

City Council Workshop

March 19, 2018



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Item 1

Presentation by N.C. Department of
Transportation on Ongoing State Road
Projects



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NORTH CAROLINA Department of Transportation



Greenville NCDOT Projects Update

William C Kincannon, PE, Division Construction Engineer

March 19, 2018

Project Information



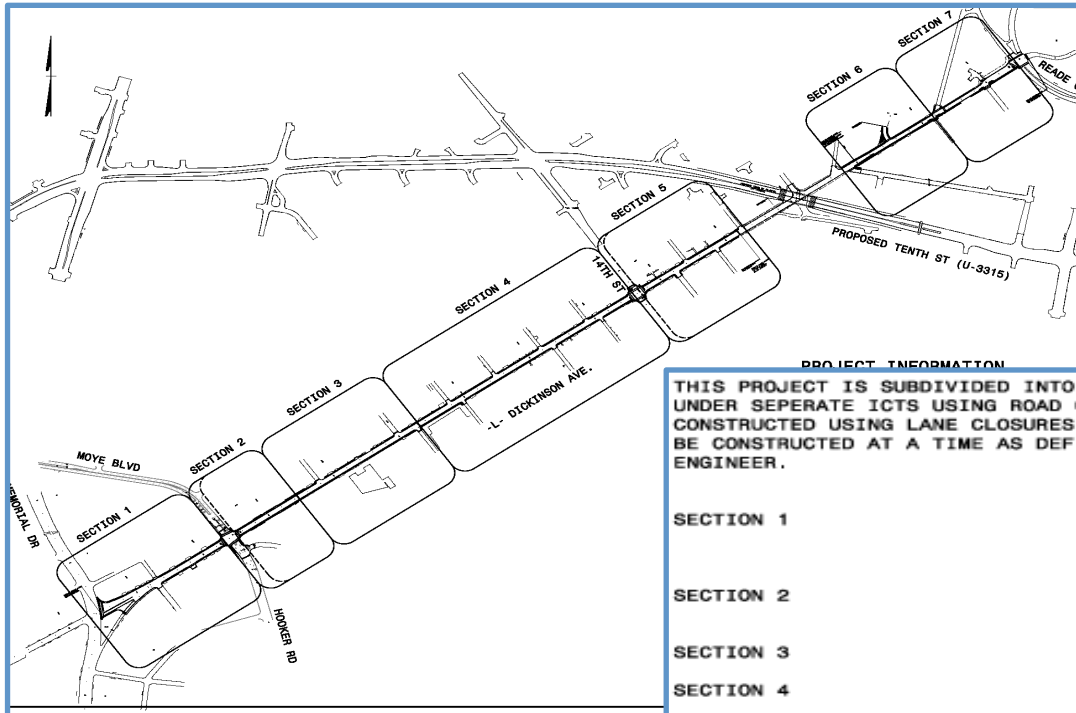
- Current Construction
- Dickinson Construction Sequencing
- Projects under development within City of Greenville
- Projects under development in proximity to City of Greenville
- Resurfacing and Maintenance
- Agreements required to move forward in design

Girder Placement
over NC 903

Current Construction

- **10th Street Connector (U-3315)**
 - \$59,000,000 Approximate total cost including Right of Way
 - Currently ~ 78% complete – estimate open to traffic November 2018
 - Stantonsburg & Memorial - switching traffic to new alignment June 2018
 - Bridge is complete minus paint on coping and parapets
 - Sidewalks and Curb construction starting back this month
 - Obstacles - old utilities not appearing in any surveys having to be worked
- **Southwest Bypass (R-2250)**
 - \$200,000,000 approximate total cost including Right of Way
 - Currently ~ 53% complete – estimate open to traffic June 2020
 - 10 bridges currently under construction
 - Widening of US 13 to begin this Spring
 - Planning to switch NC 11 S traffic to Flyover Bridge early summer 2018
 - Obstacles - utility issues continue but not impeding progress

Dickinson Construction Sequence



- Coordinate with 10th St Connector completion
- Night work required – Memorial Blvd to 14th St current limits
- Currently planning Day work for section from Reade Circle and 14th Street

PROJECT INFORMATION

THIS PROJECT IS SUBDIVIDED INTO SECTIONS. SECTIONS 1,2,4,5,6 AND 7 WILL BE BUILT UNDER SEPERATE ICTS USING ROAD CLOSURES AND OFFSITE DETOURS. SECTION 3 WILL BE CONSTRUCTED USING LANE CLOSURES AND FLAGGERS AS NEEDED. MORE THAN ONE SECTION MAY BE CONSTRUCTED AT A TIME AS DEFINED IN THE PHASING OR AT THE DIRECTION OF THE ENGINEER.

