

CITY COUNCIL STRATEGIC PLANNING MEETING
300 WEST CROWELL STREET
MONROE, NORTH CAROLINA 28112
FEBRUARY 13, 2024– 4:00 P.M.
AGENDA
www.monroenc.org

1. Health Plan and Cafeteria Plan for Fiscal Year 2024-2025
 - A. Renewal Expectations/Options of Health Plan and Cafeteria Plan
 - B. Tucker Administrators to Administer Health Plan and Cafeteria Plan
 - C. City Manager to Execute Documents
2. Debt Affordability Presentation
3. Fiscal Year 2025 Budget Departmental Discussions
 - A. Human Resources
 - B. Parks and Recreation
 - C. Engineering
 - D. Planning and Development

- **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.

STAFF REPORT

TO: Mayor and City Council

VIA: Mark Watson, City Manager

DATE: February 13, 2024

FROM: Debra Chestnut Reed, Human Resources Director

PREPARED BY: Debra Chestnut Reed, Human Resources Director

SUBJECT: FY 2024-2025 Renewal Expectations, Executive Summary for the Wellness Program, Authorization for Tucker Administrators to Administer Health and Cafeteria Plans, and Authorization for City Manager to Execute Necessary Documents.

SUMMARY STATEMENT

City Council is requested to review the FY 2024-2025 renewal expectations and listen to presentation of the Executive Summary for the Wellness Program by the Piedmont Pharmaceutical Care Network team.

REVIEW

City Council is requested to review the FY 2024-2025 renewal expectations, which includes 3% increase for the city with the employee's cost remaining the same, claims funding, administrative expenses, stop loss insurance, clinic costs, wellness program, risk assessment, and other cost associated with the operation of the City's plan.

RECOMMENDATION

The City Manager is recommending Council approve the FY 2024-2025 renewal expectations. It is also requested that the City Manager be authorized to execute the necessary documents.

Attachments: Mark III – Medical Plan Update
Piedmont Pharmaceutical Care
Network



MEDICAL PLAN UPDATE

Plan Performance, 2024 – 2025 Renewal Expectation, and Wellness



February 13, 2024



History:

- ✓ The Plan has been bid multiple times and as recently the 2021 – 2022 Plan Year.

Medical Administration
Pharmacy Administration
Network Value
Stop Loss Contract
Service
Administrative Flexibility

- ✓ The level of service employee satisfaction is high.



History:

- ✓ The Plan has consistently stayed within budget.
- ✓ In the current year, since 2018 – 2019, Plan trend is only 1% per year.
- ✓ Primary Plan cost drivers are:
 - Oncology
 - Specialty Pharmacy
 - Diabetes
 - Obesity
- ✓ There are Wellness Programs that provide opportunity.



2022 – 2023 Plan Experience

PPO													
Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub	Stop-loss	Credits	Other	Net Costs	Position	Net
July-23	551	\$385,376.83	\$35,470.73	\$63,637.23	\$0.00	\$484,484.79	\$879.28				\$23,192.08		\$23,192.08
August-23	514	\$357,483.53	\$38,444.87	\$297,074.64	\$132.49	\$693,135.53	\$1,348.51				\$23,192.08		\$23,192.08
September-23	517	\$425,590.70	\$37,061.31	\$112,692.94	\$96.95	\$575,441.90	\$1,113.04				\$23,192.08		\$23,192.08
October-23	510	\$626,872.06	\$45,709.43	\$101,246.03	\$127.51	\$773,955.03	\$1,517.56				\$23,192.08		\$23,192.08
November-23	533	\$328,635.59	\$35,978.55	\$810.91	\$213.00	\$365,638.05	\$686.00				\$23,192.08		\$23,192.08
December-23	532	\$610,286.30	\$21,514.72	\$104,937.27	\$294.06	\$737,032.35	\$1,385.40				\$23,192.08		\$23,192.08
January-24													
February-24													
March-24													
April-24													
May-24													
June-24													
Total	3,157	\$2,734,245.01	\$214,179.61	\$680,399.02	\$864.01	\$3,629,687.65	\$1,149.73				\$139,152.48		\$139,152.48
HSA													
Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub	Total Cost	Credits	Stop-loss	Other	Net Costs	Position
July-23	31	\$1,315.18	\$269.00	\$247.00	\$0.00	\$1,831.18	\$59.07	\$1,831.18	\$0.00	\$0.00	\$1,831.18		\$3,768.68
August-23	31	\$4,878.11	\$534.16	\$977.00	\$0.00	\$6,389.27	\$206.11	\$6,389.27	\$0.00	\$0.00	\$6,389.27		\$8,326.77
September-23	28	\$3,548.92	\$374.92	\$496.00	\$0.00	\$4,419.84	\$157.85	\$4,419.84	\$0.00	\$0.00	\$4,419.84		\$6,169.84
October-23	30	\$11,616.57	\$124.91	\$3,526.20	\$0.00	\$15,267.68	\$508.92	\$15,267.68	\$0.00	\$0.00	\$15,267.68		\$17,142.68
November-23	29	\$887.28	\$259.81	\$1,340.40	\$0.00	\$2,487.49	\$85.78	\$2,487.49	\$0.00	\$0.00	\$2,487.49		\$4,299.99
December-23	29	\$4,956.36	\$710.23	\$853.00	\$1.00	\$6,520.59	\$224.85	\$6,520.59	\$0.00	\$0.00	\$6,520.59		\$8,333.09
January-24													
February-24													
March-24													
April-24													
May-24													
June-24													
Total	178	\$27,202.42	\$2,273.03	\$7,439.60	\$1.00	\$36,916.05	\$207.39	\$36,916.05	\$0.00	\$0.00	\$36,916.05		\$48,041.05
Combined													
Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub	Total Cost	Credits	Stop-loss	Other	Net Costs	Position
July-23	582	\$386,692.01	\$35,739.73	\$63,884.23	\$0.00	\$486,315.97	\$835.59	\$686,093.00	\$0.00	\$0.00	\$686,093.00		\$711,222.58
August-23	545	\$362,361.64	\$38,979.03	\$298,051.64	\$132.49	\$669,524.80	\$1,283.53	\$899,893.40	\$0.00	\$0.00	\$899,893.40		\$925,022.98
September-23	545	\$429,139.62	\$37,436.23	\$113,188.94	\$96.95	\$579,861.74	\$1,063.97	\$777,261.50	\$0.00	\$174,246.00	\$603,015.50		\$627,957.58
October-23	540	\$638,488.63	\$45,834.34	\$104,772.23	\$127.51	\$789,222.71	\$1,461.52	\$982,717.52	\$0.00	\$3,176.29	\$979,541.23		\$1,004,608.31
November-23	562	\$329,522.87	\$36,238.36	\$2,151.31	\$213.00	\$368,125.54	\$655.03	\$562,312.79	\$0.00	\$502,213.68	\$527,218.26		\$527,218.26
December-23	561	\$615,242.66	\$22,224.95	\$105,790.27	\$295.06	\$743,552.94	\$1,325.41	\$946,548.99	\$0.00	\$888,068.15	\$913,072.73		\$913,072.73
January-24													
February-24													
March-24													
April-24													
May-24													
June-24													
Total	3,335	\$2,761,447.43	\$216,452.64	\$687,838.62	\$865.01	\$3,666,603.70	\$1,099.43	\$4,854,827.20	\$121,756.24	\$174,246.00	\$4,558,824.96		\$4,709,102.44
			Rx/Sub/Mth	\$206.25		Change	73.28%	11.68%	\$52.25		\$1,696,421.16		\$1,696,421.16
				58.56%		Trend since	18.19	105.60%					



2024 – 2025 Plan Year:

- ✓ For 2024 – 2025, the City is in a solid budgeting position.
- ✓ The overall Plan stability in the past 5 years has been
- ✓ A small 3% funding increase is recommended to account for unexpected.
- ✓ The 2023 – 2024 Plan performance affords the City the opportunity to enhance an already robust wellness program with onsite management.



Wellness



Health status is well documented as having a significant affect on claims.

Conditions such as:

- ✓ Diabetes
- ✓ Obesity
- ✓ High Blood Pressure
- ✓ Cholesterol

Are significant and impactable claims drivers.

Mark III has been in the business of improving the lives of our customers for over 30 years, working to lead our customers and their employees to a better place.



Current City Wellness



City of Monroe Wellness Program Personal Biometric Incentive Report



Risk Factor	Points Allocation	2022 Result	2022 Points	2023 Result	2023 Points
Blood Pressure	Maximum of 20 points: • If BP is < 120 and/or <80: 20 points. • If BP is 120-129 and/or 80-84: 15 points. • If BP is 130-139 and/or 85-89: 10 points. • If BP is 140-159 and/or 90-99: 5 points. • If BP is $\geq$ 160 and/or $\geq$ 100: 0 points.	118/66	20	118/68	20
Body Mass Index (BMI)	BMI/Waist Circumference accounts for a maximum of 22 points. (only qualify for maximum points from one category): • If BMI is 18.5-24.9: 22 points. • If BMI is 25.0-26.9: 15 points. • If BMI is 27-29.9: 10 points. • If BMI is 30.0-34.9: 5 points. • If BMI is $\geq$ 35: 0 points.	28.4	22	28.0	22
OR Waist Circumference	Female • If waist is <35: 22 points. • If waist is $\geq$ 35: 0 points. Male • If waist is <40: 22 points. • If waist is $\geq$ 40: 0 points.	37		39	
Total Cholesterol	Total cholesterol accounts for 3 points. • If total cholesterol is $\leq$ 200: 3 points. • If total cholesterol is > 200: 0 points.	218	0	210	0
High Density Lipoprotein (HDL)	HDL cholesterol accounts for 3 points. • If HDL cholesterol is $\geq$ 40: 3 points. • If HDL cholesterol is < 40: 0 points.	89	3	85	3
Low Density Lipoprotein (LDL)	LDL cholesterol accounts for 3 points. • If LDL cholesterol is < 130: 3 points. • If LDL cholesterol is $\geq$ 130: 0 points.	119	3	116	3
HDL Ratio	HDL ratio accounts for 4 points. • If ratio is $\leq$ 5.5: 4 points. • If ratio is > 5.5: 0 points.	2.4	4	2.5	4
Triglycerides	Triglycerides account for 5 points. • If triglycerides are < 150: 5 points. • If triglycerides are 150-200: 3 points. • If triglycerides are > 200: 0 points.	57	5	51	5



Current City Wellness



City of Monroe Wellness Program Personal Biometric Incentive Report



Risk Factor	Points Allocation	2022 Result	2022 Points	2023 Result	2023 Points
Glucose OR Hemoglobin A1C	Glucose/A1C accounts for a maximum of 20 points. (only qualify for maximum points from one category): Blood Glucose - If glucose is < 100: 20 points. - If glucose is 100 – 109: 15 points. - If glucose is 110-118: 10 points. - If glucose is 119-125: 5 points. - If glucose is > 125: 0 points.	93		103	
	Hemoglobin A1C - If A1c is ≤ 6.0: 20 points. - If A1c is 6.1-6.4: 10 points. - If A1c is ≥ 6.5: 0 points.	5.3	20	5.2	20
Cotinine (Nicotine)	Nicotine accounts for 20 points. - If nicotine is Negative: 20 points. - If nicotine is Positive: 0 points.	Negative	20	Negative	20
Total Points			97		97

Incentive with your Premium: Earned incentive by achieving score of 70 or higher

Weight/Waist:

Risk Factor	2022 Result	2023 Result	% of Change from 2022 to 2023
Weight	233	230	-1.29%
Waist Circumference	37	39	5.41%

Confidential and Proprietary



Wellness Results

Diabetes - HealthMapRx™

Engagement includes:

- **Free diabetic medications and supplies for compliant patients.**
- Economic incentives for compliance. These incentives are in the form of a gift card.
- Optimization of drug therapy, including adherence
- Assessment and improvement of participant knowledge and self-care skills
- Addressing non-drug considerations such as nutrition, exercise, and life-style improvements
- Coordination and compliance with regular medical care
- Management of “care gaps” vs. evidence-based benchmarks
- Establish on ongoing revision of personal goals relevant to health risk priorities
- Motivation and support for achievement of goals
- Accountability for participants and mentors in adhering to program protocols and requirements
- Weight management and ongoing revision of nutrition goals



Wellness Results

Diabetes - HealthMapRx™

- **Participants:**

- City of Gastonia
- City of Hendersonville
- City of Rocky Mount
- City of Salisbury
- City of Sanford
- City of Shelby
- Cleveland County
- Edgecombe County
- Granville County

- Halifax County
- Lincoln County
- Person County
- Prince George County
- Randolph County
- Robeson County
- Rowan County
- Vance County
- Wayne County



Wellness Results

Diabetes - HealthMapRx™

Engagement includes:

- HealthMapRx is a Diabetes Management strategy that has proven success across our customer base.
- There is a real opportunity to positively impact your employee population by re-engaging.
- Below is an example.
- <https://bcove.video/3GrRIg9>



Confidential and Proprietary

11



Wellness Results

Diabetes - HealthMapRx™ Parts. vs. Non-Parts. (PMPY): Self-Funded Customers

Customers	Start Date	Claimants	Enrollment	Enrollment (%)
City of Gastonia	7/1/2019	137	76	55%
City of Rocky Mount	7/1/2007	164	108	66%
City of Salisbury	5/1/2018	60	30	50%
City of Sanford	7/1/2017	51	22	43%
Cleveland County	7/1/2017	135	91	67%
Edgecombe County	7/1/2018	108	45	42%
Halifax County	2/1/2019	99	53	54%
Haywood County	3/1/2020	67	40	60%
Person County	10/1/2021	68	21	31%
Prince George County	7/1/2020	49	18	37%
Robeson County	2/1/2019	221	159	72%
Rowan County	7/1/2018	169	83	49%
Vaya Health	7/1/2019	85	46	54%
Wayne County	7/1/2019	141	59	42%
Average		1554	851	55%



Wellness Results

Diabetes- HealthMap_{Rx} Clinical vs. Industry

Clinical Goals (n=851)	2023	2022	2021	Visit #1	Industry Standard*
Blood Pressure (<140/90)	89%	87%	84%	79%	50.6%
Cholesterol (LDL) (< 100)	71%	65%	64%	60%	
Blood Glucose (A1C) (< 7%)	59%	58%	49%	44%	34.9%
Blood Glucose (A1C) (< 8%)	80%	81%	75%	68%	49.9%
Blood Glucose (A1C) (> 9%)	9%	8%	10%	19%	42.5%



Wellness Results

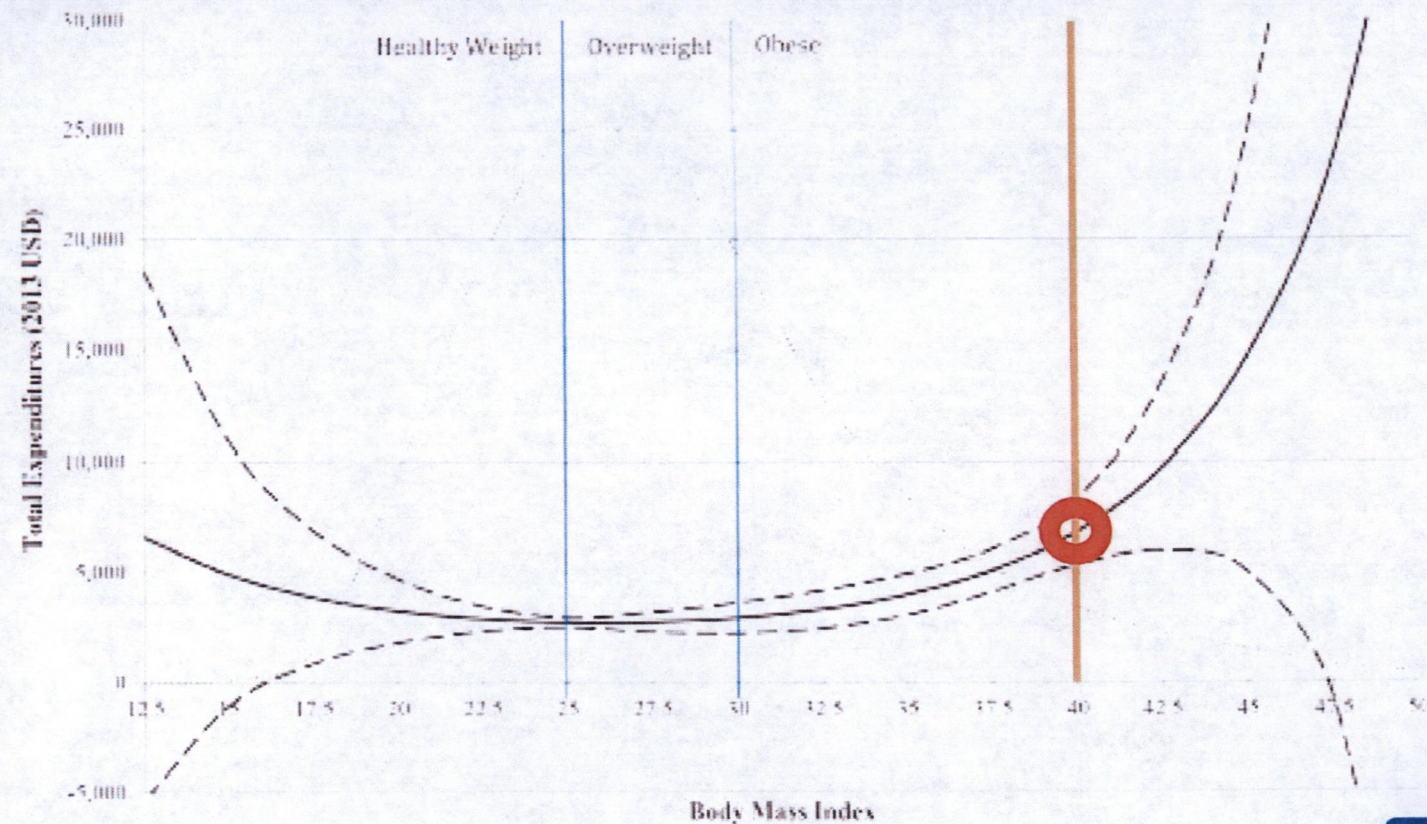


Diabetes - HealthMapRx™ Parts. vs. Non-Parts. (PMPY): 10 Self-Funded Customers

10-Customers		2023		
	Total	Medical	Rx	Total
HMPR_x Avg	462	\$7,098	\$10,871	\$17,987
Non-HMPR_x Avg	495	\$13,326	\$8,154	\$21,480
Differential				\$3,493
NC ESI Avg*				\$20,114



Wellness - +40 BMI



Biener A, Cawley J, Meyerhoefer C.
J Gen Intern Med 32(Suppl 1):S6–
S8 DOI: 10.1007/s11606-016-3968-
8.

