

MINUTES**CITY COUNCIL
FY2020-21 ANNUAL BUDGET RETREAT
CITY HALL, MARCH 24, 2020
8:30 A.M.**

PRESENT: Mayor Gibbons, Councilmembers Beal, Perdue, Perkins, Stevens, and Willis.

Councilmember Ralph Prestwood and Mayor Pro-Tem Crissy Thomas participated via telephone.

City Manager Hildebran, City Clerk Cannon, Public Information Officer Harris, and Finance Director Bean.

Participating via teleconference in the second floor conference room at City Hall were Police Chief Brent Phelps, Fire Chief Ken Hair, Public Works Director Jared Wright, Public Utilities Director Radford Thomas and Recreation Director Kenny Story.

I. CALL TO ORDER

- A. Mayor Gibbons welcomed everyone and called the meeting to order. He asked Fire Chief Ken Hair and Public Works Director Jared Wright to share what steps their Departments were implementing regarding the Coronavirus outbreak.

Fire Chief Hair stated they have implemented some mitigation measures to help with the Coronavirus and are following the City's Action Plan. He reported that as of Sunday evening, Caldwell County Emergency Services issued new dispatch protocols for fire department first responders to help limit possible exposure. For now, the department is only responding to cardiac/respiratory arrest, child birth, choking, multi-casualty incidents and medical calls only when the Emergency Management Service deems more help is necessary. Also, he pointed out they have a limited supply of Personal Protective Equipment (PPE) and don't know when their supply will get replaced.

Public Works Director Wright stated Staff is continuing with distancing requirements and minimizing exposure and public contact. They have also implemented a 5-person crew size limit and are avoiding employee gatherings greater than 5 employees (breaks, lunch, etc.). The crews are utilizing recommended Personal Protective Equipment (PPE) as well and are performing two daily facility surface cleanings.

In addition, Police Chief Phelps and Public Utilities Director Thomas echoed similar measures.

City Manager Hildebran stated that Governor Roy Cooper has also established a limit of 10 individuals at events and 50 people at gatherings. All public schools will remain closed through April 25. In addition,

Mr. Hildebran stated the City is also making necessary changes to its personnel policy and working with the UNC School of Government regarding guidelines in establishing a list of essential and non-essential personnel. Mr. Hildebran also recommended that Council authorize him to make decisions regarding personnel policy revisions.

Motion

Upon a motion by Councilmember Perkins, Council voted 7 to 0 to authorize City Manager Hildebran to make personnel decisions on behalf of the City of Lenoir during the Coronavirus outbreak and City Council will take action at a future meeting.

General Comments

City Manager Hildebran stated that Joshua Harris, Public Information Officer, will be sending information out via the City's website and on social media to the general public regarding information that is relevant about the coronavirus situation.

Councilmember Willis strongly recommended that it is extremely important for the City to also document everything that is being done by the City pertaining to the virus outbreak at this time.

City Manager Hildebran also shared City Attorney Rohr has researched virtual meetings procedures. He reported that state legislation is outdated and does not address the legality of virtual meetings and pointed out the City cannot violate the general statutes. Also, he mentioned there is an issue with authenticating who is actually voting during these types of meetings.

Mr. Hildebran stated that Staff will continue to explore options for future meetings.

- B. **Proposed FY2020-2021 Budget Calendar:** City Manager Hildebran presented the proposed FY2020-2021 Budget Calendar to City Council for their review. A public hearing to formally approve the budget will be held on Tuesday, June 2. (A copy of the Budget Calendar is attached to these minutes as information).

Motion

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to approve the FY2020-2021 Budget Calendar as presented.

- C. **Review; FY2020-21 Council Goals:** City Manager Hildebran referred to the list of City Council's goals/priorities for 2020-21 and asked Council if there were any additional questions or concerns they wished to discuss further.

