

CITY OF LEXINGTON



**Annual Budget
for
Fiscal Year
2013-2014**

CITY OF LEXINGTON NORTH CAROLINA

2013-14 BUDGET

For the Fiscal Year Ending June 30, 2014



MAYOR AND CITY COUNCIL

Newell Clark, Mayor

Ronald F. Reid – Ward 1

Donald K. McBride – Ward 2

D. Linwood Bunce, II – Ward 3

L. Wayne Alley, Mayor Pro Tem – Ward 4

Tonya A. Lanier – Ward 5

E. Lewis Phillips – Ward 6

Frank D. Callicutt – At Large

James B. Myers – At Large

CITY OFFICIALS

J. Alan Carson – City Manager

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VISION

To work together with our citizens, customers and employees to create a city of recognized excellence with a high quality of life and unlimited economic opportunities.

MISSION

As the elected representatives and staff of the City of Lexington, we commit ourselves to work within state and federal laws to provide effective and efficient municipal services that are desired by our citizens and customers in order to assure a balanced quality of life, protection for our citizens, and planned economic growth. We will insure that our utility services are operated in a safe, effective and efficient manner and add to the quality of life of our community as well as provide for economic growth.



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CITY MANAGER'S BUDGET MESSAGE

May 28, 2013

Mayor and City Council
City of Lexington, NC

Dear Mayor Clark and City Council Members,

In accordance with North Carolina General Statutes, I hereby present you with the fiscal year 2013-14 proposed budget for the City of Lexington. The struggling local economy has made this another challenging budget year and preparing a balanced budget has presented numerous difficulties. Not unlike many communities across the nation, Lexington has many needs but limited funding resources. Nonetheless, throughout the budget you will see strong support of the City Council's goals and guiding principles for governing.

In preparing the budget, personnel and operational reductions have been made, as well as leveraging grant opportunities and drug forfeiture funds, to mitigate citizen and customer impacts. However, some rate and fee increases were necessary in order to maintain service levels and to incorporate the goals set by the Mayor and Council members at their annual retreat in February 2013. Of particular note, the proposed budget of \$98.4 million is up from the current year by a margin of \$3 million, which is generally due to electric wholesale rate pressures, additional General Fund revenues being directed towards City Council's goals and initiatives, absorbing group health and risk management insurance increases, as well as strategic investments in the Fire Department. Funding for 3 additional firefighters and a debt financed Quint Aerial/Pumper fire truck is recommended in an effort to maintain a "3" rating by the Insurance Service Office (ISO). Ongoing funding is included for the business friendly and new economic direction; via additional funding for two Planner positions to free up and redirect the Director of Business and Community Development toward new and existing business recruitment. Additional revenues are generated in order to fund City Council's goal of green initiatives to begin a four year phase-in of the residential recycling rollout program. In addition, the budget includes \$610,000 for street resurfacing projects, which is a decrease of \$90,000 from current year levels of funding in the General Fund. An increased wholesale cost of electricity and critical electric system reliability investments places upward pressure on the cost of service in the electric utility.

There is no change in the property tax rate of \$.60 per \$100 of assessed valuation in the budget. Each penny on the tax rate generates approximately \$139,000. The budget includes transfers made to the General Fund from the Electric and Natural Gas Funds of \$1.325 million and \$889,664, respectively. The proposed budget maintains existing City service level; while enhancing efforts to pursue green initiatives, and make pivotal investments in public safety and a new economic direction designed to rebuild Lexington's economy.

Specific highlights of the proposed budget are discussed in detail on the following pages.

THE LOCAL ECONOMY AND BUDGET OUTLOOK

The proposed budget continues to be greatly impacted by local economic conditions. Over the past decade, the City has suffered dramatic revenue loss from the closing of furniture and other

manufacturing plants. These continuing impacts from industrial plant closings seem to reverberate throughout the City's budget long after the shut downs occur. Since 2001, a total of twelve industrial plants have closed and the City has lost in excess of \$9 million in annual revenues and over 3,000 jobs. If all of the \$9 million in lost City revenues had to be replaced by property taxes, that property tax rate increase would be the equivalent of an additional 65 cents. The constant drain of lowered revenues and job losses is reflected in all areas of the budget. Despite recent positive signals of recovery, such as a \$23 million newly constructed Save-A-Lot distribution center in the industrial park, equal economic replacement value remains in the distance for Lexington.

Beginning with fiscal year 2011-12, the City has lost approximately \$500,000 in annual sales tax, beer and wine tax and Powell Bill gasoline tax revenues to support government services funded in the General Fund. The City's Census 2010 population figure of 18,931 was a 5% drop or 1,022 decrease in population from the last official census in 2000. However, the 18,931 population was a 12% decrease from the 2009 Certified Population figure that the State updates annually. The State Certified Population figure is an estimate the State prepares and uses for annual revenue distribution purposes. The City receives several State collected local revenues that are partially based on State per capita distribution models; those being the local option sales tax, beer and wine tax, and the Powell Bill gasoline tax which supports 30% of the City's street maintenance budget. The City has been forced to adjust to the 'reduced norm' in these revenue streams.

The national recession persists with a lingering effect on unemployment rates and interest rates, which has an adverse effect on City revenue sources. On a positive note, sales tax revenue rebounded in the current year budget by approximately \$175,000 and is expected to remain relatively stable next year. Interest rates are not expected to climb significantly in the next budget year; thus, interest income on City cash and investment balances in the proposed budget is projected to remain relatively stable with current year projections.

The City took a significant step to control its own economic future by purchasing the Lexington Furniture Industries Plant 1 (LFI Plant 1) property for \$1 million with payments paid out from November 2006 through July 2008. Plant 1, which has been closed since 2003, contains 18 acres of land and over one million square feet of building space and is located adjacent to the heart of Uptown Lexington. The City faced real threats of declining appearance and tax base due to the expected acquisition of the property by absentee ownership if the City decided against the purchase. This acquisition had an effect on the City's financial flexibility by reducing fund balance for a few years, which has since rebounded. The huge task of redevelopment of the property will continue to have financial impacts on City budgets. However, the infusion of \$99,107 of rental income from leased warehouse space to tenants is included in the proposed budget to offset the costs of redevelopment efforts of the property. City Council appointed a commission of capable citizens to focus on the redevelopment of the LFI Plant 1 property whose work is well underway and bearing fruit. In October 2011, the City was awarded a \$700,000 federal grant to begin the planning phase of a multi-modal transportation station for a passenger rail stop in the depot district, which encompasses the LFI Plant 1 property.

OTHER MAJOR IMPACTS

In addition to the census impact and local economy remaining unpredictable, there are other factors that have posed a significant impact on the budget. Unfunded federal and state mandates in Natural Gas, Electric and Water and Wastewater have affected the City budget collectively by \$505,000. Due to a federal mandated Distribution Integrity Management Program in the natural gas industry, the City is also incurring costs for public awareness and a natural gas system routine inspection and pipe

replacement program. Over the course of the next few years, electric customers will continue to pay a surcharge for the State environmental provision that went into effect in 2008 which requires power companies to develop 10% renewable energy sources such as solar and wind in their portfolio. Finally, the State dictates certain water quality requirements that the City has to meet at the water plants and in setting aside a replacement funding source for the wastewater collection and water distribution system.

Weather and economic conditions have a profound impact on utilities' operating costs and revenues. Moderate winters, industrial load loss from plant closings, energy efficiency trends and drought conditions affect utility rates to customers, transfers from the utility funds to the General Fund and projecting revenues for the utility funds for budgeting purposes. For example, industrial consumptions for City electric service have lowered by 83 million kWh or 74% since 2001. To compound customer rate pressures, the North Carolina Municipal Power Agency No. 1 (NCMPA1) will implement a 5.7% wholesale electric rate increase in July 2013 that equates to approximately \$2.3 million purchased power cost increase to the City. The fixed wholesale power costs represent 82% of the electric utility budget; leaving little flexibility for the City to have the financial ability to absorb cost increases. Future wholesale rate cost impacts to electric customers can only be mitigated by the NCMPA1 transitioning over the next 8 years to true up the allocation of demand costs across the agency members.

Twenty-one non-profit agencies requested funding for Grants to Agencies totaling \$343,350, which was reduced to \$308,500 in the proposed budget. The General Fund subsidy of \$168,584 for the golf course covers precisely the annual debt service for the course renovations, which is consistent with the current year budget. These factors, plus the strategy implemented to address rising insurance costs and to maintain a "3" ISO fire rating, account for the major differences between the current year budget and the proposed 2013-14 budget.

The Mayor and City Council have demonstrated leadership and vision in making investments in Lexington's new economy even in the face of intense financial challenges.

CITY MANAGER'S STRATEGY IN PREPARING THE PROPOSED BUDGET

In preparing the proposed budget and analyzing the forces at play, answers to the following questions helped determine the general direction for the proposed budget:

- Can key investments in service levels and partnerships be made in the face of economic challenges?
- How can the budget framework fund City Council's goals and priorities and invest in a new economy and an improved quality of life for Lexington?
- With the lingering impact of industrial plant closings and relentless double digit unemployment, how can the City jumpstart to a new economic direction?
- How does the City strike a financially balanced approach to maintain a "3" ISO fire rating?
- Can City departments adhere to the City Manager's goal to hold operational budgets flat and achieve a 10% reduction in fuel consumption?
- What impact will unfunded federal and state mandates have on the City's budget?
- What impact will wholesale electric rate pressures have on utility customers?
- How can the City implement critical utility system reliability maintenance without adversely affecting customer rates?
- What can the City do to take advantage of technology and reengineer government operations to find efficiencies in order to combat revenue losses?

