CITY COUNCIL STRATEGIC PLANNING MEETING
300 WEST CROWELL STREET
MONROE, NORTH CAROLINA 28112
MARCH 8, 2022 – 4:30 P.M.
AGENDA
www.monroenc.org

1. Fiscal Year 2023 Budget Departmental Discussions
   A. Energy Services
   B. Water Resources
   C. Legislative

- **Agenda** is tentative and is subject to change up to and including the time of the meeting.
- At the discretion of City Council, **Agenda Items** listed above that are not discussed at the Strategic Planning Meeting or moved at the request of Council, may be carried forward to the City Council Regular Meeting at 6:00 p.m. to be considered.
- **Cell Phones/Pagers**: As a courtesy, please turn off cell phones and pagers while Meeting is in progress.

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: City Council

VIA: Brian J. Borne, Interim City Manager

DATE: March 8, 2022

FROM: Brian J. Borne, Interim City Manager

PREPARED BY: Brian J. Borne, Interim City Manager

SUBJECT: Fiscal Year 2023 Budget Departmental Discussions

SUMMARY STATEMENT

To discuss Fiscal Year 2023 Departmental Budget items.

REVIEW

The following Departments will present for discussion items proposed for funding in the Fiscal Year 2023 Budget: Energy Services; Water Resources; and, Legislative.

RECOMMENDATION

To discuss and establish Fiscal Year 2023 budget priorities.

FY 2023 Departmental Budget Discussion

Energy Services Department

Electric Division

Energy Services Department

Capital Improvements/New Initiatives
Electric Division

- New Subdivision Construction – Electric:
- There are 1,125 new homes within the electric service territory scheduled for construction during FY23 and another 1,299 scheduled for FY24.
  - Estimated Costs: $1,000,000
    - Materials/facility (non-personnel): Electric cables, transformers, street lights, etc.
    - Additional Personnel required to implement: Additional electric crew of 5 employees (3 Journeyman Linemen and 2 Line Apprentices) ; 1 Administrative Assistant II

      and 1 Engineering Technician
    - Total Cost to implement first year: $1,000,000
    - Total Recurring FY24 annual cost: $1,000,000

