

AGENDA

CITY COUNCIL BUDGET RETREAT
TUESDAY, MARCH 26, 2019
CITY HALL, THIRD FLOOR, FORMER COUNCIL CHAMBERS
8:30 A.M.

- I. CALL TO ORDER – MAYOR GIBBONS
- II. PROPOSED FY2019-20 BUDGET CALENDAR –CITY MANAGER HILDEBRAN
- III. FY2019-20 COUNCIL GOALS REVIEW – CITY MANAGER HILDEBRAN
- IV. UTILITY FUND CIP, FINANCIAL MODEL & RATES
 - A. FY2019-20 DRAFT CAPITAL IMPROVEMENTS PLAN – ANDY LOVINGOOD, MCGILL ASSOCIATES
 - B. CIP FINANCIAL MODEL – DENNIE MARTIN, WR MARTIN
 - C. WATER/SEWER RATES COMPARISON – RADFORD THOMAS
 - D. FY2019-20 PROPOSED WATER/SEWER RATES
- V. GENERAL FUND UPDATE & CIP – CITY MANAGER HILDEBRAN & FINANCE DIRECTOR BEAN
 - A. FY2018-19 BUDGET UPDATE
 - B. FY2019-20 DRAFT CAPITAL IMPROVEMENTS PLAN
 - C. HISTORICAL BUDGET INFORMATION
- VI. ONGOING BUDGET CONSIDERATIONS – CITY MANAGER HILDEBRAN
 - A. STORMWATER PROGRAM - WPCOG
 - B. OUTSTANDING ITEMS
 - C. PROJECTS REVIEW & CURRENT FUNDING COMMITMENTS
- VII. ADDITIONAL CITY COUNCIL GUIDANCE/RECOMMENDATIONS FOR FY2019-20
- VIII. WRAP UP & REVIEW
- IX. ADJOURN

Note: Breaks will be scheduled as needed.

CITY OF LENOIR
BUDGET CALENDAR
FY2019-2020

May 21, 2019	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 23, 2019	Budget Work Session – 6:00 p.m., Third Floor, City Hall
May 28, 2019	Committee of the Whole – 8:30 a.m., Third Floor, City Hall (Budget Work Session if necessary)
May 30, 2019	Budget Work Session – 6:00 p.m., Third Floor, City Hall *if necessary
June 4, 2019	Public Hearing for recommended FY2019-20 Budget at City Council Meeting at 6:00 p.m. Earliest possible date to adopt FY2019-20 Budget. (City Clerk will have a copy of the final budget available for the public within five business days.)
June 18, 2019	City Council
June 25, 2019	Committee of the Whole Meeting

2019 Council Budget Priorities

1. Employee Compensation:

- Continue efforts to offer competitive compensation and benefits for employee recruitment and retention
- Incentives/Rewards for savings
- Satisfaction Surveys

2. Housing:

- Minimum Housing Enforcement
- Pursue Market Rate Housing (UNCSOG-DFI Study)
- Market City-owned Properties to Sell
- Encourage Downtown Living (Moving Lenoir to the 2nd Floor)
- Highlight 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. Healthy Infrastructure:

- Street Paving
- Downtown Traffic Study
- Bike Plan (Pennton Avenue)
- Maintain City Facilities
- Water/Sewer Improvements
- Stormwater
- City Hall
- Fire Station #3
- Sidewalks/Greenway/OVT (also downtown sidewalks)
- Optimist Park/Mulberry Improvements/JE Broyhill Park Improvements
- Information Technology

4. Economic Development:

- Explore what other local governments are doing with public/private partnerships
- Maintain Healthy Infrastructure
- Continue Work with EDC
- Market Quality of Life Amenities (Greenway, OVT, Bike Plan, etc.)