2020 Council Budget Priorities

1. Employee Recruitment/Retention:

- Continue efforts to offer competitive compensation and benefits for employees
- Increase Employee Engagement
- Incentivize/Reward Efficiencies

2. Housing:

- Continue Minimum Housing & Code Enforcement (acquire tracking software)
- Pursue Market Rate Housing
- Market City-owned Properties to Sell
- Encourage Downtown Living
- Continue to promote shovel-ready areas such as Hibriten Mountain, Stonecroft, Huntington Woods, Summerhill, Parkview, Heritage Hills (Woodbine/Williamsburg) & Georgetown Estates
- Work with WPCOG Vacant & Substandard Housing Task Force

3. Community Beautification:

- Develop & Implement Branding/Wayfinding Signage
- Support Code Enforcement (including Strategic Foreclosures)
- Work on Commercial Blight (city-wide & downtown)
- Address Major Visibility Issues (city entry corridors)
- Develop West End Area Neighborhood Plan
- Implement North Main Area Plan & Fairfield South Plan

4. Healthy Infrastructure:

- Technology/Cybersecurity/Digital Services
- Street Paving
- Sidewalks/Greenway/OVT
- City Facilities/Fleet
- Water/Sewer Improvements
- Stormwater Improvements
- Downtown 2-Way Traffic Implementation
- Bike/Ped Plan

5. Economic Development

- Encourage Public/Private Partnerships
- Continue Work with Caldwell EDC

6. Public Engagement

- State of the City Presentations
- Market Quality of Life Amenities
- Neighborhood Meetings
- Walk-throughs

Mr. Hildebran stated the City's budget will be very fluid in FY2020-21 due to the coronavirus pandemic and informed Council that Staff may have a number of budget amendments to present during the fiscal year for their consideration of approval.

Water & Sewer Fund Capital Improvements Plan (CIP)

- D. Next, Radford Thomas, Public Utilities Director, reviewed the Water & Sewer Fund Capital Improvements Plan (CIP) for FY2020. The CIP Plan lists projects in priority order which the City is able to update via grants or low interest loans. As information, he explained the numbers on the CIP Plan that are the same color indicate funding is based on a financing packaging while the additional colors signifies funding is based on a debt package.

(A copy of the Water and Sewer Fund CIP list is attached to these minutes as information. Refer to page).

Director Thomas stated he plans to focus on year 1 and 3, but pointed out the CIP plan is subject to change due to the City's needs and finances. He stated \$45,000 was spent on roof replacements in FY2020 along with \$50,000 for vehicles. Director Thomas stated the following expenditures were budgeted for Year 1 (FY2021) of the CIP Plan:

- Water System Improvements	\$4,700,000
- Major Pressure Reducing Valve Vaults	\$ 300,000
- Hudson Valve Insertions	\$5,175,000

The Water System Improvements are slated for the West End area on Finley Avenue because the elevation of the water tank located there affects the water pressure of area residents. Director Thomas also mentioned the City may submit an application for a State Revolving Loan (SRF) for funding assistance due to the number of low to moderate income homes in the Finley area.

Director Thomas further shared that service may have to be temporarily suspended to about one-half of the homes in the Town of Hudson when the valve insertion improvements project is scheduled to begin. In addition, he stated the City would have to comply with the America's Water Infrastructure Act (AWIA) in FY2022. As information, this act was signed into law on October 23, 2018 and requires community (drinking) water systems serving more than 3,300 people to develop or update risk assessments and emergency response plans (ERPs). The law specifies the components that the risk assessment and ERPs must address, and establishes deadlines by which water systems must certify to EPA completion of the risk assessment and ERP.

Director Thomas reviewed the remaining items on the CIP list and explained each project. He reported a major overhaul of the Lower Creek Waste Water Treatment Plant is planned for FY2026 and stated the City is trying to address projects for the next three to four years. He restated proposed projects are based upon resources.

Water and Sewer Cash Flow Summary

- E. Director Thomas reported the City has been working hard over the past several years to retire debt in the Water and Sewer Fund and remarked the City is in a good position. He stated the City will begin contributing money into a Capital Resource Fund in FY2022 in order to have funding available to pay for some future projects.

Councilmembers Stevens and Willis commended City Staff for the great shape the City is in and for their forethought in preparing for long-term projects via the CIP list.

City Manager Hildebran referred to the Water and Sewer Debt Service Summary and mentioned the total debt payments for FY2021 is \$1,281,939 (Water) and \$839,019 (Sewer) for a total debt of \$2,120,958. (A copy of the Summary is attached to these minutes as information).

Water Rate Comparison Chart

F. City Manager Hildebran reviewed the Water Rate Comparison Chart for March 2020 which is based on 5,000 gallons usage per month and reported the City of Lenoir is competitive with its rates.

(A copy of the chart is attached to these minutes as information).