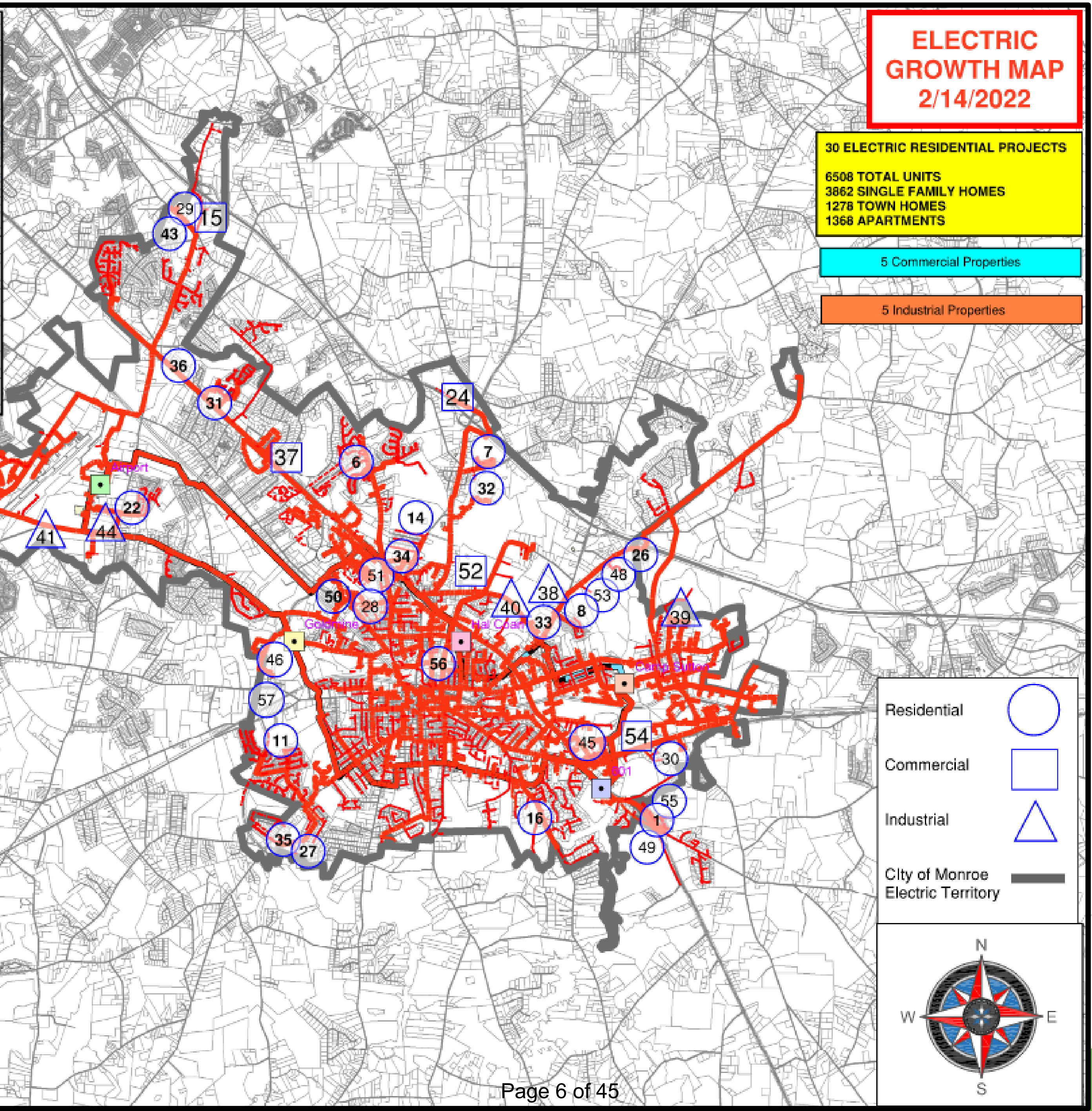
ELECTRIC GROWTH MAP 2/14/2022

30 ELECTRIC RESIDENTIAL PROJECTS

6508 TOTAL UNITS
3862 SINGLE FAMILY HOMES
1278 TOWN HOMES
1368 APARTMENTS

5 Commercial Properties

5 Industrial Properties



Residential Projects

Project #	Name	Location	Circuit ID	kVA Avg Demand Estimate	Type
1	Cottage Green Phase I	1806 Slippery Rock Ln.	a01/13	1459	331 SF
6	Veronica Springs	2815 Secrest Short Cut Rd.	HC/13	1551	280 SF
7	Kellerton Place	503 Deese Rd.	HC/13	1734	98 SF 130 TH
8	Scotch Meadows	2130 Olive Branch Rd.	CS/13	2062	162 SF
11	Secrest Commons	Secondary Road 3814	GM/13	3547	280 SF 192 TH
16	Medlin Forest	1313 Medlin Rd.	a01/13	510	68 SF
27	Waverly	2219 Knollgate Dr.	GM/13	173	23 SF
36	Founders Point	3922 W Roosevelt Blvd.	AP/35	1425	93 SF 89 TH
43	Secrest Landing	5311 Secrest Short Cut Rd.	AP/35	1295	172 TH
32	Wellington	364 Deese Rd (Across from Kellerton Place)	HC/13	2041	272 SF
14	Blue Sky Meadow	2326 Concord Ave.	HC/13	2702	360 SF
22	Innhaven	1410 N Rocky River Rd.	GM/35	278	37 TH
31	Secrest Price	3301 Secrest Price Rd.	AP/35	982	153 AP
33	Morgan Mill Townhomes	1911 Morgan Mill Rd.	CS/13	510	68 SF
34	Peppervine Glen Senior Apts	508 Euclid St	HC/13	462	72 AP
50	Bowman Village	1413 Sparta Dr.	HC/35	462	88 TH
26	Ashton Park/Olive Branch	2606 Olive Branch Rd.	CS/13	675	90 SF
35	Fieldstone	Wesley Hills Trail and Knollgate Dr	GM/13	165	46 SF
56	Piedmont Buggy Works	514 Miller St.	HC/13	360	54 AP
30	Willoughby Park	Hwy 74/E Roosevelt Blvd/Across From Acme Dr	a01/13 or HC/35	630	84 SF
45	Sutton Place	589 Sutton Pl.	HC/35	1047	55 TH
46	Cedar Meadows	640 N Martin Luther King Jr. Blvd.	GM/35	1564	287 SF
48	Monroe Chase	2001 Olive Branch Rd.	CS/13	1801	240 SF
49	Greenway	2020 Fogsland Hwy.	a01/13	5652	389 SF 100 TH
28	Arborwood	322 Patton Ave.	GM/13	911	121 TH
29	Persico-Howey	5303 Secrest Short Cut Rd.	AP/35	2290	79 TH 284 AP
51	Gordon Place	1801 Secrest Short Cut Rd.	GM/13 or HC/13	165	22 SF
53	Scotch Meadows - Phase 2	2546 Olive Branch Rd.	CS/13	5940	467 SF
57	Weddington Village Apartments	SE Corner @ Intersection of Weddington Rd./ ML King Jr. Blvd.	GM/35	1082	156 AP
55	Cottage Green Phase 2	1806 Slippery Rock Ln.	a01/13	2042	272 SF

Commercial & Residential/Commercial Mix

Project #	Name	Location	Circuit ID	kVA Avg Demand Estimate	Type
15	Shepply Property	3626 Lacee Faige Rd.	AP/35	2788	43779 sq ft Hotel, 30000 sq ft Storage, 7068 sq ft Amenity Center, 360 apartment units
24	Ridge at 601	2851 Concord Hwy.	HC/13	4886	48,000 sq ft Grocery, 7,800 sq ft Retail Space, 58,364 sq ft 150-room hotel, 4,177 sq ft convenience store, 3,598 sq ft drive through restaurant, 215 townhome units, 307 apartment units
37	Monroe Commercial Concept/Shops at Windmere	2806 W Highway 74	AP/35	175	2 Medical office spaces 3800 sq ft, 3 retail/office spaces at 1400 sq ft, 1 retail/restaurant 2350 sq ft
52	Shipping Distribution Center	1912 Stafford Street Ext.	HC/13	4185	337,000 square ft.
54	Camp Sutton Commercial Mixed Use	1702 E Roosevelt Blvd.	HC/35 or a01/13	1621	convenience store, 80000 sq ft food/cold storage facility, nursery/landscaping center, RV/boat center, 56000 mixed office/warehouse space

Industrial

Project #	Name	Location	Circuit ID	kVA Avg Demand Estimate	Type
40	IND-City Industrial Park	1540 N Sutherland Ave.	HC/35	14452	assumed 600000 sq ft on North side. Used 73.09 acres on South parcel for kVA estimate
41	IND-County Industrial Park	3680 Goldmine Rd.	AP/35	17571	Total 1418000 building square footage total. Individual industrial sites/types unknown
38	IND-Morgan Mill Business Park	2126 Morgan Mill Rd.	CS/13	3776	39.85 acres total, no business type known
39	IND-Bravo Pl	2843 Bravo Pl.	CS/13	998	80000 sq ft, unknown type
44	JLJ Masonry (Concrete Plant/Office)	3320 Goldmine Rd.	GM/35	108	Concrete Plant/Office

Capital Improvements/New Initiatives Electric Division

- Electric Substation Modernization:
- Our existing electric substations have electromechanical relays that need to be updated to electronic relays. The new relays are more cost effective, more reliable and provide better system protection. This replacement will be done systematically over several fiscal years.
    - Estimated Costs: $160,000
        - Materials/facility (non-personnel): New relay panels with electronic relays
        - Additional Personnel required to implement: None
        - Total Cost to implement first year: $160,000
        - Total Recurring FY24 annual cost: $160,000

Capital Improvements/New Initiatives Electric Division

- Electric Hal Coan Substation Improvements:
- Several circuit breakers at the Hal Coan substation are obsolete and the manufacturer no longer offers replacement parts for them. Replacing these breakers with breakers that are standard in our other electrical substations will make maintenance and repair more cost effective. Additionally, oil containment was not required and was not installed at this substation when it was built. Adding oil containment will provide environmental protection and safeguard against potential liability. Failure to add this oil containment could result in a large environmental clean-up cost should we have an oil leak that contaminates the ground and/or ground water.
  - Estimated Costs: $390,000
    - Materials/facility (non-personnel): New circuit breakers and oil containment
    - Additional Personnel required to implement: None
    - Total Cost to implement first year: $390,000
    - Total Recurring FY24 annual cost: $390,000

