MINUTES

CITY COUNCIL
FY2018-2019 ANNUAL BUDGET RETREAT
CITY HALL, THIRD FLOOR
TUESDAY, MARCH 27, 2018
8:30 A.M.

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

City Manager Hildebran, City Clerk Cannon, Public Information Officer Harris, Police Chief Brown, Police Captain Phelps, Fire Chief Hair, Finance Director Bean, Planning Director Wheelock, Recreation Director Story, Public Utilities Director Thomas, and Public Works Director Wright.

OTHERS: Virginia Annable, *News-Topic*, Dennie Martin, WR Martin, and Andy Lovingood & Joel Whitford, McGill Associates, and Jay Clapp, Ramey Kemp & Associates.

Absent: Economic Development Director Horn.

I. CALL TO ORDER

A. Mayor Gibbons welcomed everyone and called the meeting to order.

B. <u>Signal Removal Request-Intersection of Norwood Street/McLean Drive:</u>
1. Planning Director Wheelock Planning Director Jenny Wheelock reported that NCDOT has determined this signal is no longer warranted based on the traffic counts and mentioned the signal is scheduled to be up upgraded soon, which has a significant cost.

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

Director Wheelock explained that changes for the intersection have not yet been designed, but she reviewed a list of possible changes NCDOT may make as follows:

- No changes proposed to traffic N/S on Norwood Street. (free flowing traffic instead of forced to stop at light)
- No changes to north traffic from Norwood Street turning to stay on Mclean Drive (free flowing traffic in "slip lane")
- Rather than two lanes to accommodate queuing traffic waiting to turn left (south) coming from McClean Drive, reduce to one lane with a stop sign, (don't have to wait at light; navigate left turn when traffic allows)
- Retain right turn lane for traffic coming south from McLean Drive and wanting to turn north on Norwood Street. (Yield condition; same as today)
- Drivers coming south on Norwood Street and wanting to turn left to go north on McLean Drive would have to navigate turning left when traffic allowed (same as today; except no stopping at a red light).

Other items for consideration:

- If geometric improvements are required, could the City potentially do some beautification/median improvements to coincide with the project?
- Curb repairs, general maintenance is needed.
- Whitnel could use some investment/attention.

Also, Police Chief Brown clarified it would not be a problem for the Police Department should the signal be removed. It was further noted the sight line distance to the right needs to be improved for motorists traveling from McLean Drive.

Planning Director Wheelock informed Council the final plan for this project will be presented to City Council for their consideration of approval.

Motion
Following a brief discussion, and upon a motion by Councilmember Rohr, Council voted 7 to 0 to move forward with the proposed Signal Removal Request Project with NCDOT as presented.

C. Public Hearing; Manufactured Housing Ordinance: Director Wheelock reported a public hearing will be held on Tuesday, May 1 to consider adoption of an ordinance to amend Appendix A of the City's Code as related to Manufactured Housing.

II. PROPOSED FY2018-19 BUDGET CALENDAR: FY2018-2019 Proposed Budget Calendar: City Manager Hildebran presented the proposed FY2018-2019 Budget Calendar to City Council for their review. A public hearing to formally approve the budget will be held on Tuesday, June 5.

BUDGET CALENDAR
FY2018-2019

May 15, 2018	City Manager presents recommended budget to City Council. (City Clerk will have a copy of the proposed budget available for the public within five business days.)
May 17, 2018	Budget Work Session – 6:00 p.m., Third Floor, City Hall
May 22, 2018	Committee of the Whole – 8:30 a.m., Third Floor, City Hall (Budget Work Session if necessary)
May 24, 2018	Budget Work Session – 6:00 p.m., Third Floor, City Hall *if necessary
June 5, 2018	Public Hearing for recommended FY2017-18 Budget at City Council Meeting at 6:00 p.m. Earliest possible date to adopt FY2017-18 Budget. (City Clerk will have a copy of the proposed

budget available for the public within five business days.)

June 19, 2018 City Council

June 26, 2018 Committee of the Whole Meeting

Motion
Following a brief discussion regarding changing some of the dates, and upon a motion by Councilmember Perdue, Council voted 7 to 0 to approve the FY2018-2019 Budget Calendar as presented.

