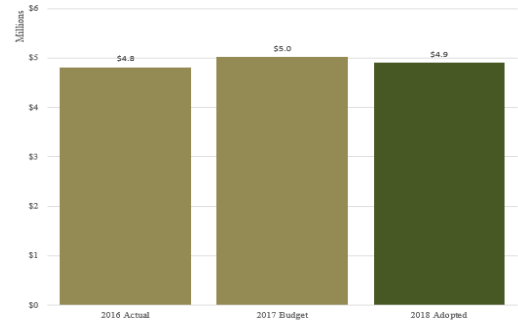
UTILITIES FRANCHISE TAX

In North Carolina, a 6% franchise tax was levied on utility gross sales. After collection, the State would keep 50% and distribute the remaining 50% to the governmental units located in the area producing the utility sales. As of July 1, 2014 this tax was repealed by the State. The FY 2014-15 amount was the 4th quarter distribution for FY 2014 ending 6/30/2014, therefore it is actual dollars received instead of budgeted amount.

Revenues

UTILITY SALES TAX (REPLACES UTILITIES FRANCHISE TAX)

This revenue replaces the Utilities Franchise tax which was repealed as of July 1, 2014. The Utility Sales Tax imposes the 7% combined general rate of sales and use tax on the gross receipts derived from the sale of electricity. From the proceeds of this tax, 44 percent is allocated to be distributed to cities and towns. The estimate for Fiscal Year 2017 is \$5,020,262.



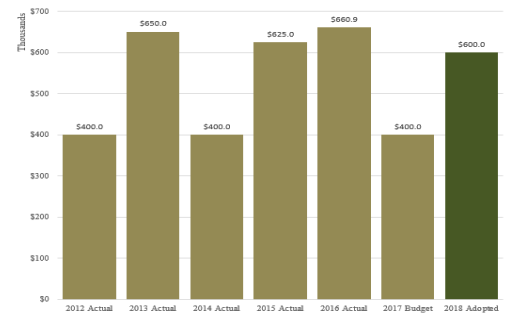
BEER & WINE TAX

The state levies a number of taxes on alcoholic beverages. A city or county is eligible to share in the beer and wine excise tax revenues if beer or wine may be legally sold within its boundaries. Distribution of the beer and wine tax revenue is based on the population of eligible cities and counties. Growth has been slow and, as in all state allocated revenues, the distribution of these funds is subject to the state's discretion. During 2010, the State withheld approximately two-thirds of our distribution. Our estimate for Gastonia for

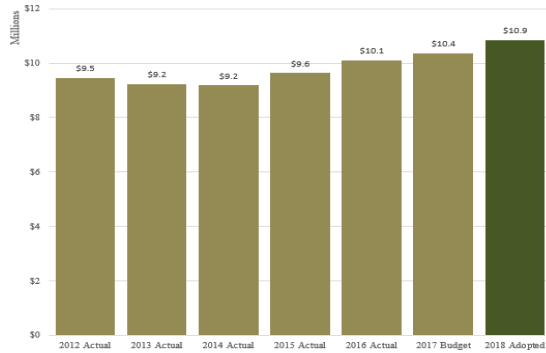
Fiscal Year 2017 is \$343,388.

ABC NET REVENUES

The ABC revenues are determined by the amount requested from the ABC Board by the City Council. This revenue is usually based on net sales received above the working capital required to operate in that fiscal year. In Fiscal Year 1992-93, the City Council requested all funds set aside for a new ABC store plus the normal request above the working capital amount. In Fiscal Year 1996-97, City Council requested \$650,000 for the Martha Rivers Park Youth Sports Complex and in 2010 the City received a one-time distribution from ABC fund balance of \$300,000. In Fiscal Year 2010-11, the City received a one-time distribution of \$420,000 to match a grant for 800 MHz radios for Public Safety. In Fiscal Year 2017, the City is expecting \$400,000.



Revenues



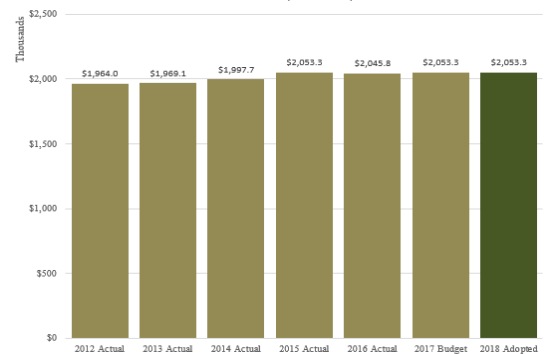
SALES TAX

The one cent share from the State of the Sales Tax in Gaston County is distributed on the basis of population as determined by the Gaston County Commissioners. In 1983, 1986 and 2001, Gaston County opted to levy an additional 1/2 cent sales tax as allowed by law. Each are collected by the State and distributed based on the population method statewide. After Fiscal Year 2004, Gaston County opted to use the Ad Valorem Tax formula for distribution; but insured that the municipalities in the

County will receive the same amount as Fiscal Year 2004. This would not allow any growth of sales tax to municipalities, all growth would go to the County. The County and City renegotiated the agreement and the County’s share decreased 20% per year beginning 2011 with FY 2014 as the last year to be received. During FY 2014 the State expanded the sales tax base to include other items such as admissions to movies and live events, and service contracts for maintenance and repairs. Our General Fund estimate for Fiscal Year 2017 is \$10,360,000.

POWELL BILL

Prior to 2013 Powell Bill funding was tied to the state’s motor fuels tax but in 2013, the Powell Bill funding changed to a direct appropriation from the State. One quarter of the Powell Bill revenue distribution is based on mileage of nonstate system streets within the City and three quarters of the distribution is based on the City's population. Powell Bill funds must be spent “primarily for the resurfacing of streets”. Our General Fund estimate for Fiscal Year 2017 is \$2,053,258.



TRANSFER FROM ELECTRIC FUND

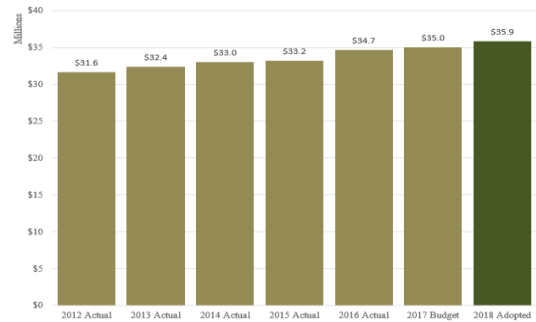
With the implementation of the City Manager's Transfer Policy in February of 1994, we established a set policy on the allowable transfer from the Electric Fund to supplement the General Fund. In prior years, all profits remaining after operating costs were transferred to the General Fund at year end. The rationale behind this was that this enabled the City to keep the tax rate as low as possible. However, due to a request by the bond rating agencies, and the Local Government Commission, beginning in Fiscal Year 1994-

95, the City began to reduce its reliance on electric transfers. The transfer from the Electric Fund to the General Fund should be reduced each Fiscal Year until a level equating to 3% of gross fixed assets is attained. This mark is reflective of Council’s April 1997 change to the Electric Transfer Policy from a target of 8% to a maximum of 3%. The total transfer budgeted for Fiscal Year 2017 is \$2,000,000, this should again meet the 3% goal.

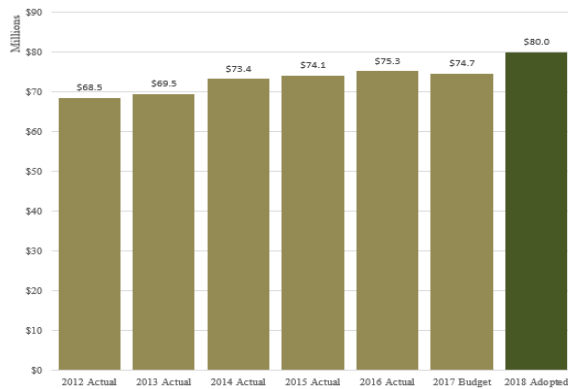
Revenues

WATER AND SEWER FUND

The Water and Sewer Fund is operated as a self-sustaining enterprise fund. After all miscellaneous revenue is recognized, the water and sewer rates are set to balance the revenues to expenses. The growth in this fund would be affected by the economy and, of course, the number of customers coming on the system as a result of economic development. The water and sewer sales estimate for Fiscal Year 2017 is \$35,036,084.



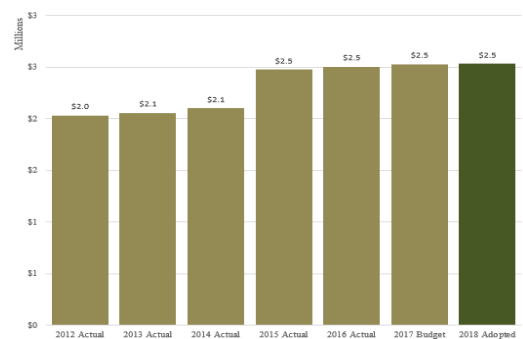
ELECTRIC FUND



The Electric Fund is operated as an enterprise fund with a portion of its profits passed to the General Fund each year. Our sales forecast takes into consideration customer growth, business activity and peak requirements due to weather conditions. The rates are set by the City Council taking into account the total expenditures necessary to operate, pay debt service, make capital improvements and cover the cost of wholesale power purchases and are not projected to increase through Fiscal Year 2020. The sales estimate for Fiscal Year 2017 is \$74,714,526

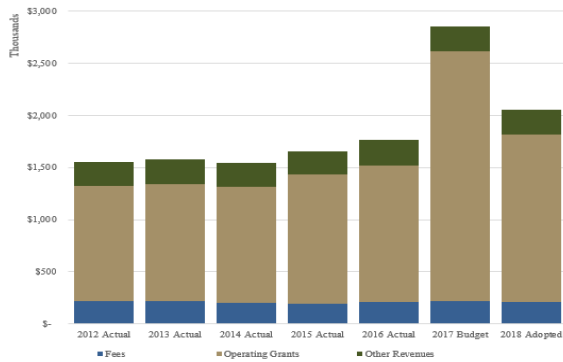
STORMWATER FUND

The Stormwater Fund is operated as an enterprise fund. The City's Stormwater Utility maintains the network of public stormwater drains and also offers two different programs to help residents dealing with the effects of increased runoff. These programs vary greatly on solution options, cost and time frame for completion. Funding for the Stormwater Fund is provided by a Stormwater Fee of \$0.25 per Equivalent Residential Unit or ERU (2,650 square feet). Residential customers are charged 1 ERU per month. Non-residential customers are charged per amount of impervious service per month. The sales estimate for Fiscal Year 2017 is \$2,527,438



Revenues

TRANSIT SYSTEM FUND



USER FEES, FEDERAL AND STATE GRANTS

The City operates a mass transit system. While this fund does raise revenues through user fees and advertising, most of the revenue is received through Federal and State Grants and from Transfers from the General Fund. The Transit System operates at a loss to the City, but continues to provide a vital service to the citizens of Gastonia. The increase in Operating Grants shown below is due to the estimated reimbursement for the purchase of 3 new busses, 2 bus shelters and the replacement of 1 transporter van. Our estimate for Fiscal Year 2017 for user fees is \$220,500 and for grant funds is \$2,620,114.

Debt Summary

Debt Management

The City of Gastonia's primary focus in debt management is to keep the amount of indebtedness at a level whereby available resources can carry the debt and to keep the debt within the legal debt limitations established by the State of North Carolina Department of State Treasurer while maintaining a minimum cost to the taxpayer.

The City's sound financial condition is evidenced by the current credit ratings for both General Obligation debt and Revenue Bond debt which are the following: Standard and Poor's Corporation AA-, Moody's Investor Service Aa2 and Fitch AA.

Legal Debt Margin

By State law, local governments may issue debt totaling 8% of the total assessed value of real and personal property. The 8% limit applies to all debt not applicable to Enterprise Funds. Outstanding debt in most governmental units falls well below the 8% of the total assessed value limit, and typically ranges from 1% to 4% for most governments, depending on the utility enterprise operated by the unit. The legal debt margin as of June 30, 2017 is computed as follows:

Assessed Value of Property at 6/30/2017	\$ 5,491,022,638
Statutory Debt Limit: 8% of Assessed Value	\$ 439,281,811
Gross Debt	
Authorized & Outstanding bonded debt	\$ 70,724,000
Outstanding debt not evidenced by bonds	\$ 33,938,563
	<u>\$ 104,662,563</u>
Statutory Deductions	
Bonds and other debt not evidenced by bonds applicable to Enterprise Funds	\$ 56,718,989
Amount designated for payment of gross debt other than Enterprise Fund debt	\$ 30,428
	<u>\$ 56,749,417</u>
Net Debt	<u>\$ 47,913,146</u>
Legal Debt Margin	<u>\$ 391,368,665</u>

Debt Summary

Long-Term Obligations

In accordance with the provisions of the State Constitution and The Local Government Bond Act, as amended, the City had the statutory capacity to incur additional net debt, excluding debt for water and electric purposes, in the approximate amount of \$391,121,028 as of the end of June, 2016. For purposes of continued review, the distinction should be made about the three types of bonded debt the City carries.

General Obligation Bonds

First, we have General Obligation (GO) Bonds which are backed by the “full faith and credit” of the City. The General Assembly has pledged the power and obligation of the City to levy taxes and raise other revenues for the prompt payment of installments of principal and interest or for the maintenance of sinking funds. This authority is unrestricted as to rate and/or amount. In North Carolina, no bonds may be issued without the approval of the Department of State Treasurer, Local Government Commission. A sworn statement of debt must also be filed attesting that net debt will not exceed 8% of the appraised value of the property subject to taxation by the governing unit. The exceptions to this limitation are the refunding of existing bonds, the continued funding of existing authorized debt, bonds issued for water, gas or electric power purposes, or two or more of such purposes, certain sanitary sewer, sewage disposal or sewage purification plant bonds, or bonds issued for erosion control purposes or bonds issued for the purposes of erecting jetties or other protective works to prevent encroachment by certain bodies of water. The following charts will summarize the City’s outstanding General Obligation debt as well as the outstanding debt ratios

Outstanding General Obligation Debt

G.O. Bonds	June 30, 2015	June 30, 2016	June 30, 2017
Street Bonds	27,365,000	26,065,000	24,680,000
Other Bonds	2,135,000	1,965,000	1,795,000
Refunding	2,600,000	1,410,000	196,000

Debt Ratios

June 30	Total GO Debt	Assessed Valuation	Debt to Assessed Value	Population	Debt Per Capita
2013	\$ 37,051,000	\$5,228,962,017	0.71%	72,173	\$ 513.36
2014	\$ 34,612,000	\$5,285,091,435	0.65%	72,507	\$ 477.36
2015	\$ 32,100,000	\$5,317,314,009	0.60%	72,947	\$ 440.05
2016	\$ 29,440,000	\$5,526,746,003	0.53%	73,698	\$ 399.47
2017	\$ 26,671,000	\$5,491,022,638	0.49%	73,698	\$ 361.90

Debt Summary

General Obligation Bonds Outstanding

<u>Fiscal Year</u>	<u>Bonds Payable</u>	<u>Interest Payable</u>	<u>Total</u>
2018	\$2,006,000.00	\$1,114,448.00	\$3,120,448.00
2019	\$1,855,000.00	\$1,052,156.00	\$2,907,156.00
2020	\$1,905,000.00	\$991,856.00	\$2,896,856.00
2021	\$1,975,000.00	\$913,906.00	\$2,888,906.00
2022	\$2,045,000.00	\$825,763.00	\$2,870,763.00
2023	\$2,085,000.00	\$743,782.00	\$2,828,782.00
2024	\$1,910,000.00	\$660,894.00	\$2,570,894.00
2025	\$1,910,000.00	\$578,059.00	\$2,488,059.00
2026	\$1,910,000.00	\$492,956.00	\$2,402,956.00
2027	\$1,910,000.00	\$403,399.00	\$2,313,399.00
2028	\$1,910,000.00	\$310,261.00	\$2,220,261.00
2029	\$1,750,000.00	\$217,044.00	\$1,967,044.00
2030	\$1,750,000.00	\$130,226.00	\$1,880,226.00
2031	<u>\$1,750,000.00</u>	<u>\$43,409.00</u>	<u>\$1,793,409.00</u>
	<u>\$26,671,000.00</u>	<u>\$8,478,159.00</u>	<u>\$35,149,159.00</u>



	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2018	\$3,120,448.00	\$2,006,000.00	\$1,114,448.00
Maximum Requirement	2018	\$3,120,448.00	\$2,006,000.00	\$1,114,448.00

Revenue Bonds

The second type of bonded debt carried by the City are Revenue Bond Issues. These are Combined Utility Water and Sewer Revenue Issues in the original issue amounts of 2009 refunded \$19,605,000, 2011 refunded \$4,318,000, 2013 refunded \$5,895,000 and 2015 revenue bonds \$20,130,000 with projected June 30, 2016 outstanding balances of \$7,940,000, \$3,074,000, \$5,235,000 and \$20,130,000. The major difference between the Revenue issues and General Obligation issues is that the “full faith and credit” of the City is not pledged for the repayment of the bonds. This debt is payable solely through revenues raised by the City’s water and sewer utility systems. The revenues of the enterprise are required by statute to be applied with the following priority: (1) to pay the operating, maintenance and capital expenses of the utility, (2) to pay when due the interest on and principal of outstanding bonds issued for capital projects that are or were part of the utility, and (3) for any other lawful purpose. As with General Obligation bonds, the

Debt Summary

issue of revenue bonds requires the approval of the North Carolina Department of State Treasurer, Local Government Commission.

On the City’s existing revenue issue, a minimum parity debt coverage ratio of 1.2 must be maintained. This means the net utility operating revenues must exceed 120 percent of the maximum annual parity debt service cost. Each year, any excess after paying current operating, debt service and capital projects is placed in a Capital Expansion and System Development Fund for future use. These cumulative funds will help offset the cost of future system needs and the cost of future expansion to the base structure needed in the instance of annexation.

Combined Water and Sewer Revenue Bonds Outstanding

<u>Fiscal Year</u>	<u>Bonds Payable</u>	<u>Interest Payable</u>	<u>Total</u>
2018	\$3,747,000.00	\$1,228,321.00	\$4,975,321.00
2019	\$3,892,000.00	\$1,088,655.00	\$4,980,655.00
2020	\$1,737,000.00	\$943,466.00	\$2,680,466.00
2021	\$1,923,000.00	\$884,662.00	\$2,807,662.00
2022	\$1,987,000.00	\$817,017.00	\$2,804,017.00
2023	\$2,049,000.00	\$754,851.00	\$2,803,851.00
2024	\$2,116,000.00	\$690,666.00	\$2,806,666.00
2025	\$2,192,000.00	\$615,515.00	\$2,807,515.00
2026	\$955,000.00	\$546,488.00	\$1,501,488.00
2027	\$995,000.00	\$508,288.00	\$1,503,288.00
2028	\$1,040,000.00	\$458,538.00	\$1,498,538.00
2029	\$1,095,000.00	\$406,538.00	\$1,501,538.00
2030	\$1,150,000.00	\$351,788.00	\$1,501,788.00
2031	\$1,205,000.00	\$294,288.00	\$1,499,288.00
2032	\$1,240,000.00	\$258,138.00	\$1,498,138.00
2033	\$1,280,000.00	\$220,938.00	\$1,500,938.00
2034	\$1,320,000.00	\$182,538.00	\$1,502,538.00
2035	\$1,385,000.00	\$116,538.00	\$1,501,538.00
2036	<u>\$1,455,000.00</u>	<u>\$47,288.00</u>	<u>\$1,502,288.00</u>
	<u>\$32,763,000.00</u>	<u>\$10,414,521.00</u>	<u>\$43,177,521.00</u>

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2018	\$4,975,321.00	\$3,747,000.00	\$1,228,321.00
Maximum Requirement	2019	\$4,980,655.00	\$3,892,000.00	\$1,088,655.00

Limited Obligation Bonds

Limited Obligation Bonds, formerly referred to as Certificates of Participation (COPs), is an alternative financing method requiring no voter approval. The major distinction which needs to be made is that this type of debt does not pledge the “full faith and credit” of the City either, but

Debt Summary

rather offers the investors the property as security for the certificates and the repayment is subject to annual appropriation. These issues operate similar to a conventional home mortgage whereby the property collateralizes the loan. In fiscal year 2010 the City issued Limited Obligation Bonds to be used for the cost of acquisition, improvement and equipping of a conference center, parking deck, an environmental studies center to the Schiele Museum and related park improvements.

Limited Obligation Bonds

	<u>Fiscal Year</u>	<u>Bonds Payable</u>	<u>Interest Payable</u>	<u>Total</u>
	2018	\$1,038,333.00	\$572,621.00	\$1,610,954.00
	2019	\$915,000.00	\$542,977.00	\$1,457,977.00
	2020	\$925,000.00	\$506,377.00	\$1,431,377.00
	2021	\$935,000.00	\$467,873.00	\$1,402,873.00
	2022	\$930,000.00	\$427,404.00	\$1,357,404.00
	2023	\$520,000.00	\$386,315.00	\$906,315.00
	2024	\$535,000.00	\$360,471.00	\$895,471.00
	2025	\$550,000.00	\$333,079.00	\$883,079.00
	2026	\$565,000.00	\$304,094.00	\$869,094.00
	2027	\$585,000.00	\$270,239.00	\$855,239.00
	2028	\$600,000.00	\$235,186.00	\$835,186.00
	2029	\$620,000.00	\$199,234.00	\$819,234.00
	2030	\$645,000.00	\$162,084.00	\$807,084.00
	2031	\$665,000.00	\$123,435.00	\$788,435.00
	2032	\$685,000.00	\$83,588.00	\$768,588.00
	2033	<u>\$710,000.00</u>	<u>\$42,543.00</u>	<u>\$752,543.00</u>
		<u>\$11,423,333.00</u>	<u>\$5,017,520.00</u>	<u>\$16,440,853.00</u>
	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2018	\$1,610,954.00	\$1,038,333.00	\$572,621.00
Maximum Requirement	2018	\$1,610,954.00	\$1,038,333.00	\$572,621.00

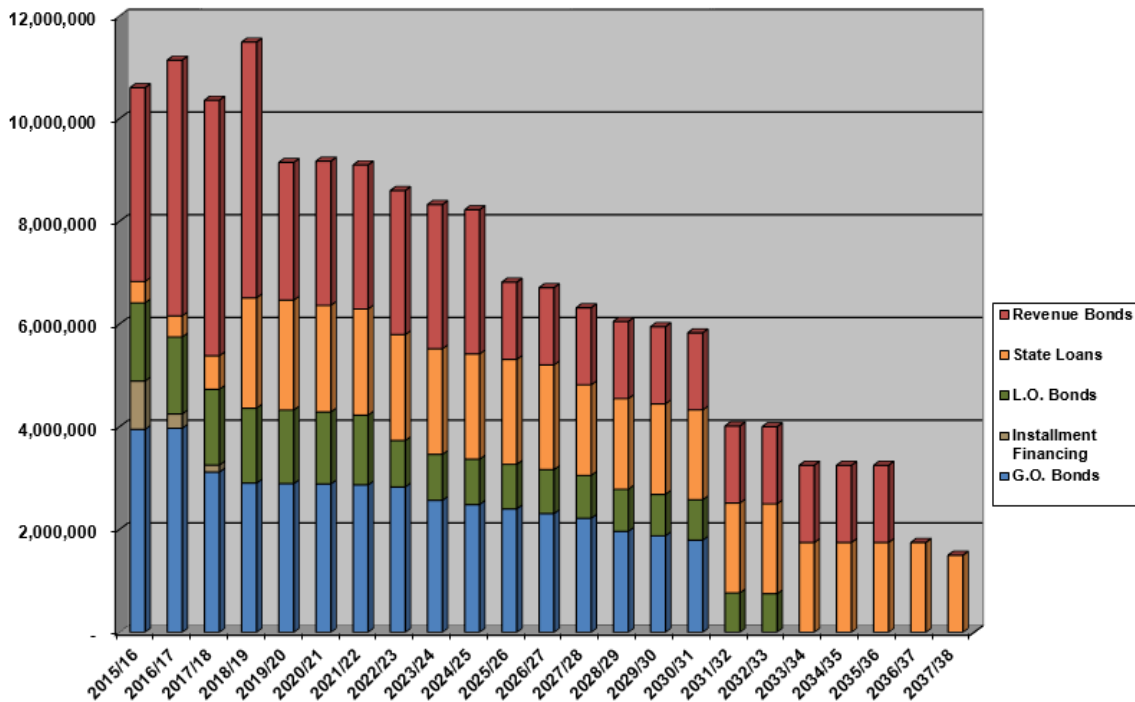
Debt Summary

Debt Service Payments budgeted

The Fiscal Year 2017-2018 Budget provides \$14,385,938 for debt service as follows:

Water and Sewer Fund	\$ 6,558,462
Water and Sewer Stimulus Fund	\$ 3,977
Electric Fund	\$ 16,869 (2008 2/3rds GOBs)
General Fund	\$ 2,895,151 (Streets)
General Fund	\$ 319,931 (Recreation)
General Fund	\$ 63,512 (Museum)
General Fund	\$ 669,262 (Fire)
General Fund	\$ 135,828 (Garland Center)
General Fund	\$ 208,431 (2008 2/3rds GOBs)
Webb Theater Project	\$ 33,000 (108 and EDI Loan)
Conference Ctr Operations Fund	\$ 422,401 (2010 LOBs)
Community Development Funds	\$ 20,140 (108 Loans)
Vehicle/Equipment Replacement Fund	\$ 3,038,974 (short-term installment financing)

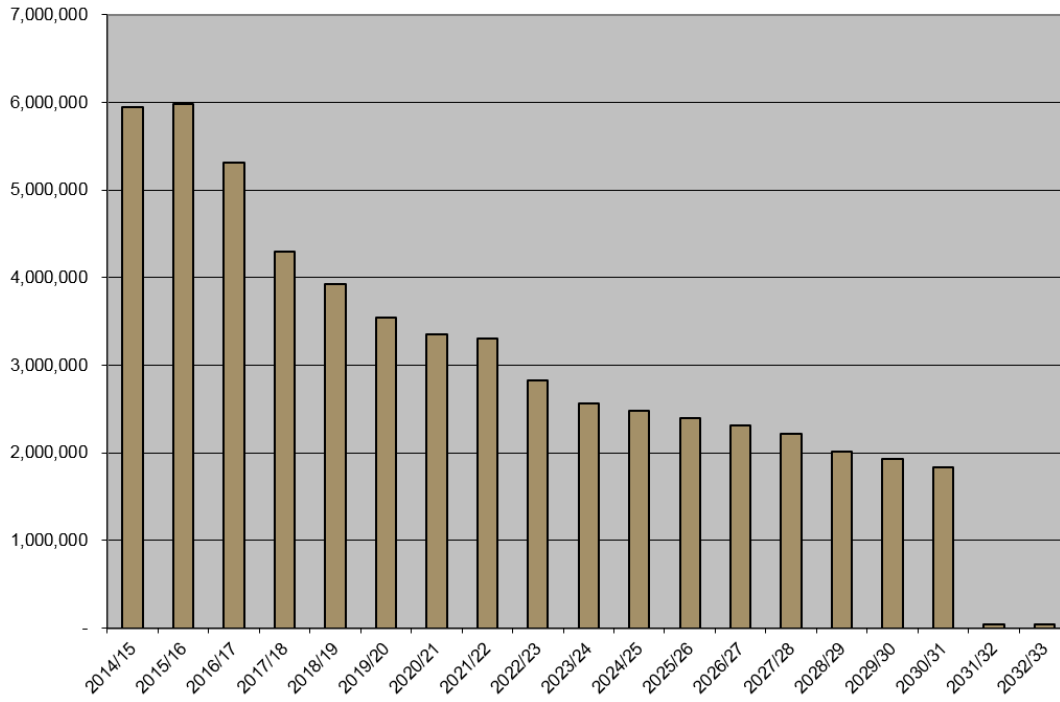
All Annual Debt



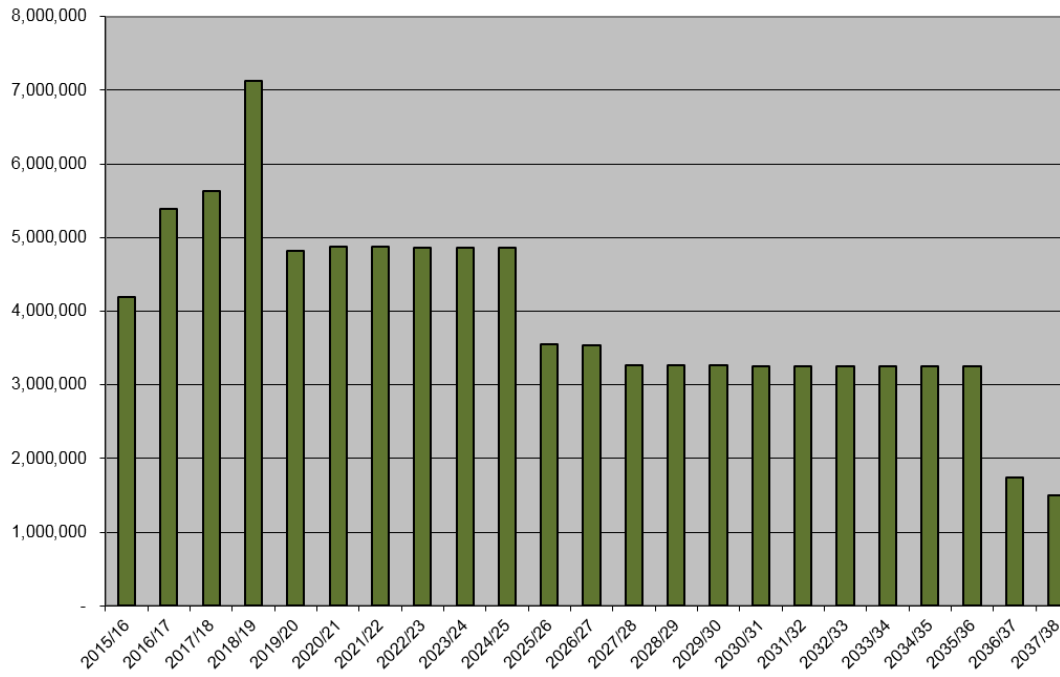
Debt Summary

Debt Summary by Fund

General Fund Debt



Water & Sewer Fund Debt



Budget Preparation & Amendment

Preparing the FY 2017 - 2018 Budget

The budget presented herein is for the 2017-2018 fiscal year, which will begin on July 1, 2017 and will conclude on June 30, 2018. Preparations for this budget began in January 2017.

In January, the City Council held its annual strategic planning meeting to provide direction on the budget process. Budget staff reviewed departments' requests starting in February.

In February 2017, Fleet Services and Technology Services turned in their recommendations for vehicles, equipment, computers, servers, etc.

In mid-February 2017, Budget staff prepared estimates for personnel costs, utilities, and existing commitments such as lease-purchased vehicles and debt service. Budget staff periodically reassessed these estimates leading up to the April 2017 Proposed Budget presentation. In March, the City Manager, Assistant City Managers, Director of Financial Services and Budget staff met with department directors to review their budget requests.

The Manager's proposed budget was presented to City Council on April 24, 2017. The calendar on the following page outlines the major steps the City of Gastonia took in preparing the FY 2017-2018 budget.



Budget Preparation & Amendment

Budget Schedule

January 13, 2017	Initial equipment requests due to the Budget Office
January 20, 2017	Preliminary revenue and expenditure budget worksheets and information distributed to Departments
January 28, 2017	Strategic Planning Meeting
February 10, 2017	Expenditure and revenue worksheets, capital project worksheets and new program initiative requests are due. All departmental requests (expenditures & revenues) along with comments justifying all requests should be entered
February 14, 2017	The Departments can make no further changes unless approved by the Budget Office
February 24, 2017	Mission Statements/Goals & Objectives/Accomplishments due. Analysis and reports prepared by the Budget Office
March 6 – 14, 2017	Review of departmental requests by City Manager, Assistant City Managers, Department Heads and Budget Office staff. Reviews will be scheduled daily. Department Heads should try to leave their schedules open for these two weeks
March 28, 2017	Council work session: Budget Outlook
April 7, 2017	Budget should be finalized and balanced based on recommendations of the City Manager
April 21, 2017	Proposed budget should be printed and notice of public hearing completed
April 24, 2017	Budget presented to City Council and press
May 2, 2017	Public Hearing on the Budget and Budget discussion at the Council Meeting
May 9 & 23, 2017	City Council budget work session - <i>(Note: these work sessions were originally scheduled but during the Public Hearing at the May 2, 2017 Council meeting the City Council decided that they were satisfied with the budget as presented and they voted to cancel both work sessions).</i>
June 6, 2017	Adoption of the Fiscal Year 2017-2018 budget

Budget Preparation & Amendment

Balanced Budget Requirement

North Carolina law requires cities and counties to adopt a balanced budget at the start of each fiscal year. According to G.S. 159-8, “A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.” The City of Gastonia’s FY 2017-2018 budget is balanced in accordance with the law.

Amending the Budget

The budget ordinance as adopted by the City Council may be amended in several ways: (1) line item transfers within a budget appropriation, or transfers between appropriations, (2) transfers between funds and (3) increases or decreases in revenues and/or expenditures. Procedure (1) can be approved by the Budget Administrator if it does not involve salary or travel and is less than \$10,000. The City Manager or his designee will approve transfers more than \$10,000 and using salary or travel sub accounts. A monthly report of Budget Transfers approved by the Budget Administrator shall be submitted to the City Manager. Procedures (2 & 3) can be approved only through City Council action.

Transfers Between Budget Appropriations (Procedure 1) To transfer funds within an appropriation, the requesting department requests a budget transfer number from the Budget Office, then completes a Budget Transfer in the Eden Administrative system, showing the account description, account number to be transferred to and from, the amount to be transferred and a reason for the transfer. Once the department head or their designee approves, the transfer is sent to the Budget Office. The transfer is then reviewed by the Budget Office for compliance with the current policies. The Budget Administrator approves and if required, the transfer is sent to the City Manager for approval. After approval, the request is posted into the general ledger system and the requesting department is emailed a notification that the transfer has been processed. If the transfer is more than \$10,000 and/or utilizes salary or travel line items, it will be forwarded to the City Manager or his designee for approval.

Transfers Between Funds and Fund Appropriation Increases and/or Decreases (Procedures 2 & 3) A budget ordinance amendment which results in either an increase or decrease in a fund's total budget or transfers monies between funds require City Council approval. For example, if revenue is received during the fiscal year that was not included in the original adopted budget, the City Council may appropriate this revenue and budget a corresponding expenditure for a stated purpose. Additionally, the City Council may elect to transfer, contribute to or reimburse one fund from another fund for a stated purpose. In any of these instances an increase in the fund’s budget is the result. To process these amendments, the same process is followed as outlined above with the additional step of presentation to the City Council after the City Manager's approval. After Council deliberation, if approved, the Budget Amendment is filed with the City Clerk and returned to the Budget Office to complete the process of updating the general ledger.



Financial Policies

In recent years, changing conditions along with the demand for increased services, have forced a reevaluation of the role of local governments. As public officials, we are charged with the responsibility of ensuring that all local governmental services are provided in the most efficient and effective manner possible in order to maximize available resources. The budgetary process allows for the accumulation of financial and performance information relative to these services and provides the tools necessary to analyze the merits and cost implications of each.

The City of Gastonia's financial policies set forth basic guidelines for the overall fiscal managements of the City. Operating independently of changing circumstances and conditions, these policies provide a framework to assist in the decision-making process of the City Council and City Administration and guidelines for evaluating both current activities and proposed future programs.

- City Council provides general guidance through the adoption of the annual budget while the City Manager is given the maximum flexibility to implement the budget throughout the fiscal year. To this end, City Council has adopted a series of policies designed to give the Manager authority to, among other things, transfer of funds within appropriations to meet changing operational needs and to move personnel positions during the year throughout the budget so long as total authorized headcount is not exceeded.
- The budget process places emphasis on those personnel and management issues of critical importance to the City's fiscal health: Employee relations, office automation, implementation of new technologies, long-term work force planning and management incentives. In doing so, it provides for adequate levels of funding for all retirement systems and maintains the principle of avoiding layoffs to balance the budget by planning personnel reductions to come from attrition whenever possible.
- Generally, expansion of existing service and programs, or the addition of a new service or program is considered in the proposed budget only when a new revenue source can support the ongoing costs or when the requesting department can identify an existing service or program which can be reduced or eliminated.
- The City shall monitor departmental expenditures on a monthly basis to ensure conformity to adopted budgets and prepare monthly financial reports on all major funds comparing actual revenues and expenditures to budgeted amounts. This report shall be presented to City Council at public session.
- Where possible, the City shall combine performance measurement and productivity indicators with the budget to enable the ongoing analysis of operating effectiveness and efficiency.
- The City shall avoid budgeting practices or procedures that balance current period expenditures at the expense of future years' revenues or that utilize one-time revenues for on-going expenditures and it shall be general policy not to use prior year Fund Balance for operating and other on-going expenditures.
- The budget shall provide for the satisfactory maintenance of capital facilities and equipment, and for their orderly replacement.
- The Operating and Capital Budgets shall fully describe the major goals to be achieved by department and the services and programs to be delivered based upon the levels of funding anticipated or provided. They shall also provide brief descriptions

Financial Policies

Revenue Policies

- The City shall make every attempt to maintain a diverse and stable revenue base to shelter it from short and long-term fluctuations in any one-revenue source.
- The City shall project its annual revenues through an analytical process using historical data and conservative approaches for estimating future revenues.
- The City shall establish user charges and set fees for services for its enterprise funds at a level that fully supports the total direct and indirect costs of the activities. The City shall review these, and all other fees/charges annually and modify them as necessary. Special care should be taken to include those costs associated with capital outlay and bond retirement and allow user charges to grow at a rate that keeps pace with the cost of providing the service.
- The City shall follow aggressive policies to ensure the highest collection percentage for delinquent City revenues.

Reserve Policies

- The City shall strive to maintain a minimum undesignated General Fund Balance at 8.33% or in an amount equal to at least one month of General Fund operations, and shall work towards the goal of matching the undesignated General Fund Balance at 12% - 15%.
- The City shall respect the integrity of fund balances and allow each enterprise fund to retain all excess earnings as fund balance.

Accounting, Auditing and Financial Reporting Policies

- An independent audit shall be performed annually.
- The City shall produce a comprehensive annual financial report in accordance with Generally Accepted Accounting Practices (GAAP) as outlined by Governmental Auditing, Accounting and Financial Reporting (GAAFR).
- The City shall maintain accounting control systems to ensure the safety of all assets held in the public trust and staff shall perform periodic unscheduled audits of all City departments that handle cash and negotiable instruments in the course of daily activities.

Investment Policies

- The City shall make a cash flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled such that investment capabilities are maximized and guidelines set forth under North Carolina General Statutes.
- The City shall invest funds by using specific, but flexible, investment strategy to secure high returns of income on cash flows that are in excess of current needs and, when permitted by law, will pool cash from several funds to maximize its potential earnings. Investments will be structured according to the City's overall financial condition in anticipation of financial opportunities and obligations.

Financial Policies

- The City's accounting system will provide regular information concerning cash position and investment performance and will allow earnings to be reflected monthly on financial reports.

Debt Policies

- The City shall confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues and where the issuance of long-term debt is required, it will repay the bonds within a period not to exceed the expected useful life of the project.
- The City shall attempt to keep average maturity of general obligation bonds at or below 20 years.
- When possible, the City shall use special assessment, revenue, or other self-supporting bonds.
- When approving bonds for capital projects, Council shall increase the needed revenue for debt service at the time the project is approved.
- The City shall not incur long-term debt to support current operations.
- General obligation debt shall not be used for enterprise activities.
- The City shall maintain a sound relationship with all bond-rating agencies and will keep them informed about current capital projects and other important fiscal events. Appropriate City staff shall endeavor to visit each agency and/or arrange for a local visit by agency officials once per year.

Capital Improvement Budget Policies

- The City shall maintain the fiscal integrity of the City's operating, debt service and capital improvement budgets in order to provide services, construct and maintain public facilities, street and utilities.
- The City shall make all capital improvements in accordance with an adopted capital acquisition program.
- The City shall develop a five-year plan for capital improvements, with proposed funding sources identified for each project. The plan should be updated and extended annually.
- The City shall coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities as well as planning for future needs.
- The City shall use intergovernmental assistance to finance only those capital improvements that are consistent with the adopted capital improvement plan, City priorities, and for which operating and maintenance costs have been included in the operating budget.
- The City shall attempt to maintain all its assets at a level adequate to protect the City's capital investment, to minimize future maintenance and replacement costs, and to maximize operating efficiency.
- The City shall maintain a responsible and prudent fiscal condition to minimize long-term interest expense when financing capital improvements with an ongoing systematic bonding program, which spreads the costs of the improvements to benefiting citizens, present and future.