HMPR_x

Medical Weight Management Program Criteria



- BMI ≥ 40 – Grade 3 Overweight
- Members without a diagnosis of diabetes
- 18 years of age or older
- 12-month commitment
- If engaged, **Wegovy (and other medications – not for diabetes)** available as a tool for weight loss.
- Other incentives available



Wellness Results



8-Customer Biometric Avg. Results (n=4737)

	BMI (≥ 40)	BMI	Weight	Waist	A1c
County: 5 City: 3	14.2%	45.6	290.1	48.0	6.1

HMP_{Rx}

Medical Weight Management Program Criteria



Pharmacist Care Manager Visits

- 4 visits/year
- Virtual/Telephonic communication between visits (weekly survey trigger for additional interventions)
- Depression Screening (baseline, 12-months)

Virtual Group Support Sessions

- Presented by Health Coach
- Focused Education Topics each session
- Monthly sessions:
 - Months 1-6
 - Month 8
 - Month 10

Weekly Survey Check-Ins

- Delivered via email or text
- Provides individualized support to participants
- Screens for behavioral health and weekly challenges

Digital Scale* Monitoring

- Weekly Weigh-ins
- Health Portal Monitoring
- App with Bluetooth Technology
- *device is optional

HMP_R_x

Cleveland County – MWM



Start Date	Enrollment	Gender	Avg Age	Engagement %
08/01/21	40	30 (F), 10 (M)	49	51% (40/78)

Chronic Conditions (Avg: 5 Conditions)	Parts. (%)
Hypertension	68%
Pre-Diabetes	55%
Anxiety & Depression	43%
Hyperlipidemia	25%



HMPR_x**Medical Weight Management Program – 2 Years**

Rx Yr. 1 & Yr. 2*	N=	Baseline	Year 1	Year 2	Change	Total Change	Cont. Yr. 2	Part %
Weight	23	271.4	244.6	228.7	-42.7	-982.1	100%	70%
A1c	23	5.7	5.4	5.2	-0.5			
Rx Yr. 1, Not Yr. 2								
Weight	7	267.2	239.5	245.8	-21.4	-149.8	43%	51%
A1c	7	5.8	5.6	5.6	-0.2			
< 3 Rx fills, 2 Yrs.								
Weight	6	307.4	293.0	311.1	+3.7	+22.2	50%	46%
A1c	6	5.5	5.6	5.7	+0.2			

**HMPR_x**

Medical Weight Management Customers



- Caldwell County
- Cleveland County
- Durham Public Schools
- Edgecombe County
- Granville County
- Harnett County
- Haywood County
- Hertford County
- Nash County
- Person County
- Rowan County
- Wayne County

Medical Weight Management **HMPR_x** Financial Trending: **HMPR_x** vs. Non-**HMPR_x** Program (PMPY)



		2021 - 2022			2022 - 2023		
	Total	Medical	Rx	Total	Medical	Rx	Total
HMPR_x	23	\$5,727	\$12,768	\$18,495	\$6,662	\$13,401	\$20,063
Non- HMPR_x	10	\$44,424	\$4,105	\$48,529	\$27,640	\$3,449	\$31,089

HMPR_x

Four did not participate in 2023 Biometric Screening

Two Termed: Incomplete Data

Non-**HMPR_x**

Seven Termed: Incomplete data

Ten enrolled in Medical Weight Management Program in 2022





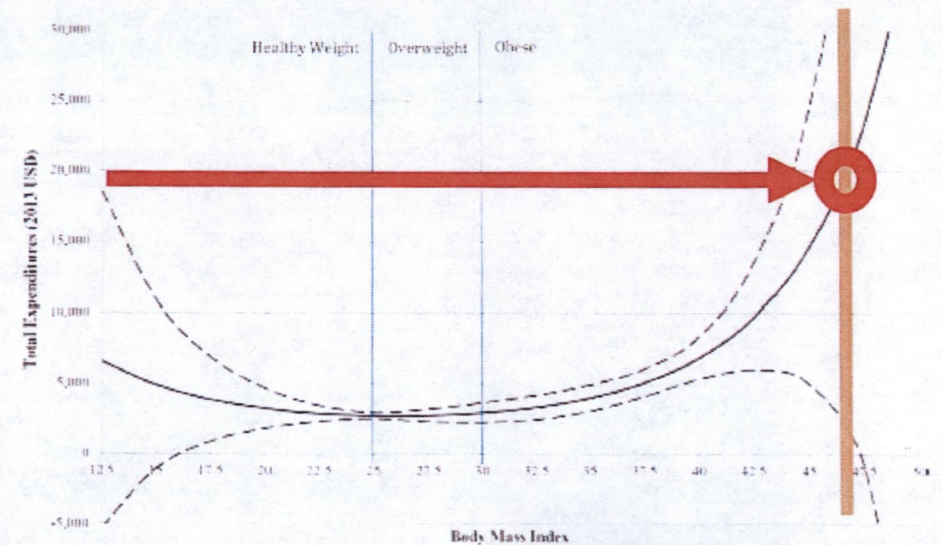
Non-HMP_{Rx} Participant – Medical Plan Cost



Cost >20k: 22% (6/27)

Conditions Increasing Spend

- Coronavirus (COVID-19) (ICU)
- Lap Gastric Bypass/Roux-En-Y
- Fatty Liver Disease
- Pulmonary Embolism
- **Diagnosis of Diabetes: 22%**





	2024
	HSA Contribution Limits
Single	\$4,150
Family	\$8,300
Catch Up	\$1,000
	HDHP Minimum Deductibles
Single	\$1,600
Family	\$3,200
	HDHP Maximum OOP Max's
Single	\$8,050
Family	\$16,100



Piedmont Pharmaceutical Care Network, LLC (PPCN)

- **PPCN** is an independent third-party contractor providing care management services since the early 2000s.
- **Services**
 - Chronic Condition Management (HealthMapRx™)
 - Biometric Screening Coordination
 - Group Health Education
 - Health Coaching
 - Pharmacy Claims Review



336.899.8475
ppcn.org

City of Monroe Annual Participation

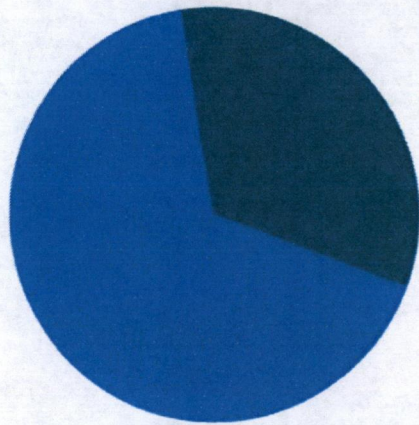


Participation in the City of Monroe wellness program is voluntary,
and biometric screening results are confidential.



336.899.8475
ppcn.org

2023 Screening Demographics



Number of Males: 368
Number of Females: 185
Percentage of Males: 66.5
Percentage of Females: 33.5

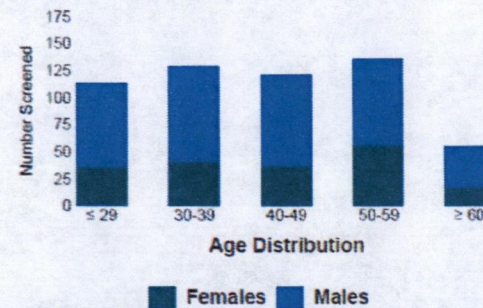
■ % Screened Male ■ % Screened Female



336.899.8475
ppcn.org

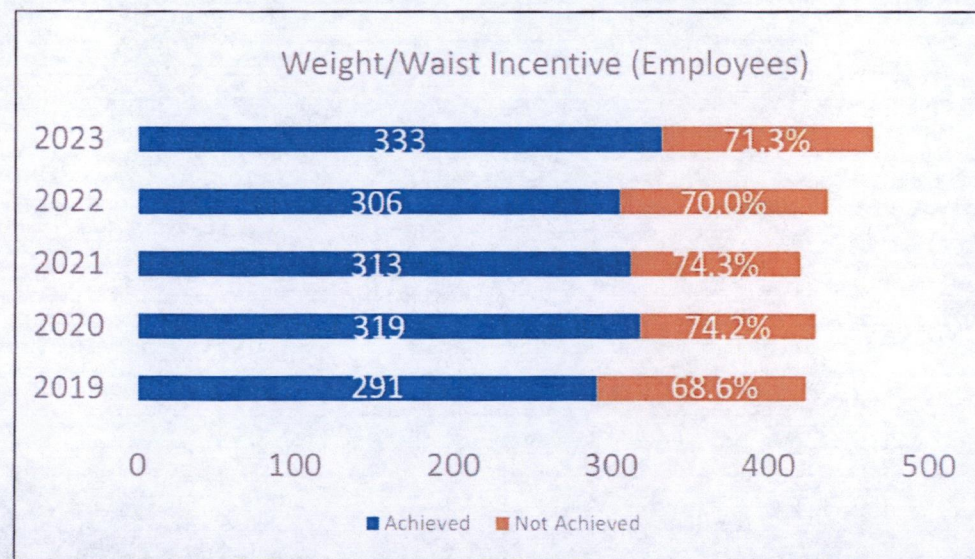
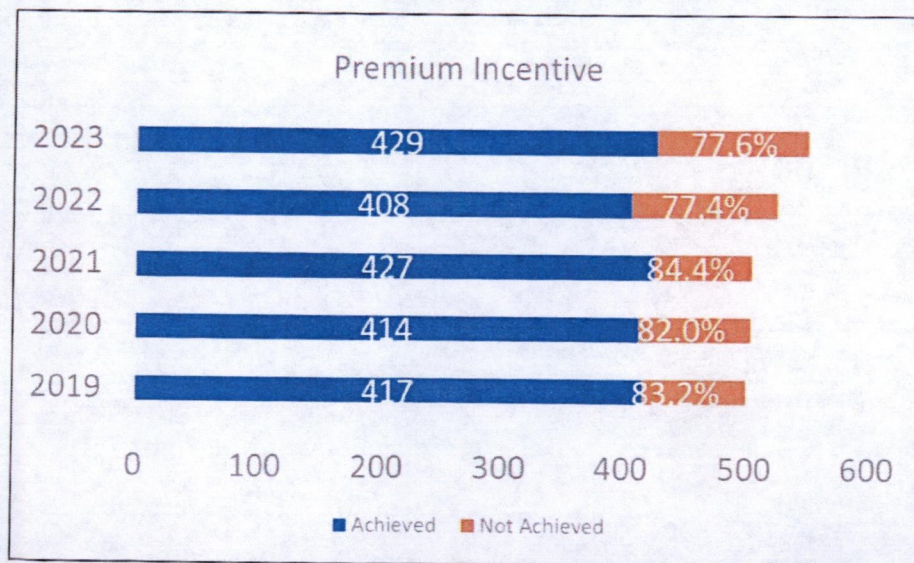
2023 Screening Demographics

Average Age Male: 41
Average Age Female: 43
Average Age Overall: 42



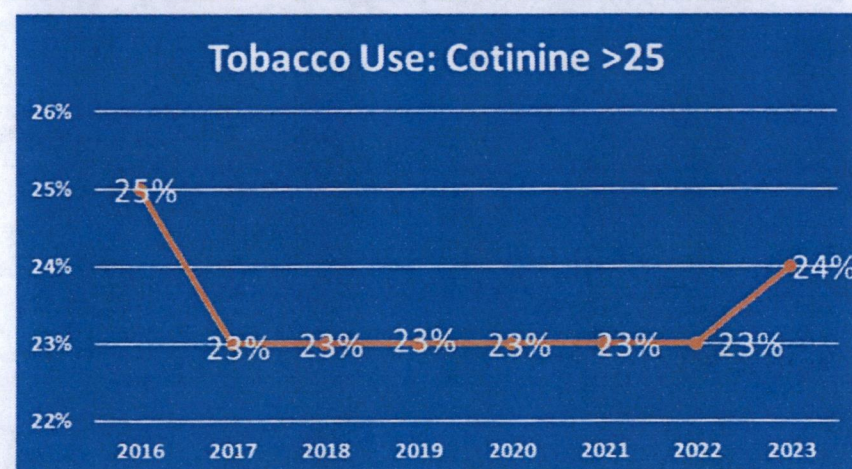
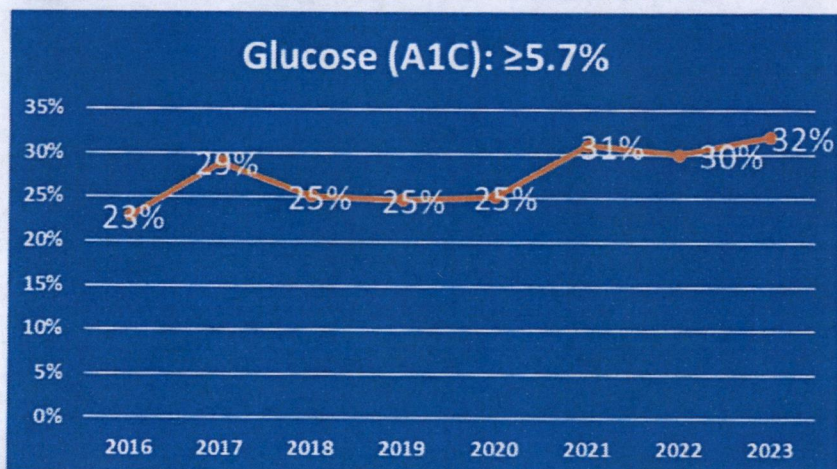
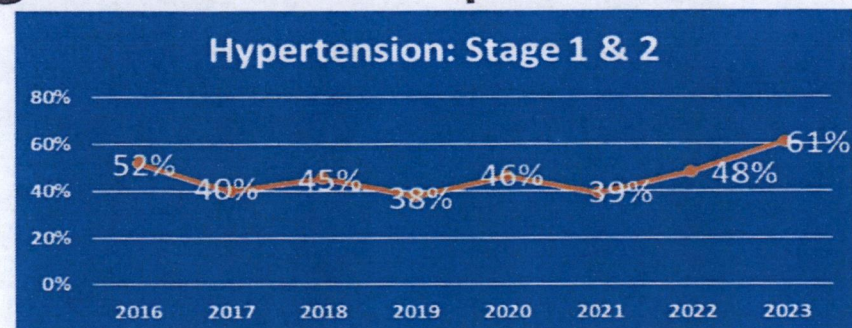
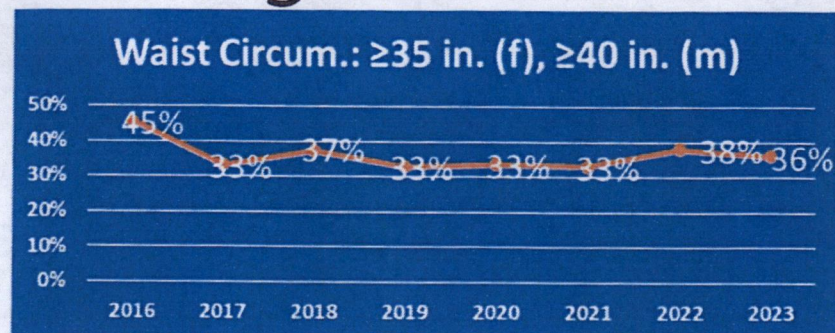
	Male	Female
2023	66.5% (368) Avg. Age: 41	33.5% (185) Avg. Age: 43
2022	65% (343) Avg. Age: 42	35% (184) Avg. Age: 43
2021	65% (331), Avg. Age: 42	35% (175), Avg. Age: 44
2020	69% (347), Avg. Age: 42	31% (158), Avg. Age: 45

Biometric Screening Incentives



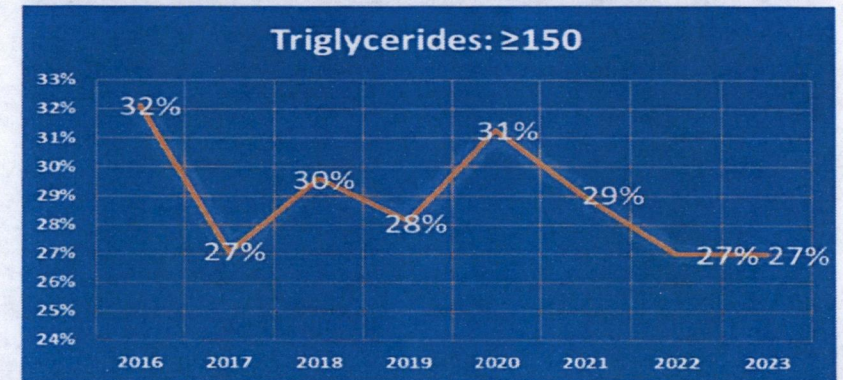
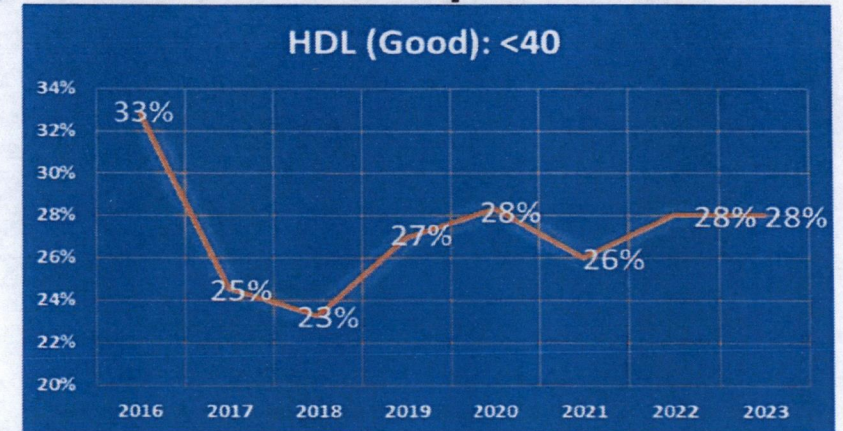
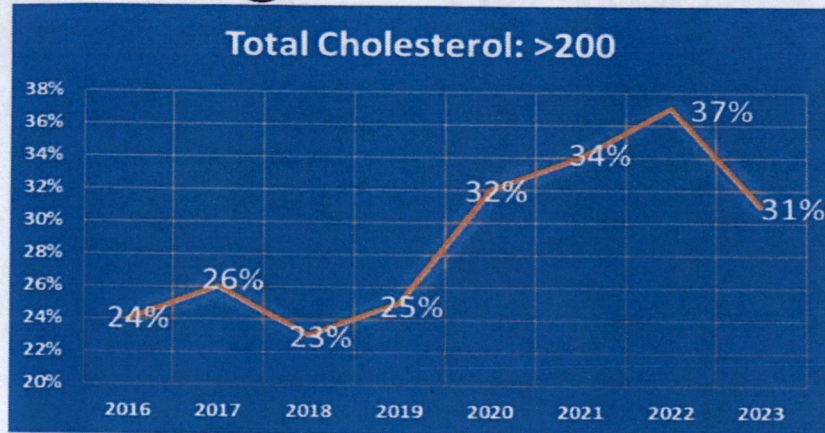
336.899.8475
ppcn.org

High Risk Trending (All Participants)



336.899.8475
ppcn.org

High Risk Trending (All Participants)



336.899.8475
ppcn.org

Areas of Success (High Risk Groups)

- Cotinine/Nicotine Decreased (Change: -1%)
- HDL (Good) Decreased (Change: -5%)
- Triglycerides Decreased (Change: -5%)
- Waist Circumference Decreased (Change: -9%)

Areas of Focus (High Risk Groups)

- **Blood Pressure Increased (Change: +3% Stage 1; +6% Stage 2)**
- **BMI (Class 2 Obese) Increased (Change: +4%)**
- **Glucose (A1C) Increased (Change: +9%)**
- **LDL (Bad) Increased (Change: +9%)**
- **Total Cholesterol Increased (Change: +7%)**

2023 Health Coaching Results

Participation: 41 (37% of eligible)

- 1 session: 8, 19.5% (8/35 total eligible with wellness pts 65-69)
- 2-4 sessions: 33, 80.5% (33/76 total eligible with wellness pts < 65)
- Achieved 2023 Incentive Premium: **56%** (20/36)
(5 individuals did not participate in the 2023 biometric screening event)



336.899.8475
ppcn.org

2023 Health Coaching Results Average Clinical Change

Clinical Value/Metric	2022	2023*
Weight	241	240
Waist Circumference	41	41
Total Cholesterol	200	184
HDL (Good)	47	48
LDL (Bad)	119	107
Triglycerides	199	160
Hemoglobin A1C	6.4	6.2
Systolic BP	125	122
Diastolic BP	80	82
Wellness Points	58	65

*Areas of improvement highlighted in green.



336.899.8475
ppcn.org

Health Risk Assessment Highlights

Exercise Habits and Nutrition

	0 times	1 time	2 times	3-4 times	5+ times
How many times a week do you exercise on average?	10.3%	12.7%	20.6%	38.1%	18.2%

	All of the Time	Most of the Time	Sometimes	Not at All
I follow sensible eating habits.	12.3%	59.3%	26.7%	1.6%

Sleep

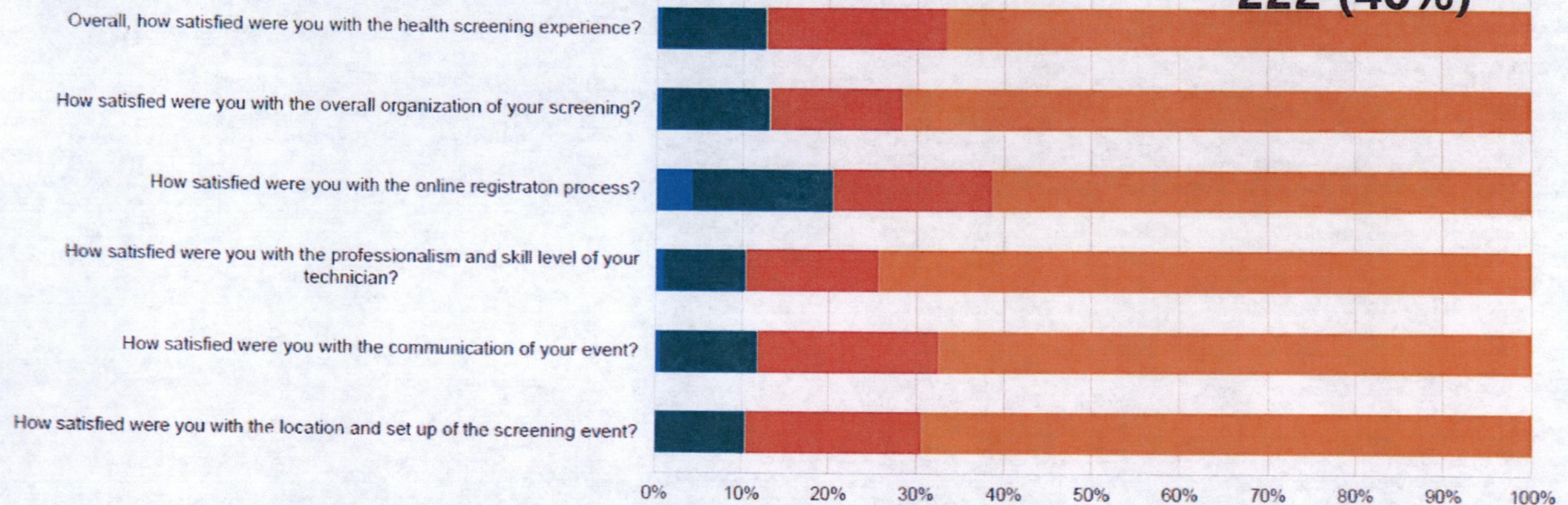
	Less than 5 Hours	5 to 6 Hours	More than 7 Hours
How many hours do you sleep?	2.6%	42.2%	55.2%



336.899.8475
ppcn.org

Participant Survey Summary - 2023

Participation:
222 (40%)



	How satisfied were you with the location and set up of the screening event?	How satisfied were you with the communication of your event?	How satisfied were you with the professionalism and skill level of your technician?	How satisfied were you with the online registration process?	How satisfied were you with the overall organization of your screening?	Overall, how satisfied were you with the health screening experience?
■ Not satisfied	0.0%	0.5%	0.9%	4.1%	0.5%	0.5%
■ Satisfied	10.4%	11.3%	9.5%	16.4%	12.6%	12.2%
■ Very satisfied	20.3%	20.8%	15.3%	18.2%	15.3%	20.7%
■ Extremely satisfied	69.4%	67.4%	74.3%	61.4%	71.6%	66.7%



Overall: 99.6% Satisfied or Above

336.899.8475
ppcn.org



First Tryon Advisors

SIMPLIFYING PUBLIC FINANCE

DAVID CHEATWOOD
MANAGING DIRECTOR

Office: 704.926.2447

Email: dcheatwood@firsttryon.com

6101 Carnegie Blvd Suite 210
Charlotte NC 28209

Agenda

1) Credit Rating / Debt Overview

2) Debt Analysis

3) Appendix A: Additional Credit / Debt Information

4) Appendix B: Debt Capacity Information



Credit Profile

- The City currently maintains General Obligation Bond equivalent ratings of Aa2 / AA+ from Moody's and S&P, respectively, with Limited Obligation Bond ratings one notch below at Aa3 / AA, respectively.
- The City was last formally rated by Moody's in January 2018 and by S&P in July 2021.
- Below is a summary of the key information noted in both rating reports.