Answers to these questions, along with City Council goals and other guiding principles, provided the framework for setting budget priorities.

Specifically, some key goals during the budget development process were to exhaust every opportunity to address the new City Council priorities, maintain and attract new jobs and investment and continue investing in public infrastructure where financially feasible; while restructuring government in order to find lasting efficiencies that limit budget and economic impacts on citizens and customers. In regards to the utilities, emphasis is placed on the need to operate each as a separate self-supporting business with an ongoing goal to add customers to spread costs over a larger customer base; which will help alleviate the rate burden for all utility customers in the long run. Maintaining system reliability in the utility infrastructure and leveraging the wastewater capacity asset for economic development strategic initiatives will be of extreme importance to ensure service delivery and sustainability in the future.

In addition, our staff continues to research investments in new technology to increase productivity, ensure and improve customer service response, and lower or stabilize operating costs. Some reduced level of investment is proposed to personnel pay and benefits in order to prevent job layoffs, while enhancing service levels in a struggling economy. The City has aggressively pursued and been successful in acquiring federal and state grants, and drug forfeiture funds to help finance personnel, equipment and new initiatives; these resourceful efforts will definitely continue next year.

The proposed 2013-14 budget is balanced with \$975,954 in fund balance, an increase of \$207,954 from the current year. Fund balance, otherwise known as the City's General Fund savings account, is most likely estimated to increase by an additional \$213,000 in the current year. The projected increase to fund balance in the current year is due to restrained spending, lapsed salaries from unfilled positions, and the cost efficiencies gained from government restructuring and the use of technology. Fund balance can be strategically used during difficult economic times to minimize impacts to citizens but must be preserved to maintain the financial integrity and debt credibility of the City. It is also imperative that at a moment's notice, the City is able to adapt to further economic deterioration or provide funding for unforeseen emergencies or opportunities like investing in infrastructure and incentives to bring about new jobs and investments for the community. Without these incentives and investments, the local economy may not recover.

Only by the willingness to understand citizen needs, bridge services to meet the needs of the community, and possess the vision to pursue bold actions that can compete and rebrand the image of this City can we hope to restore economic health and quality of life to our community.

BUDGET INITIATIVES AND SERVICE ENHANCEMENTS

Numerous short term and long term initiatives are funded in the 2013-14 budget. In order to reduce the cost of government and to be more effective in service delivery, the City is investing in new technology and implementing efficiency measures to reengineer government.

The City is approaching the final stages of implementing the automated meter reading (AMR) project. The AMR system results in installing a device on approximately 40,000 utility meters which enables the meter readers to drive by and record readings from a vehicle based unit, without having to exit the vehicle and physically read and enter the data from the meter in their current hand held units. Thus far, AMR has afforded a reduction in manpower of five full-time positions and associated operating and capital costs. The proposed budget begins the final year of an eight-year implementation plan to outfit electric, natural gas and water meters with AMR technology at a cost of \$60,000.

City Council's goal of green initiatives will be realized by a \$74,000 investment in expanding the residential rollout recycling program. On August 13, 2012, City Council accepted a State grant of \$12,600 for the City to implement a new automated rollout recycling program. The City matched the

grant using revenues received through the Solid Waste Disposal Tax enacted in 2008 to purchase 500 95-gallon rollout containers to automate the program. Currently, the City primarily uses 18-gallon bins. Most people who recycle regularly attest that their recycling has grown much larger than their garbage; thus, the need for the larger container and the need to automate. With the larger size of the rollout containers, collection is scheduled bi-weekly. Four neighborhoods were included in the pilot program that was successfully implemented in January 2013. In this coming budget year funded by a \$1 monthly increase in the waste collection fee, the City is expanding the program over a four year phase-in period.

Funding for 3 additional firefighters at an estimated cost of \$111,794 and a Quint Aerial/Pumper fire truck estimated at \$89,400 in annual debt service are included in the proposed budget. The intent is to purchase a 2012 demo fire truck, in an effort to save over \$100,000 from the cost of a new truck. These additions are recommended in an effort to maintain a “3” rating by the Insurance Service Office (ISO). The ISO fire protection rating system has a range of 10 to 1, with “1” being the best which is extremely rare to attain nationwide. ISO fire ratings can impact property insurance rates in the City and with a potential rating review in the near future; the City is actively taking measures in an attempt to ensure the current rating is protected.

The proposed 2013-14 budget fosters the restructuring government concept, in an effort to continue City Council’s goal of rebuilding Lexington’s economy and improving quality of life. In the current year, the Office of Community Development was renamed the Office of Business and Community Development. Two Planner positions have been authorized by City Council action; and once adequately trained, the addition of these positions should free up the Director’s time. The Director of Business and Community Development is charged with facilitating the Lexington Business Consortium and will assume the lead role in new and existing business assistance and recruitment, without duplicating support provided by the Davidson County Economic Development Commission.

Having not been formally evaluated and updated since 1994, the current budget included funding to hire an engineering consultant to review the electric distribution system and identify future capital improvement needs. The results of the study outlined over \$9 million in system maintenance and upgrades needed over the next several years to ensure uninterrupted electric service for all customers. The results prioritized the electric system reliability maintenance projects totaling \$794,000 that are funded in the proposed budget. The cost of these projects are partially offset by \$118,084 in personnel cost savings, a \$25,000 reduction in the electric transfer to the General Fund, and a \$160,000 strategic withdrawal from electric rate stabilization funds, which prevents any further detrimental impact to the rate increase proposed for electric customers. Additionally, the study and ensuing funding strategy identified the need for the City to issue debt for additional system reliability projects in 2014; however due the timing, the debt service impact would be deferred until budget year 2014-15.

Ultimately, investments in economic development, technological advancements and reengineering initiatives to seek efficiencies in the delivery of government services offer the best opportunities to create savings in City operations in the years to come.

CAPITAL EQUIPMENT

Requests from City departments for capital purchases totaled over \$2 million. In order to balance the budget, substantial reductions were made to these requests. All City departments, with specific assistance offered by the Garage Department, continue to work together to extend the life of all vehicles and equipment and reduce the size of fleet to be maintained which has culminated in approximately \$900,000 in savings to date related to downsizing the City vehicle and equipment fleet.

However, some equipment needs must be funded in order to sustain efficient and reliable City services. The proposed 2013-14 budget includes \$1,264,816 for capital equipment. The major items include \$585,000 to debt finance a demo Quint Aerial/Pumper fire truck, \$56,076 to upgrade a disaster recovery and storage backup system for the City's exponentially growing data network, \$105,423 for pooled vehicle replacements now that all vehicles have been reassigned for maximum utilization in the departments, \$325,000 in wastewater plant and collection system infrastructure, as well as four police vehicles paid for out of Controlled Substance funds totaling \$96,820. Details regarding capital equipment along with corresponding amounts for each department can be found located within this document behind the tabs for the various funds.

CAPITAL CONSTRUCTION PROJECTS

Phase II of a Training Qualifications Center will be constructed for the natural gas utility, with an estimated cost of \$40,000. To gain cost saving efficiencies, the City dismantled its' peak shaving plant a few years ago, which freed up land off Highway 52 for the construction of the new qualifications center. Once constructed, this site will allow Operators Qualifications (OQ) training to be done onsite. Currently, natural gas employees must travel out of state to be trained, qualified and tested every 36 months to meet strict mandated guidelines. The mandated qualifications' testing encompasses 49 tasks, 60 performance evaluations and over 70 written tests. The Training Qualifications Center will improve the quality of training for natural gas personnel because Lexington Utilities specific infrastructure can be used. Additionally, training will be readily available for multiple employees at a time; whereas, currently only two employees can be trained out of state at a time in order to maintain service levels. As importantly, creating a training site locally reduces out of state travel costs, which easily provides a return on the investment.

ORGANIZATIONAL CHANGES AND EMPLOYEE BENEFITS

For the third straight year and six out of the last ten years, the proposed budget does not include funding for the City's 0-5% "pay for performance" employee merit plan. By not funding a reduced employee merit plan of 0-3% in the proposed budget, the result is a savings of \$337,561. The City's pay plan consultant recommended a 2% cost of living adjustment (COLA) effective July 2013 to keep pace with the market at a cost of \$282,600; but the COLA market salary adjustment is reduced to 1% and delayed until January 2014 for a budget savings of \$211,950. The recommended reduction measures in pay and benefits help to mitigate the declining revenues from Census 2010 and post-recession status of the local economy.

The cost of employee longevity pay remains funded at \$273,459. Longevity pay is a percentage of gross salary that is paid to eligible tenured employees in December. The percentage ranges from 0-2.5% based on years of service. Employees become eligible for longevity after completing three years of continuous service with the City. To help counterbalance rising health insurance costs, a change to the drug care provider for health insurance benefits for employees and retirees is implemented effective June 1, 2013. A part-time coordinator to expand the employee wellness program, having been added to the roster in the current year, is now being recommended for full-time in fiscal year 2013-14 at an additional annual cost of \$31,607.