Financial Policies

Intergovernmental Policies

- The City shall continuously review its programs and procedures in light of savings or other efficiencies to be gained through cooperation and consolidation opportunities with the County and the surrounding municipalities.
- The City shall take advantage of public private grant opportunities that support approved programs and projects.
- The City shall maintain and enhance, where appropriate, incentives for surrounding municipalities to abandon their water/sewer systems and become long-term utility customers of the City.

Deposits

All deposits of the City are made in board designated official depositories and collateralized as required by General Statute 159-31. The City may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All of the City's deposits are either insured or collateralized by using one of two options. Under Option 1, all deposits over the federal depository insurance coverage are collateralized with securities held by the City's agent in the City's name. Under Option 2, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name to the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using Option 2 report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under Option 2, the potential exists for undercollateralization, and the risk may increase in periods of high cash flow. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each Option 2 depository. The City utilizes one official depository which collateralizes public deposits in excess of the allowable federal insurance coverage by the Option 2 method.

Investments

G.S. 159-30 (c) authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Cash Management Trust, an SEC registered mutual fund. [Investments are stated at market value.] The City pools monies from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all enterprise fund cash and investments are essentially demand deposits and are considered cash and equivalents.

Financial Policies

Budgetary Control

The City's Financial Management System provides for excellent fiscal management. Through utilization of budgetary accounting methods, effective budgetary control and accountability can be maintained. The annual budget is adopted as required by state statute. An annual budget ordinance, which is adopted at the function level, authorizes and provides the basis for the City's financial management plan. The adopted appropriations constitute the maximum expenditure authorization during the fiscal year and can only be amended by action of the City Council. Project ordinances are adopted for capital project funds and are appropriated for the life of the project as well as Community Grant funding which is a multi-year funding. The basis for budgeting is a cash basis.

Expenditures may not legally exceed appropriations at the function level for all annually budgeted funds and at the project level for the capital project funds. However, accounting control is exercised at the line item level by encumbering purchase amounts prior to the release of purchase orders to vendors. Purchase orders which would result in an overrun of line item balances are not released until additional appropriations are made available. Open encumbrances are reviewed at year-end, and, if deemed appropriate to carry forward, are treated as commitments, rather than expenditures, and such encumbered funds are appropriated for expenditure in the subsequent fiscal year.

Basis of Budgeting and Budget Structure

The City of Gastonia does not distinguish between the Basis of Budgeting and the Basis of Accounting. The principles set forth as the Basis of Accounting are strictly observed in the budgeting process. A fund's Basis of Budgeting and Basis of Accounting determines when a transaction or event is recognized within a fund's operating statement. All funds are maintained on a Modified Accrual Basis in accordance with the North Carolina General Statutes.

Long-Range Planning

Gastonia has become a model for long-range and strategic planning in all areas of city government. The City's long-range planning process is citizen driven. The City has a long tradition of acknowledging the importance of citizen input on major capital improvement decisions. During the past two decades, the City Council has appointed a number of citizen committees to study and recommend major capital improvements to the City Council and voters.

These major committees include: Capital Projects Study Committee, Committee on Surface Transportation, Citizens Committee for Economic Progress, Water and Sewer Capital Needs Study Committee, and Citizens Stormwater Advisory Committee. Every priority identified by these committees has been subsequently approved by City Council and/or the voters. These projects include: Road Bond Improvement Program (\$35 million - voter approved), Long Creek Wastewater Treatment Plant Upgrade/Expansion (\$22 million - Revenue Bond), Water Treatment Plant Improvements (\$20 million – Revenue Bond & \$30 million – State Revolving Loan) and construction of the new Clearwell as part of the Water Treatment Plant Improvements (\$5 million – State Revolving Loan).

2025 Comprehensive Plan



In the year 2025, Gastonia will be a great place, with great people, and great promise. We already have a strong and

diverse economy, an efficient and fiscally responsible government, a vibrant central city, a high quality environmentally sustainable transportation system, and diverse neighborhoods. Our area has a high quality of life, characterized by the efficient delivery of public services, combined with land use planning that promotes sustainable development principles. There is a strong sense of community and we are knowledgeable about our cultural and historic resources, and scenic assets, which we strive to preserve and enhance. We have outstanding recreational amenities with linkages to a comprehensive system of greenways and trails, bike paths and walkways, and livable streets.

The Gastonia of 2025 confidently navigates regional and global challenges pertaining to the national economy, housing, energy, and sustainability. We are working hard to implement our comprehensive plan, understanding that implementation is a collaborative effort requiring innovative public and private partnerships. To manage Gastonia's future wisely, we need a shared vision of what we want to attain for ourselves, our children and our future generations – and then direct our actions toward achieving that vision. This vision must seek to balance a wide array of community needs, objectives, and realities. It must be both idealistic and practical – reflecting our highest ambitions, while taking into account the social, economic, political, geographic, and environmental realities we are likely to face in the future.

The comprehensive plan is a tool to achieve these goals. It serves as a long-range vision of what we want our city to become, as a tool for making decisions to achieve that vision, and as a specific program of action for reaching the stated objectives. The *Gastonia 2025 Comprehensive Plan*:

Long-Range Planning

Our Place in the Future, has two phases. The first phase was made up of the formulation of 11 “key guiding principles” that became the plan’s foundation as it was being written. The second stage involved writing the actual plan, which includes goals and objectives to achieve the key guiding principles and land use analysis by sector.

A steering committee of 25 people from throughout the community led the process, receiving technical support from the Planning Department. The final topic was reviewed during summer 2005 with sector analysis starting immediately thereafter. On May 17, 2011, City Council adopted the 2025 Comprehensive Plan. The plan is an evolving document that compiles information, community dialogue, and preferred public policy choices for the City through the year 2025. The Plan establishes a vision for the City (as established by the citizens), and will guide policymakers as they make decisions about the physical, social, and economic development of the community.

Corridor and Transportation Plans

In 1999, the City Council adopted its third of a series of local “corridor” development plans. These comprehensive staff studies address problem areas around the City in an effort to spur development and stabilize neighborhoods. The most recently adopted plans include - the North US 321 Corridor Study, addressing long standing neglect to this major entrance to the City, and the North New Hope Road Corridor Plan, identifying appropriate future land uses along the new five lane roadway. Landscaped medians, decorative crosswalks and other improvements to this important US 321 gateway into the City are presently under construction.



The Planning Department completed a major corridor study for Franklin Boulevard in 2007. The purpose of the corridor study is to integrate the land use, transportation, and urban design elements along the corridor in a manner that fosters redevelopment and improved personal mobility. The corridor is both a gateway and center to the history, culture, and economic fortunes of the City. The plan is a long-range 30-year vision for the corridor that will guide development and provide a framework for policy direction for future implementation and controls.

The City completed a preliminary Rapid Transit to Charlotte study in 2005. In addition, the City completed a Multi-Modal Transportation Center and Development Plan in 2009, plus a preliminary cost study for a commuter rail system between Gastonia and Charlotte on the NCDOT P & N rail corridor. A multi-modal system recognizes that there are various modes used for transporting people and goods throughout the community. It also recognizes the importance of places and connecting people to these places. As needs and travel behaviors change over time, a multi-modal, multi-user system is essential for developing a sustainable economically viable city for future generations to enjoy. In conjunction with the Gaston-Cleveland-Lincoln Metropolitan Planning Organization, the City maintains a long-range transportation plan that is updated every three years.



Long-Range Planning

Parks and Recreation Facility Master Plan

In April 1996, the City's Parks and Recreation Department, in conjunction with the Citizens Advisory Committee on Parks and Recreation, completed a first ever Parks and Recreation Facility Master Plan. This plan was a comprehensive analysis of current Parks and Recreation facilities



and programs, current trends and issues in recreation demand, and goals and objectives for future recreational decision-making. It concluded with a facility-by-facility needs analysis for development of a coordinated budgetary approach to meeting these needs.

In late 2002, the City Council formed a committee to undertake the task of preparing a long-range Plan for Parks, Recreation, and Open Spaces, with the assistance of city staff. The committee consisted of the Recreation Advisory Commission (RAC), plus additional members appointed by the City Council. Councilman and RAC Chair, Dave Kirlin chaired the planning group. The City's Parks and Recreation and Planning Departments worked together to support the committee. A completed plan was approved by the committee in the spring of 2005 and was adopted by Council on November 15, 2005. It was given the title *GASTONIA-VISION FOR A HEALTHY COMMUNITY – A Plan for Parks, Recreation and Open Spaces, 2005-2020*.

The implementation of the Facility Master Plan began with the Lineberger Park Renovation and Revitalization Project. The Council unanimously approved revisions to Phase I of the Lineberger Park Master Plan and a \$500,000 matching grant application to the North Carolina Parks and Recreation Trust Fund (PARTF) in January 2006. The PARTF Grant Award was announced in June 2006 and the City was a grant recipient. Project planning and utility site work began in early 2007 and the Skate Park was relocated to a permanent home at Phillips Center. Construction of the \$1.3 million project was completed in June 2009. Phases II and III at Lineberger Park were completed in June 2012. Phase II consisted of the renovation of the eastern node of the park and included an extension of the greenway trail connector of the park, relocation of the Vietnam War Memorial, new playground area, shelter renovations, new restrooms, and open space. Phase III was the total renovation of the swimming pool and bathhouse. The new zero-depth entry pool has a 2-story slide, lazy river, dumping buckets, and spray features.



The Rankin Lake renovation construction project was completed and opened to the public on August 30, 2012. The renovations at Rankin Lake Park consisted of adding fixed piers and floating docks on the lake, providing electric boats for lake access, 1.8 miles of walking trails, picnic shelters, playground equipment, and some minor renovations, such as repainting and new commercial appliances to the existing clubhouse. When the park reopened, visitors were able to rent paddle boats, canoes, and kayaks.

Long-Range Planning

Sidewalks, Bikeways and Greenways Plan

In late 1996, City Council approved a Citizens Study Committee on Sidewalks, Bikeways and Greenways. This Citizens Committee effort culminated in April 1998, with a completed strategic plan presented to City Council for their acceptance. As a result of the planning process, the City was subsequently awarded a 1998 North Carolina Clean Water Trust Fund Grant of \$347,000 to establish the City's first greenway, a 1999 DOT Grant of \$548,320 for construction of the greenway, and a 2000 Community Foundation of Gaston County Grant of \$130,000 for development of access points for the greenway. The 2-½ mile greenway was dedicated in 2002. Using funds from a small North Carolina Department of Environment and Natural Resources (NCDENR) Grant, the City paved an additional 625' of trail in 2004. In 2009, the City updated its Greenway Plan, as part of the region wide Carolina Thread Trail planning process. This summer, using some additional grant money and assistance from city crews, the City will bring the trail through the Union Road culvert. A greenway system is a never-ending project with trails weaving together all parts of the city.



Economic Development

In 1997, The Partnership for Economic Growth, a council citizens committee, proposed that the City purchase and develop a new 300+ acre industrial park to ensure sufficient industrial growth for the City into the 21st century. The Council secured three-year options on almost 400 acres of land surrounding Gaston College for the site. Early in 1998, the City transferred their options to Gaston County for development of the park through their Economic Development Office. The City and County jointly funded the entrance road to the park. The first major tenant, Pass and Seymour LeGrand, opened a \$30 million facility in July 1999. A new electric substation to serve the park was completed in fiscal year 2002. The economic development plans for the City were coordinated with the Gaston County Economic Development Commission, the Gaston County Chamber of Commerce and all Gaston County municipalities through the Gaston 2012 Economic Development Plan. Gastonia Technology Park (GTP), the area's premier business park, has transformed into a center for international businesses and is designated as a Prime Power Park meaning that businesses will have a designated system for backup power, which is crucial for industrial users with precision machinery, heating and cooling components, and other functions that depend on constant electricity.



LANXESS Corporation, a German company, manufactures a wide range of specialty chemicals and polymers. The company manufactures high-tech compounds that enable engineers to design lighter and safer parts for automobiles. Increased efficiency standards are driving demand for these advanced materials. Recently, LANXESS expanded their operation by adding a new production line and has constructed a new warehouse space. REPI was the second firm to locate to GTP. The Italian company develops and produces high performance liquid colors, additives, and dosing systems for applications in the polyurethane sectors (automobile, footwear, and

Long-Range Planning

furniture) and the thermoplastic sectors (soft drink bottles and cosmetics). CTL Packaging USA constructed a consumer products manufacturing facility in GTP that houses the divisional corporate office, manufacturing, research and development, customer service, and distribution departments. This was an investment of over \$50 million and created more than 100 jobs. Dixon Quick Coupling, a subsidiary of Dixon Valve & Coupling of Chestertown, MD, manufactures metal couplings for hydraulic and pneumatic systems and has constructed a \$5 million, 100,000 square foot building. Like LANXESS, Dixon Quick Coupling has already had success in GTP, having undertaken a building expansion. Most recently, Aichele Werkzeuge, GmbH completed a new building in GTP, a \$2 million investment. Aichele is a family owned company with over 70 years of experience in the area of rotary cutting systems for hygiene, non-wovens and paper industries. Based in Crailsheim, Germany, Aichele has earned a world-wide reputation as a recognized specialist in cutting, milling, and drilling tools. The largest addition to GTP has been Owens Corning's construction of a \$100 million manufacturing facility and 120 new jobs. Gastonia Technology Park has diversified our industrial base, offering high-tech and well-paying job opportunities to our community and is currently at capacity, with all available land purchased and planned for development.

Utility Strategies

In addition to the traditional budgetary planning tools used by the City's Water/Sewer and Electric utilities, both systems have implemented forward looking programs to address long-term issues.

Water and Sewer Combined Utilities

The City currently provides water service to the Town of Ranlo, the City of Lowell, the Town of McAdenville, the Town of Cramerton, the Town of Clover, and the Spencer Mountain Village in the Town of Dallas. The City also provides sewer service to Bessemer City, the Town of Ranlo, the City of High Shoals, the Town of Clover, portions of the Town of Lowell, the Spencer Mountain Village portion of the Town of Dallas, and portions of the City of Kings Mountain. The water and sewer services are provided through municipal agreements. With the loss of many textile customers in the early 1990's, the City has excess capacity at the Water Treatment Plant and at three Wastewater Treatment Plants. In an effort to increase the economy of scale for the water and sewer utility operations for the City of Gastonia, discussions concerning regionalization of utility systems continue with some of the municipalities in the County.

The City consolidated systems with the Town of Cramerton, creating Two Rivers Utility (TRU), and also has been approached by the Town of Dallas, the Town of McAdenville, and the Town of Ranlo concerning utility consolidations. Utility consolidation studies with the Town of Dallas and the Town of Ranlo have been completed. TRU has entered into an agreement with the Town of McAdenville to operate their water and sewer system. TRU is working on a regional sewer system project with the Town of McAdenville and Pharr Yarns, LLC to connect their sewer systems to the Duhart Creek Pump Station. This will allow the Town of McAdenville and Pharr Yarns, LLC to decommission their wastewater treatment plants and remove two wastewater discharges from the South Fork River. TRU is currently partnering with the Town of Stanley on a wastewater project that will connect the Town of Stanley to the High Shoals sewer line and allow Stanley to decommission their wastewater plant.

Long-Range Planning

TRU is currently finalizing a study and preliminary engineering reports for an upgrade to the water treatment plant. The improvements will be constructed in a multi-phase project to allow the water plant to remain in operation while the upgrades are completed. The improvements will provide treatment capacity to take the City of Gastonia into the future.

The City continues to complete improvements to the water and wastewater treatment plants that were identified in the 2004 water and sewer master plans.

Electric Utility

The electric system faces some of the same challenges as the water and sewer utility and in addition, it faces problems specific to the electric industry. In 2007, City Council adopted a policy to address emerging issues that will be facing all electric utilities.

Over a period of 15 years, the City has met its goal of reducing transfers to the General Fund to less than 3% of gross fixed assets, as recommended by the State Treasurer's Office. Increases in wholesale electric costs, as well as, projected increases through the next 10 years, have led City Council to adopt a policy passing on these wholesale increases to retail customers. This policy addresses the concern of possible rate shock by delaying increases, and ensuring operation and maintenance funding are not compromised.

In 2007, City Council adopted a policy to place 1.2% of retail revenue in fund balance. In addition, City Council adopted a policy that 2.2% of retail revenue is to be allocated to capital projects.

Gastonia is fortunate in that it is essentially a residential-based system – of its estimated 26,000 customers, 90 are industrial. Of the top ten users, only three are industrial customers, making up less than 5% of total system revenue.

The City continues to adopt innovative economic rates that better serve our customers. Recent additions include: generation riders, on-peak rates, a restructuring of both commercial and industrial rates to better correlate to wholesale costs, and maintaining minimum demand charges.

The City continues to market and promote its fiber optic network. This network is also used to promote its economic development efforts by offering alternatives for both voice and data services.

City Council implemented several programs developed by Electricities to encourage energy conservation. Programs include: residential heat pump and solar-thermal rebates, as well as, a commercial and industrial site-specific rebate program. In addition to energy conservation programs, Council elected to participate and promote NC GreenPower to offer customers the option to purchase green, alternative energy. The City has also worked in conjunction with Electricities and Gaston County Economic Development Commission to promote development of Gastonia Technology Park, which has received "Prime Power Park" status by providing backup generation.



Organizational Design

CELEBRATING

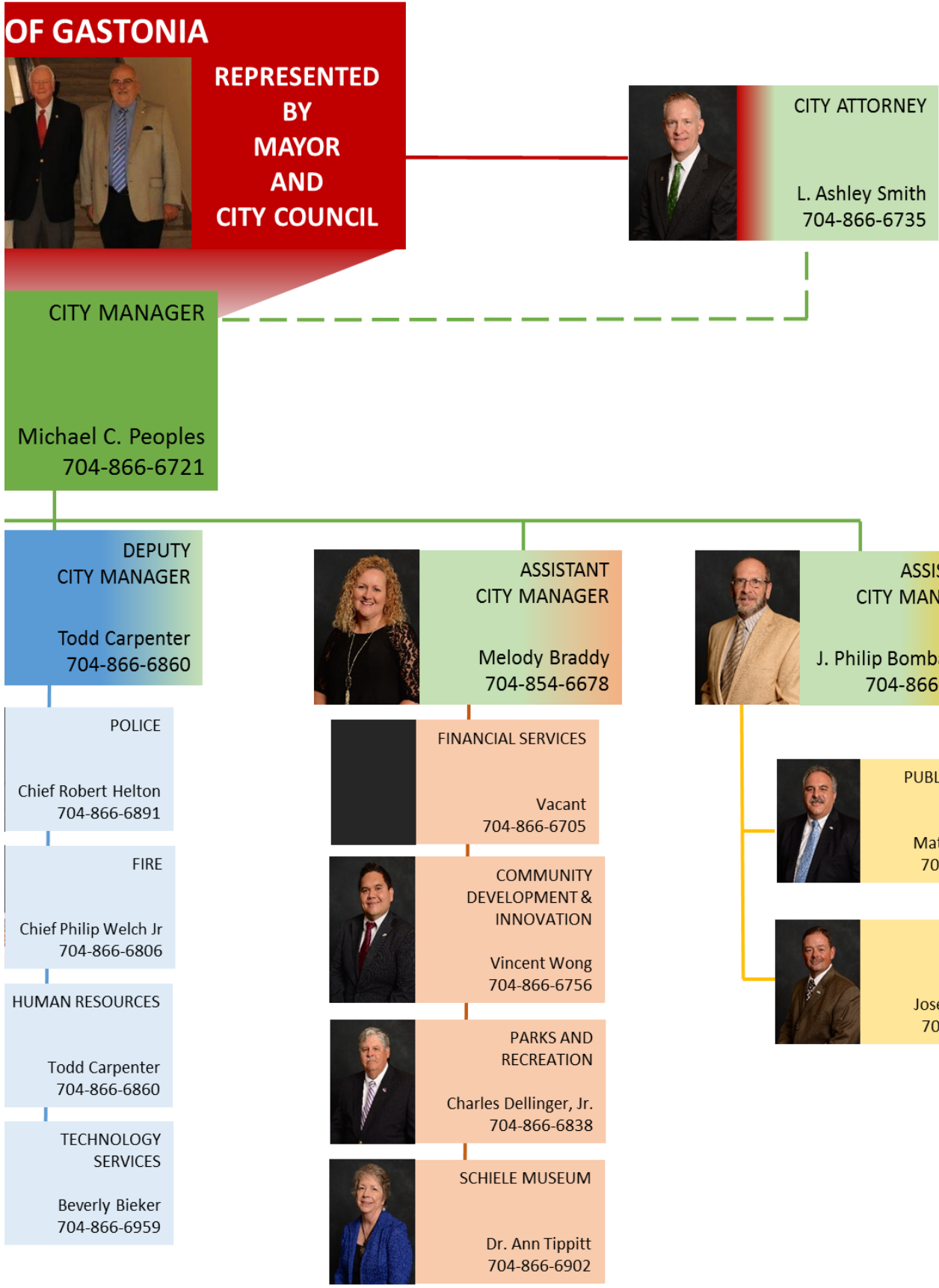


GASTONIA
NORTH CAROLINA

Great Place • Great People • Great Promise



North Carolina







The Fiscal Year 2018 Budget contains funding for an organization whose workforce size has increased over the past decade.

The chart at the bottom of this page depicts changes in budgeted positions and human resources costs. The net change in the number of budgeted positions reflects an increase of 13 positions since Fiscal Year 2011. During this same period, the City has continued to grow geographically and in population. This clearly demonstrates a rather remarkable effort at controlling the increase of staff resources.

In the budget, the average cost of salary and fringe benefits for each full time employee is approximately \$66,804 per year. Consistent management of the size of the City’s work force is a critically important factor in controlling not only the cost of human resources but the entire City budget.

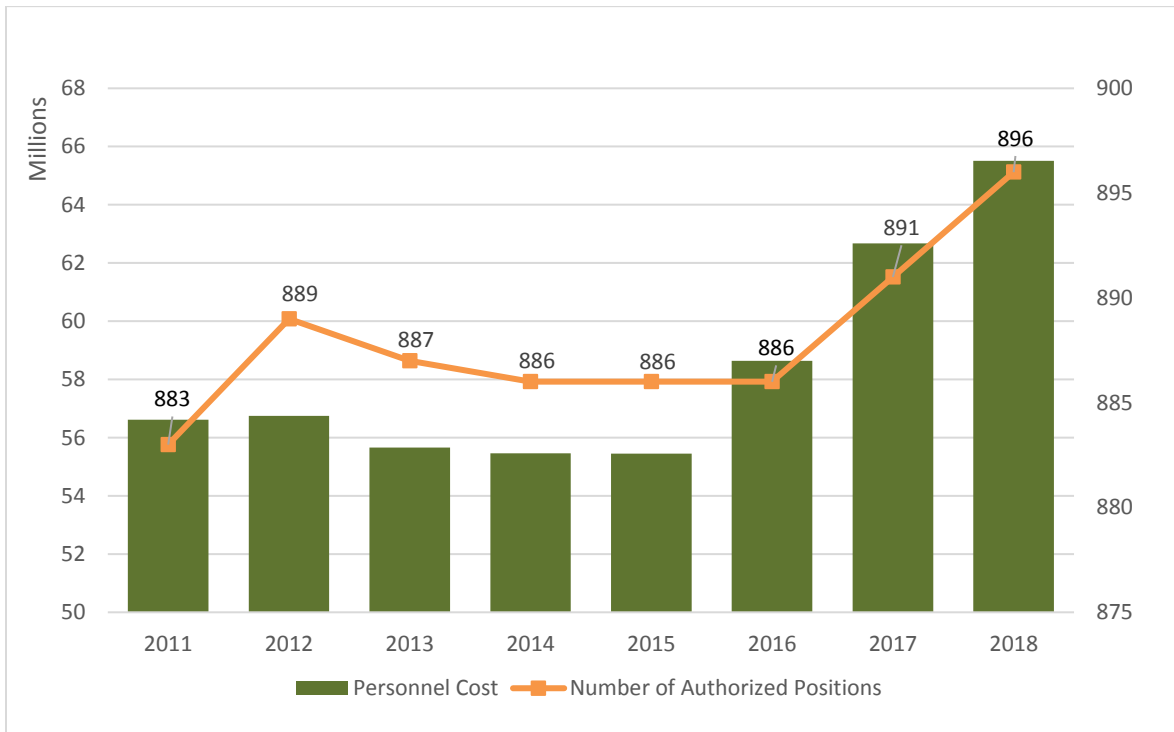
The Fiscal Year 2018 human resources budget is comprised of the following components:

*All employee medical, life and dental insurance coverage’s are included as well as funding for retirement, F.I.C.A. and all budgeted overtime.

*A Christmas Bonus of 3.50% of salary with a \$350.00 maximum.

*Funding for a compensation plan for all employees based on new salary ranges and an additional across the board increase based on years of service: 2.5% with 2 years or less; 2.75% with between 2-5 years; 3.25% with between 5-10 years; 3.75% with between 10-15 years and 4% for employees with over 15 years of service.

Cost of Human Resources for Recent Fiscal Years in Millions of Dollars



Authorized Positions

Department	FY 15-16 Budget	FY 16-17 Budget	FY 17-18 Budget
City Management			
110-420 City Manager	3	3	3
110-471 City Attorney	3	3	3
110-469 Assistant City Manager	1	1	1
110-432 Deputy City Manager	1	1	1
110-411 Marketing/Communications	1	1	1
Financial Services			
110-415 Budget	2	2	2
110-440 Accounting	6	7	7
110-441 Accounts Receivable	6	6	6
110-442 Meter Services	12	12	13
110-443 Purchasing	3	3	3
110-445 Warehouse	2	2	2
110-449 Administration	2	2	2
110-451 Parts Inventory	2	2	2
110-452 Revenue Administration	2	2	2
110-460 Customer Service	9	9	10
Human Resources			
110-421 Human Resources	8	8	8
Economic Development			
110-492 Economic Development	0	0	1
Technology Services			
881-423 Administration	1	1	1
881-424 Data Processing	2	2	2
881-426 Telephone Communications	1	1	1
881-427 Computer Support	6	6	5
881-428 Database Administration	2	2	2
881-429 GIS Administration	2	2	2
881-438 CIS Applications	4	4	4
881-439 Support Administration	2	2	2
881-444 Radio Communications	11	11	11
881-453 Core Server/Domain Support	1	1	2
881-516 M.I.S.	5	5	4

Authorized Positions

Department		FY 15-16 Budget	FY 16-17 Budget	FY 17-18 Budget
Fire				
110-530	Administration	4	4	4
110-531	Fire Prevention	6	6	7
110-532	Operations	130	130	130
110-533	Training	1	1	1
Police				
110-509	Investigations	41	41	42
110-510	Administration	6	6	6
110-514	Field Services	127	129	128
110-515	Problem Analysis Research Center (PARC)	4	4	4
110-518	Support Services	8	6	6
110-520	ABC Enforcement	1	1	1
110-525	Police Records Bureau	13	13	13
Community Development & Innovation				
110-493	Housing & Neighborhoods	2	2	2
110-590	Keep Gastonia Beautiful	2	2	2
621-720	Community Development Administration	1	1	1
621-721	Community Development Housing Rehab	1	1	1
624-719	Community Development Home Program	1	1	1
Development Services				
110-490	Planning	7	7	7
110-491	Transportation Planning	5	5	5
110-540	Building Support	10	11	12
110-551	Land Development	9	9	9
110-552	Engineering	15	15	17
Parks and Recreation				
110-596	Downtown Cleaning	2	2	2
110-620	Administration	3	4	4
110-621	Athletics	7	7	7
110-622	Roland Bradley Community Center	3	3	3
110-624	Erwin Community Center	3	3	3
110-625	Phillips Community Center	3	3	3
110-626	Landscape/Maint. & Development	6	6	6

Authorized Positions

Department		FY 15-16 Budget	FY 16-17 Budget	FY 17-18 Budget
Parks and Recreation - cont'd				
110-628	Adult Recreation Center	2	2	2
110-630	T. Jeffers Community Center	3	3	3
110-633	Martha Rivers Park	5	4	4
110-636	Rankin Lake	1	1	1
Schiele Museum				
110-707	Collect/Research	2	2	2
110-708	Education	6	6	6
110-709	Exhibits	2	2	2
110-712	Administration	3	3	3
110-713	Operations	3	3	3
110-715	Programs	1	1	1
Enterprise Services				
110-553	Equipment Services	17	16	16
331-720	Administration	9	9	9
331-820	Utility Locator	2	2	2
331-832	Electric Service	10	10	10
331-833	Electric Substations	4	4	4
331-834	Electric Street Lights	3	3	3
331-837	Electric Underground Construction	4	4	4
331-838	Electric Line Maintenance	5	5	5
331-839	Electric Line Construction	8	8	8
332-494	Transit Administration	2	2	2
332-495	Transit Operation	11	11	11
332-496	Transit Maintenance	3	4	4
332-498	ADA Paratransit	4	4	4
335-580	Administration	2	2	2
335-581	Refuse Collection	43	30	30
335-585	Refuse Yard Waste	0	15	15
335-587	Refuse Recycle	0	1	1
Public Works/Utilities				
110-502	Building & Grounds	14	14	14
110-559	Traffic Services	8	8	8
110-560	Street Supervision	3	3	3
110-570	Powell Bill	29	29	29

Authorized Positions

Department	FY 15-16 Budget	FY 16-17 Budget	FY 17-18 Budget
Public Works/Utilities - cont'd			
110-572 Landscape Maintenance	6	6	6
110-640 Cemeteries	4	4	4
330-572 Water & Sewer Landscape	3	3	3
330-720 Water & Sewer Administration	5	5	5
330-811 Water Supply & Treatment	21	21	20
330-812 Water & Sewer Customer Service	7	7	7
330-814 Water & Sewer Facility Maintenance	13	13	13
330-815 Water & Sewer Street Maintenance	5	5	5
330-818 Water Line Maintenance	20	20	22
330-822 Sewage Treatment	43	43	42
330-828 Sewer Line Maintenance	21	21	21
336-578 Stormwater Utilities - Operations	5	5	5
336-720 Stormwater Utilities - Admin	3	3	2
TOTAL	886	891	896



Appropriations by Areas

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GASTONIA
NORTH CAROLINA

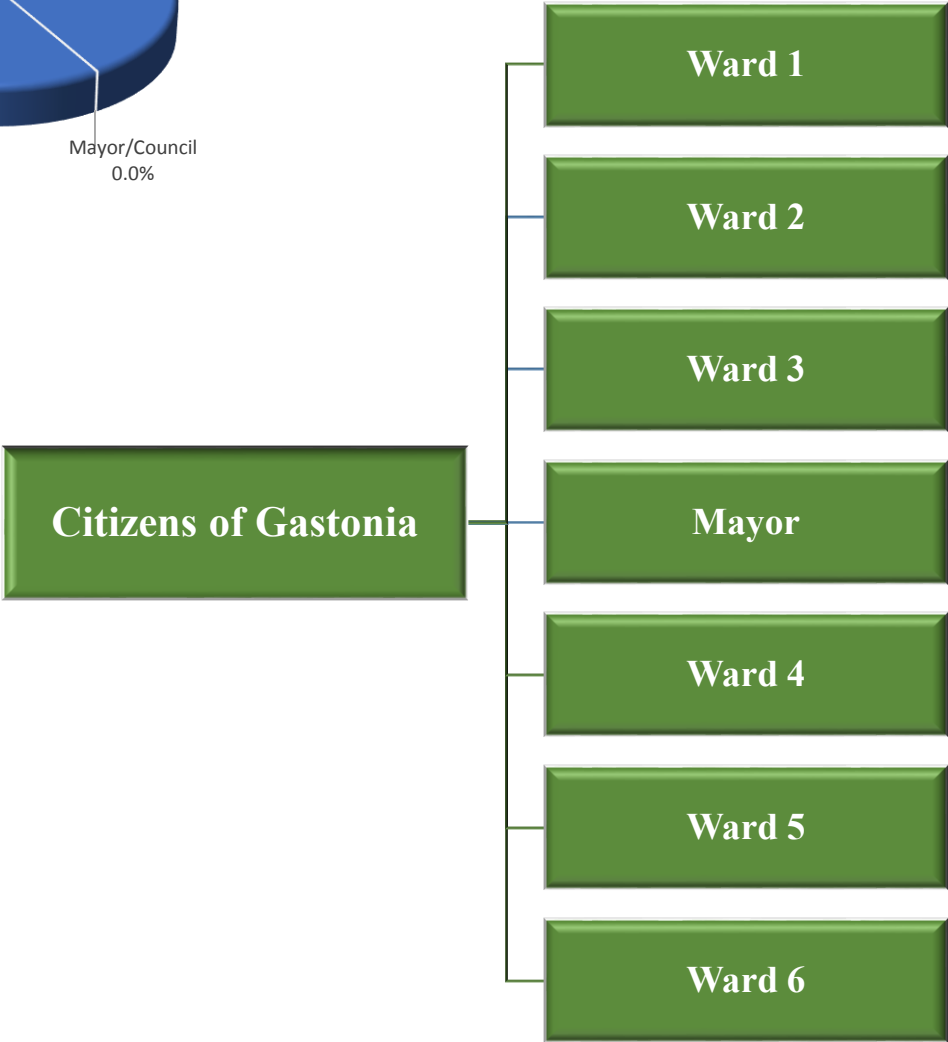
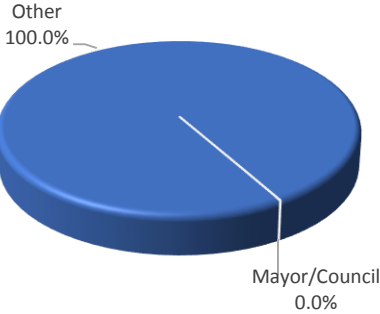
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Mayor & Council



Human Resources Allocation



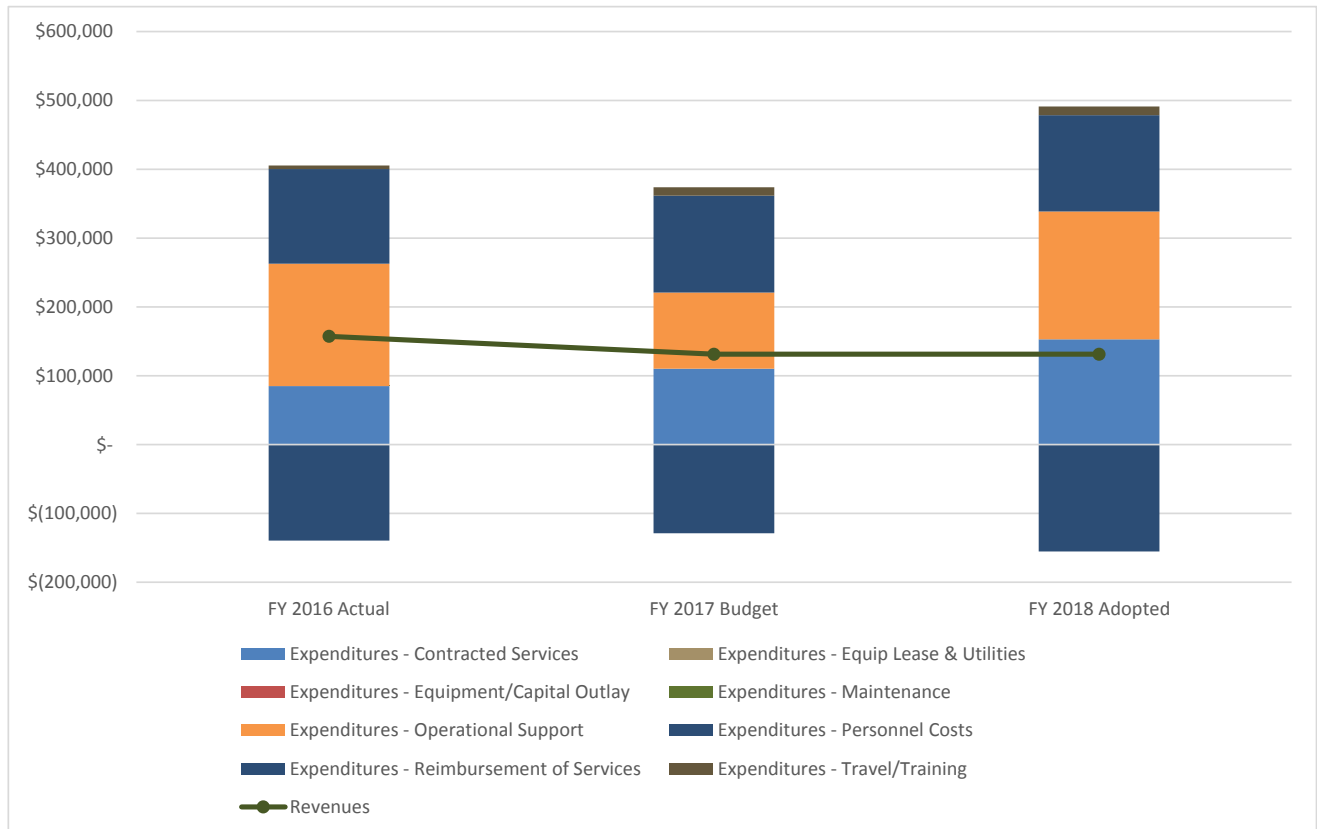


Mayor/Council
John D. Bridgeman - Mayor

Department Mission

The City of Gastonia serves as a model for civic leadership as we engage our community of dedicated neighbors (Great People). We share a collective passion for personal safety, economic vitality, cultural richness, and overall sustainability (Great Place). Our distinct character is built upon rich and unique heritage and fueled by enthusiasm for the promise of a bright tomorrow (Great Promise). To provide fair, competent, responsive, cost-effective services at the highest level.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	84,932	110,300	152,800	42,500	38.53%
Maintenance	2	0	0	0	0.00%
Operational Support	177,795	110,550	185,902	75,352	68.16%
Personnel Costs	137,410	140,527	139,777	-750	-0.53%
Travel/Training	5,389	12,500	12,500	0	0.00%
Total Expenditures	405,528	373,877	490,979	117,102	31.32%
Enterprise Reimbursement	-139,476	-128,693	-155,315	-26,622	20.69%
Total Revenues	157,210	131,324	131,324	0	0.00%
Funding (+ or -)	-139,476	-128,693	-155,315	-26,622	20.69%



Department Summary

The City of Gastonia serves as a model for civic leadership as we engage our community of dedicated neighbors (Great People). We share a collective passion for personal safety, economic vitality, cultural richness, and overall sustainability (Great Place). Our distinct character is built upon a rich and unique heritage and fueled by enthusiasm for the promise of a bright tomorrow (Great Promise). To provide fair, competent, responsive, cost-effective services at the highest level.

Budget Highlights

- Implementation of a compensation plan for all employees based on newly created salary ranges and an additional across the board increase to current salaries based on years of service which will increase market competitiveness and address salary compaction.
- An additional \$440,811 is appropriated for the Employee Health Insurance Plan and \$143,000 is budgeted for the City Employee Wellness plan.
- No increases of the Property Tax Rate, Electric Rates, Water/Sewer or Stormwater Rates.
- Additional funding for street resurfacing and repair of local streets is comprised of the additional Vehicle Tag Fee Revenue of approximately \$800,000 annually and an additional \$750,000 of General Fund Balance.
- No City Program Eliminated
- Vehicle and equipment replacements approved for the new year total \$3,108,197, including \$602,006 for a new Fire truck.

Goals

- Provide municipal government leadership which is open and responsive to all citizens.
- Promoting public trust, transparency, and confidence in the future of the City.
- Deliver excellent customer service in all City programs and services.
- Ensure that the City is financially responsible by maintaining adequate fund balances.
- Expand economic development in the City to grow the tax base and grow employment.
- Work cooperatively with the private sector and other local governments.
- Provide the most effective and efficient municipal services possible.

Objectives

- Provide adequate funding for the basic operations of the City.
- Provide adequate funding for City facilities and equipment.
- Provide excellent customer service through effective and efficient programs and projects.
- Maintain a three year financial plan.
- Maintain adequate fund balances.
- Provide competitive compensation for employees.

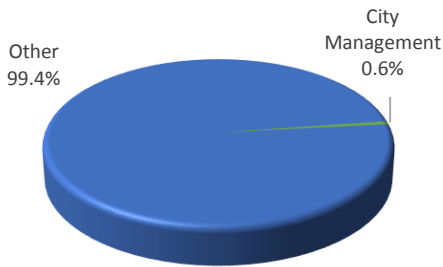
Objectives - continued

- Maintain the City's existing infrastructure.
- Expand the City's infrastructure to promote economic development.
- Fund capital projects that enhance the City.
- Make improvement to neighborhoods and commercial areas throughout the City as funds are available.
- Look for opportunities to reduce the cost of municipal operations.
- Avoid a property tax increase.
- Limit fee increases to amounts necessary to provide acceptable City services.
- Look for opportunities to grow our local economy.