Moody's	S&P	Fitch
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-

Non Investment Grade

	GO Equivalent
	LOBs

Key Information Noted in Last Rating Reports

Strengths

- Strong management with prudent budgetary practices
- Robust reserves and liquidity
- Diversifying tax base benefits from proximity to Charlotte MSA

Challenges

- Concentrated top taxpayers
- Below average wealth levels

Upside Scenario

- Significant growth in the city's tax base
- Material strengthening of the city's wealth levels
- Economic indicators strengthen to levels commensurate with higher rated peers

Downside Scenario

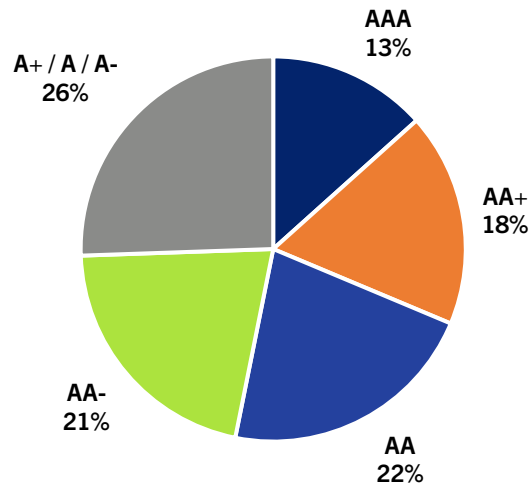
- Trend of structural imbalance resulting in narrowing of the city's reserve position
- Material declines in tax base from property declines
- Significant addition of new debt
- Deterioration in budgetary performance



Credit Rating Peers (S&P Rating)

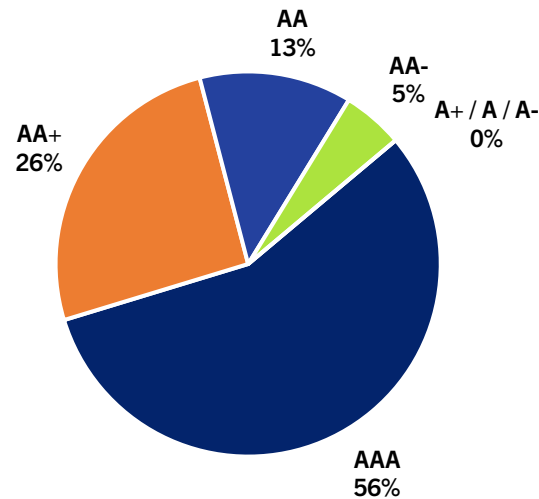
- S&P maintains general obligation or general obligation equivalent ratings on over 2,300 cities and towns nationwide of which only 13% are rated above the City's current General Obligation equivalent rating level of AA+.
- S&P maintains general obligation or general obligation equivalent ratings on 39 North Carolina cities and towns.

S&P National Rated Cities & Towns



National	# of Credits	% of Credits
AAA	317	13%
AA+	426	18%
AA	518	22%
AA-	505	21%
A+ / A / A-	606	26%

S&P NC Rated Cities & Towns



NC	# of Credits	% of Credits
AAA	22	56%
AA+	10	26%
AA	5	13%
AA-	2	5%
A+ / A / A-	0	0%



Credit Rating Peers (S&P Rating)

➤ Below is a listing of the 39 North Carolina cities and towns rated by S&P:

City/Town	Rating	City/Town	Rating
Apex	AAA	Blowing Rock	AA+
Asheville	AAA	Clayton	AA+
Carrboro	AAA	Fayetteville	AA+
Cary	AAA	Hendersonville	AA+
Chapel Hill	AAA	Hickory	AA+
Charlotte	AAA	Matthews	AA+
Concord	AAA	Monroe	AA+
Cornelius	AAA	Mooresville	AA+
Davidson	AAA	Mount Holly	AA+
Durham	AAA	River Bend	AA+
Fuquay-Varina	AAA	Gastonia	AA
Garner	AAA	Goldsboro	AA
Greensboro	AAA	Greenville	AA
High Point	AAA	Kannapolis	AA
Holly Springs	AAA	Zebulon	AA
Huntersville	AAA	Cherryville	AA-
Indian Trail	AAA	Wilson	AA-
Morrisville	AAA		
Raleigh	AAA		
Wake Forest	AAA		
Wilmington	AAA		
Winston-Salem	AAA		



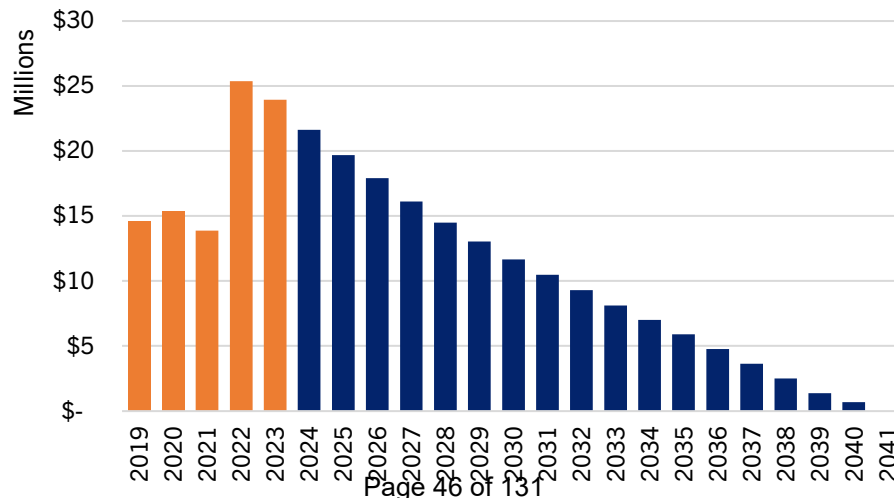
Governmental Debt

- As of June 30, 2023, the City had approximately \$23.95 million of governmental debt outstanding, consisting of:
 - \$18,750,000 of Limited Obligation Bonds; and
 - \$5,197,709 of Installment Purchase Contracts.

Governmental				
Series	Description	Par Outstanding	Final Maturity	Use of Proceeds
Series 2009	Installment Purchase Contract	159,448	6/12/2024	Recreation Center
Series 2014	Installment Purchase Contract	660,000	9/17/2024	Municipal Buildings
Series 2017	Installment Purchase Contract	760,000	4/1/2027	Fire Trucks
Series 2018	Installment Purchase Contract	867,000	5/1/2028	Fire Trucks / Vehicles
Series 2019	Installment Purchase Contract	401,000	5/1/2029	Fire Truck
Series 2020	Installment Purchase Contract	1,525,261	6/1/2030	ERP Software / Fire Truck
Series 2023	Installment Purchase Contract	825,000	5/1/2033	Fire Truck
Series 2018B	Limited Obligation Bonds	6,435,000	4/1/2039	Center Theatre / Science Center
Series 2021	Limited Obligation Bonds	12,315,000	4/1/2041	Police Headquarters / Senior Center
Total		23,947,709		

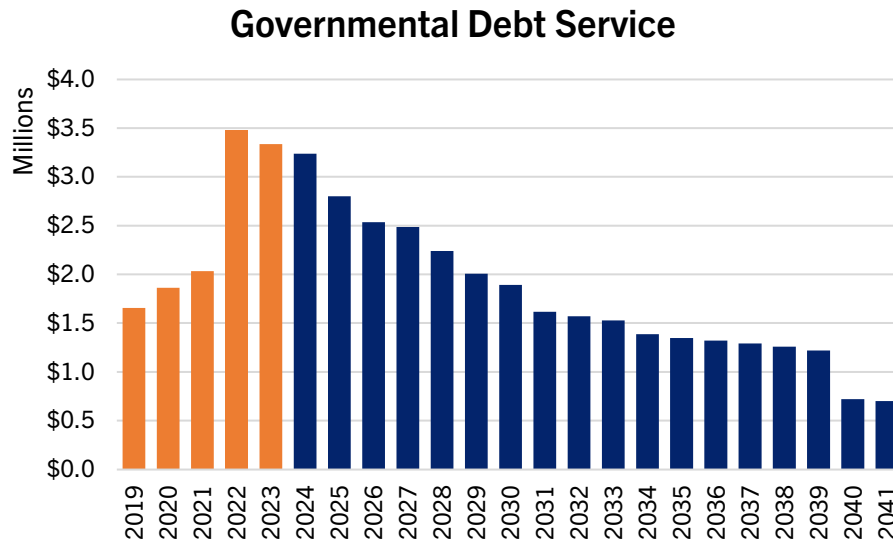
- From FY2019 – FY2021, the City’s governmental debt outstanding remained relatively unchanged but increased in FY2022 with the issuance of its Limited Obligation Bonds, Series 2021 (the “2021 LOBs”) to fund a police headquarters and senior center project.

Governmental Debt Outstanding



Governmental Debt Service

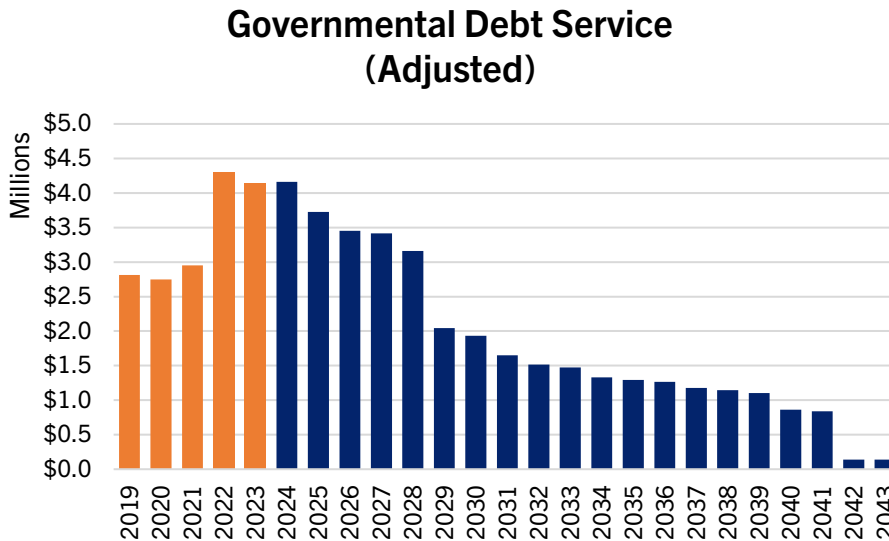
- From FY2019 – FY2022, the City’s annual governmental debt service (principal plus interest) grew from \$1.65 million to a peak of \$3.48 million due primarily to the issuance of the 2021 LOBs.
- The City’s governmental debt service in FY2024 is \$3,235,920.
- Based on the level principal amortization on its Limited Obligation Bonds, the City’s debt service will decline year over year.



Fiscal Year	Annual Debt Service
2019	\$ 1,654,750
2020	1,861,961
2021	2,033,097
2022	3,482,556
2023	3,336,358
2024	3,235,920
2025	2,799,475
2026	2,533,572
2027	2,487,393
2028	2,238,748
2029	2,005,666
2030	1,891,798
2031	1,614,918
2032	1,571,318
2033	1,529,145
2034	1,386,575
2035	1,347,225
2036	1,320,150
2037	1,292,200
2038	1,258,850
2039	1,218,450
2040	720,800
2041	700,400

Governmental Debt Service (Adjusted)

- While the City's 2018 LOBs are governmental debt, a portion of the debt is repaid from occupancy tax.
- In addition, while the City's Combined Utility System Revenue Bonds are secured by the net revenues of the System, a portion of the Revenue Bonds relating to airport improvements is supported by the General Fund.
- As such, we have highlighted the amount of total debt service supported by property tax revenue in the chart below, which, in FY2024, was \$4,161,016 of debt service which will decline year over year.



Fiscal Year	Annual Debt Service (Governmental (Adjusted))
2019	\$ 2,813,177
2020	2,747,872
2021	2,951,335
2022	4,302,053
2023	4,135,600
2024	4,161,016
2025	3,726,201
2026	3,453,575
2027	3,413,377
2028	3,161,647
2029	2,044,119
2030	1,930,928
2031	1,648,225
2032	1,516,140
2033	1,475,102
2034	1,330,906
2035	1,294,460
2036	1,264,243
2037	1,175,059
2038	1,145,975
2039	1,105,467
2040	861,389
2041	840,948
2042	141,040
2043	141,204



Agenda

1) Credit Rating / Debt Overview

2) Debt Analysis

3) Appendix A: Additional Credit / Debt Information

4) Appendix B: Debt Capacity Information



Debt Analysis

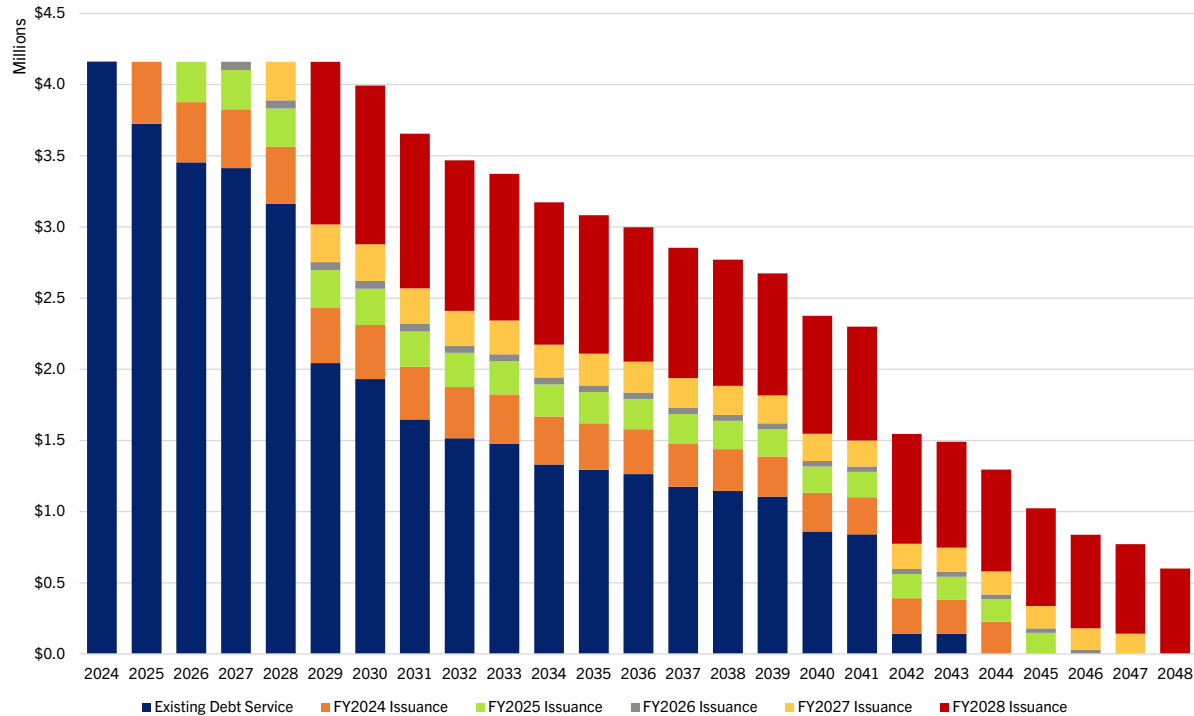
- There are different ways for an entity to evaluate its debt capacity / affordability, including:
 - The amount of debt that can be issued under legal or self-imposed limits (i.e. policies / financial targets / legal constraints).
 - The amount of debt that can be issued under certain credit rating targets.
 - The amount of debt that can be issued under existing or proposed revenue streams (i.e. tax impact).
- The following scenarios quantify the City's debt capacity under the latter approach using different assumptions:
 - Scenario 1 ("Rolloff Capacity")
 - Max out capacity assuming the City maintains its FY2024 property tax supported debt service level of \$4,161,016 going forward
 - Scenario 2 ("Rolloff Capacity" + 1 cent)
 - Scenario 1 plus additional revenue equal to the value of one penny.
 - Scenario 3 ("Rolloff Capacity" + 2 cents)
 - Scenario 1 plus additional revenue equal to the value of two pennies.
 - Scenario 4 ("Rolloff Capacity" + Identified Capital)
 - Scenario 1 plus debt service on all currently identified capital needs
- For Scenarios 2-4, it is assumed that the City's value of a penny is approximately \$517,250 in FY2024 and increases by 2% in FY2025, 40% in FY2026 (due to revaluation) and 2% annually thereafter.
- Scenarios 1-3 assume that the City issues debt in each of FY2024 – FY2028 under the following assumptions:
 - Term: 20 Years
 - Interest Rate: 5.00%
 - Amortization: Level Principal
 - First P&I Payment: FY Following Issuance



Scenario 1 (Rolloff Capacity)

- If the City were to fully leverage its existing revenues available for debt service, the City could issue approximately \$21.91 million from FY2024 – FY2028.

Fiscal Year	Amount
2024	\$4,345,000
2025	\$2,835,000
2026	\$580,000
2027	\$2,715,000
2028	\$11,435,000
Total	\$21,910,000



Scenario 1 (Rolloff Capacity)

- The City's ability to fund additional debt is quantified by determining the amount of proposed debt service in Column 9 such that Column 10 equals \$4.16 million (the City's FY2024 general fund supported debt service as adjusted), thus keeping Column 11 at or just above \$0.