Capital Improvements/New Initiatives Electric Division

- Additional Energy Services Facility:
- The existing Energy Services building no longer meets the needs of the department and a new building is needed to supplement the existing facility. The new building will include space for a larger warehouse, offices for purchasing and warehouse employees, electric and gas training rooms, a conference room large enough to hold the entire department and a transformer storage for disposal area. There is a possibility that IT will occupy some space as well.
- Estimated Costs: $1,250,000
  - Materials/facility (non-personnel): $1,250,000
  - Additional Personnel required to implement: None
  - Total Cost to implement first year: $1,250,000
  - Total Recurring annual cost: $75,000 Utilities & Maintenance

Personnel - Electric

- Administrative Assistant II (2 positions):
  - Provide clerical and administrative functions for the Energy Services department.
  - Additional staff is needed to ensure compliance with federal, state and local requirements and to keep up with the increased workload as we increase the number of customers served by the electric and natural gas utilities.
  - Estimated Costs: $158,368
    - Equipment/supplies, etc. (one time, non-personnel): $3,000 x 2 = $6,000
    - Salary/benefits, etc.: $48,526/$27,658 = $76,184 x 2
    - Total Recurring annual salary/benefits: $152,368

Personnel - Electric

- Engineering Technician II (2 positions):
  - Engineering and design of electric and natural gas main and feeders, services and infrastructure for commercial, industrial and residential customers, recordkeeping and GIS mapping.
  - Current staffing levels are not adequate to maintain the existing workload. Additional staff is needed to handle this and the increased work load as we add 8,518 new gas customers and 5,518 new electric customers over the next five years.
  - Estimated Costs: $198,059
    - Equipment/supplies, etc. (one time, non-personnel): $3,850 x 2 = $7,700
    - Salary/benefits, etc.: $62,504/$31,026 = $93,530 x 2
    - Total Recurring annual salary/benefits: $187,060

Personnel - Electric

- Electric Safety & Training Coordinator (1 position):
  - Schedule, coordinate and provide training for electric employees to comply with all federal, state and local requirements.
  - The current work load has made it nearly impossible to coordinate and train employees successfully. The addition of this position will ensure that employees are receiving the required annual training. Annual recurring training is required to provide employees with the skills they need to perform their jobs as safely as possible. This position will allow training of multiple employees from different crews without stopping production in the field. Without this position, meeting the training requirements will cause delays in construction and maintenance on the electric system.
  - Estimated Costs: $176,817
    - Equipment/supplies, etc. (one time, non-personnel): $50,000 Vehicle $4,800 other
    - Salary/benefits, etc.: $85,280/$36,737
    - Total Recurring annual salary/benefits: $122,017

Personnel - Electric

- Journeyman Lineman (3 positions):
  - Perform skilled technical services installing, maintaining and repairing the electric distribution system.
  - Additional staff is needed to maintain the current and increased demand for service with the addition of 5,518 residential customers over the next five years. Hiring additional city staff versus hiring contract labor will save $3.2M over five years.
  - Estimated Costs: $714,104
    - Equipment/supplies, etc. (one time, non-personnel): $350,000 Bucket Truck; $7,160 x 3 = $21,480 other
    - Salary/benefits, etc.: $78,395/$35,813 = $114,208 x 3
    - Total Recurring annual salary/benefits: $342,624

Personnel - Electric

- Line Apprentice (2 positions):
  - Perform semi-skilled technical services in the construction, maintenance and repair of the electric distribution system.
  - Additional staff is needed to maintain the current and increased demand for service with the addition of 5,518 residential customers over the next five years. Hiring additional city staff versus hiring contract labor will save $3.2M over five years.
  - Estimated Costs: $603,454
    - Equipment/supplies, etc. (one time, non-personnel): $400,000 Digger Derrick; $7,535 x 2 = $15,070 other
    - Salary/benefits, etc.: $62,504/$31,688 = $94,192 x 2
    - Total Recurring annual salary/benefits: $188,384

Electric – Personnel Summary

- Total Positions Requested: 10
- Total Initial Cost: $1,850,802
- Annual Recurring Cost: $992,453
- Justification: Our current staff cannot keep up with the demand for new service, maintenance of the system and employee training requirements. The addition of 5,518 electric customers over the next five years will increase the workload significantly. Additional staff is needed to maintain an adequate level of service to our customers and comply with OSHA annual training requirements. The increased residential customer base and increased commercial and industrial loads will provide increased revenue that will offset the additional costs. Without additional city staff, contract labor will need to be employed at a significantly higher cost.

Fiscal Year	FY23	FY24	FY25	FY26	FY27	Total
Annual New Revenue	$4,258,680	$4,938,387	$5,342,632	$6,169,385	$6,626,187	$27,335,271
Personnel Expense	$1,850,802	$992,453	$992,453	$992,453	$992,453	$5,820,614
Difference	**$2,407,878**	**$3,945,934**	**$4,350,179**	**$5,176,932**	**$5,633,734**	**$21,514,657**

Natural Gas Division

Energy Services Department

Capital Improvements/New Initiatives Natural Gas Division

- New Subdivision Construction – Natural Gas:
- There are 1,184 new homes within the gas service territory scheduled for construction during FY23 and another 2,195 planned for FY24.
  - Estimated Costs: $1,000,000
    - Materials/facility (non-personnel): Natural gas mains and services, gas meters, etc.
    - Additional Personnel required to implement: 1 Additional gas crew of 4 Gas Technicians;

    1 Administrative Assistant II; and 1 Engineering Technician
    - Total Cost to implement first year: $1,000,000
    - Total Recurring FY24 annual cost: $1,500,000

