

Addendum

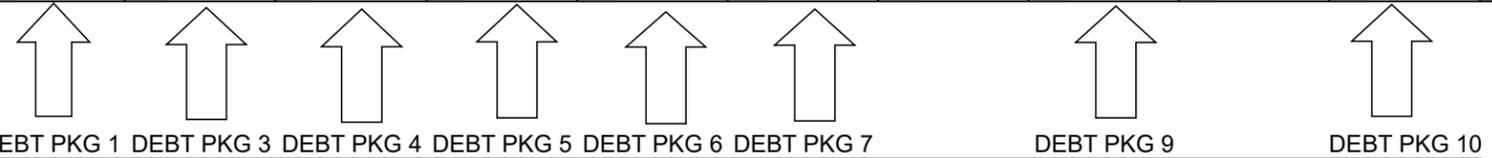
- Water and Sewer CIP, Cash Flow Summary and Debt Service
- Budget Amendment - Solid Waste Containers
- Fund Balance Update
- Public Works/Public Utilities - Lease Termination

TABLE 1
CITY OF LENOIR
WATER AND SEWER FUND
CAPITAL IMPROVEMENTS PLAN - 2020

PROJECT NUMBER	PROJECT LOCATION	COST	2020	YEAR 1 2021	YEAR 2 2022	YEAR 3 2023	YEAR 4 2024	YEAR 5 2025	YEAR 6 2026	YEAR 7 2027	YEAR 8 2028	YEAR 9 2029	YEAR 10 2030	YEARS 11+ 2031+
	<u>WATER IMPROVEMENTS</u>													
	<u>DISTRIBUTION SYSTEM</u>													
1	ROOF REPLACEMENT	45,000	45,000											
2	WATER SYSTEM IMPROVEMENTS	4,700,000		4,700,000										
3	MAJOR PRESSURE REDUCING VALVE VAULTS	640,000		300,000					340,000					
4	HUDSON VALVE INSERTIONS	100,000		100,000										
5	WHITNEL TRANSMISSION LINE REPLACEMENT- PHASE 1	4,930,000			4,930,000									
6	WALT ARNEY ROAD WATER LINE REPLACEMENT	550,000					550,000							
7	HUDSON TANK PUMP UPGRADES	500,000				500,000								
8	PLEASANT HILL ROAD WATER IMPROVEMENTS	1,110,000										1,110,000		
9	ZACK FORKS TO COTTRELL HILL WATER SUPPLY LOOP	0												1,550,000
10	WHITNEL TRANSMISSION LINE REPLACEMENT- PHASE 2	0												12,300,000
11	DIVISIONAL VALVE REPLACEMENTS	911,000			90,000	92,000	95,000	98,000	101,000	104,000	107,000	110,000	114,000	
	<u>BERNHARDT TREATMENT PLANT</u>													
12	FLASH MIX BASIN REPAIRS	450,000			450,000									
13	AWIA COMPLIANCE PROJECTS	400,000			100,000	100,000	100,000	100,000						
14	FILTER VALVE REPLACEMENTS	680,000				680,000								
15	FINISHED WATER PUMP STATION EXPANSION	870,000					870,000							
16	BACKWASH SUPPLY	290,000					290,000							
17	OPERATIONS BUILDING UPGRADES	1,780,000							1,780,000					
18	GENERATOR AND ELECTRICAL SYSTEM LOOP	0												2,640,000
	VEHICLES	651,000	50,000	75,000	60,000		58,000	48,000	70,000	140,000	50,000	50,000	50,000	
	<u>WATER IMPROVEMENTS SUBTOTAL</u>	<u>18,607,000</u>	<u>95,000</u>	<u>5,175,000</u>	<u>5,630,000</u>	<u>1,372,000</u>	<u>1,963,000</u>	<u>246,000</u>	<u>2,291,000</u>	<u>244,000</u>	<u>157,000</u>	<u>1,270,000</u>	<u>164,000</u>	<u>16,490,000</u>
	<u>WASTEWATER IMPROVEMENTS</u>													
	<u>COLLECTION SYSTEM</u>													
19	CROSSROADS SHOPPING CENTER TO LENOIR GOLF CLUBHOUSE SEWER	2,775,000		2,775,000										
20	MANHOLE IMPROVEMENTS	1,270,000			500,000	180,000	180,000		200,000		210,000			
21	PENNTON TO HWY 18 SEWER	920,000				920,000								0
22	ZACKS FORK REPLACEMENT	1,970,000					1,970,000							
23	MAIN STREET SEWER REPLACEMENT	950,000					950,000							
24	REHAB BLAIRS FORK OUTFALL	750,000					750,000							0
25	GOLF COURSE SEWER REPLACEMENT	3,120,000						3,120,000						