SECTION 1	- -L- PROPOSED DICKINSON AVE FROM MEMORIAL AVE STA. 17+26+/- TO MOYE BLVD/HOOKER RD TO -L- STA. 26+62+/-
SECTION 2	- -L- FROM MOYE BLVD/HOOKER RD STA. 26+62+/- TO STA. 32+25+/-
SECTION 3	- -L- FROM STA. 32+25+/- TO STA. 41+52+/-
SECTION 4	- -L- FROM STA. 41+52+/- TO 14TH STREET,
SECTION 5	- -L- FROM 14TH STREET TO STA. 66+47+/-
SECTION 6	- -L- FROM STA. 73+95+/- TO FICKLEN STREET
SECTION 7	- -L- FROM FICKLEN STREET TO READE CIRCLE

\$16,000,000 Approximate
total cost with Right of Way

Greenville Projects being Developed

- **Evans St/Old Tar Rd (U-2817)**
 - \$37,000,000 Approximate total cost including Right of Way
 - Widening from Greenville Blvd to Worthington Rd/Cooper St
 - Currently ~ 25% complete – ROW 2018 Construction 2020
 - Preparing to meet with public and show current impacts
 - Best Fit Symmetrical Alignment, Bike and Pedestrian Facilities
- **Allen Rd (U-5875)**
 - \$25,400,000 Approximate total cost including Right of Way
 - Widening from Greenville Blvd to Stantonsburg Rd
 - Currently ~ 65% complete – ROW 2018 Construction 2021*
 - Next Local Officials and Public Meeting March 29, 2018
 - Alignment shifts widening to east, maintains current western edge



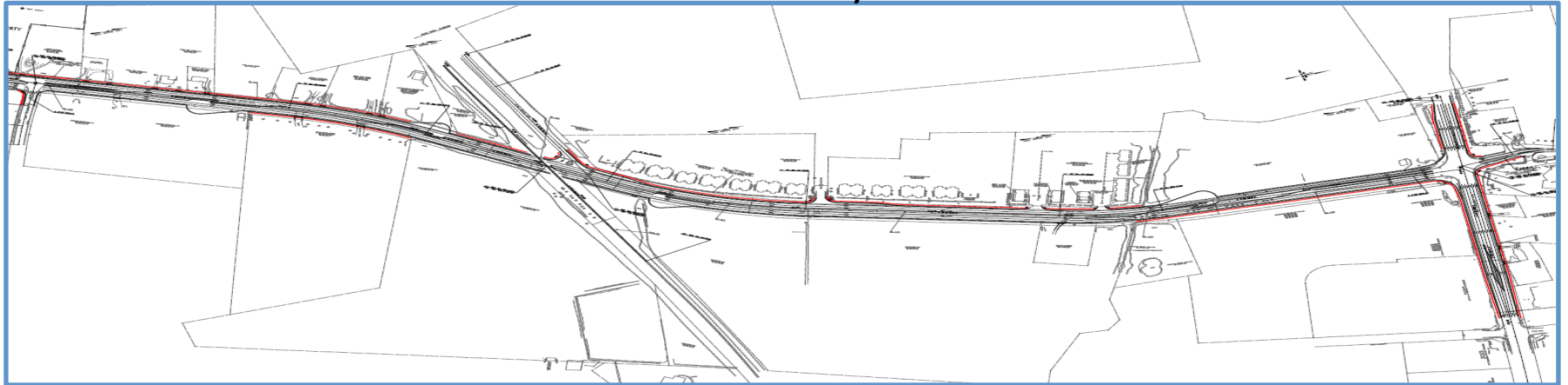
Allen Rd Flyover Visualization



Allen Road Widen to Multi-Lanes (STIP No. U-5875)