NATURAL GAS GROWTH MAP 2/14/2022

VERSION 2022-1

47 NATURAL GAS SUBDIVISIONS

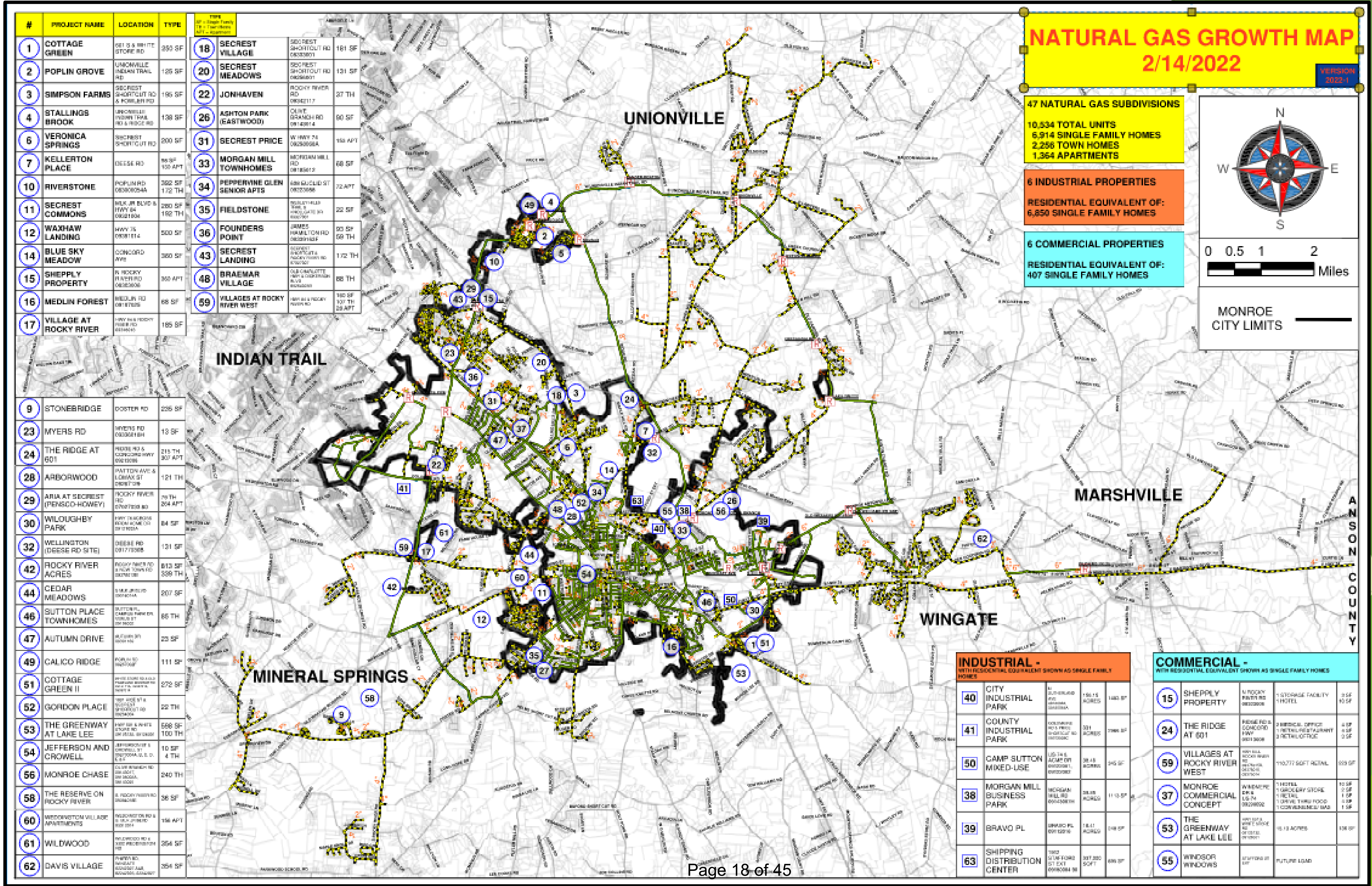
10,534 TOTAL UNITS
6,914 SINGLE FAMILY HOMES
2,256 TOWN HOMES
1,364 APARTMENTS

6 INDUSTRIAL PROPERTIES

RESIDENTIAL EQUIVALENT OF:
6,850 SINGLE FAMILY HOMES

6 COMMERCIAL PROPERTIES

RESIDENTIAL EQUIVALENT OF:
407 SINGLE FAMILY HOMES



TYPE: SF = Single Family, TH = Town Home, APT = Apartment

#	PROJECT NAME	LOCATION	TYPE
1	COTTAGE GREEN	601 S & WHITE STORE RD	350 SF
2	POPLIN GROVE	UNIONVILLE INDIAN TRAIL RD	125 SF
3	SIMPSON FARMS	SECREST SHORTCUT RD & FOWLER RD	195 SF
4	STALLINGS BROOK	UNIONVILLE INDIAN TRAIL RD & RIDGE RD	138 SF
6	VERONICA SPRINGS	SECREST SHORTCUT RD	200 SF
7	KELLERTON PLACE	DEESE RD	56 SF 150 APT
10	RIVERSTONE	POPLIN RD [illegible]	392 SF 172 TH
11	SECREST COMMONS	MLK JR BLVD & HWY 84 [illegible]	280 SF 192 TH
12	WAXHAW LANDING	HWY 75 [illegible]	500 SF
14	BLUE SKY MEADOW	CONCORD AVE	360 SF
15	SHEPPLY PROPERTY	N ROCKY RIVER RD [illegible]	360 APT
16	MEDLIN FOREST	MEDLIN RD [illegible]	68 SF
17	VILLAGE AT ROCKY RIVER	HWY 84 & ROCKY RIVER RD [illegible]	185 SF
18	SECREST VILLAGE	SECREST SHORTCUT RD [illegible]	161 SF
20	SECREST MEADOWS	SECREST SHORTCUT RD [illegible]	131 SF
22	JONHAVEN	ROCKY RIVER RD [illegible]	37 TH
26	ASHTON PARK (EASTWOOD)	OLIVE BRANCH RD [illegible]	90 SF
31	SECREST PRICE	W HWY 74 [illegible]	150 APT
33	MORGAN MILL TOWNHOMES	MORGAN MILL RD [illegible]	68 SF
34	PEPPERVINE GLEN SENIOR APTS	[illegible] EUCLID ST [illegible]	72 APT
35	FIELDSTONE	[illegible]	22 SF
36	FOUNDERS POINT	JAMES HAMILTON RD [illegible]	93 SF 59 TH
43	SECREST LANDING	[illegible]	172 TH
48	BRAEMAR VILLAGE	OLD CHARLOTTE HWY [illegible]	88 TH
59	VILLAGES AT ROCKY RIVER WEST	HWY 84 & ROCKY RIVER RD	180 SF 107 TH 28 APT
9	STONEBRIDGE	DOSTER RD	235 SF
23	MYERS RD	MYERS RD [illegible]	13 SF
24	THE RIDGE AT 601	RIDGE RD & CONCORD HWY [illegible]	215 TH 307 APT
28	ARBORWOOD	PATTON AVE & LOMAX ST [illegible]	121 TH
29	ARIA AT SECREST (PENSCO-HOMEY)	ROCKY RIVER RD [illegible]	79 TH 264 APT
30	WILOUGHBY PARK	[illegible]	84 SF
32	WELLINGTON (DEESE RD SITE)	DEESE RD [illegible]	131 SF
42	ROCKY RIVER ACRES	ROCKY RIVER RD [illegible]	813 SF 339 TH
44	CEDAR MEADOWS	[illegible]	207 SF
46	SUTTON PLACE TOWNHOMES	SUTTON PL [illegible]	85 TH
47	AUTUMN DRIVE	[illegible]	23 SF
49	CALICO RIDGE	[illegible]	111 SF
51	COTTAGE GREEN II	[illegible]	272 SF
52	GORDON PLACE	[illegible]	22 TH
53	THE GREENWAY AT LAKE LEE	HWY 601 & WHITE STORE RD [illegible]	568 SF 100 TH
54	JEFFERSON AND CROWELL	JEFFERSON ST & CROWELL ST [illegible]	10 SF 4 TH
56	MONROE CHASE	OLIVE BRANCH RD [illegible]	240 TH
58	THE RESERVE ON ROCKY RIVER	S. ROCKY RIVER RD [illegible]	36 SF
60	WEDDINGTON VILLAGE APARTMENTS	WEDDINGTON RD & [illegible]	156 APT
61	WILDWOOD	WILDWOOD RD & [illegible]	254 SF
62	DAVIS VILLAGE	[illegible]	254 SF

INDUSTRIAL -

WITH RESIDENTIAL EQUIVALENT SHOWN AS SINGLE FAMILY HOMES

40	CITY INDUSTRIAL PARK	[illegible]	150.15 ACRES	1480 SF
41	COUNTY INDUSTRIAL PARK	[illegible]	331 ACRES	2986 SF
50	CAMP SUTTON MIXED-USE	US 74 & [illegible]	[illegible] ACRES	345 SF
38	MORGAN MILL BUSINESS PARK	MORGAN MILL RD [illegible]	[illegible] ACRES	1113 SF