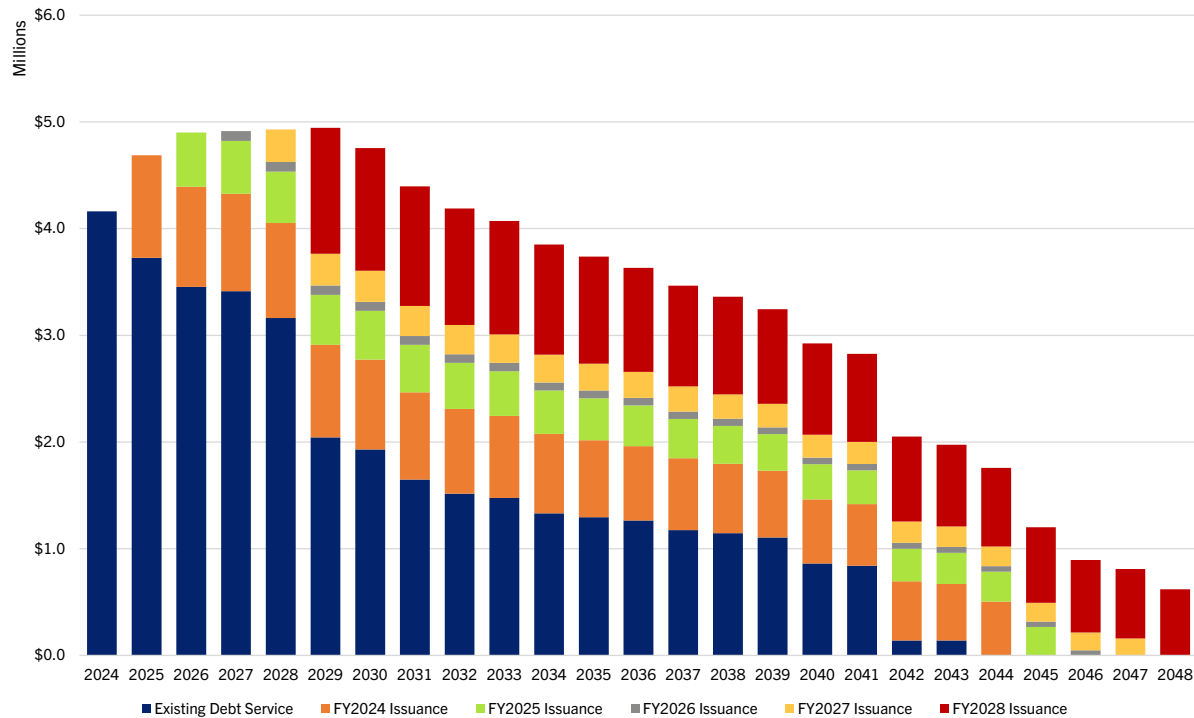
1	2	3	4	5	6	7	8	9	10	11	12
Fiscal Year	Existing Revenues Available for Debt Service	Value of a Penny	Growth %	Equivalent Property Tax Allocation	Revenues from Equivalent Property Tax Allocation	Total Revenues Available for Debt Service	Existing Debt Service	Proposed Debt Service	Total Debt Service	Surplus (Deficit)	Cumulative Surplus (Deficit)
2024	4,161,016	517,282		0.00	-	4,161,016	4,161,016	-	4,161,016	-	-
2025	4,161,016	527,628	2.00%	0.00	-	4,161,016	3,726,201	434,500	4,160,701	315	315
2026	4,161,016	738,679	40.00%	0.00	-	4,161,016	3,453,575	707,138	4,160,713	304	619
2027	4,161,016	753,453	2.00%	0.00	-	4,161,016	3,413,377	747,188	4,160,565	452	1,071
2028	4,161,016	768,522	2.00%	0.00	-	4,161,016	3,161,647	999,288	4,160,934	82	1,153
2029	4,161,016	783,892	2.00%	0.00	-	4,161,016	2,044,119	2,116,600	4,160,719	297	1,451
2030	4,161,016	799,570	2.00%	0.00	-	4,161,016	1,930,928	2,061,825	3,992,753	168,263	169,714
2031	4,161,016	815,561	2.00%	0.00	-	4,161,016	1,648,225	2,007,050	3,655,275	505,741	675,455
2032	4,161,016	831,873	2.00%	0.00	-	4,161,016	1,516,140	1,952,275	3,468,415	692,601	1,368,056
2033	4,161,016	848,510	2.00%	0.00	-	4,161,016	1,475,102	1,897,500	3,372,602	788,415	2,156,471
2034	4,161,016	865,480	2.00%	0.00	-	4,161,016	1,330,906	1,842,725	3,173,631	987,386	3,143,857
2035	4,161,016	882,790	2.00%	0.00	-	4,161,016	1,294,460	1,787,950	3,082,410	1,078,606	4,222,463
2036	4,161,016	900,446	2.00%	0.00	-	4,161,016	1,264,243	1,733,175	2,997,418	1,163,598	5,386,061
2037	4,161,016	918,455	2.00%	0.00	-	4,161,016	1,175,059	1,678,400	2,853,459	1,307,558	6,693,619
2038	4,161,016	936,824	2.00%	0.00	-	4,161,016	1,145,975	1,623,625	2,769,600	1,391,417	8,085,036
2039	4,161,016	955,560	2.00%	0.00	-	4,161,016	1,105,467	1,568,850	2,674,317	1,486,700	9,571,736
2040	4,161,016	974,671	2.00%	0.00	-	4,161,016	861,389	1,514,075	2,375,464	1,785,552	11,357,288
2041	4,161,016	994,165	2.00%	0.00	-	4,161,016	840,948	1,459,300	2,300,248	1,860,768	13,218,056
2042	4,161,016	1,014,048	2.00%	0.00	-	4,161,016	141,040	1,404,525	1,545,565	2,615,451	15,833,508
2043	4,161,016	1,034,329	2.00%	0.00	-	4,161,016	141,204	1,349,750	1,490,954	2,670,062	18,503,570
2044	4,161,016	1,055,016	2.00%	0.00	-	4,161,016	-	1,294,975	1,294,975	2,866,041	21,369,612
2045	4,161,016	1,076,116	2.00%	0.00	-	4,161,016	-	1,022,950	1,022,950	3,138,066	24,507,678
2046	4,161,016	1,097,638	2.00%	0.00	-	4,161,016	-	837,288	837,288	3,323,729	27,831,407
2047	4,161,016	1,119,591	2.00%	0.00	-	4,161,016	-	771,463	771,463	3,389,554	31,220,961
2048	4,161,016	1,141,983	2.00%	0.00	-	4,161,016	-	600,338	600,338	3,560,679	34,781,640



Scenario 2 (Rolloff Capacity + 1 Cent)

- If the City were to fully leverage its existing revenues available for debt service and dedicate additional revenue equivalent to 1 cent in FY2025 and beyond, the City could issue approximately \$30.47 million from FY2024 – FY2028.

Fiscal Year	Amount
2024	\$9,620,000
2025	\$5,080,000
2026	\$915,000
2027	\$3,055,000
2028	\$11,800,000
Total	\$30,470,000



Scenario 2 (Rolloff Capacity + 1 cent)

- The City's ability to fund additional debt is quantified by determining the amount of proposed debt service in Column 9 such that Column 10 equals Column 7 (the general fund supported debt service as adjusted plus the equivalent of 1 cent of additional revenue), thus keeping Column 11 at or just above \$0.

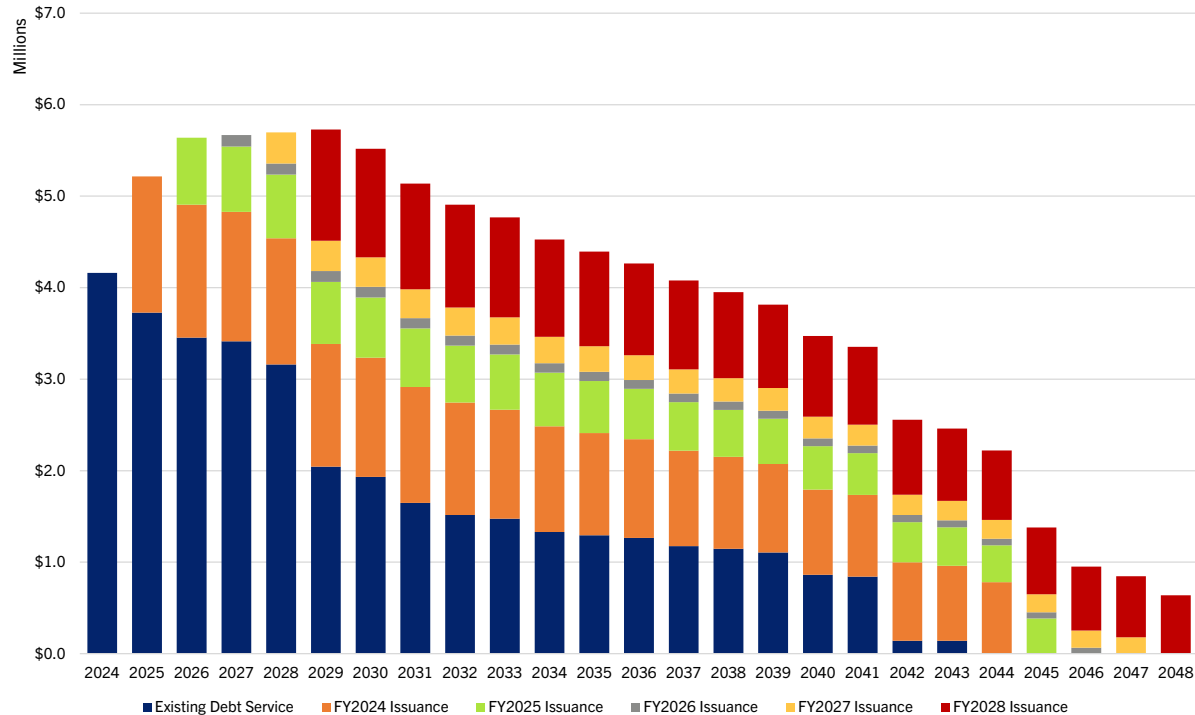
1	2	3	4	5	6	7	8	9	10	11	12
Fiscal Year	Existing Revenues Available for Debt Service	Value of a Penny	Growth %	Equivalent Property Tax Allocation	Revenues from Equivalent Property Tax Allocation	Total Revenues Available for Debt Service	Existing Debt Service	Proposed Debt Service	Total Debt Service	Surplus (Deficit)	Cumulative Surplus (Deficit)
2024	4,161,016	517,282		0.00	-	4,161,016	4,161,016	-	4,161,016	-	-
2025	4,161,016	527,628	2.00%	1.00	527,628	4,688,644	3,726,201	962,000	4,688,201	443	443
2026	4,161,016	738,679	40.00%	1.00	738,679	4,899,696	3,453,575	1,445,950	4,899,525	170	614
2027	4,161,016	753,453	2.00%	1.00	753,453	4,914,469	3,413,377	1,500,700	4,914,077	392	1,006
2028	4,161,016	768,522	2.00%	1.00	768,522	4,929,538	3,161,647	1,767,163	4,928,809	729	1,735
2029	4,161,016	783,892	2.00%	1.00	783,892	4,944,909	2,044,119	2,900,488	4,944,606	302	2,037
2030	4,161,016	799,570	2.00%	1.00	799,570	4,960,586	1,930,928	2,824,313	4,755,241	205,346	207,382
2031	4,161,016	815,561	2.00%	1.00	815,561	4,976,578	1,648,225	2,748,138	4,396,363	580,215	787,598
2032	4,161,016	831,873	2.00%	1.00	831,873	4,992,889	1,516,140	2,671,963	4,188,103	804,787	1,592,384
2033	4,161,016	848,510	2.00%	1.00	848,510	5,009,527	1,475,102	2,595,788	4,070,889	938,638	2,531,022
2034	4,161,016	865,480	2.00%	1.00	865,480	5,026,497	1,330,906	2,519,613	3,850,518	1,175,979	3,707,001
2035	4,161,016	882,790	2.00%	1.00	882,790	5,043,806	1,294,460	2,443,438	3,737,898	1,305,909	5,012,909
2036	4,161,016	900,446	2.00%	1.00	900,446	5,061,462	1,264,243	2,367,263	3,631,506	1,429,956	6,442,865
2037	4,161,016	918,455	2.00%	1.00	918,455	5,079,471	1,175,059	2,291,088	3,466,146	1,613,325	8,056,190
2038	4,161,016	936,824	2.00%	1.00	936,824	5,097,840	1,145,975	2,214,913	3,360,887	1,736,953	9,793,143
2039	4,161,016	955,560	2.00%	1.00	955,560	5,116,577	1,105,467	2,138,738	3,244,204	1,872,373	11,665,516
2040	4,161,016	974,671	2.00%	1.00	974,671	5,135,688	861,389	2,062,563	2,923,952	2,211,736	13,877,252
2041	4,161,016	994,165	2.00%	1.00	994,165	5,155,181	840,948	1,986,388	2,827,336	2,327,846	16,205,098
2042	4,161,016	1,014,048	2.00%	1.00	1,014,048	5,175,065	141,040	1,910,213	2,051,253	3,123,812	19,328,910
2043	4,161,016	1,034,329	2.00%	1.00	1,034,329	5,195,346	141,204	1,834,038	1,975,242	3,220,104	22,549,014
2044	4,161,016	1,055,016	2.00%	1.00	1,055,016	5,216,032	-	1,757,863	1,757,863	3,458,170	26,007,184
2045	4,161,016	1,076,116	2.00%	1.00	1,076,116	5,237,132	-	1,200,688	1,200,688	4,036,445	30,043,629
2046	4,161,016	1,097,638	2.00%	1.00	1,097,638	5,258,655	-	894,563	894,563	4,364,092	34,407,721
2047	4,161,016	1,119,591	2.00%	1.00	1,119,591	5,280,608	-	809,388	809,388	4,471,220	38,878,941
2048	4,161,016	1,141,983	2.00%	1.00	1,141,983	5,302,999	-	619,500	619,500	4,683,499	43,562,440



Scenario 3 (Rolloff Capacity + 2 cents)

- If the City were to fully leverage its existing revenues available for debt service and dedicate additional revenue equivalent to 2 cents in FY2025 and beyond, the City could issue approximately \$39.03 million from FY2024 – FY2028.

Fiscal Year	Amount
2024	\$14,900,000
2025	\$7,320,000
2026	\$1,250,000
2027	\$3,405,000
2028	\$12,155,000
Total	\$39,030,000



Scenario 3 (Rolloff Capacity + 2 cents)

- The City's ability to fund additional debt is quantified by determining the amount of proposed debt service in Column 9 such that Column 10 equals Column 7 (the City's FY2024 general fund supported debt service as adjusted plus the equivalent of 2 cents of additional revenue), thus keeping Column 11 at or just above \$0.

1	2	3	4	5	6	7	8	9	10	11	12
Fiscal Year	Existing Revenues Available for Debt Service	Value of a Penny	Growth %	Equivalent Property Tax Allocation	Revenues from Equivalent Property Tax Allocation	Total Revenues Available for Debt Service	Existing Debt Service	Proposed Debt Service	Total Debt Service	Surplus (Deficit)	Cumulative Surplus (Deficit)
2024	4,161,016	517,282		0.00	-	4,161,016	4,161,016	-	4,161,016	-	-
2025	4,161,016	527,628	2.00%	2.00	1,055,256	5,216,272	3,726,201	1,490,000	5,216,201	71	71
2026	4,161,016	738,679	40.00%	2.00	1,477,358	5,638,375	3,453,575	2,184,750	5,638,325	50	121
2027	4,161,016	753,453	2.00%	2.00	1,506,905	5,667,922	3,413,377	2,254,200	5,667,577	345	465
2028	4,161,016	768,522	2.00%	2.00	1,537,044	5,698,060	3,161,647	2,536,025	5,697,672	388	854
2029	4,161,016	783,892	2.00%	2.00	1,567,784	5,728,801	2,044,119	3,684,338	5,728,456	344	1,198
2030	4,161,016	799,570	2.00%	2.00	1,599,140	5,760,157	1,930,928	3,586,763	5,517,691	242,466	243,664
2031	4,161,016	815,561	2.00%	2.00	1,631,123	5,792,139	1,648,225	3,489,188	5,137,413	654,727	898,391
2032	4,161,016	831,873	2.00%	2.00	1,663,745	5,824,762	1,516,140	3,391,613	4,907,753	917,009	1,815,400
2033	4,161,016	848,510	2.00%	2.00	1,697,020	5,858,037	1,475,102	3,294,038	4,769,139	1,088,898	2,904,297
2034	4,161,016	865,480	2.00%	2.00	1,730,961	5,891,977	1,330,906	3,196,463	4,527,368	1,364,609	4,268,907
2035	4,161,016	882,790	2.00%	2.00	1,765,580	5,926,596	1,294,460	3,098,888	4,393,348	1,533,248	5,802,155
2036	4,161,016	900,446	2.00%	2.00	1,800,891	5,961,908	1,264,243	3,001,313	4,265,556	1,696,352	7,498,507
2037	4,161,016	918,455	2.00%	2.00	1,836,909	5,997,926	1,175,059	2,903,738	4,078,796	1,919,129	9,417,636
2038	4,161,016	936,824	2.00%	2.00	1,873,648	6,034,664	1,145,975	2,806,163	3,952,137	2,082,527	11,500,163
2039	4,161,016	955,560	2.00%	2.00	1,911,120	6,072,137	1,105,467	2,708,588	3,814,054	2,258,083	13,758,246
2040	4,161,016	974,671	2.00%	2.00	1,949,343	6,110,359	861,389	2,611,013	3,472,402	2,637,958	16,396,204
2041	4,161,016	994,165	2.00%	2.00	1,988,330	6,149,346	840,948	2,513,438	3,354,386	2,794,961	19,191,165
2042	4,161,016	1,014,048	2.00%	2.00	2,028,096	6,189,113	141,040	2,415,863	2,556,903	3,632,210	22,823,375
2043	4,161,016	1,034,329	2.00%	2.00	2,068,658	6,229,675	141,204	2,318,288	2,459,492	3,770,183	26,593,558
2044	4,161,016	1,055,016	2.00%	2.00	2,110,031	6,271,048	-	2,220,713	2,220,713	4,050,335	30,643,893
2045	4,161,016	1,076,116	2.00%	2.00	2,152,232	6,313,248	-	1,378,138	1,378,138	4,935,111	35,579,004
2046	4,161,016	1,097,638	2.00%	2.00	2,195,277	6,356,293	-	951,813	951,813	5,404,481	40,983,485
2047	4,161,016	1,119,591	2.00%	2.00	2,239,182	6,400,199	-	847,288	847,288	5,552,911	46,536,396
2048	4,161,016	1,141,983	2.00%	2.00	2,283,966	6,444,982	-	638,138	638,138	5,806,845	52,343,241



Scenario 4 (Rolloff Capacity + Identified Capital)

- The City has identified a number of capital needs over the next five fiscal years (FY2024- FY2028) totaling \$78+ million, noted below:

Project	Amount	Timing (FY)	Term (Years)
Fire/Leaf Truck Replace FY24	1,670,000	2024	10
Data Center/Purchasing at ES	6,000,000	2025	20
Community Center Improvements	950,000	2025	20
Maintenance Garage	3,500,000	2025	20
Air Traffic Control Tower	6,000,000	2025	20
Replace Quint 2	1,800,000	2025	10
Replace City Hall*	28,000,000	2025	20
Replace Engine 3	1,000,000	2026	10
Construct Fire Station #6	12,000,000	2026	20
Burn Building Fire Training Ctr	1,000,000	2026	20
Main Street Sidewalk Improvements	2,200,000	2027	20
Replace Quint 4	2,000,000	2028	10
Fire Station #1/Admin	12,000,000	2028	20
Total	78,120,000		

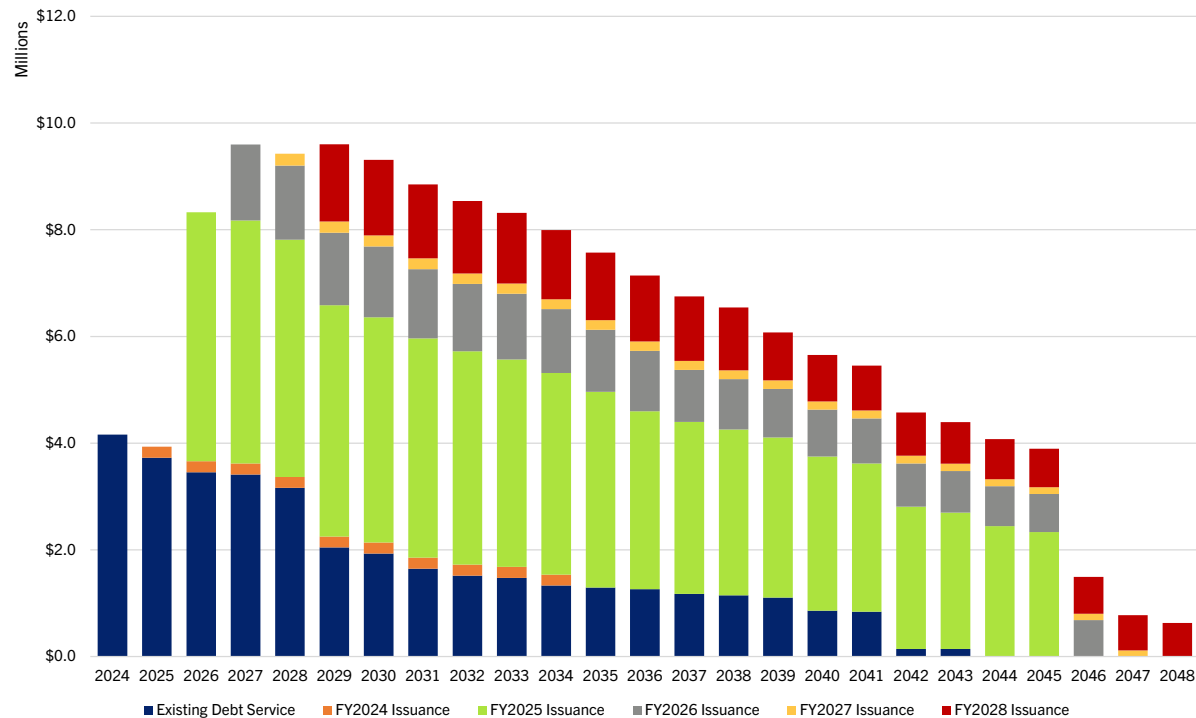
* Estimated \$34 million project, with \$28 million assumed to be debt financed and \$6 million assumed to be contributed from fund balance.

- Debt issuances for each project utilize the following assumptions:
 - Interest Rate: 4.00% (10-Year Term); 5.00% (20-Year Term)
 - Amortization: Level Debt Service (10-Year Term); Level Principal (20-Year Term)
 - First P&I Payment: FY Following Issuance



Scenario 4 (Rolloff Capacity + Identified Capital)

- If the City were to fund the capital projects identified on the prior slide, the City's general fund debt service as adjusted peaks at \$9.6 million in FY2029.



