



Agenda

City Council Workshop

March 19, 2018
4:00 PM

City Hall Conference Room 337

Assistive listening devices are available upon request for meetings held in the Council Chambers. If an interpreter is needed for deaf or hearing impaired citizens, please call 252-329-4422 (voice) or 252-329-4060 (TDD) no later than two business days prior to the meeting.

I. Call Meeting To Order

II. Invocation - Council Member Smiley

III. Pledge of Allegiance

IV. Roll Call

V. Approval of Agenda

VI. New Business

1. Presentation by the North Carolina Department of Transportation on Ongoing State Road Projects
2. Update on Other Post-Employment Benefits (OPEB) and Governmental Accounting Standards Board (GASB) Standard 75
3. Discussion of Job Creation Grant Program

VII. Closed Session

- To discuss and take action regarding plans to protect public safety as it relates to existing or potential terrorist activity and to receive briefings by staff members, legal counsel, or law enforcement or emergency service officials concerning actions taken or to be taken to respond to such activity (N.C. Gen. Stat. Ann. § 143-318.11)

VIII. Adjournment



City of Greenville, North Carolina

Meeting Date: 3/19/2018
Time: 4:00 PM

Title of Item: Presentation by the North Carolina Department of Transportation on Ongoing State Road Projects

Explanation: **Abstract:** NCDOT officials will provide a review and update on construction for six State road widening projects, discuss construction coordination of affecting projects in the uptown area, review recent concept plan updates for the 14th Street Widening Project, and seek concurrence from Council regarding sidewalk installation for several of the road widening projects that are currently in design.

Explanation: NCDOT officials will be present to provide updates on the following projects:

- 10th Street Connector (Construction)
- Southwest Bypass (Construction)
- Fire Tower Road/Portertown Road Widening
- Evans Street/Tar Road Widening
- Allen Road Widening
- 14th Street Widening
- Dickinson Avenue Modernization

NCDOT will provide information on the construction sequencing of the Dickinson Avenue project as it relates to the completion of the 10th Street Connector. NCDOT will also present the revised roadway plans for the 14th Street Widening. These plans were revised after receiving public input as well as meeting with City staff.

NCDOT will also provide updates on the designs of Allen Road and Fire Tower/Portertown Road. These two designs require input from the City on the limits of sidewalk construction.

Fiscal Note: Should City Council approve any of the municipal agreements associated with

sidewalk installations for the projects, the City will be responsible for 40% of the cost of the installed sidewalk. Funds to pay for the City's share of these improvements would come from the General Fund.

Recommendation: City Council receive information provided by NCDOT.

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City of Greenville, North Carolina

Meeting Date: 3/19/2018
Time: 4:00 PM

Title of Item: Update on Other Post-Employment Benefits (OPEB) and Governmental Accounting Standards Board (GASB) Standard 75

Explanation: **Abstract:** City staff will update City Council on Other Post-Employment Benefits (OPEB) and new accounting rules which require cities to report the full OPEB liability on the Statement of Net Position.

Explanation: Beginning with the current fiscal year, the City will be required to adopt GASB Standard 75 which changes financial reporting for Other Post-Employment Benefits (OPEB). The new standard is designed to increase visibility of the OPEB liability by requiring cities to report the full liability on the Statement of Net Position. The North Carolina Local Government Commission has advised municipalities to present the effects of the new standard to their governing boards.

Prior to this year, only a portion of the liability was required to be recorded. For the City of Greenville, this results in an additional \$28 million liability, bringing the total recorded liability up to \$51 million. The Net OPEB Liability is the difference between the Total OPEB Liability and the Trust Fiduciary Net Position. The Total Liability, or the present value of future retiree benefits, was \$55 million as of June 30, 2017. The Trust Fiduciary Net Position, which is the amount placed into a trust by the City, totaled \$4 million as of June 30, 2017. The City contributes \$500,000 per year to the trust and earned over \$200,000 on the trust's investments in Calendar Year 2017.

To offset future growth of the OPEB Liability, the City has taken steps to reduce health care spending. Beginning July 1, 2011, the City changed its benefit structure to reduce the amount paid on behalf of retirees for health care premiums. The City has also increased the budgeted amount for OBEP by \$100,000 for the next two fiscal years in the proposed budget. The City also offers Wellness Incentives to employees, which is slowing the growth of health care spending.

Fiscal Note: On the June 30, 2018 Statement of Net Position, the City of Greenville, along with all other governmental units, will be required to report the full OPEB Liability. As

of June 30, 2017, this amount for the City of Greenville was \$51 million.

Recommendation: City Council receive update on OPEB and GASB Standard 75.