39	BRAVO PL	BRAVO PL [illegible]	[illegible] ACRES	[illegible] SF
63	SHIPPING DISTRIBUTION CENTER	[illegible] STAFFORD ST EXT [illegible]	337,200 SQFT	[illegible] SF

COMMERCIAL -

WITH RESIDENTIAL EQUIVALENT SHOWN AS SINGLE FAMILY HOMES

15	SHEPPLY PROPERTY	N ROCKY RIVER RD [illegible]	1 STORAGE FACILITY 1 HOTEL	3 SF 10 SF
24	THE RIDGE AT 601	RIDGE RD & CONCORD HWY [illegible]	2 MEDICAL OFFICE 1 RETAIL/RESTAURANT 3 RETAIL/OFFICE	4 SF 4 SF 3 SF
59	VILLAGES AT ROCKY RIVER WEST	[illegible]	110,777 SQFT RETAIL	[illegible] SF
37	MONROE COMMERCIAL CONCEPT	WINDMERE DR & US 74 [illegible]	1 HOTEL 1 GROCERY STORE 1 RETAIL 1 DRIVE THRU FOOD 1 CONVENIENCE/ GAS	10 SF 2 SF 1 SF [illegible] SF 1 SF
53	THE GREENWAY AT LAKE LEE	[illegible]	16.13 ACRES	136 SF
55	WINDSOR WINDOWS	[illegible]	FUTURE LOAD	

Capital Improvements/New Initiatives Natural Gas Division

- Gas System Reinforcements:
- Natural gas pipeline projects to improve natural gas delivery and redundancy, resolve weaknesses in the distribution system related to system pressures and capacity, and improve peak demand functionality of the natural gas system.
  - Estimated Costs: $750,000
    - Materials/facility (non-personnel): Natural Gas pipelines and services
    - Additional Personnel required to implement:
    - Total Cost to implement first year: $750,000
    - Total Recurring FY24 annual cost: $300,000

Capital Improvements/New Initiatives Natural Gas Division

- Gas System Uprate Projects:
- Improve natural gas delivery to industrial areas with increased demand for service in cold weather situations.
  - Estimated Costs: $125,000
    - Materials/facility (non-personnel): Natural gas pipelines and pressurization equipment
    - Additional Personnel required to implement: None
    - Total Cost to implement first year: $125,000
    - Total Recurring FY24 annual cost: $125,000

Capital Improvements/New Initiatives Natural Gas Division

- Industrial Park:
- Materials and labor to install natural gas infrastructure in the new industrial park to serve new customers.
  - Estimated Costs: $125,000
    - Materials/facility (non-personnel): Natural gas main feeder pipelines and service lines, gas meters, etc.
    - Additional Personnel required to implement: None
    - Total Cost to implement first year: $125,000
    - Total Recurring FY24 annual cost: $100,000

Capital Improvements/New Initiatives
Natural Gas Division

- Additional Energy Services Facility:
- The existing Energy Services building no longer meets the needs of the department and a new building is needed to supplement the existing facility. The new building will include space for a larger warehouse, offices for purchasing and warehouse employees, electric and gas training rooms, a conference room large enough to hold the entire department and a transformer storage for disposal area. There is a possibility that IT will occupy some space as well.
- Estimated Costs: $1,250,000
  - Materials/facility (non-personnel): $1,250,000
  - Additional Personnel required to implement: None
  - Total Cost to implement first year: $1,250,000
  - Total Recurring annual cost: $75,000 Utilities & Maintenance