Scenario 4 (Rolloff Capacity + Identified Capital)

- Based on the City's identified capital needs, the City would need to generate revenues equivalent to 7.25 cents by FY2027 in order to service this debt.

1	2	3	4	5	6	7	8	9	10	11	12
Fiscal Year	Existing Revenues Available for Debt Service	Value of a Penny	Growth %	Equivalent Property Tax Allocation	Revenues from Equivalent Property Tax Allocation	Total Revenues Available for Debt Service	Existing Debt Service	Proposed Debt Service	Total Debt Service	Surplus (Deficit)	Cumulative Surplus (Deficit)
2024	4,161,016	517,282		0.00	-	4,161,016	4,161,016	-	4,161,016	-	-
2025	4,161,016	527,628	2.00%	0.00	-	4,161,016	3,726,201	205,896	3,932,097	228,919	228,919
2026	4,161,016	738,679	40.00%	5.50	4,062,735	8,223,752	3,453,575	4,872,820	8,326,395	(102,643)	126,276
2027	4,161,016	753,453	2.00%	7.25	5,462,532	9,623,549	3,413,377	6,184,986	9,598,363	25,186	151,462
2028	4,161,016	768,522	2.00%	7.25	5,571,783	9,732,799	3,161,647	6,261,361	9,423,007	309,792	461,254
2029	4,161,016	783,892	2.00%	7.25	5,683,219	9,844,235	2,044,119	7,558,817	9,602,936	241,299	702,553
2030	4,161,016	799,570	2.00%	7.25	5,796,883	9,957,899	1,930,928	7,379,692	9,310,621	647,279	1,349,832
2031	4,161,016	815,561	2.00%	7.25	5,912,821	10,073,837	1,648,225	7,200,567	8,848,792	1,225,044	2,574,876
2032	4,161,016	831,873	2.00%	7.25	6,031,077	10,192,093	1,516,140	7,021,442	8,537,582	1,654,511	4,229,387
2033	4,161,016	848,510	2.00%	7.25	6,151,698	10,312,715	1,475,102	6,842,317	8,317,419	1,995,296	6,224,683
2034	4,161,016	865,480	2.00%	7.25	6,274,732	10,435,749	1,330,906	6,663,192	7,994,098	2,441,651	8,666,334
2035	4,161,016	882,790	2.00%	7.25	6,400,227	10,561,244	1,294,460	6,278,172	7,572,632	2,988,612	11,654,945
2036	4,161,016	900,446	2.00%	7.25	6,528,232	10,689,248	1,264,243	5,877,123	7,141,366	3,547,882	15,202,827
2037	4,161,016	918,455	2.00%	7.25	6,658,796	10,819,813	1,175,059	5,574,707	6,749,766	4,070,047	19,272,874
2038	4,161,016	936,824	2.00%	7.25	6,791,972	10,952,989	1,145,975	5,395,582	6,541,556	4,411,432	23,684,307
2039	4,161,016	955,560	2.00%	7.25	6,927,812	11,088,828	1,105,467	4,969,875	6,075,342	5,013,487	28,697,793
2040	4,161,016	974,671	2.00%	7.25	7,066,368	11,227,384	861,389	4,790,750	5,652,139	5,575,245	34,273,038
2041	4,161,016	994,165	2.00%	7.25	7,207,695	11,368,712	840,948	4,611,625	5,452,573	5,916,139	40,189,177
2042	4,161,016	1,014,048	2.00%	7.25	7,351,849	11,512,866	141,040	4,432,500	4,573,540	6,939,326	47,128,503
2043	4,161,016	1,034,329	2.00%	7.25	7,498,886	11,659,903	141,204	4,253,375	4,394,579	7,265,324	54,393,826
2044	4,161,016	1,055,016	2.00%	7.25	7,648,864	11,809,880	-	4,074,250	4,074,250	7,735,630	62,129,456
2045	4,161,016	1,076,116	2.00%	7.25	7,801,841	11,962,858	-	3,895,125	3,895,125	8,067,733	70,197,189
2046	4,161,016	1,097,638	2.00%	7.25	7,957,878	12,118,894	-	1,493,500	1,493,500	10,625,394	80,822,583
2047	4,161,016	1,119,591	2.00%	7.25	8,117,036	12,278,052	-	775,500	775,500	11,502,552	92,325,135
2048	4,161,016	1,141,983	2.00%	7.25	8,279,376	12,440,393	-	630,000	630,000	11,810,393	104,135,528

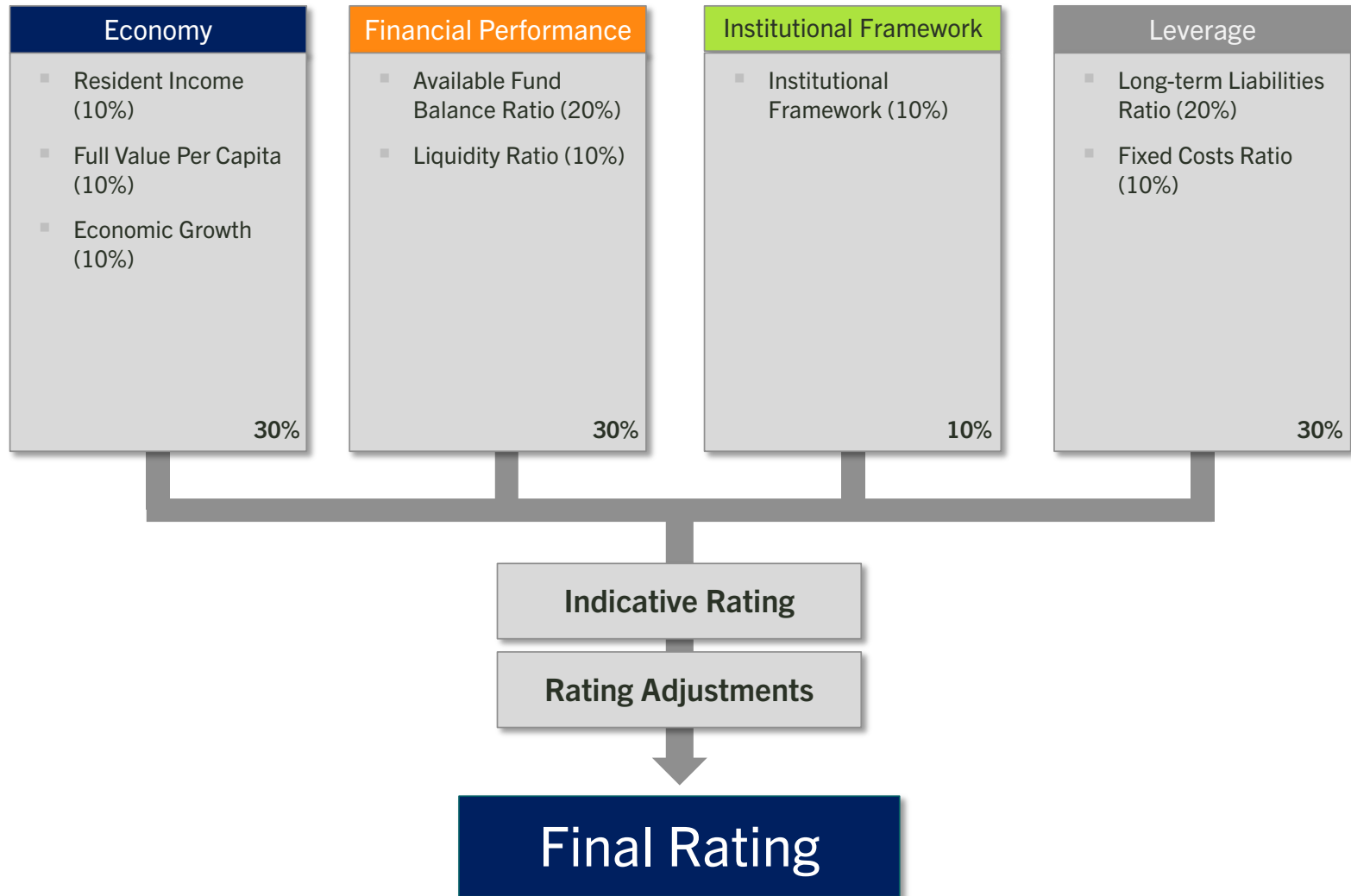


Agenda

- 1) Credit Rating / Debt Overview
- 2) Debt Analysis
- 3) Appendix A: Additional Credit / Debt Information**
- 4) Appendix B: Debt Capacity Information



Moody's General Obligation Rating Criteria



Moody's GO Credit Rating Scorecard

Moody's

Broad Rating Factors	Factor Weighting	Rating Subfactors	Subfactor Weighting	Value	Score	Weighted Scale	Implied Rating
Economy	30%	(1) Resident Income (% of USA)	10%	87.26%	6.41	0.64	A2
		(2) Full Value Per Capita	10%	150,967	2.59	0.26	Aa2
		(3) Economic Growth (vs. USA)	10%	1.12%	0.94	0.09	Aaa
Finances	30%	(4) Available Fund Balance Ratio (%)	20%	136.46%	0.50	0.10	Aaa
		(5) Liquidity Ratio (%)	10%	136.00%	0.50	0.05	Aaa
Management	10%	(6) Institutional Framework	10%	NC	1.00	0.10	Aaa
Leverage	30%	(7) Long-Term Liabilities Ratio (%)	20%	114.19%	1.93	0.39	Aa1
		(8) Fixed-Costs Ratio (%)	10%	6.37%	1.14	0.11	Aaa
Total	100%		100%			1.74	Aa1

Source: Moody's MFRA; 2023 Financials

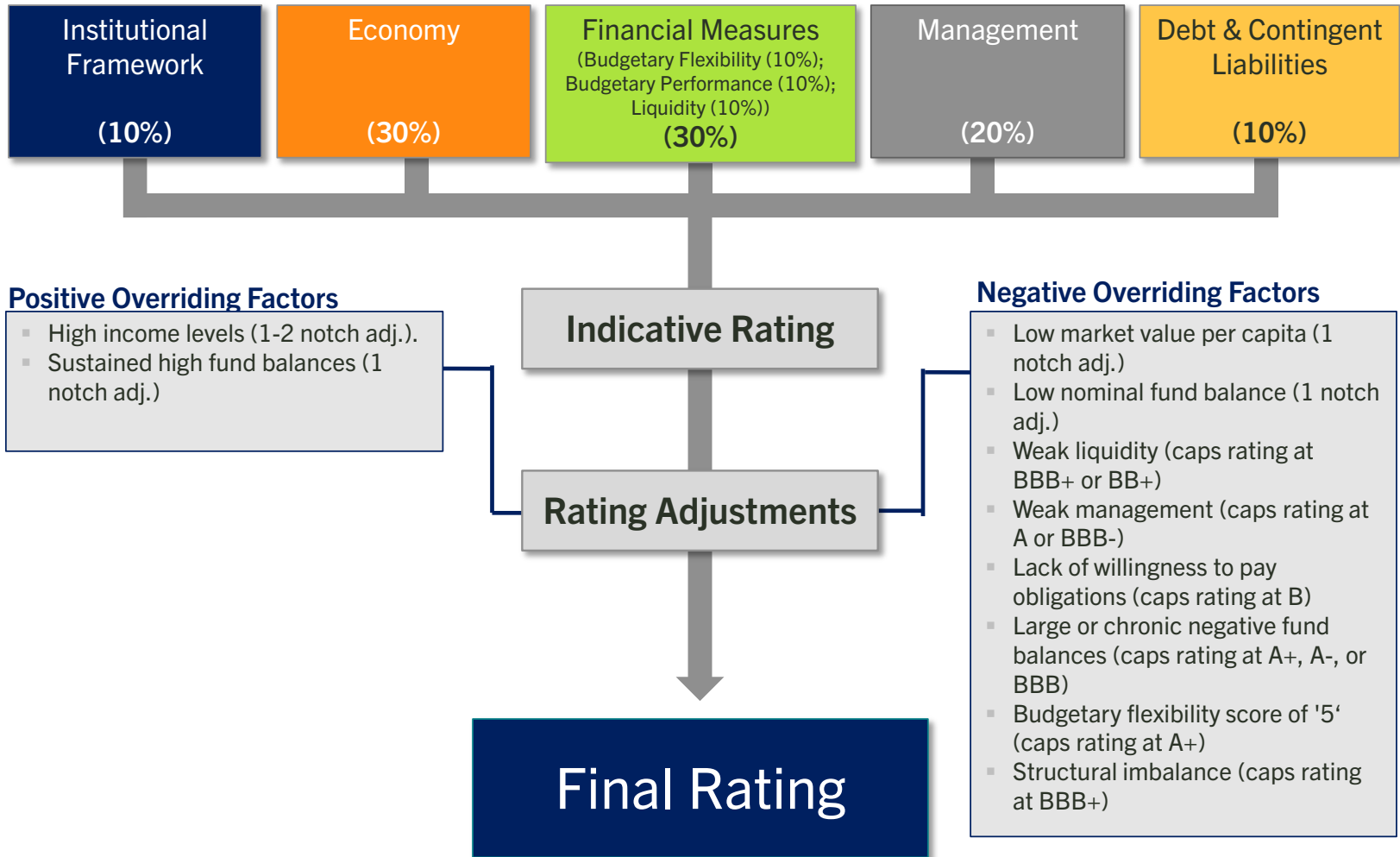
Observations

- Based on the City's 2023 financial statements, the City's quantitative analysis scores at the Aa1 level.
 - Despite grading out at a Aa1, Moody's maintains a rating of Aa2 for the City.
- The strengths of the City are its economic growth, available fund balance, liquidity, and fixed costs.
- The current challenges are the City's resident income and full value per capita.

Min	Max	Implied Rating
0	1.5	Aaa
1.5	2.5	Aa1
2.5	3.5	Aa2
3.5	4.5	Aa3
4.5	5.5	A1
5.5	6.5	A2
6.5	7.5	A3
7.5	8.5	Baa1
8.5	9.5	Baa2
9.5	10.5	Baa3
10.5	11.5	Ba1
11.5	12.5	Ba2
12.5	13.5	Ba3
13.5	14.5	B1
14.5	15.5	B2
15.5	16.5	B3 and below



S&P General Obligation Rating Criteria



S&P GO Credit Rating Scorecard

Factor	Weight	Score	Weighted Score
Institutional Framework	10%	1	0.10
Economic	30%	2.5	0.75
Management Score	20%	1	0.20
Financial Measures:			
Budgetary Flexibility	10%	1	0.10
Budgetary Performance	10%	3	0.30
Liquidity	10%	1	0.10
Debt and Contingent Liabilities	10%	2	0.20
Preliminary Score			1.75
Indicative Rating			AA+

Observations

- Based on the City's 2023 financial statements, the City's quantitative analysis scores at the AA+ level.
- The strengths of the City are its management, budgetary flexibility, and liquidity.
- The current challenges are the City's economy and budgetary performance.

Factor Score Weighted Average	Indicative Rating
1.00 - 1.64	AAA
1.65 - 1.94	AA+
1.95 - 2.34	AA
2.35 - 2.84	AA-
2.85 - 3.24	A+
3.25 - 3.64	A
3.65 - 3.94	A-
3.95 - 4.24	BBB+
4.25 - 4.54	BBB
4.55 - 4.74	BBB-
4.75 - 4.94	BB
4.95 - 5.0	B

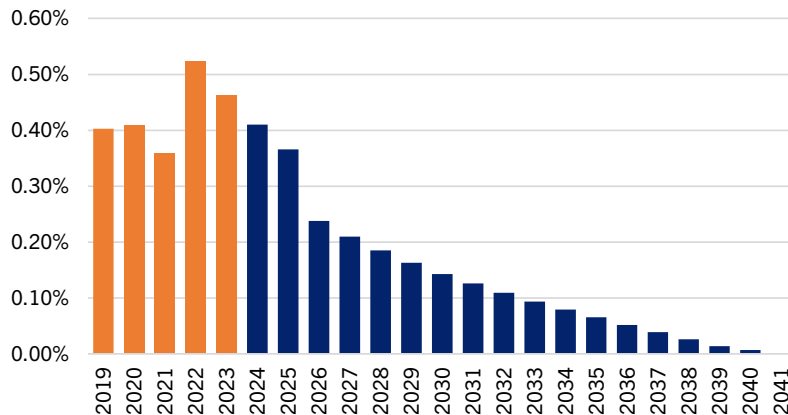
Debt to Assessed Value / Debt Per Capita

Debt to Assessed Value

- The City's governmental debt to assessed value has remained relatively low since FY2019, only eclipsing 0.50% in FY2022.

Fiscal Year	Debt to Assessed Value
2019	0.40%
2020	0.41%
2021	0.36%
2022	0.52%
2023	0.46%
2024	0.41%
2025	0.37%
2026	0.24%
2027	0.21%
2028	0.19%

Debt to Assessed Value

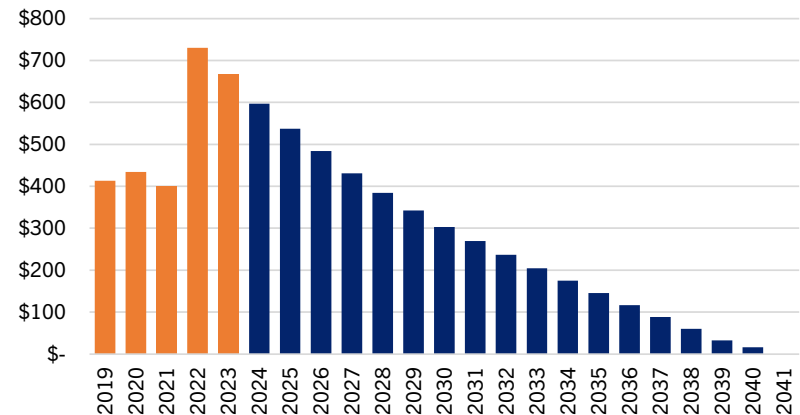


Debt Per Capita

- The City's governmental debt per capita increased to \$730 in FY2022 but is projected to decline as debt is paid off.

Fiscal Year	Debt Per Capita
2019	\$ 413.34
2020	434.11
2021	399.64
2022	729.89
2023	667.18
2024	596.64
2025	537.16
2026	484.02
2027	431.23
2028	384.12

Debt Per Capita



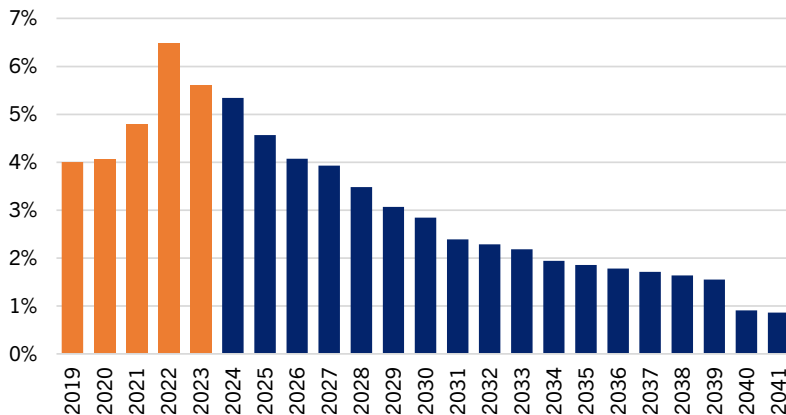
Debt Service to Expenditures / 10-Year Payout

Debt Service to Expenditures

- The City's governmental debt service historically has accounted for less than 6.50% of the City's governmental expenditures.

Fiscal Year	Debt Service to Expenditures
2019	4.00%
2020	4.05%
2021	4.79%
2022	6.48%
2023	5.60%
2024	5.34%
2025	4.57%
2026	4.07%
2027	3.93%
2028	3.48%

Debt Service to Expenditures

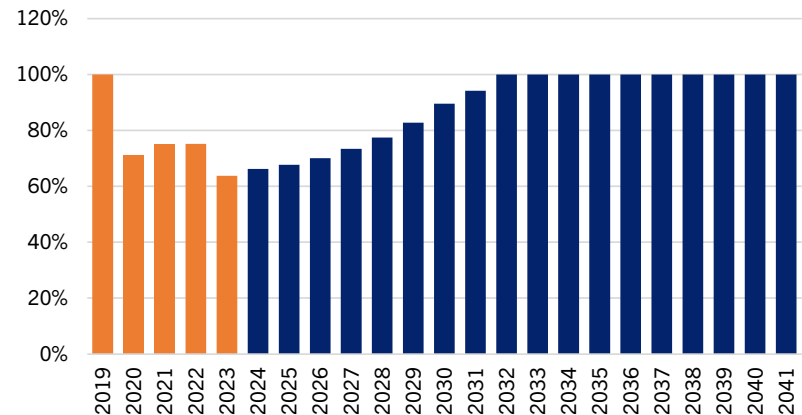


10-Year Payout

- The City's governmental 10-year payout ratio has remained strong at over 60%.