City Management



Human Resources Allocation





City Management

Michael C. Peoples - City Manager

Department Mission

The mission of the City Manager is to provide leadership and supervision to the City staff necessary for the cost-effective delivery of public services. The City Manager must consistently monitor and evaluate the City's overall progress in meeting the City's stated goals and objectives and, in turn, offer recommendations for improvement whenever necessary to achieve maximum results on behalf of City residents and taxpayers. The City Manager's commitment is to bring credibility, innovation, and professionalism to the ongoing management of the vast array of local government functions in order to best serve the needs of the community; to fully uphold the laws and regulations of the City; and to protect and preserve the rights and property of all citizens.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	26,522	52,481	32,100	-20,381	-38.84%
Equip Lease & Utilities	25,558	27,827	35,831	8,004	28.76%
Equipment/Capital Outlay	0	82,000	0	-82,000	-100.00%
Maintenance	58,974	2,000	2,000	0	0.00%
Operational Support	55,976	165,961	604,458	438,497	264.22%
Personnel Costs	634,497	744,697	753,869	9,172	1.23%
Transfers Out	69,000	50,000	40,000	-10,000	-20.00%
Travel/Training	16,148	21,047	37,013	15,966	75.86%
Expenditures Total	886,674	1,146,013	1,505,271	359,258	31.35%
Enterprise Reimbursements	-230,144	-289,015	-362,521	-73,506	25.43%
Revenues	150,709	4,827,755	1,317,657	-3,510,098	-72.71%
Funding (+ or -)	505,820	-3,970,757	-174,907	3,795,850	-95.60%





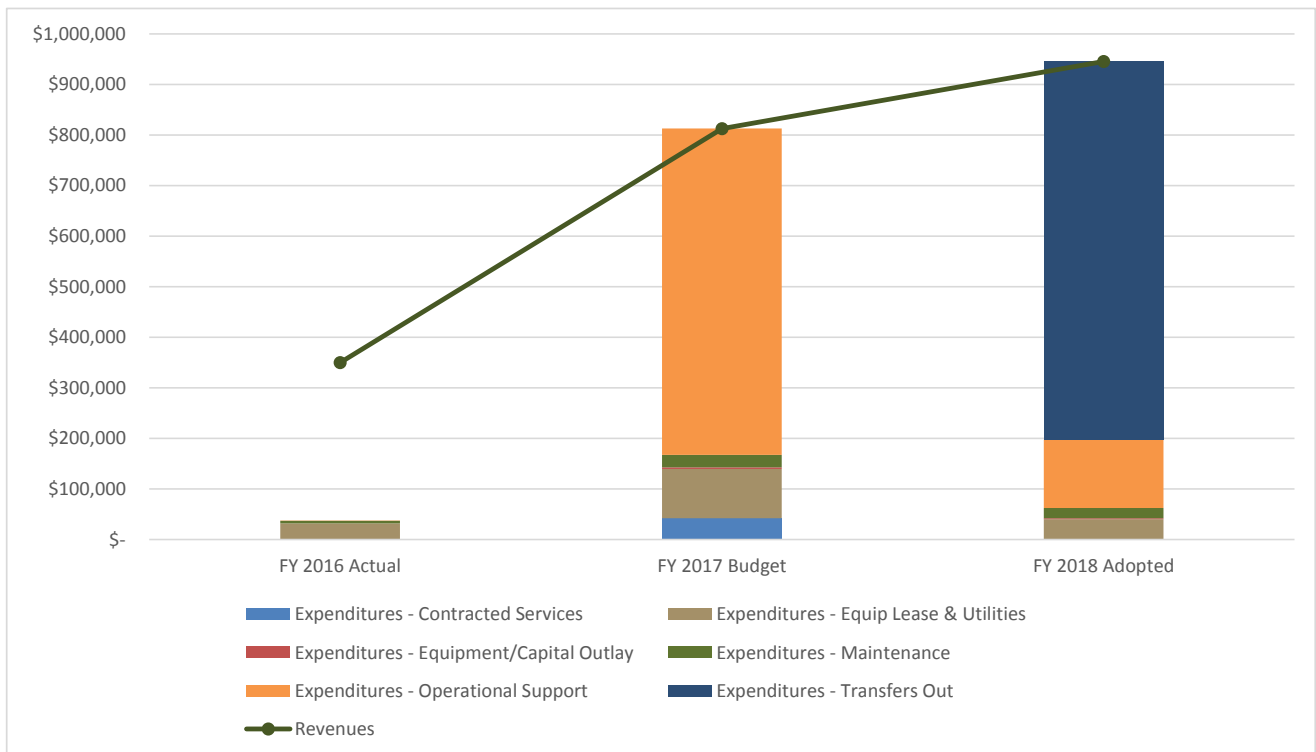
Infrastructure

Michael C. Peoples - City Manager

Department Mission

The Infrastructure Fund is a special revenue fund that is used to account for the accumulation of resources for infrastructure rehabilitation, construction and improvements.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	0	41,961	0	-41,961	-100.00%
Equip Lease & Utilities	31,839	97,758	40,295	-57,463	-58.78%
Equipment/Capital Outlay	0	2,831	2,000	-831	-29.35%
Maintenance	5,131	24,870	20,000	-4,870	-19.58%
Operational Support	428	645,049	134,905	-510,144	-79.09%
Transfers Out	0	0	747,906	747,906	0.00%
Expenditures Total	37,397	812,469	945,106	132,637	16.33%
Revenues	350,085	812,469	945,106	132,637	16.33%
Funding (+ or -)	-312,688	0	0	0	0.00%



Department Summary

The City Manager's role is to provide leadership and supervision to City staff necessary for the cost-effective delivery of public services. The City Manager must consistently monitor and evaluate the City's overall progress in meeting the City's stated goals and objectives and, in turn, offer recommendations for improvement whenever and wherever necessary to achieve maximum results on behalf of City residents and taxpayers. The City Manager's commitment is to bring credibility, innovation, and professionalism to the ongoing management of the vast array of local government functions in order to best serve the needs of the community; to fully uphold the laws and regulations of the City; and to protect and preserve the rights and property of all citizens.

The role of the Deputy City Manager is to assist the City Manager in various assignments related to City operations, and to facilitate the efficiency and effectiveness of assigned City departments through management support and oversight.

The role of the Assistant City Managers is to provide professional and administrative assistance in a variety of assignments relating to the management, planning, direction, evaluation, and programming for the operation of the City.

Budget Highlights

- New street resurfacing and repair appropriation for FY17/18 - \$1,715,862.
- Implement the results of the Transit Study currently underway.
- Vehicle and Equipment Replacements for FY17/18 -\$3,108,197.
- Worked with senior staff toward resolving major concerns related to legislative issues, policy and legal issues, employment and insurance issues, strategic planning, and City Council concerns.
- Coordination of various capital project initiatives: construction of a \$4 million Electric Substation, various economic development projects, a \$65 million Water Treatment Plant upgrade, and utility regionalism.
- Assist in managing overall City financial challenges; oversight of applicable budgets - this remains a critical component of upcoming budgets.
- Evaluate business models (ROIs) for the City in possible pursuit of (special) capital project initiatives, including, but not limited to the FUSE (Franklin Urban Sports & Entertainment).
- Evaluate staffing considerations for possible implementation of an Economic Development component of the City.

Goals

- Provide adequate funding for the City facilities and equipment.
- Review and implement strategies that provide excellent customer service through effective and efficient programs and projects.
- Maintain a 3-year financial plan.
- Maintain adequate fund balances.

Goals - continued

- Provide competitive compensation and to maximize the potential of every employee that works for City of Gastonia.
- Maintain and expand the City's infrastructure to promote economic development.
- Fund capital projects that enhance the City.
- Make improvements to neighborhoods and commercial areas throughout the City as funds are available.
- Look for opportunities to reduce the cost of municipal operations and work with City Staff to identify increased efficiencies in operations.
- Avoid a Property Tax increase.
- Limit Fee increases to amounts necessary to provide acceptable services.
- To use technology and automation to provide value, efficiency, and information to the employees and citizens of the City of Gastonia.
- Ensure that the City of Gastonia is a safe place to live and work by reducing crime and the fear of crime, and protecting lives and property for all citizens.
- Maintain an open line of communication with all City staff, elected officials, and citizens to provide the highest level of service at the most reasonable cost possible.
- Stay informed in County, State and Federal regulation changes and funding opportunities that could affect or benefit Gastonia.
- Continue to represent the City on the NCLM Legislative Action Committee, NC City and County Management Association, and participate in other beneficial professional development opportunities

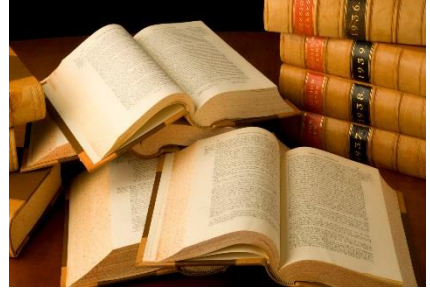
Objectives

- Administer any fiscal measures instituted in response to economic conditions and changes instituted by the State and Federal governments
- Simplify regulations and municipal processes to ease the burden for our customers and to achieve internal efficiencies.
- Bring to completion the design and construction elements of the four transportation projects approved by the G.O. Bond as well as the other capital projects funded for FY 17/18.
- Focus on revitalizing our Center City through strategic investments through major investments, new business recruitment and redevelopment opportunities.
- Focus Public Safety efforts to effectively target and reduce street crime, with an ongoing and focused attack on violent crime, gangs, speeding and illegal drugs.
- Implement body worn camera program.
- Identify new recreational opportunities and extend Greenway connectivity to additional destination points City wide.
- Work with NCDOT and the MPO to complete improvements to the I-85/U.S. 321 interchange, secure funding for the Catawba Crossings project and monitor the impact of the proposed I-85 widening project.

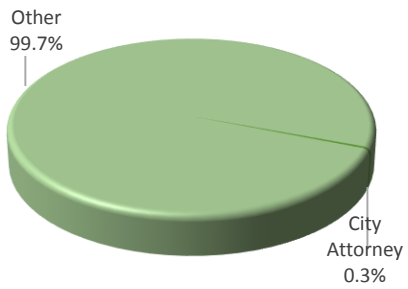
Objectives - continued

- Continue targeted efforts toward the economic revitalization of the Highland/Northgate and Airline/Gaston Areas of the City.
- Assist with the implementation of the next phases of the Loray Mill neighborhood redevelopment.
- Implement a new wellness program while monitoring the cost and of the quality health insurance program for the City employees and their dependents.
- Evaluation of employee compensation issues as related to job performance / merit based systems.
- Develop effective funding strategies for infrastructure maintenance, replacement, and expansion that can prove equitable to tax and fee payers.
- Recommend and implement policies and strategies which will safeguard the natural environment and create long-term economic sustainability.
- Economic Development Initiative that identifies key commercial, industrial, and office properties that are available for development City-wide. These developments should create jobs and encourage private sector investment.
- Refine plans for neighborhood improvements and effectively utilize Community Development and other funding sources.
- Complete the NC Highway 7 corridor study to identify economic development opportunities while improving the quality of design function and appearance.
- Participate with Greater Gaston Development Corporation, Gaston County, other Gaston County municipalities, and Charlotte-Douglas International Airport to study airport related economic development opportunities.
- Provide support, guidance, and direction to department managers so as to help them accomplish the objectives set forth for their respective areas.
- City staff will work with a selected architect/engineering firm to research and design the Franklin Urban Sports and Entertainment (FUSE) District.
- Work with the Electric Department to complete the construction of a new electric substation.
- Partner with ElectriCities to provide the most affordable and reliable electric service to customers.
- Achieve substantial completion of the water treatment plant upgrade project.
- Partner with other governmental entities and development groups to design and fund the construction of water and wastewater service in the southeast portion of Gaston County.
- Focus on Customer Service initiatives and efforts; assist Customers in being successful in quality business endeavors.
- Implementation of a long-term funding source to address local street resurfacing and maintenance needs.

City Attorney



**Human Resources
Allocation**





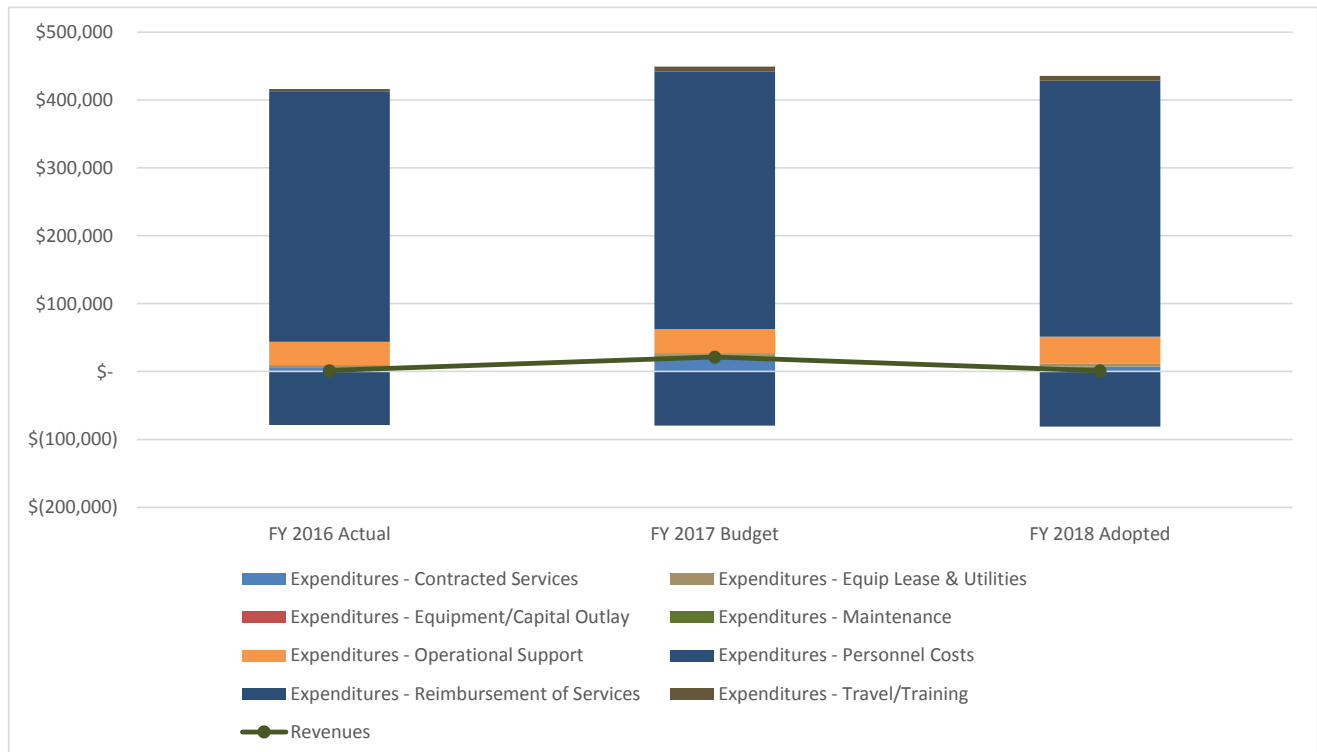
City Attorney

L. Ashley Smith - City Attorney

Department Mission

The mission of the City Attorney Department is to provide legal counsel and representation to the City Council, City Manager, departments of the City government, and City-appointed boards and commissions, and to carry out the constitutional and statutory responsibilities of City government.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	5,328	21,365	7,000	-14365	-67.24%
Equip Lease & Utilities	4,169	4,300	4,300	0	0.00%
Maintenance	66	1,200	700	-500	-41.67%
Operational Support	34,334	35,680	39,248	3568	10.00%
Personnel Costs	368,349	380,092	377,604	-2488	-0.65%
Travel/Training	4,322	7,000	7,000	0	0.00%
Expenditures Total	416,568	449,637	435,852	-13785	-3.07%
Enterprise Reimbursement	-78,702	-79,506	-81,299	-1793	2.26%
Revenues	1,466	21,250	1,300	-19950	-93.88%
Funding (+ or -)	336,401	348,881	353,253	4,372	1.25%



Department Summary

The City Attorney provides legal counsel and representation to the City Council, City Manager, departments of the City government and City-appointed boards and commissions. The City Attorney's Office provides legal advice at Council meetings, Planning Commission and the Board of Adjustment. We perform legal research and offer advisory opinions and respond to requests from Council and City staff to draft or review contracts, ordinances and other legal documents. The office represents the City in litigation and provides assistance in the selection of outside legal counsel when necessary. Minimizing risks and liabilities to the City in an ethical and cost conscious manner is our primary objective as we seek to do what is in the best interest of our client.

Budget Highlights

- Personnel transitions in both the Police Attorney and Assistant City Attorney positions
- Negotiations, contract preparation, and economic redevelopment work for FUSE District property acquisitions
- Property acquisitions for road widening, sidewalk, and drainage projects
- Advice, research, title searches and document preparation with regard to Southeast water and sewer expansion and development

Goals

- Work with departments to minimize risks and prevent liabilities and litigation from occurring
- Provide legal advice and guidance on personnel, environmental, contract, purchasing, zoning, collections, code enforcement, and public safety issues
- Maintain dialogue with City Council members as to the status of legal matters and pending claims involving the City

Objectives

- Advice to City Council regarding city manager transition, contract negotiations, and related matters
- Continue legal advice and document preparation for FUSE District and other economic revitalization projects
- Evaluate the city's insurance policies, premiums and self-insured retention limits to best protect the City



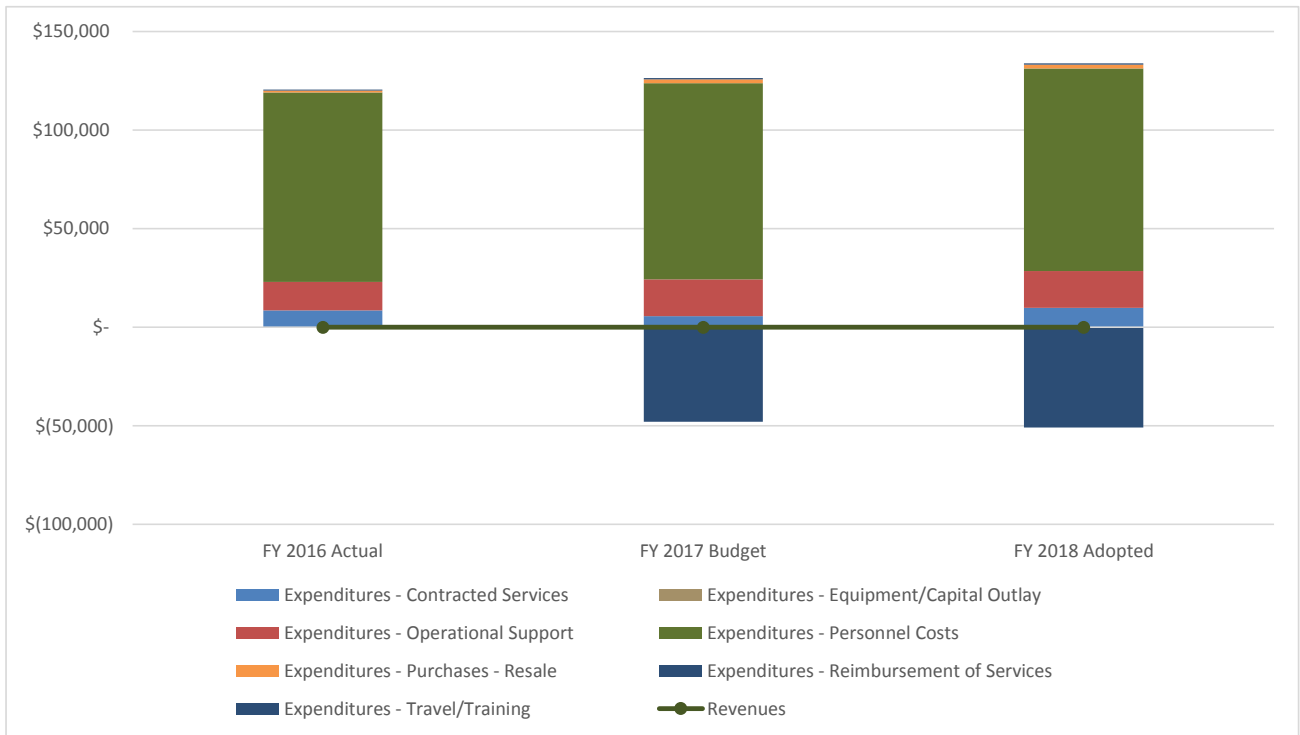


Communications & Marketing
 Rachel Bagley, Director of Communications & Marketing

Department Mission

The mission of the Communications & Marketing Department is to increase awareness of the City's services and programs among the citizens and to increase awareness of the City's strengths and assets regionally and nationally. The department is responsible for promoting interest and investment in the City through directing and/or coordinating an array of responsibilities and projects related to public relations, marketing, communications, and revitalization initiatives designed to inform citizens as well as build local support and pride and attract and retain businesses, residents and visitors.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	8,588	5,600	9,800	4,200	75.00%
Operational Support	14,325	18,737	18,618	-119	-0.64%
Personnel Costs	96,106	99,326	102,771	3,445	3.47%
Purchases - Resale	1,000	2,000	2,000	0	0.00%
Travel/Training	520	600	600	0	0.00%
Expenditures Total	120,539	126,263	133,789	7,526	5.96%
Enterprise Reimbursement	0	-47,979	-50,823	-2,844	5.93%
Revenues	15	0	0	0	0.00%
Funding (+ or -)	120,524	78,284	82,966	4,682	5.98%



Department Summary

The mission of the Communications & Marketing Department is three-fold: ⁽¹⁾ increase awareness of the City's services and programs among citizens; ⁽²⁾ keep employees informed of issues that affect them; and ⁽³⁾ increase awareness of the City's strengths and assets regionally and nationally to promote interest and investment in the City. To that end, Communications and Marketing directs and/or coordinates an array of responsibilities and projects related to public relations, marketing, advertising, and communications designed to inform citizens as well as build local support and pride, and attract and retain businesses, residents, and visitors.

Budget Highlights

- Determine cost effective means for developing communication channels that reach citizens and employees on a regular basis.
- Review and revise advertising expenditures to meet changing priorities
- Review and revise promotional items expenditures to coordinate with similar expenditures in departments.

Goals

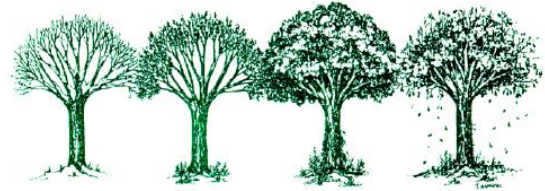
- Organize expanded Communications and Marketing Department to meet the evolving communication needs of the City's constituents: citizens, employees, visitors, existing business community, prospective residents and businesses, visitors, etc. Continue to seek out and use effective forms of communication and best practices to improve the reach and influence of the City's messages to its audiences.
- Develop mutually beneficial relationships with media organizations that result in fair and accurate coverage of news stories about City government, programs, services, employees, etc., and increased positive coverage of efforts to improve quality of life for citizens.
- Counsel and assist other City departments in their efforts to market City projects and services to various groups (citizens, potential businesses, newcomers, visitors, etc.) Build public awareness of City programs, especially those designed to improve City services and quality of life for citizens.

Objectives

- Assign specific communications duties to new Department members in order to more adequately cover the Department's expanded communications responsibilities.
- Expand the use of social media communication channels to reach more of the City's constituents.
- Use advertising budget to address more promotional opportunities available to the City.



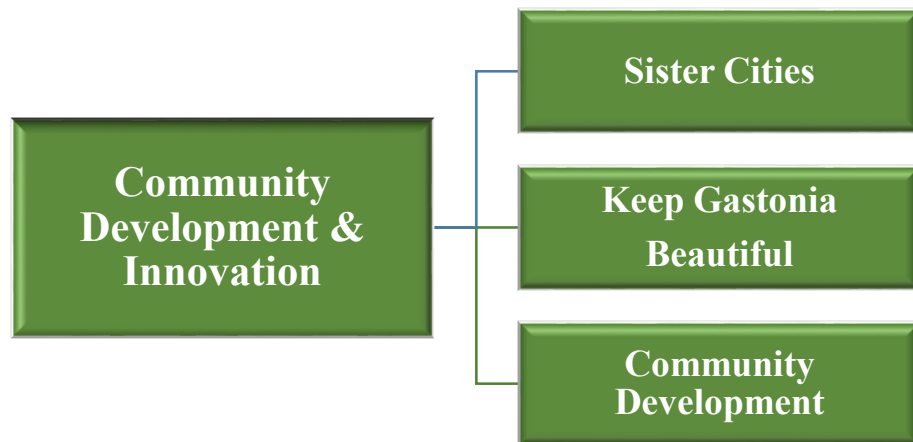
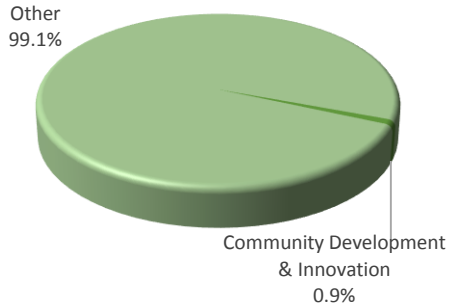
Community Development & Innovation



Volunteers - Our Seeds Of Success



Human Resources Allocation



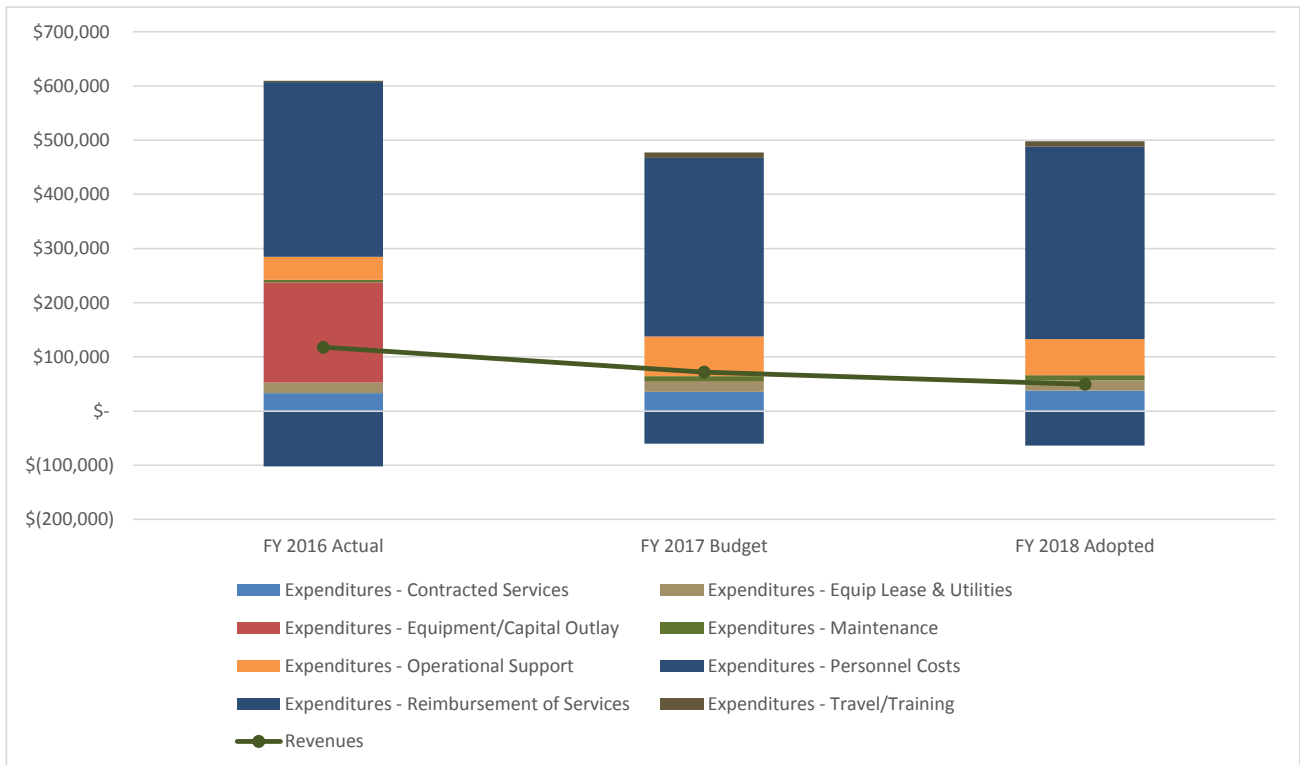


Community Development & Innovation
 Vincent Wong - Director of Community Development
 & Innovation

Department Mission

The mission of the Community Development & Innovation Department is to encourage sustainable neighborhoods by improving the availability, affordability, and quality of housing in the community through the Community Development division. The Keep Gastonia Beautiful division is responsible for inspiring and educating people to take action everyday to improve and beautify the community's environment. The Gastonia Sister Cities division fosters and promotes friendships and mutual understanding between the people of the Gastonia area and foreign countries.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	33,067	35,370	37,800	2,430	6.87%
Equip Lease & Utilities	19,621	19,622	18,710	-912	-4.65%
Equipment/Capital Outlay	184,552	124	0	-124	-100.00%
Maintenance	5,083	9,500	9,500	0	0.00%
Operational Support	42,154	72,977	66,924	-6,053	-8.29%
Personnel Costs	322,537	329,617	354,668	25,051	7.60%
Travel/Training	2,301	9,800	10,300	500	5.10%
Expenditures Total	609,315	477,010	497,902	20,892	4.38%
Enterprise Reimbursement	-101,966	-60,307	-63,851	-3,544	5.88%
Revenues	117,705	71,826	49,600	-22,226	-30.94%
Funding (+ or -)	389,644	344,877	384,451	39,574	11.47%





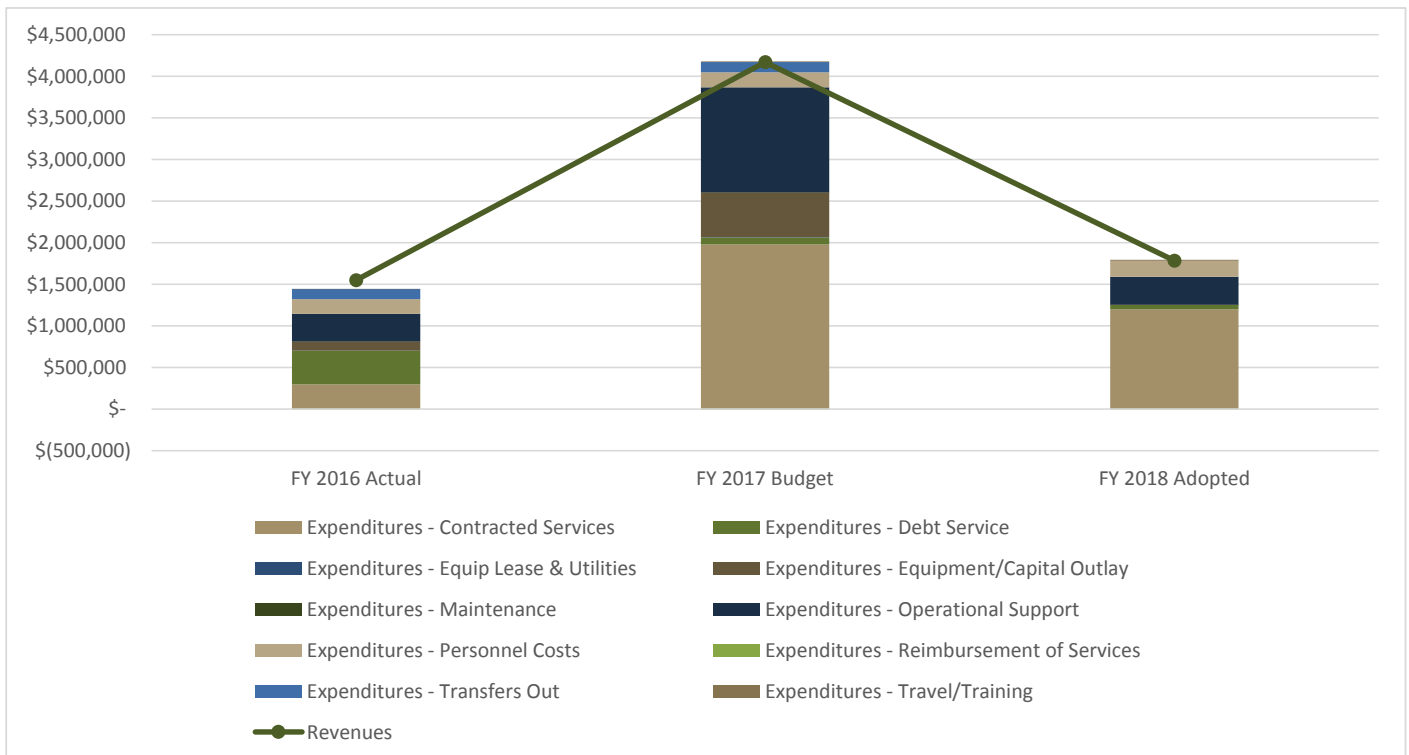
Community Development

Vincent Wong - Community Development
& Innovation Administrator

Department Mission

The mission of the City of Gastonia Community Development division is to develop, promote, and implement innovative housing and community development policies, practices, and partnerships to create and preserve affordable and safe housing opportunities for low and moderate income residents of the City of Gastonia.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	296,023	1,979,367	1,196,396	-782,971	-39.56%
Debt Service	401,758	82,157	53,140	-29,017	-35.32%
Equip Lease & Utilities	1,886	5,323	1,500	-3,823	-71.82%
Equipment/Capital Outlay	112,412	538,946	1,899	-537,047	-99.65%
Maintenance	735	1,000	1,000	0	0.00%
Operational Support	331,705	1,258,263	334,351	-923,912	-73.43%
Personnel Costs	177,392	183,880	193,030	9,150	4.98%
Transfers Out	119,825	120,000	0	-120,000	-100.00%
Travel/Training	1,066	11,206	11,550	344	3.07%
Expenditures Total	1,442,802	4,180,142	1,792,866	-2,387,276	-57.11%
Reimbursement of Services	-6,804	-10,714	-8,403	2,311	-21.57%
Revenues	1,549,351	4,169,428	1,784,463	-2,384,965	-57.20%
Funding (+ or -)	-113,353	0	0	0	0.00%



Department Summary

The mission of the Community Development & Innovation Department is to encourage sustainable neighborhoods by improving the availability, affordability, and quality of housing in the community. Keep Gastonia Beautiful mission is to inspire and educate people to take action every day to improve and beautify their community's environment. Gastonia Sister Cities fosters and promotes friendships and mutual understanding between the people of the Gastonia area and foreign countries, through partnerships in education, culture, economic development and dialogue.

Budget Highlights

- Started construction on three new homes and provided Homebuyer assistance to over 55 families in the community.
- Provided over \$1 million in public infrastructure projects.
- Every \$1 of funding received \$17.11 worth of benefits were returned to the community.
- Provided environmental programming to over 17,280 students in more than 540 classrooms.
- Hosted 25 students/chaperone guests from both Germany and Peru during the same time period.
- Co-hosted 4 German firemen with the fire department for 2 weeks.

Goals

- Strive to educate more citizen/customers about availability and affordability of housing in the community
- Continue to expand beautification efforts including public art.
- Promote environmental education including litter abatement and recycling.
- Continue fostering friendships with Gotha, Germany and Surco, Peru through yearly student exchanges with both countries.

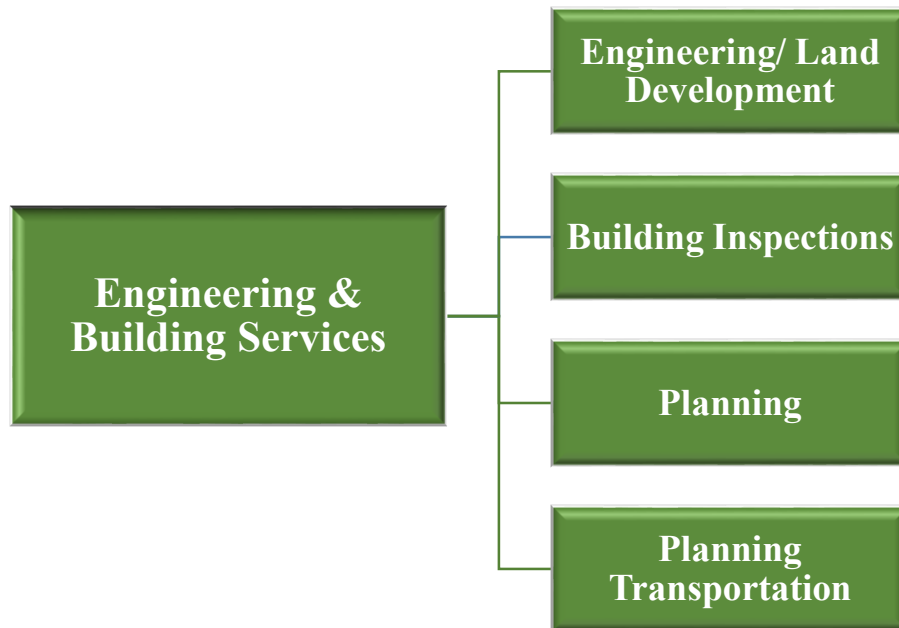
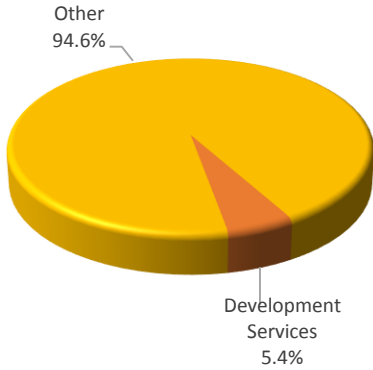
Objectives

- Provide community resources to address the wide range of community needs to enhance and improve quality of life.
- Make the community at large, knowledgeable and responsible in natural resource conservation, solid waste handling, recycling, litter abatement and beautification.
- Continued promotion of our Sister Cities within the community and throughout the schools to allow more local students the opportunity to participate by increasing fundraising/local partnerships.

Development Services



Human Resources Allocation





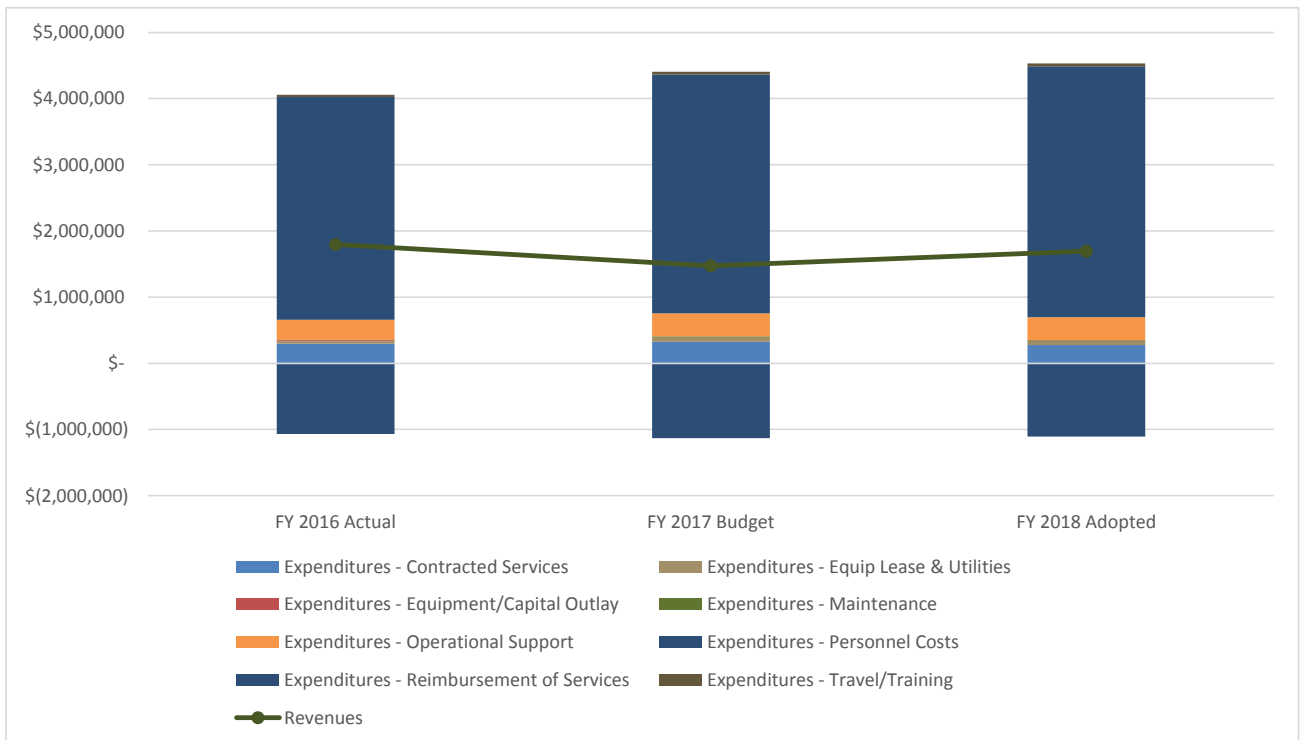
Development Services

Rusty Bost - Director of Development Services
Services

Department Mission

The Development Services Department is responsible for administering development related reviews and permits for compliance with City standards, provide building inspections, and enforce City codes concerning minimum housing, illegal dumping, nuisance or overgrown lots and junk cars. It is also responsible for both current and long-range planning functions, zoning permitting and enforcement as well as working with the Gaston-Cleveland-Lincoln Metropolitan Planning Organization to coordinate planning studies and transportation projects.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	294,686	326,043	276,235	-49,808	-15.28%
Equip Lease & Utilities	39,030	54,219	53,386	-833	-1.54%
Equipment/Capital Outlay	13,761	8,000	500	-7,500	-93.75%
Maintenance	8,489	20,375	18,075	-2,300	-11.29%
Operational Support	303,472	346,460	349,481	3,021	0.87%
Personnel Costs	3,366,152	3,605,901	3,790,830	184,929	5.13%
Travel/Training	29,618	43,889	43,850	-39	-0.09%
Expenditures Total	4,055,207	4,404,887	4,532,357	127,470	2.89%
Enterprise Reimbursement	-1,065,896	-1,128,638	-1,108,112	20,526	-1.82%
Revenues	1,794,542	1,474,096	1,693,747	219,651	14.90%
Funding (+ or -)	1,194,770	1,802,153	1,730,498	-71,655	-3.98%



Department Summary

The City of Gastonia's Development Services Department is comprised of three (3) Divisions: Engineering/Land Development, Planning/Transportation Planning and Building Inspections/Code Enforcement.