Personnel – Natural Gas

- Natural Gas Operations Superintendent (1 position):
  - Provide highly skilled technical service in the construction, maintenance and repair of the natural gas system and provide field supervision and direction.
  - This position is needed to fill the gap between the Gas System Manager responsibilities and the gas crew leaders. The Gas System Manager's duties do not allow him adequate time for field supervision and instruction over the crew leaders. Adding this position will allow for proper oversight of the crew leaders as well as provide a qualified gas supervisor to ensure compliance with PHMSA requirements.
  - Estimated Costs: $252,657
    - Equipment/supplies, etc. (one time, non-personnel): $85,000 Vehicle; $26,140 Other
    - Salary/benefits, etc.: $101,109/$40,408
    - Total Recurring annual salary/benefits: $141,517

Personnel – Natural Gas

- Natural Gas Safety & Training Coordinator (1 position):
  - Schedule, coordinate and provide training for gas employees to comply with all federal, state and local requirements.
  - The current work load has made it nearly impossible to coordinate and train employees successfully. The addition of this position will ensure that employees are receiving the recurring annual training required for gas pipeline workers. Annual recurring training is required and provides employees with the skills they need to do their jobs as safely as possible. This position will allow training of multiple employees from different crews without stopping production in the field. Without this position, meeting the training requirements will cause delays in construction and maintenance on the natural gas system.
  - Estimated Costs: $176,586
    - Equipment/supplies, etc. (one time, non-personnel): $50,000 Vehicle; $12,890 Other
    - Salary/benefits, etc.: $78,395/$35,301
    - Total Recurring annual salary/benefits: $113,696

Personnel – Natural Gas

- Energy Services Utility Locator (1 position):
  - Locate underground electric, gas and fiber optic lines to prevent accidental damage.
  - Our current staff cannot meet the demand of annual locate requests and the additional customers and construction activities will increase this demand. An additional locator is needed to ensure we are able to maintain an adequate level of service. The energy services utility locators locate underground electric, gas and fiber optic lines, including the 43-mile natural gas transmission pipeline that runs from Monroe to Mooresville, to prevent outside party damage . Additionally, our locators serve as on-site inspectors for all construction activity within close proximity to our high pressure gas lines.
  - Estimated Costs: $144,565
    - Equipment/supplies, etc. (one time, non-personnel): $45,000 Vehicle; $13,340 Other
    - Salary/benefits, etc.: $55,806/$30,419
    - Total Recurring annual salary/benefits: $86,225

Personnel – Natural Gas

- Gas Technicians (4 positions):
- Provide skilled technical services in the construction, maintenance and repair of the natural gas system.
- Our current staff is overloaded and cannot keep up with the demand for new service, maintenance of the system and training requirements. The addition of 8,518 gas customers over the next few years will increase the workload. Additional staff is needed to maintain an adequate level of service. The increased customer base will provide increased revenues that will offset the costs.
- Estimated Costs: $435,352
    - Equipment/supplies, etc. (one time, non-personnel): $45,000 Vehicle; $2,580 x 4 = $13,340 Other
    - Salary/benefits, etc.: $62,500/$31,753 = 94,253 x 4
    - Total Recurring annual salary/benefits: $377,012

Natural Gas– Personnel Summary

- Total Positions Requested: 7
- Total Initial Cost: $1,009,160
- Annual Recurring Cost: $718,450
- Justification: Our current staff cannot keep up with the demand for service, the maintenance of the system and the training requirements. The addition of 8,518 natural gas customers over the next five years will increase the workload. Additional staff is needed to maintain an adequate level of service to our customers. The increased customer base will provide increased revenues that will offset the costs. Without additional city staff, maintaining compliance with PHMSA standards will result in delays in construction and maintenance of the gas system.

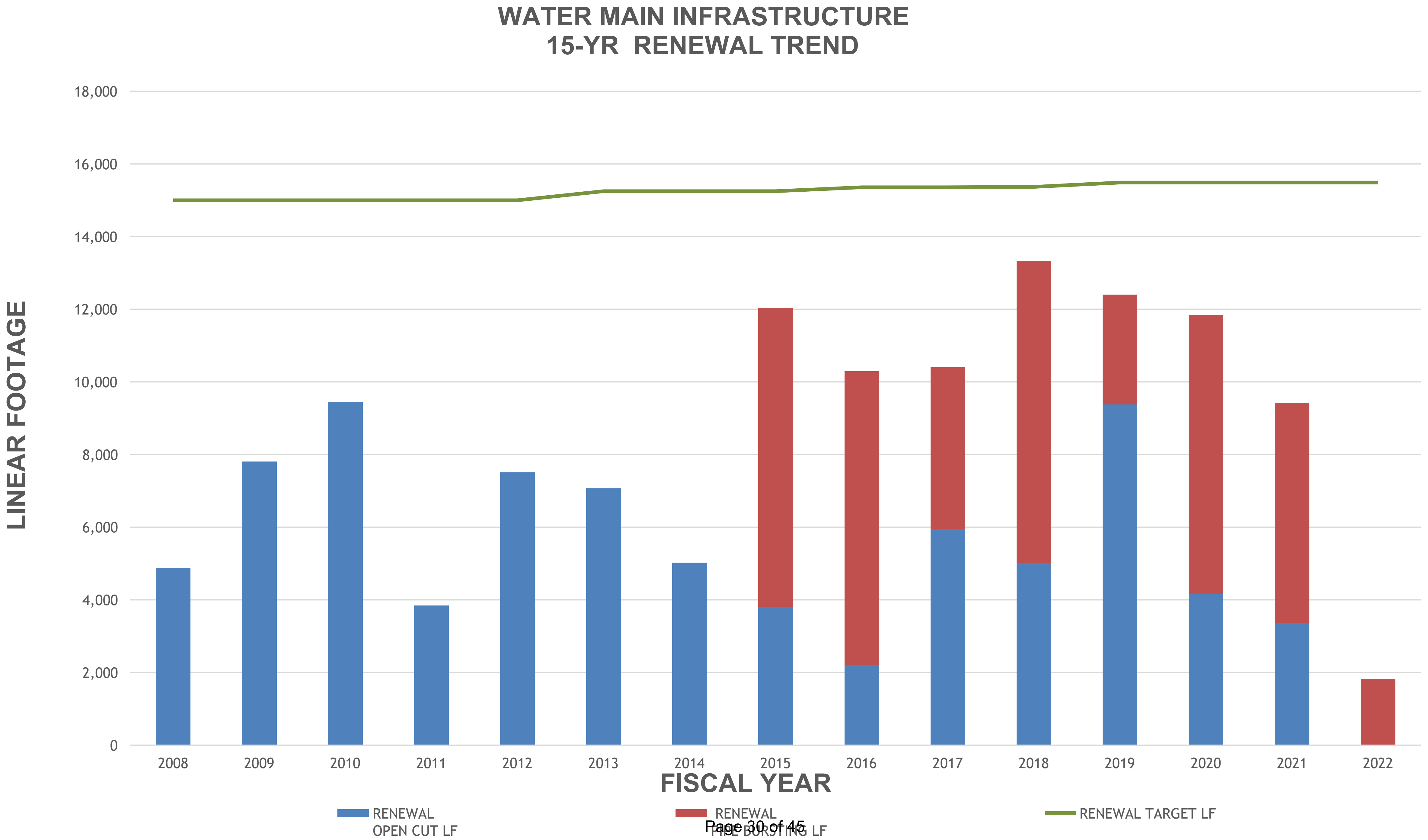
Fiscal Year	FY23	FY24	FY25	FY26	FY27	Total
Annual New Revenue	$1,937,446	$2,356,707	$1,672,786	$1,452,856	$988,299	$8,408,094
Personnel Expense	$1,009,160	$718,450	$718,450	$718,450	$718,450	$3,882,960
Difference	**$928,286**	**$1,638,257**	**$954,336**	**$734,406**	**$269,849**	**$4,525,134**