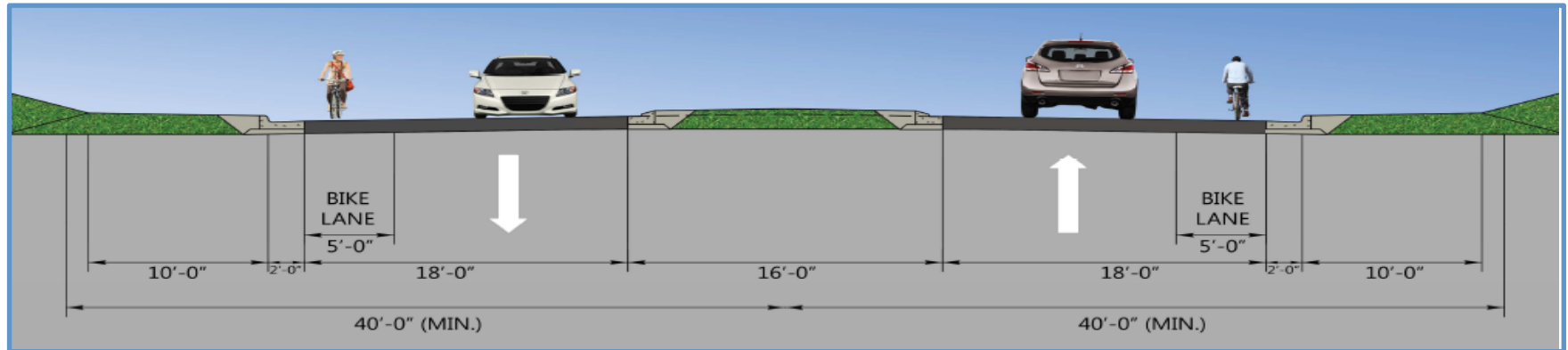


Allen Road Sidewalks City of Greenville in Red



Greenville Projects being Developed

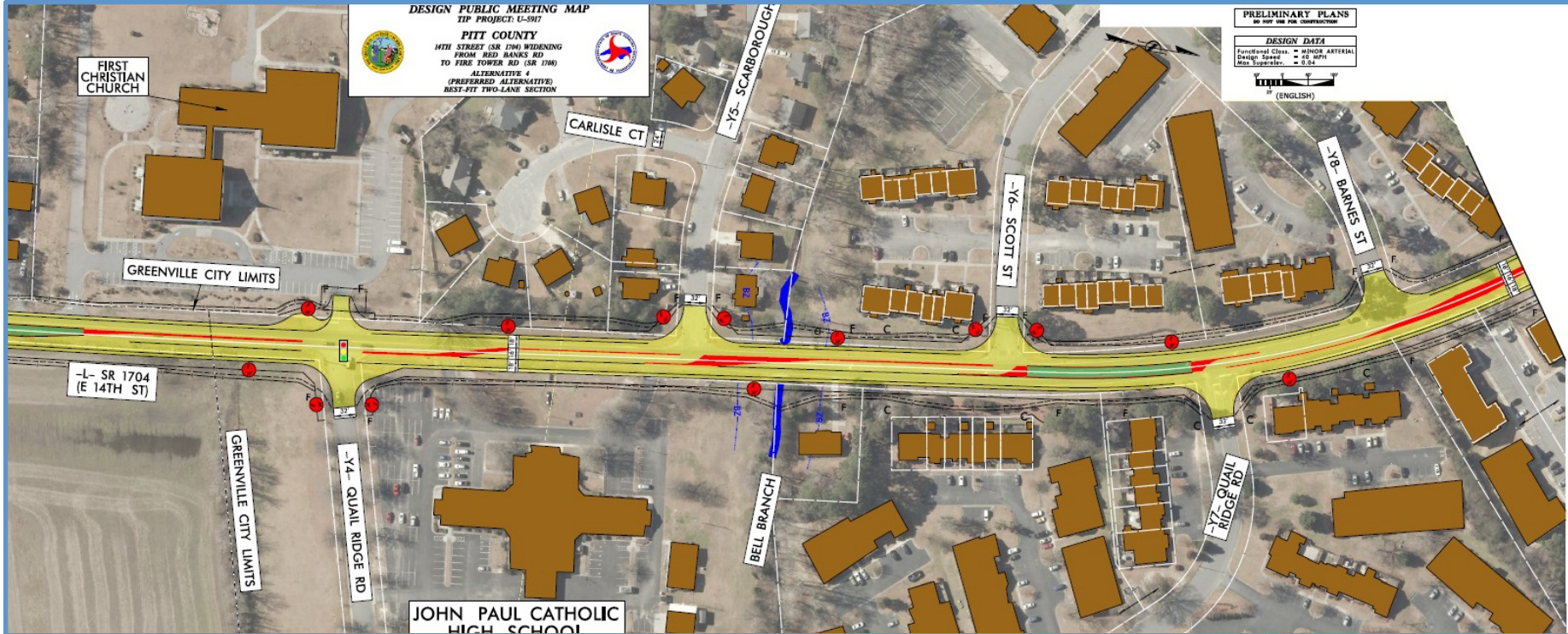
- **14th Street (U-5917)**
 - Widening from Red Banks Blvd to Firetower Rd
 - \$15,000,000 Approximate total cost including Right of Way
 - Currently ~ 20% complete – ROW 2018 Construction 2020
 - Next Local Officials and Public Meeting April 3, 2018
 - Revised alignment reduced to 2 lane section with median controlled turns, Curb & Gutter, bike lanes, and intersection improvements.