5. US 321 & Community Beautification

- Neighborhood Branding Signage
- City Wayfinding
- Work on Commercial Blight (city-wide & downtown)
- Address Major Visibility Issues (Smith Crossroad, Old Mall, etc.)
- Implement North Main Area Plan & Fairfield South Plan

6. Public Engagement

- Neighborhood Meetings
- Walk-through's
- State of the City Presentations
- Social Media/Website Redesign

Future Issues/Items (3-5 Year Timeframe) Priorities

1. City Facilities
2. Employee Compensation
Street Maintenance
Wayfinding Signage
5. Pedestrian Access – Wilkesboro Boulevard Corridor

WATER RATE COMPARISONS – March – 2019
5,000 GALLONS USAGE PER MONTH
[\(www.efc.unc.edu/RatesDashboards/nc.html\)](http://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
Lenoir	\$23.62	\$24.30	\$47.92
Morganton	\$15.25	\$33.23	\$48.48
Valdese	\$37.70	\$11.15	\$48.85
N. Wilkesboro	\$28.98	\$23.99	\$52.97
Hickory	\$23.90	\$30.87	\$54.77
Statesville	\$23.45	\$37.43	\$60.88
Cherryville	\$30.52	\$30.52	\$61.04
Two Rivers Utilities **(Gastonia)	\$26.20	\$36.40	\$62.60
Granite Falls	\$32.37	\$30.83	\$63.20
Lexington	\$27.23	\$36.60	\$63.83
Boone	\$34.20	\$32.25	\$66.45
Shelby	\$25.42	\$41.42	\$66.84
Taylorsville	\$33.95	\$33.95	\$67.90
Newton	\$32.44	\$42.81	\$75.25
Blowing Rock **(Bi-monthly)	\$37.75	\$37.75	\$75.50
Lincolnton	\$29.99	\$46.97	\$76.96
Siler City	\$41.00	\$37.25	\$78.25
Thomasville	\$34.90	\$49.30	\$84.20



**City of Lenoir
Financial Summary
As of February 28, 2019**



General Fund					
	2018-2019 Budget	2/28/2019	% of Budget	Change from Previous Year	2/28/2018
Total Revenue	\$ 17,090,331.00	\$ 13,695,386.05	80%	\$ (588,408.08)	\$ 14,283,794.13
Expenditures	\$ 17,090,331.00	\$ 10,886,341.03	64%	\$ 242,205.55	\$ 10,644,135.48
Over/Under	\$ -	\$ 2,809,045.02		\$ (830,613.63)	\$ 3,639,658.65

Downtown District					
	2018-2019 Budget	2/28/2019	% of Budget	Change from Previous Year	2/28/2018
Revenues	\$ 183,736.00	\$ 6,531.07	4%	\$ 4,927.37	\$ 1,603.70
Expenditures	\$ 183,736.00	\$ 113,877.71	62%	\$ (15,953.40)	\$ 129,831.11
Over/Under	\$ -	\$ (107,346.64)		\$ 20,880.77	\$ (128,227.41)

Water/Sewer Fund					
	2018-2019 Budget	2/28/2019	% of Budget	Change from Previous Year	2/28/2018
Revenues	\$ 8,890,000.00	\$ 6,146,490.19	69%	\$ (57,017.86)	\$ 6,203,508.05
Expenditures	\$ 8,890,000.00	\$ 4,341,287.40	49%	\$ 194,359.37	\$ 4,146,928.03
Over/Under	\$ -	\$ 1,805,202.79		\$ (251,377.23)	\$ 2,056,580.02

Tax Collections					
		Collections As Of 2/28/19***	Percentage of Change	Change from Previous Year	Collections As Of 2/28/18
Ad Valorem Tax Collection - % of Budget		109%			104%
Sales Tax (January Deposits with adjustment for HB97)		\$ 2,370,815.74	5.34%	\$ 120,215.75	\$ 2,250,599.99
Sales Tax (January Deposits without adjustment for HB97)		\$ 2,231,380.03	5.31%	\$ 112,416.28	\$ 2,118,963.75
Sales Tax adjustment for HB97					
	2018-2019 Budget	Collections As Of 2/28/19***	Percentage Collected YTD		
Sales Tax adjustment for HB97	\$ 218,000.00	\$ 139,435.71	63.96%		