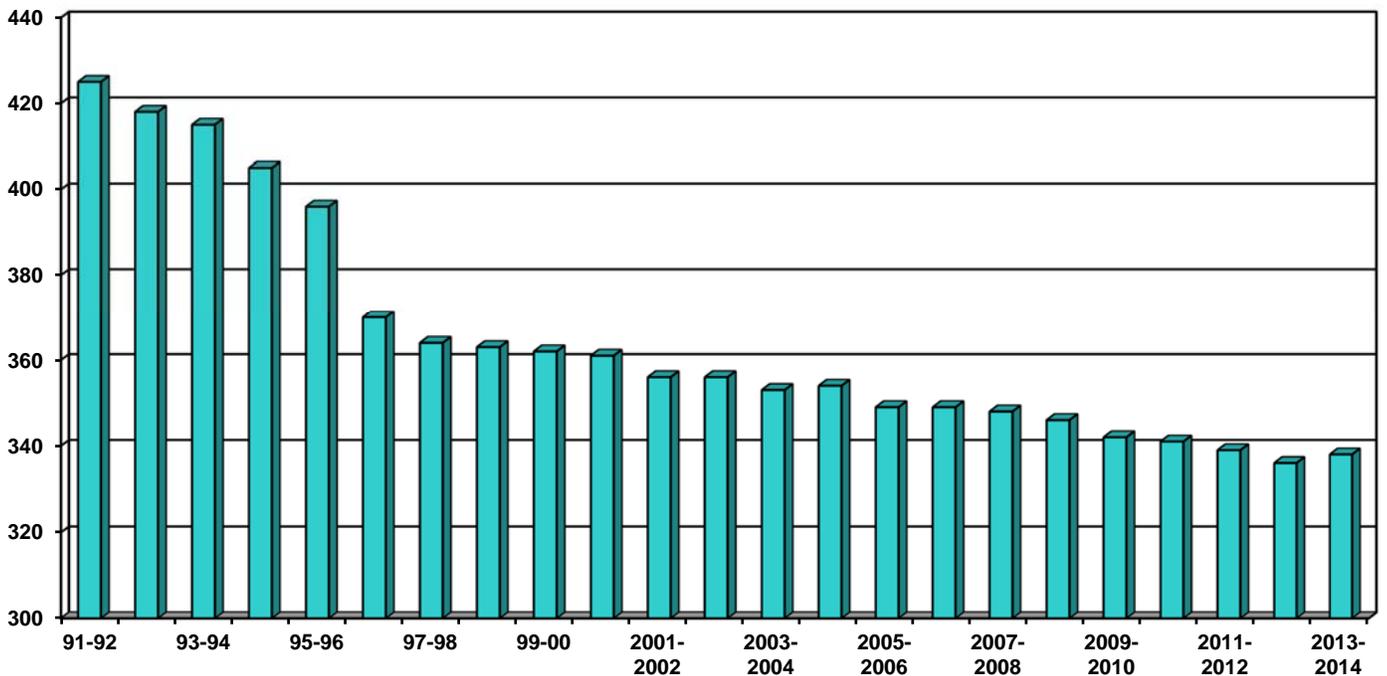
Funds dedicated to a 401K City contribution of 2% for all employees, with the exception of sworn police officers, was suspended beginning July 1, 2009 and will continue in the coming budget year resulting in a \$241,019 savings next year. North Carolina General Statutes require the City contribute 5% for sworn police officers; thus, that funding will continue in the coming year. As tools to be used to retain a professional workforce amidst salary freezes and benefit reductions, the budget does include an appropriation of \$200,000 reserved for the City Manager to implement a productivity and efficiency

rewards program for employees and for enhancements to professional advancement career ladders in various departments, which were recommended subsequent to a consultant’s assessment this year.

Effective July 1, 2013, the Local Government Employees Retirement System Board of Trustees is increasing the base employer contribution from 6.74% of payroll to 7.07% for general City employees and from 6.77% to 7.28% of payroll for law enforcement employees, consequentially a \$62,408 increase in personnel benefit budgets next year.

As previously discussed, the proposed budget includes the upgrade of the Wellness Coordinator to full-time at an increased cost of \$31,607 and the addition of 3 full-time firefighters at a cost of \$111,794; which will be somewhat offset by a reduction of one vacant full-time police officer position for an annual savings of \$47,919. Due to a recent promotion in City leadership, a full-time Human Resources Director is funded to be filled halfway into the coming budget year at a cost of \$49,684. In an effort to mitigate electric rate customer impacts, two electric lineworker positions will remain vacant at a cost savings of \$118,084. The net effect of total full-time positions will be increased from 336 to 338, for a net increase of \$27,082 in the total budget next year.

As depicted by the graph below, the City has eliminated 87 full-time positions, an annual rate of reduction of four positions a year over the 22 year period. These reductions have been achieved by a combination of automation, new technology, outsourcing, restructuring and the effective use of part-time employees and interns. For a detailed position count by fund and department, please refer to pages 9-10 of this document.



TRANSFERS BETWEEN CITY FUNDS

The Electric Fund and the Natural Gas Fund transfer monies to the General Fund each year, which helps balance the General Fund budget. These transfers serve as dividends to municipalities that own and operate utilities locally. The transfer in the current year for the Electric Fund is \$1.35 million, while the transfer for the Natural Gas Fund currently stands at \$877,425. The Electric Fund transfer

decreases in the proposed budget for 2013-14 to \$1.325 million as a good faith effort to mitigate rate pressures; while the Natural Gas Fund transfer is budgeted at \$889,664, a \$12,239 increase. The expansion of the natural gas system allows for the increased transfer. The budgeted transfer amounts for fiscal year 2013-14 are within the State of North Carolina’s established guidelines, which govern the recommended dividend amounts transferred from utility funds to the General Fund.

The General Fund transfers monies to the Golf Fund if needed to balance the Golf Fund budget. The proposed budget does include a subsidy transfer of \$168,584, which precisely covers the debt payment on the golf course renovation loan from 2003. This debt will be paid off in 2018.

CONTINGENCY

The 2013-14 proposed budget contains no contingency appropriations.

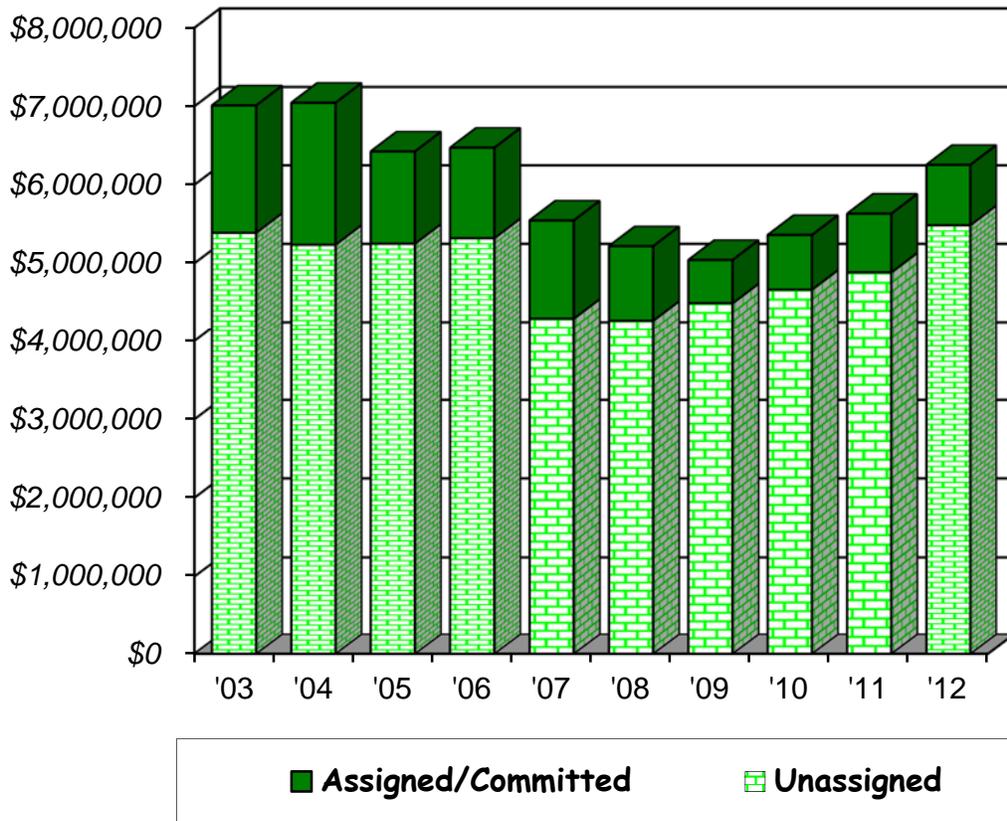
In the General Fund, the City will rely on a strong fund balance to cover any unexpected events, emergencies, or economic development opportunities. The following table estimates available fund balance in the General Fund for next fiscal year.

FUND BALANCE PROJECTION

Unassigned Fund Balance 6/30/12 (30%)	\$5,486,866
Projected Expenditures FY 2012-13 (less administrative charges)	(18,805,947)
Projected Revenues FY 2012-13 (less administrative charges)	19,018,947
Projected Unassigned Fund Balance 6/30/13	\$5,699,866
Projected Fund Balance Available for Appropriation for FY 2013-14	\$5,699,866
Divided by General Fund Budget for FY 2013-14 (less administrative charges)	\$20,778,871
City of Lexington Fund Balance Percentage Projection (target goal 25-32%)	27%
Projected Fund Balance Available for Appropriation for FY 2013-14	\$5,699,866
Less Recommended Appropriation for FY 2013-14	(975,954)
Remaining Fund Balance Available for Appropriation	\$4,723,912

The City Council has consistently listed “maintain the City’s financial integrity” as one of its top goals. Fund balance is expected to increase by an additional \$213,000 in the current year due to restrained spending, savings from lapsed salaries from unfilled positions, and the cost efficiencies gained from government restructuring and consolidation. The following chart demonstrates the City’s strong commitment to healthy and consistent levels of General Fund reserves over ten years and the rationale for recommending strategic reliance on fund balance in the coming budget year.