Fiscal Year	10-Year Payout Ratio
2019	100.00%
2020	71.00%
2021	75.00%
2022	75.13%
2023	63.73%
2024	66.18%
2025	67.66%
2026	70.08%
2027	73.38%
2028	77.43%

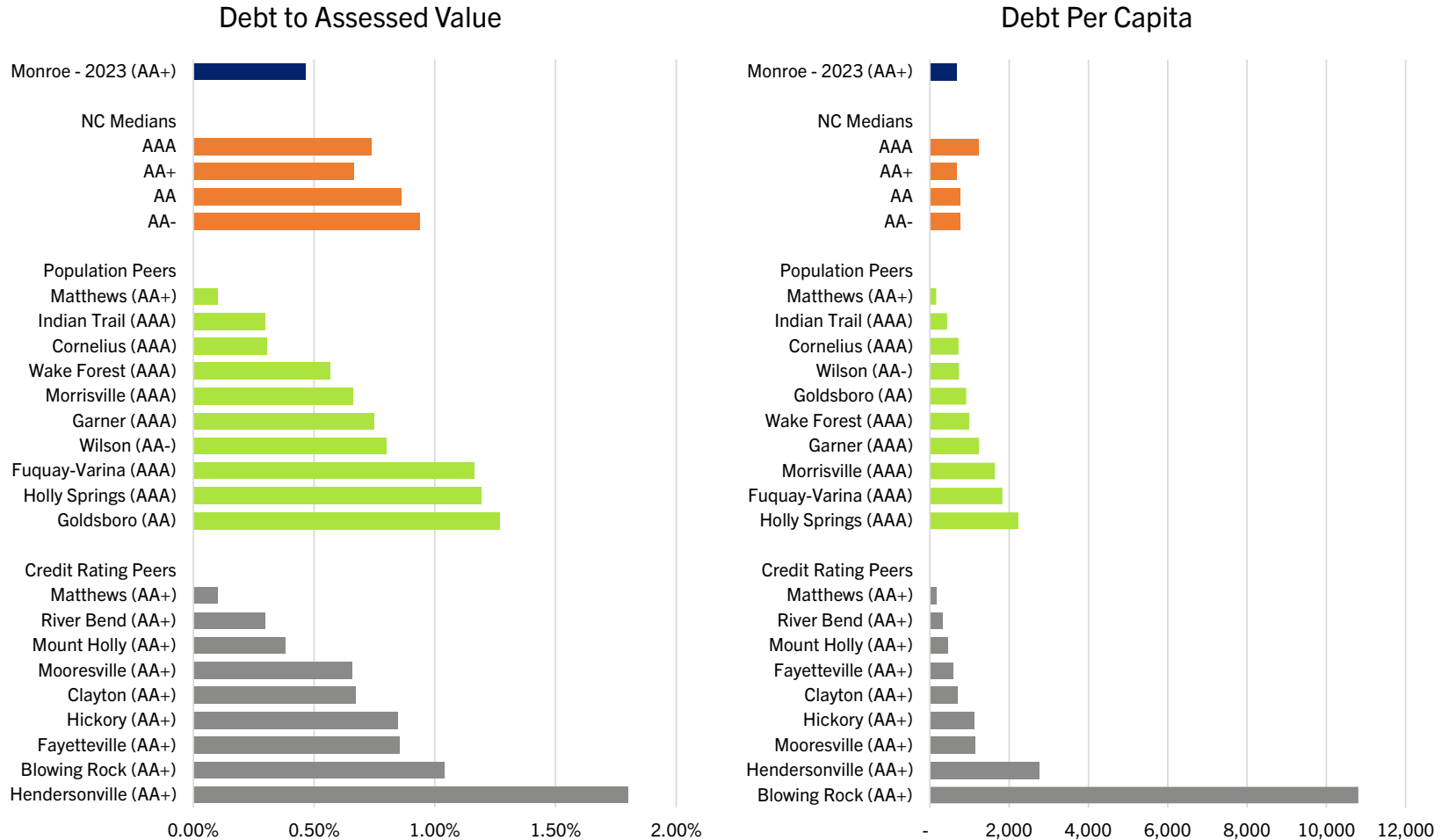
10-Year Payout Ratio



Note: Governmental Expenditures (excluding debt service) assumed to grow at 2.00% annually above FY2023 level (\$56,212,622).

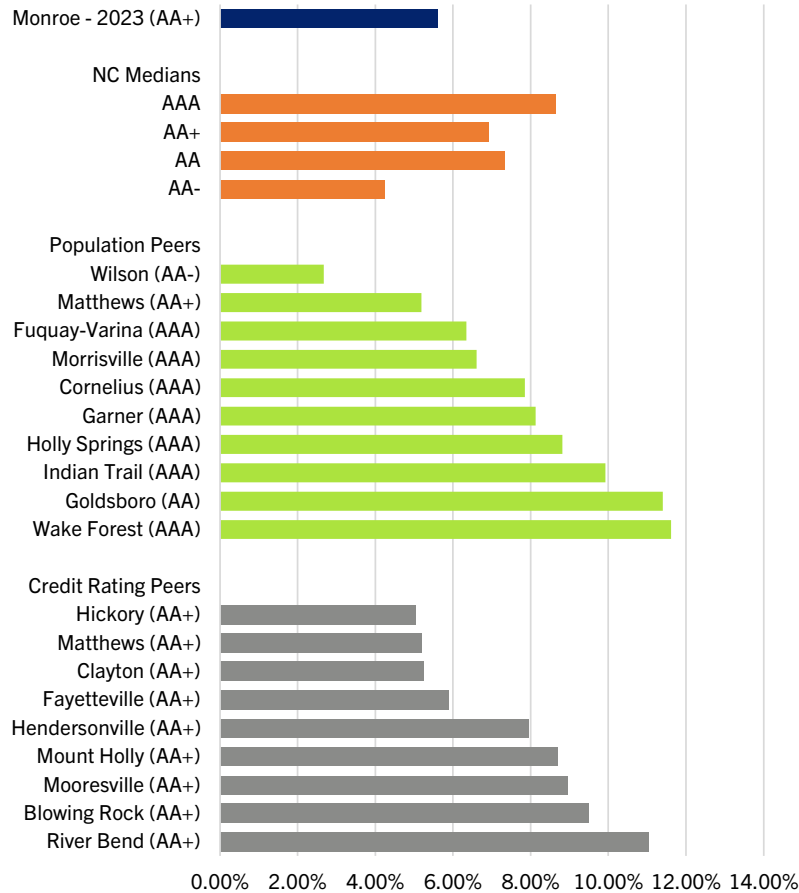


Debt Ratios – Peer Comps

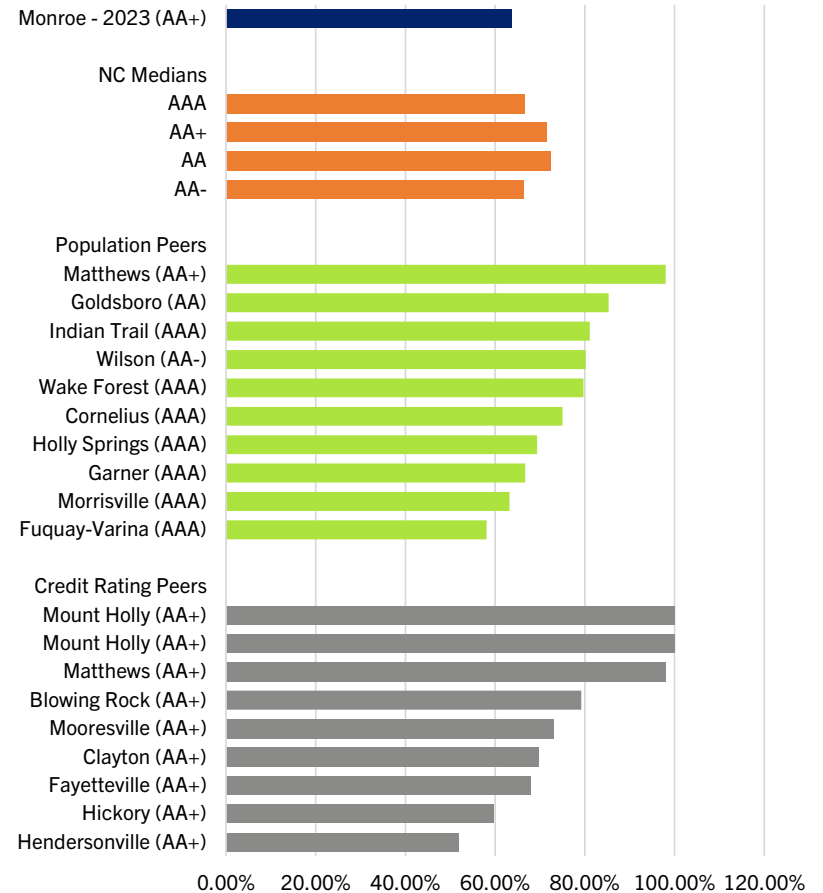


Debt Ratios – Peer Comps

Debt Service to Expenditures



10-Year Payout Ratio



Agenda

- 1) Credit Rating / Debt Overview
- 2) Debt Analysis
- 3) Appendix A: Additional Credit / Debt Information
- 4) Appendix B: Debt Capacity Information**



Future Debt Analysis

- The City's only debt-related policy is a debt per capita policy which states that net general obligation debt per capita will not exceed \$1,000 while all debt per capita will not exceed \$3,000.
 - The City does not currently have general obligation debt outstanding, however, its total governmental debt outstanding of \$23,947,708 represents \$667 per capita.
- Other debt policies often include:
 - Debt to Assessed Value
 - Total Governmental Debt Outstanding / Assessed Value
 - Typical range of 2.00 – 3.00%.
 - Debt Service to Expenditures
 - Governmental Debt Service / Governmental Expenditures
 - Typical range of 12.00 – 15.00%.



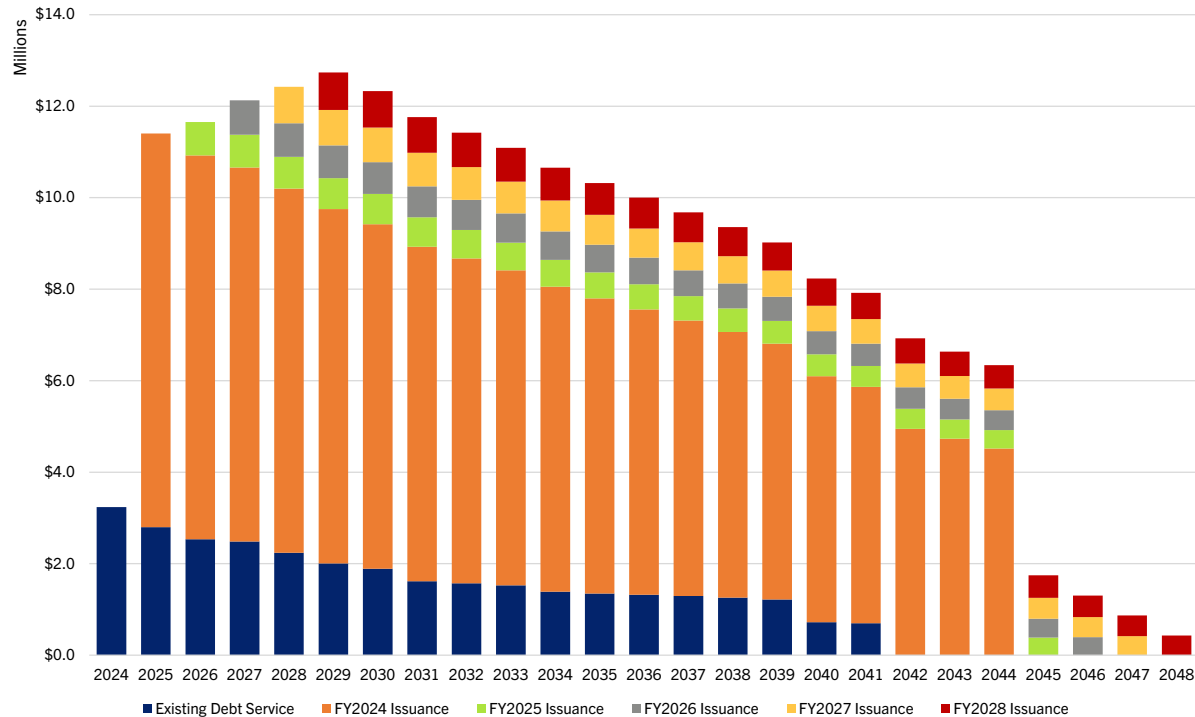
Debt Capacity Analysis

- The following scenarios independently quantify the City's debt capacity under three debt metrics:
 - Scenario 5
 - Max out Debt Per Capita at \$3,000
 - Population assumed to grow a 1.00% annually above FY2023 level (35,894)
 - Scenario 6
 - Max out Debt to Assessed Value at 2.00%
 - Assessed Value assumed to grow by 2.00% above FY2023 level (\$5,168,260,464) in FY2024 and FY2025, 40% in FY2026 (due to revaluation), and 2.00% annually thereafter
 - Scenario 7
 - Max out Debt Service to Expenditures at 15.00%
 - Governmental Expenditures (excluding debt service) assumed to grow at 2.00% annually above FY2023 level (\$56,212,622)
- Each scenario assumes that the City issues debt in each of FY2024 – FY2028 under the following assumptions:
 - Term: 20 Years
 - Interest Rate: 5.00%
 - Amortization: Level Principal
 - First P&I Payment: FY Following Issuance

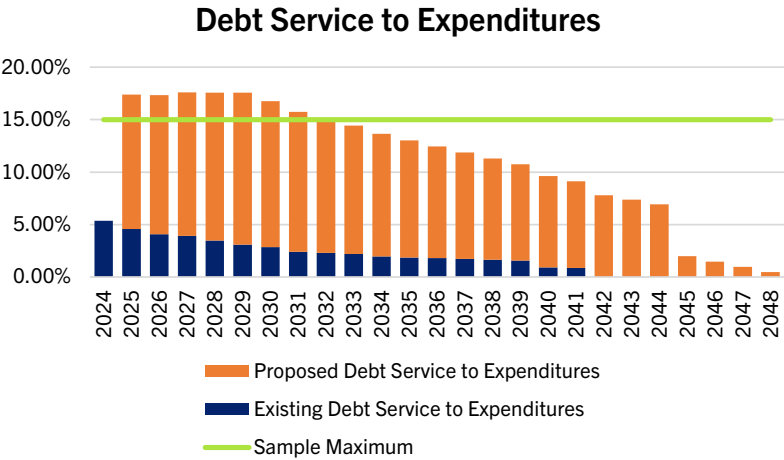
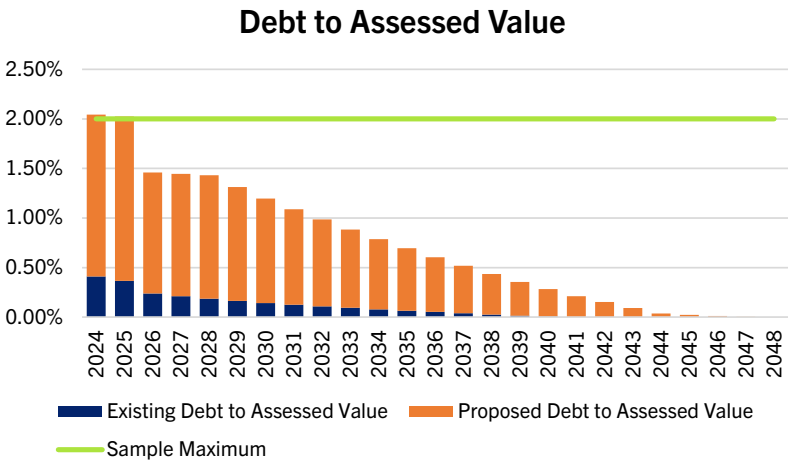
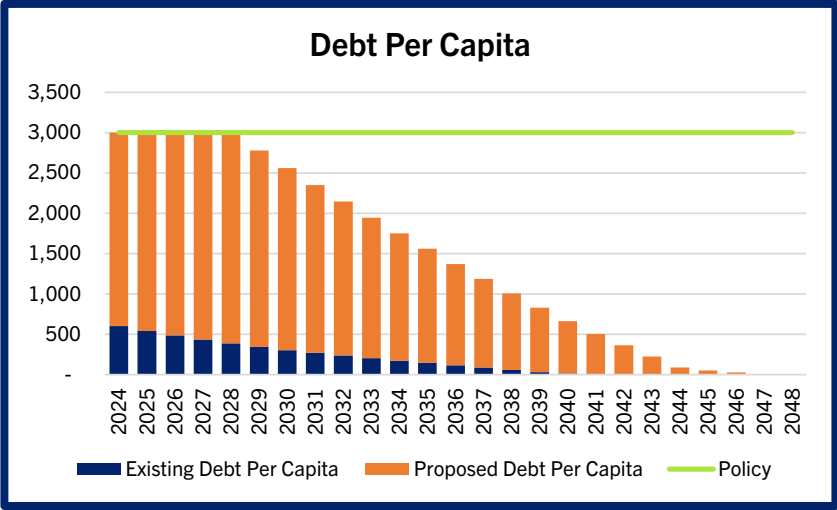
Scenario 5 – Funding Capacity

- If the City were to max out its capacity under its \$3,000 debt per capita policy, the City could issue approximately \$117.025 million from FY2024 – FY2028.

Fiscal Year	Amount
2024	\$86,050,000
2025	\$7,325,000
2026	\$7,525,000
2027	\$7,950,000
2028	\$8,175,000
Total	\$117,025,000



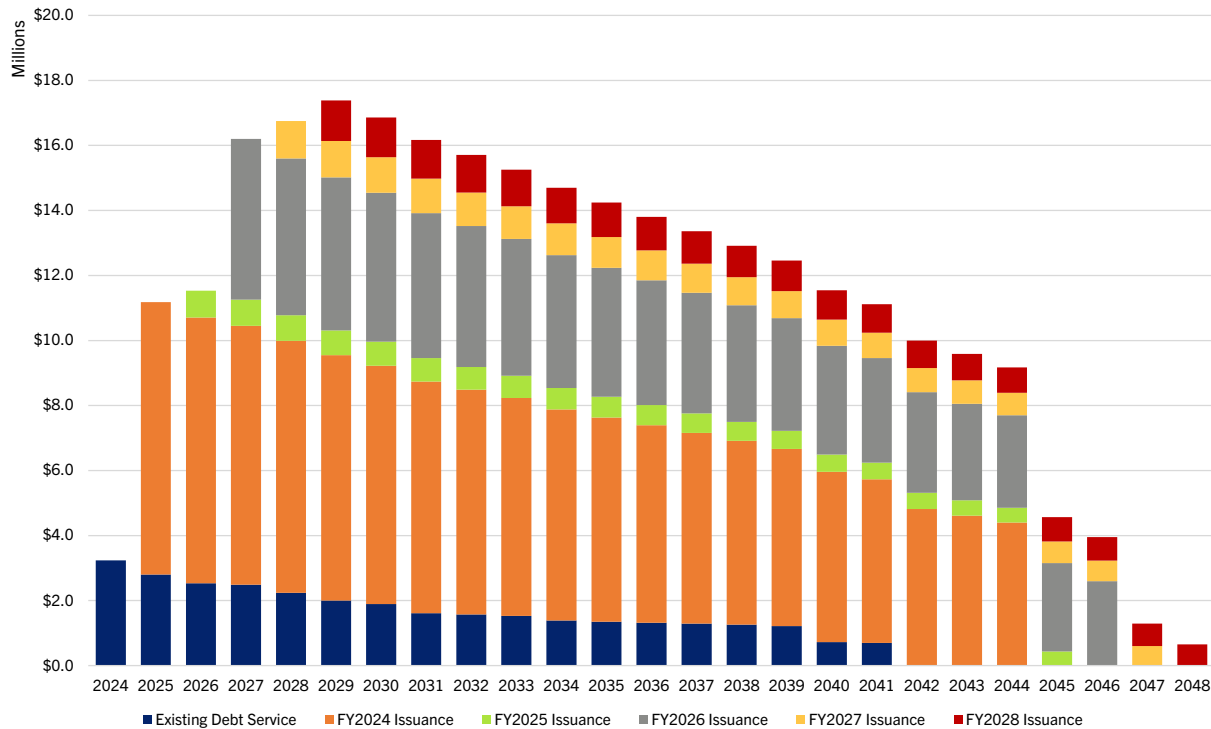
Scenario 5 – Debt Ratios



Scenario 6 – Funding Capacity

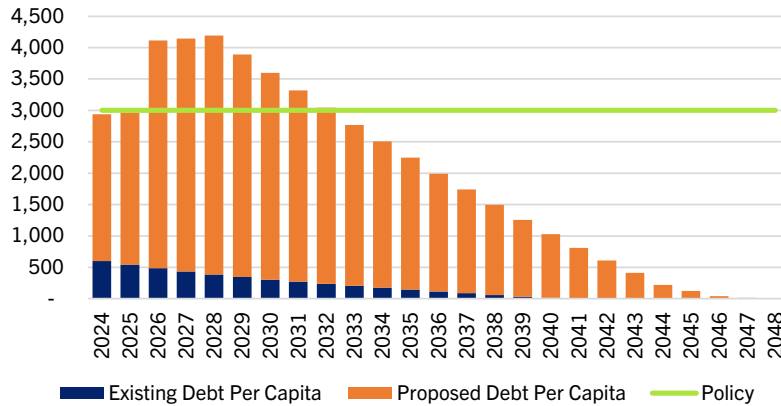
- If the City were to max out its capacity under a 2.00% Debt to Assessed Value metric, the City could issue approximately \$165.56 million from FY2024 – FY2028.