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 [OPEB Presentation Council Workshop 1075895](#)

Other Post-Employment Benefits(OPEB)

City Council Update on Governmental Accounting Standards Board (GASB) 75

March 19, 2018



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What is OPEB?

- Other Postemployment Benefits (OPEB) -
 - ❑ Healthcare Benefits for Retirees
- The City of Greenville provides Healthcare Benefits to eligible retirees, which include:
 - Medical
 - Medicare Supplement post age 65

Who is Eligible?

- City and GUC Employees hired prior to July 1, 2011
Employees with at least 20 years of service contribute 5% of estimated health care costs. (Vested)
- City and GUC Employees hired after July 1, 2011

| Years of Service | Employee Contribution Age 55-59 | Employee Contribution Age 60-64 |
|------------------|---------------------------------|---------------------------------|
| 20-24 | 50% | 35% |
| 25+ | 25% | 5% |

Definitions

- Total OPEB Liability – Present Value of projected benefit payments
- Plan Fiduciary Net Position (PFNP) – Value of Trust assets as of valuation date
- Net OPEB Liability – The difference between the Net OPEB Liability and the PFNP
- Actuarially Determined Contribution – The amount needed in a given year to offset the current liability

The OPEB Liability

- Is the future value of OPEB costs and is determined by an actuarial valuation. (\$55M)
- Is reduced by the amount available in the OPEB Trust Fund. (\$4M)
- As of June 30, 2017 the City had a Net OPEB Liability of (\$51M)



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GASB 75

OPEB Financial Reporting

- Replaces GASB 45.
- Will take effect with the Fiscal Year ending June 30, 2018.
- Requires reporting on Statement of Net Position.
- Purpose is to improve accounting and reporting of Other Post-Employment Benefits.



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GASB 75

Effect on the Financial Statement

| June 2017 Liability Old Rules | Unrecorded Liability | June 2017 Liability New Rules |
|----------------------------------|-------------------------|----------------------------------|
| \$23M | \$28M | \$51M |



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GASB 75

Effect on the Financial Statement - Peer Cities

| | Unrestricted Net Position 6/30/2017 | Liability Recorded 6/30/2017 | Net OPEB Liability | Additional OBEP Liability in FY18 | Updated Unrestricted Net Position |
|--------------|---|------------------------------------|--------------------------|---|---|
| Gastonia | (18,073,941) | 19,491,123 | 40,790,179 | 21,299,056 | (39,372,997) |
| Asheville | 4,275,046 | 5,414,338 | 26,616,983 | 21,202,645 | (16,927,599) |
| High Point | (2,220,309) | 8,412,328 | 11,287,788 | 2,875,460 | (5,095,769) |
| Greenville | 23,715,622 | 22,985,876 | 50,591,852 | 27,605,976 | (3,890,354) |
| Jacksonville | 21,294,316 | 778,860 | 1,976,097 | 1,197,237 | 20,097,079 |
| Wilmington | 49,108,721 | 24,195,085 | 46,215,883 | 22,020,798 | 27,087,923 |
| Concord | 77,341,541 | 16,519,218 | 43,677,572 | 27,158,354 | 50,183,187 |
| GUC | 112,258,108 | 12,447,004 | 28,024,952 | 15,577,948 | 96,680,160 |



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City Action

Steps taken to offset future costs

- OPEB Trust established May 2009 (\$100K)
 - Increased contributions by \$50K per year
 - Value as of June 2017: \$4M total Equity
 - Calendar year 2017 change in value: \$286,573
 - City currently contributes \$500,000 per year

City Action

Steps taken to offset future costs

- Reduced coverage
- Higher contributions
- Provide wellness incentives



City Action

Steps taken to offset future costs

Future Plans Continued

- Increase funding by \$100,000 each year
- Use increase in contribution and resulting increases in trust market value to begin to offset liability
- Annual actuarial study
- Open Additional Equity Account for LEOSA

Thank You!



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City of Greenville, North Carolina

Meeting Date: 3/19/2018
Time: 4:00 PM

Title of Item: Discussion of Job Creation Grant Program

Explanation: **Abstract:** Staff seeks Council input on details of a proposed Job Creation Grant Program for the purpose of incentivizing new and expanding businesses.

Explanation: In June 2017, City staff presented a proposed Job Creation Grant Program to the previous City Council. Most recently, on February 14, 2018, the City Council Economic Development Committee discussed the draft guidelines and gave staff feedback.

City staff will provide an overview of the Job Creation Grant Program and will seek input from the City Council on guidelines, eligibility, award levels, monitoring, and the application process. Council input will help staff set job number thresholds, grant cap amounts, geographical location of the businesses to be incentivized, etc.

Fiscal Note: The funding amount for the program will be considered in upcoming budget discussions.

Recommendation: Review and discuss Job Creation Grant Program.

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