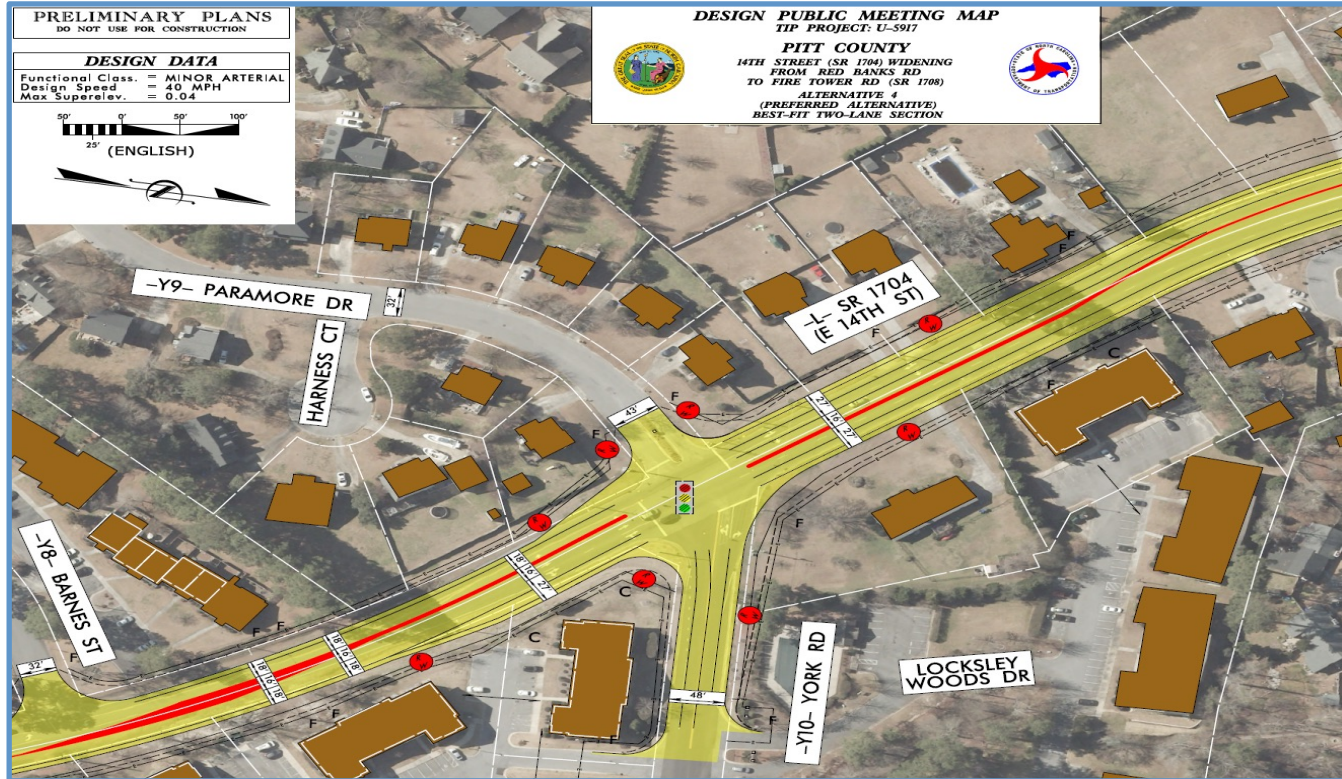
14th – Firetower to past Wellcome Dr



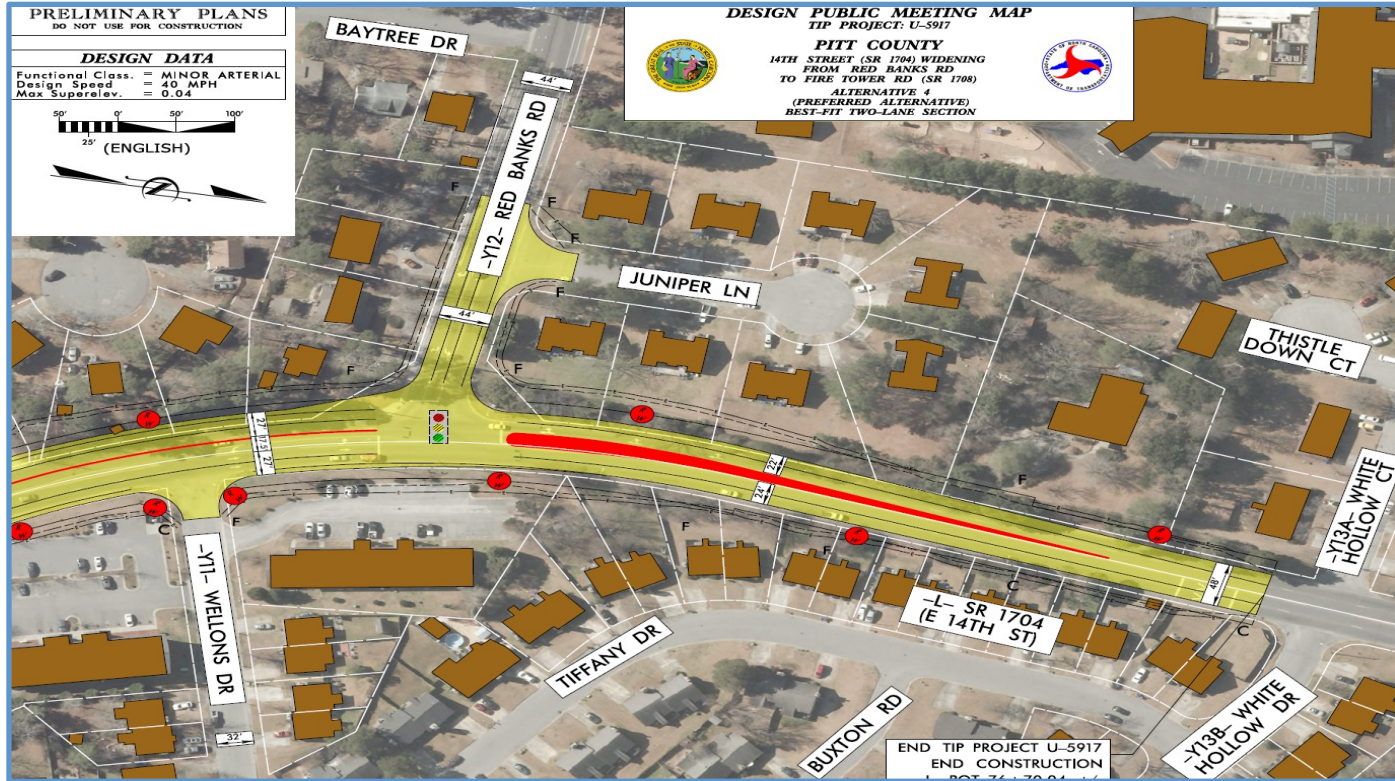
14th – Northbound to past Barnes St



14th – Barnes St thru York/Paramore



14th – Across Red Banks to White Hollow

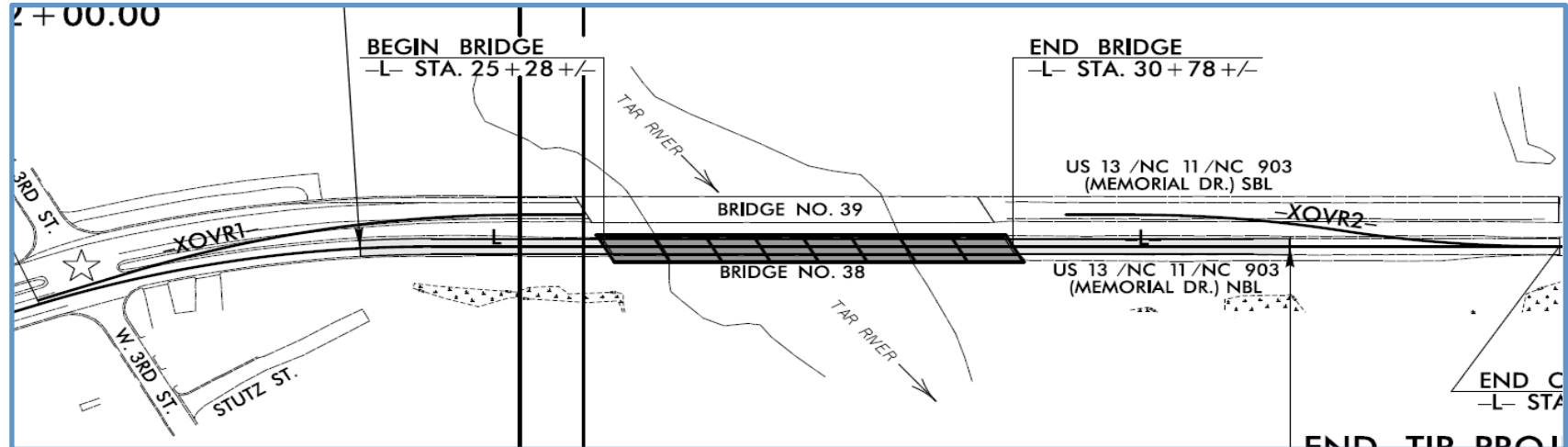


Greenville Projects being Developed

- **Charles Blvd – NC43 (U-5991)**
 - \$31,000,000 Approximate total cost including Right of Way
 - Widening from Firetower Rd to Worthington Rd
 - Currently ~ 15% complete –
 - ROW 2020 Construction 2022
 - Local Officials and Public Meeting Early Summer 2018
 - 4 lane section with median controlled turns, intersection improvements.
- **West 5th St NC43 at Memorial (U-5730)**
 - \$1,500,000 Approximate total cost including Right of Way
 - Upgrade intersection at US 13 (Memorial Drive) and NC 43 (West 5th Street), adding a turn-lane in the SW quadrant of the intersection
 - Upgrade sections of sidewalk in the SW and SE quadrants.
 - Design complete & Utility work being reviewed
 - ROW Ongoing. Contract June with Construction November 2018
 - Utility work being reviewed