FY 2023 Departmental Budget Discussion

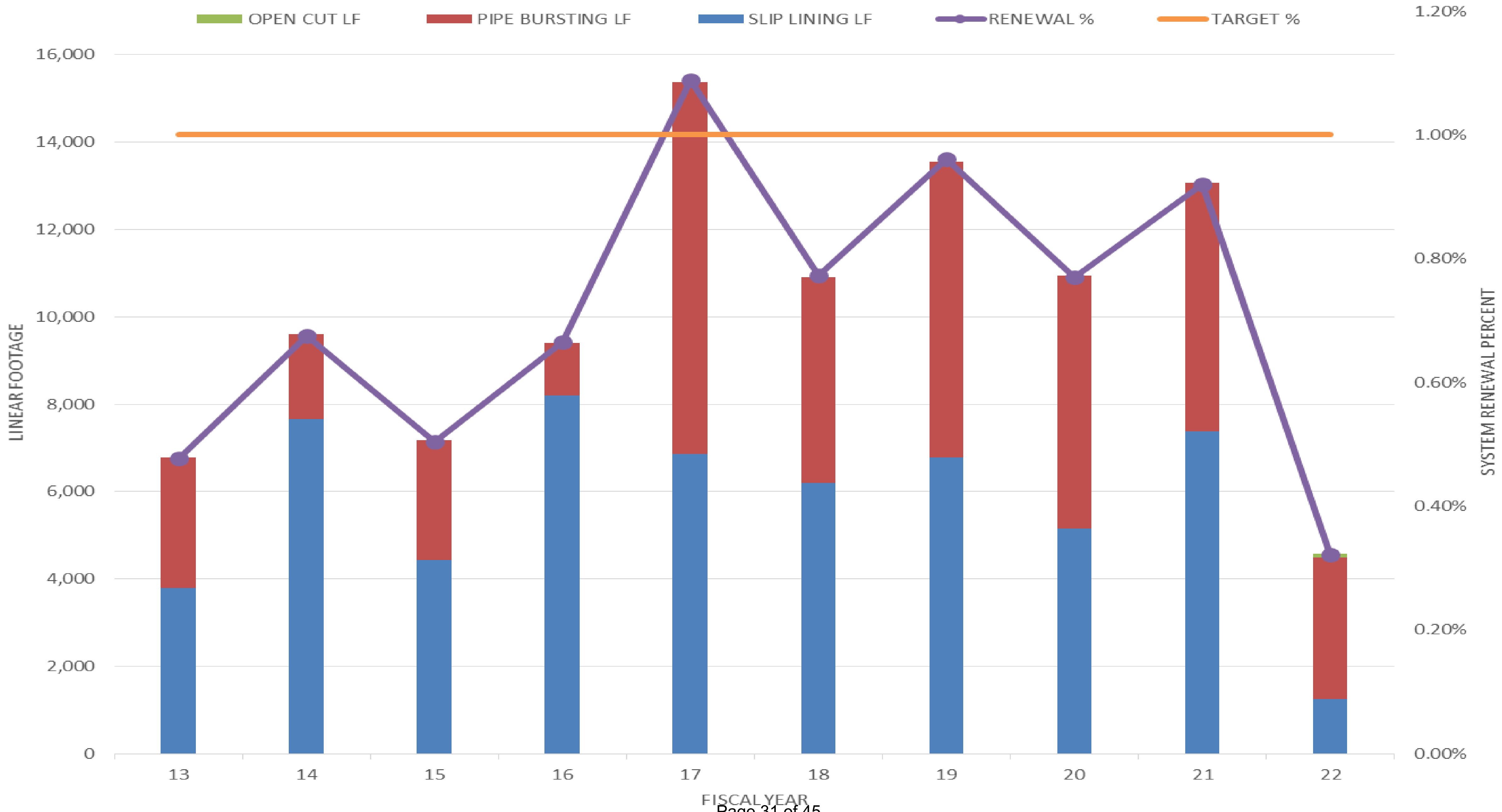
Water Resources Department
Russell Colbath PE,
Director of Water Resources

Base Budget

- Focus areas of Base Budget:
  - Infrastructure renewal – horizontal water/sewer asset management
    - Goal = Replace 1% of water/sewer system pipe per year (100 year useful life)
    - Current funding = $1.4 million per year
    - FY23 = $100,000 increase (Spilt across 8020 and 8025 Division cost centers)
  - Vehicle and equipment replacements
    - Estimated Costs: $537,500 across 5 Divisions
    - Largely garage supported items
  - Interest/Risk:
    - Potential regulatory compliance failure
    - Delay in customer service and emergency response
    - Ultimately infrastructure failure and loss of service