Fiscal Year	Amount
2024	\$83,800,000
2025	\$8,260,000
2026	\$49,500,000
2027	\$11,500,000
2028	\$12,500,000
Total	\$165,560,000

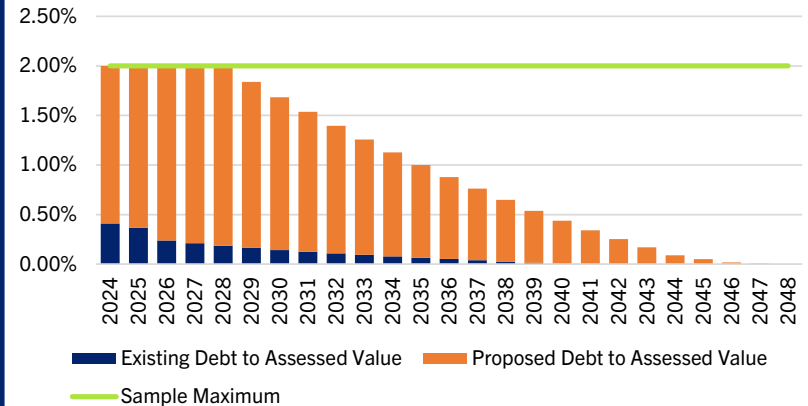


Scenario 6 – Debt Ratios

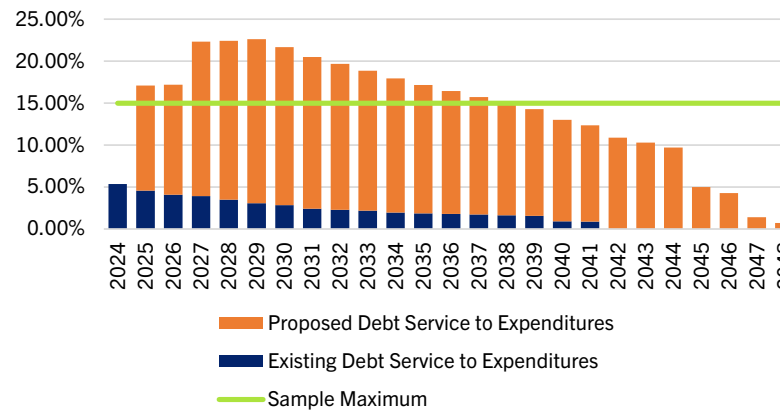
Debt Per Capita



Debt to Assessed Value



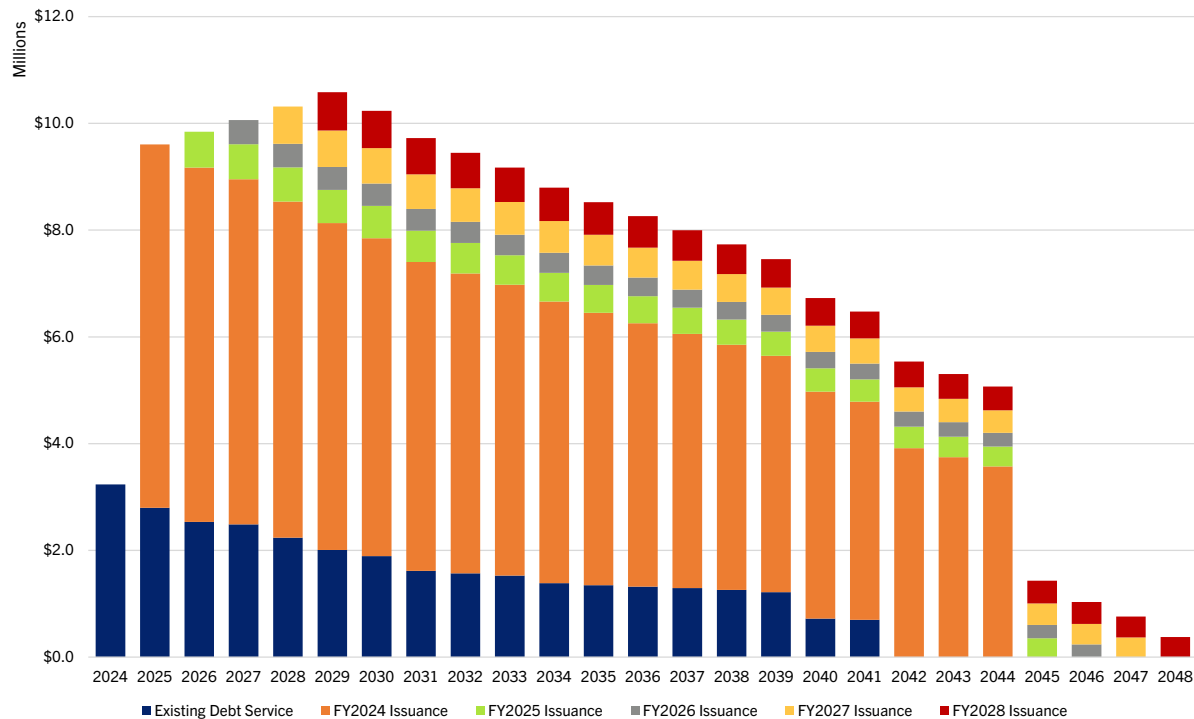
Debt Service to Expenditures



Scenario 7 – Funding Capacity

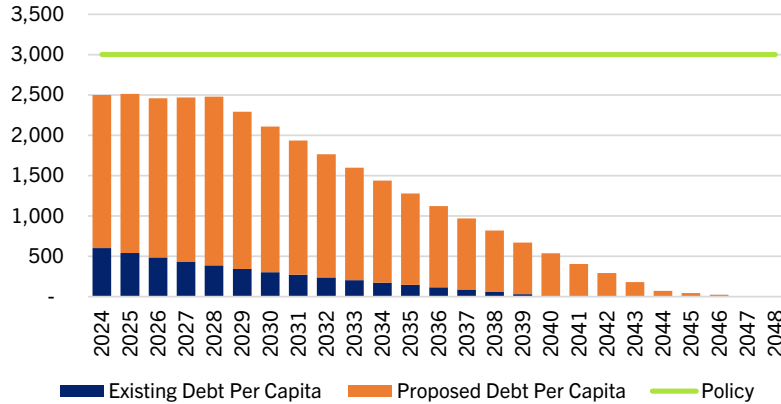
- If the City were to max out its funding capacity under a 15.00% Debt Service to Expenditures metric, the City could issue approximately \$93.475 million from FY2024 – FY2028.

Fiscal Year	Amount
2024	\$68,075,000
2025	\$6,725,000
2026	\$4,525,000
2027	\$7,000,000
2028	\$7,150,000
Total	\$93,475,000

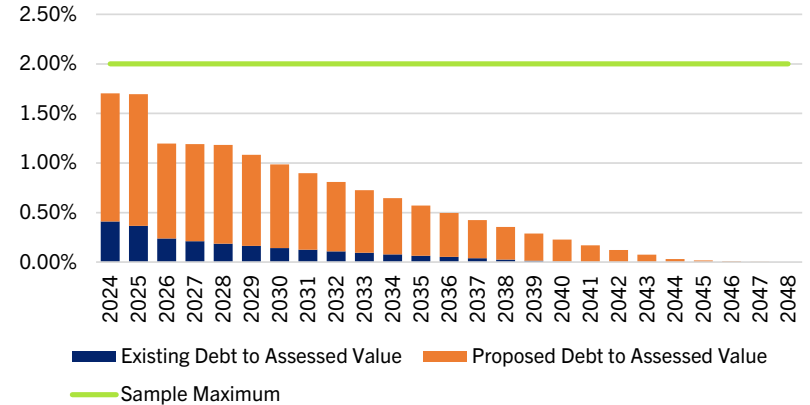


Scenario 7 – Debt Ratios

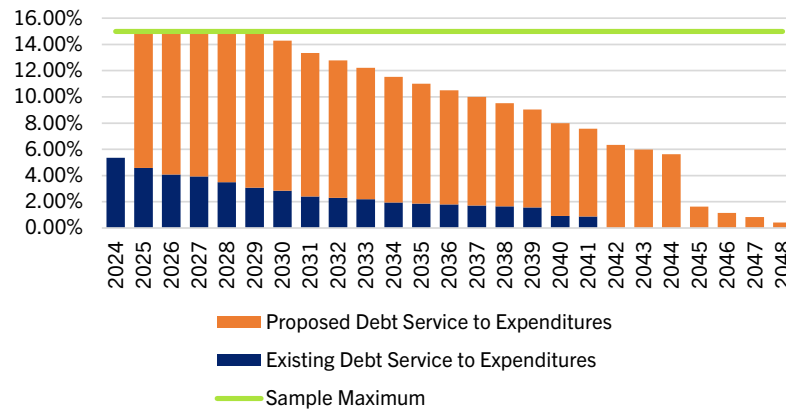
Debt Per Capita



Debt to Assessed Value



Debt Service to Expenditures



First Tryon Advisors

SIMPLIFYING PUBLIC FINANCE

FIRSTTRYON.COM

MSRB Registrant

DISCLAIMER: This communication was prepared by First Tryon Advisors, LLC ("First Tryon Advisors") and is for informational purposes only and should not be construed as an offer or solicitation to sell or buy any securities. This material does not provide tax, regulatory, accounting, or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory, and accounting characteristics and consequences, of the proposed transaction.

Any proposal included in this communication is confidential information of First Tryon Advisors and is solely for the benefit of the recipient(s), and the recipient(s) is (are) not authorized to sell, redistribute, forward or deliver this communication to any other person without the prior written consent of First Tryon Advisors.

The statements within this material constitute the views, perspective and judgment of First Tryon Advisors at the time of distribution and are subject to change without notice. First Tryon Advisors gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this communication. The material presented reflects information known to First Tryon Advisors at the time this communication was prepared, and this information is subject to change without notice. First Tryon Advisors makes no warranties regarding the accuracy of this material.

Any forecasts, projections, or predictions of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue, and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or performance. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes only to simplify the presentation and/or calculation of any projections or estimates, and First Tryon Advisors does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated projections will be realized or that actual performance results will not materially differ from those estimated herein.

First Tryon Advisors is registered as a municipal advisor with the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). Neither the SEC, MSRB, nor any other regulatory organization endorses, indemnifies, or guarantees First Tryon Advisors' business practices or selling methods.

FY 2025 Departmental Budget Discussion

Human Resources/Safety and Risk

Personnel

- Human Resources Analyst I:
 - Will provide more service to meet the daily demands of our employees and recruitment process. This position will be responsible for new employee orientation, recruitment, payroll, benefits, open enrollment, etc.
 - This position will continue to help increase response time to our employee population and help allocate time for implementing new initiatives as required, and increase the City's interaction with various level of educational institutions and hiring sites to enhance recruitment. Based on the demands of HR resources and attrition which makes succession planning critical. This will allow the HR department to have the appropriate staffing to serve our employees in a more efficient and timely manner.
 - Estimated Costs:
 - Equipment/supplies, etc. (one time, non-personnel): \$7,385
 - Salary/benefits, etc.: \$59,568/\$32,041
 - Total Recurring annual salary/benefits: \$91,609

FY 2025 Departmental Budget Discussion

Parks and Recreation/Parks Maintenance

Base Budget Deficiencies/Deferred

- Increase in accounts critical to day to day operations of the Recreation Division
 - Additional needed to close gap (current funding vs. actual need):
 - Funds are requested to cover and increase in general cost increases for supply and maintenance needs
 - Interest/Need:
 - Due to increase in costs associated with general maintenance repairs and general supplies required for daily operation, an increase in the amount allocated to several accounts that are critical to day to day operation is requested.
- Estimated Costs:
 - Materials/facility (non-personnel):
 - Special Events - Firework Increase - \$14,550.00 - Funds are requested to provide an upgrade to fireworks display offered by the City of Monroe. There have been several comments regarding the quality of the show in year's past. The quality of the show is directly proportionate to the budget. As the City of Monroe is the only municipality that provides fireworks on July 4th, staff recommends an increase at 100% in the fireworks budget to provide a better experience for participants at our largest special event.
 - Special Events - Portable Stage Rental - \$11,700.00 - Funds are requested for the rental of a mobile stage specifically for the Music On Main concert series. The stage will save staff a substantial amount of time in set up and will provide a better experience for the participants and bands involved.
 - Special Events - Senior Games Cost Increase - \$2,000.00 - Funds requested to cover increase in general costs associated with the successful management of the Senior Games Program.
 - Repair and Maintenance to Pools - \$7,400.00 - Funds requested to contract the services associated with opening and closing of the Winchester Pool. Due to the retirement of a key staff member with exclusive knowledge of this amenity, staff recommends that this service be outsourced. Staff will continue the day to day operation and maintenance. This request includes a \$700.00 request for chlorine cost increase at 7%.
 - Telecommunication- \$1,500.00 - Sufficient funds do not exist to cover services associated with this account.
 - Athletics - \$8,400.00 - Funds are requested to cover general cost increases for general supplies related to youth athletics.
 - Additional Personnel: Not applicable
 - Total Cost to implement first year: \$45,550.00
 - Total Recurring annual cost: \$45,550.00

Base Budget Deficiencies/Deferred

- Increase in accounts critical to day to day operations of the Parks Maintenance Division
 - Additional needed to close gap (current funding vs. actual need):
 - Funds are requested to cover and increase in general cost increases for supply and maintenance needs
 - Interest/Need:
 - Due to increase in costs associated with general maintenance repairs and general supplies required for daily operation, an increase in the amount allocated to several accounts that are critical to day to day operation is requested.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - Repair and Maintenance to Equipment - \$5,000.00 - Due to continued increase in costs associated with general maintenance repair and parts required to operate and to the retirement of a well experienced mechanic that may result in outsourcing certain issues that may arise, an increase in the amount allocated to accounts associated with day to day operations is requested.
 - Repair and Maintenance City Beautification - \$4,500.00 - Funds requested to be added to the base budget for Holiday decorations at Gateway Park. This item was not included as a base budget item in FY24 and should moving forward.
 - Travel and Training - \$8,000.00 - Due to the new North Carolina law change there is now a requirement to obtaining a Commercial Drivers License. This is a four week school that one must attend. All training and testing are done during these four weeks. The cost of the school is \$4,000 per person. Staff recommends available funds to cover this cost for potential new hires.
 - Vehicle Maintenance - \$10,000.00 - Due to continued increase in costs associated with our Leaf Trucks general maintenance repair, parts required to operate and to the retirement of a well experienced mechanic that may result in outsourcing certain issues that may arise, an increase in the amount allocated to accounts associated with day to day operations is requested.
 - Small Equipment - \$500.00 - Due to the cost increase of equipment, it is imperative that we have the funds needed in an emergency to purchase of a piece of equipment.
 - Additional Personnel: Not applicable
 - Total Cost to implement first year: \$28,000.00
 - Total Recurring annual cost: \$28,000.00

Capital Improvements/New Initiatives

- Project/Initiative: (greater than \$100,000)
 - Purchase of new Dump Truck
 - Additional needed for improvement
 - Replacement of Dump Truck #981
 - Interest/Need:
 - This Dump Truck has reached its end of life and is scheduled for replacement.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - Not Applicable
 - Total Cost to implement first year:
 - \$127,000.00
 - Total Recurring annual cost:
 - Not Applicable

Capital Improvements/New Initiatives

- Project/Initiative: (greater than \$100,000)
 - Community Center Gymnasium floor replacement
 - Additional needed for improvement
 - Funds requested to replace and/or renovate all gymnasium floors located within appropriate community centers.
 - Interest/Need:
 - Community Centers are relied upon to provide quality facilities to our athletic programs, special events, sports camps, and more. The current gymnasium floors are in need of replacement or renovation. Several floors utilize sports floor tile that were installed in the early 2000's and have multiple dead spots that make it difficult for proper utilization. The renovation will include a design that will make the facilities more aesthetically pleasing and promote our department during programs.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - \$385,000.00
 - Total Cost to implement first year:
 - \$385,000.00
 - Total Recurring annual cost:
 - Not Applicable

Capital Improvements/New Initiatives

- Project/Initiative: (greater than \$100,000)
 - Installation of Pickleball Courts
 - Additional needed for improvement
 - Funds requested to install Pickleball Courts at Belk Tonawanda Park
 - Interest/Need:
 - Space is available to repurpose current bocce courts at Belk Tonawanda Park for pickleball courts. Bocce courts can be relocated at minimal cost to Parks Williams Athletic Complex. Pickleball is in high demand. Our department currently provides three indoor courts at Winchester Community Center and six courts at Dickerson Recreation Complex. Currently, courts are shared with tennis at Dickerson and gym sports at Winchester. This installation includes three stand alone courts that are exclusively utilized for pickleball.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - \$135,000.00
 - Total Cost to implement first year:
 - \$135,000.00
 - Total Recurring annual cost:
 - \$1,000.00 for maintenance needs

Capital Improvements/New Initiatives

- Project/Initiative: (greater than \$100,000)
 - Land and Water Conservation Fund Matching Grant Funds (LWCF)
 - Additional needed for improvement
 - Funds requested to match potential grant opportunity through the Land and Water Conservation Fund.
 - Interest/Need:
 - Staff plans to apply for a Land and Water Conservation Fund matching grant to assist with funding a connector greenway between Dickerson Park and Union Academy. LWCF grant requires a 100% match. Request is made contingent on the grant being awarded.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - Not applicable
 - Total Cost to implement first year:
 - \$300,000.00
 - Total Recurring annual cost:
 - \$1,000.00 for maintenance needs

New Initiatives

- Community Center Upgrades
 - Flooring Replacement - \$94,000.00
 - Window Tinting - \$19,650.00
 - Gym Floor Replacement - \$385,000.00
 - Miscellaneous Fitness Equipment - \$24,350.00
 - Backboard and Goal Replacement - \$50,000.00
 - Benches - \$1480.00
 - Bleacher Replacement at Winchester - \$75,000.00
 - Pickleball Court at Belk Tonawanda - \$135,000.00
 - Weight Room Floor Replacement at Dickerson - \$10,000.00
 - General Upfit Items - \$70,000.00
 - Painting/Murals - \$25,000.00
 - Sunroom Renovation at Winchester - \$40,000.00
 - Volleyball Sets and Standards -\$6,000.00
 - Future property acquisition - \$500,000.00

TOTAL - \$1,435,480.00

Personnel

- Recreation Coordinator
 - Position will provide critical support in assisting in managing youth athletic programs, special events, camp programming, scheduling and other responsibilities needed to manage the recreation division efficiently.
 - Need: The Coordinator position includes the reclassification of the current 20+ position, Recreation Assistant, to the full time position of Recreation Coordinator. The former Athletic Fields Specialist position that exists within this division was reclassified to a Recreation Coordinator in the current fiscal year. These coordinators will allow the division supervisors the ability to delegate roles to allow a more concise focus on programming needs, as well as, appropriate coverage for facilities and programs.
 - Estimated Costs:
 - Equipment/supplies, etc. (one time, non-personnel): \$1,800.00 - Laptop
 - Salary/benefits, etc.: \$69,683.00
 - Total Recurring annual salary/benefits: \$69,683.00

Personnel

- Facility Maintenance Worker II
 - Position would be responsible for assisting parks maintenance with general maintenance work related to general service items including amenities affected by vandalism, attention to smaller renovation projects and repairs within parks and recreation facilities.
 - Need: As parks facilities grow and are becoming more utilized, there is a higher propensity for damages. Many times, the expectation of addressing these damages are a high priority and must be completed on an almost immediate basis. Currently, these items may burden the facilities maintenance department and this position will allow our department to address these items within our scope of responsibility without affecting the efficiency of work related to other needs associated with the facilities maintenance department. This individual would be able to address smaller repairs related to immediate needs caused by vandalism or need for small renovation or repair.
 - Estimated Costs:
 - Equipment/supplies, etc. (one time, non-personnel):
 - \$56,000.00 - Capitalized Motor Vehicles
 - \$300.00 - Uniforms and Shoes
 - Salary/benefits, etc.: \$60,405.00
 - Total Recurring annual salary/benefits: \$60,405.00

Priorities

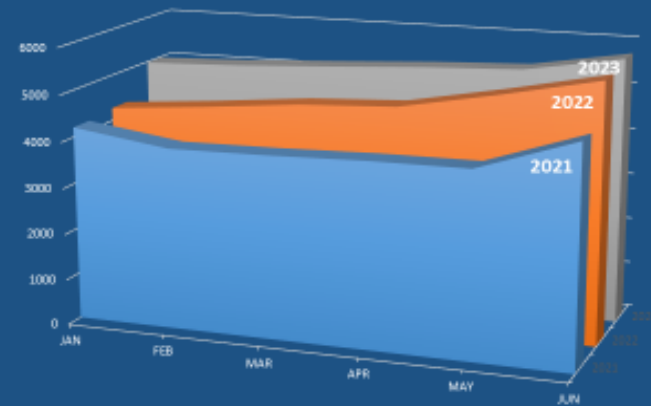
- Deficiencies/Deferred:
 1. Increase in accounts critical to day to day operations within the Parks Maintenance Division.
 2. Increase in Repair and Maintenance to Pools within the Recreation Division.
 3. Increase in Special Event budget within the Recreation Division.
- Capital:
 1. Community Center Gymnasium Floor Replacement
 2. Dump Truck
 3. LWCF Grant Matching Funds
- Personnel:
 1. Recreation Coordinator (FT) - Funds to reclassify current Recreation Assistant (20+) to FT Recreation Coordinator
 2. Facility Maintenance II (FT)