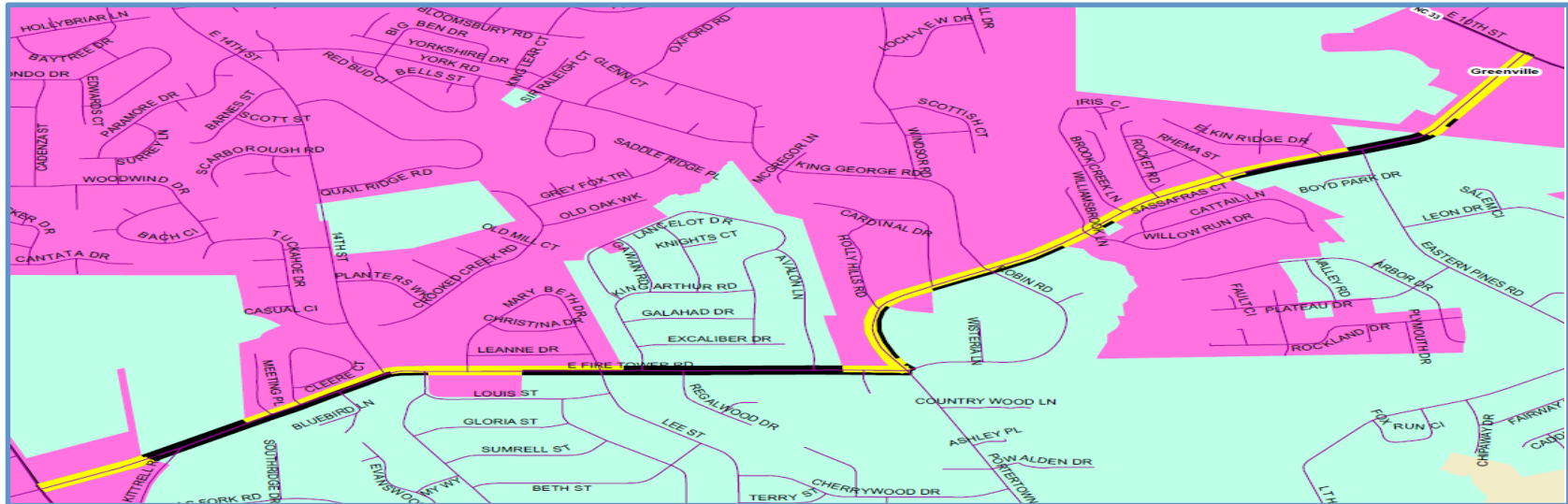
Greenville Projects being Developed

- **Tar River Bridge(B-4786)**
- \$10,000,000 Approximate total cost including Right of Way
- Bridge replacement of NB Bridge on US13 Memorial Blvd
- Currently ~ 20% complete – ROW 2018 Construction 2020 After SW Bypass
- On Site Detour during construction with west side bridge reduced to 2 lanes



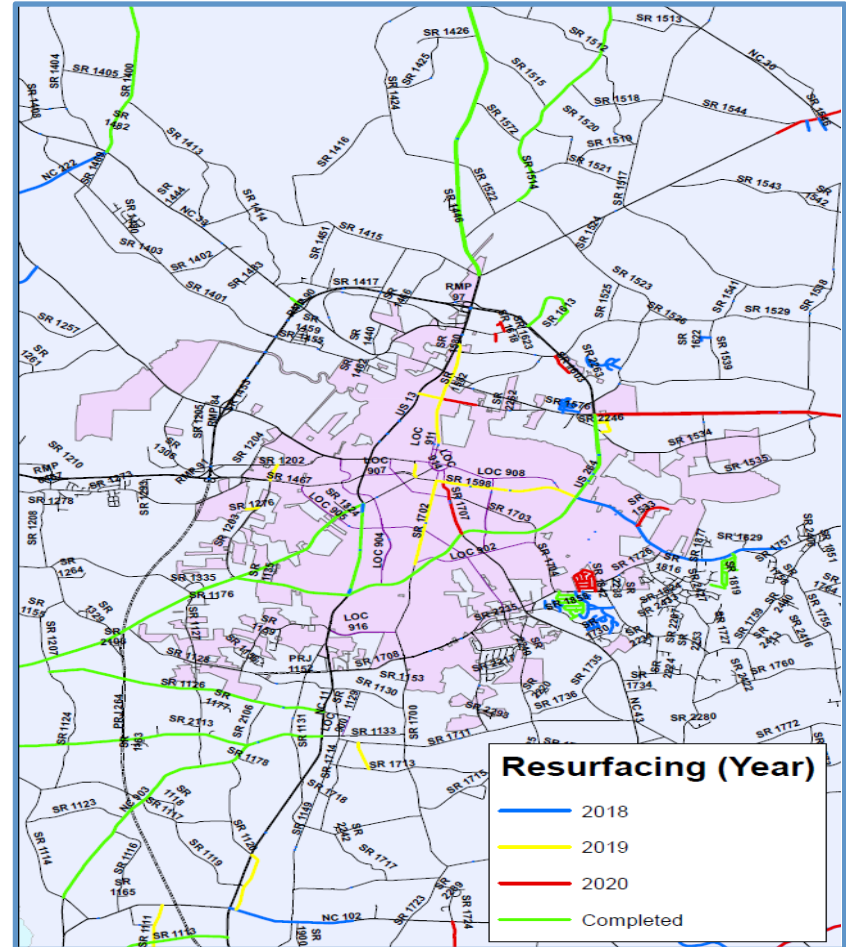
Greenville Projects being Developed

- **Firetower Rd / Portertown Rd (U-5785/U-5870)**
- \$40,000,000 Approximate total cost including Right of Way
- Widening on Portertown and Firetower from NC 33 (10th St to NC 43 (Charles Blvd), extended for intersection improvements past Arlington Blvd
- Currently ~ 20% complete – ROW 2018 Construction 2020 After SW Bypass
- Turnbury Extension can accelerate ROW and Construction