***7 months collections

City of Lenoir, North Carolina
 Direct and Overlapping Property Tax Rates
 Last 21 Years

(rate per \$100 of assessed value)

Fiscal Year	<u>City Direct Rates</u>			<u>Overlapping Rates</u>	
	<u>City of Lenoir</u>	<u>Downtown Service District</u>	<u>Rescue Readiness</u>	<u>Caldwell County</u>	<u>Rescue Squad</u>
2018-19	0.58	0.25	0.0085	0.63	-
2017-18	0.58	0.25	0.0085	0.63	-
2016-17	0.58	0.25	-	0.63	0.0085
2015-16	0.58	0.25	-	0.60	0.0085
2014-15	0.58	0.25	-	0.60	0.0085
2013-14	0.58	0.25	-	0.60	0.0085
2012-13	0.56	0.25	-	0.6299	0.0085
2011-12	0.54	0.25	-	0.6599	0.0085
2010-11	0.54	0.25	-	0.6599	0.0085
2009-10	0.54	0.25	-	0.6599	0.0085
2008-09	0.54	0.25	-	0.6599	0.0085
2007-08	0.54	0.25	-	0.6599	0.0085
2006-07	0.54	0.25	-	0.5399	0.0085
2005-06	0.54	0.25	-	0.5399	0.0085
2004-05	0.54	0.25	-	0.5839	0.0071
2003-04	0.50	0.25	-	0.5839	0.0071
2002-03	0.50	0.25	-	0.5561	0.0071
2001-02	0.47	0.25	-	0.5561	0.0071
2000-01	0.49	0.19	-	0.5829	0.0071
1999-00	0.49	0.19	-	0.5829	0.0071
1998-99	0.49	0.19	-	0.5829	0.0071

Table A. South region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2015		2016		2017		2018		2019	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	-0.7	-0.4	0.0	1.2	0.5	2.6	0.5	1.8	0.2	1.2
February	0.5	-0.3	0.1	0.7	0.2	2.8	0.6	2.1	0.5	1.1
March	0.6	-0.3	0.6	0.7	0.0	2.2	0.2	2.3		
April	0.3	-0.6	0.4	0.9	0.2	2.0	0.4	2.4		
May	0.4	-0.4	0.4	0.9	0.0	1.7	0.3	2.7		
June	0.5	-0.1	0.4	0.8	0.2	1.5	0.2	2.7		
July	-0.1	-0.1	-0.2	0.7	-0.2	1.6	0.0	2.9		
August	-0.2	-0.2	0.1	1.0	0.4	1.9	-0.1	2.4		
September	-0.2	-0.4	0.2	1.4	0.7	2.4	0.0	1.7		
October	0.0	-0.1	0.1	1.5	-0.2	2.0	0.2	2.1		
November	-0.2	0.3	-0.1	1.6	-0.1	2.1	-0.3	1.9		
December	-0.4	0.5	0.1	2.0	-0.1	1.8	-0.5	1.5		

10-Year CPI/COLA/Water/Sewer

Fiscal Year	SE CPI (February)	COLA	Water	Sewer
2009-10	0.10%	0.00%	0.00%	0.00%
2010-11	2.30%	0.00%	2.30%	5.00%
2011-12	2.20%	0.00%	2.20%	4.00%
2012-13	3.30%	2.00%	3.30%	5.00%
2013-14	1.80%	0.00%	1.80%	2.00%
2014-15	1.20%	4.50%	1.20%	2.00%
2015-16	-0.30%	3.00%	0.00%	3.00%
2016-17	0.70%	2.00%	0.00%	3.00%
2017-18	2.80%	3.25%	2.50%	1.00%
2018-19	2.10%	4.80%	1.50%	0.00%
10-Year Totals	16.20%	19.55%	14.80%	25.00%