FY 2025 Departmental Budget Discussion

Parks and Recreation/MAFC

Membership Trends

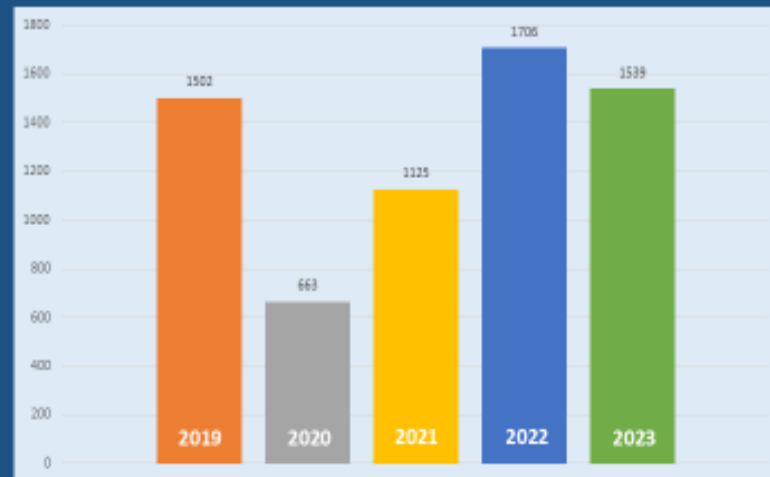
Continued Increase of Memberships



6-month comparison of memberships
2021 - 2023

Membership Trends

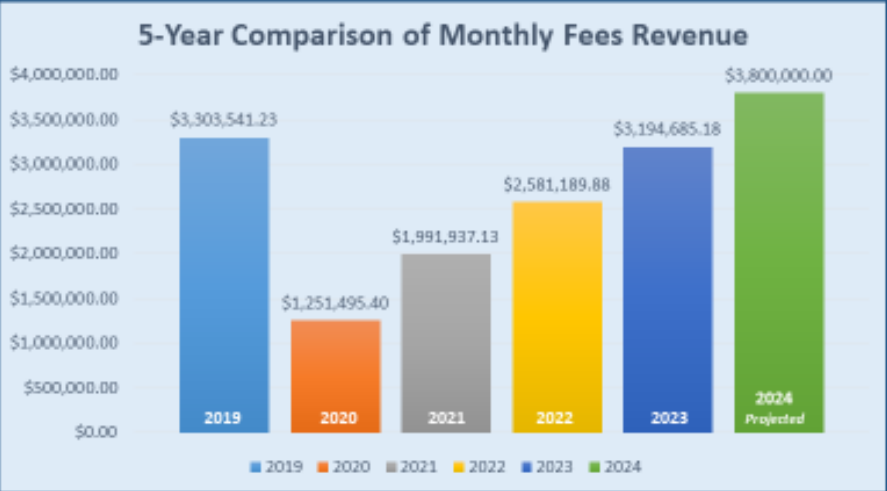
Currently On Par With 2019 Pre-Covid Numbers



This chart indicates the number of new memberships gained during the first six months of each year.

Revenue Trends

Monthly Membership Fees Revenue



Figures indicate monthly draft membership revenues for each calendar year.

Revenue Trends

Total Revenue Comparisons



FY23 revenue increased 26% in comparison to FY22

Revenue Trends

Revenue vs. Expenses



Base Budget Deficiencies/Deferred

- Funds requested for increase in general costs for uniforms.
 - Additional needed to close gap (current funding vs. actual need):
 - Funds are requested to cover a 10% increase in costs associated with uniforms.
 - Interest/Need:
 - Increase is requested to address general increase in cost for staff uniforms.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - \$750.00
 - Additional Personnel:
 - Not applicable
 - Total Cost to implement first year:
 - Increase of \$750.00
 - Total Recurring annual cost:
 - \$750.00

Base Budget Deficiencies/Deferred

- Funds requested for increase in general costs for small equipment.
 - Additional needed to close gap (current funding vs. actual need):
 - Funds are requested to cover a 10% increase in costs associated with small equipment needs.
 - Interest/Need:
 - Increase is requested to address general increase in cost for equipment and equipment repair needed for day to day operations.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - \$2,700.00
 - Additional Personnel:
 - Not applicable
 - Total Cost to implement first year:
 - Increase of \$2,700.00
 - Total Recurring annual cost:
 - \$2,700.00

Base Budget Deficiencies/Deferred

- Funds requested for increase in general costs for pool chemicals.
 - Additional needed to close gap (current funding vs. actual need):
 - Funds are requested to cover a 10% increase in costs associated with pool chemicals.
 - Interest/Need:
 - Increase is requested to address general increase in cost for pool chemicals.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - \$5,171.00
 - Additional Personnel:
 - Not applicable
 - Total Cost to implement first year:
 - Increase of \$5,171.00
 - Total Recurring annual cost:
 - \$5,171.00

Base Budget Deficiencies/Deferred

- Funds requested for increase in general costs associated with technical contracted services.
 - Additional needed to close gap (current funding vs. actual need):
 - Funds are requested to cover a 10% increase in costs associated with technical contract needs that provide essential maintenance and program services to the facility.
 - Interest/Need:
 - Increase is requested to address general increase in cost related to contracted services.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - \$1,038.00
 - Additional Personnel:
 - Not applicable
 - Total Cost to implement first year:
 - Increase of \$1,038.00
 - Total Recurring annual cost:
 - \$1,038.00

Base Budget Deficiencies/Deferred

- Funds requested for increase in general costs associated with bank service charges.
 - Additional needed to close gap (current funding vs. actual need):
 - Funds are requested to cover a 5% increase in costs associated with bank service charges.
 - Interest/Need:
 - Increase is requested to address general increase in cost related to bank service charges.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - \$2,400.00
 - Additional Personnel:
 - Not applicable
 - Total Cost to implement first year:
 - Increase of \$2400.00
 - Total Recurring annual cost:
 - \$2,400.00

Base Budget Deficiencies/Deferred

- Funds requested for increase in general costs associated with general supplies associated with day to day operations.
 - Additional needed to close gap (current funding vs. actual need):
 - Funds are requested to cover a 5% increase in costs associated with general supplies.
 - Interest/Need:
 - Increase is requested to address general increase in cost related to general supply needs.
 - Estimated Costs:
 - Materials/facility (non-personnel):
 - \$1,137.00
 - Additional Personnel:
 - Not applicable
 - Total Cost to implement first year:
 - Increase of \$1,137.00
 - Total Recurring annual cost:
 - \$1,137.00

Capital Improvements/New Initiatives

- Project/Initiative?: (greater than \$100,000)

Strategic

- Building Improvements - \$124,346.00 - Funds requested to complete the building renovation that includes replacing the flooring that exists in the hallways leading to fitness room, gym and childcare rooms, painting of the hallways adjacent to the childcare rooms, window tinting and to replace exterior doors. This will complete the building upfit for this facility.
- Roof Repair - \$45,000.00 - Funds requested to replace the roof section over the school age childcare rooms and back hallways adjacent to those rooms. This request is based on the replacement schedule.

Total - \$176,771.00

Capital Improvements/New Initiatives

- Project/Initiative?: (greater than \$100,000)

Replacements

- Replace Treadmills - \$44,500.00 - Funds are requested to replace treadmills and other necessary fitness room items. This amount is based on our regular replacement schedule.
- Replace Hot Water Heater (130 Gallon) - \$22,000.00 - Funds requested to replace the hot water heater for the men's and women's locker room. It is scheduled for replacement. This equipment was installed in 2010 with a 10 - 12 year life expectancy. This item was approved in FY24, however, staff recommended reallocating these funds to replace an HVAC system.
- Replace 2000 Ford Ranger - \$35,000.00 - The current vehicle is recommended for replacement due to it's age and condition.

Total - \$101,500.00

Total Capital Requests - \$278,271.00

Personnel

There are no personnel requests submitted for the Monroe Aquatics and Fitness Center.

Priorities

- Deficiencies/Deferred:
 1. HVAC Preventative Maintenance increase
 2. Pool Chemical increase
 3. Cleaning Service increase
- Capital:
 1. Roof Repair
 2. Building Upfits
 3. Treadmill Replacement
- Personnel:

Not applicable

FY 2025 Departmental Budget Discussion

Engineering

Base Budget Deficiencies - Stormwater

- Materials - Stormwater (5208120)
 - Additional needed to close the gap: \$25,000 (Current \$140,000; Needed \$165,000)
 - Interest/Need: This is used to cover materials for stormwater work orders. Material costs (mainly pipe) have increased.
 - Estimated Costs:
 - Materials/facility (non-personnel): \$25,000
 - Additional Personnel: \$0
 - Total Cost to implement first year: \$25,000
 - Total Recurring annual cost: \$25,000

Capital Improvements/New Initiatives

- CityWorks Implementation
 - Additional needed to close the gap: \$35,000
 - Interest/Need: Implement CityWorks for use by Engineering, Street Division, and Stormwater
 - Estimated Costs:
 - Materials/facility (non-personnel): \$35,000
 - Additional Personnel: \$0
 - Total Cost to implement first year: \$35,000
 - Total Recurring annual cost: \$0

Personnel - Engineering

- Engineering - Erosion Control Inspector
 - Construction Inspector II- this would add an Erosion Control Inspector.
 - Need: Due to number of active sites, NCDEQ staff advised during the last audit that another inspector may be needed to adequately conduct compliance inspections.
 - Estimated Costs:
 - Equipment/supplies, etc. (one time, non-personnel): \$53,305
 - Salary/benefits, etc.: Salary- \$66,625 Total Benefits- \$33,909
 - Total Recurring annual salary/benefits: \$100,954

Personnel - Engineering

- Engineering - Construction Inspector II
 - Construction Inspector II - additional construction inspector.
 - Need: There are 28 subdivisions under various stages of construction and more that are in plan review. Currently two inspectors are struggling to keep up with demand. Additional inspector needed to ensure newly installed infrastructure meets the City's standards.
 - Estimated Costs:
 - Equipment/supplies, etc. (one time, non-personnel): \$53,305
 - Salary/benefits, etc.: Salary- \$66,625 Total Benefits- \$33,909
 - Total Recurring annual salary/benefits: \$100,954

Personnel - Street Division

- Street Division - Two Equipment Operator I's
 - Equipment Operator I's - this would add two members to the concrete crew returning the crew to a 6-person crew as it existed prior to 2011.
 - Need: Additional personnel are needed to return the concrete crew to independent functionality.
 - Estimated Costs:
 - Equipment/supplies, etc. (one time, non-personnel): \$8,950
 - Salary/benefits, etc.: Salary- \$92,250 Total Benefits- \$57,384
 - Total Recurring annual salary/benefits: \$150,054

Personnel - Street Division

- Street Division - Street Sign Technician
 - Street Sign Technician- a two-person crew is desired for installation and maintenance of street signs as well as for right-of-way maintenance. This position was eliminated in 2011 due to budget constraints.
 - Need: Additional personnel is needed to assist with street sign maintenance and right-of-way maintenance.
 - Estimated Costs:
 - Equipment/supplies, etc. (one time, non-personnel): \$4,695
 - Salary/benefits, etc.: Salary- \$42,281 Total Benefits- \$26,108
 - Total Recurring annual salary/benefits: \$68,809

Priorities

Engineering

- Capital:
 1. CityWorks Implementation
- Personnel:
 1. Erosion Control Inspector
 2. Construction Inspector

Streets

- Personnel:
 1. Sign Technician
 2. Equipment Operator I's

Stormwater

- Deficiencies/Deferred:
 1. Materials

FY 2025 Departmental Budget Discussion

Planning and Development Department
Planning and Permitting Division (4010)

Operating Budget-Technical Contracted Services

- Technical Contracted Services (Planning and Permitting):
 - Additional needed to close gap: \$72,500 (current \$5,000; Needed \$77,500)
- Interest/Need: The South Monroe Historic District is identified by gateway signs and street sign toppers. Both type of signs are outdated, in need of maintenance and the replacement stock has reduced. The Historic District Commission, by consensus, voted to redesign the Historic District Signs. There are currently 10 “gateway” signs and 43 “street sign toppers”. The funding request is to hire a consultant to assist the City with the redesign and public participation process as well as to implement/install new signage.
- Estimated Costs:
 - Design and Public Input Process: \$21,500
 - Signage Production/Implementation: \$51,000
 - Total Recurring annual cost: \$5,000 (current base)

Base Budget-Training and Travel

- Training and Travel (Planning and Permitting):
 - Additional needed to close gap: \$9,250 (current \$7,000; Needed \$16,250)
- Interest/Need: The Planning and Permitting Division contains 12 employees that share the travel account. The divisions have added 5 new positions within the last 3 years, but our training budget has not increased. New employees require foundational education courses. Additionally, the cost of conferences, courses, and hotels have increased. An increase in this account will allow the opportunity for all employees to receive professional certifications, continuing education, learn best practices in planning and permitting and network with other municipalities at various training and conferences.
- Estimated Costs:
 - Total Cost to implement first year: \$9,250
 - Total Recurring annual cost: \$16,250

Base Budget-Organizational Dues

- Organizational Dues (Planning and Permitting):
 - Additional needed to close gap: \$5,625 (current \$13,555; Needed \$19,180)
- Interest/Need: The Planning and Development Department is responsible for paying the Charlotte Regional Transportation Planning Organization (CRTPO) dues on behalf of the City in the amount of approximately \$14,000. Also, planning and permitting are members of the American Planning Association and the Permitting Association that require annual dues that have been increased plus the divisions have gained additional staffing.
- Estimated Costs:
 - Total Cost to implement first year: \$5,625
 - Total Recurring annual cost: \$19,180

Operating Budget-Other Expenditures

- Other Expenditures (Planning and Permitting):
 - Additional needed to close gap: \$3,250 (current \$10,000; Needed \$13,250)
- Interest/Need: The Planning and Development Department is interested in introducing a Prevention by Demolition Neglect Ordinance to the Historic District. The new ordinance would serve as a tool to prevent demolition of landmarks or structures in local historic districts by the neglect of the property. In order to establish a new ordinance, a public outreach/engagement process is necessary that would consist of the following:
 - A. Notification mailings
 - B. Open-house meetings that will include materials and light refreshments
 - C. Legal advertisements
- Estimated Costs:
 - Total Cost to implement first year: \$3,250
 - Total Recurring annual cost: \$10,000

FY 2025 Departmental Budget Discussion

Planning and Development Department
Building Standards Division (3530)

Base Budget-Technical Contracted Services

- Technical Contracted Services (Building Standards):
 - Additional needed to close gap: \$15,000 (current \$5,000; Needed \$20,000)
- Interest/Need: The Building Standards Division contracts with two (2) Level III Building Inspectors to assist with plan review services for non-residential buildings and structures. Building Standards also contracts with Union County and the Town of Waxhaw to assist with inspections during times of high volume of work or the division experiences a reduction in staff due to illness, trainings or vacations.
- Estimated Costs:
 - Total Cost to implement first year: \$15,000
 - Total Recurring annual cost: \$20,000

Base Budget-Training and Travel

- Training and Travel (Building Standards):
 - Additional needed to close gap: \$8,625 (current \$9,325; Needed \$17,950)
- Interest/Need: The Building Standards Division contains six (6) Building Inspectors that require Standard Level Certifications by the North Carolina Department of Insurance (NCDOI). Five (5) of the Building Inspectors are working on their Level I Standards Certifications and two (2) Inspectors are required to receive continuing educations. The funding increase will provide the necessary funds for conferences, training courses, cost for state exams, overnight stay, meals and mileage.
- Estimated Costs:
 - Total Cost to implement first year: \$8,625
 - Total Recurring annual cost: \$8,625

Operating Budget-Subscriptions and Publications

- Subscriptions and Publications (Building Standards):
 - Additional needed to close gap: \$6,000 (current \$2,685; Needed \$8,685)
- Interest/Need: The North Carolina Department of Insurance (NCDOI) will be releasing the new 2020 Building, Electrical, Mechanical, and Plumbing Code Books this year. The Building Standards Division contains six (6) Building Inspectors and each of them require a copy of each trade book for their daily job responsibilities.
- Estimated Costs:
 - Total Cost to implement first year: \$6,000
 - Total Recurring annual cost: \$2,685

Capital Improvements-Implementation of Concord Avenue Redevelopment Plan

- Implementation of Concord Avenue Small Area Redevelopment Plan:
 - Additional needed for improvement: \$500,000
 - Interest/Need: This request will provide funding to assist with implementing the prioritized action items outlined in the Concord Avenue Small Area Redevelopment Plan. City Council voted at their October 30, 2023 to allocate re-occurring funds for implementation of the plan.
 - Specific actions items include: 1) property acquisition program for the removal of slum and blight (environmental, appraisals, purchase & demo), purchase right-of-way for transportation improvements or to land bank property for development; and 2) Construct and install the US 74/601 Interchange Enhancements and Skyway Drive Streetscape Design (lighting, landscape enhancements, street trees, wayfinding, signal design modifications, and gateway monumentation) once the site planning and design services have been completed.
- Estimated Costs:
 - Total Cost to implement over multiple years: \$500,000
 - Total Recurring annual cost: \$500,000

FY 2025 Departmental Budget Discussion

Planning and Development Department
Community Development Division (4020)

Capital Improvements/New Vehicle

- Community Development New Vehicle:
 - Additional needed to close gap: \$31,880 (current \$0; Needed \$31,880)
- Interest/Need: The Planning and Development Department has a need for an additional vehicle, in particular the Community Development Division. The vehicles assigned to our Department are used on a daily basis by each division. The Community Development Division is responsible for public outreach and community engagement regarding various city-wide projects including but not limited to revitalization, community planning, neighborhood outreach. Historically, the Community Development Division uses personal vehicles. The Community Development carries out projects and activities off site that includes the transport of supplies, materials, food, tables, etc. including but not limited to workshops, meetings, business travel, and other work related activities.
- Estimated Costs:
 - Total Cost to implement first year: \$31,880
 - Total Recurring annual cost: \$0

FY 2025 Departmental Budget Discussion

Planning and Development Department
Code Enforcement Division (3520)

Base Budget-Technical Contracted Services

- Technical Contracted Services (Code Enforcement):
 - Additional needed to close gap: \$46,500 (current \$68,500; Needed \$115,000)
 - Interest/Need: The Code Enforcement Division is responsible for enforcing the Public Health Nuisance (high grass, junk & debris, etc.) and Minimum Housing Ordinances. These cases result in abatements or demolitions if compliance of the ordinances are not received. The Code Enforcement Division contracts with various companies to perform the abatements and demolitions. The additional funding will allow the division to cover the contractors cost to perform these services.
 - Estimated Costs:
 - Total Cost to implement first year: \$46,500
 - Total Recurring annual cost: \$115,000

Personnel-Code Enforcement Officer I

- Code Enforcement Officer I:
 - Code Enforcement Officer I; responsible for enforcing public health nuisance (high grass, junk & debris, white goods, etc.) parking in the yard, and graffiti ordinances and serve as the eyes in the field for zoning and solid waste. Code Enforcement also performs inspections, assists the public with interpretations of the ordinances and investigates complaints.
 - Need: The Code Enforcement Division contains four (4) Code Enforcement Officers with one (1) officer splitting their time between Code Enforcement and Community Maintenance. The City of Monroe has a population of approximately 35,894 and is 32.76 square miles. Monroe has approved 8,882 new residential dwellings since 2016. There is also a high rental capacity in the City of Monroe of approximately 40 to 50%. Both the new residential growth and high rental capacity results in an increase in Code Enforcement violations. The Code Enforcement Division has not been fully staffed since the downtown turn in the economy in 2010.
 - Estimated Costs:
 - Equipment/supplies, etc. (one time, non-personnel): \$50,808 (includes vehicle)
 - Salary/benefits: \$44,602 salary and \$28,079 benefits
 - Total Recurring annual salary/benefits: \$72,681

Priorities

- Deficiencies:
 1. Technical Contracted Services for Abatements & Demolitions.
 2. Historic District Gateway and Street Topper Signage Replacement.
 3. NC 2020 Building, Electrical, Plumbing and Mechanical Code Books.
 4. Training and Travel for Building Standards Divisions.
 5. Public Outreach and Education for Demolition by Neglect Ordinance for Historic District.
 6. Public Outreach and Education for Non-Residential Maintenance Code.
 7. Training and Travel-Planning and Permitting Divisions.
 8. Operational Dues-Planning and Permitting
- Capital:
 1. Implementation of Concord Avenue Small Area Redevelopment Plan
 2. New Vehicle for Community Development Division
- Personnel:
 1. Code Enforcement Officer I