

CITY OF GASTONIA

# Budget Outlook Work Session

Municipal Operations Center

Tuesday, March 10, 2026



CITY OF GASTONIA

# FY 2026-2027 Budget Calendar

Michael Peoples, City Manager

Tuesday, March 10, 2026



# Budget Calendar

<b>October 27, 2025</b>	Departments can begin entering new program initiatives / personnel / building maintenance/infrastructure requests / tech services requests into Seamless
<b>November 3, 2025</b>	Current year fee schedule and prior year's strategic planning information distributed to departments for updating
<b>November 14, 2025</b>	Vehicle and equipment requests due to Equipment Services
<b>December 1, 2025</b>	IT Governance Request Forms due to Technology Services Building Maintenance/Infrastructure requests due to Building Maintenance
<b>December 9, 2025</b>	Mayor/Council Project Update Meeting 12:00 p.m. – 6:00 p.m. MOC Training Room
<b>December 17, 2025</b>	New program initiatives / personnel requests / fee schedule proposals/amendments and updated strategic planning information are due to the Budget Office
<b>December 18, 2025</b>	Staff Strategic Plan Audit and Advocacy Agenda Update session 10:00 a.m. – until. MOC Training Room (lunch will be served)
<b>January 5, 2026</b>	Recommended vehicle, equipment, tech services and building services requests due to the Budget Office
<b>January 23, 2026</b>	Mayor/Council Strategic Planning (mission, vision, core values, goals and objectives) 12:00 p.m. – 5:00 p.m. Centralina Regional Council (dinner to follow)
<b>January 24, 2026</b>	Mayor/Council Budget Objectives Retreat 8:30 a.m. – 2:00 p.m. (Breakfast – 8:00 a.m.) MOC Training Room

# Budget Calendar

<b>February 2, 2026</b>	Expenditures and revenues must be entered into Questica; departments can make no further changes
<b>February 9 – 18, 2026</b>	Assistant City Managers, Finance Director and Budget staff to meet with respective departments to discuss initial budget requests
<b>March 3, 2026 – March 13, 2026</b>	Review of revised departmental requests by City Manager, Assistant City Managers, Department Heads, Finance Director and Budget staff
<b>March 10, 2026</b>	Council work session: Departments to Present 5:30 pm MOC Training Room
<b>March 30, 2026</b>	Council work session: Budget Outlook 5:30pm MOC Training Room
<b>April 7 &amp; 21, 2026</b>	Budget discussion could be added to Council agenda
<b>April 14, 2026</b>	Budget should be finalized and balanced based on recommendations of the City Manager
<b>April 23, 2026</b>	Budget Work Session 5:30 Spindle Conference Room (if needed)
<b>No later than May 1, 2026</b>	Proposed budget distributed to City Council, published on website and notice of public hearing completed
<b>May 4, 2026</b>	Public Hearing on the Budget and Budget discussion at the Council Meeting
<b>June 2, 2026</b>	Adoption of the Fiscal Year 2026-2027 budget

# Customer Service

## Cayla Bot – AI Customer Service Representative

- Expected to provide consistency in calls
- Expected to provide efficiency and flexibility in staffing
- The City can determine how many calls Cayla answers
- \$1.50 per call for first year



*Cayenta*

**QUESTIONS?**

CITY OF GASTONIA

# Proposed FY 2026-2027 Budget Highlights

Municipal Operations Center

Tuesday, March 10, 2026



CITY OF GASTONIA

# Human Resources

Judy Smith, Human Resources Director

Tuesday, March 10, 2026



# Agenda



Compensation • Retirement

## Supporting Employees Financially

# Agenda



Medical Insurance • Employee Health Clinic • Diabetes Program • Dental • Life

## EMPLOYEE HEALTH

# Agenda



Wellness Programs • Employee Assistance Program (EAP)

## Promoting Wellness & Prevention

# Agenda



Paid Leave • Supplemental Benefits

## Supporting Work-Life Balance

# Compensation History

2020	2021	2022	2024	2025	2026	2027
Avg Increase: <b>3.3%</b>	Avg Increase: <b>3.2%</b>	<b>6.3%</b> salary survey adjustment	Avg Increase: <b>5.35%</b>	Avg Increase: <b>4.5%</b>	Avg Increase: <b>5.78%</b>	Planned Increase Avg Increase:
Based on years of service	Based on years of service	<b>10.6%</b> market adjustment	<ul style="list-style-type: none"><li>• 4% ATB</li><li>• 1% career develop- ment</li></ul>	<ul style="list-style-type: none"><li>• 4% ATB</li><li>• 1% career develop- ment</li></ul>	<b>Step 1:</b> 3.5% ATB <b>Step 2:</b> Minimum wage adjustments <b>Step 3:</b> Compression adjustments	<b>4%</b> <ul style="list-style-type: none"><li>• <b>3.5%</b> ATB</li><li>• <b>1%</b> career development</li></ul>

# Cost of Proposed Compensation Adjustments

*3.5% Across-the-board + 1% Professional Development*

Fund	FY26 Salaries	Raises	Cost of Raises
110	46,294,746.23	48,154,637.66	1,859,891.43
170	1,594,323.16	1,658,375.09	64,051.93
263	44,657.40	46,451.51	1,794.11
330	9,628,540.95	10,015,367.58	386,826.63
331	4,682,145.84	4,870,251.05	188,105.21
332	525,517.32	546,629.98	21,112.66
335	2,685,256.22	2,793,136.39	107,880.17
336	684,182.83	711,669.88	27,487.05
621	240,918.67	250,597.58	9,678.91
624	60,977.82	63,427.60	2,449.78
881	3,318,850.86	3,452,185.69	133,334.83

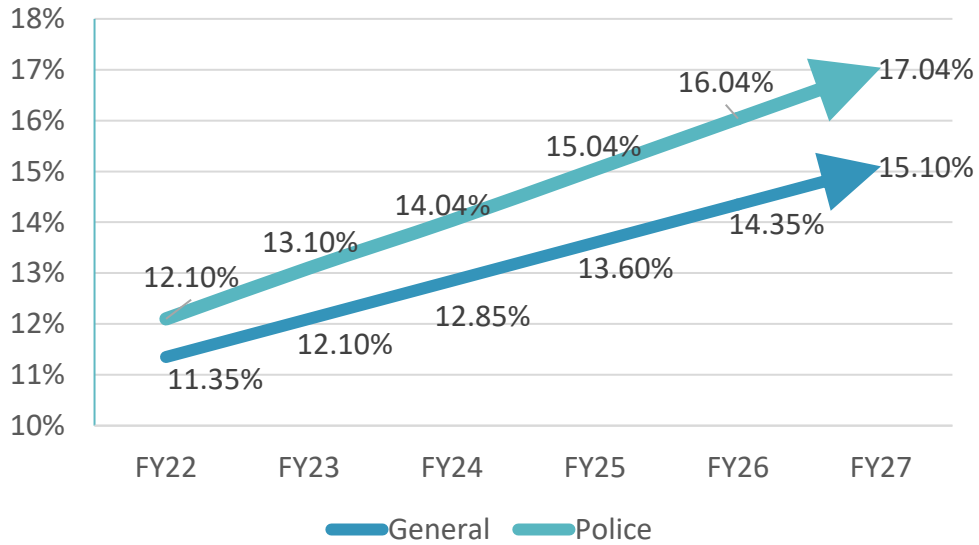
**Current Payroll**  
\$69.8M

**Payroll After Raises**  
\$72.6M

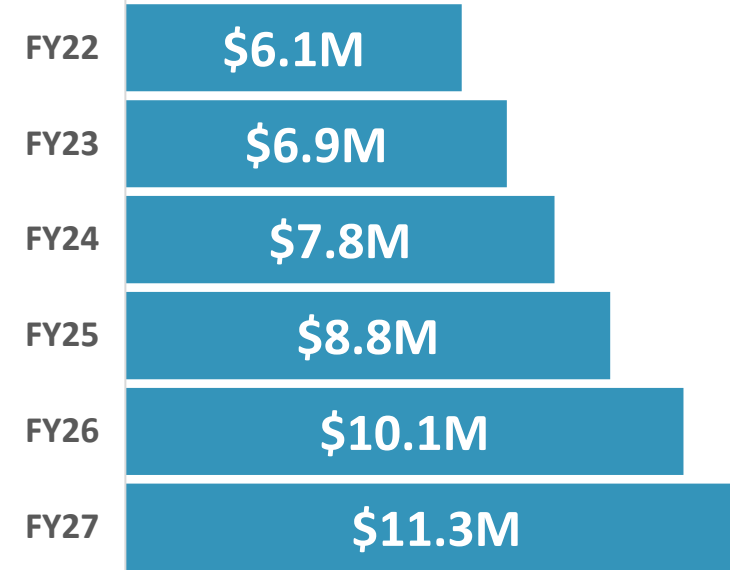
**Cost of Raises**  
\$2.8M

# History - Retirement

## Contribution Rate Trend



## Annual Retirement Cost



# Retirement Savings

*Employer contributions and employee saving options*

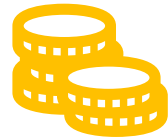
## 401(k) Plan

City contributes **5%**  
of employee salary



## 457 Plan

Voluntary Employee  
Retirement  
Contributions



**Both plans allow pre-tax or after-tax contributions**

# Medical Insurance Overview

*Structure, administration, and claims outlook*



## Plan Structure

High-Deductible Health Plan (HDHP) with Health Savings Account (HSA)



## Plan Administration

Administered by Blue Cross Blue Shield of NC

- Large provider network
- Negotiated provider rates



## Claims Outlook

FY2026 Expected Claims: **\$12.7M+**

**↑ \$1.5M** from FY2025



### HIGH-COST CLAIMANTS

**38%** of claims | **27 claimants** = \$5M+

# Cost Control Measures

*Strategies used to manage rising healthcare costs*



## Self-Insured Plan

Since 2006



## Stop-Loss Protection

Mark III – Intergovernmental Healthcare

Alliance (IHA) Program

Claims above **\$210,000** protected



## Spouse Eligibility Rules

Doesn't allow coverage for spouses who are eligible for other coverage



## Pharmacy Transparency

FY2026 Rebates: \$2M

FY2027 Estimate: \$2.4M

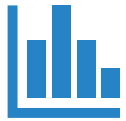
# Why the City Self-Insures

*A self-insured (or self-funded) plan is one where an employer assumes the financial risk for employee healthcare claims instead of paying fixed premiums to an insurance carrier.*



## Cost Control

Avoid insurance company profit margins



## Data Transparency

Access to detailed claims information



## Flexible Plan Design

Benefits tailored to employee needs

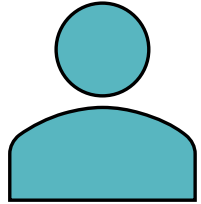


## Health Improvement

Enables targeted wellness programs



# Medical Plan Design



## Employee Coverage

Individual premium  
paid 100% by the city



## Deductible (In-Network)

Current: \$1,650/ \$3,300  
July 1, 2026: \$1,700/ \$3,400



## Out-of-Pocket Maximum

\$4,000 Individual  
\$8,000 Family



## Dependent Coverage

Dependents may be covered  
(employee pays premium)

*The City's health plan provides comprehensive coverage while maintaining manageable deductibles and out-of-pocket limits*