The Engineering/Land Development and Building Services Division's primary responsibilities are to administer development related reviews, permits and construction for compliance with City standards, provide project management and design for Capital Projects, provide building inspections, and enforce City codes concerning minimum housing, illegal dumping, nuisance or overgrown lots, and junk cars. This is accomplished by being the single point of contact for projects (private developers or City sponsored), coordinating with all City Departments throughout project scoping, design, permitting and construction phases of projects, and placing an emphasis on timely, fair, and equitable customer service.

The Planning/Transportation Planning Division is responsible for both the current and long-range planning functions of the City of Gastonia. These responsibilities encompass zoning permitting and enforcement, comprehensive and small area planning and design, rezoning and other public hearing processes, as well as coordination of local historic districts and other design and development review processes. The Gaston-Cleveland-Lincoln Metropolitan Planning Organization (GCLMPO) is a multi-jurisdictional entity comprised of 34 local governments, NCDOT, USDOT, and other providers of transportation services to jointly plan for transportation improvements to the three-county region. The City of Gastonia is the largest municipality of the 17 voting local government members and serves as the Lead Planning Agency (LPA) providing Transportation Planning staff for the GCLMPO. Staff cooperatively works with the member local governments to coordinate planning studies, transportation projects, and project solicitation (amongst many other responsibilities), and secure funding from the pertinent Federal, State, and Regional agencies for local transportation projects

Budget Highlights

- Maintain expenditure levels and continue to look for opportunities to create more efficiencies through technologies.
- Continue and complete the CommunityVIZ planning tool, which will enhance the Charlotte Region's Travel Demand Model as well as create a scenario planning tool to assist in long range planning efforts.
- Begin updates to the Metropolitan Transportation Plan.
- Administer a competitive process for the local governments to procure MPO Planning Funds that will be utilized to carry out local transportation planning studies.
- Complete the regional multi-modal Comprehensive Transportation Plan (CTP) as required by NCDOT.
- Undertake activities aimed at continued strengthening of the bicycle and pedestrian plans and project implementation.
- Conduct an efficiency study of the Gastonia Airport.

Goals

- Provide quality customer service to residents, customers, and project stakeholders.
- Work with departments to maintain or improve city owned infrastructure.
- Enhance the usability of the Planning Department website.
- Evaluate the Unified Development Ordinance standards and recommend amendments as needed.
- Improve GCLMPO webpage presence with data and products for internal staff, stakeholders, and the public.
- Support funding and administration of locally-administered transportation project and studies.
- Support economic development efforts.
- Assist the City with planning and implementation of non-motorized transportation projects through the MPO transportation planning process make walking and bicycling a convenient and viable choice as a mode of transportation.

Objectives

- Complete construction on CIP Projects; Ferguson Park Greenway Extension, Downtown/Lineberger Connector, Avon Creek Greenway Repairs, Schiele Museum Structural repairs, Modena Street sidewalk extension, South and Third stormwater, Woodlawn and Third stormwater.
- Begin construction of CIP projects; South Fork Sewer Ph II, design of the Southeast Sewer service area, New Hope Rd Widening, Daffodil and Hudson stormwater, Court and Wellman stormwater, Highland Branch Greenway, Erwin Center Sidewalk.
- Coordinate with NCDOT on projects; I-85/US-321 reconfiguration, conversion of Franklin to 5 lanes, widening of I-85, implementation of projects from Cox/Franklin Traffic Study, new right turn lane from New Hope Road onto Franklin Blvd , begin working on City wide Signal System upgrade
- Investigate use of unmanned aerial vehicles (drones) for City survey services, cost/benefit analysis, and possible other uses in the City (tree inventory, pre/post project documentation, safe inspection of City property, etc)
- Identify what processes and permits can be made available to the public online as opposed to requiring a phone call or visit to the office in order to complete.
- Adopt a bicycle-specific master plan to guide future on-street and off-street capital projects aimed at improving the bikeability of the community.
- Conduct SPOT 5.0 solicitation process.
- Assist the City in researching cost effective “Dirtway” shared-use facilities.



**Development Services
Building Support Services**

Service Area Objective

The division goal of the Building Support Services Division is to ensure compliance with building codes, local flood ordinance, zoning ordinance, minimum housing and nuisance ordinances through plan review, inspection and enforcement.

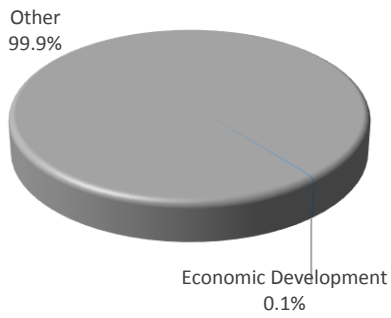
Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# of building inspections performed	Workload Measure	16,700	20,215	21,000
# of housing inspections performed	Workload Measure	887	785	800
# of nuisance inspections performed	Workload Measure	4,075	5,228	5,400
# of warning citations issued	Workload Measure	1,377	1,949	2,000
# of civil citations issued	Workload Measure	234	355	400
% of code cases resolved within 30 days after hearing	Efficiency Measure	10	10	10
Cost per inspection - all types	Efficiency Measure	\$47.80	\$47.76	\$47.75
% of ordinance violations resolved without court action	Efficiency Measure	87	90	90
Commercial plan reviews	Efficiency Measure	648	1,094	1,100
Inspections performed (hours spent per item)	Effectiveness Measure	1.5	1.5	1.5
% of notification of violations to property owners sent within 2 days of investigation	Effectiveness Measure	99	98	95
% inspection responses within one working day of request	Effectiveness Measure	90	90	90



Economic Development



**Human Resources
Allocation**



**Economic
Development**



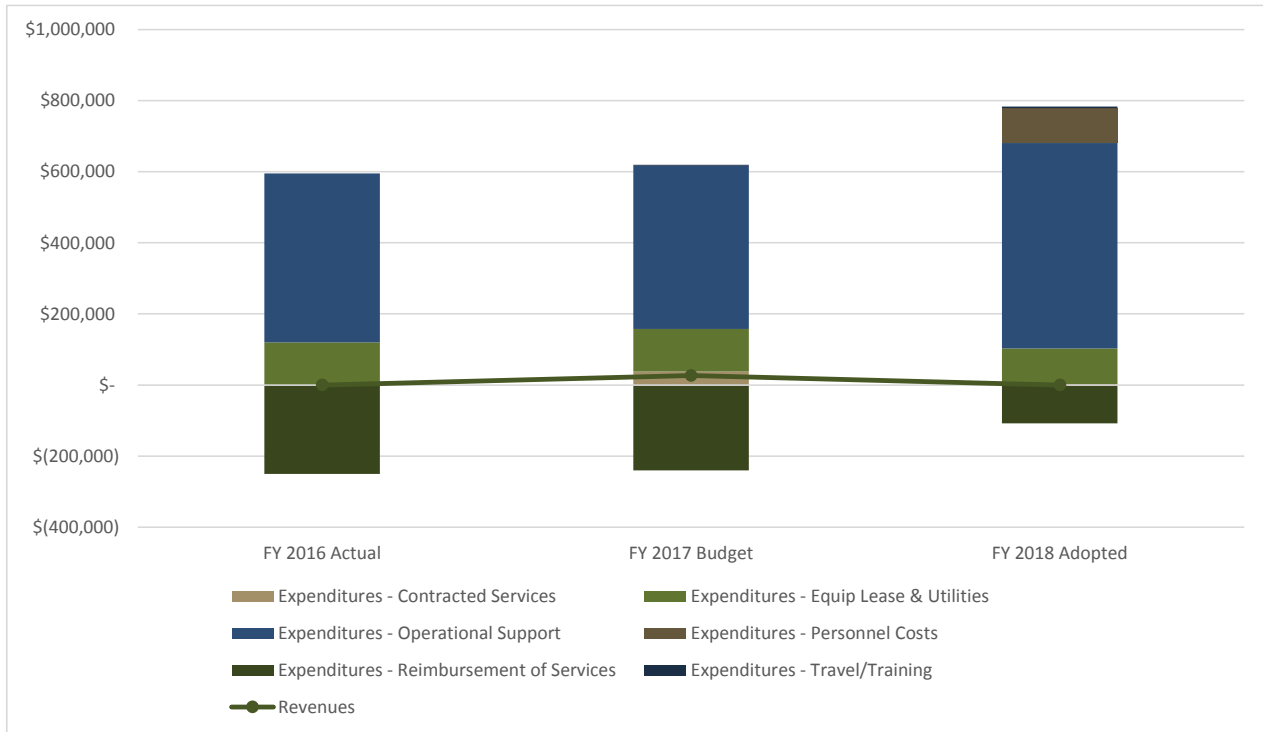
Economic Development

Kristy Crisp, Director of Economic Development

Department Mission

The mission of the Economic Development is to promote the economy of Gastonia by fostering the creation and attraction of new businesses and the retention and expansion of existing businesses to stimulate job opportunities that improve the quality of life in our City.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	0	38,000	3,000	-35,000	-92.11%
Equip Lease & Utilities	120,000	120,000	100,000	-20,000	-16.67%
Operational Support	474,726	458,222	578,000	119,778	26.14%
Personnel Costs	0	0	97,489	97,489	0.00%
Travel/Training	0	3,000	4,500	1,500	50.00%
Expenditures Total	594,726	619,222	782,989	163,767	26.45%
Reimbursement of Services	-250,262	-240,386	-107,844	132,542	-55.14%
Revenues	0	27,000	0	-27,000	-100.00%
Funding (+ or -)	594,726	592,222	782,989	190,767	32.21%



Department Summary

The mission of the Economic Development Department is to promote the economy of Gastonia by fostering the creation and attraction of new businesses and the retention and expansion of existing businesses to stimulate job opportunities that improve quality of life in our City.

Budget Highlights

- Establishment of a new Economic Development Department
- Transition Downtown Gastonia to Economic Development Department
- Maintain existing programs but develop new opportunities to support development in Gastonia.

Goals

- Increase visibility and promotion of development opportunities in Gastonia
- Develop partnerships that will provide a strong network of opportunities for existing business
- Develop and promote large-scale catalyst projects to serve as economic development triggers

Objectives

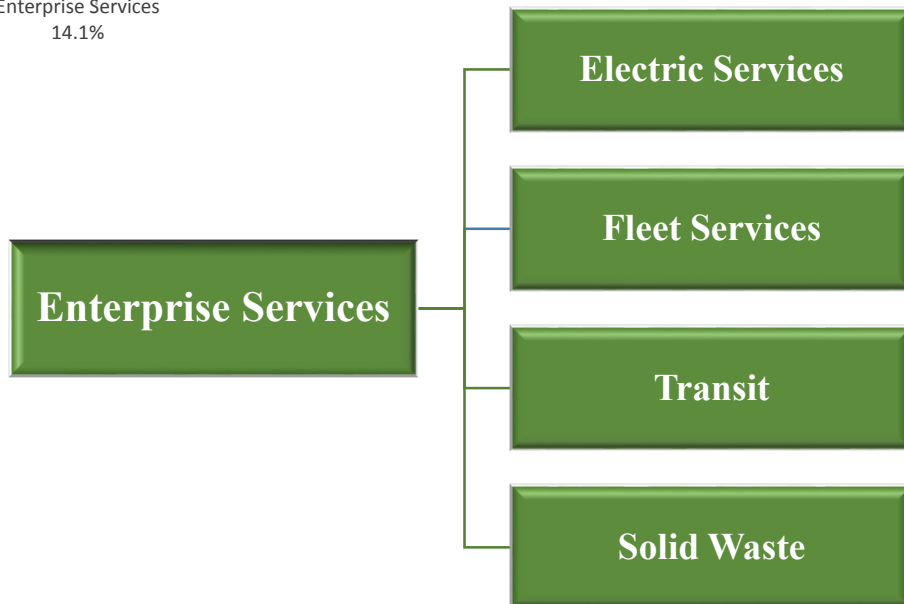
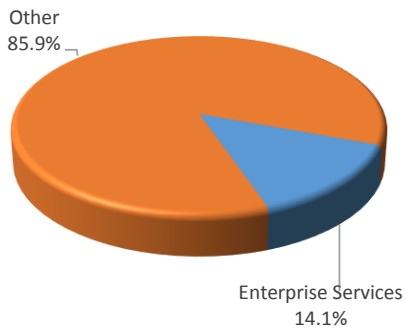
- Update the Economic Development page on the City website to be a better tool for business recruitment
- Continue work on Catawba Crossings and FUSE (Franklin Urban Sports Entertainment) as large-scale catalyst projects for economic development
- Create a building inventory of available buildings in Downtown Gastonia
- Hire staff for part-time Downtown position



Enterprise Services



Human Resources Allocation





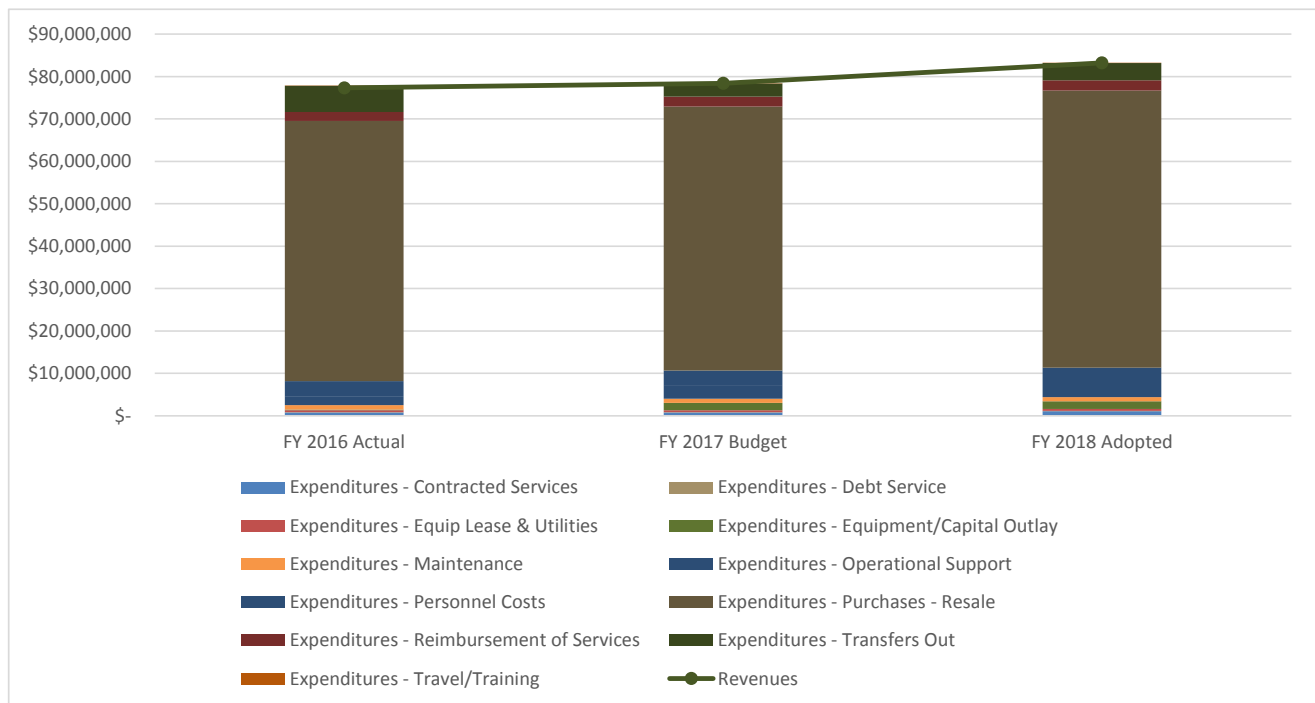
Electric

Joe Albright - Director of Enterprise Services

Department Mission

The mission of the City of Gastonia Electric is to operate and maintain its electrical system in a manner to provide the most reliable and satisfactory electric service for all citizens at a fair and equitable cost.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	785,566	789,664	1,090,760	301,096	38.13%
Debt Service	16,869	16,869	16,869	0	0.00%
Equip Lease & Utilities	478,781	475,091	473,244	-1,847	-0.39%
Equipment/Capital Outlay	183,596	1,754,735	1,805,139	50,404	2.87%
Maintenance	1,008,455	961,715	1,012,318	50,603	5.26%
Operational Support	2,157,991	3,045,520	3,059,264	13,744	0.45%
Personnel Costs	3,510,925	3,591,153	3,846,881	255,728	7.12%
Purchases - Resale	61,413,772	62,301,288	65,430,618	3,129,330	5.02%
Transfers Out	6,164,231	3,124,167	4,060,000	935,833	29.95%
Travel/Training	30,083	37,850	41,100	3,250	8.59%
Reimbursement of Services	2,100,858	2,310,744	2,385,319	74,575	3.23%
Expenditures Total	77,851,128	78,408,796	83,221,512	4,812,716	6.14%
Revenues	77,337,780	78,408,796	83,221,512	4,812,716	6.14%
Funding (+ or -)	513,348	0	0	0	0.00%





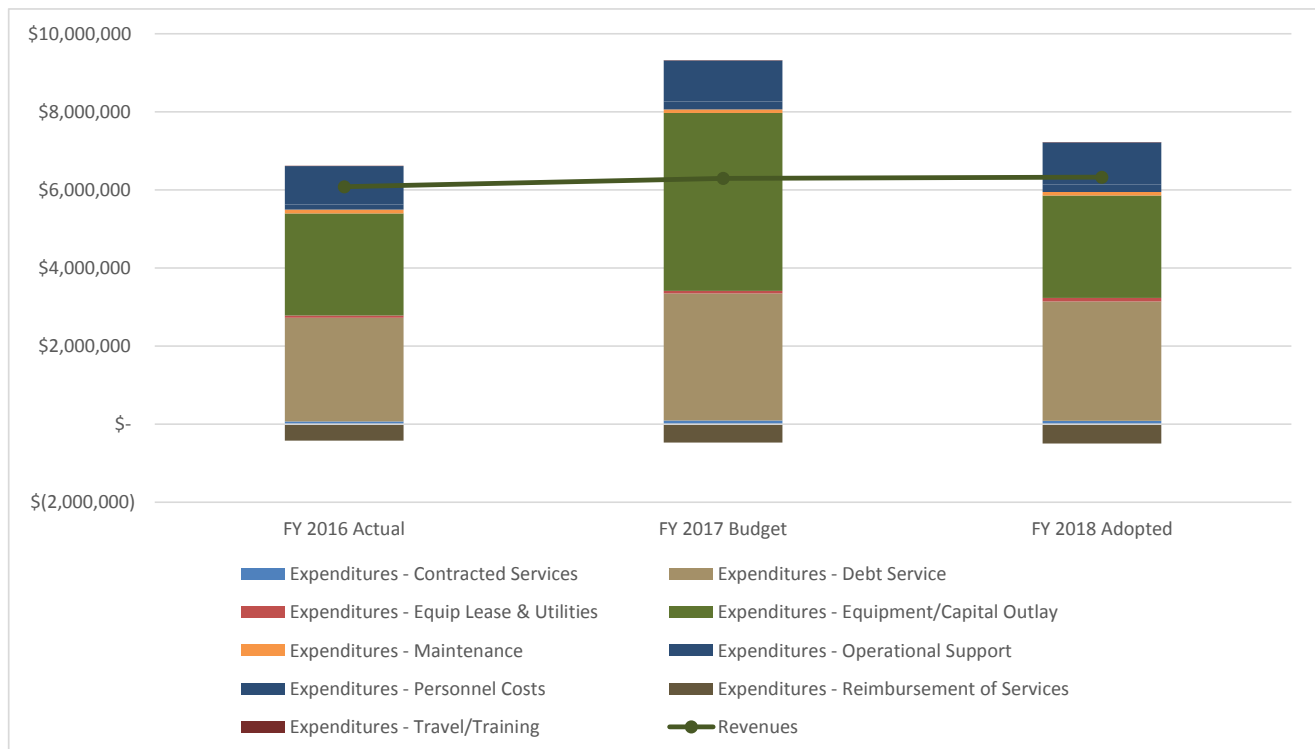
Fleet Services

Joe Albright - Director of Enterprise Services

Department Mission

The mission of Fleet Services is to procure, manage and maintain safe, dependable and cost-effective vehicles and equipment for the departments of the City of Gastonia.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	69,379	92,303	89,565	-2,738	-2.97%
Debt Service	2,659,446	3,256,907	3,058,974	-197,933	-6.08%
Equip Lease & Utilities	58,520	64,354	86,004	21,650	33.64%
Equipment/Capital Outlay	2,614,273	4,561,086	2,624,324	-1,936,762	-42.46%
Maintenance	93,637	90,056	93,000	2,944	3.27%
Operational Support	137,504	208,288	189,626	-18,662	-8.96%
Personnel Costs	984,465	1,043,380	1,077,537	34,157	3.27%
Travel/Training	4,793	3,800	3,800	0	0.00%
Expenditures Total	6,622,017	9,320,174	7,222,830	-2,097,344	-22.50%
Reimbursement of Services	-422,057	-468,886	-493,910	-25,024	5.34%
Revenues	6,082,974	6,301,423	6,327,018	25,595	0.41%
Funding (+ or -)	116,986	2,549,865	401,902	-2,147,963	-84.24%





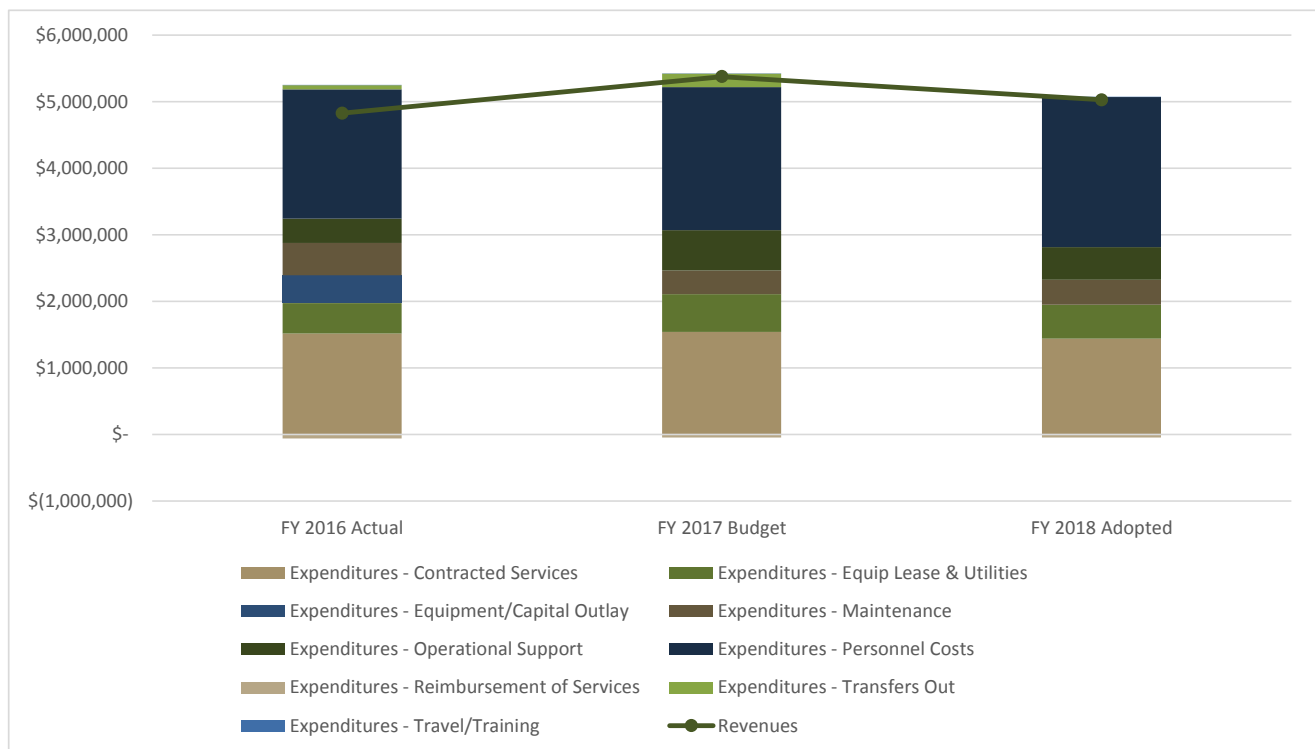
Solid Waste

Joe Albright - Director of Enterprise Services

Department Mission

The mission of the Solid Waste Division is to plan, develop, and operate a sustainable system of solid waste collection and disposal which reduces the impact on our natural resources by promoting residential recycling and ensures an ongoing dedication to customer satisfaction.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	1,515,298	1,539,900	1,439,250	-100,650	-6.54%
Equip Lease & Utilities	460,169	566,672	512,390	-54,282	-9.58%
Equipment/Capital Outlay	415,639	0	0	0	0.00%
Maintenance	488,113	356,900	373,800	16,900	4.74%
Operational Support	366,142	606,344	492,330	-114,014	-18.80%
Personnel Costs	1,942,535	2,151,443	2,252,416	100,973	4.69%
Transfers Out	62,287	200,000	0	-200,000	-100.00%
Travel/Training	1,793	3,381	3,800	419	12.39%
Expenditures Total	5,251,977	5,424,640	5,073,986	-350,654	-6.46%
Reimbursement of Services	-59,729	-46,192	-45,147	1,045	-2.26%
Revenues	4,827,387	5,378,448	5,028,839	-349,609	-6.50%
Funding (+ or -)	364,861	0	0	0	0.00%





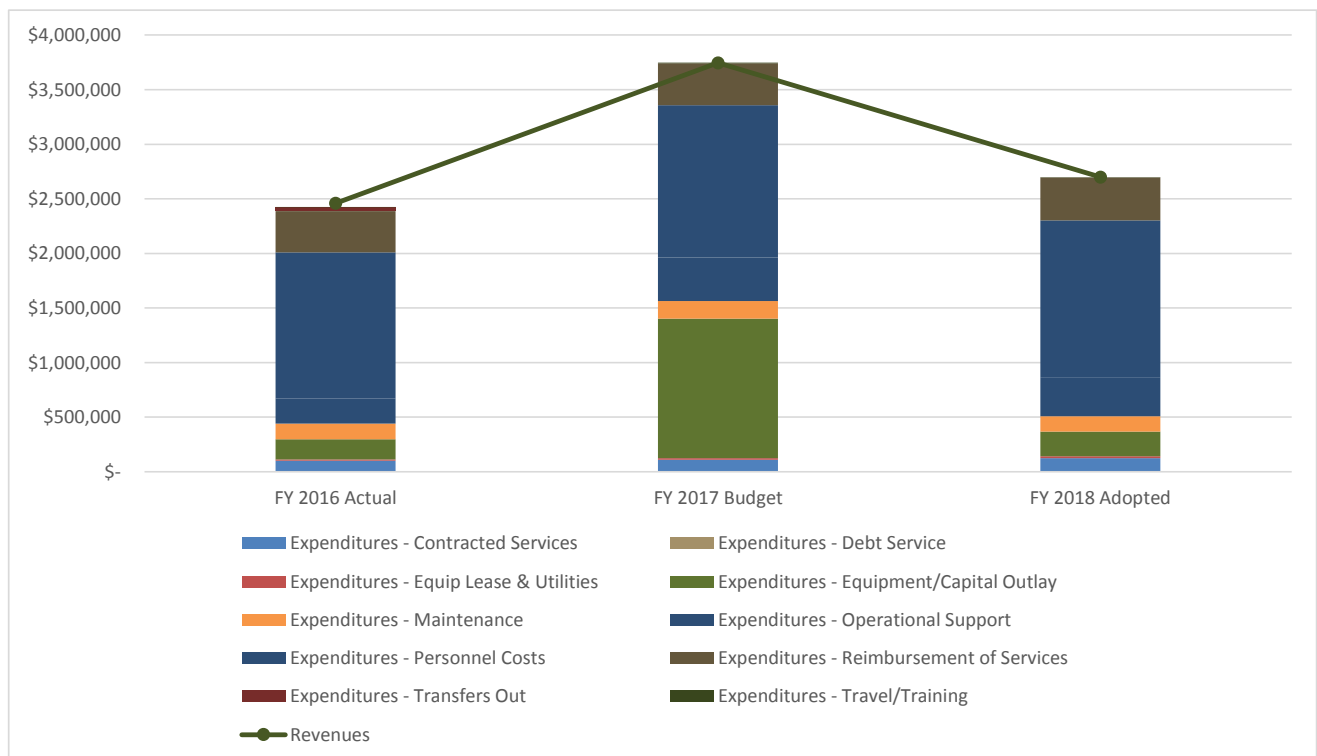
Transit

Joe Albright - Director of Enterprise Services

Department Mission

The mission of the City of Gastonia Transit system is to provide safe, reliable, and affordable public transportation services to residents and visitors of the City of Gastonia.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	100,024	110,801	125,700	14,899	13.45%
Equip Lease & Utilities	13,571	14,302	16,353	2,051	14.34%
Equipment/Capital Outlay	182,936	1,276,598	225,500	-1,051,098	-82.34%
Maintenance	145,286	163,300	140,100	-23,200	-14.21%
Operational Support	227,080	396,738	357,934	-38,804	-9.78%
Personnel Costs	1,339,627	1,394,951	1,436,997	42,046	3.01%
Transfers Out	34,399	0	0	0	0.00%
Travel/Training	1,805	3,200	3,200	0	0.00%
Reimbursement of Services	380,186	386,487	393,845	7,358	1.90%
Expenditures Total	2,424,915	3,746,377	2,699,629	-1,046,748	-27.94%
Revenues	2,459,491	3,746,377	2,699,629	-1,046,748	-27.94%
Funding (+ or -)	-34,576	0	0	0	0.00%



Department Summary

The mission of the City of Gastonia Enterprise Services Department is to provide electrical, solid waste, transit, airport and equipment services for City vehicles. The Electric Division mission is to operate its electrical system providing the most reliable electric service for all Citizens at an equitable cost. The Solid Waste Division mission is maintain a sustainable system of solid waste collection and disposal reducing the impact on natural resources by promoting residential recycling. The Equipment Services Division procures and manages dependable and cost-effective vehicles and equipment for City departments. The Gastonia Transit system provides reliable and affordable public transportation services. The City of Gastonia Airport provides a reliable airport for citizens and visitors.

Budget Highlights

- Continue to budget by service in order to provide an accurate cost accounting for each Solid Waste service.
- Market and expand yard waste carts city-wide.
- Increase efficiency and decrease overtime through the use of three automated leaf trucks.
- Market and advertise Solid Waste services and educate citizens through newsletters.
- Begin construction of the electrical substation at Gastonia Technology Park.
- Continue to prioritize tree trimming to maintain reliability while preserving a balanced approach, respectful of the Tree City USA status.
- Continue roadway lighting improvements with LED.
- Institute system wide fuse coordination study for improving system reliability and mapping accuracy.
- Maintain contractual relationship with CATS for the 85X service.
- Replace (3) three buses and (1) one transporter van – City share is 20% of the cost.
- Continue to make improvements to Airport facilities.

Goals

- Study current routes to provide for future growth by creating a long range Solid Waste plan.
- Prohibit the use of clear bags for yard waste disposal.
- Study the possibility of combining the educational piece of recycling with the operational side to create efficiencies and reduce redundancies.
- Install new gang operated air break switches at key system tie points for safer and quicker operation of switching load from one circuit to another. Continue to monitor Outage Management System for future software enhancements.
- Institute a system wide pole attachment inventory with local cable and phone companies for accurate revenue counts.
- Continue to map our line assets and implement one-line diagrams and switching maps for improvement of outage response times and overall safety practices.
- Continue to partner with Charlotte Area Transit System (CATS) and Sunway Charters to provide bus transportation to and from Charlotte.

Goals - continued

- Maintain maximum safety for all aircraft operators, their passengers and the surrounding Airport neighbors.
- Improve overall airport operations by maximizing existing infrastructure, continue to partner with the FBO (Fixed Base Operator) for operations, and take full advantage of additional funding opportunities to improve appearance, safety and usability.
- Maintain Blue Seal of Excellence recognition through ASE, which identifies highly qualified repair facilities with large percentage of ASE-certified professionals and their commitment to excellence.
- Install bus ticket vending machine and employee break room at the Bradley Station to reduce congestion in the dispatch office as noted in the 2016 transit study.
- Continue to make improvements on Transit system-wide routes to improve safety and efficiencies. Update route/schedule brochures as needed to keep passengers informed.
- Upgrade fleet management software to a web based system to provide greater efficiencies for technicians and administrators.

Objectives

- Evaluate current and future growth within the city limits to plan for expansion of solid waste service to new locations.
- Continue to market and deploy yard waste carts to city residences to allow for expansion of automated services and to prohibit clear or compostable yard waste bags to increase efficiency.
- Explore the combination of Keep Gastonia Beautiful and Solid Waste Divisions to consolidate efforts in enhancing the solid waste operation as well as educating the citizenry.
- Continue to implement work rules and safety measures to properly protect our line worker personnel from arc flash exposure and electrical hazards.
- Promote increased customer service to build a stronger relationship with our customers through enhanced outage management system and mobile applications to provide timely system information.
- Evaluate and implement beneficial Electricities/Power Agency rate/rebate audit programs, industrial retention, emergency response programs and employee safety and training programs.
- Improve communications with Airport users and tenants to improve service while improving the City's relationship with the NC DOT Division of Aviation regarding aviation related issues.
- Utilize computerized scheduling, as well as, manual checks to insure vehicles meet or exceed the manufacturer's specifications.
- Continue use of Fleet Fuel cards to provide off-site fueling opportunities while maintaining driver, fueling and odometer data.
- Work with Gaston County Advocacy Council for People with Disabilities to adequately serve our disabled citizens.
- Maintain discussions with Gaston County to explore transit organizational options that provide improved service to the public and an on-going partnership for the County and the City.