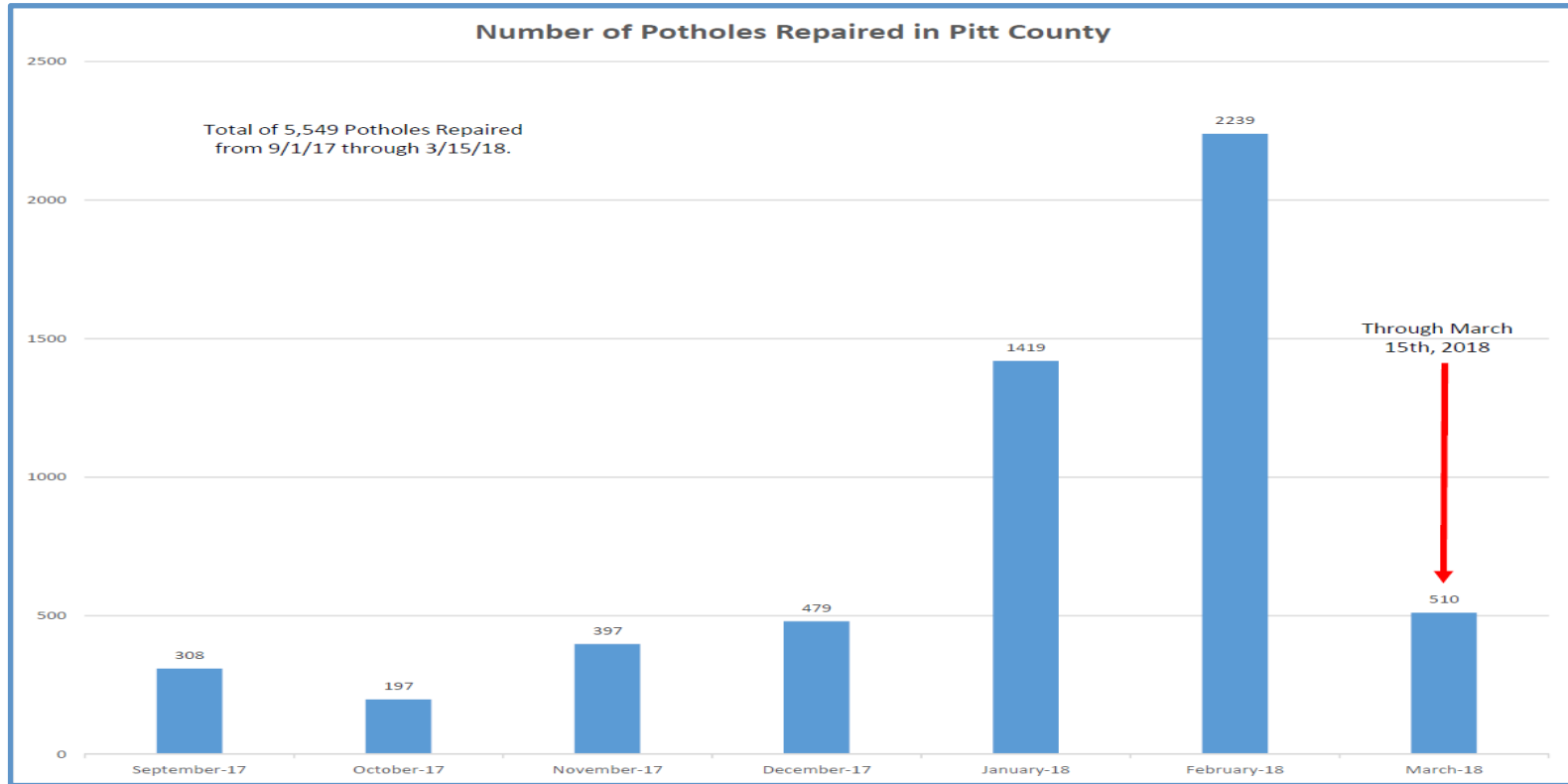


Resurfacing Plan

- **Key Routes**
 - 10th St (NC33) Eastbound 2018
 - US 264 Eastbound 2020
 - Memorial (NC11) 2019
 - Charles Blvd 2020
 - Numerous Secondary Roads in Greenville and Pitt County
- **Overall Program Cost**
 - \$1,500,000 in 2018
 - \$2,700,000 in 2019
 - \$5,000,000 in 2020
 - \$9.2 Million 3 Year Program



Pitt County Pot Hole Repairs



Agreements & Answers Needed

- Firetower Rd / Portertown Rd (U-5785/U-5870)
- Turnbury Ext dependent on City of Greenville taking the completed to avoid property impacts that would make quad extension not feasible
- City design standards allow utility placement under roadway with same utilities as current Turnbury Street and Arlington Blvd – both City streets
- Formal Agreement required or NCDOT will not be able to pursue further
- Sidewalk Agreements
 - All projects with proposed sidewalks require approved agreements between NCDOT and municipalities involved.
 - There are currently no agreements complete, impacting design and delivery

Questions?

Item 2

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



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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



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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%



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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



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



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City Action

Steps taken to offset future costs

- Reduced coverage
- Higher contributions
- Provide wellness incentives



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City Action

Steps taken to offset future costs

Future Plans

- 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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Job Creation Grant

- 1 of 7 Economic Development Priorities at the 2018 City Council Planning Retreat in January.