HISTORY OF GENERAL FUND BALANCE



MISCELLANEOUS FEE CHANGES

The City practices controlling costs by assigning appropriate fees for services to citizens and customers using those services, as opposed to general citizen or customer based funding through taxes or utility rates. City staff has evaluated current fee structures and recommends changes to the following fees for the 2013-14 budget:

- Add Fire Prevention Permit fee for open flames and candles, in accordance with State Fire Marshal
- Increase Residential and Commercial Recycling and Waste Collection monthly fee
- Ratify Recreation Vendor Space Rental fees for City festivals
- Increase Municipal Clubhouse weekend rental fees
- Municipal Golf Course Cart fee increase and solidify promotional Military Green fee

Please refer to page 155 (and the corresponding attachments) of this document for specific fee structures that will change and the corresponding amounts.

UTILITY RATE CHANGES

Continued stagnant consumptions in the electric utility are anticipated in the proposed budget year due to local economic conditions and plant closings, energy conservation and recession impacts. Key factors affecting the decisions to recommend changes to utility rates, as well as a brief synopsis of the rate changes are outlined below. However, please refer to page 155 (and the corresponding attachments) of this document for specific proposed rate structures.

Electric Rates:

Since July 1, 2001, City electric industrial customer consumption due to plant closings has dropped by 83 million kWh or 74%. Despite the City's intense efforts to trim operation costs and delay system maintenance projects in the electric budget over the last decade, the City has received over \$11 million in wholesale power cost increases from the North Carolina Municipal Power Agency No. 1 during that same time period. The fixed wholesale power costs represent 82% of the electric utility budget; leaving little financial flexibility for the City to absorb these cost increases. The North Carolina Municipal Power Agency No. 1 (NCMPA1) will charge a 5.7% wholesale electric rate increase in July 2013 that equates to approximately \$2.3 million purchased power cost increase to the City. Although the cost impact to the City is mitigated slightly by the NCMPA1 transitioning over 8 years to true up the allocation of demand costs across the agency members; the savings are not realized due to lower NCMPA1 energy sales prices on the wholesale market, thus reducing the power credit Lexington receives for those off system sales. The City must make critical system reliability investments in the coming year and will absorb this cost increase without further detriment to customer rate impacts; via personnel cost savings and strategically injecting rate stabilization cash reserves into the operational budget.

Proposed rate changes were prepared by ElectriCities' rate analysts and reflect the 5.7% rate increase. Beginning July 2013, a typical residential customer who uses 1,000 kWh's per month will incur a monthly average of \$7.51 more on their utility bill. However, this may not be the exact percentage or dollar change a customer will see on a bill because the change in a customer's bill varies depending on consumption levels at various intervals of the year and the uniqueness of that particular account.

RATE AND FEE IMPACTS ON RESIDENTS

The City property tax rate of \$.60 per \$100 of assessed valuation remains unchanged in the 2013-14 proposed budget.

A monthly fee increase for recycling and waste collection services is included in the proposed budget, which will affect a City resident by an additional \$1 per month for a total of \$12 per year.

The proposed July 1, 2013 average 5.7% electric rate increase will affect each electric utility customer differently depending on their consumption levels of electricity and the uniqueness of each customer account. For a typical residential customer who averages 1,000 kWh's per month, the bill will increase an average of \$7.51 per month or \$90 per year.

If projections hold true and the commodity cost of natural gas is lower as expected next year, the savings could help negate the electric rate increase for a customer who has both natural gas and electric utility service with the City of Lexington.

BUDGET COMPARISON

In summary, a comparison of the proposed fiscal year 2013-14 budget versus the current fiscal year 2012-13 budget is outlined in the table below.

CITY OF LEXINGTON BUDGET SUMMARY AND COMPARISON

Fund	12-13 Budget	13-14 Budget
General Fund	\$21,235,170	\$22,695,202
Controlled Substance	776,560	579,389
Special Tax District	94,669	93,914
Electric Fund	51,173,616	53,252,823
Water & Wastewater Fund	8,603,023	8,606,457
Natural Gas Fund	12,435,885	12,304,522
Golf Fund	1,127,563	947,343
Total City Budget	\$95,446,486	\$98,479,650

The chief differences, leading to the \$3 million increase from the \$95.4 million current budget to the \$98.4 million proposed budget, are generally due to additional General Fund revenues being directed towards City Council's goals and initiatives, absorbing group health and risk management insurance increases, as well as strategic investments in the Fire Department. Funding for 3 additional firefighters and a financed Quint Aerial/Pumper fire truck is recommended in an effort to maintain a "3" rating by the Insurance Service Office. Ongoing funding is included for the business friendly and new economic direction; via funding two Planner positions to free up and redirect the Director of Business and Community Development toward new and existing business recruitment. Increased funding is directed towards City Council's goal of green initiatives to begin a four year phase-in of the residential recycling rollout program. In addition, the budget includes \$610,000 for street resurfacing projects, which is a decrease of \$90,000 from current year levels of funding. Furthermore, the 5.7% increased wholesale cost of electricity is attributable to the increase in the electric budget. Finally, the decrease in the golf budget is attributable to the replacement of the golf cart fleet having been completed this spring.

SUMMARY AND CONCLUSION

The City's Annual Budget is the ultimate partnership between City Council, staff, citizens, customers and partners in the Lexington community. In the aftermath of tough economic times, the proposed budget reflects a balanced approach of limiting impacts to its citizens and customers while providing funding for a new economic direction, public safety, quality of life and green initiatives. The budgeted funding is weathering the storm of our local economy and revenue losses, while simultaneously maintaining and protecting important infrastructure and investing in a new Lexington economy and quality of life. The strategic investments in the Fire Department are proposed to maintain a "3" rating by the Insurance Service Office.

In conclusion, City Council's goals and general approach to governing remains highlighted in the budget for fiscal year 2013-14; those directives being: to expand citizen involvement, employ professional staff, pursue partnerships, proactively plan, make strategic investments, maintain financial integrity and take calculated risks.

The City Budget is City Council's Number One Policy Statement

- Economic development initiatives are pursued
- Service levels are set
- Partnerships are nourished
- New technology is acquired
- Community's security is enhanced through public safety
- Service efficiencies are sought
- Public schools are supported
- Retains and supports professional employees in delivering efficient and effective services
- Public infrastructure is built and maintained
- Recreation for citizens is provided
- Public health is guarded by recycling, waste collection and water resources
- Reliability of utility services is funded
- Key City services necessary to support local economy are maintained and enhanced
- City financial integrity is maintained to meet service and debt obligations
- Customer service is enhanced
- Affordable housing is supported
- Improved quality of life is sought for all citizens

The budget is hereby formally presented to City Council at the May 28, 2013 City Council meeting and City Council is requested to set a public hearing date for June 10, 2013 at 7:00 pm in City Hall. After holding the public hearing and if there are no other changes, I recommend the fiscal year 2013-2014 City Budget for adoption by City Council.

Respectfully submitted,



J. Alan Carson
City Manager

FACTS AND INFORMATION ABOUT THE CITY OF LEXINGTON, NORTH CAROLINA

History

The City of Lexington, North Carolina, was settled in the industrial region of North Carolina known as the "Piedmont Triad Area" in 1775. Lexington was incorporated in 1828 by the North Carolina General Assembly and became the county seat of Davidson County in 1847. Lexington has a long heritage in furniture making and "Lexington Style" barbecue.

Location

With a land area of 18 square miles, Lexington is centrally located in the heart of the Piedmont Triad Area; situated no more than 30 minutes from the cities of Winston-Salem, Greensboro, and High Point as well as the Piedmont Triad International Airport. Lexington is approximately 60 miles from Charlotte and approximately 90 miles from Research Triangle Park near Raleigh.

Geography and Climate

Lexington is just a few hours from the beautiful beaches of both North and South Carolina and less than 2 hours from a relaxing scenic mountain ride along the Blue Ridge Parkway. Closer to home, the Yadkin River borders Davidson County to the west with High Rock Lake serving as one of the primary reservoirs and one of the area's best recreational facilities. With January's average high temperature of 50 degrees, even the coldest month provides ample opportunity to get out and discover Lexington.

Population and Demographic Statistics

The Census 2010 population results record Lexington's population at 18,931. This revised population figure is a 1,022 or 5% decrease from the Census 2000 results and a 2,489 or 12% decrease from the State's 2009 Certified Population estimate. The population distribution is 52% female and 48% male, with 24.6% of the population under age 18 and 15.1% of the population over age 65. The median age in the City of Lexington is 37.4 years while the median age in the U.S. is 36.8. The population distribution by race is as follows: African American – 28%, Asian – 2%, White – 54%, Hispanic – 16%.

The median household income is \$26,226. The March 2013 unemployment rate for Davidson County was 9.6%, compared to the State of North Carolina rate of 8.9% and the Winston-Salem metropolitan area rate of 8.4%.