Enterprise Services Electric Division

Service Area Objective

The division goal of the Electric Services Division is to maintain and operate a safe and reliable system in an economic and environmentally friendly manner for its customer owners, which includes residential, commercial and industrial customers.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# of service calls	Workload Measure	2,734	2,856	2,983
# of meters repaired	Workload Measure	515	430	400
Annual cost per service call	Efficiency Measure	\$396.96	\$378.26	\$360.44
# of service calls assigned per technician	Efficiency Measure	273	328	325
# of meters repaired by technician	Efficiency Measure	52	52	51
Annual average response time for service calls (emergencies only)	Effectiveness Measure	35.14 minutes	18.81 minutes	17.00 minutes

Enterprise Services Solid Waste Division

Service Area Objective

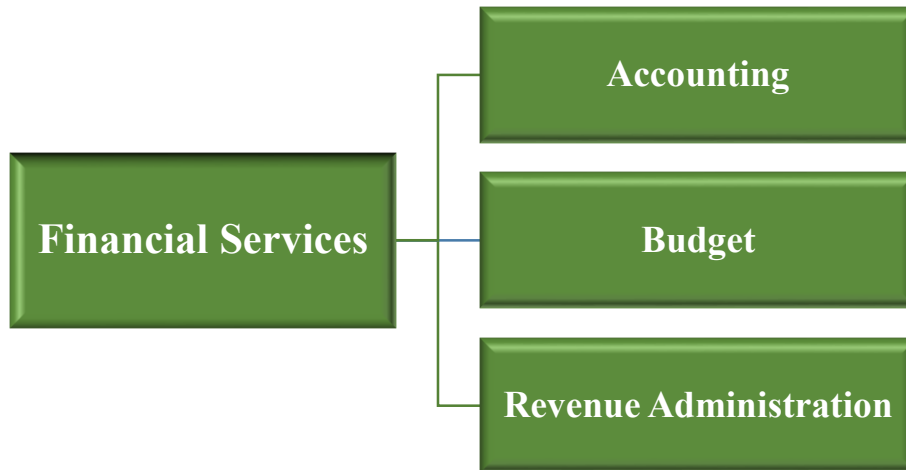
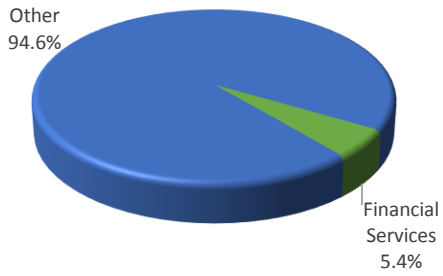
The division goal of the City of Gastonia Solid Waste Division is devoted to planning, developing and operating a sustainable system of solid waste disposal which reduces the impact on our natural resources and promotes an ongoing dedication to customer satisfaction.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
Total tons collected	Workload Measure	19,380	20,487	22,000
Tons per 1,000 collection points	Workload Measure	872	898	956
Cost per ton collected	Efficiency Measure	\$194.72	\$121.08	\$111.13
Annual cost per residential collection	Efficiency Measure	\$259.54	\$208.84	\$198.89
Monthly cost per residential collection	Efficiency Measure	\$21.63	\$17.40	\$16.57

Financial Services



**Human Resources
Allocation**





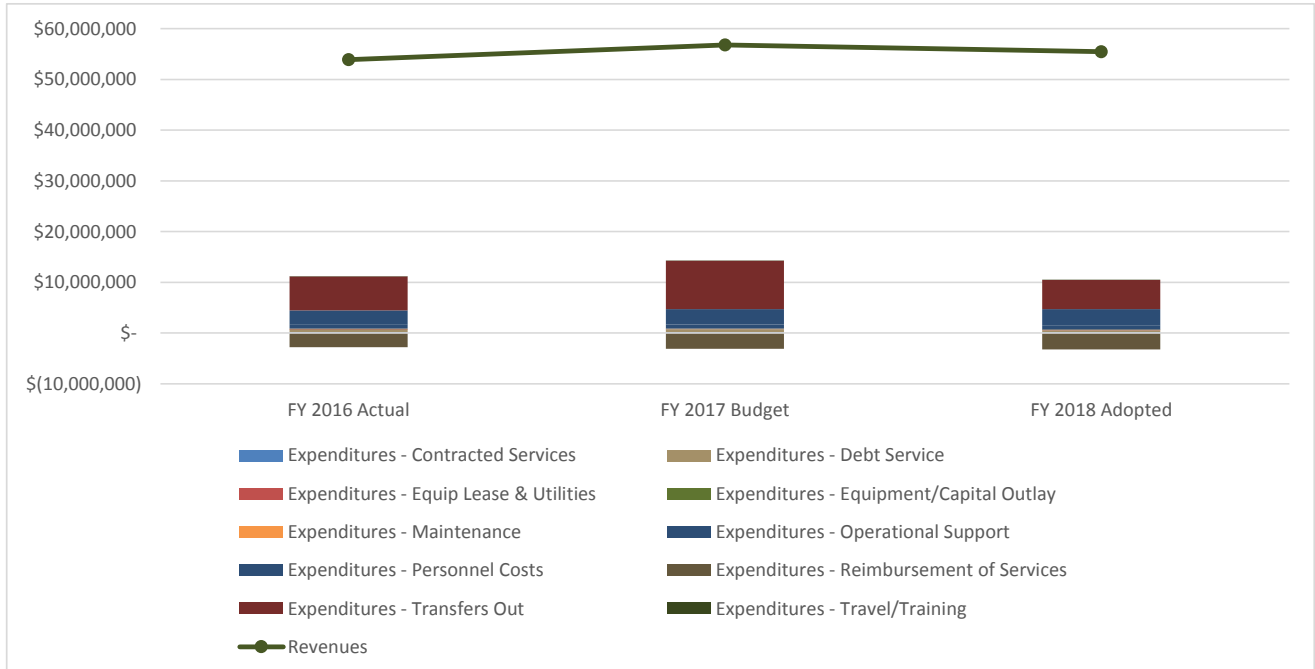
Financial Services

Vacant - Director of Financial Services

Department Mission

The mission of the City of Gastonia's Financial Services Department is to guide and support the City through financial accountability and provide exceptional customer service to all customers.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	189,552	186,650	191,308	4,658	2.50%
Debt Service	514,643	496,196	344,259	-151,937	-30.62%
Equip Lease & Utilities	84,988	88,046	86,125	-1,921	-2.18%
Equipment/Capital Outlay	42,459	24,775	2,000	-22,775	-91.93%
Maintenance	41,463	57,006	43,150	-13,856	-24.31%
Operational Support	732,362	823,299	805,735	-17,564	-2.13%
Personnel Costs	2,890,371	3,070,920	3,245,905	174,985	5.70%
Transfers Out	6,657,353	9,487,224	5,728,233	-3,758,991	-39.62%
Travel/Training	12,624	20,997	21,840	843	4.01%
Expenditures Total	11,165,814	14,255,113	10,468,555	-3,786,558	-26.56%
Reimbursement of Services	-2,757,716	-3,081,815	-3,242,897	-161,082	5.23%
Revenues	53,921,325	56,812,769	55,482,865	-1,329,904	-2.34%
Funding (+ or -)	-45,513,227	-45,639,471	-48,257,207	-2,617,736	5.74%





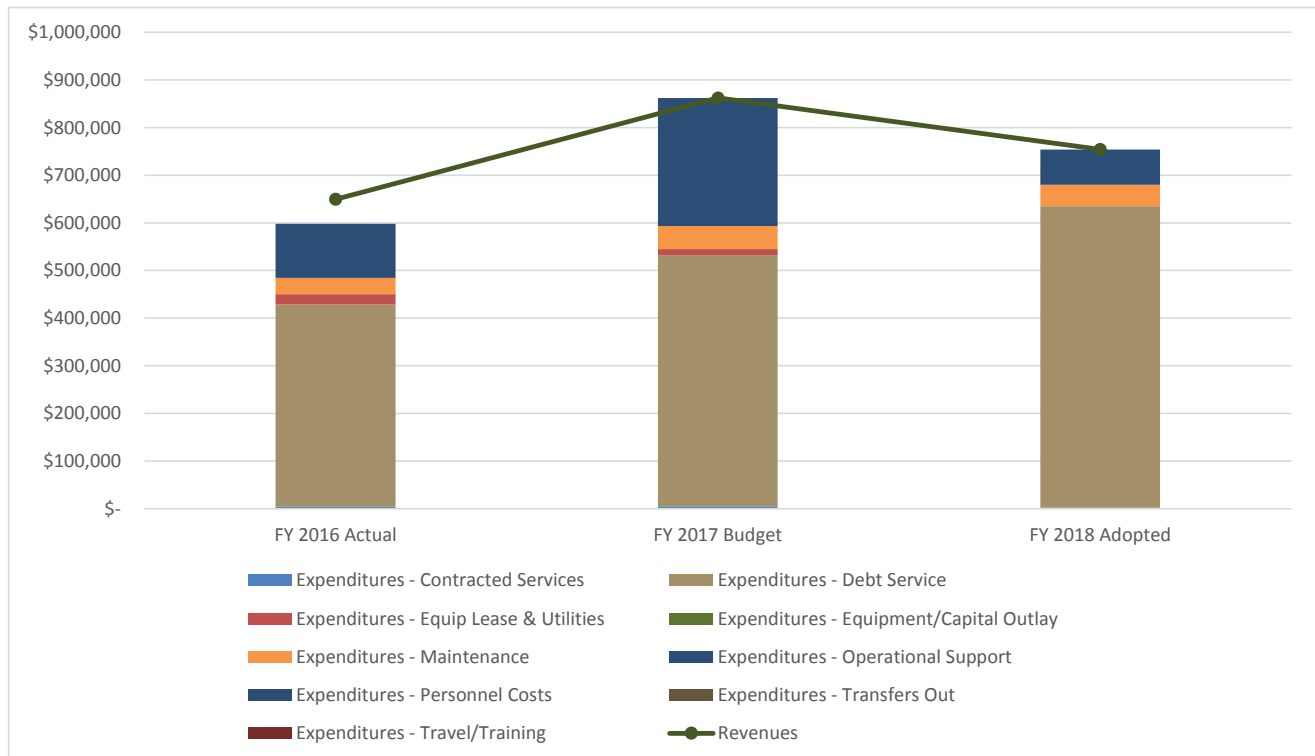
Gastonia Conference Center

Vacant - Director of Financial Services

Department Mission

The Gastonia Conference Center is a 30,000 square-foot technologically advanced and sustainably built conference center that is designed to generate business and support the local Gastonia community. The Conference Center accommodates over 450 meeting attendees and 300 for a seated banquet function and features ten separate purpose-built and distraction-free meeting rooms, event spaces and 5,100 square-foot ballroom. It has already gained recognition as the greater Charlotte region's foremost destination for events of all kinds.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	4,239	5,070	2,000	-3,070	-60.55%
Debt Service	424,499	527,292	632,771	105,479	20.00%
Equip Lease & Utilities	21,548	12,921	0	-12,921	-100.00%
Maintenance	34,115	48,319	45,000	-3,319	-6.87%
Operational Support	113,663	268,858	74,479	-194,379	-72.30%
Expenditures Total	598,065	862,460	754,250	-108,210	-12.55%
Revenues	649,784	862,460	754,250	-108,210	-12.55%
Funding (+ or -)	-51,720	0	0	0	0.00%





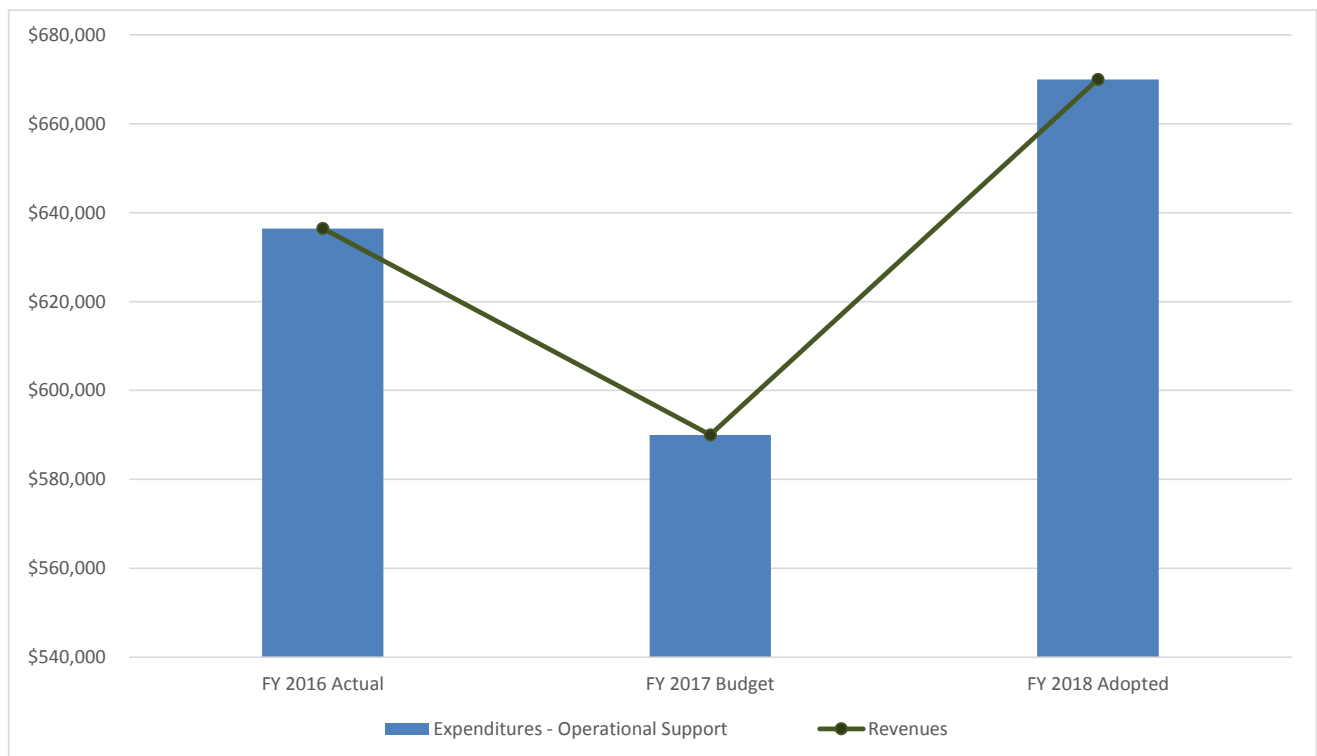
Occupancy Tax

Vacant - Director of Financial Services

Department Mission

An Occupancy Tax is imposed and levied on the gross receipts derived from the rental of an accommodation. An accommodation is defined as a hotel room, motel room, residence, cottage, or similar lodging facility for occupancy by an individual. The tax applies to accommodations rented to the same person for a period of less than 90 continuous days. Occupancy taxes received must be used to promote travel and tourism in the City or attract tourists or business travelers to the City.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Operational Support	636,438	590,000	670,000	80,000	13.56%
Expenditures Total	636,438	590,000	670,000	80,000	13.56%
Revenues	636,438	590,000	670,000	80,000	13.56%
Funding (+ or -)	0	0	0	0	0.00%



Department Summary

The primary role of the City of Gastonia's Financial Services Department is to guide and support the City through financial accountability and exceptional customer service to all customers. The Motto of our department is "Working Together, Finding Solutions, and Exceeding Expectations." We do this by partnering with all City Departments to understand their financial needs and then assist in the accurate accounting for all expenditures.

Budget Highlights

- Implement enhanced customer portal for electronic payment processing that includes scheduled and recurring payments and the ability to store bank or credit card information for future transactions.
- Explore other communication options for payment reminders and late/disconnect notices.
- Contract for the GASB required semi-annual actuarial valuation of the City's health care plan. This is due to the change in valuation date from December 31st to June 30th.
- Contract for the Internal Revenue Service required arbitrage rebate calculations for the City's tax exempt debt issues.

Goals

- Provide prompt, professional and accurate service to all customers, both internal and external.
- Continue to bill and collect revenues for utility services at an accuracy rate of 99% or above.
- Monitor cash balances and investments to maximize interest earnings on the investment of idle funds and minimize bank service charges.
- Maintain fiscal integrity and control over the City's financial record keeping and reporting responsibilities.
- Comply with all financial and payroll reporting regulatory requirements.
- Ensure goods and services are procured at the most cost effective price possible and that all qualified vendors have the opportunity to do business with the City.
- Provide the citizens of Gastonia with a budget document that is informative and transparent.

Objectives

- Continue to look for ways to make utility account information, programs and processes more easily accessible and automated for customers.
- Work with Technology Services to implement integration between Online Utility Exchange to simplify move-in functionality for new utility service.
- Continue to work with Electric Department and Public Works in identifying areas to further utilize AMR technology for monthly reading of water and electric meters.
- Timely completion and publication of the annual financial audit.

Objectives - continued

- Qualify for the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting Award and Distinguished Budget Preparation Award for each fiscal year.
- Ensure timely completion of annual required arbitrage rebate calculations.
- Comply with the City's and State's procurement policies.
- Maintain efficient levels of warehouse and parts room inventories.
- Continue work with Technology Services to reformat the current budget document.
- Work with the City's financial institution to implement an electronic payment process for vendor payments with a goal of reducing the number of checks processed and mailed.
- Evaluate and research potential implementation of additional security measures within the Warehouse for improved control and monitoring of high cost inventory located in the yard.
- Identify obsolete and slow moving inventory in the parts room and warehouse. Determine the best means of disposing of inventory deemed of no value to the City.



**Financial Services
Accounting Division**

Service Area Objective

The division goal of the City of Gastonia Finance Department Accounting Division is to maintain the fiscal integrity of the City's finances in accounting, purchasing, payroll, cash management, grant administration, asset management, and internal audit in accordance with Federal, State and City policies.

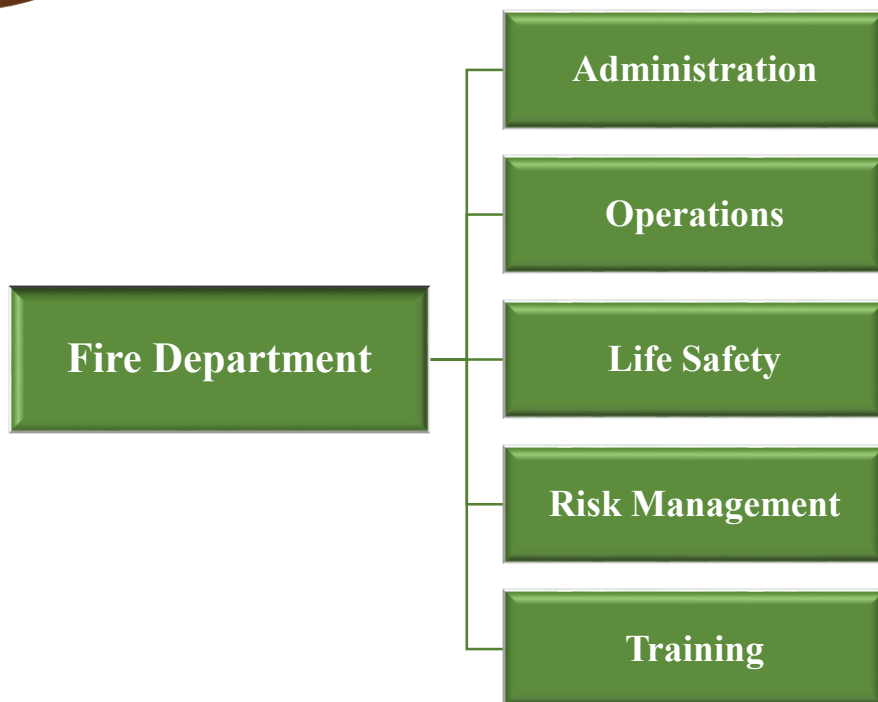
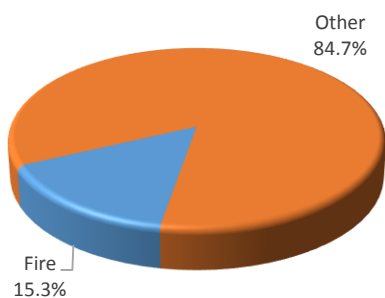
Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# of accounts payable transactions processed	Workload Measure	11,927	12,000	12,000
# of accounts payable checks written	Workload Measure	7,970	7,500	7,500
# of journal entries process	Workload Measure	38,710	37,550	3,800
# of direct deposits processed	Workload Measure	27,527	28,000	28,000
# of health, dental, life and supplemental insurance premiums reconciled to insurance invoices and paid	Workload Measure	46,231	46,600	46,600
# of capital asset additions and disposals	Workload Measure	170	210	200
# of construction in progress capital projects maintained/# of transactions	Workload Measure	163	160	160
Cost per accounts payable transaction processed	Efficiency Measure	\$13.73	\$14.15	\$14.50
Cost per payroll check/direct deposit processed	Efficiency Measure	\$3.12	\$3.21	\$3.30
% of invoices paid by due date	Efficiency Measure	80%	85%	90%



Fire



Human Resources Allocation





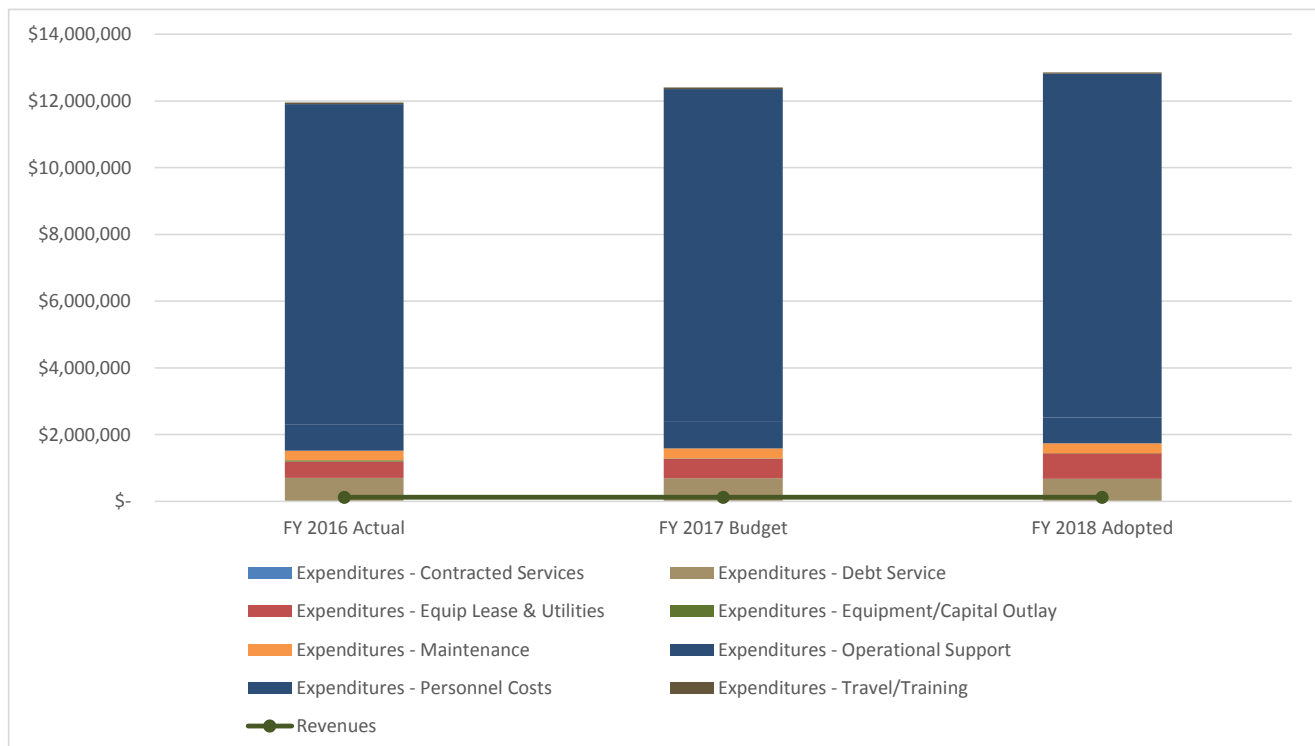
Fire

Phillip B Welch, Jr. - Fire Chief

Department Mission

The mission of the Gastonia Fire Department is to save lives and property and to proudly serve the citizens and visitors of the City of Gastonia.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	1,466	4,850	3,600	-1,250	-25.77%
Debt Service	701,707	687,115	672,262	-14,853	-2.16%
Equip Lease & Utilities	494,463	590,478	763,735	173,257	29.34%
Equipment/Capital Outlay	37,773	4,760	7,700	2,940	61.76%
Maintenance	282,983	295,400	289,900	-5,500	-1.86%
Operational Support	781,103	800,190	775,274	-24,916	-3.11%
Personnel Costs	9,610,136	9,973,645	10,303,295	329,650	3.31%
Travel/Training	43,348	48,010	43,500	-4,510	-9.39%
Expenditures Total	11,952,977	12,404,448	12,859,266	454,818	3.67%
Revenues	125,888	119,260	123,260	4,000	3.35%
Funding (+ or -)	11,827,089	12,285,188	12,736,006	450,818	3.67%



Department Summary

The primary mission of the City of Gastonia's Fire Department is to protect lives and property and proudly service the citizens and visitors to the City of Gastonia. This mission is accomplished through Fire Administration, Fire Operations, Life Safety/Public Fire Education, Fire Training, and Emergency Management. These divisions functioning together allow the city to accomplish one of the two keystones in the City of Gastonia's Core Service Mission, to protect lives and property.

Budget Highlights

- Placed in service a new 75ft Smeal Quint Fire Apparatus.
- Achieved Re-Accreditation through the Commission on Fire Accreditation International (CFAI).
- Members completed over 36,172 hours of Training.
- Completed our promotional process for Battalion Chief and Fire Captain Positions.

Goals

- To continue to provide the best possible services to the citizens and visitors to the City of Gastonia.
- To maintain adequate responses times for an effective firefighting force set by the National Fire Protection Association (NFPA) and The Commission on Fire Accreditation International (CFAI)
- To ensure that all business are inspected on schedule according to the North Carolina Fire Code.

Objectives

- To complete our annual compliance report for the Commission on Fire Accreditation International (CFAI).
- Improve ISO Public Protection Classification Rating from our current Class 3 rating. The inspection by North Carolina Department of Insurance scheduled for Fall of 2017.
- To complete the purchase of a second 75ft Smeal Quint Fire Apparatus to coincide with our Fire Apparatus Replacement Schedule.



Fire Department Life Safety Division

Service Area Objective

The division goal of the Gastonia Fire Department Life Safety Division is to maintain responsibility for fire inspection, plan review and fire cause determination through fire code enforcement and public education.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# of inspections	Workload Measure	5,087	6,222	7,240
# of violation notices issued	Workload Measure	7,037	4,230	5,345
# of education programs conducted	Workload Measure	448	502	600
Annual cost per inspection	Efficiency Measure	\$99.27	\$102.55	\$111.95
# of inspections per inspector	Efficiency Measure	1,271	1,200.0	1,300
# of complaints per inspector	Efficiency Measure	5	2	1.6
% of violations arising from an inspection	Effectiveness Measure	55%	60.0%	42.6%
% of re-inspections arising from an inspection	Effectiveness Measure	27%	20.61%	15.60%
Number of residents receiving public education & training	Effectiveness Measure	11,928	13,332	15,000
Public education program hours of training provided	Effectiveness Measure	445	552.0	622.5
Fire cause & origin investigations	Effectiveness Measure	303	359	400

Fire Department Training Division

Service Area Objective

The division goal of the Gastonia Fire Department Training Division is to provide training to 134 certified firefighters and 5 life safety inspectors. In addition, the Training Division maintains oversight for the required annual maintenance of SCBA's, pumps, ladder inspections and SCBA fit testing for all personnel.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# of training hours per firefighter	Workload Measure	288.37	300.00	325.00
Cost of training per firefighter	Efficiency Measure	\$238.27	\$309.35	\$323.74
Total number of required certifications held by firefighters	Efficiency Measure	563	563	540
Average budgeted cost per training per firefighter	Efficiency Measure	0.83	1.03	1.00
% of employees meeting NC mandate of 36 hours of training per firefighter to maintain eligibility for pension fund	Effectiveness Measure	97% of employees meeting mandate	99% of employees meeting mandate	100.0% expected to meet mandate
Total training hours logged per year	Effectiveness Measure	40,084.20	42,000.00	44,000.00
% of employees meeting ISO recommendation of 228 hours of training per employee	Effectiveness Measure	71% of employees meeting recommendation	85% of employees meeting recommendation	100.0% expected to meet recommendation



Fire Department Operations Division

Service Area Objective

The division goal of the Operations Division of the Gastonia Fire Department is to help safeguard the lives and property of the citizens of Gastonia from the adverse effects of fires, medical emergencies, chemical exposure emergencies or any other dangerous occurrences. In addition, the Operations Division performs considerable non-emergency duties including training, preplanning, hydrant inspections, public education, apparatus maintenance and station maintenance.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# of dispatched calls	Workload Measure	11,456	11,500	12,000
# of HazMat incidents	Workload Measure	120	125	125
Total property loss from fires	Efficiency Measure	\$1,551,587	\$1,500,000	N/A
Total dollar savings from fires	Efficiency Measure	\$56,474,164	\$65,000,000	N/A
Company turn-out time for emergencies	Effectiveness Measure	< 90-90.7% of the time	< 90-92% of the time	< 90-93% of the time
% of time 1st Company on scene in under 5 minutes on structure fires	Effectiveness Measure	93%	94.0%	95.0%
*Effective Response force time	Effectiveness Measure	< 10:20 91% of the time	< 10:20 94% of the time	<10:20 94% of the time

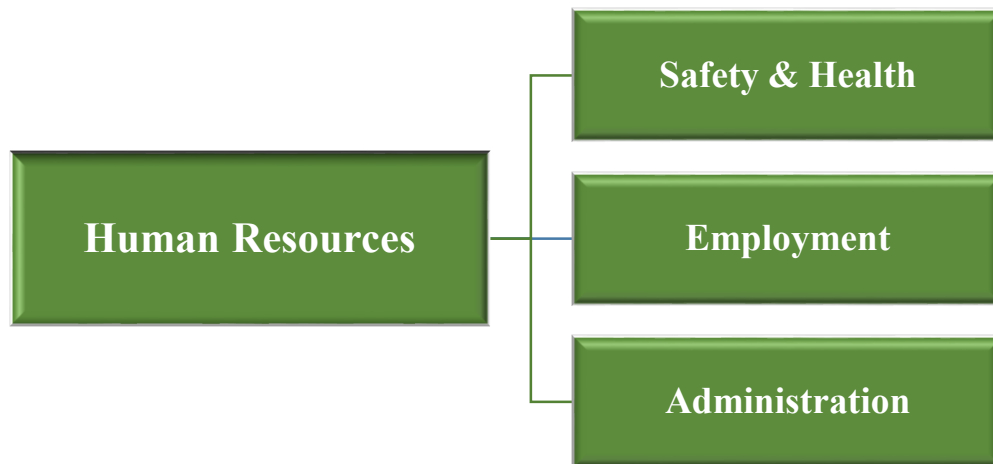
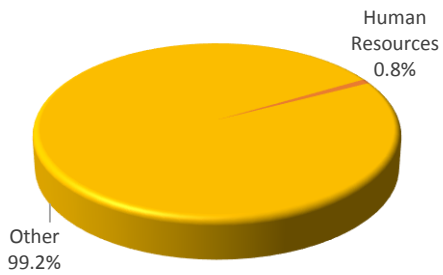
* *Effective Response force is the number of personnel (15 firefighters) needed on scene to effectively mitigate fire scenes. < 10:20, 90% of the time is our benchmark.*



Human Resources



Human Resources Allocation





Human Resources

Todd Carpenter - Deputy City Manager

Department Mission

The mission of the City of Gastonia's Human Resources Department is to maximize the potential of every single employee by promoting an atmosphere of teamwork and positive customer service.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	256,236	358,993	394,913	35,920	10.01%
Equip Lease & Utilities	7,694	8,893	9,390	497	5.59%
Maintenance	1,335	25,500	1,700	-23,800	-93.33%
Operational Support	10,594,098	10,152,378	10,647,208	494,830	4.87%
Personnel Costs	1,686,070	1,682,262	2,033,357	351,095	20.87%
Travel/Training	3,967	8,400	7,900	-500	-5.95%
Expenditures Total	12,549,400	12,236,426	13,094,468	858,042	7.01%
Reimbursement of Services	-645,245	-577,134	-583,898	-6,764	1.17%
Revenues	9,283,261	8,760,253	9,344,064	583,811	6.66%
Funding (+ or -)	2,620,894	2,899,039	3,166,506	267,467	9.23%



Department Summary

The primary role of the City of Gastonia's Human Resources Department is to maximize the potential of every single employee. We accomplish this by recruiting a diversified and qualified workforce, offering competitive compensation, outstanding benefits, and employee relations. This department ensures compliance in all employment and employee matters. Additionally we are responsible for the City's risk management, health and wellness, and safety programs. This is accomplished in an atmosphere of teamwork and positive customer service.

Budget Highlights

- Coordinate two assessment centers in the public safety area at a cost of \$18,000.
- Purchase property and liability coverages for all City properties at a cost of \$610,000. File all claims through the claims administrator at a cost of \$125,000 in the general fund.
- Purchase workers compensation coverage and process claims at a cost of \$600,000 in the general fund.

Goals

- Provide guidance to all departments on employee issues and personnel policies, ensuring compliance with all federal, state, and local regulations.
- Strive to improve customer service so as to improve recruitment, retention, wellness, employee relations, and employee safety.

Objectives

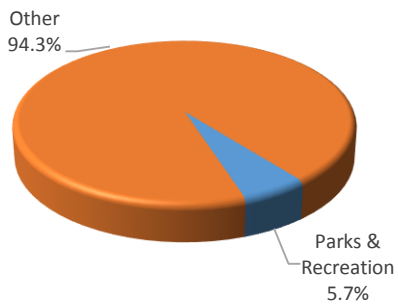
- Ensure competitive classification and compensation.
- Revise and refresh the City's onboarding program.
- Study clinic expansion and partnership opportunities.
- Review and update all career paths..
- Implement the City's wellness program, wellness committee, and overall culture of workplace wellness.
- Study and begin migration toward a merit based pay for performance system.
- Implement the employee recognition and awards program.



Parks & Recreation



Human Resources Allocation





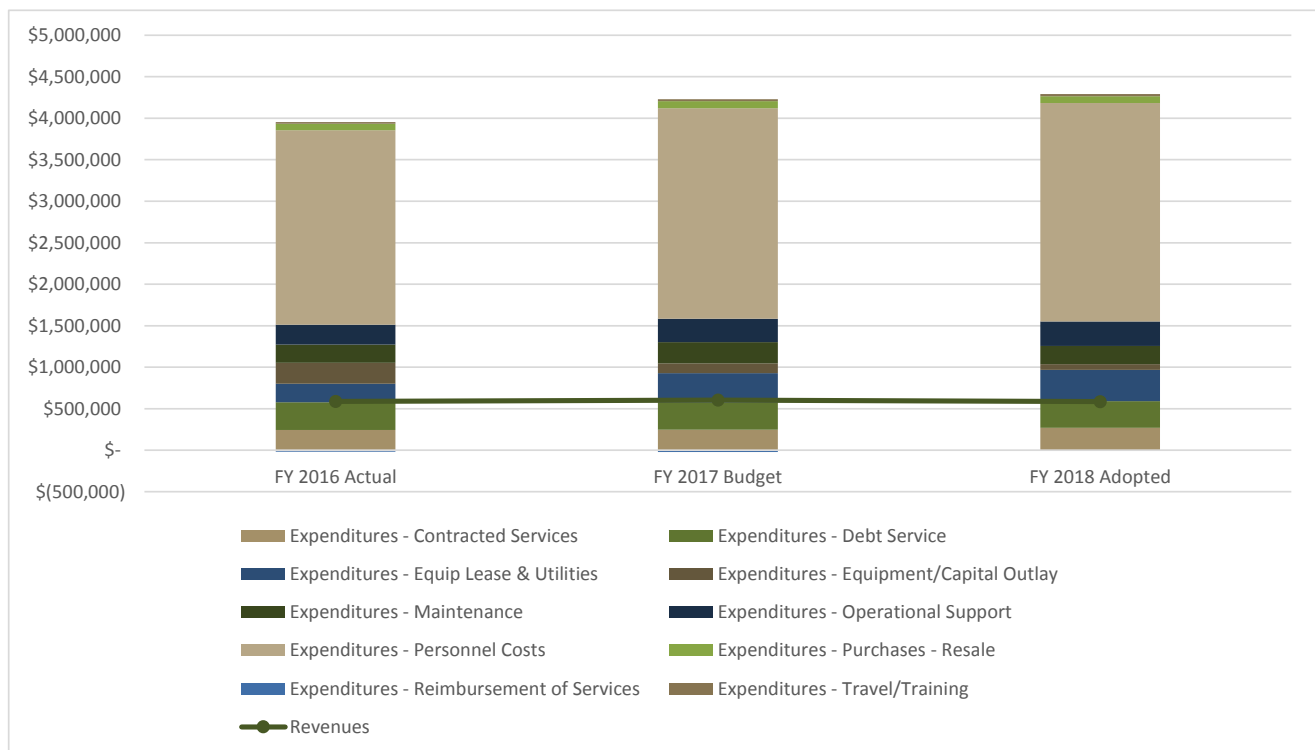
Parks & Recreation

Charles Dellinger, Jr. - Director of Parks & Recreation

Department Mission

The mission of the Gastonia Parks and Cultural Services Department is to foster a healthy community by providing a variety of quality facilities, parks and programs for leisure pursuits, and to preserve valuable open space.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	242,832	246,986	268,919	21,933	8.88%
Debt Service	335,428	327,480	320,631	-6,849	-2.09%
Equip Lease & Utilities	223,577	354,280	377,993	23,713	6.69%
Equipment/Capital Outlay	251,588	116,845	70,000	-46,845	-40.09%
Maintenance	219,953	256,680	219,750	-36,930	-14.39%
Operational Support	239,354	283,259	295,079	11,820	4.17%
Personnel Costs	2,344,143	2,534,215	2,629,448	95,233	3.76%
Purchases - Resale	76,503	84,875	82,000	-2,875	-3.39%
Travel/Training	21,836	25,353	26,545	1,192	4.70%
Expenditures Total	3,955,213	4,229,973	4,290,365	60,392	1.43%
Reimbursement of Services	-18,944	-21,876	-3,242	18,634	-85.18%
Revenues	586,087	603,550	585,700	-17,850	-2.96%
Funding (+ or -)	3,350,182	3,604,547	3,701,423	96,876	2.69%



Department Summary

The mission of the Gastonia Parks and Cultural Services Department is to foster a healthy community by providing a variety of quality facilities, parks and programs for leisure pursuits, and to preserve valuable open space.

Budget Highlights

- Completed County Township Grant funded projects at Erwin Center, IC Falls Park, and Smyre Park
- Replaced gym floor at Erwin Community Center
- Improvements to eight (8) tennis courts at Bradley Community Center
- Renovated restrooms at Phillips and Erwin Community Centers
- Constructed new Corn Hole area at Rankin Lake Park
- Transitioned corner of Marietta St. and Second Ave. into new Heritage Park

Goals

- Partner with Hassan Whiteside Foundation and complete Phillips Community Center renovations
- Complete sidewalk projects at Erwin, T Jeffers, and Bradley Community Centers
- Construct greenway addition from Ferguson Park to S. Marietta St
- Complete Greenway segment from Rankin Lake Park to Bulb Avenue

Objectives

- Expand community partnerships among private and civic organizations, schools, and local organizations
- Increase marketing, implementation of new programs, and increase participation in youth and adult activities
- Expand partnerships with Senior Games and Special Olympics of Gaston County
- Develop and implement best practices for maximizing facility utilization for weekend athletic tournaments which impact the community's travel and tourism
- Streamline Parks and Recreation operations to better utilize current resources and maximize revenue potential



Recreation Department Athletics Division

Service Area Objective

The division goal of the City of Gastonia Recreation Department Athletics Division is to provide programs for Gastonia residents and visitors in the form of leagues, tournaments, clinics and other special events which are designed to enhance the lives of our citizens by providing wholesome leisure time activities.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# of youth athletic teams	Workload Measure	225	212	224
# of adult athletic teams	Workload Measure	25	52	50
# of swimmers at City pool facilities	Workload Measure	24,845	31,000	31,500
Monthly cost per athletic team participant (youth)	Efficiency Measure	\$8.54	\$8.13	\$8.13
Monthly cost per athletic team participant (adult)	Efficiency Measure	\$16.42	\$7.02	\$7.02
Total cost for operation of City pool facilities (10 & 12 weeks)*	Efficiency Measure	\$83,871	\$9,200	\$92,000
% of cost of pool operation vs. revenues received	Effectiveness Measure	1.04%	0.93%	0.93%

Recreation Department Organized Programs Division

Service Area Objective

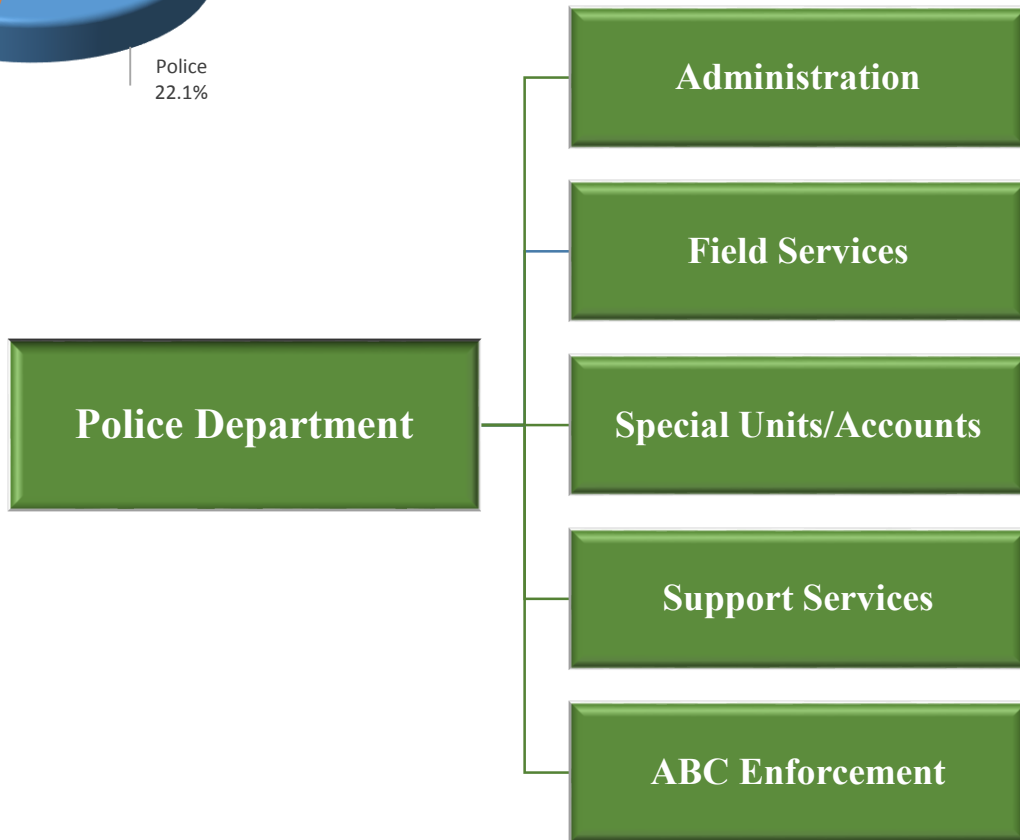
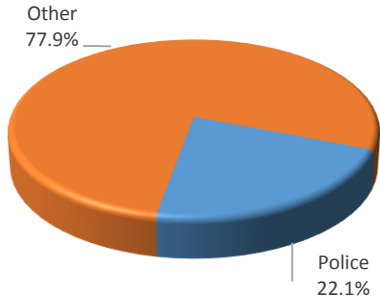
The division goal of the City of Gastonia Recreation Department Organized Programs Division is to provide for the day-to-day needs of the community by offering year round instructional classes for persons of all ages at a nominal fee.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# of participants in special population activities	Workload Measure	1,300	1,320	1,400
# of adults participating in programs	Workload Measure	24,700	25,000	25,000
# of children attending live theatrical performances	Workload Measure	2,000	2,050	2,100
Monthly cost per special population participant	Efficiency Measure	\$1.01	\$0.89	\$0.85
Monthly cost per adult program participant	Efficiency Measure	\$0.91	\$0.82	\$0.82
Monthly cost per theatrical performance attendee	Efficiency Measure	\$0.86	\$0.92	\$0.91
% of cost of program operation vs. revenue received	Effectiveness Measure	7.01%	5.70%	5.70%
% of cost of special population programs vs. revenue received	Effectiveness Measure	4.10%	4.29%	4.29%
% of cost of theatrical performances vs. revenue received	Effectiveness Measure	3.73%	3.69%	3.70%
% of cost of adult program vs. revenue received	Effectiveness Measure	4.42%	4.41%	4.41%

Police



Human Resources Allocation





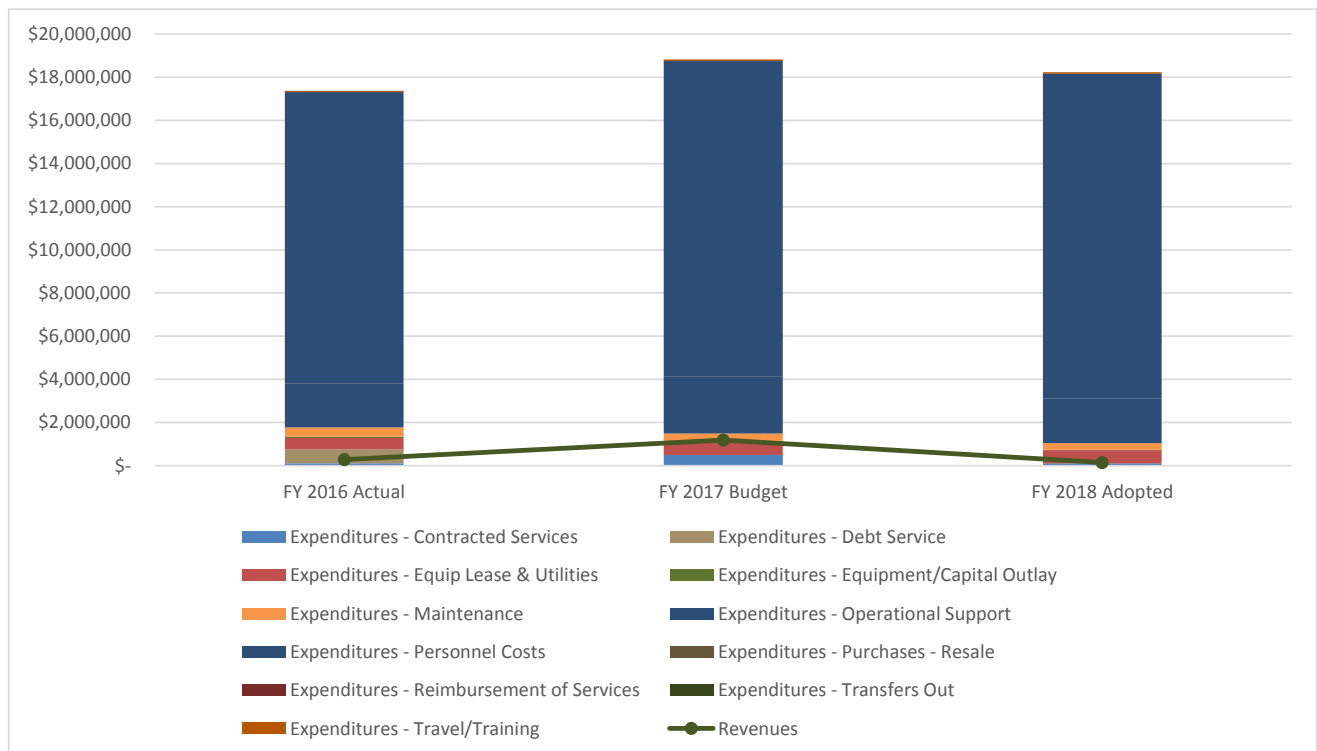
Police

Robert C. Helton, Jr - Police Chief

Department Mission

The City of Gastonia Police Department is dedicated to improving the quality of life by creating a safe environment in partnership with the people we serve. We act with integrity to reduce fear and crime while treating all with respect, compassion, and fairness.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	107,390	491,867	102,675	-389,192	-79.13%
Debt Service	653,356	3,000	3,000	0	0.00%
Equip Lease & Utilities	516,392	618,605	608,547	-10,058	-1.63%
Equipment/Capital Outlay	64,919	35,094	10,000	-25,094	-71.51%
Maintenance	432,501	331,853	319,500	-12,353	-3.72%
Operational Support	2,047,254	2,660,649	2,068,892	-591,757	-22.24%
Personnel Costs	13,491,113	14,607,457	15,048,365	440,908	3.02%
Purchases - Resale	2,453	2,500	2,500	0	0.00%
Travel/Training	58,124	82,533	67,300	-15,233	-18.46%
Expenditures Total	17,373,503	18,833,558	18,230,779	-602,779	-3.20%
Revenues	270,217	1,178,133	139,050	-1,039,083	-88.20%
Funding (+ or -)	17,103,285	17,655,425	18,091,729	436,304	2.47%



Department Summary

The Gastonia Police Department is a professional police services organization that is committed to enhancing the quality of life for all citizens by utilizing the philosophy of Intelligence-Led Problem Oriented Policing to prevent crime and reduce the fear of crime. We do this by partnering with our community to promote a responsible approach to quality of life issues. The Gastonia Police Department promotes effective coordination and cooperation with other city agencies and community organizations in order to prevent crime and solve neighborhood issues, allowing the City of Gastonia to be safe and inviting for all who live, work and recreate in our city.