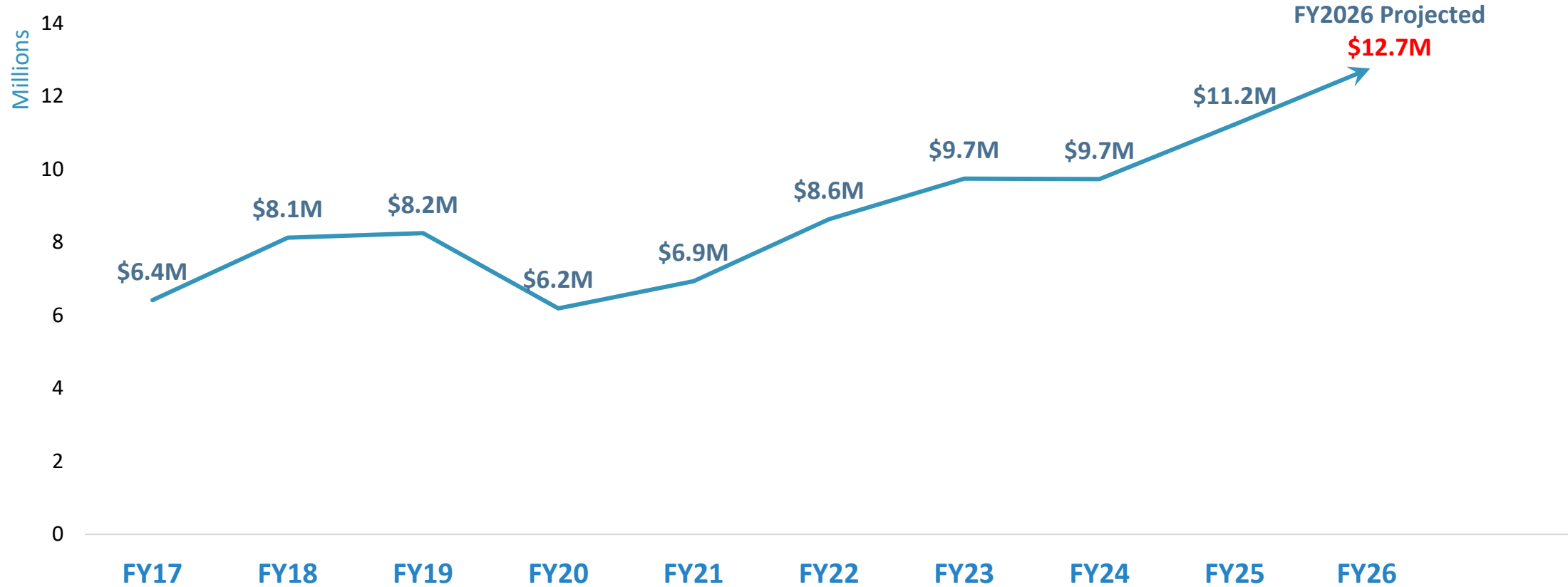
# Monthly Medical Premiums

COVERAGE	EMPLOYEE	CITY CONTRIBUTION		EMPLOYEE PAYS
Individual	552	\$750	➔ \$829.75	\$0
Employee + Children	148	\$750	➔ \$829.75	\$136.54
Employee + Spouse	40	\$750	➔ \$829.75	\$330.30
Family	79	\$905	➔ \$978.75	\$435.82

***FY2027 Recommendation:  
Increase City's contribution to \$829.75  
(\$978.75 for Family coverage)***

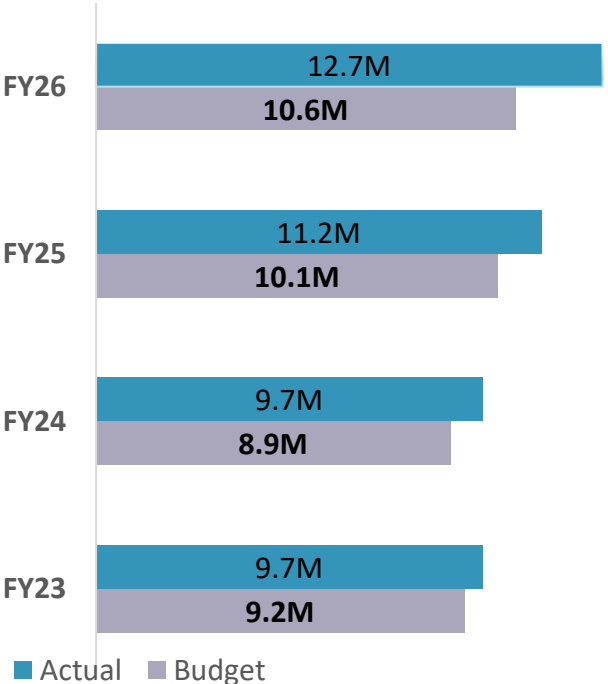
# Medical Insurance Claims

Claims Trend

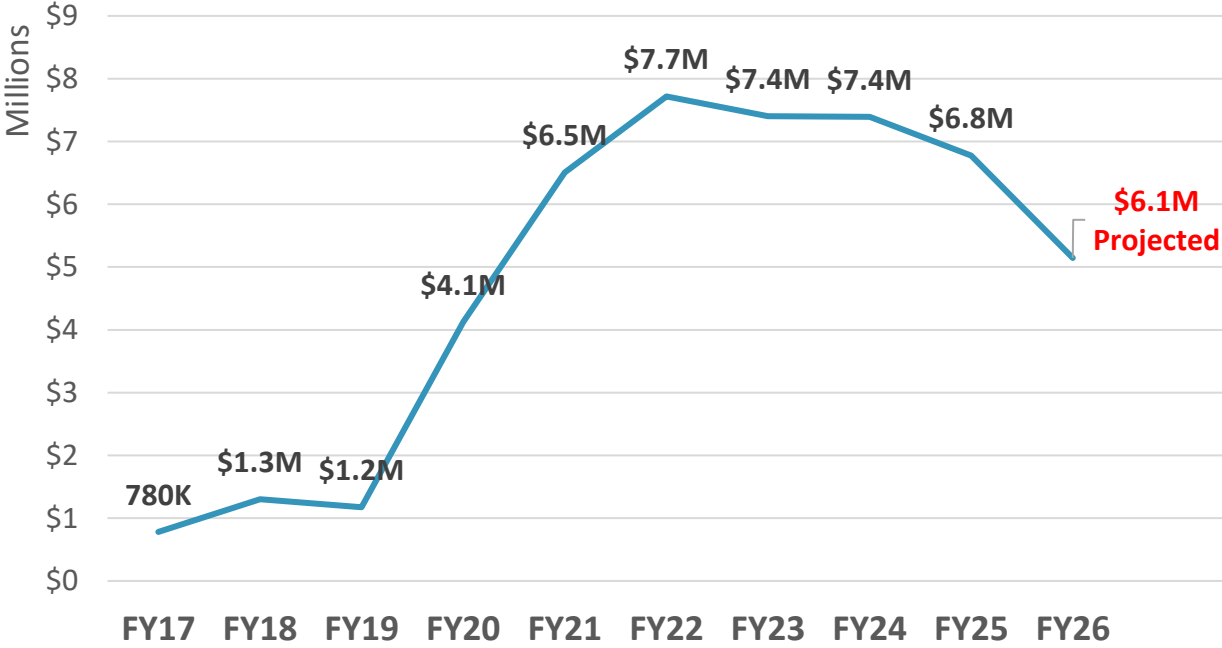


# History – Medical Insurance Claims

Budget vs Actual



Medical Insurance Fund Balance



Peak Balance  
FY22: **\$7.7M**

Projected FY26  
**\$6.1M**

# Health Savings Account (HSA) Benefit Breakdown

*City contributions and employee saving opportunities*



## City Contribution

**\$1,000** annually

Pro-rated contribution  
for new hires



## Wellness Incentive

Employees can earn  
an additional  
**\$250**



## Employee Contributions

Pre-tax Contributions

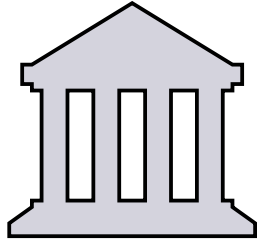
**2026 Federal Limits:**  
**\$4,400 Ind. / \$8,750 Fam.**

# On-Site Employee Health Clinic

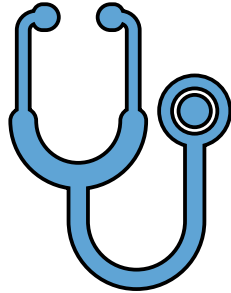
*Providing convenient, low-cost healthcare for employees and retirees*



**Partnership with  
Atrium**



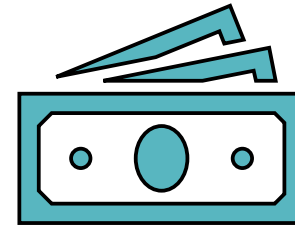
**July 1, 2009  
Clinic opens in City  
Hall**



**July 1, 2018  
Expanded to offer  
services to retirees  
that are covered on  
the City's medical  
insurance**



**July 1, 2024  
New expanded facility  
opened; expanded  
services to  
dependents that are  
covered on the City's  
medical insurance  
(ages 5+)**



**\$3 copay per visit**



**Services include sick  
visits, labs, and acute  
care**

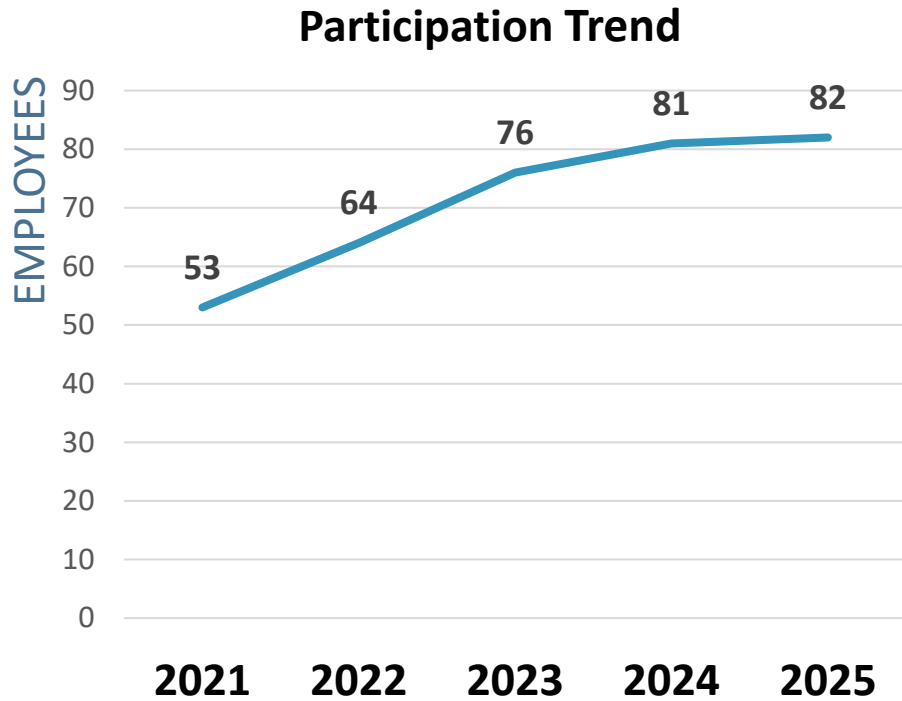
# On-Site Employee Health Clinic Utilization



	January 1, 2025 through December 31, 2025	January 1, 2024 through December 31, 2024	January 1, 2023 through December 31, 2023
Total Visits	2,929	1,860	1,695
% Utilization	83%	62%	74%

# Diabetes Program

## Participation + Cost Impact



### Annual Cost Comparison

*Participants vs Non-Participants*

Enrollment	Total	Medical	Rx	Total
Participants	82	\$8,996	\$11,424	\$20,420
Eligible but not enrolled	56	\$18,312	\$8,796	\$27,108
Differential				\$6,688

Diabetes **HMPR<sub>x</sub>** PMPY Cost Comparison  
**HMPR<sub>x</sub>** vs. Non-**HMPR<sub>x</sub>**

# Diabetes Program Impact

## *Return on Investment*



### Cost Difference

#### Average Annual Cost

Non-Participants

**\$27,108**

Participants

**\$20,420**

Savings per participant:

**\$6,688**



### Program Investment

#### Program Cost per Participant

**\$85.75** per month

**\$1,029** per year

**82** employees enrolled



### Financial Impact

#### Total Net Savings

**\$464,038**

#### Program Cost

**\$84,378**

ROI **550%**

**Every \$1 invested returns \$5.50 in savings**

**\$84K Program Cost → \$464K Savings**

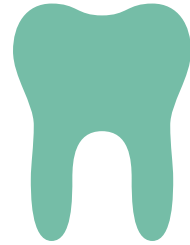
# Dental Plan Overview



*Affordable dental coverage for employees*



Self-insured since July 1,  
2007



Delta Dental of NC  
administers the plan



Two plan options:  
Base and Buy-Up



Base individual coverage  
fully paid by City

# Dental Monthly Premiums

## Base Plan

Coverage Level	Employee	City Premium		Employee Premium
Individual	214	\$24.07	→ \$27.17	\$0
Employee + One	50	\$24.07	→ \$27.17	\$8.13
Family	52	\$24.07	→ \$27.17	\$15.87

## Buy-up Plan

Coverage Level	Employee	City Premium		Employee Premium
Individual	333	\$24.07	→ \$27.17	\$10.84
Employee + One	95	\$24.07	→ \$27.17	\$39.62
Family	118	\$24.07	→ \$27.17	\$81.12

*FY2027 Recommendation:*

*Increase the City's Contribution to \$27.17 for all levels of coverage*

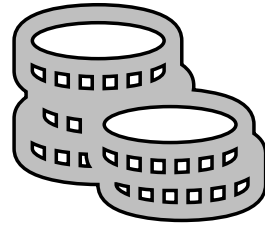
# Life Insurance

*Employer-provided financial protection*



## City Paid

**Fully Paid** By the City



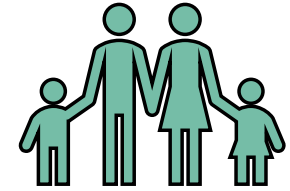
## Coverage Level

Benefits equals  
**1x Annual Salary**



## AD&D Coverage

Includes  
Accidental Death  
& Dismemberment



## Dependent

Optional  
Dependent Life  
Insurance

# CaroMont Wellness Program History



Partnership with CaroMont began on July 1, 2017



Full-time Wellness Coordinator on staff and located in the Clinic



Chairs the monthly Wellness Committee



Manages annual biometric screenings and annual health fair



Wellness Coaching, in-person lectures, monthly challenges, exercise classes and other wellness related activities

# Six Wellness Priorities

*Top priorities identified through annual health risk assessments*



**Weight Management**



**Increase Physical  
Exercise Activity**



**Blood Pressure  
Reduction**



**Improve Nutrition**



**Diabetes Prevention  
& Control**



**Cholesterol  
Management**

# Wellness Program Impact

## CaroMont Wellness Program

*Employee participation and engagement highlights*



### Biometric Screenings

802 Employees/Retirees



### 77% Participation

739/959 City Employees



### Monthly Challenges

11,023 Employee Registrations



### Weekly Walk Group

136 Employee Participation



### Wellness Coaching

25 Participants



### Resistance Training

116 Employees Over 38 Group Sessions



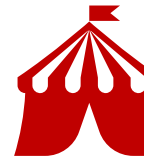
### 19 Wellness Lectures

739 attendees



### Healthiest Employer Award

#8



### Fall Health Fair

222 attendees

# Employee Assistance Program (EAP)

*Confidential counseling and support services*



## Provider

McLaughlin Young:  
MYgroup



## Counseling Benefit

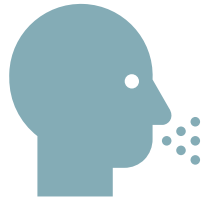
Up to **6 confidential**  
Counseling visits per  
issue



## Family Access

Available to  
Employees and  
household members

# Paid Leave Benefits



## Sick Leave

12 days per  
year



## Holiday

12 plus one  
personal  
holiday



## Vacation

12-26 days  
depending on  
years of  
service

# Additional Voluntary Benefits

*Employee-paid options for additional protection and flexibility*



## Health Protection

Vision  
Cancer Coverage  
Critical Illness  
Hospital Indemnity



## Financial Protection

Group Accident  
Short-Term Disability  
Long-Term Disability



## Financial Accounts

Dependent Care  
Flexible Spending  
Account



## Additional Services

Life Insurance Options  
LegalShield

**Employees can customize coverage based on their individual needs**

**QUESTIONS?**

CITY OF GASTONIA

# Police

Chief Trent Conard

March 10, 2026



# Gastonia's Safe City Plan

Year	Safe City Amount	Current Spend	Incremental Spend	Savings	Personnel	Personnel Expenses
Year 1	\$349,315	\$349,315	\$0	\$925,685	FT Sworn Dectective (2 <sup>nd</sup> )	\$112,202.00
Year 2	\$525,125	\$349,315	\$175,810	\$749,875	1 FT Sworn Detective (3 <sup>rd</sup> ) 2 Crime Analysts (2 <sup>nd</sup> )	\$286,814.00
Year 3	\$694,521	\$349,315	\$345,206	\$580,479	1 Crime Analyst (3 <sup>rd</sup> )	\$87,306.00
Year 4	\$1,039,726	\$349,315	\$690,411	\$235,274	1 Sworn Detective	\$112,202.00
Year 5	\$1,275,000	\$349,315	\$925,685	\$0	1 Crime Analyst	\$87,306.00
Year 6	\$1,275,000	\$349,315	\$925,685	\$0		
Year 7	\$1,275,000	\$349,315	\$925,685	\$0		
Year 8	\$1,275,000	\$349,315	\$925,685	\$0		
Year 9	\$1,275,000	\$349,315	\$925,685	\$0		
Year 10	\$1,275,000	\$349,315	\$925,685	\$0		
<b>Total</b>	<b>\$10,259,083</b>			<b>\$2,491,313</b>		<b>\$ 685,830.00</b>

**QUESTIONS?**

CITY OF GASTONIA

# Fire

Chief Phil Welch

March 10, 2026



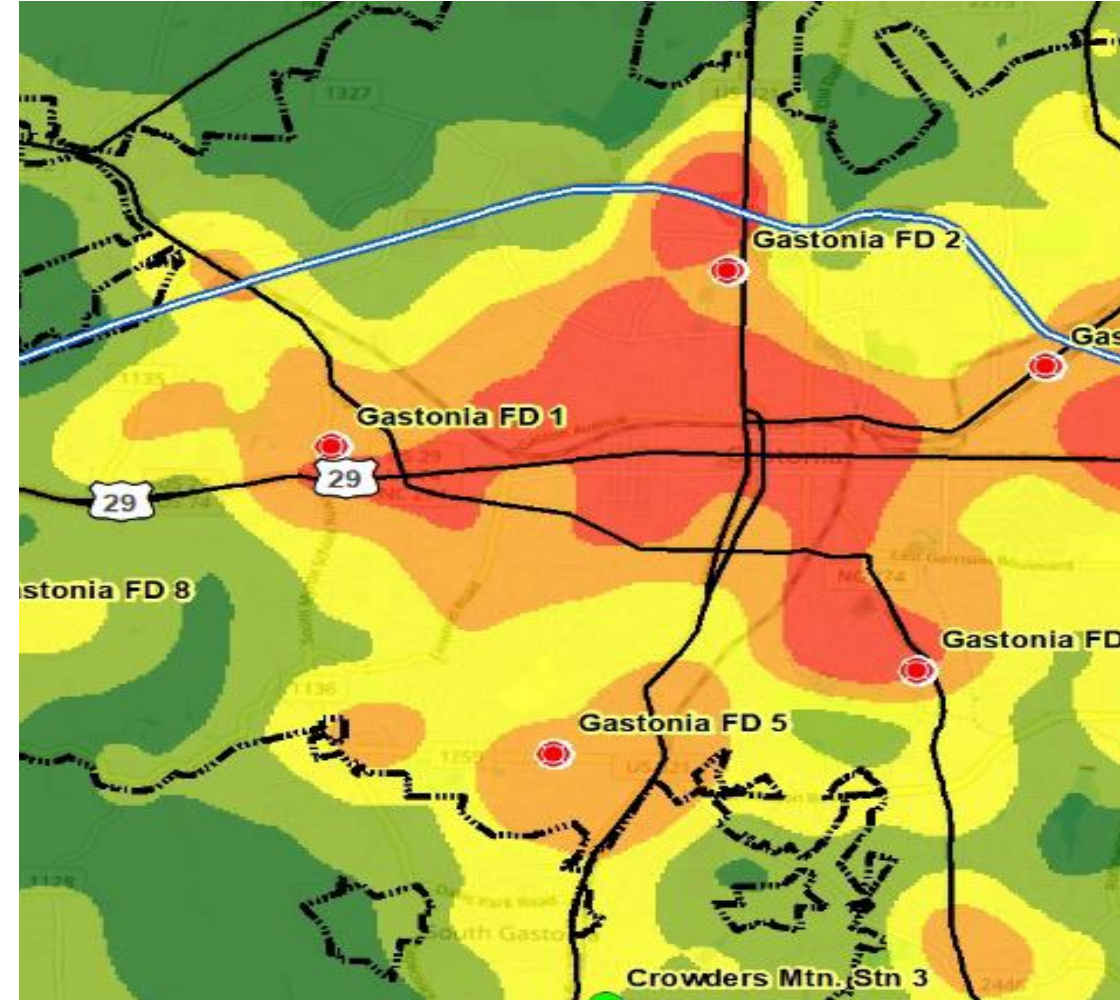
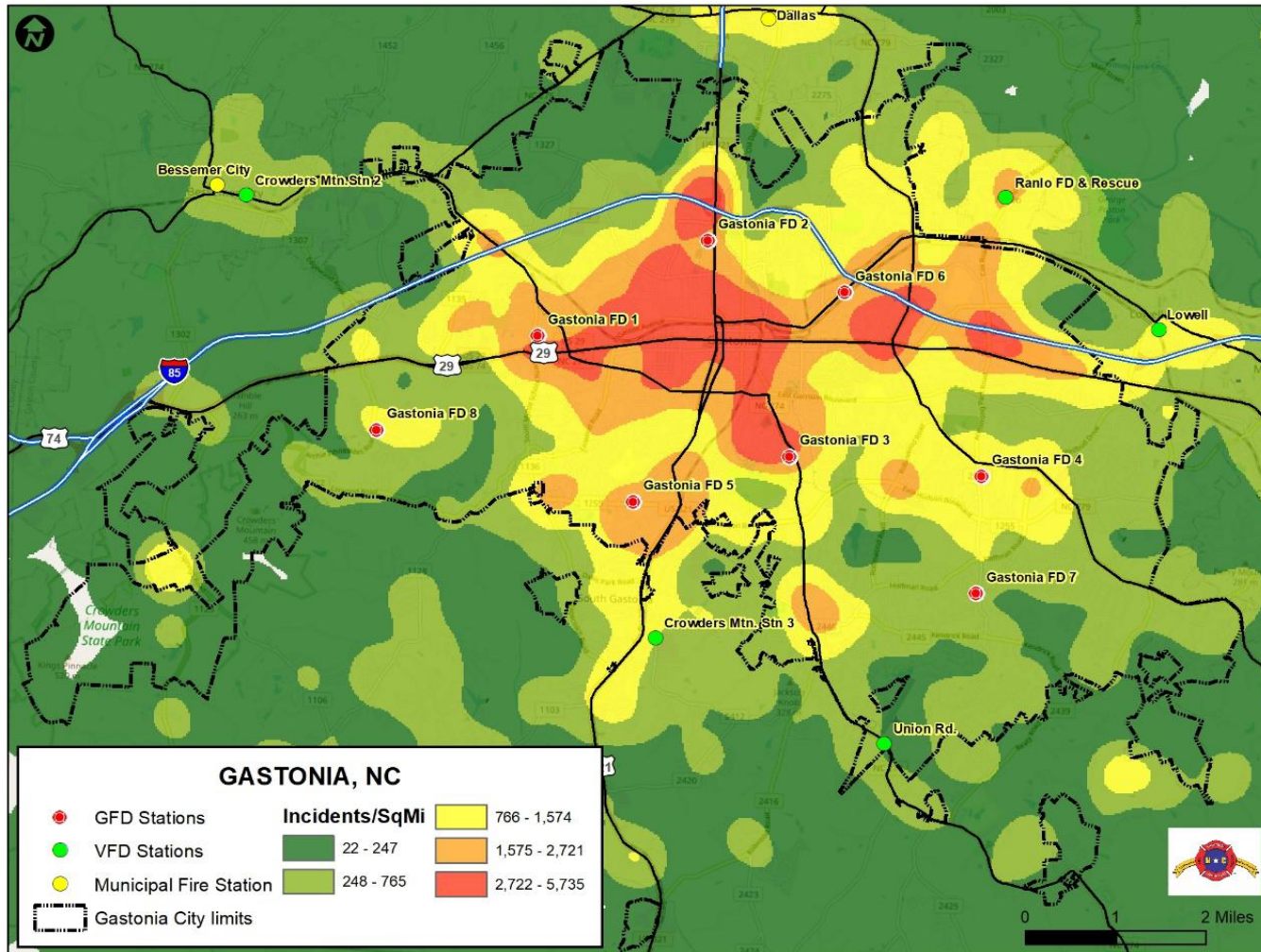
# South East Station