Government

The City has a Council-Manager form of government and is governed by an eight-member City Council consisting of two members elected at large and six elected by ward. The Council operates under the guidance of a popularly elected Mayor. Council members are elected on a nonpartisan basis for staggered four-year terms; and the Mayor is elected on a nonpartisan basis for a two-year term. The Mayor may vote only in case of a tie among members of the City Council. The City Council is responsible for establishing policy, passing ordinances, adopting the budget, appointing committees and hiring the City's chief administrative officer, the City Manager, and the City's legal counsel. The City Manager is responsible for carrying out the policies and ordinances of the governing board, for overseeing the day-to-day operations of the City, and for the appointment of the Department Heads who direct City staff to deliver the services and to meet the goals of the organization. The City provides a full range of services including police and fire protection, recycling and waste collection services, the construction and maintenance of streets and infrastructure,

recreational activities including a municipally owned golf course, cemetery services, and utility services.

Utilities

The City of Lexington has been providing reliable utility services since 1904 and currently owns and operates four utility services: a water treatment and distribution system, a wastewater treatment and collection system, an electric distribution system, and a natural gas distribution system. These enterprise funds serve portions of Davidson County in addition to servicing citizens within the City corporate limits.

Transportation

Interstate and Business 85 pass directly through Lexington along with US 52, US 64, US 29/70, and NC 8. Other NC highways serving the Lexington area include Highways 47, 49, 109, and 150. The proximity to I-85 and US 52 places the City an hour or less from major population centers such as Charlotte, High Point, Greensboro, and Winston-Salem; and the City is just over an hour from the Research Triangle Park. For rail, freight carriers such as Winston-Salem Southbound and Norfolk Southern serve the area; and passenger access via Amtrak is only 15 minutes away in Salisbury or High Point. The City is working with the Rail Division of the NC Department of Transportation to secure a passenger rail stop in Lexington.

For air travel, the Davidson County Airport is located just 3 miles southwest of Lexington and can accommodate executive travel needs. A full taxiway to a 5000' x 100' runway paves the way for an airport that continues to expand. For commercial flight options, Lexington is approximately an hour or less from Charlotte-Douglas International and Piedmont Triad International in Greensboro, and just over an hour from the Raleigh-Durham International airport.

Public Safety

The Lexington Police Department maintains order and offers public safety services within its respective jurisdiction. The Police Department strives to be a very progressive law enforcement agency by continued training in fields such as fingerprints, firearms, investigative techniques, crime prevention, patrol procedures and community-oriented policing.

The Lexington Fire Department provides fire and life safety protection to the community twenty-four hours a day operating 3 fire stations throughout the City. The department has evolved the traditional mission of fire suppression to include: rescue services, hazardous material abatement and medical response. Additionally, the department provides decentralized, comprehensive education and fire code compliance programs. The Fire Department has a Fire Protection Class rating of 3.

Education

The Lexington City Schools system is an independent administrative school district comprised of six schools serving grades K through 12. Private schools are also available within the City limits. For higher education, Lexington hosts Davidson County Community College, which offers over 50 instructional programs to help prepare students for enhanced employment. In addition, located within approximately 90 miles from Lexington are over two dozen colleges and universities including well-renowned higher education institutions such as University of North Carolina at Chapel Hill, NC State University, Wake Forest University, Duke University, High Point University, and University of North Carolina at Charlotte.

Culture and Recreation

The North Carolina Legislature has designated Lexington as "The Hickory Smoked Barbecue Capital of North Carolina." Each year in late October, over 100,000 visitors experience Lexington first hand during the annual Barbecue Festival. The Barbecue Festival is held in Uptown Lexington on an eight-block stretch of Main Street. Over four hundred exhibitors sell everything from handmade crafts to homemade fudge. Five stages of entertainment showcase local and national artists. The festival is designed for people of all ages to enjoy and includes a special section of rides and games for children known as Piglet Land. Barbecue is served out of three main tents, two at the town square and another at the north end of the festival near Piglet Land. To expand the barbecue tourism attraction Lexington has to offer, a Barbeque Cook-Off made its debut in April 2011. Sanctioned by the Kansas City Barbeque Society, the event brought competitive chefs and judges from across the United States to Uptown Lexington. This event is poised to become Lexington's spring compliment to the annual Barbecue Festival that celebrated their 29th anniversary this past year.

Internationally known artist Bob Timberlake, a Lexington native and resident, has a beautifully constructed gallery and welcome center just off Interstate 85 within the City limits. The gallery displays works of art as well as furniture and unique home décor items available for retail purchase. The gallery offers open houses throughout the year at which patrons can meet Bob Timberlake and have him personally sign their Timberlake collectables.

The excitement of NASCAR Sprint Cup racing can be found at the nearby Richard Childress Racing (RCR) Museum in Welcome, North Carolina. A patron can view many of RCR's greatest racecars along with famous machines from Indy car and the National Hot Rod Association. Richard Childress's personal collection of hot rods can also be spotted along with many trophies, awards, and unique memorabilia.

Richard Childress has anchored the west gateway entrance to the City with a 65-acre vineyard complex at the intersection of US Highways 64 and 52. This location also serves as the gateway to the Yadkin Valley, the only federally designated grape growing region in the State of NC. Childress Vineyards is a 35,000 square foot winery inspired by the Italian Renaissance architecture of rural Tuscany and produces approximately 40,000 cases of 9 varieties of premium European wines. The winery includes a banquet hall that can accommodate 500, a bistro, as well as a wine tasting room and gift shop. The winery includes another 15 acres comprised of a hotel and retail shop space known as Vineyards Crossing.

Several natural attractions complement the Lexington area. Bordering the western part of Davidson County, the Yadkin River offers a place for many to fish and boat. The river fills High Rock Lake in the southern portion of the county, where skiing and sailing are popular alternatives. High Rock Lake has hosted The BASS Masters Classic fishing tournament. In the southern most part of Davidson County, Uwharrie National Forest can be found for hiking and mountain biking enthusiasts. Finally, Boone's Cave Park in western Davidson County is the area believed to have been one of Daniel Boone's homes during his adventurous life.

The City of Lexington provides an extensive list of recreational alternatives. City facilities include 16 parks, 2.75 miles of walking trails, 2 pools, 15 tennis courts, 9 athletic fields, and 12 basketball courts, conveniently located on 334 acres around the City. Completely renovated in 2004, the City's municipally owned 18-hole championship golf course rounds out the list of recreational activities.

Lexington Golf Club was voted "Top 5 Public Renovations of the Year for 2004" by Golf Inc. Magazine, a highly regarded trade journal in the golf industry.

Recreation in the area is further enhanced by the City's proximity to exciting professional and collegiate sporting events ranging from Carolina Panthers and Bobcats professional football and basketball to Atlantic Coast Conference basketball at top notch programs such as the University of North Carolina at Chapel Hill, Duke University, NC State University and Wake Forest University.

Healthcare

Medical services are readily available in the City of Lexington. Within Davidson County, there are more than 150 doctors in specialties ranging from internal medicine to neurology. Lexington Medical Center recently merged with Wake Forest University Baptist Medical Center to provide a full complement of modern health care services. Other nearby medical facilities include Thomasville Medical Center, Veterans Administration Medical Center in Salisbury, High Point Regional, and Wake Forest University Baptist Medical Center in Winston-Salem, a world-renowned teaching and research hospital offering general care as well as specialized treatment.

Schedule of Top Ten Taxpayers for Fiscal Year Ended June 30, 2012

Taxpayer	Type of Business	Assessed Valuation	Tax Levy	% of Assessed Valuation
Kimberly Clark Corp.	Tissue Products	\$ 77,958,969	\$ 436,570	5.29%
Jeld-Wen Inc.	Windows and Doors	19,563,716	109,557	1.33%
Vitacost.com Inc.	Online Retail	16,535,169	92,597	1.12%
NewBridge Bank	Banking	15,968,824	89,425	1.08%
Wal-Mart	Retail	15,436,080	86,442	1.05%
Diebold Southeast Mfg. Inc.	Security Delivery Systems	10,392,618	58,198	0.71%
Childress Winery & Vineyards	Viniculture	8,921,166	49,959	0.61%
Arneg Holdings USA LLC	Refrigeration Equipment	8,296,143	46,459	0.56%
Chesapeake Printing & Packaging Co.	Printing	8,085,986	45,282	0.55%
Parkdale Mills Inc.	Textiles	7,636,413	42,764	0.52%
Total		\$ 188,795,084	\$ 1,057,253	12.82%

Schedule of Top Ten Electric Customers for Fiscal Year Ended June 30, 2012

Customer	Type of Business	Consumption (kWh)	Amount Billed	% of Total Operating Revenue
City of Lexington	Government	10,204,263	\$ 1,187,407	2.51%
Davidson County Schools	Public School System	5,917,683	828,964	1.75%
Lexington Memorial Hospital	Hospital	8,396,049	738,553	1.56%
Lexington City Schools	Public School System	5,902,818	652,782	1.38%
Davidson County	Government	4,865,181	545,466	1.15%
Food Lion	Grocery Store Chain	6,106,025	478,464	1.01%
Leggett & Platt Inc.	Furniture	3,566,127	386,879	0.82%
Wal-Mart	Retail	5,471,920	325,057	0.69%
Linwood Inc.	Furniture	4,721,793	314,091	0.66%
Windstream Communications	Communications	2,298,740	233,320	0.49%
Total		57,450,599	\$ 5,690,983	12.02%