The current SE Consumer Price Index (CPI) is 1.9% as of February 2020 and our consultant recommended the City increase its water & sewer rates by 1.9%. Mr. Hildebran suggested the City not increase water or sewer rates for FY2020-2021 and that the current rates remain in effect through June 30, 2021. However, Mr. Hildebran reminded Council that the City may have to raise rates more than normal during the 2021-2022 budget. City Council was in consensus to have City Manager Hildebran educate the public through social media that there may be more of an increase in the City's water and sewer rates next year.

Motion

Upon a motion by Councilmember Stevens, Council voted 7 to 0 to have the City's current water and sewer rates remain in effect until June 30, 2021 and to notify the general public that next year's rates may potentially increase.

G. **Financial Summary:** Finance Director Bean presented a financial summary as of February 29, 2020 and reported the City is in good financial shape with a current year General Fund balance of \$2,093,865.86 and a current year water/sewer fund balance of \$1,739,093.36. The City has collected 81% of its budgeted revenue and the Downtown District Fund Over/Under balance is (\$119,402.43) due to some expenditures. In addition, she reported revenue in the Water & Sewer Fund has increased from last year and mentioned the Department has several ongoing projects.

A copy of the financial summary is attached to these minutes as information.

H. **Direct and Overlapping Property Tax Rates:** Mr. Hildebran informed Council the City's health insurance provider (Medcost) provided by the North Carolina League of Municipalities (NCLM) has notified the City there would be an 8% increase which was reduced to 6% for FY2020-2021, but he shared that Medcost did not increase their rates in FY2019. Mr. Hildebran informed Council the City could save an additional 2% or \$40,000 should City Council authorize him to proceed with renewing the City's insurance with the North Carolina League of Municipalities and eliminating the City's current insurance broker minimizing the increase to 4%.

In addition, Mr. Hildebran emphasized that City Staff has worked very hard on negotiating insurance rates.

Motion

Upon a motion by Councilmember Willis, Council voted 7 to 0 to authorize City

Manager Hildebran to renew the City's insurance with the North Carolina League of Municipalities and the City's health insurance with Medcost. City Council further approved cancelling the City's contract with its current insurance broker for additional savings as recommended by City Manager Hildebran.

- I. **Solid Waste Fee:** City Manager Hildebran referred to the chart of Solid Waste Fees for the past ten years and reminded Council the City increased its solid waste fee by \$1.00 in FY2019-20 for a total fee of \$10.00. (A copy of the Solid Waste Fee Chart is attached to these minutes as information). The solid waste fee for the City of Lenoir will remain the same for FY2020-21.
- J. **Budget Amendment 2020-04; Rollout Cart Procurement; Sanitation Division:** City Manager Hildebran reviewed Budget Amendment #2020-04 in the amount of \$425,000.00 for the purchase of 9,000 rollout carts from the preferred vendor, Rehrig Pacific Company (Charlotte area sales region), to be distributed to solid waste customers for use with automated collection. Director Wright shared he began researching cart compatibility with new and existing equipment along with vendor options in January 2020.

This pricing is offered through an existing cooperative purchasing agreement (OMNIA Partners). The City of Lenoir is a member of this organization. In addition, the 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.

A copy of the budget amendment is attached to these minutes as information.

Public Works Director Jared Wright clarified that should a resident move, the City owned carts would remain at that address. He further shared there is a maximum of three carts per residence should a property owner want to purchase two additional carts in addition to the cart provided by the City of Lenoir. Director Wright also advised Council he would be submitting a proposed ordinance amendment at the April 7 City Council meeting.

Motion

Upon a motion by Councilmember Willis, Council voted 7 to 0 to approve Budget Amendment #2020-04 in the amount of \$425,000.00 for the purchase of 9,000 roll-out carts from the preferred vendor, Rehrig Pacific Company, Charlotte, NC, as described above and as recommended by City Staff.

- K. **Fund Balance History:** City Manager Hildebran reviewed the City's Fund Balance history. (A copy of the Fund Balance Evaluation is attached to these minutes as information).

Mr. Hildebran reported the City's ending fund balance as of June 30, 2020 is \$8,866,330.00 or 58% of the recommended budget amount. However, after the purchase of the carts for the Sanitation Department, the percentage is 51.21%. Expenditures during FY2019-20 include the ARC Grant Match, three Automated Garbage Trucks and the purchase of Garbage Carts for a total expenditure amount of \$963,000.00.