Program Overview

- Purpose is to encourage the creation, and/or expansion of new or existing businesses and jobs within the City of Greenville.
- \$500 - \$1,000 per new full-time job
- Cap grant amount total to \$10,000-15,000 per business.
- Eligible companies should be paying 50% of health insurance for employees.
- FT Jobs must be maintained for 2 years
- Applies to job growth in ETJ as well as City Limits to (gives City a tool to incentivize Industrial businesses).
- 2 year grant period with annual payments based on actual jobs created and retained.
- Funding will be determined on budget availability.

Procedural Requirements of Approval of N.C. Incentives

- Incentive must be given for “public benefit”. Examples include job creation, growing the tax base, diversifying the economy, etc. (Why we give incentives)
- An initial “but for” or necessity determination is made that the incentive is required for a project to go forward, typically in a competitive situation. (Is it legal?)
- A written guideline or policy is applied to determine the maximum amount of incentive that can be given to the receiving company (cap amounts)
- Expenditures take the form of reimbursements, not unrestricted cash payments. (Renovation/ Construction Receipts, operating expenses, etc)
- Final approval is made at a public meeting, properly noticed. (Public Hearing necessary for all ED Incentives)
- A written agreement governs implementation. (Development Agreement)

Who is Eligible?

- For-profit companies creating at least 5 new full-time (FT) jobs & willing to maintain the new FT jobs for 2 consecutive years.
- Companies who are locating in the Greenville City Limits OR the Greenville ETJ (allows incentive for Industrial Businesses).
- Businesses who meet the "But for" provision for N.C. Incentives.

Who is not Eligible?

- Restaurants
- Retail Businesses



Next Steps

- Develop policy and associated guidelines for City Council approval.
- Develop material to market the Job Creation Grant and work with economic development area partners.
- Receive letter from prospective business who is creating new FT jobs.
- Staff will determine if business meets the eligibility requirements.
- City Council will approve.



Examples of Funding Scenarios



- ACME Manufacturing creating 300 new full-time jobs @ \$1,000 per job
- Maximum grant amount based on \$10,000 cap = \$10,000

Examples of Funding Scenarios



- ABC Flood Cleanup creating 15 new full-time jobs @ \$1,000 per job
- Maximum grant amount based on \$10,000 cap = \$10,000

Examples of Funding Scenarios



- AAA Software creating 5 new full-time jobs @ \$1,000 per job
- Maximum grant amount based on \$10,000 cap = \$5,000

Comments or Questions?

Item 4

Employee Wage Increase Discussion



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Greenville

NORTH CAROLINA

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City Council Workshop
2018-19 Employee Wage Increase Discussion
March 19, 2018

Market Adjustment and Merit Allocation

- The City and GUC annually review the competitive pay posture of the joint pay plan.
- The objective is to maintain an effective pay system that is internally equitable and compatible, and is as competitive as possible in relation to the external marketplace.
- Typically review best available information in order to make an informed decision:
 1. Salary surveys
 2. Public-Sector benchmarks
 3. Local private employers

1. Wage Increases Projected by Surveys

Survey	Projected Wage Increase
Aon Hewitt	3.0%
Capital Associated Industries (CAI)*	2.5%
Hay Group	3.0%
Mercer	2.9%
Towers Watson	3.0%
WorldAtWork	3.0%

- **COG & GUC have traditionally used CAI as the primary benchmark**
- **Last year the Committee recommended a 3.2% (Public Sector Projection) in lieu of CAI which was 2.7%.**

Public Sector Benchmark Organizations / ~~Local Private Employers~~

2. Public sector benchmark organizations:

- Includes 26 municipalities and utilities
- FY2017-18 average pay increase: 2.9% (24 responses)
- FY2018-19 projected pay increase: 2.9% (18 responses)

3. Local private employers:

- Includes 14 local businesses
- FY2018-19 projected pay increase: 3.2% (13 responses)
- **COG & GUC have traditionally used CAI as the primary benchmark**
- **Last year the Committee recommended a 3.2% (Public Sector Projection) in lieu of CAI which was 2.7%.**

3-Year Pay Increases Compared to Market

FY	CAI	Public Sector	Private Sector	City / GUC	Cumulative Difference (CAI)	Cumulative Difference (Public)	Cumulative Difference (Private)
15/16	3.0%	2.5%	2.0%	2.0%	-1.0%	-0.5%	0.0%
16/17	2.7%	3.2%	3.05%	2.0%	-1.7%	-1.7%	-1.05%
17/18	2.7%	2.9%	2.9%	3.2%	-1.2%	-1.4%	-0.75%
18/19	2.5%	2.9%	3.2%	TBD	TBD	TBD	TBD

- **COG & GUC have traditionally used CAI as the primary benchmark**
- **Last year the Committee recommended a 3.2% (Public Sector Projection) in lieu of CAI which was 2.7%.**

Summary

CAI	2.5%
Public Sector	2.9%
Private Sector	3.2%
Proposed 2018-19 Budget	2.5%

- **COG & GUC have traditionally used CAI as the primary benchmark**
- **Last year the Committee recommended a 3.2% (Public Sector Projection) in lieu of CAI which was 2.7%.**

Summary

Impact on Budget of Wage Increase:

0.5 %	\$200,000
1.0%	\$400,000
1.5%	\$600,000
2.0%	\$800,000