III. FY2018-19 Council Goals Review: City Manager Hildebran reviewed the list of City Council's goals/priorities comprised at the March 23 Strategic Planning Retreat and asked if Council was still in agreement with the list and did anyone have any additional questions or concerns.

2018 Council Budget Priorities

1. **Employee Compensation**
   - Continue efforts to offer competitive compensation and benefits for employee recruitment and retention
2. **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
3. **Housing:**
   - Minimum Housing Enforcement
   - Pursue Market Rate Housing
   - Market City-owned Properties to Sell
   - Encourage Downtown Living (Moving Lenoir to 2nd Floor)
   - Communicate building "spec" homes in shovel-ready areas such as Hibriten Mountain, Stonecroft, Huntington Woods & Summerhill
   - Work with WPCOG Vacant & Substandard Housing Task Force
4. **US 321 Beautification**
   - Maintain recent improvements and identify new projects
5. **Public Engagement**
   - Neighborhood Meetings
   - Walk-throughs'
   - State of the City Presentations

   Assemble group of leaders, developers, EDC stakeholders to share
6. **Economic Development:**
   - Explore what other local governments are doing with public/private

partnerships
- Maintain healthy infrastructure
- Continue to work with EDC
- Market Quality of Life Amenities (Greenway, OVT, Bike Plan, etc.)

All were in agreement with the 2018 Council Budget Priorities as presented.

A. Mayor Gibbons introduced Andy Lovingood and Joel Whitford, McGill Associates, who partner with the City for engineering and planning services.

B. Draft Capital Improvements Plan: Andy Lovingood distributed copies of the Utility Fund Capital Improvements Plan (CIP) which list projects in priority order. He explained this list is an organized approach in order for the City to provide and maintain a viable system. The total cost of the water and sewer projects over a ten-year period is $50,759,200.

(A copy of the Water and Sewer Fund CIP list is attached to these minutes as information. Refer to page 10).

Mr. Lovingood related this plan allows the City to have financial stability with its rates and noted these projects are ranked by regulatory needs, replacement or efficiencies (age-related). Mr. Lovingood reviewed the following list of projects and their goals as follows:

Water Improvements
- #1 Automated Water Meter Reading
- #2 Zacks Fork to Cottrell Hill Water Supply Loop
- #3 Main Transmission Line from Water Treatment Plant – Phase 1
- #4 Main Transmission Line from Water Treatment Plant – Phase 2
- #5 Water System Improvements
- #6 Hayes Avenue Line Replacements
- #7 Walt Arney Road Line Replacements
- #8 US321/Connelly Springs Road Utility Relocation-Water
- #9 Mayhill Avenue Water Line Replacement
- #10 Vehicles
- #11 ARC Flash Study-Water Tanks and Booster Stations

Bernhardt Treatment Plant
- #12 Generator #2 and Electrical System Loop
- #13 ARC Flash Study-WTP

Waste Water Improvements Collection System
- #14 East Harper Avenue Sewer Replacement
- #15 Rehab Blairs Fork Outfall
- #16 Golf Course Sewer Replacement
- #17 Crossroads Shopping Center to Lenoir Golf Clubhouse Sewer
- #18 Gunpowder Creek Interceptor Replacement
- #19 US 321/Connelly Springs Road Interchange Utility Relocation-Sewer

- #20 Bost Lumber Sewer Replacement
- #21 Zacks Fork Replacement
- #22 Pennton to Hwy 18 Sewer
- #23 Vehicles
- #24 ARC Flash Study-Sewer Pump Stations

Lower Creek Treatment Plant

- #25 Biosolids Improvements
- #26 Septage Receiving Station/Vactor Dump
- #27 Grit System Improvements
- #28 ARC Flash Study-Wastewater Treatment Plants
- #29 Other Lower Creek WWTP Needs

Mr. Lovingood reported the City has a well-planned, well-executed Capital Improvements Project list which the City is able to update via grants or low interest loans. He commended City officials along with Staff for planning for future projects in order for the City to maintain its current infrastructure.

