

2022-2023 Budget Presentation

SCOTT HILDEBRAN, CITY MANAGER



2022 Priorities

1. Continue Efforts to Offer Competitive Compensation and Benefits for Employees
2. Increase Funding & Support for Minimum Housing & Code Enforcement
3. Develop Strategies to Support Affordable, Workforce, and Market-Rate Housing

Continue to Fund & Support Street Paving Plan

Develop Master Plans for The Campus, Downtown, and Park & Recreation

Establish a Human Relations Commission (Diversity, Equity & Inclusion)

2022 Priorities

7. Implement Wayfinding Plan, including Greenway Signage

Establish Area Plans for Whitnel & West End

Continue to Fund & Support Technology, Cybersecurity, and Digital Services

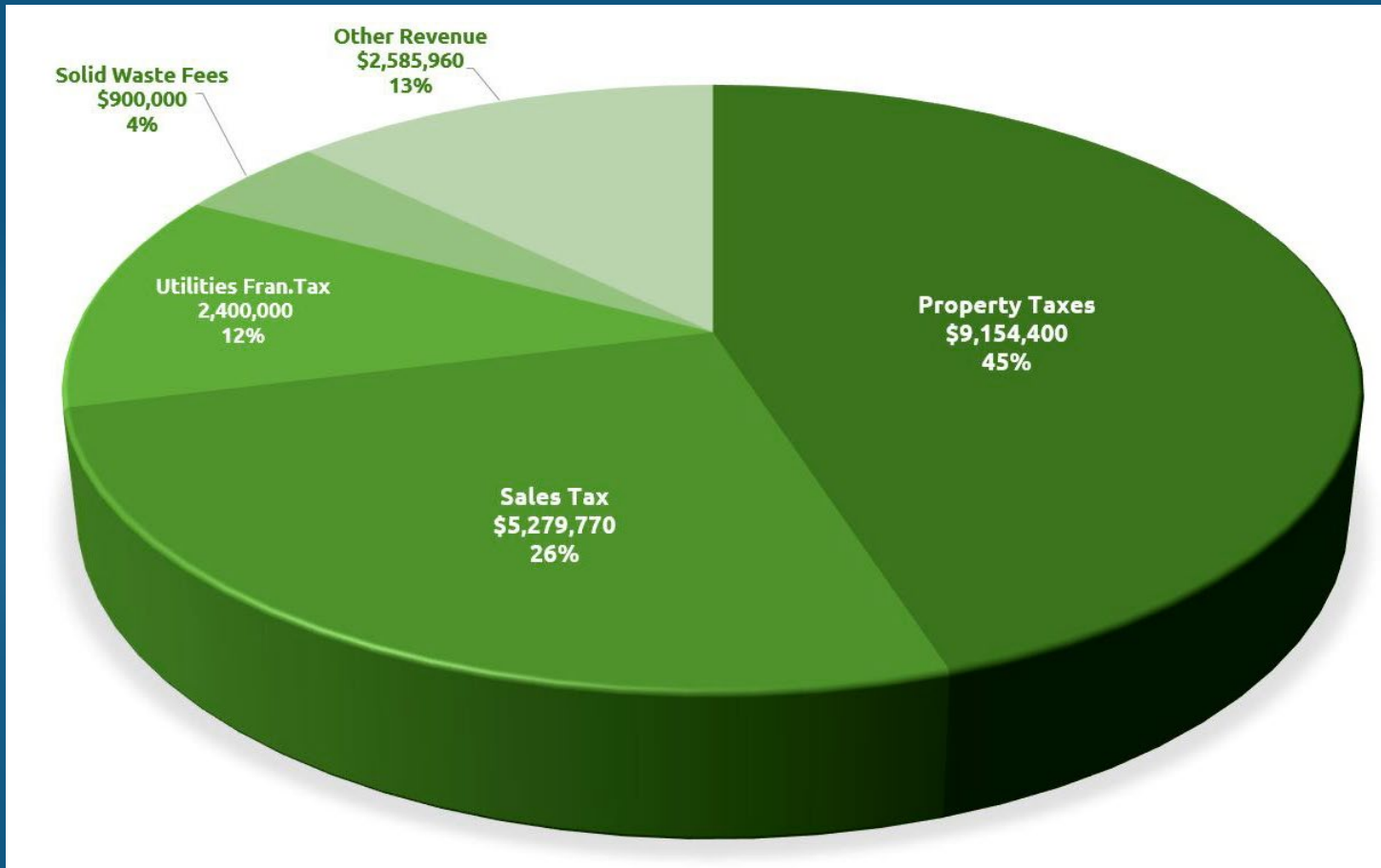
10. Share State of the City Presentations, Re-establish Community Meetings
11. Continue to Fund & Support Water and Sewer Capital Improvements Plan
12. Continue to Fund & Support Sidewalks, Greenway, and OVT