Two Bay Station is estimated at 8,700 sq ft  
Cost estimate \$600 to \$700 per sq ft  
\$6,090,000

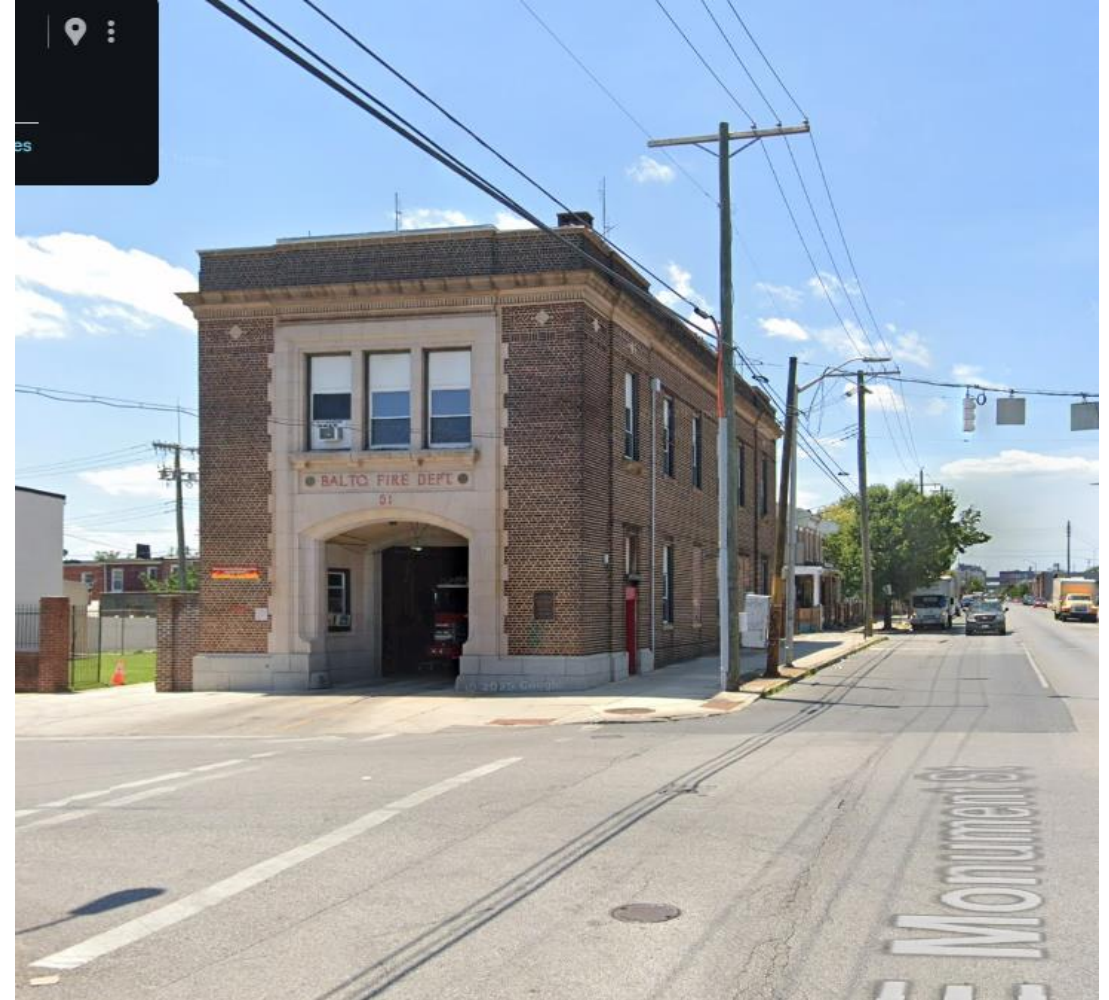
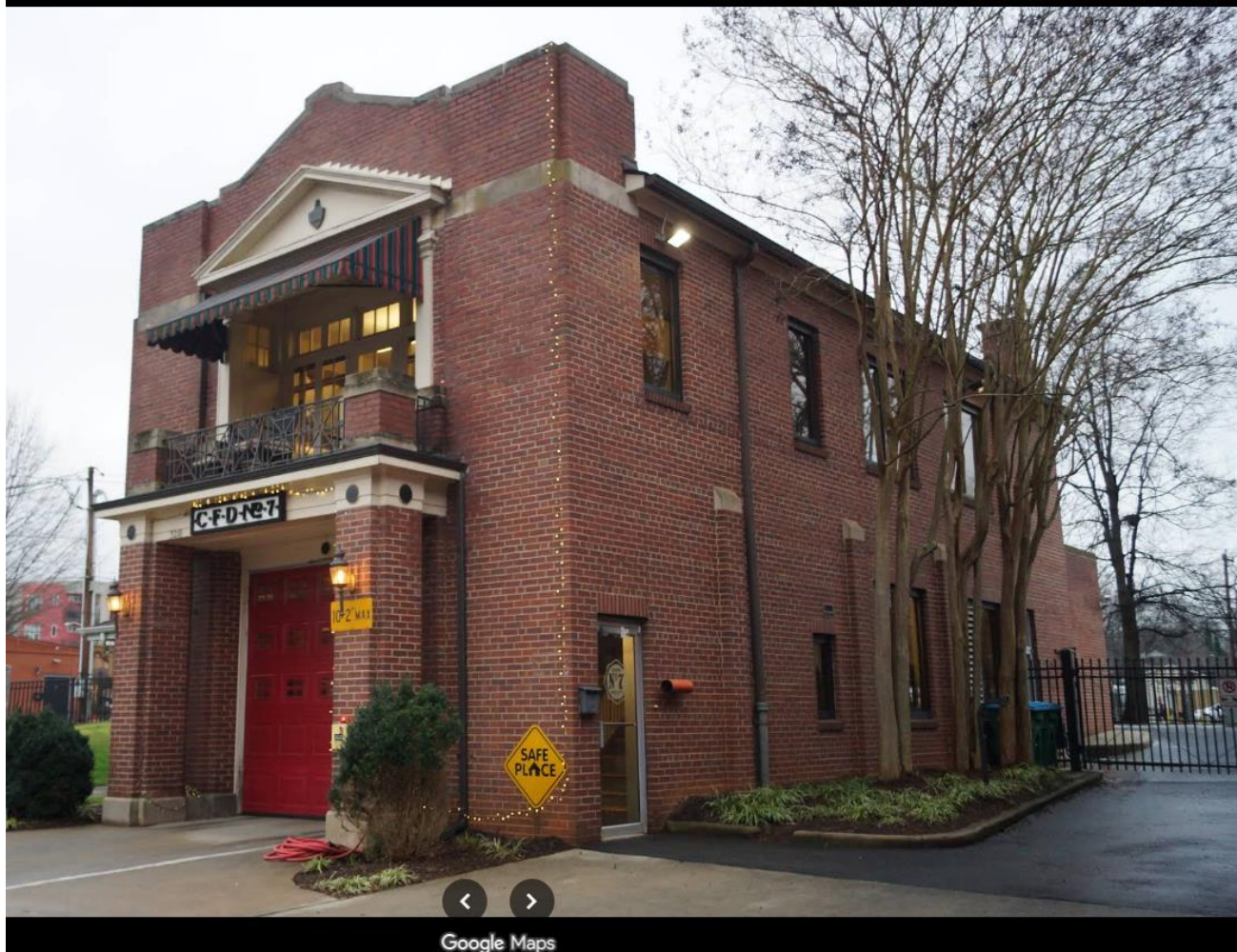


# Downtown Station

Ideal location – Main St--Franklin / Chester--S. Weldon St



# Downtown Station



# Apparatus



# Firefighter Staffing



15 per Crew  
3 Captains  
3 Engineers  
9 Firefighters

Total for the 15 \$1,843,998

**QUESTIONS?**

CITY OF GASTONIA

# GO Bonds for Transportation Interim Projects Prior to 2<sup>nd</sup> Bond Issuance

Michael Peoples, City Manager

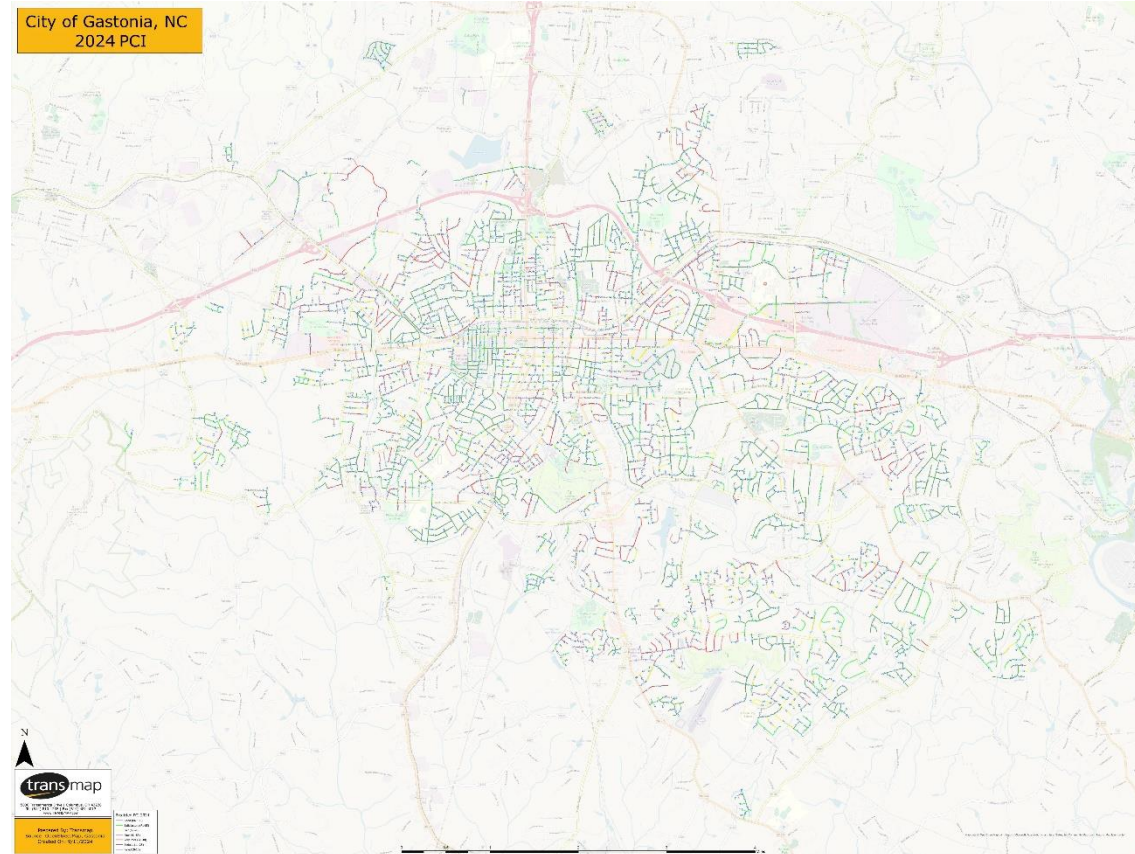
March 10, 2026



# Resurfacing/ Manhole Adjustments

## SCOPE:

- Working off the existing Pavement Condition Study, staff will identify an additional **\$3,300,000** worth of projects throughout the City and combine that funding with the normal **\$1,700,000** in annual resurfacing funding to prepare a bid for a combined **\$5,000,000** resurfacing project in FY 2027.