Public Utilities Director Thomas reported Project #1, Automated Water Meter Reading, has been presented to City Council and the next step is to decide on a contractor for the 12 – 15 month project which will begin by the end of the year or early 2019. Director Thomas clarified the contractor can handle the project more quickly and efficiently rather than using City employees. He also stated the Project Manager would be onsite during the entire project in order to keep the project on track.

Next, Mr. Lovingood explained that Project #5, Water System Improvements, addresses the high and low water pressures issues that residents of the entire neighborhood of Hill Street and Finley Avenue are experiencing. He stated they have identified three alternatives and anticipate having a Design Permit in 2020 with construction to follow.

Mr. Lovingood reported they do not anticipate any problems regarding Project #12, Generator #2 and Electrical System Loop, for the Water Treatment Plant. In addition, he clarified Project #17, Crossroads Shopping Center to Lenoir Golf Clubhouse Sewer, is to address hydraulic issues.

Mr. Lovingood also pointed Project #25, Biosolids Project, is in design stage and will address aging infrastructure. Mr. Lovingood also explained that line #18 is a placeholder to be possibly used for the Asset/Inventory Project. Public Utilities Director Thomas clarified that Project #10 Vehicles is for a new Vactor Truck.

C. Update; Public Utility Fund Revenues: Dennie Martin, WR Martin, stated the City's goal is to keep up with inflation and to maintain a margin of funds to allow the City to manage all of its capital outlay projects. Mr. Martin reported the Water and Sewer Phase 1 and Phase 2 projects were paid off this year and he reviewed the Water & Sewer Fund Cash Flow Summary. (Refer to attachment).

Next, Mr. Martin reported the February 2018 Consumer Price Index (CPI) for the Urban South is 2.1% and recommended a 1.5% increase in the City's water rates for FY2018-19 with the sewer rates to remain unchanged. It was noted the City is required to notify Caldwell County of any rate increases by April 1 each year and to also notify other municipalities that purchase water from the City.

Mr. Martin emphasized it was important for the City to continue to maintain its planning of projects plus take advantage of any available grant funding. He further suggested the City continue to build reserves for future projects because this step will reduce the City's principal debt.

Next, Mr. Martin and Public Utilities Director Thomas led a brief discussion regarding the ups and downs of federal funding.

Public Utilities Director Thomas reported Lenoir has remained in the top four municipalities for low water rates for the past several years and emphasized the City is trying to maintain a low rate for economic development.

Councilmember Rohr expressed his opposition to charging outside user's double rates.

Motion
Following a brief discussion and upon a motion by Councilmember Thomas, Council voted 7 to 0 to approve the recommended 1.5% water rate increase for FY2018-2019 as presented. The City's sewer rate remains unchanged.

City Manager Hildebran stated the FY2018-2019 budget would be prepared reflecting these increases and the City would notify all of its utility customers.

D. Downtown Traffic Study; Ramey Kemp & Associates: Mr. Jay Clapp, Ramey Kemp & Associates, presented information regarding changing Harper Avenue and West Avenue to two-way traffic. It was noted two way traffic slows drivers down while maintaining the current one way traffic will continue to bring visitors into the downtown area.

Mr. Clapp further reported there are four (4) traffic signals on West Avenue and two (2) on Harper Avenue and asked Council for feedback upon removal of the signals. A general discussion was held regarding four-way stop signs. Mr. Clapp further reported Harper Avenue has sufficient room for a turning lane, while West Avenue does not.

Police Chief Brown stated the proposal has merit for certain aspects of the project, but from a safety standpoint, he has reservations. He also mentioned the issue of people running stop signs. Chief Brown requested Council keep the traffic signal located at the downtown square.

Fire Chief Hair emphasized the traffic change could create a turning issue onto Harper Avenue for the Department and pointed out a raised crosswalk would also make it difficult for fire trucks to maneuver their fire apparatus over them when responding to calls.

Councilmember Rohr remarked the traffic change would result in less environmental issues, eliminate unnecessary traffic and distribute traffic more efficiently.

Next, Council discussed removing the traffic signals on Church Street, Boundary Street and West Avenue. It was noted there were sight distance issues at the intersection of Willow Street.

