

MINUTES

Lowell City Council
Special Meeting-Budget
Friday, May 6, 2022, 3:00 P.M.

I. CALL TO ORDER – Mayor Sandy Railey

Mayor Railey called the meeting to order at 3:00p.m. Those attending in-person were Mayor Pro-Temp Travis Smith, Councilmembers Phil Bonham, Thomas Gillespie, and Joanna Fulbright. City staff included City Manager Scott Attaway, Interim Chief Carl Moore, Sergeant Jeff Harrison, Finance Director, Lisa Nolen, Public Works Director Thomas Shrewsbury, and City Clerk Cheryl Ramsey. Parks and Recreation Director participated online. Councilmember Funderburk came in at 3:02pm.

II. ADOPTION OF AGENDA FOR THIS MEETING

Councilmember Bonham made a motion to accept the agenda and seconded by Mayor Pro-Temp Smith. The vote was unanimously in favor.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF MINUTES

- A. Minutes from Council Meeting held January 25, 2022
- B. Minutes from Council Meeting held February 11, 2022
- C. Minutes from Council Meeting held March 2, 2022
- D. Minutes from Council Meeting held April 8, 2022

Mayor Railey noted a correction in the February 11 minutes to change “Pickle bar” to Pickle Ball on page 6. Mayor Pro Temp Smith made a motion to approve the minutes from January 25th, February 11th, March 2nd, and April 8th with corrections, seconded by Councilmember Bonham.

V. UNFINISHED BUSINESS

A. Discussion of FY 2022-2023 Budget

- 1. Steven Miller with WithersRavenel did a presentation regarding the Water/Sewer program and updated revenue and expenditures data and how inflation reflects and those costs for the next ten years. He discussed how they used the changing Operational costs, the capital improvement needs, and what revenues were necessary using the Capital Improvement Plan (CIP), Debt Service Summary, and Financial Analysis to keep the Fund Balance at a healthy level. Mr. Attaway mentioned the North Point connection would fall under the CIP as well as the connection to highway 7 potentially adding \$1million to work on this connection. He will work with the City Engineers and Two Rivers Engineers to have more of an analysis on the situation. He will get more estimates.

Mr. Attaway also discussed the systemwide manhole rehabilitation project where the city is in desperate need to replace 96 manholes. He said the CDBG grant can help cover the costs for some of them. Mr. Shrewsbury said the primary areas are near the rivers. He stated the costs range from \$3-3500 minimum. The City is working about 10 of them now.

Mr. Miller then finished his presentation and provided an alternative CIP with the bare minimum needed and where some projects were somewhat delayed. He then discussed the Debt Service summary noting the City's existing debt will not change for a few years even with the alternative. Lastly, he discussed the Financial Analysis based on the most recent audit.

He mentioned three factors the City of Lowell programs need over the next 10 years need to be addressed

- a. Operational costs – growing more revenues
- b. Capital needs
- c. Increase fund balance

He proposed an increase to revenue for the growing operational costs, CIP, Debt services and increase of fund balance of 15% for FY23, 15% in FY24 and 6% each year thereafter. Councilmember Gillespie said that that sounds like a water rate fee increases is coming since a grant is not guaranteed, correct? Mr. Miller said yes. Mr. Attaway stated this would cause an 18% increase of the water/sewer/stormwater rates.

- B. Mr. Attaway discussed, in detail, the working draft budget proposed.

Councilmember Bonham made a motion for a brief recess at 4:36. It was seconded by Mayor Pro Temp Smith. The vote was unanimously in favor. The meeting continued at 4:39pm.

- C. Stormwater Salaries and a new GIS Stormwater employee were discussed
- D. New Capital expenses
- E. General Fund – each line item for every department was reviewed.

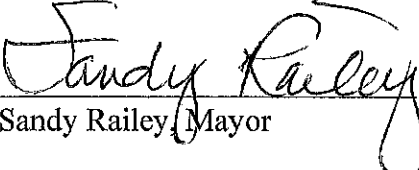
Councilmember Bonham made a motion for a brief recess at 6:00pm. It was seconded by Mayor Pro Temp Smith. The vote was unanimously in favor. The meeting continued at 6:05pm.

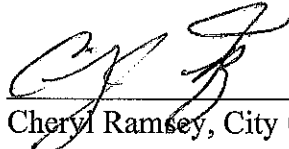
- E. General Fund line items continued and how costs from having the Fire Department going under Gaston County would help the remaining budget.
- F. COLA increases
- G. Community Center costs the City of Lowell will focus on-interior items. Exterior will use CDBG funds available
- H. Community Events proposed

Discussion was held about the potential rate increases, inflation, salary increases for all departments, and considering the Fire Department as not being part of the budget.

- VI. **ADJOURN** – Councilmember Bonham made a motion to adjourn, seconded by Mayor Pro Temp Smith. The vote was unanimously in favor. Adjourned at 6:47 p.m.

ATTEST:


Sandy Railey, Mayor


Cheryl Ramsey, City Clerk