General Fund

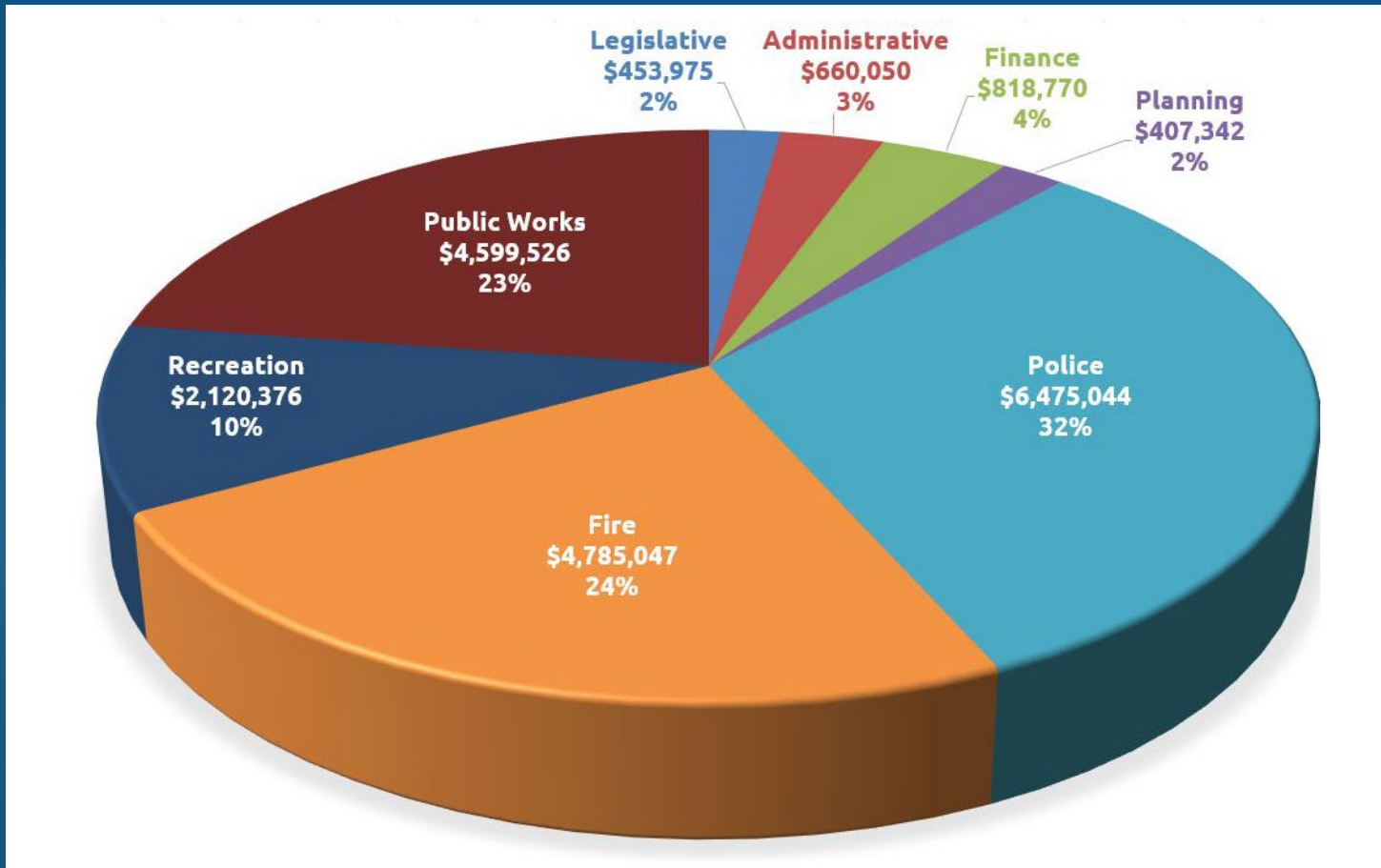
\$20,320,130

- ▶ Budget is balanced, addresses Council goals
- ▶ Property Tax rate remains at **57¢ per \$100**
- ▶ Rescue Readiness Tax remains at **.85¢ per \$100**
- ▶ Total City of Lenoir tax rate is **57.85¢ per \$100**
- ▶ The budget includes a **\$1.00** monthly increase in the Solid Waste fee, bringing the total to **\$11.00** per month. All other general fund fees are unchanged.
- ▶ The Recommended Budget contains no borrowing and does not use any fund balance.