Mr. Clapp stated he would present a conceptual plan to Council in the near future which will include cost estimates and cost implications. He stated he will retain the signal at Main/West Avenue intersection and review the turning issue at the Fire Department.

E. Unserved Fund Balance: City Manager Hildebran reported the City's current Unreserved Fund Balance of $7,222,443 which equals to 43.14%. Mr. Hildebran stated Staff would also review funding for capital improvement projects in the coming weeks.

(A copy of the Fund Balance report is attached to these minutes as information).

Mr. Hildebran shared, that at this stage in development, the proposed budget does not contain a tax increase or an increase in the City's solid waste fee.

F. Financial Summary: Finance Director Bean presented the Financial Summary as of February 28, 2018. Director Bean reported the over/under balance in the General Fund is $3,639,658.65, Downtown District ($128,227.41), and Water & Sewer Fund $2,950,360.02. Director Bean reported the City's revenue is on target and 61.27% of the budgeted sales tax has been collected to date. She stated the City is striving be conservative in order to remain on course for the budget year.

In addition, Director Bean reported the FY2018-2019 budget does not include a financing package and mentioned the City is working on reducing its current debt. She stated the City will experience a huge decrease in debt next year.

Next, Director Bean reviewed a list of items each Department has requested, but clarified the City would not be able to fund all of the items. She pointed out the items would either be funded as Capital Improvement Projects (CIP) or with other funding sources.

Note: Councilmember Rohr left the meeting at 10:20 a.m.

Councilmember Perdue restated he would like the City to compensate employees that come up with cost saving ideas because it will send a strong message to citizens and employees. Currently, an employee is recognized, but the City is discussing additional types of compensation.

G. Outstanding Items: City Manager Hildebran reviewed a list of Outstanding Budget Items with Council as follows:

Outstanding Items

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

Current Commitments

1) PARTF Grant (Optimist/Mulberry Parks)
2) Hospital Avenue Sidewalk
3) Zacks Fork Range (Fence/Power)
4) North Main Streetscape/Milling/Paving
5) Downtown 2-way Traffic Study
6) Linkside Connector/Hotel Street
7) Whitnel Interchange W/S NCDOT Payment #3
8) NC 90 W/S NCDOT Relocation
9) LFD#3

CDGB

1) JE Broyhill Park
2) OVT/Rail/Trail Segment(s)

Possible Future Outstanding Items

1) Greenway Extensions
2) Downtown 2-way Street Conversions
3) City Hall Renovation/Annex
4) Smith Xroads Art
5) Strategic Foreclosures

Mr. Hildebran reported that bids may be received within the next thirty to sixty days for the proposed Fire Station No. 3 and bids may also be obtained next week for the construction of restrooms at J.E. Broyhill Park.

General Comments

Councilmember Perdue requested the City's tax history for a ten-year period and also requested information about bond procedures.

Mayor Gibbons also suggested the City address the issue of renovations to the former LHS Auditorium if we continue to use it.

Recreation Director Story reported the Lenoir High School Apartment

Complex may be renovating in the future and the upstairs restrooms at the auditorium may be able to be updated at the same time.

Mr. Hildebran asked if Council had any additional guidance regarding the development of the budget, but there were none received.

IV. ADJOURN

There being no further business, the meeting was adjourned at 10:35 a.m.

Attachments
Map-Signal Removal Request –Intersection of Norwood Street/McLean Drive
FY2018-2019 Budget Calendar
Water and Sewer Fund CIP
Water and Sewer Cash Flow Summary
Unreserved Fund Balance
Financial Summary (February 2018)

PROPOSED: 32

Light Removal at the intersection of Norwood St. and McLean Drive

NCDOT says this signal is no longer warranted based on the traffic counts. The signal is scheduled to be upgraded soon, which has a significant cost. Changes haven't been designed, but tentatively NCDOT thinks:

A. No changes proposed to traffic N/S on Norwood Street. (free flowing traffic instead of forced to stop at light)

B. No changes to N traffic from Norwood turning to stay on McClean Dr. (free flowing traffic in "slip lane")

C. Rather than two lanes to accommodate queuing traffic waiting to turn left (south) coming from McClean Drive, reduce to one lane with a stop sign. (don't have to wait at light; navigate left turn when traffic allows)