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WATER AND SEWER FUND
CAPITAL IMPROVEMENTS PLAN - 2020

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26	GUNPOWDER CREEK INTERCEPTOR REPLACEMENT	3,100,000							3,100,000					
27	EAST HARPER AVENUE SEWER REPLACEMENT	500,000								500,000				
28	MEADOWWOOD UPSTREAM SEWER REPLACEMENT	1,660,000											1,660,000	
29	MEADOWWOOD LIFT STATION IMPROVEMENTS	440,000								440,000				
	LOWER CREEK TREATMENT PLANT													
30	SEPTAGE RECEIVING STATION / VACTOR DUMP	510,000					510,000							
	LOWER CREEK WWTP CONCRETE REPAIRS	500,000				500,000								
31	OTHER LOWER CREEK WWTP NEEDS	7,400,000									7,400,000			
	SEWER CAMERA SYSTEM	125,000		125,000										
	VEHICLES	668,000	50,000	75,000	45,000	50,000		48,000			400,000			
	WASTEWATER IMPROVEMENTS SUBTOTAL	26,658,000	50,000	2,975,000	545,000	1,650,000	4,360,000	3,168,000	3,300,000	940,000	8,010,000	0	1,660,000	0
	TOTAL	45,265,000	145,000	8,150,000	6,175,000	3,022,000	6,323,000	3,414,000	5,591,000	1,184,000	8,167,000	1,270,000	1,824,000	16,490,000



DEBT PACKAGES

38,015,000		4,700,000	4,930,000	2,100,000	5,340,000	3,120,000	1,780,000		7,400,000		2,770,000
	DEBT PKG 2	2,775,000						DEBT PKG 8			
								3,100,000			

ANNUAL DEBT

ANNUAL CAPITAL OUTLAY

38,015,000	0	7,475,000	4,930,000	2,100,000	5,340,000	3,120,000	4,880,000	0	7,400,000	1,110,000	1,660,000
7,250,000	145,000	675,000	1,245,000	922,000	983,000	294,000	711,000	1,184,000	767,000	160,000	164,000