- L. **General Fund Projections:** City Manager Hildebran reviewed the City's General Fund Projections for FY2020-2021 through FY2026-2027. He stated the list includes several CIP projects along with an anticipated 3% COLA for employees next year, but he pointed out everything is dependent upon economic conditions. Mr. Hildebran reported the total Financing Package is \$365,000 while the Debt Service package is \$256,706.

A copy of the general fund projections is attached to these minutes as information.

Finance Director Bean also reviewed the City's General Fund CIP list of approved projects for FY2026-FY2027 and reiterated several items may have to be moved out farther on the schedule while others will be contingent upon funding.

Director Bean further shared the proposed CIP includes funding to meet ADA compliance in order to show the City is making improvements toward the state's guideline requirements. Also, she remarked the budget contains funding for IT updates throughout the City.

M. **Outstanding Items for FY2020-2021**

Next, Mr. Hildebran reviewed a list of Outstanding Items for FY2020-2021 which include workers comp, general liability, health insurance (6% rate increase), retirement system (1.2% contribution), compensation/cola/personal leave addition and termination of lease (Public Works/Public Utilities Building-Bernhardt).

N. **Personal Leave Day**

City Manager Hildebran also recommended that City Council consider approval of a 1-day personal leave for employees each year which may be for any use such as birthday, holiday, school visit, etc. Upon approval, this leave would become effective on July 1, 2020. This item will be presented to City Council at a later date. Also, Mr. Hildebran mentioned the state has an innovation reward program and the City may review their program and submit a recommendation to City Council in the future as a way of rewarding City employees that submit an innovative idea.

O. **Termination of Lease (Public Utilities/Public Works Building-Bernhardt Ind.**

City Manager Hildebran presented information regarding a leased garage space which is a standalone office/garage building with an interior wash bay, complete with an oil/water separator as submitted by Public Works Director Wright and Public Utilities Director Thomas. A map of the facility was also shared with Council. Sometime after the City moved into the Public Works/Public Utilities facilities in 1993, a lease agreement was entered into by the City of Lenoir and Bernhardt Furniture for the standalone building. To date, Bernhardt continues to occupy this space and use it as their truck garage.

Public Works Director Wright and Public Utilities Director Thomas led a discussion regarding regulatory concerns and the crowding issues at Public Works. They also referenced the number of equipment that currently needs to be stored under a shed and protected from weather conditions. Director Thomas pointed out you could drive through the wash bay and mentioned Staff does collect the runoff. Director Thomas shared that during a stormwater audit conducted by the EPA/NCDEQ 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.

Director Wright reported the City has partnered with the Western Piedmont Council of Governments (WPCOG) to administer the City's MS4 Stormwater Program and compliance efforts. The 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.

As information, Mr. Hildebran stated the City receives \$1,100.00 monthly from Bernhardt for the lease agreement.

Motion

Following a brief discussion and upon a motion by Councilmember Perdue, Council voted 7 to 0 to terminate the annual lease agreement between the City of Lenoir and Bernhardt Industries as of December 31, 2020.

II. ADJOURN

There being no further business, the meeting was adjourned at 10:05 a.m.

Attachments

FY2020-21 Budget Calendar
Water and Sewer Fund Capital Improvements Plan
Water and Sewer Cash Flow Summary
Water Rate Comparison Chart
General Fund Projections
Fund Balances Handout
Outstanding Items Handout

CITY OF LENOIR
BUDGET CALENDAR
FY2020-2021

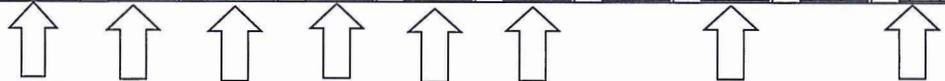
May 19, 2020	City Manager presents recommended budget to City Council. (City Clerk will have a copy of the proposed budget available for the public after presentation.)
May 21, 2020	Budget Work Session – 6:00 p.m., Third Floor, City Hall
May 26, 2020	Committee of the Whole – 8:30 a.m., Third Floor, City Hall (Budget Work Session if necessary)
May 28, 2020	Budget Work Session – 6:00 p.m., Third Floor, City Hall *if necessary
June 2, 2020	Public Hearing for recommended FY2020-21 Budget at City Council Meeting at 6:00 p.m. Earliest possible date to adopt FY2020-21 Budget. (City Clerk will have a copy of the final budget available for the public within five business days.)
June 16, 2020	City Council
June 23, 2020	Committee of the Whole Meeting