Budget Highlights

- Explosive ordinance training for one officer \$6,500

Goals

- Utilize Intelligence-Led Problem Oriented Policing to identify and manage public safety issues.
- Improve the efficiency and effectiveness of our delivery of police services by adopting relevant available technological solutions.
- Expand our emphasis on recruitment, retention efforts and training in order to maintain full staffing levels, maximize officer safety and promote professional standards.
- Continue maintenance of the CALEA accreditation program and pursue re-accreditation in 2017.
- Develop and promote community partnerships.
- Communicate effectively throughout the organization with external partners.
- Advance a culture of wellness for all employees at the GPD.
- Provide employees with opportunities for meaningful work, challenging goals, and career development.
- Provide all GPD employees with de-escalation training.
- Continue involvement and support of the Drug Diversion and Treatment program.
- Maintain the beneficial and positive partnership with the Gaston Clergy and Citizens Coalition.

Objectives

- Evaluate advanced crime analysis software to all officers, in vehicles and on workstations, to enhance the support of ILPO policing.
- Create a Career Development Program within the department to help promote career path opportunities and to improve employee retention.
- Prepare for CALEA re-accreditation in spring 2017.
- Identify social diversion opportunities within the community and create an evidence-based program to address the issue.
- Develop and distribute mainstream GPD recruiting media to address current deficiencies in staffing.



Police Department Support Services Division

Service Area Objective

The division goal of the Support Services Division of the Gastonia Police Department is to provide investigation services consisting of the Criminal Investigations Bureau, the Juvenile Investigations Bureau and the Special Investigations Bureau.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# UCR Part I Crimes reported annually, specified by type of crime	Workload Measure	4,266	4,203	4,200
# of cases assigned annually	Workload Measure	1,803	1,714	1,750
Cost per case assigned annually	Efficiency Measure	\$1,743.29	\$1,947.07	\$1,885.71
# of cases assigned annually per investigative officer	Efficiency Measure	43.0	41.0	42.0
# UCR Part I crimes cleared in year as % of such crimes reported in year	Effectiveness Measure	46.7%	36.0%	38.1%
# of sustained complaints about investigative officers per 10,000 population (internal affairs)	Effectiveness Measure	0.40	0.13	0.13

Police Department Patrol Division

Service Area Objective

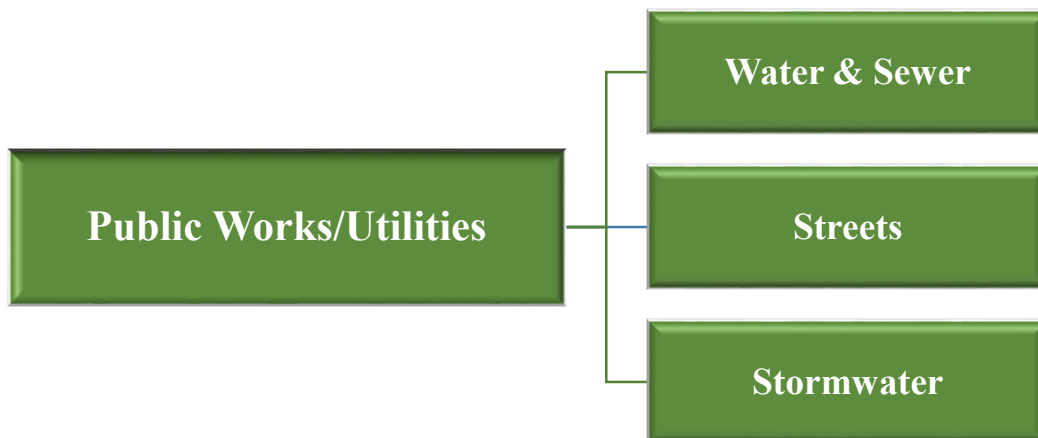
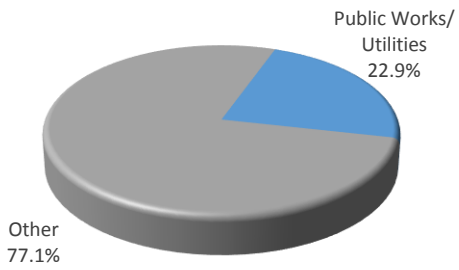
The division goal of the Patrol Division of the Gastonia Police Department is to address community problems and assure a safe community environment through directed and routine patrols and through community involvement and education. The division includes the Patrol Bureau, Community Services Bureau, the K-9 Unit, Property/Evidence, Planning/Training and the Police Pistol/Rifle Range.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# UCR Part I Crimes	Workload Measure	4,266	4,203	4,200
# of sworn patrol officers per 1,000 UCR Part I Crime	Workload Measure	29.77	30.22	30.24
Annual cost per dispatched call	Efficiency Measure	\$117.18	\$128.08	\$126.67
# dispatched calls per patrol officer	Efficiency Measure	639	576	591
Annual average response time to highest priority calls	Effectiveness Measure	0:05:18	0:05:16	0:05:00
Annual # of sustained complaints about patrol officers per 10,000 population	Effectiveness Measure	3.24	3.04	2.65

Public Works / Utilities



Human Resources Allocation





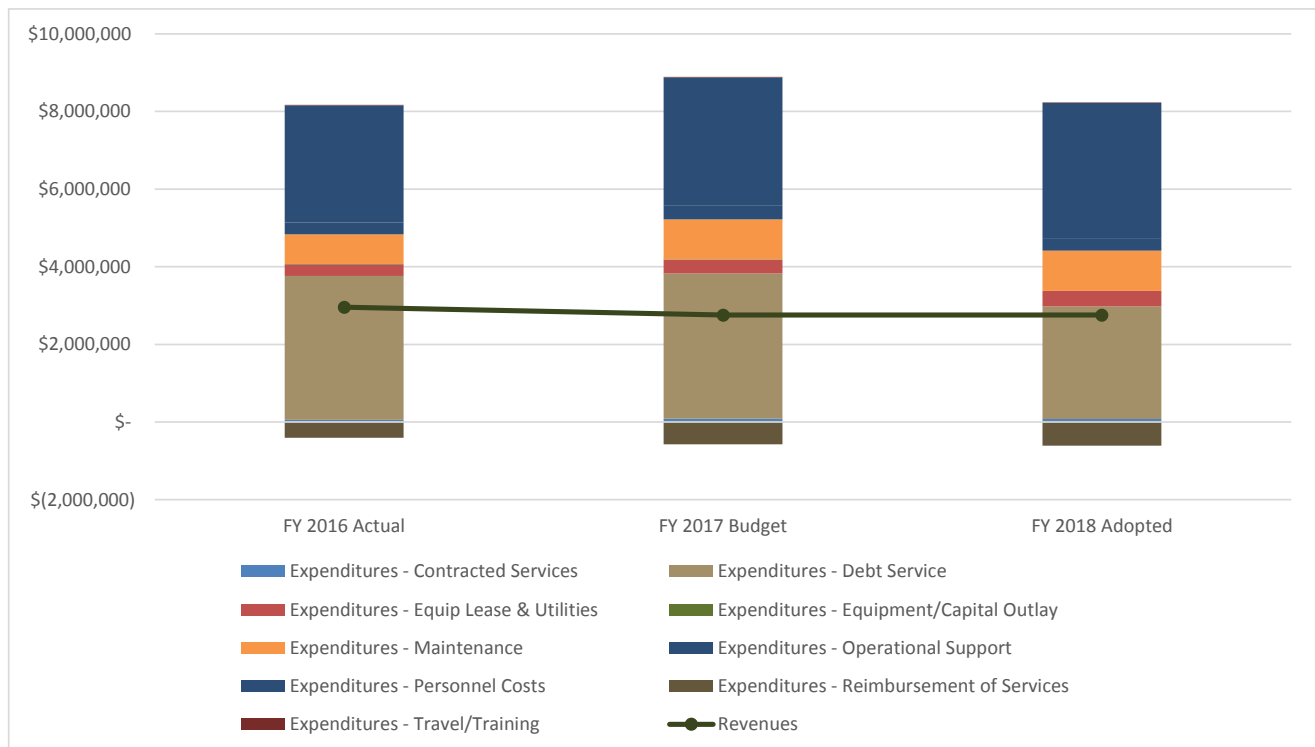
Public Works

Matt Bernhardt - Director of Public Works & Utilities

Department Mission

The mission of the City of Gastonia Public Works/Utilities Department is to provide essential services to the community in a prompt, courteous, safe, efficient, and cost-effective manner.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	52,451	80,985	79,412	-1,573	-1.94%
Debt Service	3,709,054	3,744,121	2,898,151	-845,970	-22.59%
Equip Lease & Utilities	296,024	356,615	399,840	43,225	12.12%
Equipment/Capital Outlay	13,600	7,631	0	-7,631	-100.00%
Maintenance	764,942	1,033,158	1,039,013	5,855	0.57%
Operational Support	305,954	349,844	324,312	-25,532	-7.30%
Personnel Costs	3,016,809	3,307,505	3,478,693	171,188	5.18%
Travel/Training	11,736	10,136	13,236	3,100	30.58%
Expenditures Total	8,170,571	8,889,995	8,232,657	-657,338	-7.39%
Reimbursement of Services	-403,339	-571,921	-608,513	-36,592	6.40%
Revenues	2,958,026	2,756,458	2,756,458	0	0.00%
Funding (+ or -)	4,809,205	5,561,616	4,867,686	-693,930	-12.48%





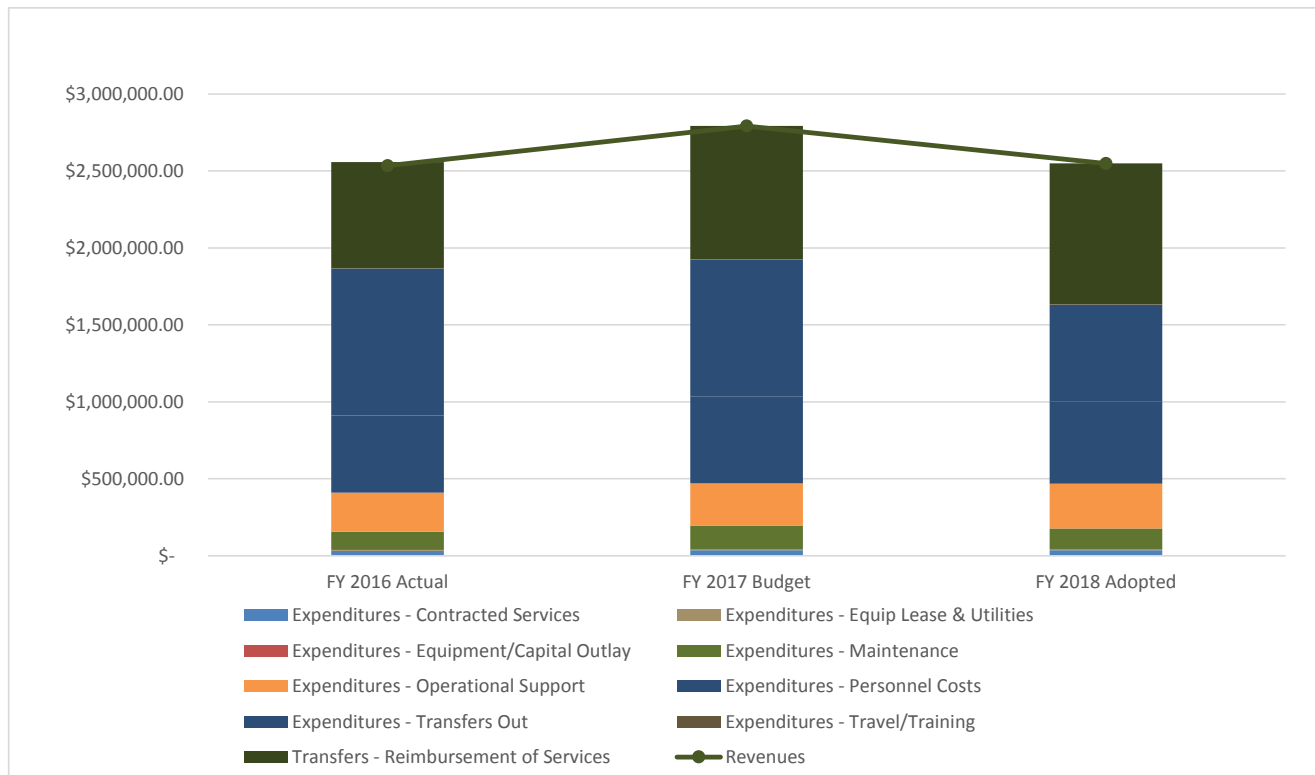
Stormwater Utilities

Matt Bernhardt - Director of Public Works & Utilities

Department Mission

The mission of the Stormwater Division is dedicated to the management, construction, maintenance, protection, control, regulation, use, and enhancement of stormwater systems and programs in the City of Gastonia in concert with other water resource management programs.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	31,728	35,946	35,440	-506	-1.41%
Equip Lease & Utilities	7,050	3,409	5,617	2,208	64.77%
Maintenance	117,429	157,712	136,811	-20,901	-13.25%
Operational Support	253,223	274,274	290,363	16,089	5.87%
Personnel Costs	501,644	565,511	531,680	-33,831	-5.98%
Transfers Out	953,880	886,966	630,788	-256,178	-28.88%
Travel/Training	3,295	2,022	3,225	1,203	59.50%
Reimbursement of Services	690,027	865,610	914,264	48,654	5.62%
Expenditures Total	2,558,275	2,791,450	2,548,188	-243,262	-8.71%
Revenues	2,533,505	2,791,450	2,548,188	-243,262	-8.71%
Funding (+ or -)	24,769	0	0	0	0.00%





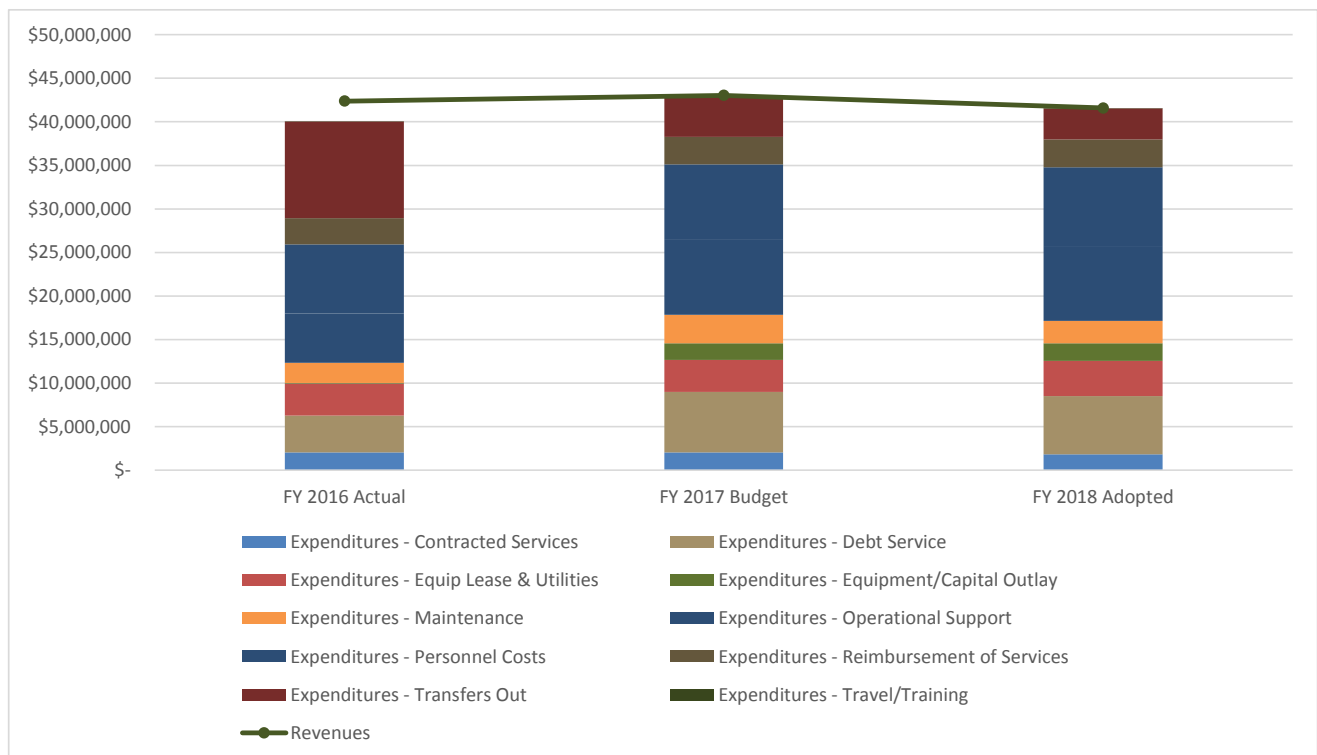
Water/Sewer

Matt Bernhardt - Director of Public Works & Utilities

Department Mission

The City of Gastonia Water/Sewer division is committed to serving the needs of Gastonia residents, businesses, and visitors by providing high-quality drinking water and wastewater disposal services while providing for future economic growth via progressive planning; implementing water conservation measures; safeguarding public health and the environment; and providing for continuous process improvements and cost efficiencies.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	2,030,593	2,027,685	1,816,442	-211,243	-10.42%
Debt Service	4,242,410	6,948,439	6,671,939	-276,500	-3.98%
Equip Lease & Utilities	3,642,300	3,677,842	4,046,265	368,423	10.02%
Equipment/Capital Outlay	89,164	1,892,878	2,044,790	151,912	8.03%
Maintenance	2,305,799	3,288,246	2,574,648	-713,598	-21.70%
Operational Support	5,665,968	8,584,187	8,490,716	-93,471	-1.09%
Personnel Costs	7,964,078	8,674,118	9,125,401	451,283	5.20%
Transfers Out	11,089,887	4,703,958	3,540,877	(1,163,081)	-24.73%
Travel/Training	48,117	61,150	63,750	2,600	4.25%
Reimbursement of Services	3,009,210	3,190,221	3,222,347	32,126	1.01%
Expenditures Total	40,087,528	43,048,724	41,597,175	-1,451,549	-3.37%
Revenues	42,387,849	43,048,724	41,597,175	-1,451,549	-3.37%
Funding (+ or -)	-2,300,322	0	0	0	0.00%



Department Summary

We continually strive toward excellence in delivery of municipal services to our citizens. We want to be a recognized and valued leader in the delivery of Public Works and Water/Sewer services; to provide effective leadership and management that enables the Department to operate in an efficient and cost-effective manner; to be the preferred provider of water and wastewater services in our region; and to create a work environment that attracts and retains highly competent, dedicated, and productive employees.

Budget Highlights

- Utilization of new Salt Brine Production Unit to allow for the unrestricted use of salt brine on all City streets.
- Completion of projects on the Stormwater Utility's Off-R/W Project List (11 Off-R/W projects were completed in FY15-16).
- Delivery of safe drinking water throughout ongoing Water Treatment Plant Renovation Project.
- Completion of WTP Renovation Project and initiation of new membrane filtration and other new technologies and processes.
- Completion and implementation of first phase of TRU SCADA Master Plan.
- Implement Valve Inspection Program through purchase of trailer-mounted valve exercise and testing unit.

Goals

- Improve City's winter weather event response capabilities.
- Complete outstanding stormwater Off-R/W Projects.
- Completion of WTP Renovation Project and initiation of new membrane filtration and other new technologies and processes.
- Continue to provide safe drinking water throughout remainder of WTP Renovation Project.
- Undertake and complete full relocation of the Utilities Maintenance Division to the Catawba PS Facility.
- Improve accuracy of TRU's Water System GIS Data, valve condition knowledge, and control of TRU water system.

Objectives

- Utilize new salt brine production unit and additional truck-mounted tanks to allow for unrestricted use of salt brine on all City streets.
- Complete additional Off-R/W projects and eliminate all backlog of projects.
- Train Water Treatment personnel to operate under varying conditions and new technologies as a result of the ongoing WTP Renovation Project. Provide and maintain safe and high-quality drinking water throughout the remainder of Project.
- Complete WTP Renovation Project and initiate use of new membrane filtration and other new technologies and processes.

Objectives - continued

- Implement first phase improvements outlined in SCADA Master Plan involving the replacement of obsolete items.
- Centralize Utilities Maintenance Division at the Catawba PS Facility to improve overall communication and accountability.
- Utilize new equipment and staffing to initiate Valve Inspection and Water System Data Verification Programs to improve accuracy of TRU's Water System GIS Data, valve condition, and control of water system.
- Secure final funding, award construction contract, and begin construction of Phase II of the South Fork Sewer Project.



**Public Works Department
Water Treatment Division**

Service Area Objective

The division goal of the City of Gastonia Water Treatment Division is to provide water to all household, municipal, commercial and industrial customers and to guarantee prompt courteous and reliable service. The Division is also responsible for ensuring customers receive water that is free of health hazards and meets all applicable federal and state standards.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
Aveg daily treatment per each water customer (gallons)	Workload Measure	473.055	482.157	463.791
Average annual operating cost per thousand gallon of water treated	Efficiency Measure	\$0.7487	\$0.8035	\$0.7882
Annual operating costs per water customer	Efficiency Measure	\$129.27	\$141.41	\$133.44
Annual operating cost per customer by population served	Efficiency Measure	\$45.98	\$50.59	\$48.00
Number of validated complaints per customers regarding drinking water appearance, taste or odor	Effectiveness Measure	22	27	N/A
Water complaints responded to within 24 hours	Effectiveness Measure	12	24	N/A

**Public Works Department
Wastewater Treatment Division**

Service Area Objective

The division goal of the City of Gastonia Wastewater Treatment Division as part of Two Rivers Utilities is to provide wastewater treatment services to individual consumers, as well as industrial and commercial customers of the greater Gastonia area in a prompt, courteous and reliable manner.

Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
Aveg daily treatment per each sewer customer (gallons)	Workload Measure	349	382	379
Average annual operating cost per thousand gallon of sewer treated	Efficiency Measure	2.22	2.06	2.05
Annual operating costs per sewer customer	Efficiency Measure	\$282.37	\$287.64	\$283.36
Annual operating cost per customer by population served	Efficiency Measure	\$95.24	\$98.04	\$97.04
Number of validated complaints per customers regarding odors	Effectiveness Measure	0.08	0.12	0.18
# of sewer overflows	Effectiveness Measure	10	17	18



**Public Works Department
Street Maintenance Division**

Service Area Objective

The division goal of the City of Gastonia Street Maintenance Division is to perform routine street maintenance activities including patching and street paving, as well as being responsible for right-of-way mowing and maintenance, storm drain and culvert maintenance, landscaping of planted areas and grounds maintenance of City-owned facilities along with I-85 interchange landscaping and maintenance.

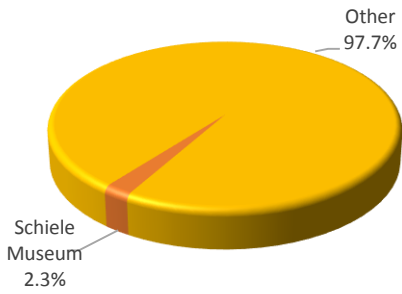
Performance Indicator	Measure Type	2015/2016 Actual	2016/2017 Estimate	2017/2018 Goal
# miles of streets City is responsible for maintaining	Workload Measure	*442.95	*442.95	*444.
Annual # tons of material put into place per mile maintained	Workload Measure	12.23	10.80	11.25
Avg. annual cost per ton put into place by contractors for repaving	Efficiency Measure	\$152.40	\$152.40	\$160.00
Avg. annual cost per mile repaved during the year for repaving	Efficiency Measure	\$206,434	\$206,500	\$207,000
Rating on most recent pavement condition assessment, e.g. ITRE	Effectiveness Measure	68.3	68.3	68.3
% of asphalt failures presenting road hazards that are abated within 24 hours of being identified	Effectiveness Measure	100%	100%	100%
Average length of time taken to repair routine pavement failures, such as potholes, etc	Effectiveness Measure	1.3 days	1.2 days	1.2 days

**Includes 100 miles of State roads*

Schiele Museum



Human Resources Allocation





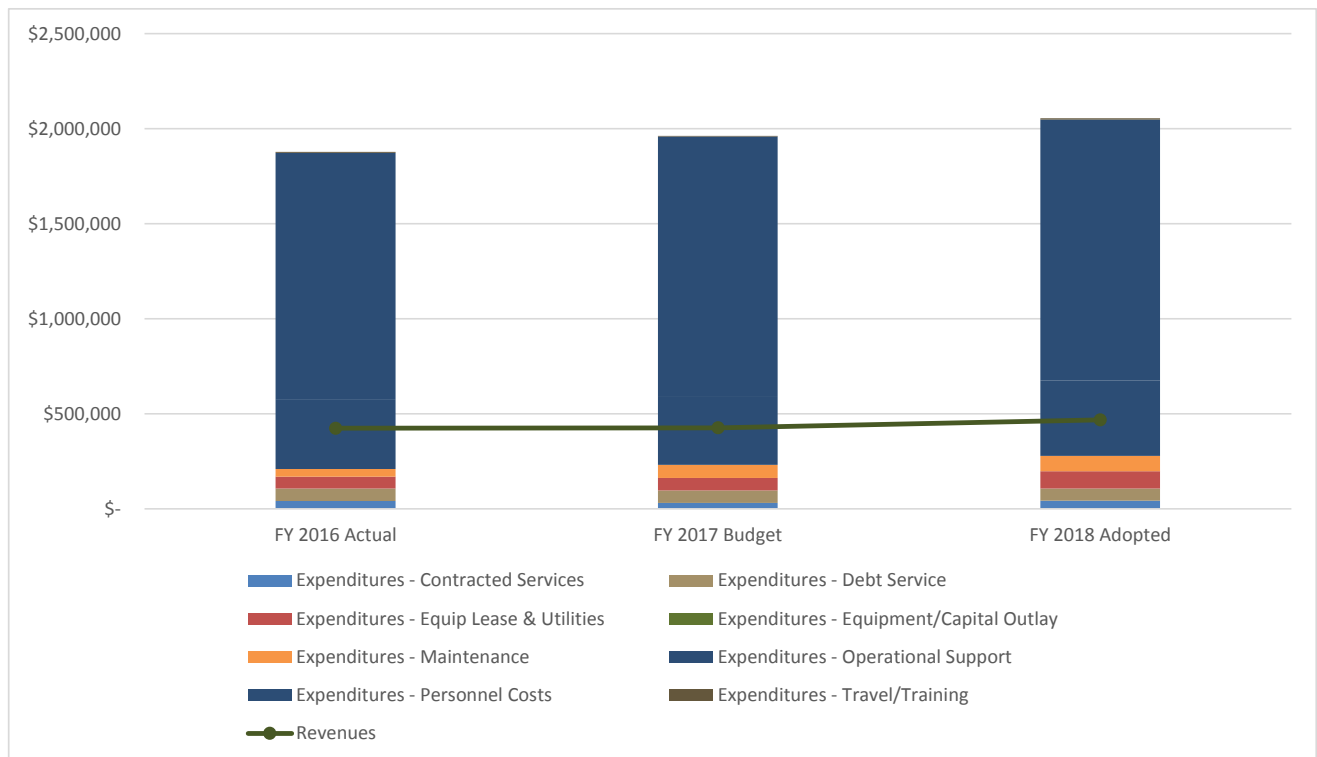
Museum

Dr. Ann Tippitt - President Schiele Museum

Department Mission

The mission of the Schiele Museum of Natural History is to inspire wonder and appreciation for science and the natural world through programs, exhibits, and research.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	41,180	30,755	42,400	11,645	37.86%
Debt Service	65,493	64,633	63,812	-821	-1.27%
Equip Lease & Utilities	61,976	66,543	90,500	23,957	36.00%
Maintenance	39,602	69,481	80,790	11,309	16.28%
Operational Support	365,297	361,072	396,841	35,769	9.91%
Personnel Costs	1,299,197	1,366,437	1,374,701	8,264	0.60%
Travel/Training	4,853	3,501	5,750	2,249	64.24%
Expenditures Total	1,877,599	1,962,422	2,054,794	92,372	4.71%
Revenues	423,457	425,933	467,458	41,525	9.75%
Funding (+ or -)	1,454,142	1,536,489	1,587,336	50,847	3.31%



Department Summary

The mission of the Schiele Museum of Natural History is to inspire wonder and appreciation for science and the natural world through programs, exhibits, and research. The Schiele Museum accomplishes this mission by collecting, studying and preserving natural specimens and cultural artifacts. This research forms the basis for the education programs and exhibits prepared for students, educators, and families.

Budget Highlights

- Develop a new featured exhibit for 2018.
- Complete research and design of a permanent exhibit hall design on paleontology, earth science, and geology.
- Open three temporary exhibits: *Creepy Crawly Bugs*, *Thuringian Forest: Go to Germany*, and *National Geographic; Lion, Tigers, and Bears*.
- Host four major public events designed to reach larger audiences.

Goals

- Provide exciting educational experiences for a diverse audience of students and families.
- Develop new exhibits and programs to increase attendance and bring more visitors to Gastonia.
- Expand the effective use of technology to enhance the visitor experience.
- Expand marketing efforts to reach new and diverse audience segments.

Objectives

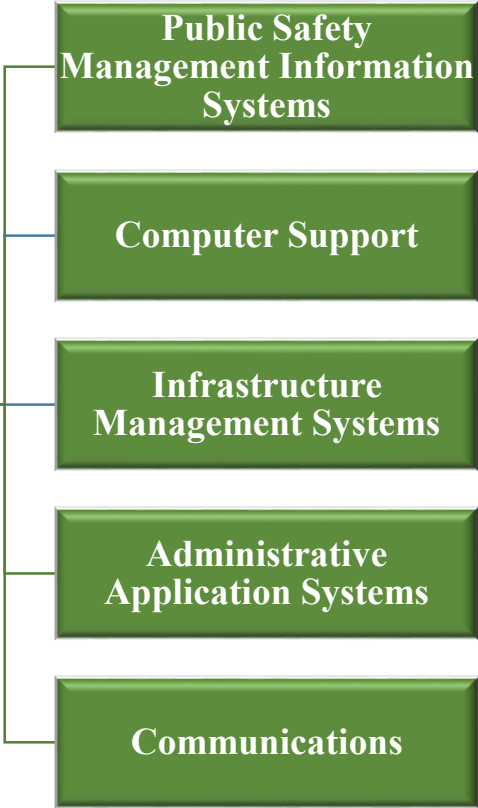
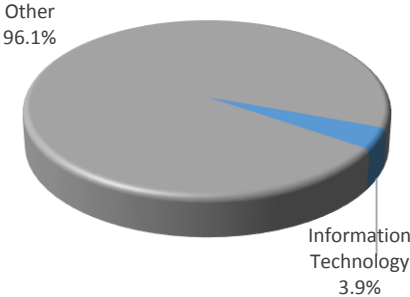
- Open *Dinosafari* as a featured exhibit.
- Complete HEM foundation and structural repairs.
- Concept development, design and installation of a permanent exhibit gallery on paleontology, earth science, and geology.
- Design, fabrication, and installation of a new featured exhibit for 2018.
- Expand program schedule and use of the new Lynn Planetarium and Science Theater to include live and original programs.
- Develop new community and regional partnerships, sponsorships, and grant opportunities.
- Expand marketing and promotion of the museum in the southeast region.
- Install *Creepy Nature* as a featured exhibit.



Technology Services



Human Resources Allocation





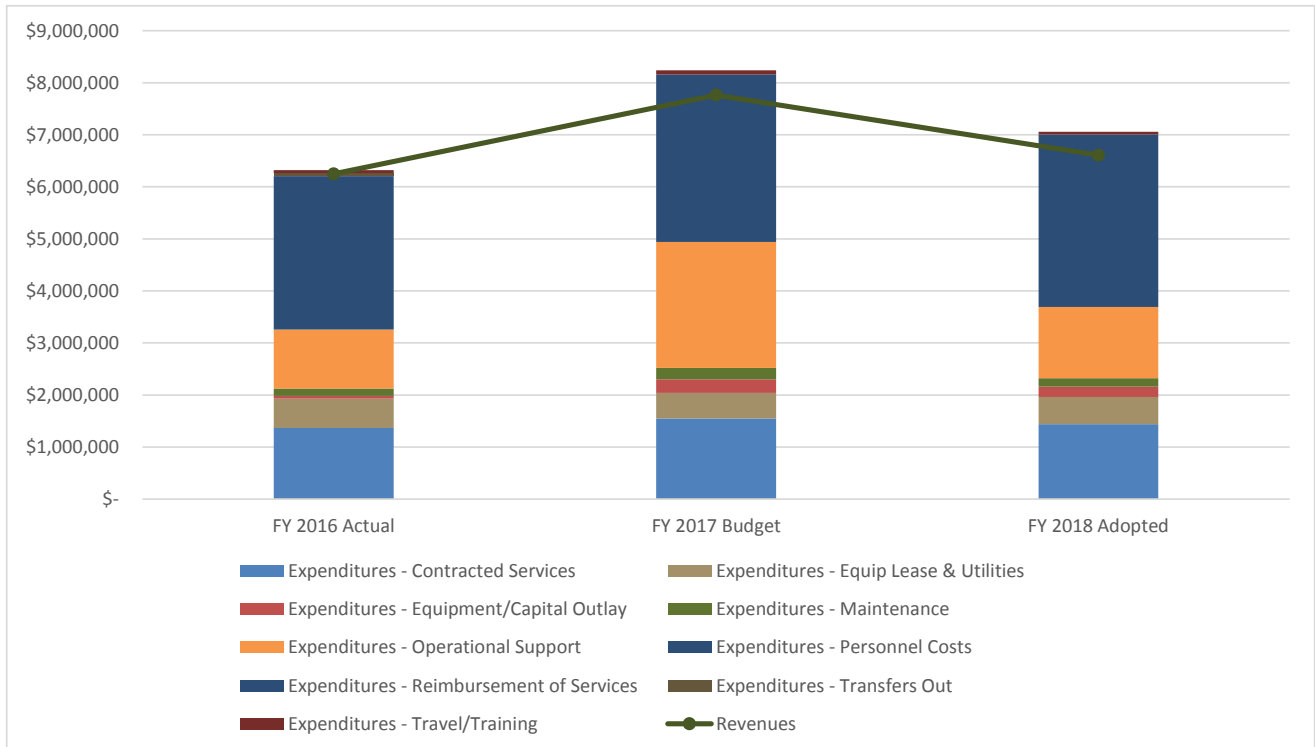
Technology Services

Beverly Bieker - Chief Information Officer

Department Mission

The mission of the Technology Services Department is to guide and manage the use of existing and emerging communication systems and technology throughout the City so as to serve the citizens of Gastonia in a more efficient, cost effective, and transparent manner.

	FY 2016 Actual	FY 2017 Budget	FY 2018 Adopted	Amount Change	% Change
Expenditures					
Contracted Services	1,367,005	1,550,716	1,440,983	-109,733	-7.08%
Equip Lease & Utilities	563,460	491,380	523,262	31,882	6.49%
Equipment/Capital Outlay	53,118	259,905	196,100	-63,805	-24.55%
Maintenance	139,824	220,933	162,326	-58,607	-26.53%
Operational Support	1,131,880	2,418,275	1,369,365	-1,048,910	-43.37%
Personnel Costs	2,952,777	3,220,263	3,310,655	90,392	2.81%
Transfers Out	54,097	0	0	0	0.00%
Travel/Training	56,475	78,650	54,950	-23,700	-30.13%
Expenditures Total	6,318,636	8,240,122	7,057,641	-1,182,481	-14.35%
Revenues	6,248,757	7,761,954	6,608,768	-1,153,186	-14.86%
Funding (+ or -)	69,879	478,168	448,873	-29,295	-6.13%



Department Summary

The primary role of the City of Gastonia's Information Technology Department is to guide and manage the use of existing and emerging technology throughout the City so as to service the citizens of Gastonia in a more efficient and cost effective manner. We do this by partnering with all City Departments to understand their business requirements and then act as technology consultants, project managers, systems implementers, developers, change managers, and technical support to ensure the delivery of technology solutions that provide value through automation.

Budget Highlights

- Begin the equipment refresh for the Police and Fire radios that will reach end of support by Dec 2019.
- Install a new backup solution for the City Admin and Public Safety systems.
- Continue to replace aging networking infrastructure components, as well as other computer equipment that is at end of life.