Schedule of Top Ten Water Customers for Fiscal Year Ended June 30, 2012

Customer	Type of Business	Consumption (CCF)	Amount Billed	% of Total Water and Wastewater Operating Revenue
PPG Industries	Glass Products	276,907	\$ 661,694	7.78%
Parkdale Mills, Inc	Textiles	54,974	93,531	1.10%
Kimberly Clark Corp.	Tissue Products	46,987	84,384	0.99%
Lexington Memorial Hospital	Hospital	21,921	41,247	0.49%
City of Lexington	Government	10,779	40,839	0.48%
Davidson County	Government	16,929	40,344	0.47%
Lexington Housing Authority	Public Housing	15,174	34,022	0.40%
Lexington City Schools	Public School System	10,417	33,066	0.39%
NC Department of Public Safety	Prison	18,958	32,740	0.39%
Cardinal Container	Corrugated Fiber Boxes	5,528	22,292	0.26%
Total		478,574	\$ 1,084,159	12.75%

Schedule of Top Ten Wastewater Customers for Fiscal Year Ended June 30, 2012

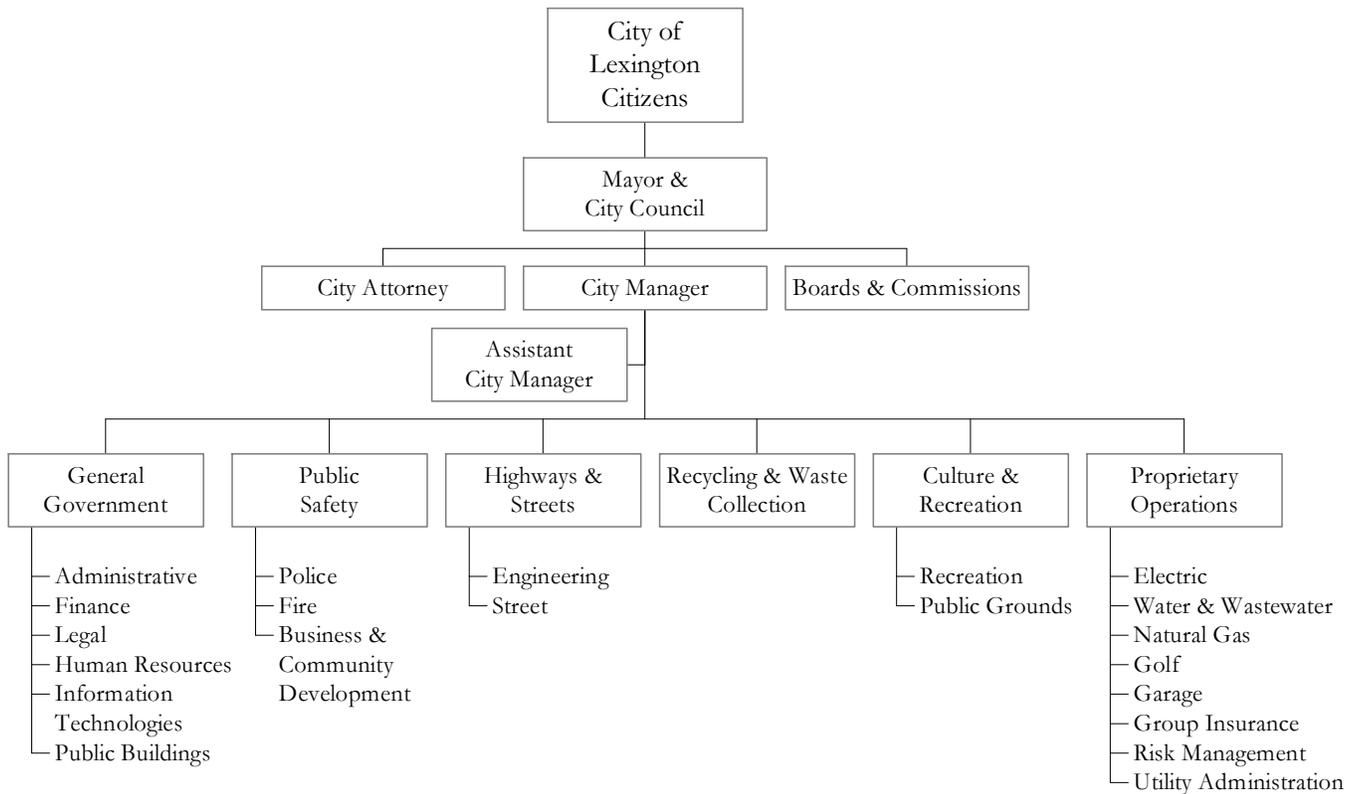
Customer	Type of Business	Consumption (CCF)	Amount Billed	% of Total Water and Wastewater Operating Revenue
Davidson County Schools	Public School System	26,993	\$ 201,128	2.37%
Lexington Memorial Hospital	Hospital	21,921	76,933	0.90%
Atrium Companies Inc.	Vinyl Windows & Doors	11,200	75,779	0.89%
Davidson County	Government	16,927	70,628	0.83%
NC Department of Public Safety	Prison	19,896	63,296	0.74%
Lexington Housing Authority	Public Housing	15,174	59,206	0.70%
Kimberly Clark Corp.	Tissue Products	20,121	47,788	0.56%
Brookstone Rest Home	Rest Home	7,087	45,825	0.54%
Cardinal Container	Corrugated Fiber Boxes	9,580	39,626	0.47%
Lexington City Schools	Public School System	10,467	38,981	0.46%
Total		159,366	\$ 719,190	8.46%

Schedule of Top Ten Natural Gas Customers for Fiscal Year Ended June 30, 2012

Customer	Type of Business	Consumption (DT)	Amount Billed	% of Total Operating Revenue
Kimberly Clark Corp.	Tissue Products	147,291	\$ 893,609	8.58%
PPG Industries (1)	Glass Products	767,384	616,911	5.92%
J E Jones Lumber Company	Lumber Dry Kiln	68,331	446,478	4.29%
Matcor Metal Fabrication	Machine Tools	35,420	270,298	2.59%
Lexington Memorial Hospital	Hospital	36,531	239,059	2.30%
Leggett & Platt Inc.	Furniture	24,385	229,606	2.20%
Kurz Transfer Products LP	Stamping Technology	26,334	199,885	1.92%
Hanes Construction Co.	Paving	30,398	198,935	1.91%
Davidson County Board of Education	Public School System	11,826	115,452	1.11%
Piedmont Candy Company, Inc.	Candy	10,140	101,540	0.97%
Total		1,158,040	\$ 3,311,773	31.79%

Note: (1) Transport only customer

City of Lexington, North Carolina Organizational Chart

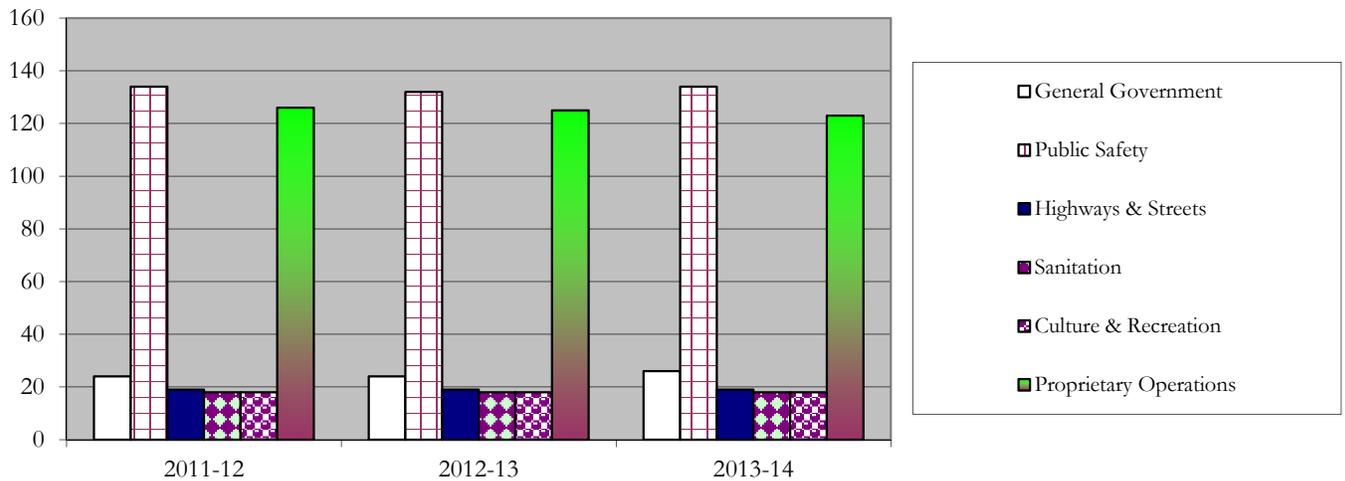


List of Principal Officials

May 9, 2013

City Manager	J. Alan Carson
Assistant City Manager	Vacant
City Clerk	Sara S. Lanier
City Attorney	Phyllis S. Penry
Director of Financial/Information Services	Terra A. Greene
Director of Human Resources	Vacant
Police Chief	Tad W. Kepley
Fire Chief	Phillip S. Hartley
Director of Business and Community Development	Tammy V. Absher
Recycling and Waste Collection Superintendent	Tammy E. Michael
Director of Parks and Recreation	A. Bruce Davis
Director of Public Services	Richard L. Comer
Water Resources Superintendent	Roger A. Spach
Director of Public Utilities	Chris C. Smith
Golf Director/Pro	James J. Fashimpaur
Garage Superintendent	Dirk W. Apt
Director of Energy Services	S. Dale Odom, Jr.