General Fund Revenues



General Fund Expenses



American Rescue Plan

7

\$3,834,691

- ▶ The proposed budget does not allocate any of the funds.
- ▶ To date, the funds have been used only for Premium Pay.
- ▶ Staff will present separate capital budget amendments.
- ▶ Spending will focus on long-term issues such as large capital items and master planning.

NC State Capitol Infrastructure Funds

\$1,500,000

- ▶ The recommended budget does not include this funding.
- ▶ Funds to be spent under separate capital project ordinance.
- ▶ Spending will focus on greenways and downtown improvements.

Downtown Municipal Service District

\$288,220

- ▶ The proposed Downtown Municipal Service District budget is balanced.
- ▶ The current property tax rate of **20¢ per \$100** of assessed district property value.

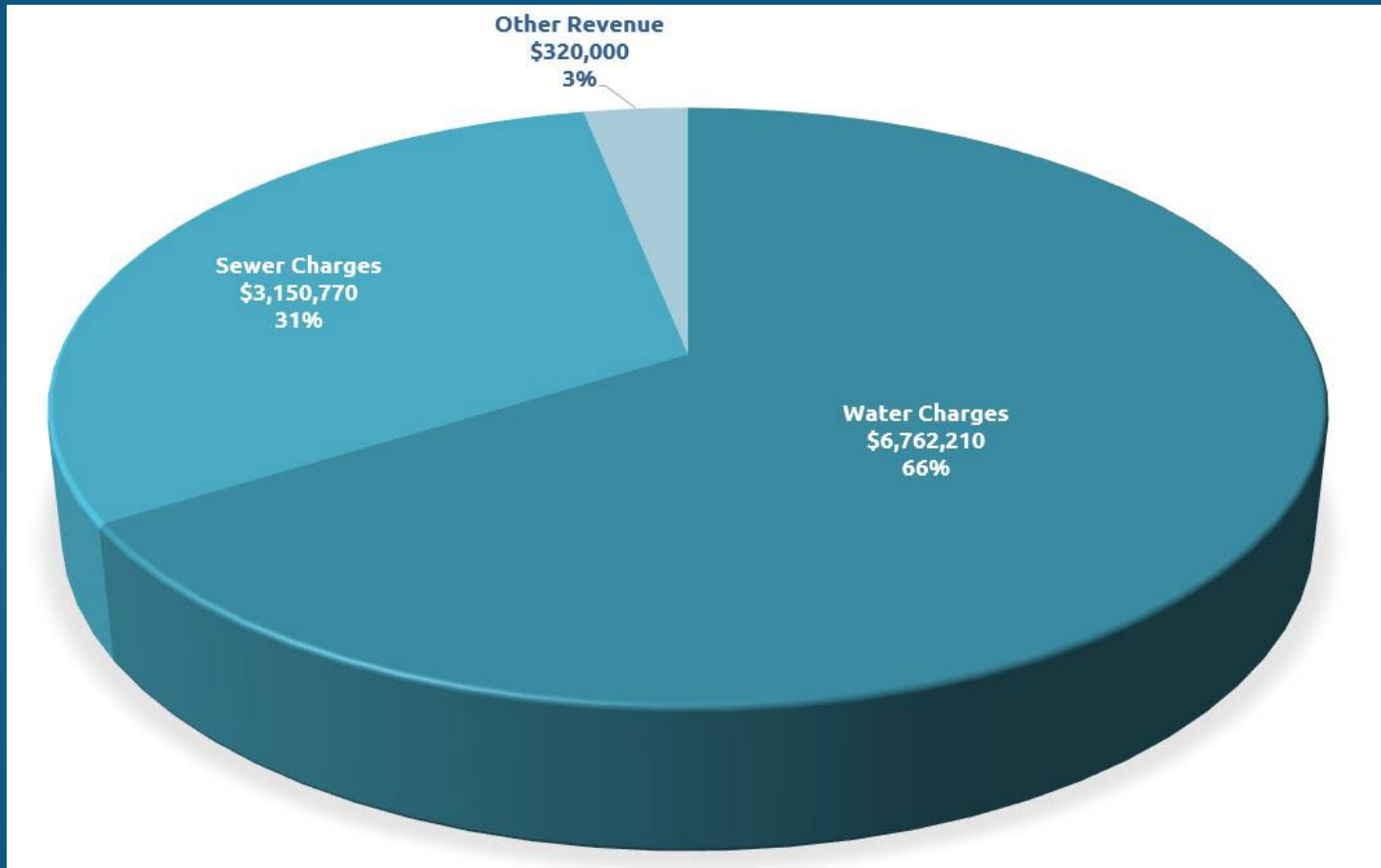
Water & Wastewater Fund

10

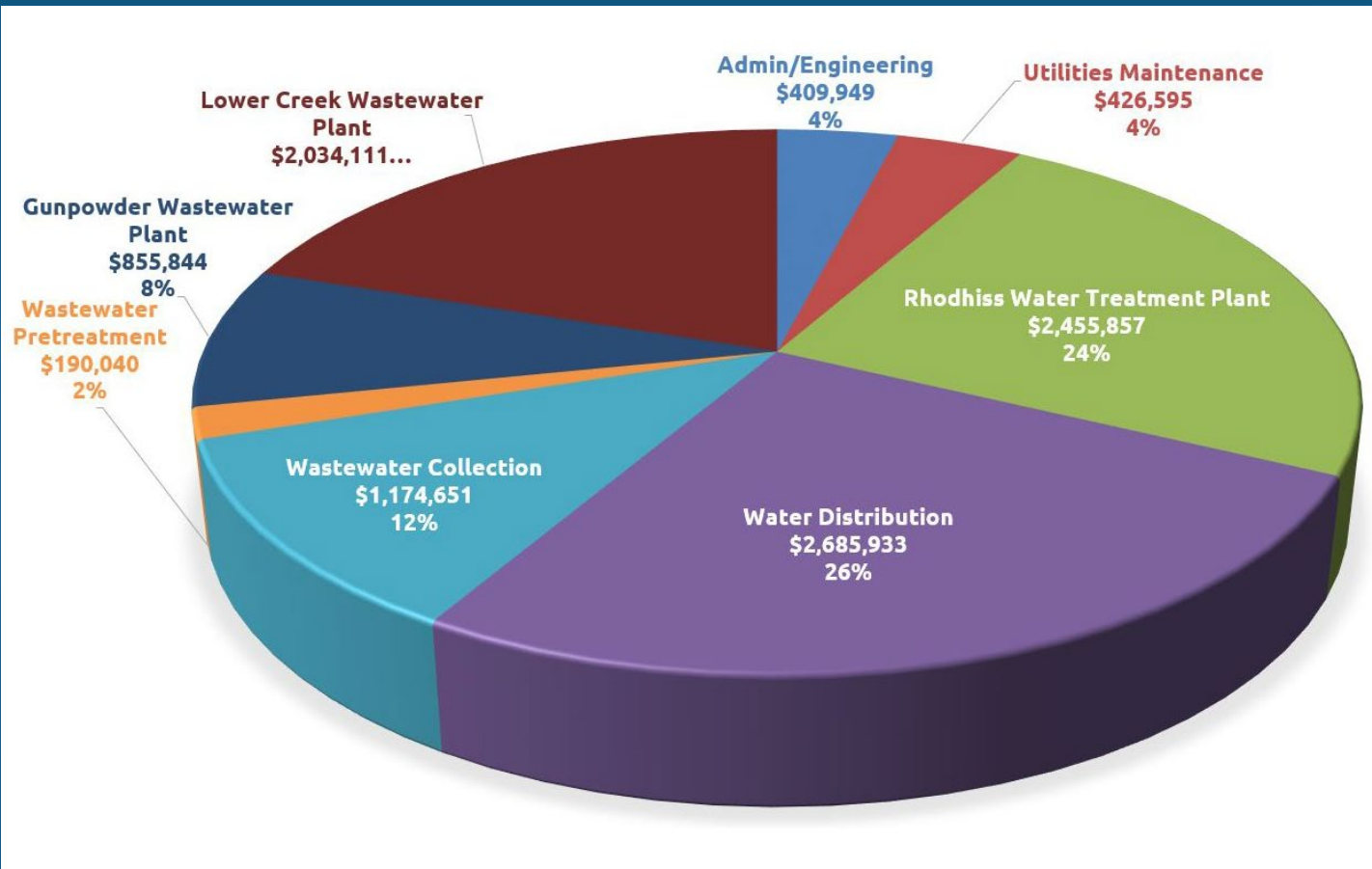
\$10,232,980

- ▶ Includes the 5% increase in water and sewer rates approved in March
- ▶ The City has traditionally used the annual Consumer Price Index - South Region for All Urban Consumers (CPI) as a gauge and guide when considering increases in Water and Sewer Rates. As of February 2022, the CIP was 8.4%
- ▶ An average monthly water and sewer customer utilizing 5000 gallons will see an increase of **\$2.49** per month.
- ▶ Water and Sewer tap fees have been adjusted to a rate of **cost plus \$250.00** to account for the actual cost of meters/taps and to cover the rising cost of labor/materials.