**CITY OF LENOIR WATER AND SEWER FUND
CASH FLOW SUMMARY - 2020**

	ESTIMATE 2020	YEAR 1 2021	YEAR 2 2022	YEAR 3 2023	YEAR 4 2024	YEAR 5 2025	YEAR 6 2026	YEAR 7 2027	YEAR 8 2028	YEAR 9 2029	YEAR 10 2030
WATER ANNUAL OPERATING REVENUE	\$6,349,193	\$6,474,046	\$6,601,375	\$6,731,229	\$6,863,658	\$6,998,714	\$7,136,449	\$7,276,916	\$7,420,170	\$7,566,266	\$7,715,261
SEWER ANNUAL OPERATING REVENUE	\$3,169,961	\$3,231,229	\$3,293,702	\$3,357,402	\$3,422,355	\$3,488,585	\$3,556,117	\$3,624,978	\$3,695,193	\$3,766,790	\$3,839,795
WATER & SEWER ANNUAL NON-OPERATING REVENUE	4,000	5,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	8,000	9,000
WATER REVENUE INCREASE *		1.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
SEWER REVENUE INCREASE		1.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
WATER & SEWER NEW REVENUE		\$176,223	\$372,549	\$580,592	\$800,899	\$1,034,043	\$1,280,623	\$1,541,260	\$1,816,605	\$2,107,336	\$2,414,159
TOTAL REVENUE	\$9,523,154	\$9,886,498	\$10,273,626	\$10,675,223	\$11,092,912	\$11,527,342	\$11,980,189	\$12,450,154	\$12,938,968	\$13,448,391	\$13,978,215
WATER OPERATING EXPENDITURES	\$3,133,438	\$3,211,774	\$3,292,069	\$3,374,370	\$3,458,729	\$3,545,198	\$3,633,828	\$3,724,673	\$3,817,790	\$3,913,235	\$4,011,066
SEWER OPERATING EXPENDITURES	\$2,741,897	\$2,878,944	\$2,950,918	\$3,024,691	\$3,100,308	\$3,177,816	\$3,257,261	\$3,338,693	\$3,422,160	\$3,507,714	\$3,595,407
CAPITAL OUTLAY	\$938,775	\$675,000	\$1,245,000	\$922,000	\$983,000	\$294,000	\$711,000	\$1,184,000	\$767,000	\$160,000	\$164,000
DEBT SERVICE	\$1,778,111	\$2,207,492	\$2,285,711	\$2,803,622	\$3,121,377	\$3,491,180	\$3,762,389	\$3,884,533	\$4,140,454	\$4,396,375	\$4,032,524
TRANSFER TO CAPITAL RESERVE FUND	\$0	\$0	\$400,000	\$400,000	\$390,000	\$400,000	\$400,000	\$280,000	\$400,000	\$400,000	\$400,000
NET INCOME	\$930,932	\$813,287	\$99,928	\$150,539	\$39,497	\$619,149	\$215,711	\$38,255	\$391,564	\$1,071,068	\$1,775,218
UNRESTRICTED NET ASSETS	\$5,288,313	\$6,101,601	\$6,201,529	\$6,352,068	\$6,391,565	\$7,010,714	\$7,226,425	\$7,264,680	\$7,656,244	\$8,727,311	\$10,502,529
UNRESTRICTED NET ASSETS / TOTAL EXPENDITURES	61.55%	67.25%	60.96%	60.35%	57.82%	64.27%	61.43%	58.53%	61.02%	70.51%	86.07%
CAPITAL RESERVE FUND	\$704,870	\$704,870	\$1,104,870	\$1,504,870	\$1,894,870	\$2,294,870	\$914,870	\$1,194,870	\$94,870	\$494,870	\$194,870
RESIDENTIAL INSIDE 5,000 GAL WATER CHARGE ^	\$23.86	\$24.31	\$24.80	\$25.30	\$25.80	\$26.32	\$26.84	\$27.38	\$27.93	\$28.49	\$29.06
RESIDENTIAL INSIDE 5,000 GAL SEWER CHARGE ^	\$24.88	\$25.35	\$25.86	\$26.38	\$26.90	\$27.44	\$27.99	\$28.55	\$29.12	\$29.70	\$30.30

* FEBRUARY 2020 CPI URBAN SOUTH 12 MONTH AVERAGE IS 1.9%.

TABLE 2
CITY OF LENOIR
WATER AND SEWER FUND
DEBT SERVICE SUMMARY - 2020

TYPE	NAME	2020	YEAR 1 2021	YEAR 2 2022	YEAR 3 2023	YEAR 4 2024	YEAR 5 2025	YEAR 6 2026	YEAR 7 2027	YEAR 8 2028	YEAR 9 2029	YEAR 10 2030
<i>CURRENT DEBT</i>												
WATER	RHODHISS PLANT	176,037										
BOTH	HWY 18 / RHODISS / UTILITY LINES	100,163	100,163									
WATER	WHITNEL PS SRL	189,474	185,782	182,090	178,399	174,707	171,015	167,323	163,632	159,940	156,248	152,556
WATER	RAW WATER INTAKE	235,344	231,290	227,236	223,181	219,126	215,071	211,017	206,962	202,908	198,854	194,799
SEWER	POWELL RD SEWER	14,463	14,463	14,463	14,463	14,463	14,463	14,463	14,463	14,463	14,463	14,463
SEWER	GUNPOWDER WWTP	204,683	204,683	204,683	204,683	204,683	204,683	204,683	204,683	204,683	204,683	204,683
SEWER	MEADOWOOD SEWER	77,099	77,099	77,099	77,099	77,099	77,099	77,099	77,099	77,099	77,099	77,099
WATER	WTP IMPROVEMENTS	231,095	262,173	262,173	262,173	262,173	262,173	262,173	262,173	262,173	262,173	262,173
WATER	METER REPLACEMENTS	549,753	552,613	539,743	526,873	514,003	501,133	488,263	475,393	462,523	449,653	
SEWER	BIOSOLIDS		492,692	451,422	446,071	440,720	435,369	430,018	424,666	419,315	413,964	408,613
TOTAL CURRENT DEBT		1,778,111	2,120,958	1,958,908	1,932,941	1,906,973	1,881,005	1,855,038	1,829,070	1,803,103	1,777,136	1,314,385
WATER SUBTOTAL		1,431,785	1,281,939	1,211,241	1,190,625	1,170,008	1,149,391	1,128,775	1,108,159	1,087,543	1,066,927	609,528
SEWER SUBTOTAL		346,326	839,019	747,667	742,316	736,965	731,614	726,262	720,911	715,560	710,209	704,858
WATER %		80.52%	60.44%	61.83%	61.60%	61.35%	61.11%	60.85%	60.59%	60.32%	60.04%	46.37%
SEWER %		19.48%	39.56%	38.17%	38.40%	38.65%	38.89%	39.15%	39.41%	39.68%	39.96%	53.63%