D. Retain right turn lane for traffic coming S from McClean Drive and wanting to turn right and go N on Norwood St. (Yield condition; same as today)

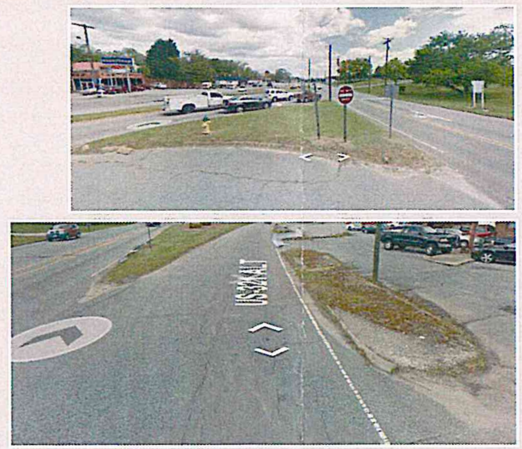
E. Drivers coming south on Norwood and wanting to turn left to go north on McClean would have to navigate turning left when traffic allowed (same as today; except no stopping at a red light).

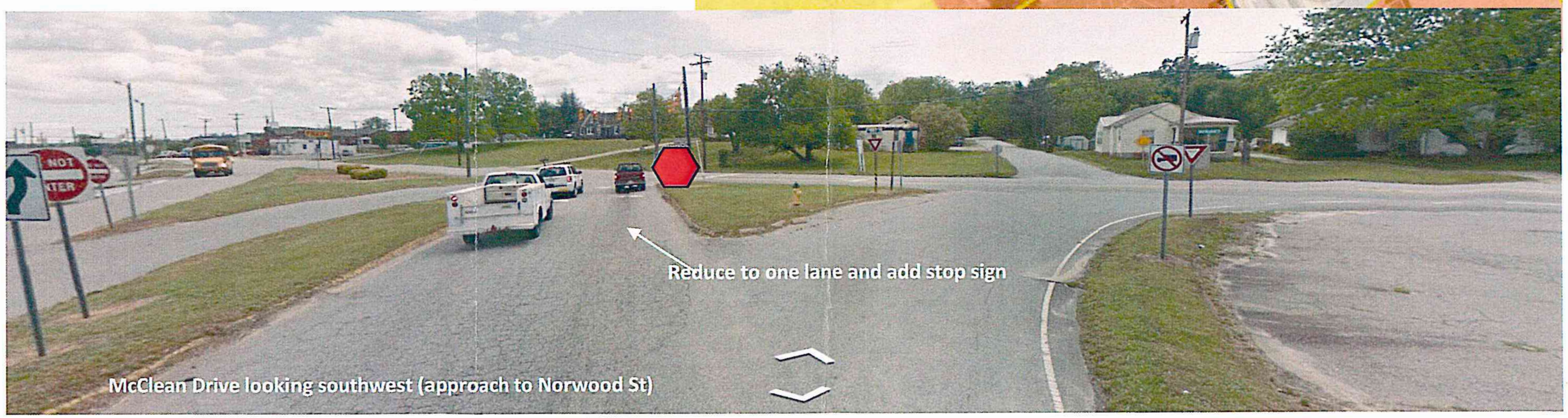
Other things to consider:

- If geometric improvements are required, could we potentially do some beautification/median improvements to coincide with the project?
- Curb repairs, general maintenance is needed.
- Whitnel could use some investment/attention.

Norwood Street looking north

Broken Curbs/Maintenance Issues???