Water & Wastewater Revenues



Water & Wastewater Expenses



Highlights

- ▶ **Core Services:** Core Services are continued with revenue projections estimated in a realistic, conservative manner. The projections include consideration for continued uncertainties of the future economic environment.
- ▶ **Employee Compensation:** City and private sector employers are experiencing workforce challenges in recruitment and retention of employees. City Council and Management continue to recognize that our employees are vital to the delivery of quality municipal services and represent our most valuable asset.

Highlights

Employee Compensation:

- ▶ Budget includes raising minimum annual pay for all full-time positions to **\$30,000**
- ▶ Also raises minimum annual pay for a police officer to **\$42,000**
- ▶ Provides Cost of Living Adjustments of either 5% or 8% depending on the position pay when compared to the state averages
- ▶ New pay plan will be effective July 1, 2022
- ▶ The budget also funds the mandated 0.75% increase for general employees and 0.94% increase for law enforcement personnel as a member of the Local Government Retirement System.

Highlights

- ▶ **Insurance:** The City's group health insurance premiums will increase by 3%, while maintaining the current level of benefits. The cost of the City's property and liability insurance will increase by 10%, while the workers' compensation insurance coverages will decrease by 7%.
- ▶ **Street Resurfacing:** The budget allocates **\$400,000** to continue implementation of our Pavement Study. State Powell Bill funding is expected to remain stable in the coming year. In addition, the budget includes **\$100,000** in funding for strategic paving for various Council priorities.

Highlights

- ▶ **Downtown:** The recommended budget appropriates funds for new holiday decorations. The budget allocates funds from the CDBG Capital Project Fund to continue improvements to The Campus.
- ▶ **Code Enforcement:** In response to Council priorities, the budget increases funding for code enforcement by 66% to **\$100,000** (excluding personnel costs). This funding will be used for building demolitions, foreclosures, and nuisance enforcement.

Highlights

- ▶ **Clean Energy:** The budget funds three hybrid law enforcement patrol vehicles in the coming year to move toward reducing gas emissions, lowering maintenance costs and improving fuel efficiency; and funds city-wide building and facilities condition assessments.
- ▶ **Technology:** The budget funds computer and information technology upgrades throughout the organization to enhance and improve operations and security; and completes the Advance Metering Infrastructure Project.

Highlights

- ▶ **Environmental:** The City continues to outsource management and oversight of our Federal Phase II Stormwater Program to the Western Piedmont Council of Governments Stormwater Partnership.
- ▶ **Debt Service:** The budget funds all debt obligations.

General Fund Capital

19

\$1,017,000

- ▶ a light duty truck for Vehicle Services
- ▶ fuel system upgrade
- ▶ service truck for Building Maintenance
- ▶ single-axle dump truck for Streets
- ▶ Cemetery Master Plan
- ▶ a zero-turn mower
- ▶ repairs for the creek bank at Fire Station II

General Fund Capital

20

- ▶ repairs to the back apron at Fire Station I
- ▶ IT upgrades for all three Fire Stations
- ▶ Police Department parking lot repaving
- ▶ 2 detective cars – used
- ▶ 4 patrol cars
- ▶ Aquatic Center HVAC replacement
- ▶ Mulberry Recreation Center improvements including roof replacement, playground improvements and adding pickles ball courts

Water & Sewer Fund Capital

\$1,237,000

- ▶ mini excavator
- ▶ utility line locator
- ▶ boring machine
- ▶ major pressure reducing valve vaults
- ▶ divisional valve replacement
- ▶ manhole improvements
- ▶ three phase power upgrade
- ▶ lift station upgrades

Water & Sewer Fund Capital

- ▶ lawnmower
- ▶ recycle pump installation
- ▶ dump truck
- ▶ a floor cleaning machine
- ▶ building and grounds improvements
- ▶ an ATV
- ▶ *America Water Infrastructure Act Compliance Project*
- ▶ 2 vehicle replacements

Thank You

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- ▶ Donna Bean, Finance Director
- ▶ Department Directors
- ▶ Team Lenoir
- ▶ City Council



Our primary goal, each and every day, via our employee-led customer service initiative, remains to provide “**Service Beyond Measure.**”

Come “**Create With Us**” in Lenoir!

Next Steps

- ▶ **Budget Work Session:** Thursday, May 19, 6:00 pm
- ▶ **Public Hearing:** Tuesday, June 7, 6:00 pm
- ▶ Budget proposal online at www.cityoflenoir.com/budgetproposal



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LENOIR
NC ★ CREATE WITH US