# Intersection Improvements

- **Project Scope** – Staff has identified two intersection improvement projects that needs to be designed and prepared for bid that can be funded up to construction prior to the issuance of bond proceeds.

- Intersection of Hudson Boulevard and Union Road (\$125,000)
- Linwood Road and Davis Park Road (\$125,000)
- **Projected Engineering Cost - \$250,000**

- **Project Construction Cost - \$3,220,000**

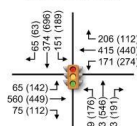
## E Hudson Blvd and Union Rd (NC 274)

**RANK 2**  
WEIGHTED SCORE 53.52%  
TOP CATEGORIES  
Congestion  
Safety  
Local Priority



Existing Conditions

### 2024 Volumes



### Crash Data & Safety Concerns (2019-2023)

- Crash Rate = 121.90
- Total Crashes = 69
- FSI Crashes = 0
- No existing ped heads for crossings, wide crossing widths
- Safety issue with existing full-movement access at Skating Rink Dr, conflicts & poor visibility with SBL queuing from signal



Proposed Conditions

### 2050 Volumes



### LOS Results

Intersection LOS & (Delay - sec/veh)	AM Peak Hour		PM Peak Hour	
	AM Peak Hour	PM Peak Hour	AM Peak Hour	PM Peak Hour
2050 No-Build	LOS D (50)	LOS E (60)	LOS D (48)	LOS E (60)
2050 Proposed	LOS D (39)	LOS D (48)	LOS D (48)	LOS D (48)
Δ Delay	-22%	-20%	-22%	-20%

### PREFERRED ALTERNATIVE

- NBR turn lane add along Union Rd
- Address safety concern on Union Rd at Skating Rink Dr by converting to RIRO
- Provide Left-over access onto S Blue Rd from E Hudson Blvd by installing EBL turn lane within existing median
- Improve pedestrian infrastructure:
  - Add 6' pedestrian refuge on EB approach of E Hudson Blvd
  - Paint ladder X-walks on all approaches
  - Install pedestrian countdown/ audible ped heads & push buttons on all approaches

### ESTIMATED COST (Planning Level)

Construction	\$1.07 M
Soft Costs	\$0.32 M
ROW Acquisition	\$0.12 M
<b>OPCC</b>	<b>\$1.51 M</b>

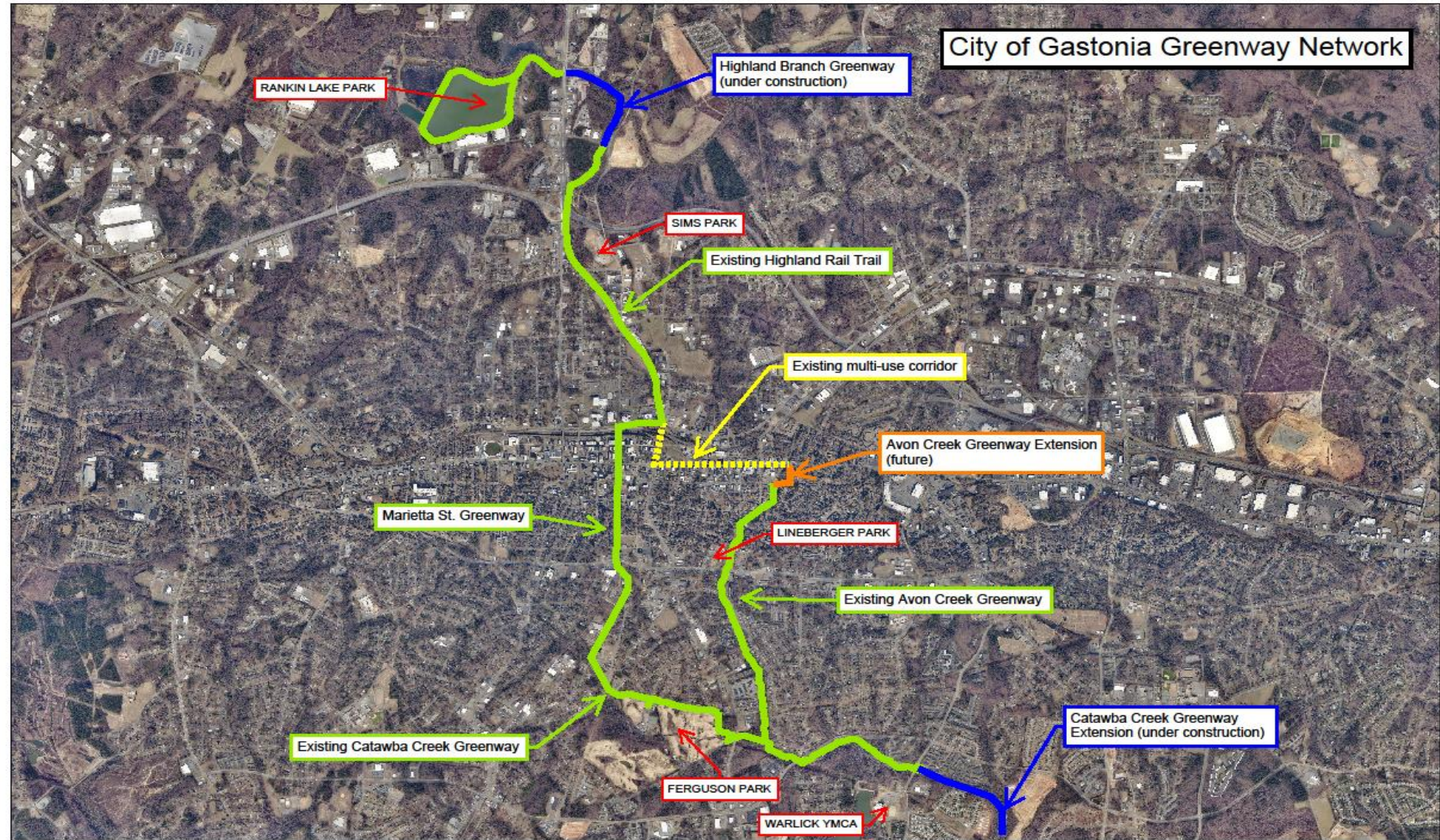
### DESIGN CONSIDERATIONS

- Consider ladder crosswalks for visibility
- Consider potential lane width reductions along:
  - SB approach (Union Rd) – for concrete island to enforce RIRO, maintaining/extending SBL is critical
  - EB approach (E Hudson Blvd) - to accommodate 6' ped refuge
- Coordinate with businesses impacted by modified access (RIRO at Skating Rink Dr & new Left-over at S Blue Rd)
- Coordinate with Wendy's in SE quadrant – potential impacts to parking, signage, landscaping, utilities
- Potential utility/signal pole impacts in SW & SE quadrants
- Signal modification required



# Greenway Expansion/Parking Improvements

- **Project Scope** – Identify projects for possible expansion of greenway system as well as areas for parking improvements in downtown and where needed.
- **Allocation Amount** - \$5,000,000



## Trail System:

13 miles of trail currently in service  
1.7 miles of trail under construction

# Remount Road Sidewalk Improvements

- **Project Scope** - Provide sidewalk along both sides of Remount Road from New Hope Road to Aberdeen Road.
- Design is Complete and Right of Way will be acquired soon. Project will be ready to bid upon bond issuance.
- **Projected Construction Cost:** \$3,700,000

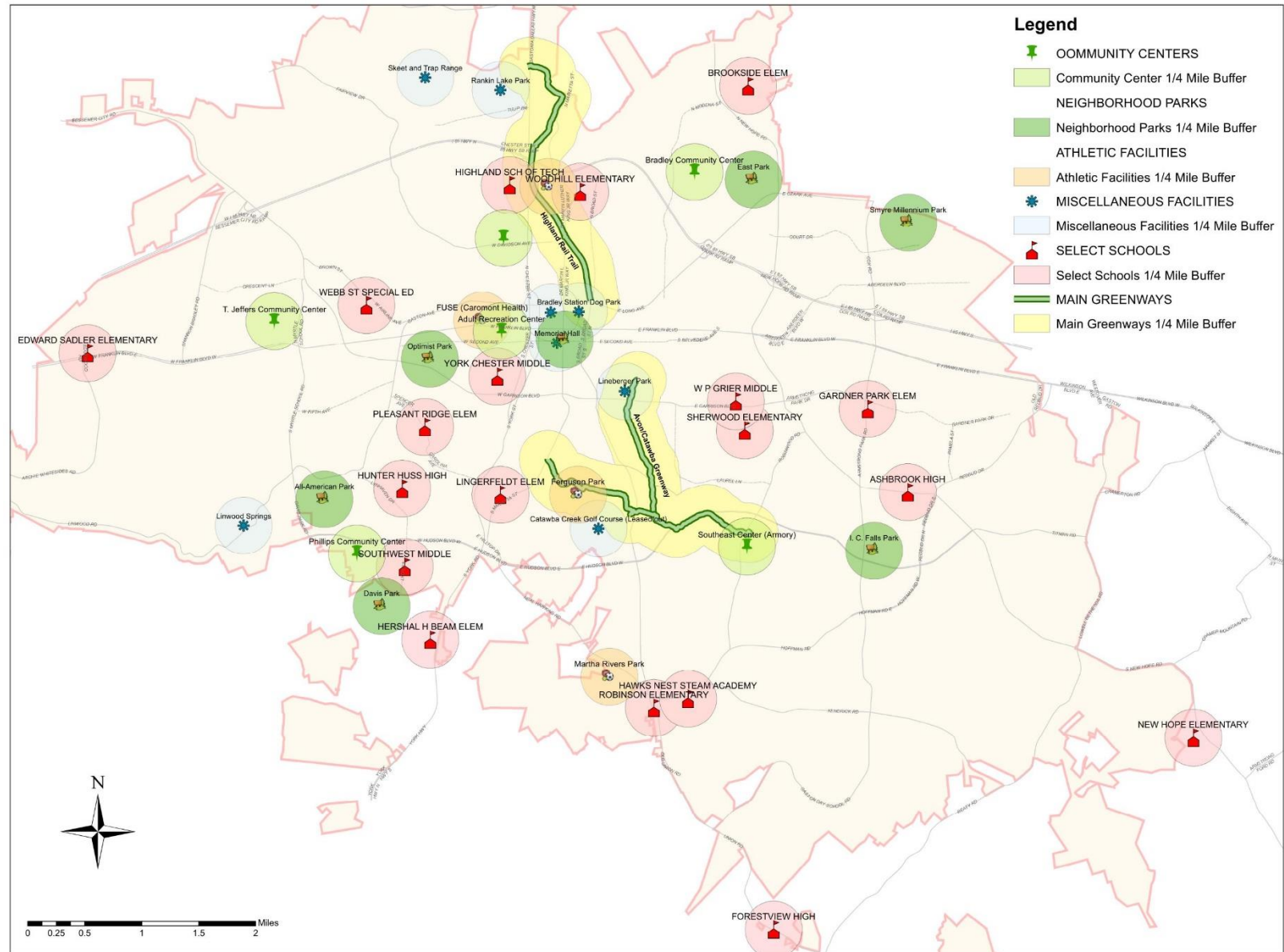


# Parks and Schools Access Improvements

- **Project Scope:**

- Roughly 140 projects have been identified and prioritized.
- These projects address connectivity and safety improvements within ¼ mile of schools and parks.
- Projects include sidewalks, crossings, bike lanes, greenway connectors, etc.