McClean Drive looking southwest (approach to Norwood St)

CITY OF LENOIR

BUDGET CALENDAR

FY2018-2019

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June 19, 2018	City Council
June 26, 2018	Committee of the Whole Meeting

TABLE 1
CITY OF LENOIR
WATER AND SEWER FUND
CAPITAL IMPROVEMENTS PLAN - MARCH 2018

PROJECT NUMBER	PROJECT LOCATION	COST	2018	YEAR 1 2019	YEAR 2 2020	YEAR 3 2021	YEAR 4 2022	YEAR 5 2023	YEAR 6 2024	YEAR 7 2025	YEAR 8 2026	YEAR 9 2027	YEAR 10 2028	YEARS 11+ 2029+
	WATER IMPROVEMENTS													
	DISTRIBUTION SYSTEM													
1	AUTOMATED WATER METER READING	4,800,000	400,000	400,000	4,000,000									
2	ZACKS FORK TO COTTRELL HILL WATER SUPPLY LOOP	880,000											880,000	
3	MAIN TRANSMISSION LINE FROM WATER TREATMENT PLANT - PHASE 1	5,350,000				60,000		5,290,000						
4	MAIN TRANSMISSION LINE FROM WATER TREATMENT PLANT - PHASE 2	9,830,000												9,830,000
5	WATER SYSTEM IMPROVEMENTS	3,845,000		35,000		3,810,000								
6	HAYES AVENUE LINE REPLACEMENTS	0												
7	WALT ARNEY ROAD LINE REPLACEMENTS	240,000					240,000							
8	US 321 / CONNELLY SPRINGS ROAD INTERCHANGE UTILITY RELOCATION-WATER	68,000	34,000	34,000										
9	MAYHILL AVENUE WATER LINE REPLACEMENT	250,000	250,000											
10	VEHICLES	662,000		42,000	150,000	44,000	60,000		58,000	48,000	70,000	140,000	50,000	
11	ARC FLASH STUDY - WATER TANKS AND BOOSTER STATIONS	25,000	25,000											
	BERNHARDT TREATMENT PLANT													
12	GENERATOR #2 AND ELECTRICAL SYSTEM LOOP	1,460,000					1,460,000							
13	ARC FLASH STUDY - WTP	33,000	33,000											
	WATER IMPROVEMENTS SUBTOTAL	27,443,000	742,000	511,000	4,150,000	3,914,000	1,760,000	5,290,000	58,000	48,000	70,000	140,000	930,000	9,830,000
	WASTEWATER IMPROVEMENTS													
	COLLECTION SYSTEM													
14	EAST HARPER AVENUE SEWER REPLACEMENT	460,000							460,000					
15	REHAB BLAIRS FORK OUTFALL	750,000							750,000					
16	GOLF COURSE SEWER REPLACEMENT	3,030,000							3,030,000					
17	CROSSROADS SHOPPING CENTER TO LENOIR GOLF CLUBHOUSE SEWER	2,430,000				2,430,000								
18	GUNPOWDER CREEK INTERCEPTOR REPLACEMENT													
19	US 321 / CONNELLY SPRINGS ROAD INTERCHANGE UTILITY RELOCATION-SEWER	104,000	52,000	52,000										
20	BOST LUMBER SEWER REPLACEMENT	150,000	150,000											
21	ZACKS FORK REPLACEMENT	1,700,000								1,700,000				
22	PENNTON TO HWY 18 SEWER	900,000					900,000							
23	VEHICLES	579,000		42,000		44,000	45,000			48,000				400,000
24	ARC FLASH STUDY - SEWER PUMP STATIONS	49,000	49,000											
	LOWER CREEK TREATMENT PLANT													
25	BIOSOLIDS IMPROVEMENTS	6,732,000		132,000	6,600,000									
26	SEPTAGE RECEIVING STATION / VACTOR DUMP	499,800		9,800	490,000									
27	GRIT SYSTEM IMPROVEMENTS	530,400		10,400	520,000									
28	ARC FLASH STUDY - WASTEWATER TREATMENT PLANTS	42,000	42,000											
29	OTHER LOWER CREEK WWTP NEEDS	5,360,000								60,000		5,300,000		
	WASTEWATER IMPROVEMENTS SUBTOTAL	23,316,200	293,000	246,200	7,610,000	2,474,000	945,000	0	4,240,000	1,808,000	0	5,300,000	0	400,000
	TOTAL	50,759,200	1,035,000	757,200	11,760,000	6,388,000	2,705,000	5,290,000	4,298,000	1,856,000	70,000	5,440,000	930,000	10,230,000