Goals

- Strive to provide more citizen/customer web applications that enhance the City's business practices.
- Work with City departments to enhance the applications that serve their business units.
- Enhance and harden the infrastructure components.
- Provide an environment that ensures business continuity.

Objectives

- Update the City website forms, such that the citizen/customer receives notifications as forms are approved and processed.
- Research viable software applications to replace aging software systems and begin the implementation/migration process.
- Develop best practices for business continuity and disaster recovery; as well as review and enhance the network security.

Capital Improvements

CELEBRATING



GASTONIA
NORTH CAROLINA

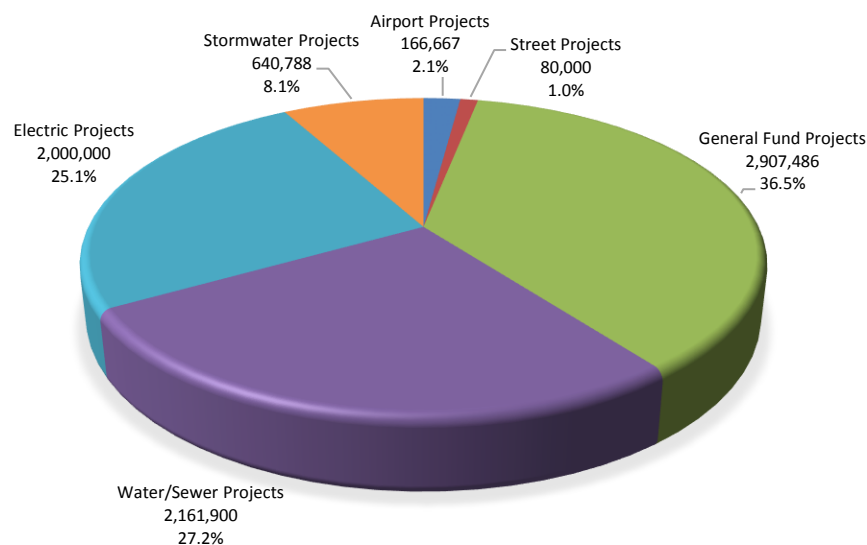
Great Place • Great People • Great Promise

Capital Projects

When developing a capital improvement plan an important criterion is to consider the operating impact that a completed capital project will have on the annual operating budget. Operating impacts are defined as any staffing, operating or maintenance needs associated with a completed capital project that must be met on an annual basis in order to run or maintain the item, facility or asset. While some completed projects may have little to no staffing or operating/maintenance costs associated with them (i.e. the replacement of a water/sewer line), others may have considerable annual costs (i.e. the opening of a newly constructed fire station) that will have to be funded by the City's operating budget in future years. Some projects may impact the operating budget by generating additional revenue as well as additional costs. Other projects may create cost savings by reducing annual operating expenses. Advance knowledge of these costs and/or additional funding sources will aid in the budgeting process.

Each year as part of the budget preparation process, the City Manager's office, along with the Budget Office and affected departments, propose a capital improvement plan for each major capital fund. The plan is basically a planning tool for management and the City Council. The first year of the plan is the only year considered for budget adoption purposes since needs and priorities change from year to year and is adopted in the form of a Capital Projects Ordinance. The projects listed in following years give an idea of future needs and to help facilitate future budget planning. By planning ahead, the funding for staffing needs and other day-to-day operating costs can be projected in subsequent operating budgets to begin addressing potential long-term operating expenses.

The Total Fiscal Year 2018 budget for the City of Gastonia is \$232,234,272. This incorporates both operating costs as well as funding for capital needs. The operating budget is \$224,277,431 which cover departmental operating expenses and human resources costs throughout the City. The Capital budget amounts to \$7,956,841 for FY 2018 new funding.





Capital Projects Summary

For the upcoming year, the City of Gastonia will mainly focus on continuing and/or completing those projects previously funded (and currently underway), as well as, propose the planning and begin the process of implementing those additional ones shown herein.

Gastonia Municipal Airport / 244-501

Description: This project consists of rehabilitation of existing fuel farm loading/off-loading pad and drive, as well as, taxi-lane.

Location: Gastonia Municipal Airport

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$364,900 (Fiscal Year 2017/18 \$166,667)

Estimated (Cost)/Savings: \$0



City of Gastonia
Street Improvement Capital Projects
Fund 263

	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16
<u>Revenues</u>						
Beginning Balance	\$ 695,223	\$ 26,373,453	\$ 25,788,021	\$ 24,607,939	\$ 22,933,916	\$ 20,300,720
Bond Proceeds	28,315,130	-	-	-	-	-
Interest Income	28,938	38,904	21,850	20,444	19,363	13,621
Transfer from Fund 283	-	-	-	-	-	-
Transfer from Fund 110	-	-	-	-	30,000	20,000
Transfer from Fund 462	-	-	-	-	-	59,155
Transfer from Fund 264	-	-	-	-	-	-
Transfer from Developer Sidewalk	-	-	-	-	-	-
Federal Grant - FTA Capital	-	-	-	-	-	-
State Reimbursements	-	-	-	-	-	-
NCDOT	597,953	85,488	31,452	259,020	361,224	779,324
Reimbursement	4,924	-	-	23,630	61,370	-
Miscellaneous	35,198	27,535	4,000	6	205	196
Total Revenues	29,677,367	26,525,380	25,845,323	24,911,039	23,406,078	21,173,016
<u>Expenditures</u>						
263-619 Joint Venture-Streets	-	-	-	-	-	64,762
263-665 W. Franklin	1,113	-	-	-	-	-
263-670 Cox Rd NCDOT	-	-	-	-	-	-
263-805 Gardner Park School/Cox Rd.	-	-	-	-	-	-
263-720 Admin., Design & Inspect.	-	-	-	-	13,777	-
263-862 Speed Humps	-	-	-	-	24,198	-
263-865 North 321 Improvements	-	-	-	-	-	-
263-866 W. Davidson Bridge	742,692	10,489	-	-	-	-
263-871 Miscellaneous Sidewalks	43,542	162,710	-	-	-	-
263-892 Capital Reserve	-	-	-	-	-	-
263-960 2/3s GOB	148,114	16,247	-	-	-	-
263-971 2010 GOB - Road Widening	359,672	241,626	1,069,030	1,664,941	2,217,703	4,491,815
263-972 2010 GOB - Sidewalks	316,414	304,222	164,354	166,700	70,119	5,817
263-973 2010 GOB - Resurfacing	1,475,923	2,066	-	121,760	1,365	968
263-975 Lineberger/Downtown Ped Connector	-	-	-	-	-	-
263-978 2010 GOB - Premium Links & Sidewalks	53,312	-	-	-	130,110	-
263-979 2010 GOB - Premium Resurfacing	163,131	-	4,000	91	388,180	97,728
263-917 Traffic Signal System	-	-	-	23,630	259,906	-
Transfer to General Fund	-	-	-	-	-	1,300,000
Total Expenditures	3,303,914	737,359	1,237,384	1,977,123	3,105,358	5,961,090
Estimated Funds Available	\$ 26,373,453	\$ 25,788,021	\$ 24,607,939	\$ 22,933,916	\$ 20,300,720	\$ 15,211,926

City of Gastonia
Street Improvement Capital Projects
Fund 263

	Budget 2016/17	Adopted Budget 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
<u>Revenues</u>						
Beginning Balance	\$ 15,211,926	\$ 13,820	\$ 13,820	\$ 13,875	\$ 13,930	\$ 13,985
Bond Proceeds	-	-	-	-	-	-
Interest Income	-	-	55	55	55	55
Transfer from Fund 283	-	-	-	-	-	-
Transfer from Fund 110	20,000	30,000	20,000	20,000	20,000	20,000
Transfer from Fund 462	-	-	-	-	-	-
Transfer from Fund 264	-	50,000	-	-	-	-
Transfer from Developer Sidewalk	57,324	-	-	-	-	-
Federal Grant - FTA Capital	262,400	-	-	-	-	-
State Reimbursements	-	-	-	-	-	-
NCDOT	4,345,439	-	-	-	-	-
Reimbursement	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	19,897,089	93,820	33,875	33,930	33,985	34,040
<u>Expenditures</u>						
263-619 Joint Venture-Streets	25,820	50,000	-	-	-	-
263-665 W. Franklin	-	-	-	-	-	-
263-670 Cox Rd NCDOT	157,828	-	-	-	-	-
263-805 Gardner Park School/Cox Rd.	-	-	-	-	-	-
263-720 Admin., Design & Inspect.	-	-	-	-	-	-
263-862 Speed Humps	45,802	30,000	20,000	20,000	20,000	20,000
263-865 North 321 Improvements	-	-	-	-	-	-
263-866 W. Davidson Bridge	6,200	-	-	-	-	-
263-871 Miscellaneous Sidewalks	319,724	-	-	-	-	-
263-892 Capital Reserve	-	-	-	-	-	-
263-960 2/3s GOB	-	-	-	-	-	-
263-971 2010 GOB - Road Widening	17,633,901	-	-	-	-	-
263-972 2010 GOB - Sidewalks	1,314,104	-	-	-	-	-
263-973 2010 GOB - Resurfacing	-	-	-	-	-	-
263-975 Lineberger/Downtown Ped Connector	350,000	-	-	-	-	-
263-978 2010 GOB - Premium Links & Sidewalks	29,890	-	-	-	-	-
263-979 2010 GOB - Premium Resurfacing	-	-	-	-	-	-
263-917 Traffic Signal System	-	-	-	-	-	-
Transfer to General Fund	-	-	-	-	-	-
Total Expenditures	19,883,269	80,000	20,000	20,000	20,000	20,000
Estimated Funds Available	\$ 13,820	\$ 13,820	\$ 13,875	\$ 13,930	\$ 13,985	\$ 14,040

Capital Projects Summary

Street Improvement Capital Projects

Franklin Boulevard Conversion / 263-619

Description: Conversion of Franklin Boulevard from 6 lanes to 5 lanes. City is responsible for reimbursing NCDOT 100% of the cost for retrofitting and replacing the handicap ramps at the curbs.

Location: Franklin Boulevard between Myrtle School Road and US 321 and between NC 274 and Belvedere Street

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$50,000

Estimated (Cost)/Savings: \$0



Traffic Calming / 263-862

Description: Speed Humps are installed by petition as per City Policy.

Location: Various Locations within the City limits.

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$30,000

Estimated (Cost)/Savings: \$0





CITY OF GASTONIA

General Fund Capital Projects

Fund 283

	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16
<u>Revenues</u>						
Balance Forward	26,857,213	31,450,035	28,357,295	27,366,181	26,886,034	27,384,471
Interest Earnings	10,581	8,308	3,693	2,530	2,392	-
Transfer In	128,769	262,540	348,700	302,231	923,427	798,000
Gaston County Board of Education	-	-	-	-	-	90,000
D.O.T. Revenues	79,925	-	-	-	-	352
Other Municipal Grant Match	-	-	-	-	-	5,000
Congestion Mitigation and Air Quality	-	-	-	-	-	4,180
State Grants	-	372,871	(490)	-	-	-
Museum Board	-	2,026,200	158,364	-	-	-
Gaston County	-	-	-	-	-	-
Misc. Grants/Misc. Revenues	13,430	392	40,261	171,248	425,902	771
FUSE Lease Revenue	-	-	-	-	-	-
Bond Proceeds	5,658,236	-	-	-	-	-
TOTAL AVAILABLE FUNDS	<u>32,748,154</u>	<u>34,120,345</u>	<u>28,907,823</u>	<u>27,842,189</u>	<u>28,237,755</u>	<u>28,282,773</u>
<u>Expenditures</u>						
283-412 Mayor's Youth Council	-	-	-	-	-	-
283-410 Mayor & Council	-	-	-	-	35,104	-
283-440 Financial Services / Accounting	210,709	11,398	2,212	2,932	804	3,750
283-491 Planning / Transportation	-	-	-	-	62,500	41,250
283-492 Economic Development	-	-	-	-	-	6,666
283-553 F.S. / Equipment	-	-	-	-	-	5,261
283-570 P.W / Field Operations / Powell Bill	53,490	107,961	-	(147)	13,016	1,514,465
283-590 Keep Gastonia Beautiful	954	-	-	-	-	-
283-620 Recreation / Administration	-	-	-	-	-	-
283-633 Martha Rivers Park	-	-	2,647	-	-	4,114
283-635 Lineberger Park Master Plan	99,821	13,060	-	-	-	-
283-636 Rankin Lake	266,388	398,259	1,761	-	-	-
283-637 2010 LOBs - Recreation	46,535	2,052,942	81,919	1,125	1,215	2,460
283-642 Gastonia Optimist Club Park	-	-	6,610	132,013	88,765	33,893
283-643 Skeet / Trap Improvements	-	-	-	-	1,500	-
283-644 Greenway Parking	-	-	-	-	7,440	290,726
283-645 Downtown Sports & Entertainment Complex (*)	-	-	-	-	-	25,644
283-710 Schiele Museum Building Settlement Issue	-	-	-	-	-	32,572
283-848 Farmers' Market	-	-	-	40,402	-	-
283-863 Greenways	133,534	150	-	15,865	13,911	35,144
283-871 Miscellaneous Sidewalks	25,371	-	-	-	-	-
283-876 Schiele Environmental Studies	147,153	1,131,044	1,378,057	37,512	219,874	-
283-883 Recreation Const. & Renov. Projects	-	-	-	8,969	101,897	30,776
283-884 2010 2/3s GOB	50,562	1,592,232	18,784	100	-	52,225
283-885 Annexation - Street Paving	-	-	24,130	20,581	48,276	-
283-887 2010 GOB - Net Premium Recreation	261,430	(1,863)	6,383	-	-	-
283-892 Capital Reserve	2,173	-	-	-	-	-
283-960 2/3s GOB	-	364,710	19,139	12,365	13,983	-
283-962 Downtown Revitalization	-	-	-	-	-	950
283-968 Downtown Revitalization Grant	-	-	-	-	-	-
283-990 Transfers Out/Misc. Expend.	-	93,158	-	684,440	245,000	-
TOTAL EXPENSES	<u>1,298,119</u>	<u>5,763,051</u>	<u>1,541,642</u>	<u>956,155</u>	<u>853,284</u>	<u>2,079,896</u>
FUND BALANCE FORWARD	31,450,035	28,357,295	27,366,181	26,886,034	27,384,471	26,202,877

(*) Note: Additional utility relocation funding for FY17/18 is proposed in the City's respective utility Enterprise accounts.

CITY OF GASTONIA

General Fund Capital Projects

Fund 283


	Budget 2016/17	Adopted Budget 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
<u>Revenues</u>						
Balance Forward	26,202,877	24,927,122	24,927,122	24,927,772	24,928,422	24,929,072
Interest Earnings	-	-	650	650	650	650
Transfer In	5,903,298	2,907,486	1,500,000	1,500,000	1,500,000	1,500,000
Gaston County Board of Education	-	-	-	-	-	-
D.O.T. Revenues	792,874	-	-	-	-	-
Other Municipal Grant Match	-	-	-	-	-	-
Congestion Mitigation and Air Quality	1,491,488	-	-	-	-	-
State Grants	-	-	-	-	-	-
Museum Board	-	-	-	-	-	-
Gaston County	358,000	-	-	-	-	-
Misc. Grants/Misc. Revenues	157,340	-	-	-	-	-
FUSE Lease Revenue	28,225	-	-	-	-	-
Bond Proceeds	-	-	10,000,000	-	-	-
TOTAL AVAILABLE FUNDS	34,934,102	27,834,608	36,427,772	26,428,422	26,429,072	26,429,722
<u>Expenditures</u>						
283-412 Mayor's Youth Council	300	-	-	-	-	-
283-410 Mayor & Council	-	-	-	-	-	-
283-440 Financial Services / Accounting	119,538	-	-	-	-	-
283-491 Planning / Transportation	1,778,938	-	-	-	-	-
283-492 Economic Development	110,000	-	-	-	-	-
283-553 F.S. / Equipment	234,740	-	-	-	-	-
283-570 P.W / Field Operations / Powell Bill	1,683,476	1,550,000	1,500,000	1,500,000	1,500,000	1,500,000
283-590 Keep Gastonia Beautiful	2,819	-	-	-	-	-
283-620 Recreation / Administration	148,500	-	-	-	-	-
283-633 Martha Rivers Park	6,019	-	-	-	-	-
283-635 Lineberger Park Master Plan	-	-	-	-	-	-
283-636 Rankin Lake	-	-	-	-	-	-
283-637 2010 LOBs - Recreation	11,987	-	-	-	-	-
283-642 Gastonia Optimist Club Park	33,719	-	-	-	-	-
283-643 Skeet / Trap Improvements	-	-	-	-	-	-
283-644 Greenway Parking	-	-	-	-	-	-
283-645 Downtown Sports & Entertainment Complex (*)	4,177,981	1,357,486	10,000,000	-	-	-
283-710 Schiele Museum Building Settlement Issue	291,291	-	-	-	-	-
283-848 Farmers' Market	92,000	-	-	-	-	-
283-863 Greenways	733,018	-	-	-	-	-
283-871 Miscellaneous Sidewalks	-	-	-	-	-	-
283-876 Schiele Environmental Studies	-	-	-	-	-	-
283-883 Recreation Const. & Renov. Projects	404,198	-	-	-	-	-
283-884 2010 2/3s GOB	-	-	-	-	-	-
283-885 Annexation - Street Paving	-	-	-	-	-	-
283-887 2010 GOB - Net Premium Recreation	-	-	-	-	-	-
283-892 Capital Reserve	84,116	-	-	-	-	-
283-960 2/3s GOB	-	-	-	-	-	-
283-962 Downtown Revitalization	-	-	-	-	-	-
283-968 Downtown Revitalization Grant	94,340	-	-	-	-	-
283-990 Transfers Out/Misc. Expend.	-	-	-	-	-	-
TOTAL EXPENSES	10,006,980	2,907,486	11,500,000	1,500,000	1,500,000	1,500,000
FUND BALANCE FORWARD	24,927,122	24,927,122	24,927,772	24,928,422	24,929,072	24,929,722

(*) Note: Additional utility relocation funding for F


Capital Projects Summary

General Fund Capital Projects

Resurfacing / 283-570

Description:	Resurfacing of most critical City streets based on pavement management survey.	
Location:	Various streets in the City limits	
Estimated Completion Date:	Fiscal Year 2017/18	
Estimated New Operating Personnel:	0 FTE	
Estimated Project Cost:	\$1,750,000 (\$1,550,000 from transfers in and \$200,000 from savings from the Titman Road project)	
Estimated (Cost)/Savings:	\$0	

Franklin Urban Sports & Entertainment District “FUSE” / 283-645, 462-645, 478-645

Description:	Multi-purpose sports and entertainment center and adjoining parking area to serve as a catalyst for other economic development, including a stadium to serve as home to the Gastonia Grizzlies.	
Location:	West of main Downtown area, bounded by Franklin Blvd (South), Clay St (East), Highland St (West), and Norfolk Southern Railway (North)	
Estimated Completion Date:	Fiscal Year 2017/18	
Estimated New Operating Personnel:	0 FTE	
Estimated Project Cost:	\$10-\$15 Million (FY 17/18 \$1,354,636 for Architectural/Engineering Services; \$500,000 for Water/Sewer Utility Relocation; \$1,000,000 for Electrical Lines)	
Estimated (Cost)/Savings:	\$0	



City of Gastonia
Water and Sewer Capital Projects
Fund 462

	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16
Revenues						
Carryover from previous year	\$ 5,595,555	\$ 4,200,873	\$ 4,199,946	\$ 4,247,947	\$ 5,335,675	\$ 3,416,028
Rates - transfer from operating fund	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
County Reimbursement						
Transfer from Fund 342	-	-	-	4,455,000	1,242,679	3,008,600
Reimbursement	-	-	-	-	-	-
Budgeted Transfer from 330	-	-	-	-	-	-
Interest	14,180	9,645	7,084	6,938	7,189	49,560
Revenue Bond	-	-	-	-	-	20,130,000
Revenue Bond - Premium	-	-	-	-	-	2,368,171
Loan Proceeds - NCSRLF	-	-	-	-	-	11,390,347
NCDOT	-	-	24,520	-	-	-
State Clean Water Trust	-	-	-	-	-	300,000
Liquidated Damages	-	-	-	99,500	-	-
Miscellaneous, Donations	-	24	(4,858)	25,300	1,329	16,953
	<u>6,809,735</u>	<u>5,410,541</u>	<u>5,426,692</u>	<u>10,034,685</u>	<u>7,786,873</u>	<u>41,879,658</u>
Expenditures						
462-475 Municipal Operations Center	-	-	-	103,320	51,795	-
462-644 Greenway Parking	-	-	-	-	-	71,843
462-645 Downtown Sports & Entertainment Complex	-	-	-	-	-	-
462-492 Economic Development	-	12,500	-	-	-	16,667
462-660 Non-Departmental	-	-	-	-	-	-
462-636 Rankin Lake	-	42,120	-	-	-	-
462-800 Regionalization	3,511	57,536	66,667	88,061	128,871	62,153
462-801 WWTP Improvements	438,384	55,746	5,415	14,023	-	-
462-802 Southeast Sewer Expansion	-	-	-	-	-	-
462-803 Sewer Improvements - NCDOT Conflicts	-	115,602	-	231,204	383,441	8,288
462-810 Facility Upgrades-Sewer	-	32,470	18,295	-	-	-
462-821 Wastwater Improvements - Revenue Bonds	58,470	119,509	-	-	-	-
462-824 Collection System Improvements	210,736	-	186,816	172,333	799,266	658,425
462-825 Special Assessments	202,974	242	145,765	6,129	113,514	654
462-860 Pump Station/Force Main Improvements	11,304	12,940	-	61,006	110,467	29,912
462-882 Long Creek WWTP Improvements	26,696	270,478	18,890	205,007	684	-
462-903 Water Improvements - NCDOT Conflicts	-	269,737	-	598,211	610,515	178,910
462-908 Water Distribution Improvements	480,309	-	-	54,368	-	12,795
462-911 Water Supply/Treatment Improvements	272,602	220,000	522,044	333,885	14,600	180,721
462-930 Water Treatment Plant Rehabilitation	-	-	-	2,757,840	2,079,894	954,213
462-913 Special Assessments - Water	-	-	-	1,636	1,976	-
462-921 Water Imp - Revenue Bond	-	-	-	-	-	3,580
462-931 Planning Loan -WTP Renovation	-	-	-	-	-	230,054
462-932 \$5M State Revolving Loan - Clearwell Project	-	-	-	-	-	4,760,488
462-933 WTP Project - \$30M SRL and 2015 Rev Bonds	-	-	-	-	-	7,567,979
462-660 Working Reserve	-	-	-	-	-	-
462-971 Utility System Improvement	-	-	-	-	-	-
462-990 Transfers to	-	-	-	-	-	83,155
462-921 Water Improvements - Revenue Bonds	275,441	1,715	214,853	71,987	75,824	-
EXPENDITURES	<u>2,608,862</u>	<u>1,210,595</u>	<u>1,178,745</u>	<u>4,699,010</u>	<u>4,370,846</u>	<u>14,819,837</u>
FUND BALANCE	<u>\$ 4,200,872</u>	<u>\$ 4,199,946</u>	<u>\$ 4,247,947</u>	<u>\$ 5,335,675</u>	<u>\$ 3,416,028</u>	<u>#####</u>

City of Gastonia
Water and Sewer Capital Projects
Fund 462

	Budget 2016/17	Adopted Budget 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
Revenues						
Carryover from previous year	\$ 27,059,821	\$ 1,417,328	\$ 1,417,328	\$ 1,422,928	\$ 1,428,528	\$ 1,434,128
Rates - transfer from operating fund	1,300,000	1,300,000	1,300,000	1,400,000	1,400,000	1,400,000
County Reimbursement	227,000					
Transfer from Fund 342	1,961,000	-	-	-	-	-
Reimbursement	26,578	-	-	-	-	-
Budgeted Transfer from 330	-	861,900	-	-	-	-
Interest	-	-	5,600	5,600	5,600	5,600
Revenue Bond	-	-	-	-	-	-
Revenue Bond - Premium	-	-	-	-	-	-
Loan Proceeds - NCSRLF	26,609,492	-	-	-	-	-
NCDOT	-	-	-	-	-	-
State Clean Water Trust	600,000	-	-	-	-	-
Liquidated Damages	-	-	-	-	-	-
Miscellaneous, Donations	-	-	-	-	-	-
	57,783,891	3,579,228	2,722,928	2,828,528	2,834,128	2,839,728
Expenditures						
462-475 Municipal Operations Center	-	-	-	-	-	-
462-644 Greenway Parking	1	-	-	-	-	-
462-645 Downtown Sports & Entertainment Complex	-	500,000	-	-	-	-
462-492 Economic Development	-	-	-	-	-	-
462-660 Non-Departmental	143,492	-	-	-	-	-
462-636 Rankin Lake	-	-	-	-	-	-
462-800 Regionalization	4,341,626	-	-	-	-	-
462-801 WWTP Improvements	-	-	250,600	-	-	-
462-802 Southeast Sewer Expansion	1,961,110	200,000	-	-	-	500,000
462-803 Sewer Improvements - NCDOT Conflicts	-	-	-	150,000	-	-
462-810 Facility Upgrades-Sewer	-	-	-	-	-	-
462-821 Wastwater Improvements - Revenue Bonds	-	-	-	-	-	-
462-824 Collection System Improvements	1,451,938	800,000	200,900	500,000	1,050,000	-
462-825 Special Assessments	123,224	80,000	-	-	-	100,000
462-860 Pump Station/Force Main Improvements	301,617	335,000	53,200	-	-	350,000
462-882 Long Creek WWTP Improvements	279,321	246,900	350,000	400,000	-	200,000
462-903 Water Improvements - NCDOT Conflicts	91,330	-	-	350,000	-	-
462-908 Water Distribution Improvements	195,470	-	328,300	-	-	250,000
462-911 Water Supply/Treatment Improvements	-	-	117,000	-	350,000	-
462-930 Water Treatment Plant Rehabilitation	2,204,652	-	-	-	-	-
462-913 Special Assessments - Water	-	-	-	-	-	-
462-921 Water Imp - Revenue Bond	-	-	-	-	-	-
462-931 Planning Loan -WTP Renovation	69,947	-	-	-	-	-
462-932 \$5M State Revolving Loan - Clearwell Project	239,512	-	-	-	-	-
462-933 WTP Project - \$30M SRL and 2015 Rev Bonds	44,930,188	-	-	-	-	-
462-660 Working Reserve	-	-	-	-	-	-
462-971 Utility System Improvement	33,135	-	-	-	-	-
462-990 Transfers to	-	-	-	-	-	-
462-921 Water Improvements - Revenue Bonds	-	-	-	-	-	-
EXPENDITURES	56,366,563	2,161,900	1,300,000	1,400,000	1,400,000	1,400,000
FUND BALANCE	\$ 1,417,328	\$ 1,417,328	\$ 1,422,928	\$ 1,428,528	\$ 1,434,128	\$ 1,439,728

Capital Projects Summary

Water & Sewer Capital Projects

Franklin Urban Sports & Entertainment District “FUSE” / 283-645, 462-645, 478-645

Description: Multi-purpose sports and entertainment center and adjoining parking area to serve as a catalyst for other economic development, including a stadium to serve as home to the Gastonia Grizzlies.



Location: West of main Downtown area, bounded by Franklin Blvd (South), Clay St (East), Highland St (West), and Norfolk Southern Railway (North)

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$10-\$15 Million (FY 17/18 \$1,354,636 for Architectural/Engineering Services; \$500,000 for Water/Sewer Utility Relocation; \$1,000,000 for Electrical Lines)

Estimated (Cost)/Savings: \$0

Capital Projects Summary

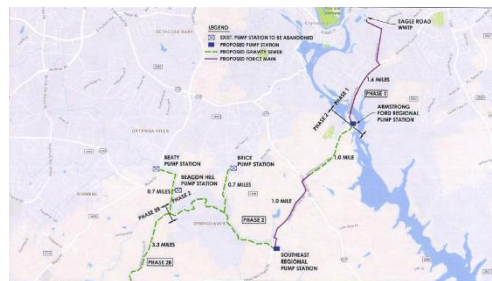
Firestone Lower Basin I & I / 462-824

Description:	Point repairs and lining the Firestone Lower Basin to reduce I & I
Location:	Firestone Area
Estimated Completion Date:	Fiscal Year 2017/18
Estimated New Operating Personnel:	0 FTE
Estimated Project Cost:	\$200,000
Estimated (Cost)/Savings:	\$0



Southeast Sewer Expansion / 462-802

Description:	Six (6) miles of gravity sewer main, two (2) miles of force mains and regional pump stations serving an area of over 5.5 square miles.
Location:	Southeastern Gaston County east of Beatty Road and following Union New Hope and Armstrong Ford Roads from Union - New Hope Road to the Eagle Road WWTP in Cramerton.
Estimate Completion Date:	TBD
Estimated New Operating Personnel:	0 FTE
Estimated Project Cost:	\$30,000,000 (FY 17/18 \$200,000 for Right-of-Way Easement)
Estimated (Cost)/Savings:	\$0



Capital Projects Summary

Parallel Line (Firestone Interceptor) / 462-824

Description: Right of Way and Soil Borings for future Sanitary Sewer Improvements

Location: Lower Firestone Basin (between Jackson Street and South Street)

Estimated Completion Date: TBD

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$1,500,000 (FY 17/18 \$100,000)

Estimated (Cost)/Savings: \$0



Highland Branch Outfall (Servco) Line Repair / 462-824

Description: Repair and replace existing 12-inch Sewer Outfall. Project will replace line with new parallel line CIPP rehab of portions of the existing outfall line.

Location: From Caldwell Street to Norment Avenue

Estimated Completion Date: Fall 2018

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$500,000

Estimated (Cost)/Savings: \$0



Capital Projects Summary

Barrington Drive Sewer Petition / 462-825

Description: Survey, design, permitting and construction of sewer line extensions as per the petition process

Location: Barrington Drive

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$80,000

Estimated (Cost)/Savings: \$0



Capital Projects Summary

SCADA System Upgrades / 462-860, 462-882

Description: This project is the initial phase of replacing obsolete critical control equipment in the SCADA (Supervisory Control and Data Acquisition) System for the wastewater pumps stations and wastewater treatment plants. The four sites listed are those with the highest risk of sewer overflow in the event of a SCADA System failure.

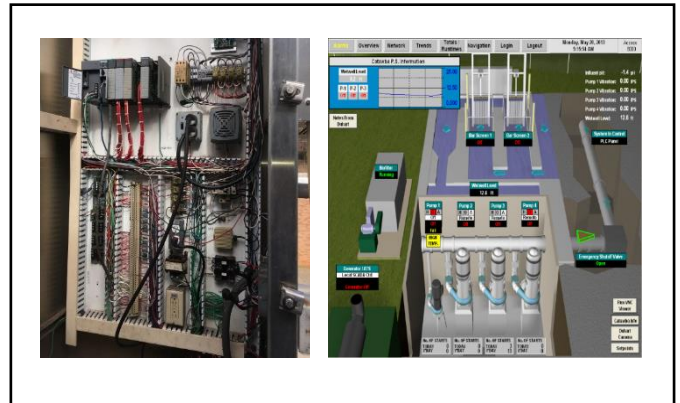
Location: Duhart Pump Station, Catawba Pump Station, Long Creek Intermediate and Main Lift Stations

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$581,900

Estimated (Cost)/Savings: \$0





City of Gastonia
Electric Capital Projects
Fund 478

	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16
<u>Revenues</u>						
Balance Forward	1,568,822	2,511,396	2,646,760	2,304,803	1,893,811	1,637,880
Interest Earnings	9,151	6,824	4,843	3,502	2,430	11,470
ElectriCities Credit	-	-	-	3,035	-	-
ElectriCities Grant	-	-	-	-	-	5,000
Reimbursement for Services	-	59,078	-	-	158,579	-
North Carolina Dept of Transportation	-	-	76,853	-	-	-
Miscellaneous	-	323	505	531	191	249
Proceeds From Sale Of Bond	-	-	-	-	-	-
Transfer- In - Electric Operating	1,576,968	1,043,838	1,000,000	1,000,000	900,000	1,000,000
Transfer-In - NCMPA Settlement Fund	-	-	-	-	-	3,035,391
Transfer-In - General Fund	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE	3,154,941	3,621,459	3,728,961	3,311,870	2,955,011	5,689,990
<u>Expenditures</u>						
478-492 Economic Development	-	97,995	85,000	200,000	-	121,693
478-645 Downtown Sports & Entertainment Complex	-	-	-	-	-	-
478-737 Highland Grocery Site	-	50,805	-	-	-	-
478-835 Outside Storage	4,825	23,288	-	-	-	-
478-844 New Tech Park - Substation	-	-	-	-	11,170	42,125
478-854 SCADA Replacement	-	32,104	47,127	6,220	-	-
478-892 Working Capital Reserve	-	-	-	-	-	-
478-900 Long Creek Generation	-	-	-	371,627	-	-
478-901 City Electric Tie Lines	168,384	223,054	724,561	237,872	355,575	199,228
478-902 Kendrick Extension/ Catawba Hill	-	-	-	-	48,999	-
478-905 Underground System Replacement	138,252	135,822	352,285	353,960	70,604	106,224
478-909 Electric Development	177,841	277,887	138,656	43,078	216,539	80,020
478-915 Residential Dev-System Expansion	1,790	61,919	5,345	15,586	125,203	85,006
478-916 Loray Mill	-	-	13,775	189,717	409,286	-
478-918 NCDOT City Fiber Optic	129,722	23,006	57,409	-	-	-
478-960 2/3s GOB	22,731	48,818	-	-	-	17,082
478-926 WI-MAX Connectivity	-	-	-	-	-	-
478-990 Transfers to CP - Mayor / Council	-	-	-	-	-	24,000
478-976 Main Avenue Properties	-	-	-	-	79,755	320
TOTAL EXPENSES	643,545	974,699	1,424,158	1,418,059	1,317,132	675,699
FUND BALANCE FORWARD	2,511,396	2,646,760	2,304,803	1,893,811	1,637,880	5,014,291

City of Gastonia
Electric Capital Projects
Fund 478

	Budget 2016/17	Adopted Budget 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
<u>Revenues</u>						
Balance Forward	5,014,291	151,268	151,268	352,268	554,068	756,668
Interest Earnings	-	-	1,000	1,800	2,600	3,400
ElectriCities Credit	-	-	-	-	-	-
ElectriCities Grant	-	-	-	-	-	-
Reimbursement for Services	-	-	-	-	-	-
North Carolina Dept of Transportation	141,044	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Proceeds From Sale Of Bond	-	-	-	-	-	-
Transfer- In - Electric Operating	1,000,000	2,000,000	1,200,000	1,200,000	1,200,000	1,200,000
Transfer-In - NCMPA Settlement Fund	-	-	-	-	-	-
Transfer-In - General Fund	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE	6,155,335	2,151,268	1,352,268	1,554,068	1,756,668	1,960,068
<u>Expenditures</u>						
478-492 Economic Development	184,507	-	100,000	100,000	100,000	100,000
478-645 Downtown Sports & Entertainment Complex	-	1,000,000	-	-	-	-
478-737 Highland Grocery Site	-	-	-	-	-	-
478-835 Outside Storage	141,380	50,000	-	-	-	-
478-844 New Tech Park - Substation	3,223,566	115,000	-	-	-	-
478-854 SCADA Replacement	65,800	-	10,000	10,000	10,000	10,000
478-892 Working Capital Reserve	505	-	-	-	-	-
478-900 Long Creek Generation	78,373	-	-	-	-	-
478-901 City Electric Tie Lines	975,033	325,000	325,000	325,000	325,000	325,000
478-902 Kendrick Extension/ Catawba Hill	65,001	-	-	-	-	-
478-905 Underground System Replacement	687,343	285,000	200,000	200,000	200,000	200,000
478-909 Electric Development	188,197	100,000	125,000	125,000	125,000	125,000
478-915 Residential Dev-System Expansion	252,819	125,000	240,000	240,000	240,000	240,000
478-916 Loray Mill	15,801	-	-	-	-	-
478-918 NCDOT City Fiber Optic	69,144	-	-	-	-	-
478-960 2/3s GOB	56,598	-	-	-	-	-
478-926 WI-MAX Connectivity	-	-	-	-	-	-
478-990 Transfers to CP - Mayor / Council	-	-	-	-	-	-
478-976 Main Avenue Properties	-	-	-	-	-	-
TOTAL EXPENSES	6,004,067	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
FUND BALANCE FORWARD	151,268	151,268	352,268	554,068	756,668	960,068

Capital Projects Summary

Electric Capital Projects

Franklin Urban Sports & Entertainment District “FUSE” / 283-645, 462-645, 478-645

Description: Multi-purpose sports and entertainment center and adjoining parking area to serve as a catalyst for other economic development, including a stadium to serve as home to the Gastonia Grizzlies.