CITY OF LENOIR
COUNCIL ACTION FORM

I. Agenda Item:

Request for an amendment to be made for the fiscal year ending June 30, 2020.

Background Information:

Request for an amendment to be made for the fiscal year ending June 30, 2020 as follows

Increase Sanitation Funds for the purchase of garbage carts in the amount of \$425,000.

Staff Recommendation:

Approve as requested

II. Reviewed by:

City Attorney:

Finance Director: *Anna Bean*

Public Works/Public Utilities Director:

Planning Director:

Recreation Director:

**2019-2020 Fiscal Year
Budget Amendment Ordinance 2020-04
23-Mar-20**

Request for amendments to be made to the annual budget ordinance for the fiscal year ending June 30, 2020 as follows:

Section 1. To amend the General Fund - the appropriations are to be changed as follows:

Item 1: Allocate funding for the purchase of garbage carts for the transition to automated garbage pick-up.

ACCOUNT	TYPE	AMOUNT OF INCREASE
Fund Balance	Revenue	425,000.00
Sanitation	Expenditure	425,000.00

City of Lenoir
Public Works Department



DEPARTMENT MEMORANDUM

DATE: March 23, 2020

Mr. Scott Hildebran, City Manager

RE: Automated Sanitation Conversion – Rollout Cart Procurement

The purpose of this memo is to provide background information, pricing details, and vendor scope of service information for the City of Lenoir's upcoming procurement of rollout garbage carts to be distributed to solid waste customers for use with automated collection. Public Works Department staff began researching cart compatibility with new and existing equipment and vendor options in January, 2020. The below information describes purchase terms from the preferred vendor, Rehrig Pacific Company (Charlotte area sales region), received Friday, March 20, 2020. This pricing is offered through an existing cooperative purchasing agreement (OMNIA Partners). The City of Lenoir is a member of this organization.

VENDOR: Rehrig Pacific Company

ORDER QTY: 9,000 (includes 3% overage for stock)

COST per CART: \$42.00 + tax

DELIVERY FEE: \$800.00 per load (loads contain 702 carts)

TOTAL PURCHASE: \$412,826.00

Delivery fees include bulk shipping, distribution of carts to customers, and electronic assignment of carts to physical addresses through QR or barcode scanning. The City of Lenoir will retain an editable database of cart identification properties for our records once distribution is complete.

Delivery dates are dependent on production capacities, existing order fulfillment, and backlog, but deliveries are anticipated to begin within 3-4 weeks of procurement. Please note that May and June are larger volume months due to the public budgetary cycle.

Respectfully submitted,

City of Lenoir
Public Works Department

A handwritten signature in blue ink, appearing to read "Jared", is written over a faint, larger signature.

JARED WRIGHT
Public Works Director



95R 00001

Rehrig Pacific Company
SINCE 1913

Fund Balance Evaluation				
Approval Date	Fund Balance Uses 2019-2020		Amount	Percentage
	Beginning Fund Balance		9,829,330.00	56.77%
Current Year Uses				
5/7/2019	ARC Grant Match		250,000.00	
10/1/2019	Automated Garbage Trucks (2)		258,000.00	
2/4/2020	Automated Garbage Truck		30,000.00	
3/24/20 Requested	Garbage Carts		425,000.00	
	Total		963,000.00	
	Ending Fund Balance		8,866,330.00	51.21%