	COST	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
				DEBT PKGS 1&2	DEBT PKG 3	DEBT PKG 4		DEBT PKG 5			DEBT PKG 6	
DEBT PACKAGES	32,980,000			6,600,000	7,250,000	7,890,000		5,940,000			5,300,000	
DEBT PACKAGES	4,000,000			4,000,000								
ANNUAL DEBT	36,980,000	0	0	11,610,000	6,240,000	2,600,000	5,290,000	4,240,000	1,700,000	0	5,300,000	0
ANNUAL CAPITAL OUTLAY	2,619,200	1,035,000	757,200	150,000	148,000	105,000	0	58,000	156,000	70,000	140,000	930,000
*NEW OPERATING COSTS **												
WTP						35,000	36,050	37,132	38,245	39,393	40,575	41,792
LOWER CREEK BIOSOLIDS					45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344
NEW OPERATING COSTS		-	-	-	45,000	81,350	83,791	86,304	88,893	91,560	94,307	97,136

* CIP AND NEW O&M COSTS ESTIMATED BY MCGILL ASSOCIATES AND CITY STAFF.

CITY OF LENOIR WATER AND SEWER FUND
CASH FLOW SUMMARY - MARCH 2018

	ESTIMATE 2018	YEAR 1 2019	YEAR 2 2020	YEAR 3 2021	YEAR 4 2022	YEAR 5 2023	YEAR 6 2024	YEAR 7 2025	YEAR 8 2026	YEAR 9 2027	YEAR 10 2028
WATER ANNUAL OPERATING REVENUE	$6,048,000	$6,050,220	$6,140,973	$6,233,088	$6,326,584	$6,421,483	$6,517,805	$6,615,572	$6,714,806	$6,815,528	$6,917,761
SEWER ANNUAL OPERATING REVENUE	$3,248,000	$3,250,220	$3,298,973	$3,348,458	$3,398,685	$3,449,665	$3,501,410	$3,553,931	$3,607,240	$3,661,349	$3,716,269
WATER & SEWER ANNUAL NON-OPERATING REVENUE	16,000	12,000	15,000	19,000	21,000	22,000	22,000	22,000	22,000	22,000	22,000
WATER REVENUE INCREASE *		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
SEWER REVENUE INCREASE		0.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
WATER & SEWER NEW REVENUE		$118,000	$289,133	$468,572	$656,637	$853,659	$1,059,981	$1,275,960	$1,501,964	$1,738,373	$1,985,584
TOTAL REVENUE	$9,312,000	$9,430,440	$9,744,080	$10,069,118	$10,402,906	$10,746,807	$11,101,197	$11,467,464	$11,846,010	$12,237,250	$12,641,613
WATER OPERATING EXPENDITURES	$2,782,000	$2,951,490	$3,040,035	$3,131,236	$3,225,173	$3,321,928	$3,421,586	$3,524,233	$3,629,960	$3,738,859	$3,851,025
SEWER OPERATING EXPENDITURES	$2,400,000	$2,540,570	$2,616,787	$2,695,291	$2,776,149	$2,859,434	$2,945,217	$3,033,573	$3,124,581	$3,218,318	$3,314,868
NEW OPERATING COSTS		$0	$0	$45,000	$81,350	$83,791	$86,304	$88,893	$91,560	$94,307	$97,136
CAPITAL OUTLAY	$1,035,000	$757,200	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
DEBT SERVICE	$1,263,284	$1,468,278	$2,226,618	$2,714,408	$3,527,691	$3,997,751	$4,354,597	$4,711,445	$4,687,258	$5,019,316	$5,351,373
NET INCOME	$1,831,716	$1,712,902	$1,560,640	$1,183,183	$492,543	$183,904	-$6,508	-$190,682	$12,650	-$133,550	-$272,788
UNRESTRICTED NET ASSETS	$6,019,274	$7,732,176	$9,292,816	$10,475,999	$10,968,542	$11,152,445	$11,145,938	$10,955,256	$10,967,906	$10,834,356	$10,561,568
UNRESTRICTED NET ASSETS / TOTAL EXPENDITURES	80.5%	100.2%	113.6%	117.9%	110.7%	105.6%	100.3%	94.0%	92.7%	87.6%	81.8%
CAPITAL RESERVE FUND	$486,977	$486,977	$486,977	$486,977	$486,977	$486,977	$486,977	$486,977	$486,977	$486,977	$486,977
RESIDENTIAL INSIDE 5,000 GAL WATER CHARGE ^	$23.27	$23.74	$24.21	$24.69	$25.19	$25.69	$26.21	$26.73	$27.26	$27.81	$28.37
RESIDENTIAL INSIDE 5,000 GAL WATER CHARGE ^	$24.30	$24.30	$24.66	$25.03	$25.41	$25.79	$26.18	$26.57	$26.97	$27.37	$27.78