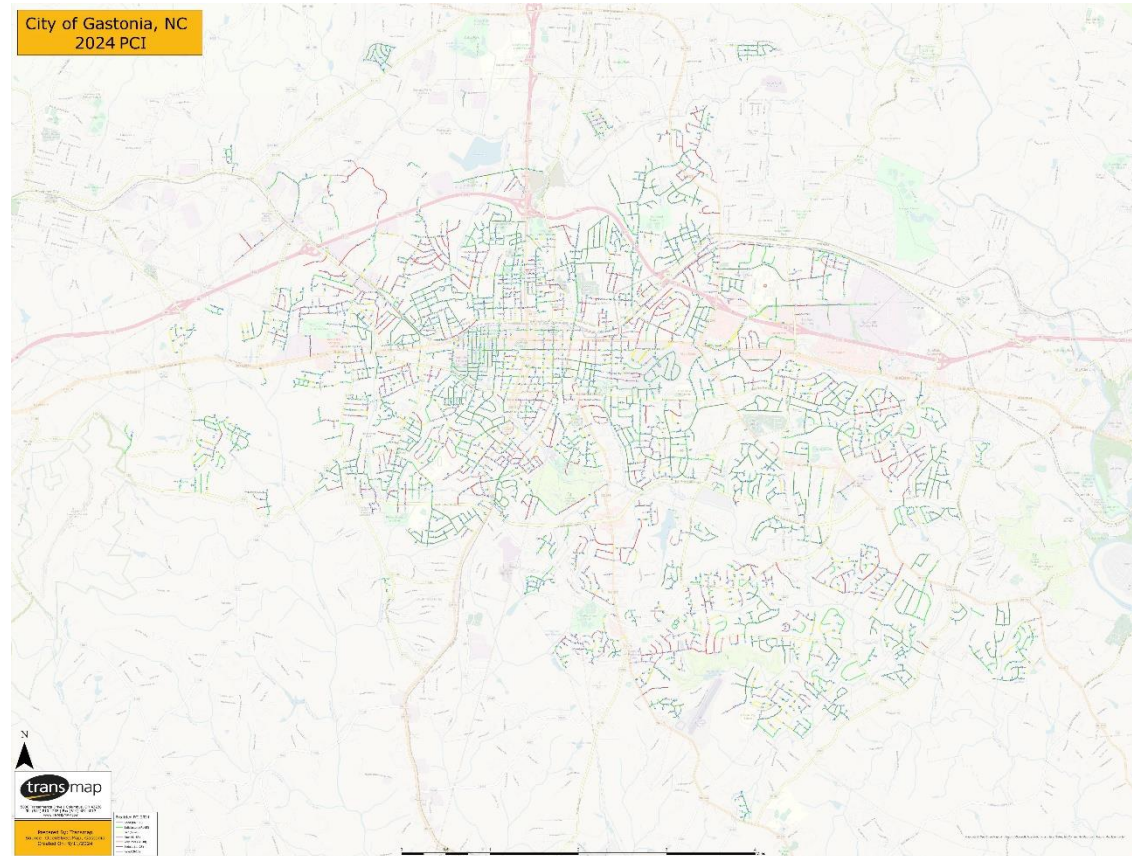
- **Allocation Amount - \$5,000,000**



# Resurfacing

## SCOPE:

- After evaluating the *Pavement Condition Study*, staff will identify resurfacing projects throughout the City and combine that funding with the normal \$1,700,000 in annual resurfacing funding.
- Allocation of 2<sup>nd</sup> Bond Issuance Proceeds to Resurfacing:
  - Total: \$10,000,000



**QUESTIONS?**

CITY OF GASTONIA

# Major Rolling Stock Equipment Needs

Randi Gates, Director of Transportation

March 10, 2026



**FY 2026/2027 EQUIPMENT SUMMARY**

3/6/2026

<b>VEHICLE/EQUIPMENT REQUESTS (LOAN)</b> <i>(Recommended equipment replacements to be purchased off of the loan)</i>						
	<b>NO.</b>	<b>REQUESTED</b>	<b>ROAD USE TAX</b>	<b>TOTAL</b>	<b>RECOMMENDED</b>	<b>NO.</b>
Fund 110 - General Fund Replacements	40	\$ 2,104,000.00	\$ 49,626.00	\$ 2,153,626.00	\$ 1,624,998.00	29
Fund 170 - Powell Bill Fund Replacements	3	\$ 660,000.00	\$ 6,018.00	\$ 666,018.00	\$ 419,012.00	2
Fund 330 - Water & Sewer Fund Replacements	10	\$ 644,000.00	\$ 12,500.00	\$ 656,500.00	\$ 413,962.00	5
Fund 335 - Solid Waste Fund Replacements	3	\$ 930,000.00	\$ 6,018.00	\$ 936,018.00	\$ 936,018.00	3
<b>TOTAL</b>	<b>56</b>	<b>\$ 4,338,000.00</b>	<b>\$ 74,162.00</b>	<b>\$ 4,412,162.00</b>	<b>\$ 3,393,990.00</b>	<b>39</b>

<b>VEHICLE/EQUIPMENT REQUESTS (FUND BALANCE)</b> <i>(Recommended equipment broken down by cost center)</i>						
	<b>NO.</b>	<b>REQUESTED</b>	<b>ROAD USE TAX</b>	<b>TOTAL</b>	<b>RECOMMENDED</b>	<b>NO.</b>
Fund 110 - General Fund Balance	1	\$ 2,000,000.00	\$ 2,006.00	\$ 2,002,006.00	\$ 2,002,006.00	1
Fund 170 - Powell Bill Fund Balance	1	\$ 80,000.00	\$ -	\$ 80,000.00	\$ 80,000.00	1
Fund 330 - Water & Sewer Fund Balance	7	\$ 639,000.00	\$ 4,598.00	\$ 643,598.00	\$ 643,598.00	7
Fund 331 - Electric Fund Balance	0	\$ 704,000.00	\$ 3,872.00	\$ 707,872.00	\$ 707,872.00	3
Fund 336 - Stormwater Fund Balance	2	\$ 360,000.00	\$ 2,006.00	\$ 362,006.00	\$ 362,006.00	2
Fund 335 - Solid Waste Fund Balance	1	\$ 405,000.00	\$ 2,006.00	\$ 407,006.00	\$ 407,006.00	1
<b>TOTAL</b>	<b>10</b>	<b>\$ 3,828,000.00</b>	<b>\$ 12,482.00</b>	<b>\$ 3,840,482.00</b>	<b>\$ 4,202,488.00</b>	<b>13</b>

	<b>NO.</b>	<b>REQUESTED</b>	<b>ROAD USE TAX</b>	<b>TOTAL</b>	<b>APPROVED</b>	<b>NO.</b>
<b>TOTAL RECOMMENDED</b>	<b>68</b>	<b>\$ 8,526,000.00</b>	<b>\$ 88,650.00</b>	<b>\$ 8,614,650.00</b>	<b>\$ 7,596,478.00</b>	<b>54</b>

<b>ADDITIONAL EQUIPMENT REQUESTS</b> <i>(Recommended units to be purchased are included in the loan total)</i>						
	<b>NO.</b>	<b>REQUESTED</b>	<b>ROAD USE TAX</b>	<b>TOTAL</b>	<b>APPROVED BY CM</b>	<b>NO.</b>
Fund 110 - General Fund Additions	13	\$ 620,500.00	\$ 11,808.00	\$ 632,308.00	\$ -	0
Fund 330 - Water & Sewer Fund Additions	2	\$ 160,000.00	\$ 1,206.00	\$ 161,206.00	\$ -	0
Fund 331 - Electric Fund Additions	1	\$ 237,000.00	\$ -	\$ 237,000.00	\$ -	0
Fund 335 - Solid Waste Fund Balance	2	\$ 732,000.00	\$ 4,012.00	\$ 736,012.00	\$ -	0
Fund 336 - Stormwater Fund Additions	3	\$ 190,000.00	\$ 1,206.00	\$ 191,206.00	\$ -	0
<b>TOTAL</b>	<b>21</b>	<b>\$ 1,939,500.00</b>	<b>\$ 18,232.00</b>	<b>\$ 1,957,732.00</b>	<b>\$ -</b>	<b>0</b>

# Equipment Needs and Requests

Total Departmental Requests:	\$8,526,000
Total Recommended for Replacement:	\$7,596,478
Total Purchased from Fund Balance:	\$4,202,488*
<i>(*Potentially Encumbered in FY 26)</i>	
Average Annual Loan:	\$3.0 - \$4.0M

# Recommended Replacements Include:

Police Vehicles Including Upfit (13)

105' Ladder Truck (1)

Tandem and 5 Yard Dump Trucks with Snow Plows

Mowers, Mini Excavators, Gators, Field Rake

Rear Loader Refuse Truck (3)

Automated Refuse Truck (1)

Cargo Van, Pick Up Trucks, Service Trucks

# Equipment Identified for Fund Balance Appropriations (Potentially Encumbered in FY 26)

Fund 110 - \$2,002,006

105' Ladder Truck - 24 month delivery

Fund 170 - \$80,000

Asphalt Hot Box

Fund 330 - \$643,598

Mini Excavators (3), Street Flusher Truck, Trailer  
Mounted Sewer Rodder, ½ Ton Pickup Trucks (2)

Fund 331 - \$707,872

65' Bucket Truck, Service Truck, Underground Puller

Fund 335 - \$407,006

Automated Refuse Truck

Fund 336 - \$362,006

5-yd Flatbed Dump Truck  
Backhoe

**QUESTIONS?**

# FY 2026-2027 Proposed Fee Schedule

- Water and Sewer
- Solid Waste
- Transit



CITY OF GASTONIA

# Public Utilities

## Water & Sewer

Brian Potocki, Assistant City Manager

March 10, 2026



We are **TRU** to our customers!

# Water & Sewer Budget Overview

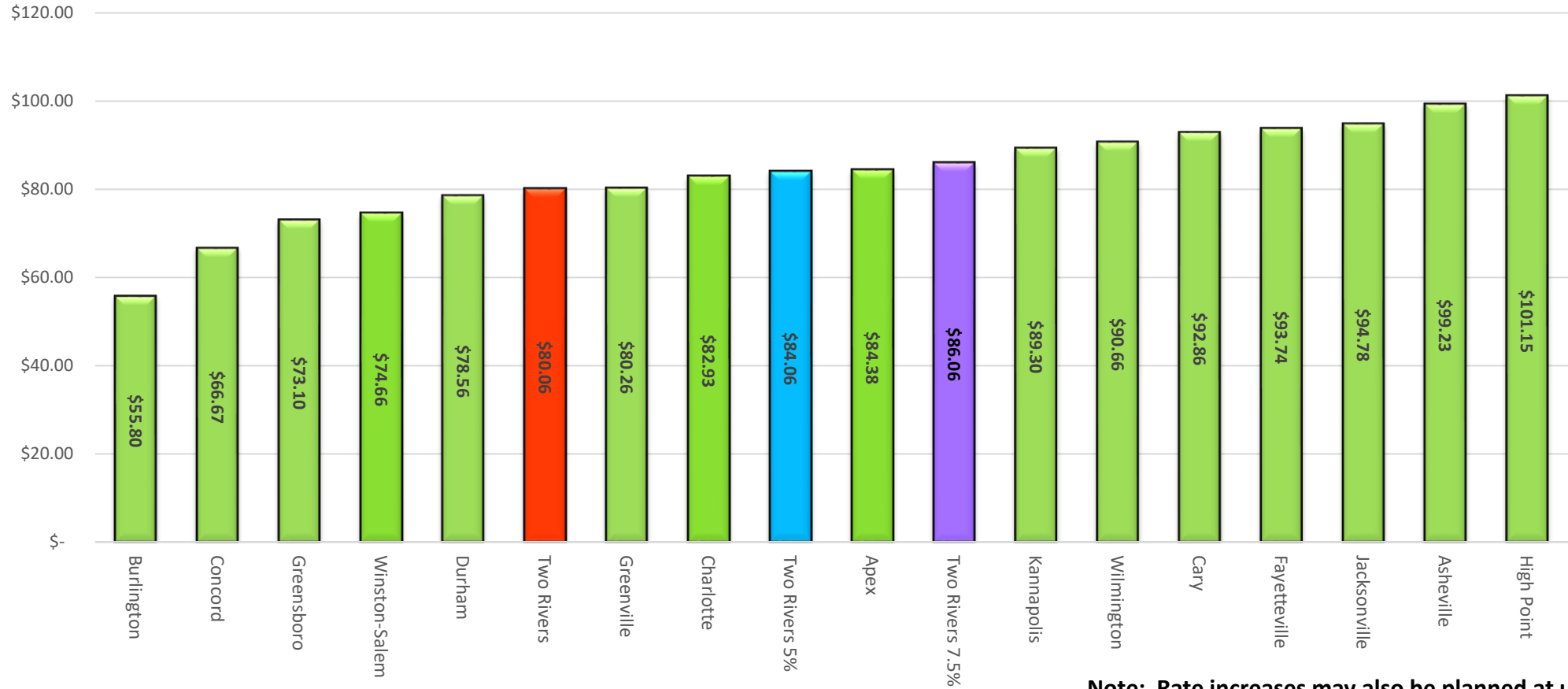
- Personnel-Related Expenditures
  - Increase of \$1.5M in Proposed FY27 vs. Current FY26
- Operational Expenditures
  - Increase of \$0.5M in Proposed FY27 vs. Current FY26
- Capital Expenditures
  - FY26 Budget of \$5.7M
  - FY27 Budget to be finalized
  - >\$100M in unfunded needs