Fiscal Year	SE CPI (February)
2019-20	1.10%

Health Insurance Rates		
FY	% Change	
2007-08	9.20%	BCBS
2008-09	1.90%	BCBS
2009-10	-3.10%	BCBS
2010-11	4.60%	BCBS
2011-12	-0.10%	BCBS
2012-13	6.70%	BCBS
2013-14	3.30%	BCBS
2014-15	15.00%	BCBS
2015-16	4.20%	BCBS
2016-17	7.90%	BCBS
2017-18	8.50%	BCBS
2018-19	-7.50%	Medcost
2019-20	0.00%	MedCost

Average 3.89%

City of Lenoir, North Carolina		
Solid Waste Fees		
Fiscal Year	Solid Waste Fees	Solid Waste Collections
2019-20*	10.00	TBD
2018-19	9.00	TBD
2017-18	9.00	707,721.00
2016-17	9.00	699,283.00
2015-16	9.00	703,382.00
2014-15	8.00	628,144.00
2013-14	8.00	622,819.00
2012-13	8.00	627,002.00
2011-12	8.00	626,743.00
2010-11	7.00	553,866.00
2009-10	7.00	560,940.00
2008-09	7.00	525,142.00
2007-08	7.00	515,359.00
2006-07	6.00	454,131.00
2005-06	6.00	438,734.00
2004-05	-	-

* Proposed

Hildebran, Scott

From: Alison Adams <alison.adams@wpcog.org>
Sent: Monday, March 18, 2019 10:44 AM
To: Wheelock, Jenny; Hildebran, Scott
Cc: John E. Wear; Billy Rickles
Subject: Stormwater Transition
Attachments: Stormwater Program Memo LENOIR.docx

Jenny and Scott,

Below is the message of what I sent out to the municipalities in Caldwell County discussing the stormwater transition. I have also attached your cost for FY19. Please let me know if you have questions.

Thank you!
 Alison

I wanted to follow up from Jenny's last email. Jenny and I have been working together to address NCDEQ's mandate. Lenoir currently provides post-construction and illicit discharge services to all municipalities in Caldwell County. Due to the demands of NCDEQ's requirements there will be a transition of the stormwater program to WPCOG on July 1. As part of the service agreement WPCOG will provide the following to ensure compliance with NCDEQ – Adoption of a Stormwater Ordinance and Management Plan, Public Input, Illicit Discharge Detection and Elimination, Post-Construction Review, Good Housekeeping (including Pollution Prevention for Municipal Operations), and Educational Outreach. WPCOG is aware of the timeline to obtain compliance and is willing to work within those parameters to meet the needs of the municipalities within Caldwell County. To ensure that we are keeping service fees reasonable a methodology has been created to establish cost. You will find an attached memo outlining a description of the elements and associated cost.

The transition will provide several benefits:

- Currently, all elements as required by NCDEQ are not being addressed. Transitioning the program to WPCOG all elements are completed in one location, making reporting to the state more efficient.
- Illicit Discharge is presently being completed on a complaint basis. WPCOG is providing a proactive monitoring approach. Service will be both land and water based. Should your town lie on a body of water WPCOG will monitor the shorelines by boat quarterly. NCDEQ will find this approach to be preemptive, helping keep municipalities in good standing.
- Civil penalties related to Illicit Discharge should be set in each municipalities adopted post-construction ordinance. If compliance has not been achieved or fees have not been paid, WPCOG will coordinate with the municipality when proceeding with legal action to gain compliance.
- We will ask that all municipalities adopt a uniform, post-construction review fee schedule. All fees collected for post-construction review will be returned to the municipality to help offset cost.

The upcoming meeting request made by Jenny is an opportunity for you to learn about the each of the stormwater elements, ask questions and for us to talk about next steps. Stormwater compliance is much more involved than most realize. Should you have any questions please do not hesitate to contact me by email or cell phone (704) 682.2681.

I look forward to working with you to become compliant.