Location: West of main Downtown area, bounded by Franklin Blvd (South), Clay St (East), Highland St (West), and Norfolk Southern Railway (North)

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$10-\$15 Million (FY 17/18 \$1,354,636 for Architectural/Engineering Services; \$500,000 for Water/Sewer Utility Relocation; \$1,000,000 for Electrical Lines)

Estimated (Cost)/Savings: \$0

Outside Storage / 478-835

Description: Extension of the equipment enclosure for the Electric Department

Location: 1300 N. Broad Street

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$50,000 FY 2017/18

Estimated (Cost)/Savings: \$0



Capital Projects Summary

New Tech Park Substation / 478-844

Description: New Substation Project (Tie-in of Existing Circuits to New Substation)

Location: Gastonia
Technology Park

Estimated Completion Date: Fall 2017

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$3,500,000
(\$115,000 FY 2017/18)

Estimated (Cost)/Savings: \$0



City Electrical Tie Lines / 478-901

Description: Overhead Electric Line Construction/Reconstruction at Various Locations

Location: Various

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$325,000

Estimated (Cost)/Savings: \$0



Capital Projects Summary

Underground System Replacement / 478-905

Description: Underground System Replacement of cable and transformers for electric service reliability

Location: Various

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$285,000

Estimated (Cost)/Savings: \$0



Electric Developments / 478-909

Description: Service to new Commercial Developments

Location: Various

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$100,000

Estimated (Cost)/Savings: \$0



Capital Projects Summary

Residential Development – System Expansion / 478-915

Description: Service to new residential developments

Location: Various

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$125,000

Estimated (Cost)/Savings: \$0



City of Gastonia
Stormwater Capital Projects
Fund 479

	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16
<u>Revenues</u>						
Transfer-In Stormwater Operating	360,405	315,503	452,475	379,737	773,800	942,413
Interest	2,938	2,243	1,583	1,300	1,245	2,654
NCDOT	64,372	(32,186)	-	-	-	-
Storm Drain Improvement	-	20,773	-	-	-	-
Property Owner Assistance	-	-	-	8,000	2,009	-
Reimbursements / Miscellaneous	-	591	731	605	5,021	117
Total Revenues	427,715	306,924	454,789	389,642	782,075	945,184
<u>Expenses</u>						
479-674 Stormwater System	457,851	97,635	246,445	304,362	328,527	662,429
479-675 Stormwater Non-capital	874,209	141,463	15,437	14,548	174,458	224,319
	<u>1,332,060</u>	<u>239,098</u>	<u>261,882</u>	<u>318,909</u>	<u>502,985</u>	<u>886,748</u>
Revenues Over(Under) Expenses	(904,345)	67,826	192,906	70,732	279,091	58,436
Beginning Fund Balance	<u>1,241,597</u>	<u>337,252</u>	<u>405,078</u>	<u>597,984</u>	<u>668,717</u>	<u>947,807</u>
Ending Fund Balance	<u>\$ 337,252</u>	<u>\$ 405,078</u>	<u>\$ 597,984</u>	<u>\$ 668,717</u>	<u>\$ 947,807</u>	<u>\$ 1,006,243</u>

City of Gastonia
Stormwater Capital Projects
Fund 479

	Budget 2016/17	Adopted Budget 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
Revenues						
Transfer-In Stormwater Operating	886,966	630,788	645,000	645,000	645,000	645,000
Interest	-	-	2,500	2,500	2,500	2,500
NCDOT	-	-	-	-	-	-
Storm Drain Improvement	-	-	-	-	-	-
Property Owner Assistance	10,000	10,000	10,000	10,000	10,000	10,000
Reimbursements / Miscellaneous	-	-	-	-	-	-
Total Revenues	896,966	640,788	657,500	657,500	657,500	657,500
Expenses						
479-674 Stormwater System	1,093,199	184,232	185,000	185,000	185,000	185,000
479-675 Stormwater Non-capital	809,043	456,556	470,000	470,000	470,000	470,000
	1,902,242	640,788	655,000	655,000	655,000	655,000
Revenues Over(Under) Expenses	(1,005,276)	-	2,500	2,500	2,500	2,500
Beginning Fund Balance	1,006,243	967	967	3,467	5,967	8,467
Ending Fund Balance	\$ 967	\$ 967	\$ 3,467	\$ 5,967	\$ 8,467	\$ 10,967

Capital Projects Summary

Stormwater Capital Projects

Stormwater System Improvements / 479-674

Description: Stormwater System Improvement Projects

Location: South Street Culvert – Phase II
(from 3rd Avenue to 4th Avenue)

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$184,232 (75% of Capital Fund transfers)

Estimated (Cost)/Savings: \$0



Capital Projects Summary

Stormwater Assistance Program Projects / 479-675

Description: Storm Drain Improvement projects for the Storm Water Assistance Program

Location: Daffodil Court

Estimated Completion Date: Fiscal Year 2017/18

Estimated New Operating Personnel: 0 FTE

Estimated Project Cost: \$446,556 (25% of Capital Fund transfers plus rate increase)

Estimated (Cost)/Savings: \$0



Capital Projects Summary

Major Capital Projects Currently Underway (Funded from prior fiscal years)

- **General Obligation Bond Projects**
 - *S. New Hope Road widening: \$1,466,869 – City Share (total estimate: \$5,850,000)*
 - *Union Road widening: \$5,419,345 (partner with North Carolina Department of Transportation)*
 - *Myrtle School Road widening: \$11,091,677*
- **General Fund**
 - *Gastonia Sports and Entertainment District: \$2,857,486 (Architectural and Engineering Design, Water/Sewer Utility Relocation, and Electrical lines)*
 - *Lineberger Park/Downtown Connector: \$385,000 (local share - \$85,000)*
 - *Greenway Extension (Ferguson Park and Marietta Street): \$410,000 (local share - \$82,000)*
 - *Franklin Blvd. conversion to 5 lanes (North Carolina Department of Transportation project)*
 - *GPS / AVL System: \$240,000 (local share - \$48,000)*
 - *CCTV Traffic Cameras: \$123,000 (local share - \$24,600)*
 - *Greenway Project (Rankin Lake Park to Bulb Avenue): \$525,000 (local share - \$105,000)*
- **Water & Sewer**
 - *Renovations and upgrades to the Water Treatment Plant: \$51,400,000*
 - *Firestone area sewer rehabilitation (find and fix): \$350,000*
 - *Southfork Regional Sewer Project – Phase II: \$3,400,000*
 - *Ranlo/Smyre Water System Improvements: \$497,500*
- **Electric**
 - *Sub Station at Gastonia Technology Park*
 - *Electric Line relocations for General Obligation Bond Street Projects*
 - *Continue LED Street Light replacements/upgrades*
- **Stormwater**
 - *System Improvements: 3rd Avenue Culvert Rehab, South Street System repair (Phase I)*
 - *Stormwater Assistance Projects*

Capital Projects Summary

Other Major Capital Projects Being Considered **(Funding to be identified)**

- Franklin Urban Sports and Entertainment (FUSE) District Project
- Franklin Blvd. Corridor Improvements
- Gastonia Technology Park Expansion / Development
- Dixie Village Area Pedestrian Enhancements
- Hangars, Fencing and Other Improvements at the Gastonia Airport
- Martha Rivers Park Expansion (Adjoining Property Acquisition)
- AMI / AMR Improvements (Electric, Water / Sewer, Finance, Technology Services)
- NCDOT Bike / Ped Improvements (DOT projects with local share required: Franklin Blvd from Cox Road going east)
- Miscellaneous Major Capital (City) Building Maintenance & Repair Projects (HVAC systems, roofs, security upgrades, etc.): funded through Departmental Operating Accounts)



Appendices

CELEBRATING



GASTONIA
NORTH CAROLINA

Great Place • Great People • Great Promise

City of Gastonia, North Carolina

BUDGET ORDINANCE

BE IT ORDAINED BY THE CITY OF GASTONIA, NORTH CAROLINA:

SECTION I. The following amounts are hereby appropriated for the operation and maintenance of the City's various governmental departments, City-owned public utilities, for the payment of debt service and for capital outlay and projects for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

GENERAL FUND

General Government	\$11,502,888
Public Safety	30,352,783
Cultural/Recreation	6,096,330
Public Works	4,725,993
Debt Service	4,302,115
Transfers Out	5,728,233

TOTAL GENERAL FUND **\$62,708,342**

WATER AND SEWER FUND **\$36,753,708**

WATER & SEWER STIMULUS GRANT FUND **\$3,977**

WATER & SEWER CAPITAL EXPANSION & DEVELOPMENT FUND **\$3,058,490**

WATER & SEWER RENEWAL & REPLACEMENT FUND **\$1,781,000**

ELECTRIC FUND **\$81,630,628**

ELECTRIC RENEWAL & REPLACEMENT FUND **\$1,590,884**

TRANSIT SYSTEM FUND **\$2,699,629**

SOLID WASTE FUND **\$4,982,839**

STORMWATER UTILITY FUND **\$2,548,188**

DOWNTOWN MUNICIPAL SERVICES DISTRICT FUND **\$131,924**

WEBB PROJECT **\$73,731**

CONFERENCE CENTER OPERATIONS FUND **\$754,250**

SOLID WASTE DISPOSAL TAX FUND **\$46,000**

TECHNOLOGY SUPPORT FUND **\$35,400**

OCCUPANCY TAX FUND **\$670,000**

<i>GENERAL FUND STIMULUS GRANTS</i>	\$6,647
<i>HEALTH SELF INSURANCE FUND</i>	\$9,004,064
<i>DENTAL SELF INSURANCE FUND</i>	\$340,000
<i>FEDERAL ASSET FORFEITURE FUND</i>	\$40,000
<i>STATE ASSET FORFEITURE FUND</i>	\$20,000
<i>POLICE MEMORIAL TRUST FUND</i>	\$2,000
<i>VEHICLE/EQUIPMENT R&R PROGRAM FUND</i>	\$6,173,171
<i>TECHNOLOGY INTERNAL SERVICE FUND</i>	\$6,573,368
<i>INFRASTRUCTURE</i>	<u>\$945,106</u>
TOTAL OPERATING APPROPRIATIONS	<u><u>\$222,573,346</u></u>

SECTION II....and that the following revenues will be available during the fiscal year beginning July 1, 2017 and ending June 30, 2018 to meet the foregoing appropriations:

GENERAL FUND

Ad Valorem Property Taxes	\$29,947,518
Payments in Lieu of Taxes	1,764,948
Other Taxes and Licenses	87,900
Interest	50,000
Auto Tag Fee	1,600,000
Utilities Franchise Tax	523,000
Beer and Wine Tax	345,000
Local Option Sales Tax	17,760,496
Powell Bill (Road Tax)	2,053,258
ABC Revenue	600,000
Reimbursement for Services	202,587
Federal, State and Local Grants and Reimbursements	1,180,554
Fees and Permits	2,110,956
Recreation Revenues	583,200
Museum Revenues	467,458
Sale of Real and Personal Property	15,000
Miscellaneous Revenue	230,734
Fund Balance Appropriated	1,185,733
Transfers from other Funds:	
Electric Fund	<u>2,000,000</u>
<i>TOTAL GENERAL FUND</i>	\$62,708,342

WATER AND SEWER FUND

Water and Sewer Sales	\$34,752,711
Other Charges	2,000,997

TOTAL WATER AND SEWER FUND \$36,753,708

WATER & SEWER STIMULUS GRANT FUND

Transfer from Water & Sewer Capital Expansion & Development Fund	\$3,977
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TOTAL WATER AND SEWER STIMULUS GRANT FUND \$3,977

WATER & SEWER CAPITAL EXPANSION & DEVELOPMENT FUND

Interest	\$25,000
Fund Balance Appropriated	1,733,490
Transfer from Water and Sewer Fund	1,300,000

TOTAL W/S CAPITAL EXPANSION & DEVELOPMENT FUND \$3,058,490

WATER & SEWER RENEWAL & REPLACEMENT FUND

Fund Balance Appropriated	\$1,700,000
Interest	6,000
Transfer from Water and Sewer Fund	75,000

TOTAL W/S RENEWAL & REPLACEMENT FUND \$1,781,000

ELECTRIC FUND

Electric Sales	\$79,898,328
Other Charges	1,732,300

TOTAL ELECTRIC FUND \$81,630,628

ELECTRIC RENEWAL & REPLACEMENT FUND

Transfer from Electric Fund	\$60,000
Interest	5,500
Fund Balance Appropriated	1,525,384

TOTAL ELECTRIC RENEWAL & REPLACEMENT FUND \$1,590,884

TRANSIT SYSTEM FUND

User Charges	\$207,000
Federal and State Grants	1,836,140
Other Fees	10,000
Transfer from General Fund	571,047
Fund Balance Appropriated	75,442

TOTAL TRANSIT SYSTEM FUND **\$2,699,629**

SOLID WASTE FUND

Commercial Collection/Disposal/Recycling Fees	\$2,063,500
Miscellaneous Revenue	4,400
Fund Balance Appropriated	14,000
Transfer from General Fund	2,900,939

TOTAL SOLID WASTE FUND **\$4,982,839**

STORMWATER UTILITY FUND

Stormwater Sales	\$2,533,638
Interest	1,500
Storm Drain Improvement	1,000
Other Fees	12,050

TOTAL STORMWATER UTILITY FUND **\$2,548,188**

DOWNTOWN MUNICIPAL SERVICES DISTRICT FUND

Ad Valorem Taxes	\$129,204
Other Revenues	2,720

TOTAL DOWNTOWN MUNICIPAL SERVICES DISTRICT FUND **\$131,924**

WEBB PROJECT

Other Fees	\$73,731
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TOTAL WEBB PROJECT **\$73,731**

CONFERENCE CENTER OPERATIONS FUND

Other Fees	\$714,250
Transfer from Municipal Service District	40,000

TOTAL CONFERENCE CENTER OPERATIONS FUND **\$754,250**

SOLID WASTE DISPOSAL TAX FUND

Solid Waste Disposal Tax \$46,000

TOTAL SOLID WASTE DISPOSAL TAX FUND **\$46,000**

TECHNOLOGY SUPPORT FUND

Other Fees \$35,000

Interest 400

TOTAL TECHNOLOGY SUPPORT FUND **\$35,400**

OCCUPANCY TAX FUND

Occupancy Tax \$670,000

TOTAL OCCUPANCY TAX FUND **\$670,000**

GENERAL FUND STIMULUS GRANTS

Other Revenue \$6,647

TOTAL GENERAL FUND STIMULUS GRANTS **\$6,647**

HEALTH SELF INSURANCE FUND

Interest \$750

Health Insurance Premiums 8,241,514

Other Revenue 761,800

TOTAL HEALTH SELF INSURANCE FUND **\$9,004,064**

DENTAL SELF INSURANCE FUND

Dental Insurance Premiums \$340,000

TOTAL DENTAL SELF INSURANCE FUND **\$340,000**

FEDERAL ASSET FORFEITURE FUND

Federal Asset Forfeiture \$40,000

TOTAL FEDERAL ASSET FORFEITURE FUND **\$40,000**

STATE ASSET FORFEITURE FUND

State Asset Forfeiture	\$20,000
	<hr/>
TOTAL STATE ASSET FORFEITURE FUND	\$20,000

POLICE MEMORIAL TRUST FUND

Sale of Promotional Items	\$2,000
	<hr/>
TOTAL POLICE MEMORIAL TRUST FUND	\$2,000

VEHICLE/EQUIPMENT R&R PROGRAM FUND

Reimbursement - Vehicle Rental	\$3,064,721
Proceeds from Bank Loan	3,128,197
Fund Balance Appropriated	-19,747
	<hr/>
TOTAL VEHICLE/EQUIPMENT R&R PROGRAM FUND	\$6,173,171

TECHNOLOGY INTERNAL SERVICE FUND

Reimbursement for Services	\$6,571,868
Interest	1,500
	<hr/>
TOTAL TECHNOLOGY INTERNAL SERVICE FUND	\$6,573,368

INFRASTRUCTURE

Fund Balance Appropriated	\$747,906
Interest	200
Rents & Concessions	21,000
Cellular Tower Rental	175,000
Other Revenue	1,000
	<hr/>
TOTAL INFRASTRUCTURE FUND	\$945,106

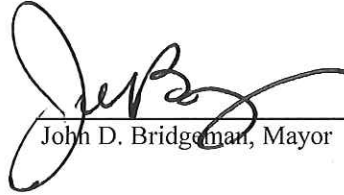
TOTAL OPERATING REVENUES **\$222,573,346**

SECTION III. And there is hereby levied an Ad Valorem Property Tax of \$0.53 on each one-hundred dollars (\$100.00) of valuation on taxable property as listed for taxes as of January 1, 2017, for the purpose of raising revenue from Ad Valorem taxes as set forth in the foregoing estimate of revenues. Additionally, there is levied an Ad Valorem Tax of \$0.20 on each one-hundred dollars (\$100.00) of valuation on taxable property in the Downtown Municipal Services District for taxes as of January 1, 2017, for the purpose of raising revenue for the said District.

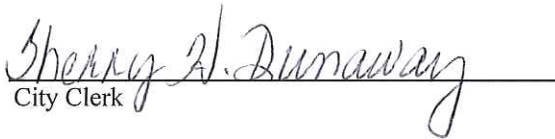
SECTION IV. Council subsidy will be \$1,432.50/month for the Mayor and \$1,232.50/month for the regular members. Additionally, a \$350/month expense allowance is continued. Any Council member may elect to accept or reject any portion of said subsidy at their discretion.

SECTION V. Any funds requiring prior year fund balances to cover continued expenditures for Fiscal Year 2017-2018 will be subject to review and will be adjusted with the City Manager's approval. This will ensure that the carry forward funding matches the audited year ending 6/30/2017 balances and will eliminate over appropriation of funds. Any adjustment between appropriation within a single fund can be approved by the City Manager. Grant funding not depleted during the prior fiscal year may be carried over with the City Manager's approval. Internal Service funding not depleted during the prior fiscal year may be carried over with the City Manager's approval. Trust and Agency funding not depleted during the prior fiscal year may be carried over with the City Manager's approval. Special Revenue funding not depleted during the prior fiscal year may be carried over with the City Manager's approval. Prior year encumbrances that are inadvertently closed may be reappropriated with the City Manager's approval. Electric Rate Stabilization funding not depleted during the prior fiscal year may be carried over with the City Manager's approval. Also, any funds not utilized in the Fiscal Year 2017-2018 Budget may be collapsed with the City Manager's approval. This will ensure an accurate chart of accounts as necessary.

ADOPTED this 6th day of June, 2017.



John D. Bridgeman, Mayor



City Clerk





City of Gastonia, North Carolina

PROJECT ORDINANCE

BE IT ORDAINED BY THE CITY OF GASTONIA, NORTH CAROLINA :

SECTION I. The following amounts are hereby appropriated for the construction of the City's various capital projects/capital reserves for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

CAPITAL PROJECTS

Airport Capital Projects

Airport Improvements	\$ 166,667
	<u>\$ 166,667</u>

Street Capital Projects

Speed Humps	\$ 30,000
Franklin Boulevard Improvements	50,000
	<u>\$ 80,000</u>

Water and Sewer Improvements

Sewer Assessments	\$ 80,000
Collection System Improvements	800,000
Long Creek WWTP Expansion	246,900
Southeast Sewer Expansion	200,000
Downtown Sports & Entertainment Complex	500,000
Pump Station Forcemain Improvements	335,000
	<u>\$ 2,161,900</u>

Electric System

Downtown Sports & Entertainment Complex	\$ 1,000,000
Outside Storage	50,000
New Tech Park-Substation	115,000
City Electrical Tie Lines	325,000
Underground System Replacement	285,000
Electric Developments	100,000
Residential Development	125,000
	<u>\$ 2,000,000</u>

Stormwater Capital Projects

Stormwater System Improvement	\$ 184,232
Stormwater Noncapital	456,556
	<u>\$ 640,788</u>

General Fund Capital Projects

Downtown Sports & Entertainment Complex	\$ 1,357,486
Powell Bill - Street Improvement	1,550,000
	<u>\$ 2,907,486</u>

TOTAL CAPITAL PROJECTS

\$ 7,956,841

SECTION II....and that the following revenues will be available during fiscal year beginning July 1, 2017 and ending June 30, 2018 to meet the foregoing appropriations:

CAPITAL PROJECTS**Airport Capital Projects**

NCDOT Aviation Division	\$ 150,000
Transfers from other Funds:	
General Fund	16,667
	<u>\$ 166,667</u>

Street Capital Projects

Transfers from other Funds:	
Infrastructure Rehab	\$ 50,000
General Fund	30,000
	<u>\$ 80,000</u>

Water and Sewer Improvements

Transfers from other Funds:	
Water and Sewer Fund	\$ 861,900
Water and Sewer Capital Expansion Fund	1,300,000
	<u>\$ 2,161,900</u>

Electric System

Transfers from other Funds:	
Electric Fund	\$ 2,000,000
	<u>\$ 2,000,000</u>

Stormwater Capital Projects Fund

Property Owner Assistance	\$ 10,000
Transfer from other Funds:	
Stormwater Utilities Fund	\$ 630,788
	<u>\$ 640,788</u>

General Fund Capital Projects Fund

Transfer from other Funds:

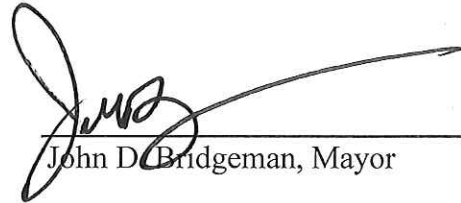
Infrastructure Rehab	\$ 697,906
General Fund	2,209,580
	<u>\$ 2,907,486</u>

TOTAL CAPITAL PROJECTS

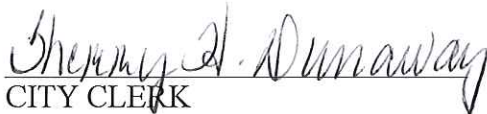
\$ 7,956,841

SECTION III. Any capital project funds requiring prior year fund balances to cover continued expenditures for Fiscal Year 2017-2018 will be subject to review and will be adjusted with the City Manager's approval. This will ensure that the carry forward funding matches the audited year ending 06/30/17 balances and will eliminate over appropriation of funds. Any Capital Projects completed with funds remaining can be reverted back to the originating fund at the City Manager's approval.

ADOPTED this 6th day of June, 2017.



John D. Bridgeman, Mayor



CITY CLERK





City of Gastonia, North Carolina

COMMUNITY DEVELOPMENT GRANT
PROJECT ORDINANCE

BE IT ORDAINED BY THE CITY OF GASTONIA, NORTH CAROLINA :

SECTION I. The following amounts are hereby appropriated to conduct activities in relation to Community Development Block Grants for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

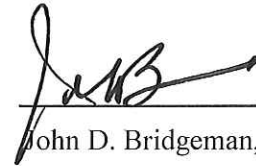
<i>COMMUNITY DEVELOPMENT FUND</i>	\$ 861,380
<i>108 LOAN-DOWNTOWN REVITALIZATION</i>	20,140
<i>HOME INVESTMENT TRUST FUND</i>	<u>822,565</u>
 <i>TOTAL GRANT PROJECT APPROPRIATIONS</i>	 <u><u>\$ 1,704,085</u></u>

SECTION II...and that the following revenues will be available during fiscal year beginning July 1, 2017 and ending June 30, 2018 to meet the foregoing appropriations:

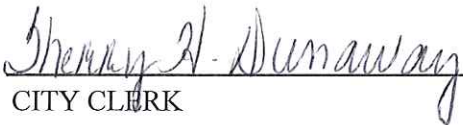
<i>COMMUNITY DEVELOPMENT FUND</i>	
Land Sales	\$ 145,922
Repayment/Loan – Homeowner	10,910
Community Development Grant	<u>704,548</u>
	\$ 861,380
 <i>108 LOAN-DOWNTOWN REVITALIZATION FUND</i>	
Fund Balance Appropriated	\$ 3,460
Repayment/Loan-Investor	<u>16,680</u>
	\$ 20,140
 <i>HOME INVESTMENT TRUST FUND</i>	
Repayment/Loan Home Owner	\$ 20,137
Federal Home Program	582,428
Miscellaneous Revenue	<u>220,000</u>
	\$ 822,565
 TOTAL GRANT PROJECT REVENUES	 <u><u>\$ 1,704,085</u></u>

SECTION III. Any grant funds requiring prior year fund balances to cover continued expenditures for Fiscal Year 2017-2018 will be subject to review and will be adjusted with the City Manager's approval. This will ensure that the carry forward funding matches the audited year ending 06/30/17 balances and will eliminate over appropriation of funds. Any adjustment between appropriation within a single fund can be approved by the City Manager. Also, any funds not utilized in the Fiscal Year 2017-2018 Budget may be collapsed at the City Manager's approval. This will ensure an accurate chart of accounts as necessary.

ADOPTED this 6th day of June, 2017.



John D. Bridgeman, Mayor



CITY CLERK



CHANGES TO FY 2017-2018 PROPOSED BUDGET

Description	Account #	Increase/ (Decrease)	New Total
REVENUES			
General Fund			
Fund Balance Appropriated	110-660-399000	78,966	\$ 1,185,733
Total Changes in Revenues		<u>78,966</u>	
EXPENDITURES			
General Fund			
Life Insurance	Various	21,466	
Mayor/Council Contracted Services	110-410-45000	57,500	\$ 126,400
Total Changes in Expenditures		<u>78,966</u>	
Net Change to the Proposed Budget for the General Fund			<u><u>-</u></u>

EXPENDITURES			
Water & Sewer Fund			
Life Insurance	Various	3,605	
Water & Sewer Reserve	330-660-89000	(3,605)	\$ 445,927
Net Change to the Proposed Budget for the Water & Sewer Fund			<u><u>-</u></u>

EXPENDITURES			
Electric Fund			
Life Insurance	Various	1,691	
Rate Stabilization Reserve	331-720-89020	(1,691)	\$ 3,225,396
Net Change to the Proposed Budget for the Electric Fund			<u><u>-</u></u>

EXPENDITURES			
Transit Fund			
Life Insurance	Various	494	
Fuel Reserve	332-660-31089	(20,000)	\$ 5,000
Professional Services	332-495-04000	20,000	\$ 20,000
Fuel	332-498-31000	(494)	\$ 17,506
Net Change to the Proposed Budget for the Transit Fund			<u><u>-</u></u>

CHANGES TO FY 2017-2018 PROPOSED BUDGET

Description	Account #	Increase/ (Decrease)	New Total
REVENUES			
Solid Waste Fund			
Fund Balance Appropriated	335-660-399000	14,000	\$ -
Total Changes in Revenues		<u>14,000</u>	
EXPENDITURES			
Solid Waste Fund			
Life Insurance	Various	837	\$ -
Fuel	335-584-13030	(837)	\$ -
Recycling Contract	335-587-45070	14,000	\$ -
Total Changes in Expenditures		<u>14,000</u>	
Net Change to the Proposed Budget for the Solid Waste Fund			<u><u>-</u></u>

EXPENDITURES			
Stormwater Fund			
Life Insurance	Various	205	
Fuel	336-578-31000	(205)	\$ 14,795.00
Net Change to the Proposed Budget for the Stormwater Fund			<u><u>-</u></u>

EXPENDITURES			
Community Development			
Life Insurance	Various	45	
Insurance Deductible Expense	621-720-54010	(45)	\$ 1,955
Net Change to the Proposed Budget for the Community Development Fund			<u><u>-</u></u>

EXPENDITURES			
CD/Rehab			
Life Insurance	Various	22	
Direct Homeowners Assistance	624-719-42030	(22)	\$ 243,422
Net Change to the Proposed Budget for the CD/Rehab Fund			<u><u>-</u></u>

CHANGES TO FY 2017-2018 PROPOSED BUDGET

Description	Account #	Increase/ (Decrease)	New Total
EXPENDITURES			
Technology Internal Service Fund			
Life Insurance	Various	1,381 \$	-
Working Reserve	881-892-89000	(1,381) \$	208,572
Net Change to the Proposed Budget for the Technology Internal Service Fund			-



Glossary

AACE - the acronym used for American Association of Code Enforcement.

ARRA - the acronym used for American Recovery and Reinvestment Act of 2009.

Accomplishment - the act of accomplishing or completing a goal set by a department.

Account Number - the accounting designation for revenue and expenditure line items. The account number consists of a two digit fund number, a three digit division and a four digit sub-account number.

Accounting System - the total set of records and procedures that are used to record, classify and report information on the financial status of an entity or fund during a specific time period.

Accrual - describes the concept (known as accrual accounting) where a revenue or expense is not recorded (recognized) at the same moment in time as the related cash inflow / outflow.

Accrual Basis of Accounting - revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

ADA - a commonly used acronym for the Americans with Disabilities Act.

Ad Valorem - a charge on property (real and personal) based on the assessed value of the property.

Adopted Budget - the official expenditure plan of the City as authorized by City Council for a specified fiscal year.

Amended or Revised Budget - a budget that includes authorized changes to the original adopted budget.

Appropriation - an authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Arbitrage - the Internal Revenue Code provides that a state or local government investing tax-exempt debt issue proceeds (interest exempt from federal income taxes) at rates higher than that being paid on the debt may have to rebate the excess interest earned to the U.S. Treasury.

ATB - the acronym used for Across The Board salary increase, which is an increase given to all the employees at the same level.

Glossary

Assessed Value - the value established for real or personal property and used as the basis for levying property taxes.

Assessment - the process for determining values of real and personal property for taxation purposes.

Asset - resources owned or held by a government which have monetary value.

Asset forfeiture (asset seizure) – a form of confiscation of assets by the State or Federal government. It typically applies to the alleged proceeds of crime. It applies, but is not limited, to terrorist activities, drug related, and other criminal and even civil offenses. The purpose of asset forfeiture is to disrupt criminal activity by confiscating assets that potentially could have been beneficial to the individual or organization.

Authorized Positions - employee positions, which are authorized in the adopted budget, to be filled during the year.

Available (Undesignated) Fund Balance - this refers to the funds, remaining from the prior year which are available for appropriation and expenditure in the current year.

Balanced Budget - a budget in which the estimated revenues equal the estimated expenditures.

Basis of Accounting - a term used to refer to when revenues, expenditures, expenses, and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. The City uses the the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Basis of Budgeting - a term used to refer to the recognition of costs and revenues in budget development and in establishing and reporting appropriations, that are the legal authority to spend or collect revenues. The City uses the the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Benchmark - A target or a goal for performance of a service, against which actual performance is compared.

Benefits - Federal and State mandated employee benefits and other council approved programs such as health insurance.

Glossary

Bond - a long-term I.O.U. or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

Budget - (a comprehensive financial plan of operation for which attempts to rationalize the allocation of limited revenues among competing expenditure requirements for a given time period. Most local governments have two types of budgets - the "operating" budget and the "capital improvement" budget.) In the State of North Carolina, it is mandated a balanced budget be produced.

Budget Amendment - A legal procedure utilized by the City staff and the City Council to revise a budget appropriation.

Budget Calendar - the schedule of key dates which a government follows in the preparation and adoption of the budget.

Budget Message - (Executive Summary) a letter of transmittal for the proposed budget prepared by the City Manager and addressed to the governing board which contains the Manager's views and recommendations on the City's operations for the coming fiscal year.

Budget Ordinance - the official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Budget System - the total set of records and procedures that are used to record, classify, and report information on the financial plan for an entity of fund covering a specific time period.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Asset - assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Budget - the appropriation of bonds or operating revenue for improvements to facilities, and other infrastructure.

Capital Improvements - expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant, sometimes referred to as infrastructure.

Capital Improvement Program (CIP) - a 5- to 10-year forecast of needs, costs, sources of financing and impact on Annual Budget.

Glossary

Capital Outlay - an expenditure expected to have a useful life of greater than one year or an estimated total of \$5,000 or more. Capital Outlay include such purchases as heavy duty equipment, vehicles, computers, or construction materials for small projects.

Capital Reserve Fund - a fund established for the purpose of receiving transfers of monies for other funds in order to build fund balance for a future capital outlay or to set aside funds for future debt service payments.

Cash Basis - revenues are not recorded until cash is received and expenditures are not recognized until cash is disbursed.

Cash Management - The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing, and maintaining banking relationships.

Certificates of Participation (COPs) – an installment purchase agreement that can either be "placed" to one or a few buyers, or can be publicly sold. If they are publicly sold, the investor buys an undivided share in contract payments, evidenced by a certificate of participation.

Classification - Assignment of a position title and an associated pay range based on the job skills required for a particular position.

Community Development Block Grant (CDBG) - a federal domestic assistance grant administered by the U.S. Department of Housing and Community Development to develop viable urban communities by providing decent housing and a suitable living environment for persons of low and moderate income.

Community Development Fund - used to account for revenues and expenses derived from the Community Development Block Grant entitlements to the City.

Contingency - an appropriation used at the City Council discretion to provide funds for unforeseen or unanticipated expenditures.

Debt Service - payment of interest and repayment of principal to holders of a government's debt instruments (bonds and loans).

Department - a basic organizational unit of the City which is functionally unique in its delivery of services with possibly one or more divisions.

Depreciation - expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Disbursement - the expenditure of monies from an account.

Glossary

Distinguished Budget Presentation Awards Program - a voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Donations - revenue received from private contributions for public service expenditures.

EEOC (Equal Employment Opportunity Commission) - a government agency which is responsible for the enforcement of equal pay provisions and for the investigation and, if necessary, the prosecution of discriminatory hiring practices.

Effectiveness Measures - These can assess any of the following: The quality level at which a service is provided, the extent to which the service meets the demand for the service or resolves the problem giving rise to the service, the extent to which the service meets the objectives, and/or resources expended on the service in relation to need met or demand fulfilled.

Efficiency Measures - These are usually a ratio between the resources expended to provide a service and the level (quantity) of service provided, assuming a certain level of quality. These measures may also compare resources expended with improvements or changes in service quality, while holding quantity constant.

Employee (or Fringe) Benefits - contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension, medical and life insurance plans.

Encumbrances - obligations in the form of purchase orders or contracts which are chargeable to an appropriation and for which a part of the appropriation is reserved (they become expenditures when paid).

Enterprise Fund - a fund established to account for operations financed in a manner similar to a private business enterprise where the costs of providing goods and services to the public are financed or recovered through user charges. The City's Enterprise Funds are Fund 30 Water and Sewer, Fund 31 Electric, Fund 32 Transit, Fund 33 Golf Course and Fund 36 Stormwater Utilities.

Equitable sharing – a Federal program in which the proceeds of liquidated seized assets from asset forfeiture are shared between state and federal law enforcement authorities. A 1984 law set up the arrangement in which state and local police can share the seizures with the federal agents.

ETJ - the acronym used for Extra Territorial Jurisdiction.

Glossary

Expenditure - the payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Fiduciary Funds - used to account for assets held by a government in a trustee or agency capacity, whether for individuals, private organizations, other governmental units, or other funds of the government.

Fiscal Year (FY) - the designated for the beginning and ending of transactions. The City of Gastonia's fiscal year begins July 1 and ends June 30 of the following calendar year as required by state law.

Fiscal Policy - a government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fixed Asset - see "Capital Asset".

FLSA (Fair Labor Standards Act) - a Federal payroll and employment law that sets the minimum wage and overtime rates employees must receive for their work; requires recordkeeping by employers; places restrictions on the types of work children can do.

Forecast - an estimation of revenues and expenses for the current fiscal year to be used to determine the expected balances at the end of the year.

Fringe Benefits - funds budgeted for the City's contribution for employee benefits including retirement, health insurance, social security, and life insurance.

Full-time Equivalent Position (FTE) - a part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time employee working for 20 hours per week would be the equivalent to .5 of a full-time position.

Fund - an independent fiscal and accounting entity with a self-balancing set of accounts within which revenues must equal expenditures, segregated for the purpose of carrying on specific activities of attaining certain objectives.

Fund Balance - the excess of current assets over the current liabilities for each fund at the end of each fiscal year. A negative fund balance is called a deficit. For governmental funds, the fund balance is equal to the excess revenues over expenses for a given fiscal year.

Fund Balance Appropriated - A budgetary amount representing the fund's equity to be used to offset expenditures that exceed current revenues. Fund Balance appropriated cannot exceed the sum of cash and investments less the sum of liabilities, encumbrances, and

Glossary

deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget year.

FUSE - the acronym used for the Franklin Urban Sports & Entertainment project.

GA - the acronym used for the North Carolina General Assembly.

GASB 34 - the acronym used for Governmental Accounting Standards Board Statement #34, "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments".

Gaston-Cleveland-Lincoln Metropolitan Planning Organization (GCLMPO) - a multi-jurisdictional entity comprised of 34 local governments, North Carolina Department of Transportation, United States Department of Transportation, and other providers of transportation services to jointly plan for transportation improvements to the three-county region. The City of Gastonia is the largest municipality of the 17 voting local government members and serves as the Lead Planning Agency (LPA) providing Transportation Planning staff for the GCLMPO.

General Fund - used to account for the ordinary operations of the City which are financed from taxes, other general revenues, contributions, grants, transfers from other funds and reimbursements.

General Ledger - a file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bonds (GO Bonds)- a written promise to pay a specified sum of money at a specified date in the future together with periodic interest at a specific rate. It is an obligation of the local government entity guaranteed by the taxing ability of that government unit.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Geographic Information System (GIS) - a collection of computer hardware, software, and geographic data for capturing, managing, analyzing, and displaying all forms of geographically referenced information.

GFOA - the acronym used for Government Finance Officers Association of the United States and Canada.

Goal - a statement of broad direction, purpose or intent based on the needs of the community.

Glossary

Governmental Funds - used to account for the sources, uses, and balances of government's expendable "general government" financial resources.

Grant - a contribution of assets (usually cash) by a governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. They are usually designated for specific purposes.

HMIS - the acronym used for Homeless Management Information System.

IACO - the acronym used for International Association of Code Enforcement Officials.

Infrastructure - the physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Interfund Transfer - amount transferred from one fund to another whereby a budget transfer represents an appropriation in one fund and a revenue in the other.

Internal Service Fund - a fund used to account for the financing of goods or services provided by one department to other departments on a reimbursement basis.

Investment Earnings - revenue earned on investments with a third party. The City pools monies from several funds to facilitate disbursement and investment and maximize investment income.

Lease/Purchase Agreement - a contract granting use of property during a specified period of time in exchange for a specified amount with an option at the end of that period of time to buy the property.

Levy - to impose taxes for the support of government activities.

Licenses/Permits - type of revenue that includes funds generated from fees established by state or local statutes. Examples include business privilege licenses, motor vehicle licenses, and building permits.

Limited Obligation Bonds (LOBs) - debt issued by the City and the repayment is backed by the asset being financed as a guarantee to investors who purchase the debt on the bond market.

Line Items - units of budgeted expense set up within each division used to classify expenditures by item or category and establish the permissible level of expenditure for that item.

Local Government Budget and Fiscal Control Act - this act governs all financial activities of local governments within the State of North Carolina.

Glossary

Long Term Debt - debt with a maturity of more than one year after the date of issuance.

Maturity - the date on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

Merit Program - an established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

Mission Statement - fundamental purpose; a statement of what a department really wants to accomplish.

Modified Accrual - the accounting basis used by the City. Under this basis, expenditures are recognized when encumbered and revenues are recognized when they are collected.

NCAHCO - the acronym used for North Carolina Association of Housing Code Officials.

NCDENR - the acronym used for North Carolina Department of Environment and Natural Resources.

NCDOI - the acronym used for North Carolina Department of Insurance.

NCDOT - the acronym used for North Carolina Department of Transportation.

NCDPPEA - the acronym used for North Carolina Department of Pollution Prevention Environmental Assistance.

Need or Demand Indicators - these refer to conditions or problems underlying the need for a service. They have a relationship to the amount of service provided. These are often used to formulate objectives and outcome-oriented measures for a service and to evaluate efficiency and effectiveness.

Non-Departmental – expenditures and/or revenues for purposes that are not related to a specific department.

Objective - a specific target for achievement which represents an interim step or progress toward a goal within a specified time span.

Obligations - amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget - a plan of financial operation which encompasses an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenues).

Glossary

Operating Expenses - the cost for personnel, materials and equipment required for a department to function.

Operating Revenue - funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Operating Transfers - routine and/or recurring transfers of assets between funds.

Ordinance - a legislative enactment by the governing body of the City. It has the full force of law within the City if it is not in conflict with any higher form of law.

Part 1 Offenses - a law enforcement classification for major crimes, including murder, robbery, aggravated assault, etc.

Performance Indicators - specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measurement - the process of assessing the results produced or achieved by public services. For a particular service, performance measurement might start with the formulation of a mission statement and measurable objectives that reflect or address the need for service. The process also involves identifying measures to assess the extent to which the objectives are met and measuring the costs or the efforts expended to provide the service.

Powell Bill - funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

Productivity - maximizing the use of resources (personnel and dollars) to achieve an effective result at the least possible cost.

Property Tax - a tax levied on the value of real property set annually by City Council to fund general governmental expenditures. Property tax is expressed as a dollar value per \$100 of assessed valuation.

Property Tax Rate - the value expressed in the form of a dollar value per \$100 of assessed valuation that is used to generate the revenues necessary to fund governmental operations that are included in the adopted budget.

Proprietary Funds - funds operated like a business and charging user fees. Enterprise and Internal Service Funds fall within this classification.

Reclassification - change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

Glossary

Referendum - presenting an issue to the voters of the City where a majority of voters decide on the issue.

Reserve - an account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resources - total dollars available for appropriations including estimated revenues, fund transfers and beginning fund balances.

Restricted Intergovernmental Revenues - Grants, entitlements, and shared revenues that are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.

Revaluation - assignment of value to properties, buildings, vehicles, and equipment used for business and residential purposes by the Gaston County Tax Assessor's Office. Under State law, all property must be revalued no less frequently than once every eight years.

Revenue - income received by the City from various sources used to finance its operations.

Revenue Bonds - when a government issues bonds which do not pledge the full faith and credit of the jurisdiction, it issues limited liability revenue bonds. Typically, pledges are made to dedicate one specific revenue source to repay these bonds. Revenue bonds do not require voter approval under state law.

Revenue Estimates - a formal estimate of how much revenue will be earned from a specific revenue source from some future period.

Right-of-Way Acquisition - purchase of property by the City to perform road improvement projects and/or protection of right-of-way for future highway projects.

Sales Tax - a tax levied on the taxable sales of all final goods. The State of North Carolina levies a 4.5% sales tax and allows counties to levy an additional sales tax amount. Gaston County levies a 2.5% sales tax and distributes the proceeds on an ad valorem basis with jurisdictions within the County.

Service Charges - a revenue to the General Fund paid by the other City funds for administrative services provided such as payroll and data processing.

Service Description - a description of the service/program that the department is responsible for providing to the citizens.

Service Profile - provides data related to the service/program and identifies important dimensions of service delivery.

Glossary

SBCCI - the acronym used for Southern Building Code Congress International.

Source of Revenue - revenues are classified according to their source or point of origin.

Special Revenue Funds - to account for specific sources of revenue such as gas taxes or building permit fees that are legally restricted for expenditures of specific purposes.

Sub-Account - a level of budgeting which identifies a specific line of work performed in carrying out a budgeted activity.

TASH - the acronym used for The Association for the Severely Handicapped.

Tax Base - the total assessed valuation of real property within the City limits.

Tax Levy - the total amount of revenue to be raised from the property tax levied in the budget ordinance.

Tax Rate - the amount of tax levied per \$100 assessed valuation.

Taxes - compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Technology Services - a department within the City that supports other departments in areas of information processing; telephone, pager and two-way radio communications; conditioned uninterruptible power systems and in-house consulting.

Tentative Budget - the preliminary budget approved by the City Council for the purpose of establishing a millage rate to be mailed to property owners prior to final adoption of a millage rate and budget.

Transfers In/Out - amounts transferred from one fund to another to assist in financing the services for the recipient fund. Also, referred to as Interfund Transfers.

Trust Funds - to account for cash set aside in a trustee capacity such as donations for certain programs.

Unencumbered Balance - the amount of an appropriation that is neither expended or encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - the portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Glossary

User Charges/Fees - the payment of a fee for direct receipt of a public service by the person benefiting from the service such as utility charges and emergency medical fees. Also known as user fees.

USERRA - the acronym used for The Uniformed Services Employment and Reemployment Rights Act.

Workload Measure - A performance measure identifying how much or how many products or services were produced.

YTD – the acronym used for Year to Date.