Duhart Pump Station

# Residential Usage of 5,000 Gallons

## Combined Water & Sewer Monthly Bill Rates Effective July 2025



**Note:** Rate increases may also be planned at utilities other than TRU

TRU Water & Sewer rate increase of 5.0% = \$4.00 increase to the monthly bill for the average residential customer (\$84/month)

TRU Water & Sewer rate increase of 7.5% = \$6.00 increase to the monthly bill for the average residential customer (\$86/month)

# Water & Sewer- Capital Needs and Revenues

## Capital Needs

- Rehabilitation needs continue to increase as equipment ages
- Funding requirements will increase due to inflation
- 10-Year Capital Improvement Plan (CIP):
  - 89% of total costs are Rehabilitation Projects
  - 11% of total costs are New Infrastructure Projects
  - Does not include additional system expansion beyond the Southeast

## Revenues

- 5.0% rate increase = Approximately \$2.8M in additional revenue
- 7.5% rate increase = Approximately \$4.2M in additional revenue



**QUESTIONS?**

# Solid Waste Fee Analysis

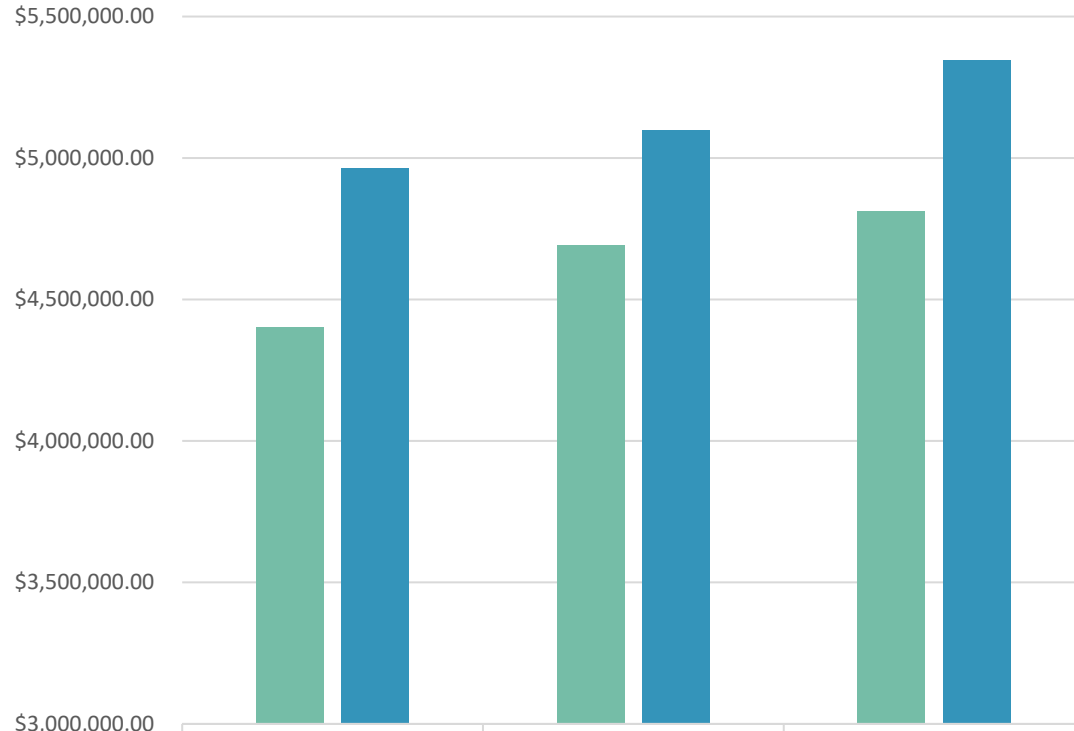
Dusty Wentz, Public Services Director

March 10, 2026



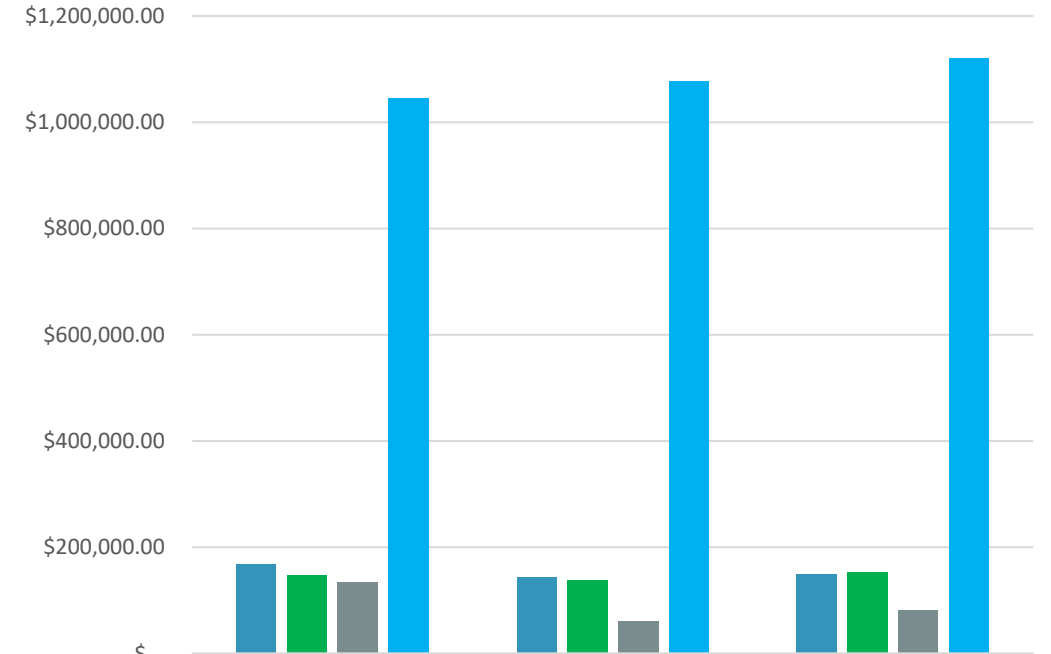
# Review of Revenues and Expenses

## Major Revenue Comparison



	Budget	Projected	Proposed FY 27
Residential Waste Collections	\$4,401,600.00	\$4,691,966.99	\$4,810,000.00
Total	\$4,965,100.00	\$5,097,777.42	\$5,343,675.00

## Major Expense Comparison



	Budget	Projected	Proposed FY 27
Grinding Contract	\$168,400.00	\$144,032.64	\$150,000.00
Bulk Container Service	\$147,680.00	\$137,718.48	\$153,580.00
Landfill Fees Yard Waste	\$135,000.00	\$61,739.17	\$81,000.00
Landfill Fees	\$1,046,000.00	\$1,076,944.68	\$1,120,000.00

# Contract Summary

Three major operational contracts:

- Solid Waste sanitary contract with Gaston County Landfill (Expires June 30<sup>th</sup>, 2028)
  - \$32/ton in FY 26. Includes a \$1/ton increase for FY 27 and another increase for FY 28. A \$1/ton increase results in an approximate \$32,000 per year cost increase
  - Staff expects the rate to increase with contract negotiations due to capacity pressure at the landfill
- Recycling Contract with Gaston County (Duke Street and Farmer's Market Convenience Centers)
  - Expires June 21<sup>st</sup>, 2026 (Optional five-year extension past this date)
  - Cost is \$58,500 per year with no built-in increases
- Republic Waste (expires June 30<sup>th</sup>, 2028)
  - FY 2026 rate is between \$79.49 and \$94.94 per container, depending on size and service frequency
  - Increases based on CPI or 5%, whichever is less
  - Services the downtown development area

# New Accounts

## FY 2026

- **As of July 1, 2025:**
  - **25,684 residential accounts**
  - **~5,000 accounts have two (or more) cans**
- **Year to Date:**
  - **26,376 residential accounts**
    - **349 new construction accounts**
    - **343 reactivated addresses**
- **Projected to June 30, 2026**
  - **26,744 residential accounts**
    - **545 new construction accounts**
    - **515 reactivated addresses**

## FY 2027

- **As of July 1, 2026:**
  - **26,744 residential accounts**
  - **5,274 accounts have two cans (audit is ongoing)**
- **Projected growth through year**
  - **545 new construction accounts added**
  - **515 reactivated addresses added**
- **Estimating 27,804 accounts at the end of FY 2027**

# Operational Concerns

## Automated Side Loader (ASL)

- Ideal Route Loading is 660 – 700 Accounts per day, based on **truck capacity**. Route distance from landfill creates a time adjustment for that average.
- Routes average between 677 and 719 accounts per truck per day currently (at capacity)
- 8 routes currently. The last route was added in FY 26.
- Backup ASLs as surplus trucks, increasing down time and cost to repair.

## Rear Loaders (RL)

- Necessary to pick up some locations.
  - Older neighborhoods with limited road width.
  - Developments with on street parking.
- Fleet is aging. Average RL age is 12 years, with three trucks being over 20.
- Increased personnel required for operation.
- Used to collected brush and bulk as well as garbage.