Sincerely,

Alison H. Adams, MSSL
Director of Community & Regional Planning



Western Piedn
Council of Governr

Mailing Address: P.O. Box 9026 | Hickory, NC 28603
Physical Address: 1880 2nd Avenue NW | Hickory, NC 28601
Phone: 828.322.9191 ext. 232
www.wpcog.org

<u>Program</u>	<u>Description</u>
<i>Stormwater Ordinance and Management Plan Adoption</i>	WPCOG will create a stormwater management plan and a model ordinance to fit the needs of your Town, as well as, ensure NC Stormwater requirements are being met. Each Town will be responsible for the implementation of the stormwater ordinance within their jurisdiction.
<i>Public Input</i>	WPCOG will host one public meeting on your behalf to discuss stormwater best practices and the importance of maintaining water quality. Cost includes the newspaper ad for public notice.
<i>Illicit Discharge Detection and Elimination</i>	WPCOG will enforce the Town's Stormwater ordinance provisions for illicit discharge. Civil penalties should be set in the Town's adopted ordinance. If compliance has not been achieved or fees have not been paid, WPCOG will coordinate with the Town when proceeding with legal action to gain compliance. Service will be both land and water based. Should your town lie on a water body WPCOG will monitor the shorelines by boat quarterly.
<i>Erosion and Sediment Construction Site Controls</i>	This is currently handled by DEQ; therefore the WPCOG will not be administering service in this area. The Town should coordinate complaints with DEQ.
<i>Post-Construction Site Runoff Controls</i>	WPCOG would like to gauge interest to serve local municipalities for post-construction measures. This service would include review, maintenance of all records and collection of annual inspections.
<i>Good Housekeeping and Pollution Prevention for Municipal Operations</i>	One training per year will be provided to staff on best practices and appropriate reporting.
<i>Educational Outreach</i>	This is the traditional service that the COG has offered. Staff speaks to over 400 students a year and holds an annual conference at Lenoir Rhyne University to meet the outreach requirements imposed by the state.

The scope of the services may change based on DEQ; however the price quote for FY19 is reliable.

The total cost for Lenoir is \$51,669 for all work elements above.

Outstanding Items

- 1) Workers Comp
- 2) General Liability
- 3) Health
- 4) Retirement System
- 5) Compensation/COLA

Current Commitments - General Fund

- 1) PARTF Grant (Optimist/Mulberry Parks)
- 2) LFD#3 Debt Service
- 3) Hospital Avenue Sidewalk
- 4) Zacks Fork Range (Fence/Power)
- 5) JE Broyhill Park - Phase 2
- 6) Downtown 2-way Traffic Conversion (3-Phases)
- 7) Linkside Connector

CDGB

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

Possible Future Outstanding Items - General Fund

- 1) ARC - Broyhill Site Clean-up/Brownfield Agreement
- 2) Strategic Milling/Paving (Greenhaven/Finley, Mulberry St., Hospital Ave., etc.)
- 3) Greenway Extensions
- 4) Strategic Foreclosures
- 5) Smith Crossroads Art/Plantings
- 6) City Hall Renovation/Annex
- 7) Branding Signage

April 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 6:00 p.m. City Council	2 9:00 a.m. Staff Mtg.	3	4	5	6 4:00 p.m. Cruise-In (Downtown)
7	8 11:45 a.m. City/County Services Committee	9 8:00 a.m. EDC	10	11 4:00 p.m. Lenoir Tourism Dev. Auth. 6:00 p.m. Lenoir Business Adv. Board	12	13 9:30 a.m. - 3:00 p.m. NC Gravity Games (Sponsored by Google)
14	15 6:00 p.m. Parks & Recreation Adv. Brd. (Optimist Park)	16 2:00 p.m. ABC Board 6:00 p.m. City Council	17 9:00 a.m. Staff Mtg.	18	19 Good Friday! City Offices Closed!	20 8:00 a.m. Bootlegger 100 Bike Race 10:00 a.m. Easter Egg Hunt (Mulberry Rec.)
21	22 5:30 p.m. Planning Board	23 8:30 a.m. Committee of the Whole	24 Noon - Foothills Regional Airport Authority	25	26	27
28	29	30				
31	Notes for May The Mayor's Breakfast for the National Day of Prayer will be held on Thursday, May 2 at Lenoir Presbyterian Church located at 1002 Kirkwood Street. Tickets are \$10.00 and will be available at City Hall.					