**City Of Lenoir
Fund Balances**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Unreserved Fund Balances	\$9,829,330	\$8,421,722	\$7,222,443	\$4,554,559
Fund Balance Percent	56.77%	51.56%	43.14%	25.33%
Water Fund Transfers	\$0	\$0	\$0	\$0
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Unreserved Fund Balances	\$4,061,603	\$3,574,740	\$3,211,745	\$3,028,662
Fund Balance Percent	23.14%	21.90%	19.80%	18.75%
Water Fund Transfers	\$0	\$0	\$0	\$0
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Unreserved Fund Balances	\$2,896,417	\$3,760,253	\$3,653,831	\$3,319,100
Fund Balance Percent	17.72%	23.59%	20.42%	21.18%
Water Fund Transfers	\$0	\$0	\$0	\$0
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Unreserved Fund Balances	\$3,188,151	\$2,285,977	\$2,024,965	\$1,797,042
Fund Balance Percent	20.48%	15.96%	12.62%	12.59%
Water Fund Transfers	\$0	\$0	\$86,371	\$582,020

City of Lenoir
Public Works Department



DEPARTMENT MEMORANDUM

DATE: March 23, 2020

Mr. Scott Hildebran, City Manager

Ms. Donna Bean, Finance Director

RE: Leased Garage Space – Public Works and Public Utilities Facility, 510 Greer Circle SW

Background

In 1993 the City of Lenoir Public Works and Public Utilities Departments moved into an existing campus located at 510 Greer Circle SW. This facility was the former Newton Transportation operations hub and featured office and operations space, a multi-bay garage, and a standalone office/garage building with an interior wash bay, complete with an oil/water separator. *A map of the facility is included as an exhibit to this memo.* Sometime after the move by the City, a lease agreement was entered into by the City and Bernhardt Furniture for the standalone building. To date, Bernhardt continues to occupy this space and use it as their truck garage. Detailed terms of the lease agreement have not been located by City of Lenoir or Bernhardt staff.

Public Works and Utilities Needs

Over the past several years, the Public Works and Utilities Departments have continued to in-source work in an attempt to increase efficiency and lower operating costs. Through strategic procurement, each department has acquired equipment and machinery that helps us to be more capable of performing work efficiently (trucks, trailers, specialized heavy machinery). While extremely beneficial to our overall budgets, this has also resulted in crowding of the usable parking and storage areas shared by the departments. With the Streets, Sanitation, Cemeteries, and Utilities Distribution and Collections Divisions sharing storage space in the lower level parking area, and smaller light duty vehicles being parked in remaining designated areas, we often have limited visitor parking spaces and significant congestion of the travel aisles between the office building and garage.

Regulatory Concerns

During the EPA/NCDEQ stormwater audit of City facilities in late 2018, the Public Works and Public Utilities Facility was identified as a potential source of surface water pollution due to the size of our fleet, garage operations (vehicle storage while awaiting maintenance), and general vehicle and equipment washing procedures. During the past year, as we have partnered with the WPCOG to administer our MS4 stormwater program and compliance efforts, their development of a *Stormwater Management Plan* (SWMP) has, as required by EPA and NCDEQ, included measures for pollution prevention from public facilities and operations including the current Public Works and Public Utilities Facility. Along with the requirement for this facility to apply for a separate general industrial stormwater discharge permit

(application submitted March 2020), containment of vehicle and equipment wash water or contracting with commercial wash sites that have water recycling capability will be necessary. The current leased building contains the necessary equipment and inside space to meet these requirements.

Summary

- The City of Lenoir currently leases a building (office/garage space) on the Public Works and Public Utilities Facility campus to Bernhardt Furniture Company that includes an interior wash bay and an additional office space. The lease was executed sometime after the City acquired the property in 1993. Lease terms have not been located by either party of the agreement.
- Our goal of in-sourcing work and expanding capabilities has resulted in more equipment and specialized vehicles that occupy space at the facility. Parking areas and travel lanes are full, often spilling into designated visitor parking spaces. General congestion of the facility grounds is commonplace.
- Compliance with environmental regulations will result in the City being required to have a vehicle wash water containment mechanism or contract with private entities that are capable of recycling wash water.
- The Public Works and Public Utilities Departments, as well as other City departments that routinely wash vehicles, could greatly benefit from using the leased building and surrounding grounds for our purposes.

Respectfully submitted,

City of Lenoir
Public Works Department



JARED WRIGHT
Public Works Director