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

PROJECT NUMBER	PROJECT LOCATION	COST	2020	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEARS 11+ 2031+
				2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	WATER IMPROVEMENTS													
	DISTRIBUTION SYSTEM													
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	
	BERNHARDT TREATMENT PLANT													
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	
	WATER IMPROVEMENTS SUBTOTAL	18,607,000	95,000	5,175,000	5,630,000	1,372,000	1,963,000	246,000	2,291,000	244,000	157,000	1,270,000	164,000	16,490,000
	WASTEWATER IMPROVEMENTS													
	COLLECTION SYSTEM													
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							0
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						0

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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+
26	GUNPOWDER CREEK INTERCEPTOR REPLACEMENT	3,100,000							3,100,000					
27	EAST HARPER AVENUE SEWER REPLACEMENT	500,000								500,000				
28	MEADOWOOD UPSTREAM SEWER REPLACEMENT	1,660,000											1,660,000	
29	MEADOWOOD 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	DEBT PKG 1	DEBT PKG 3	DEBT PKG 4	DEBT PKG 5	DEBT PKG 6	DEBT PKG 7	DEBT PKG 8	DEBT PKG 9	DEBT PKG 10
	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					DEBT PKG 8		
		2,775,000					3,100,000		

ANNUAL DEBT	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
ANNUAL CAPITAL OUTLAY	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%.

WATER RATE COMPARISONS – March – 2020
5,000 GALLONS USAGE PER MONTH
www.efc.unc.edu/RatesDashboards/nc.html

<u>SYSTEM</u>	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Forest City	\$22.37	\$23.12	\$45.49
Morganton	\$15.25	\$33.23	\$48.48
Lenoir	\$23.86	\$24.88	\$48.74
Valdese	\$39.30	\$11.62	\$50.95
N. Wilkesboro	\$28.98	\$23.99	\$52.97
Hickory	\$24.77	\$32.26	\$57.03
Two Rivers Utilities **(Gastonia)	\$26.20	\$36.40	\$62.60
Statesville	\$24.16	\$38.71	\$62.87
Cherryville	\$33.58	\$30.52	\$64.10
Granite Falls	\$33.40	\$31.83	\$65.25
Shelby	\$25.42	\$41.42	\$66.84
Lexington	\$28.56	\$38.41	\$66.97
Taylorsville	\$33.95	\$33.95	\$67.90
Boone	\$34.20	\$34.20	\$68.40
Lincolnton	\$29.99	\$46.97	\$76.96
Siler City	\$41.00	\$37.25	\$78.25
Blowing Rock **(Bi-monthly)	\$39.38	\$39.38	\$78.76
Newton	\$34.07	\$44.95	\$79.02
Thomasville	\$34.90	\$50.30	\$85.20