CITY OF LEXINGTON
PERSONNEL POSITIONS



Function	2011-12 Budgeted Full Time	2012-13 Budgeted Full Time	2013-14 Budgeted Full Time
General Government			
Administrative	5	5	5
Finance	10	10	10
Human Resources	2	2	4
Information Technologies	5	5	5
Public Buildings	2	2	2
Public Safety			
Police	79 ⁽¹⁾⁽²⁾	75 ⁽¹⁾⁽²⁾	74
Fire	48	48	51
Business & Community Development	7	9	9
Highways & Streets			
Engineering	4	4	4
Street	15	15	15
Sanitation			
Recycling & Waste Collection	18	18	18
Culture & Recreation			
Recreation	6	6	6
Public Grounds	12	12	12

CITY OF LEXINGTON
PERSONNEL POSITIONS

Function	2011-12 Budgeted Full Time	2012-13 Budgeted Full Time	2013-14 Budgeted Full Time
Proprietary Operations			
Electric	23	23	21
Water & Wastewater	44	43	43
Natural Gas	21	21	21
Golf	5	5	5
Garage	7	7	7
Risk Management	2	2	2
Utility Administration	24	24	24
Total	339	336	338

⁽¹⁾ 1 COPS Officer funded by U.S. Department of Justice grant for fiscal years 2011-12 and 2012-13. Grant expires June 30, 2013.

⁽²⁾ 1 Traffic Officer funded by Governor's Highway Safety Program grant for fiscal years 2011-12 and 2012-13. Grant expired September 30, 2012.

BUDGET STRUCTURE AND PROCESS

GOAL SETTING AND BUDGET PROCESS

The City Council and management team meet in the early part of each calendar year at an annual retreat held for the purpose of establishing goals and priorities for the City. During the retreat, the Five Year Financial Planning Model is presented to the City Council. This financial model incorporates revenue trends and describes each department's operational and capital needs citywide for the next five years, along with the related costs and financial impact of selecting various levels of municipal services for the citizens of Lexington. As part of the retreat, City Council begins the process of adopting formal goals in strategic areas; these goals can be either multi-year goals or annual goals. These strategic goals guide the development of the budget for the upcoming year. These City Council goals are outlined in the City Manager's budget message.

The Finance Department staff prepares and distributes the budgetary request forms in accordance with the budget calendar. Upon return of the completed forms, the City Manager and budget team meet with each Department Head to review service levels and the respective budget requests along with detailed justifications. The City Manager and budget team then evaluate each department's zero based requests for personnel, operational items, and capital outlay. The evaluation process is detailed and time consuming. For each department, every line item justification is reviewed in light of the departmental goals and needs and compared to current funding levels and the requests made during the update of the Five Year Financial Planning Model. Any requests for additional personnel must be justified by the department and then reviewed by Human Resources for an independent recommendation on appropriate staffing levels. The City Manager and budget team modify departmental requests and ultimately reach a balanced budget.

The City Manager's recommended budget is prepared and presented to City Council at budget work sessions. City Council has the opportunity to make changes to the City Manager's recommended budget prior to the final budget being prepared, which ultimately becomes City Council's budget and policy statement for the upcoming fiscal year. Once the budget is in its final form, a public notice is published for a public hearing on the budget. During the public hearing, citizens are given the opportunity to speak to the City Council about the proposed budget. The City Council has the option of making recommended changes to the final budget pending any discussion at the public hearing. The City Council then adopts the budget through the passage of an ordinance at a public meeting prior to July 1st.

The City of Lexington's adopted budget document is accessible for downloading through the City's web site at www.lexingtonnc.net.

BUDGET SCHEDULE

January 28	Budget calendar is presented to City Council
January 30	Department Heads receive budget preparation forms at staff meeting
February 1	Letters are issued to local non-profit agencies indicating due dates and needed information in order to request grant funding from the City
February 5-6	City Council Retreat
February 14	Personnel requests are due from Department Heads
February 20	Revenue budgets and fee change requests are due from Department Heads
February 25	Agency grant requests are due to the City
February 27	Expenditure budget requests, program objectives, performance measures, and organizational charts are due from Department Heads
March 21-26	Budget hearing meetings with Department Heads and budget team
March 28-April 12	Budget team reviews and balances the proposed budget
April 15-29	City Manager's recommended budget is prepared
April 30-May 2	Budget work sessions with City Council and budget team
May 6	Budget is balanced
May 7-17	City Council's budget is prepared
May 28	City Council's budget is presented at City Council meeting to call for public hearing on the budget
May 29	Publish notice for public hearing
June 10	Public hearing is held and adoption of budget at City Council meeting
June 24	Additional meeting for City Council to adopt budget (if necessary)

BASIS OF BUDGETING

The City's annual balanced budget is adopted as required by the North Carolina General Statutes. All budgets are prepared using the modified accrual basis of accounting, as is described in the financial reporting systems section of this document. The budget ordinance must be adopted by July 1st of the new fiscal year; otherwise, the governing board must adopt an interim budget that covers that period of time until the annual ordinance can be adopted.

BUDGETARY CONTROL

Budgetary control is an essential element of governmental accounting and reporting. The City Council is required by state law to adopt an annual balanced budget for all funds and to utilize "encumbrance accounting" as defined in the statutes. Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Open encumbrances lapse at yearend and are reinstated against the subsequent year's budget. They are shown as an assignment of fund balance in the Comprehensive Annual Financial Report (CAFR) for the governmental funds. Appropriations are made at the functional and fund level and amended as necessary. All annual appropriations lapse at the fiscal yearend. The Budget Officer, which is the City Manager or his/her designee, is authorized to transfer budgeted amounts within departments and functions; however, any revisions that alter the total expenditures of any function or fund must be approved by the City Council. In addition, the City Council must authorize the purchase of a capital item valued at \$20,000 or more that was not previously approved, authorize any addition to the City's fleet, approve the use of contingency funds, grant a salary increase or create a position not duly authorized by the existing personnel policy or City Council action, and approve transfers or appropriations from City Council Neighborhood Revitalization Funds.

BUDGET STRUCTURE

The City's budget is divided into funds. Within each fund, there are separate functions and departments with various individual budgets. The Annual Budget is adopted at the functional and fund level. An annual budget is adopted for the General, Controlled Substance, Special Tax District, Electric, Water and Wastewater, Natural Gas, Golf, Garage, Group Insurance, Risk Management, Utility Administration, Capital Reserve, and Rate Stabilization funds. Additional funds are presented in the City's CAFR. These additional funds are comprised of multi-year capital and grant project funds for which annual budgets are not adopted; rather an ordinance is adopted for the life of the project. In addition, the CAFR may present funds with balance sheet and income statement activity for which no budget is adopted and no expenditures are made.

DESCRIPTION OF BUDGETED FUNDS

The City of Lexington's budget consists of two basic fund types: Governmental Funds and Proprietary Funds.

Governmental Funds are used to account for general government services such as Police, Fire, and Recycling and Waste Collection, which are generally supported by taxes, intergovernmental revenues, and limited user fees. The governmental funds include the General Fund and Special Revenue Funds. Special Revenue Funds account for specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

Proprietary Funds are made up of two fund types: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Internal Service Funds are used to account for services provided by one city department to other city departments. A listing and description of the City's annually budgeted funds follows.

GOVERNMENTAL FUNDS:

General Fund - The General Fund is the principal operating fund of the City. The General Fund accounts for all financial resources except those that are accounted for in another fund. The primary revenue sources are ad valorem taxes, intergovernmental revenues, limited user fees, and transfers from Enterprise Funds. The primary expenditures are for general government services, public safety, highways and streets, recycling and waste collection, culture and recreation, economic and physical development, and debt service.

SPECIAL REVENUE FUNDS:

Controlled Substance Fund – The Controlled Substance Fund is used to account for monies received from federal and state sources that are restricted for public safety use.

Special Tax District Fund – The Special Tax District Fund is used to account for the additional ad valorem property tax levied by the City, collected and contributed to Uptown Lexington, Inc. for the revitalization of the uptown district.

PROPRIETARY FUNDS:

ENTERPRISE FUNDS:

Electric Fund – The Electric Fund is used to account for the operation of providing electric service to customers. This includes all operating, debt service, and capital improvements associated with providing the service.

Water and Wastewater Fund – The Water and Wastewater Fund is used to account for the operation of providing water and wastewater service to customers. This includes all operating, debt service, and capital improvements associated with providing the service.

Natural Gas Fund – The Natural Gas Fund is used to account for the operation of providing natural gas service to customers. This includes all operating, debt service, and capital improvements associated with providing the service.

Golf Fund – The Golf Fund is used to account for the operation of the City's golf course. This includes all operating, debt service, and capital improvements associated with the course.

INTERNAL SERVICE FUNDS:

Garage Fund – The Garage Fund is used to account for the accumulation and allocation of costs associated with maintaining the City’s fleet of vehicles and equipment.

Group Insurance Fund - The Group Insurance Fund is used to account for the self-insurance costs associated with providing health and dental benefits to employees of the City and their dependents, as well as retirees who are eligible for continued coverage.