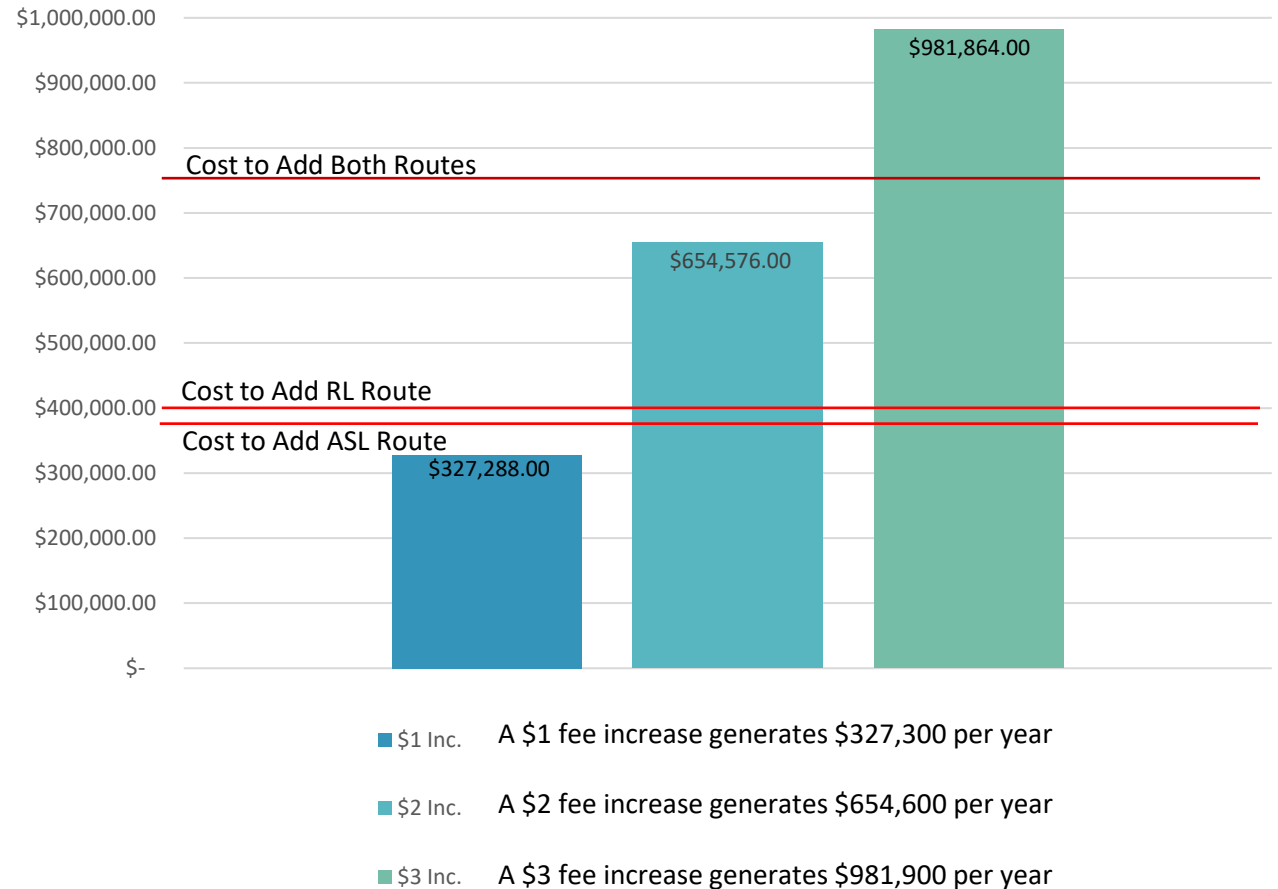
# Increasing Service Capacity and Costs

## Adding ASL Route

- Requires additional truck and one staff position
- Estimated annual cost is \$362,200 for truck and staff
- Strategically plans for growth through FY 27 and FY 28, when the landfill contract expires.
- Requires \$1.11 fee increase on residential rate

## Adding Rear Loader Route

- Requires additional truck and two staff positions
- Estimated annual cost is \$396,300 for truck and staff
- Maintains operational flexibility to service developments as well as collect brush and bulk waste as needed
- Requires \$1.21 fee increase on residential rate



# Fee Comparison

FY 2026				
Gov't	Residential Cost	Addi'll can	Recycling?	Bulk?
Mount Holly	\$7.10	\$7.10	No	Charged (contracted)
Belmont	\$9.74 (Contracted)	\$9.51	Curbside	Charged
Lowell	\$12.00	\$8.00	Convenience	Charged w/ free week
Ranlo	\$12.00	\$9.00	Yes	Charged
McAdenville	\$13.91 (Contracted)	\$13.91	Yes	Charged
<b>Gastonia</b>	<b>\$14.00</b>	<b>\$6.50</b>	<b>Convenience</b>	<b>Charged w/ free week</b>
Statesville	Incl. in Prop Tax (Contracted)	\$14.95	Curbside	Charged
Cramerton	Contracted	\$10.00	Yes	Charged
Stanley	Contracted	\$16.00	Yes	Charged
Bessemer City	\$16.00	\$16.00	Landfill	Charged
Kings Mountain	\$16.50	\$16.50	Landfill	Charged
Dallas	\$20.00	\$20.00	Landfill	Charged w/ free week
Cherryville	\$20.00	\$20.00	Yes	Charged
Hickory	\$29.00	\$29.25	Curbside	Charged

\*Proposed fee increases for FY 2027 are unknown\*

# Staff Recommendation

- **Increase the residential solid waste rate by \$2 per month, from \$14 to \$16 (\$654,600 increase/year)**
  - Allows for an additional ASL route to be added in FY 27, as needed based on account growth
  - Accounts for projected landfill increases in FY 27 and FY 28, provides a more advantageous fee position for Landfill Contract renegotiation
  - Keeps rate comparable to other Gaston County government units
- **Increase second can fee by \$2.50 per month, from \$6.50 to \$9.00 (\$13,200 increase/year)**
  - Prevents second can accounts from deflecting costs onto single can accounts
  - Encourages high volume accounts to utilize Recycling Centers
  - Keeps rate comparable to other government units
- **Maintain Downtown solid waste rates**
- **The proposed fee increases result in projected increased revenues of \$667,800/year for FY 27 & FY 28**
  - Funds an additional ASL route, addressing customer account growth projections for the next two years
  - Offsets operational contract cost increases for the next two years

**QUESTIONS?**

CITY OF GASTONIA

# FY 27 Proposed Transit Budget



# Proposed Service Expansion

Metric	Current Budgeted Hours	Proposed Budgeted Hours
Weekly Requests	~5,700	
Requests per Van Hour	5.3	4.5
Weekly Van Hours	1,050	1,250
Weekly Rides	~3,650	~4,300
Met Demand Rate*	82%	90%

\*Met Demand is difficult to predict as demand may increase with additional supply.

**With an additional 200 hours/week we can meet additional demand and serve ~650 additional rides/week**

# Via Contract

	GoGastonia Vehicles	Total Additional Cost (Not-to-Exceed)	One-Time Upfront Costs	Recurring Operational Costs	Hourly Rate	Implied Max. Hours
Year 1	Conventional Vans (17) + Conventional Van WAVs (6), Provided by Gastonia	\$2.23M	\$25.0k	\$2.21M	\$40.71	54,252
Year 2 (Gastonia Opt-Out)		\$2.30M	\$0.0k	\$2.30M	\$42.34	54,252
Year 3 (Gastonia Opt-Out)		\$2.39M	\$0.0k	\$2.39M	\$44.03	54,252
Year 3 With Service Expansion	Additional 3 Non-WAVs	\$2.85M (add. \$458k)	\$0.0k	\$2.85M (add. \$458k)	\$44.03	65,000

Additional Via Cost = \$229,000 (Federal) / \$229,000 (Local)

Additional Vehicle Purchase = \$121,400 (Federal) / \$30,400 (Local)

# Service Costs

	FY 24 Fixed-Route	FY 25 Microtransit	FY 26 Microtransit	FY 27 (DRAFT with Current Service)	FY 27 (DRAFT with Expanded Service)
Personnel Costs (50/50)	\$686,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance (Vehicles) (80/20)	\$200,000.00	\$50,703.00	\$101,800.00	\$100,000.00	\$100,000.00
Fuel (50/50)	\$230,000.00	\$104,250.00	\$147,400.00	\$147,400.00	\$147,400.00
Supplies (50/50)	\$9,705.00	\$10,015.00	\$10,000.00	\$10,000.00	\$10,000.00
Via Contract (50/50)	\$0.00	\$2,231,200.00	\$2,300,000.00	\$2,390,000.00	\$2,850,000.00
Camera Monitoring (50/50)	\$2,100.00	\$9,600.00	\$12,960.00	\$12,960.00	\$14,580.00
Vehicle Replacement (80/20)	\$0.00	\$0.00	\$0.00	\$455,200.00	\$455,200.00
NEW Vehicle Purchase (80/20)	\$0.00	\$1,180,000.00	\$0.00	\$0.00	\$151,800.00
Local	\$503,902.50	\$1,423,673.00	\$1,255,540.00	\$1,384,740.00	\$1,652,390.00
Federal	\$623,902.50	\$2,162,095.00	\$1,316,620.00	\$1,717,860.00	\$2,076,590.00
<b>TOTAL</b>	<b>\$1,127,805.00</b>	<b>\$3,585,768.00</b>	<b>\$2,572,160.00</b>	<b>\$3,102,600.00</b>	<b>\$3,728,980.00</b>




# Projected Revenue: Expanded Service

Fare Type	Annual Rides	Current Fare	Current Fare Revenue	Proposed Fare	Proposed Fare Revenue	5+ Mile Surcharge	Surcharge Revenue (10%)
Full (60%)	134,160	\$2.50	\$335,400	\$3.00	\$402,480	\$1.00	\$13,416.00
Reduced (30%)	67,080	\$1.25	\$83,850	\$1.50	\$100,620	\$0.50	\$3,328.86
Free (10%)	22,360	—	—	—	—	—	—
<b>Total</b>	<b>223,600</b>		<b>\$419,250</b>		<b>\$503,100</b>		<b>\$16,744.86</b>

# FY 27 Projected Revenue Summary

Category	Amount
Revenue if Fares Stay the Same	\$419,250
Revenue with Fare Increase	\$503,100
Additional Revenue from Fare Increase	<b>\$83,850</b>
Distance Surcharge Revenue	<b>\$16,744.86</b>
<b>Total Estimated Revenue</b>	<b>\$519,844.86</b>
Credit Card Fees (15%)	(\$77,976.73)
<b>Net Revenue</b>	<b>\$441,868.13</b>

# Fixed Route vs. Microtransit

	Gastonia Fixed Route	 Go Gastonia By VIA	 Go Gastonia By VIA	 Go Gastonia By VIA
Fiscal Year	FY 2024	FY 2025	FY 2026	FY 2027
Annual Ridership	124,807	173,692	186,000 (projected)	223,600 (projected)
Cost per Ride	\$11.87	\$20.64	\$13.82	\$16.68
Fare Box Revenue	\$95,000	\$263,915	\$275,000 (projected)	\$441,868 (expansion + fare↑)

# Total FY 27 Transit Budget (Micro, ADA, Admin, Maint.)

	EXPENDITURE TOTAL	FTA OPERATIONS	FTA CAPITAL	CITY SHARE
332-421 (HR Charges)	\$95,000	\$42,750		\$52,250
332-494 (Transit Operations Admin)	\$301,213	\$144,607	\$9,600	\$147,007
332-495 (Microtransit)	\$3,728,980	\$1,510,990	\$565,600	\$1,652,390
332-496 (Transit Maintenance)	\$323,690		\$258,952	\$64,738
332-498 (ADA/Paratransit)	\$431,433		\$345,146	\$86,287
332-584 (Car Wash)	\$17,000	\$6,560	\$3,104	\$7,336
332-720 (Transit Reimbursements)	\$559,017	\$279,509		\$279,509
<b>TOTAL Expenditures</b>	<b>\$5,456,333</b>	<b>\$1,984,415</b>	<b>\$1,182,402</b>	<b>\$2,289,517</b>

# Transit Budget Local Match History

	FY22 ACTUALS	FY23 ACTUALS	FY24 ACTUALS	FY25 ACTUALS	FY26 BUDGET	FY27 BUDGET
<b>332-421</b>	53,576.00	73,347.00	100,706.00	53,637.00	87,265.00	95,000.00
<b>332-431</b>	1,790.00	8,777.00	2,026.00			
<b>332-481</b>	415,165.00					
<b>332-494</b>	256,004.00	297,688.00	302,040.00	344,403.00	444,320.00	301,213.00
<b>332-495</b>	1,245,532.00	1,318,211.00	2,151,794.00	2,673,153.00	2,867,449.00	3,728,980.00
<b>332-496</b>	307,239.00	316,741.00	293,957.00	308,613.00	325,817.00	323,690.00
<b>332-498</b>	266,662.00	261,810.00	318,212.00	343,571.00	683,339.00	431,433.00
<b>332-502</b>				117.00	17,952.00	
<b>332-548</b>					207,841.00	
<b>332-584</b>	5,327.00	6,000.00	2,707.00	4,560.00	16,807.00	17,000.00
<b>332-720</b>	461,887.00	445,331.00	416,689.00	438,701.00	492,841.00	559,017.00
<b>TOTAL</b>	<b>3,013,182.00</b>	<b>2,727,905.00</b>	<b>3,588,131.00</b>	<b>4,166,755.00</b>	<b>5,143,631.00</b>	<b>5,456,333.00</b>
<b>LOCAL MATCH</b>	<b>663,404.00</b>	<b>576,431.00</b>	<b>1,539,235.00</b>	<b>1,456,544.00</b>	<b>1,730,267.00</b>	<b>2,289,517.00</b>

**QUESTIONS?**