CITY OF LENOIR
GENERAL FUND PROJECTIONS

	2020-2021	2021-2022 (\$1 SW- Tax Revaluation**)	2022-2023 (.01 PT)	2023-2024 (\$1 SW)	2024-2025	2025-2026	2026-2027
Property Taxes	\$ 8,400,000	\$ 8,500,000	\$ 8,575,000	\$ 8,590,000	\$ 8,605,000	\$ 8,620,000	\$ 8,635,000
Sales Taxes & Hold Harmless	\$ 3,700,000	\$ 3,715,000	\$ 3,730,000	\$ 3,745,000	\$ 3,760,000	\$ 3,765,000	\$ 3,765,000
Franchise Taxes	\$ 2,380,000	\$ 2,385,000	\$ 2,390,000	\$ 2,395,000	\$ 2,400,000	\$ 2,405,000	\$ 2,410,000
Solid Waste	\$ 772,000	\$ 807,000	\$ 807,000	\$ 877,000	\$ 877,000	\$ 877,000	\$ 877,000
Other (Including Financing Sources)	\$ 2,885,380	\$ 2,525,420	\$ 2,530,432	\$ 2,543,783	\$ 2,548,871	\$ 2,548,871	\$ 2,548,871
Total Revenues	\$ 18,137,380	\$ 17,932,420	\$ 18,032,432	\$ 18,150,783	\$ 18,190,871	\$ 18,215,871	\$ 18,235,871
Legislative/Main Street	\$ 364,959	\$ 364,959	\$ 366,564	\$ 366,586	\$ 367,141	\$ 367,217	\$ 369,788
Administrative	\$ 583,770	\$ 583,770	\$ 586,339	\$ 586,374	\$ 587,867	\$ 593,455	\$ 597,609
Finance	\$ 678,058	\$ 678,058	\$ 681,042	\$ 681,082	\$ 682,923	\$ 688,606	\$ 693,449
Planning	\$ 428,052	\$ 428,052	\$ 429,936	\$ 429,962	\$ 430,677	\$ 431,107	\$ 434,125
Police	\$ 5,939,047	\$ 5,839,047	\$ 5,869,490	\$ 5,869,810	\$ 5,880,245	\$ 5,898,125	\$ 5,941,412
Fire	\$ 4,190,130	\$ 4,134,963	\$ 4,158,230	\$ 4,158,455	\$ 4,168,034	\$ 4,184,202	\$ 4,215,492
Public Works	\$ 3,707,713	\$ 3,657,920	\$ 3,677,015	\$ 3,677,211	\$ 3,686,049	\$ 3,696,735	\$ 3,724,612
Recreation	\$ 1,855,652	\$ 1,855,652	\$ 1,863,817	\$ 1,863,903	\$ 1,865,535	\$ 1,873,823	\$ 1,888,940
Resurfacing	\$ 390,000	\$ 390,000	\$ 400,000	\$ 400,000	\$ 405,000	\$ 405,000	\$ 410,000
New Debt Service (Net)	\$ (234,219)	\$ 15,239	\$ -	\$ 117,400	\$ 117,400	\$ 77,600	\$ (39,556)
Total Expenditures	\$ 18,137,380	\$ 17,932,421	\$ 18,032,432	\$ 18,150,783	\$ 18,190,871	\$ 18,215,871	\$ 18,235,870
Financing Package	\$365,000	\$560,000	\$595,000			\$550,000	
Debt Service	\$ 256,706	\$ 271,945	\$ 271,945	\$ 389,345	\$ 506,745	\$ 584,345	\$ 544,789
Change in Debt Service Year to Year	\$ (234,219)	\$ 15,239	\$ -	\$ 117,400	\$ 117,400	\$ 77,600	\$ (39,556)
Debt 2013-2014							
Debt 2014-2015							
Debt 2015-2016	\$20,801						
Debt 2016-2017	\$66,664						
Debt 2017-2018	-	-	-	-	-	-	-
Debt 2018-2019	\$129,685	\$131,000	\$131,000	\$131,000	\$131,000	\$131,000	\$131,000
Debt 2019-2020							
New Debt 2020-2021	\$39,556	\$79,112	\$79,112	\$79,112	\$79,112	\$79,112	\$39,556
New Debt 2021-2022		\$61,833	\$61,833	\$61,833	\$61,833	\$61,833	\$61,833
New Debt 2022-2023				\$117,400	\$234,800	\$234,800	\$234,800
New Debt 2023-2024							
New Debt 2024-2025						\$77,600	\$77,600
New Debt 2025-2026							
New Debt 2026-2027							
	\$256,706	\$271,945	\$271,945	\$389,345	\$506,745	\$584,345	\$544,789

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%

FY 2020-2021

Outstanding Items

- Workers Comp
- General Liability
- Health - 6%*
- Retirement System - 1.2%
- Compensation/COLA/Personal Leave Addition
- Termination of Lease -PU/PW Building (Bernhardt)

Current Funding Commitments - General Fund

- Linkside Connector - \$100,000
- Hospital Avenue Sidewalk - \$200,000
- ARC - Broyhill Site Clean-up/Brownfield Agreement - \$250,000
- Downtown 2-way Traffic Conversion (3-Phases)
 - Phase 1 - \$125,000
 - Phase 2 - \$960,000
 - Phase 3 - \$600,000
- JE Broyhill Park Phase 2 - in-kind

CDGB Funding Commitments

- OVT/Rail/Greenway Trail Segment(s)
- LHS Auditorium/Gym/Field Improvements

Future Outstanding Items - General Fund

- Strategic Milling/Paving (Greenhaven/Finley, Mulberry St., Hospital Ave., etc.)
- Greenway Extensions
- Strategic Foreclosures
- Branding/Wayfinding Signage
- LAFC & MLK Renovations