^ SAMPLE CHARGES DO NOT CONSIDER ROUNDING PROPOSED RATES UP TO NEAREST NICKEL.
* FEB 2018 CPI URBAN SOUTH IS 2.1%.

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
NEW DEBT:											
LOAN AMOUNT			6,600,000	7,250,000	7,890,000		5,940,000			5,300,000	
PAYMENT			SRF	443,386	494,246		381,034			356,243	
ANNUAL PAYMENTS			SRF	886,772	988,492		762,068			712,487	
RATE			3.00%	4.00%	4.50%		5.00%			6.00%	
TERM			20	10	10		10			10	
LOAN AMOUNT			4,000,000								
PAYMENT			244,627								
ANNUAL PAYMENTS			489,254								
RATE			4.00%								
TERM			10								

City Of Lenoir
Fund Balances

	2017	2016		
Unreserved Fund Balances	$7,222,443	$4,554,559		
Fund Balance Percent	43.14%	25.33%		
Water Fund Transfers	$0	$0		

	2015	2014	2013	2012
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

	2011	2010	2009	2008
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

	2007	2006	2005	2004
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

Lenoir All-America City 2008

City of Lenoir
Financial Summary
As of February 28, 2018

Lenoir All-America City 2008

General Fund

	2017 - 2018 Budget	2/28/2018	% of Budget	Change from Previous Year	2/28/2017
Total Revenue	$ 16,605,509.00	$ 14,283,794.13	86%	$ 196,875.13	$ 14,086,919.00
Expenditures	$ 16,605,509.00	$ 10,644,135.48	64%	$ 262,596.40	$ 10,381,539.08
Over/Under	$ -	$ 3,639,658.65		$ (65,721.27)	$ 3,705,379.92

Downtown District

	2017 - 2018 Budget	2/28/2018	% of Budget	Change from Previous Year	2/28/2017
Revenues	$ 183,827.00	$ 1,603.70	1%	$ 102.84	$ 1,500.86
Expenditures	$ 183,827.00	$ 129,831.11	71%	$ 13,660.75	$ 116,170.36
Over/Under	$ -	$ (128,227.41)		$ (13,557.91)	$ (114,669.50)

Water/Sewer Fund

	2017 - 2018 Budget	2/28/2018	% of Budget	Change from Previous Year	2/28/2017
Revenues	$ 8,239,307.00	$ 7,097,288.05	86%	$ 1,336,564.81	$ 5,760,723.24
Expenditures	$ 8,239,307.00	$ 4,146,928.03	50%	$ (173,767.08)	$ 4,320,695.11
Over/Under	$ -	$ 2,950,360.02		$ 1,510,331.89	$ 1,440,028.13

Tax Collections

	2017 - 2018 Budget	Collections As Of 2/28/18	Percentage of Change	Change from Previous Year	Collections As Of 2/28/17
Ad Valorem Tax Collection - % of Budget		104%			103%
Sales Tax (January Deposits with adjustment for HB97)		$ 2,250,599.99	3.26%	$ 71,048.77	$ 2,179,551.22
Sales Tax (January Deposits without adjustment for HB97)		$ 2,118,963.75	3.10%	$ 63,810.33	$ 2,055,153.42

Sales Tax adjustment for HB97

	2017 - 2018 Budget	Collections As Of 2/28/18***	Percentage Collected YTD		
Sales Tax adjustment for HB97	$ 215,000.00	$ 131,736.24	61.27%		

***7 months collections