WATER MAIN INFRASTRUCTURE
15-YR RENEWAL TREND
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
LINEAR FOOTAGE
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
FISCAL YEAR
RENEWAL OPEN CUT LF
RENEWAL PIPE BURSTING LF
RENEWAL TARGET LF

SEWER INFRASTRUCTURE RENEWAL



Personnel

- Position(s)
  - Requesting (2 positions), entry level Equipment Operator 1's in WR Maintenance Division
  - We have not added personnel in this Division since 2005.
  - Drivers = Account and customer growth, infrastructure replacement not at a sustainable level, important work needs not being met.
  - Consequences/Risk
    - Potential regulatory compliance failure
    - Delay in customer service and emergency response
    - Ultimately infrastructure failure and loss of service
  - Estimated Costs:
    - Equipment/supplies, etc. (one time, non-personnel): Add to existing crews, cots are minor
    - Salary/benefits = $124,259 (total for both positions)
    - Total recurring annual salary/benefits: $124,259, plus any merit and COLA increases

Capital Improvements/New Initiatives

- Project/Strategic initiatives (greater than $100,000)

WTP 500 kW generator with electrical	$ 250,000	(Risk and Resiliency Study)
Hwy 601/Roosevelt Blvd interchange improvements (75% NCDOT pay)	$ 275,000	
North Charlotte/MLK intersection improvements (75% NCDOT pay)	$ 375,000	
WTP basin #2 coating	$ 700,000	
UIT Sewer pump Sta. force main upgrade	$ 1,425,000	
Replace Nelson Hts. w/1.5 MG tank	$ 3,250,000	(Risk and Resiliency Study)
WWTP expansion design/permitting	$ 4,000,000	
(3-Year process, complete FY26) Total	$10,275,000	

Water/Sewer Rates

Where does Monroe stand?

Water/Sewer Rates

- 2021 NCLM Rates Benchmark Survey, 485 NC utilities, typical residential customer, Monroe compares very favorably!
  - Water 76th lowest out of 485 utilities (16th percentile)
  - Sewer 102nd lowest out of 411 utilities (25th percentile)

- Success of City's uniform annual rate increase strategy for past 10 years
  - Raise rates annually to meet current and future needs
  - Avoid rate shock and industry impacts
  - End of FY22, significant Undesignated Cash Balance ($41.6 million +/-)
  - Supports CIP and allows cash funding of expensive capital projects

Water/Sewer Rates (cont.)

- FY 23 Recommendation – Continue practice of uniform annual increases
  - Water and Sewer rate increase 3.5%
    - Typical residential bill increase = Water $0.94 per month, Sewer = $1.34 per month
    - Top 10 commercial/industrial customers get advanced notice
  - Adjust non-construction fees by CPI 10 year average = 2.32%
  - Adjust construction related fees by CCI 10 year average = 2.68%

Wastewater Capacity Update

WWTP permitted capacity (Annual average day basis)	10.4 MGD
2021 Average day flow *Severe drought influence	6.2 MGD*
UC Contract (unused)	0.5 MGD
Wet weather contingency	1.0 MGD
On-Paper permitted commitments	0.8 MGD
Available for zoning commitments and new economic development projects	1.9 MGD

Note: Planned WWTP 3.0 MGD expansion on-line FY29

Wastewater Capacity Update (cont.)

Capacity Use Strategy –Follow-up to Council presentation February 2021

Coordination with Planning and Economic Development

- Maximize property tax and utility revenue growth
- Balance residential and commercial/industrial

Residential Growth

- Promote new annexations and quality development
- Meet all on-paper commitments
- Forecast up to 500 new homes per year (average)
- Total 1.1 MGD needed over 7 years

Commercial/Industrial

- Continue to attract quality projects
- 0.8 MGD available, support new commitments,
  average of 115,000 gal/day, each year, until FY29

Closing Remarks

Questions/Discussion

FY 2023 Departmental Budget Discussion

Legislative Department

Base Budget

- Council Discretionary Budget (Account #1101010-468080):
  - City Council Discretionary Funds and Purchasing Policy GA-15
    - Mayor $3,000 per Fiscal Year
    - Mayor Pro Tem $3,000 per Fiscal Year
    - Council Member $3,000 per Fiscal Year

Base Budget

- Council Travel Budget (Account #1101010-458020):
  - Travel Policy for Elected Officials GA-02
    - Mayor $5,000 per Fiscal Year
    - Mayor Pro Tem $5,000 per Fiscal Year
    - Council Member $5,000 per Fiscal Year
  - No transfers are permitted to change this allocation unless approved by Council. (This includes between Council Members and from Discretionary Funds.)

Base Budget

- Council Youth Council Budget (Account #1101010-468070):
  - Budgeted at $42,000
  - Includes 2 trips and other meeting and event expenses

City Council

- Wage:
  - Median Family Income (MFI)is prepared by the U.S. Census Bureau and used by the Department of Housing and Urban Development. The Council's pay adjustments are linked to this index.
  - Need: Council wages are based on a specified percentage amount of the MFI. The percentage will vary depending on the position held by the member of Council. The percentage for the Major will be the highest, followed by the Major Pro Tem and then by a Councilmember. The MFI is prepared annually and Council wages will self -adjust annually with changes to the MFI index, as long as the MFI increases.
  - Estimated Costs:
    - FY22 Wages: Mayor – $15,210.24; Mayor Pro Tem – $14,611.56; Council – $12,525.00
    - FY23 Wages: Mayor – $15,337.87; Mayor Pro Tem – $14,734.16; Council – $12,629.13
    - Total annualized wage increase: $770.83

City Council

- Stipends (per month):
  - Cell Phone Allowance:
    - Mayor $125
    - Mayor Pro Tem $125
    - Council Member $100
  - Health Insurance Benefits – Benefit is equal to that of a full-time employee
  - Internet Stipend:
    - Mayor $45
    - Mayor Pro Tem $45
    - Council Member $45
  - Office Expenses:
    - Mayor $50
    - Mayor Pro Tem $50
    - Council Member $50
  - Travel (in Union County):
    - Mayor $400
    - Mayor Pro Tem $350
    - Council Member $300