Risk Management Fund - The Risk Management Fund is used to account for the City’s self-retention costs and for the premiums on the City’s reinsurance program pertaining to workers compensation, property, and liability exposures.

Utility Administration Fund - The Utility Administration Fund is used to account for administrative overhead costs, which are shared by all of the utility enterprise funds and the General Fund such as administrative supervision of the utilities, billing and collections, customer service, meter reading, warehouse, and marketing the utilities.

Capital Reserve Fund - The Capital Reserve Fund is used to account for the accumulation of resources for future capital needs in the Electric, Water and Wastewater, Natural Gas, and Garage Funds.

Rate Stabilization Fund - The Rate Stabilization Fund is used to account for the accumulation of resources to mitigate future retail rates for customers of the Electric and Natural Gas utilities.

FINANCIAL REPORTING SYSTEMS

FUND ACCOUNTING

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The measurement focus and basis of accounting determines when the revenues and expenditures or expenses and the related assets and liabilities are recognized and reported in the financial statements.

Governmental Funds are reported in the CAFR using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available to pay the liabilities of the current period. In general, the City considers revenues available if they are collected within 60 days after yearend. Expenditures are recorded when the related fund liability is incurred; except for principal and interest on general long-

term debt, claims and judgments, compensated absences, and other postemployment benefits, which are recognized as expenditures when they are due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and installment purchase contracts are reported as other financing sources.

Proprietary Funds are reported in the CAFR using the economic resources measurement focus and the accrual basis of accounting. The generally accepted accounting principles used in these funds are similar to those applicable to private sector businesses where the focus is upon determination of net income, financial position, and cash flows. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

DEPARTMENT AND PROGRAM MATRIX FOR FY 2013-14 BUDGET

	General Government	Public Safety	Highways and Streets	Recycling and Waste Collection	Culture and Recreation	Economic Development	Utilities
General Fund:							
Governing Board	X	X	X	X	X	X	X
City Manager	X	X	X	X	X	X	X
General Administration	X	X	X	X	X	X	
Finance	X	X	X	X	X	X	X
Legal	X	X	X	X	X	X	X
Human Resources	X	X	X	X	X		X
Information Technologies	X	X	X	X	X	X	X
Public Buildings	X	X	X	X	X	X	X
Police		X					X
Fire		X					
Business and Community Development		X				X	
Engineering	X	X	X	X	X	X	X
Street			X				
Recycling and Waste Collection				X			
Recreation					X		
Public Grounds	X	X	X	X	X	X	X
Lease/Bond Debt		X	X	X	X		
Other Financing Uses					X		
Special Revenue Funds:							
Controlled Substance Fund		X					
Special Tax District Fund						X	
Enterprise Funds:							
Electric Fund							X
Water and Wastewater Fund							X
Natural Gas Fund							X
Golf Fund					X		
Internal Service Funds:							
Garage Fund	X	X	X	X	X		X
Group Insurance Fund	X	X	X	X	X		X
Risk Management Fund	X	X	X	X	X		X
Utility Administration Fund				X			X
Capital Reserve Fund	X	X	X	X	X		X
Rate Stabilization Fund							X

City of Lexington, North Carolina
Total Budget Summary

	General Fund	Special Revenue Funds	
		Controlled Substance Distribution	Special Tax District
Beginning Estimated Unassigned Fund Balance/Net Assets	\$ 6,467,866	\$ 580,000	\$ -
Estimated Revenues:			
Ad Valorem Taxes	8,635,835	-	93,914
Other Taxes	263,385	-	-
Unrestricted Intergovernmental	5,366,634	-	-
Restricted Intergovernmental	693,443	-	-
Permits and Fees	179,300	-	-
Sales and Services	1,174,379	-	-
Administrative Charges	1,916,331	-	-
Interest	18,500	-	-
Miscellaneous	41,050	-	-
Other Operating	-	-	-
Other Nonoperating	-	-	-
Total Estimated Revenues	<u>18,288,857</u>	<u>-</u>	<u>93,914</u>
Appropriations:			
General Government	5,924,602	-	-
Public Safety	9,377,250	482,569	-
Highways and Streets	2,349,795	-	-
Recycling and Waste Collection	1,791,474	-	-
Culture and Recreation	1,534,987	-	-
Economic Development	109,407	-	93,914
Cost of Sales and Services	-	-	-
Purchases for Resale	-	-	-
Administrative Charges	-	-	-
Capital Outlay	710,054	96,820	-
Debt Service:			
Principal Retirement	592,790	-	-
Interest and Fees	136,259	-	-
Total Appropriations	<u>22,526,618</u>	<u>579,389</u>	<u>93,914</u>

City of Lexington, North Carolina
Total Budget Summary

Enterprise Funds

Electric Fund	Water & Wastewater Fund	Natural Gas Fund	Golf Fund
\$ 35,216,289	\$ 39,698,545	\$ 19,285,692	\$ 550,625
-	-	-	-
-	-	-	-
-	10,147	28,752	-
-	-	-	-
-	-	-	-
51,426,502	8,396,225	12,247,570	742,479
-	-	-	-
21,227	13,540	7,200	280
-	-	-	-
1,640,094	149,000	16,000	-
5,000	-	5,000	-
<u>53,092,823</u>	<u>8,568,912</u>	<u>12,304,522</u>	<u>742,759</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,862,619	5,579,816	2,746,412	705,178
43,524,731	-	6,433,033	-
1,654,855	1,232,670	1,291,721	21,353
-	325,000	20,139	-
554,007	808,154	480,761	188,417
152,402	149,022	183,541	32,395
<u>51,748,614</u>	<u>8,094,662</u>	<u>11,155,607</u>	<u>947,343</u>

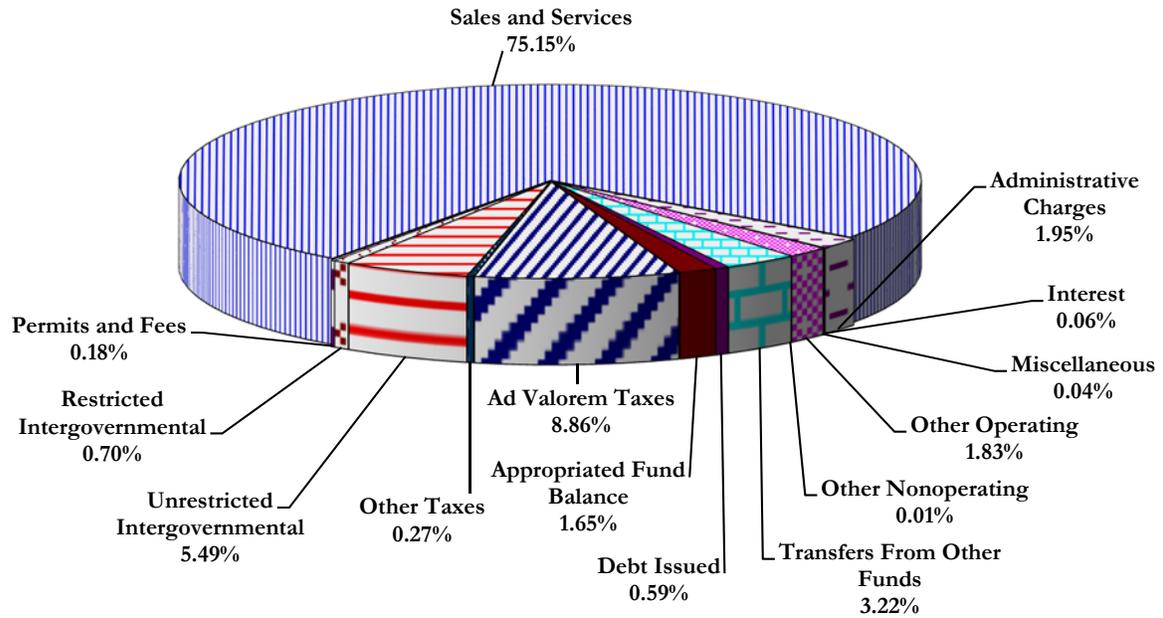
City of Lexington, North Carolina
Total Budget Summary

	General Fund	Special Revenue Funds	
		Controlled Substance Distribution	Special Tax District
Other Financing Sources (Uses):			
Transfers From Other Funds:			
General Fund	-	-	-
Electric Fund	1,325,000	-	-
Natural Gas Fund	889,664	-	-
Payment in Lieu of Taxes	575,255	-	-
Internal Service Funds:			
Group Insurance Fund	55,472	-	-
Rate Stabilization Fund	-	-	-
Transfers to Other Funds:			
General Fund	-	-	-
Natural Gas Construction in Progress Fund	-	-	-
Golf Fund	(168,584)	-	-
Payment in Lieu of Taxes	-	-	-
Internal Service Funds:			
Utility Administration Fund	-	-	-
Capital Reserve Fund	-	-	-
Installment Purchase Debt Issued	585,000	-	-
Total Other Financing Sources (Uses)	<u>3,261,807</u>	<u>-</u>	<u>-</u>
 Budgeted Increase (Decrease) in Fund Balance/Net Assets	 <u>(975,954)</u>	 <u>(579,389)</u>	 <u>-</u>
 Ending Estimated Unassigned Fund Balance/Net Assets	 <u>\$ 5,491,912</u>	 <u>\$ 611</u>	 <u>\$ -</u>

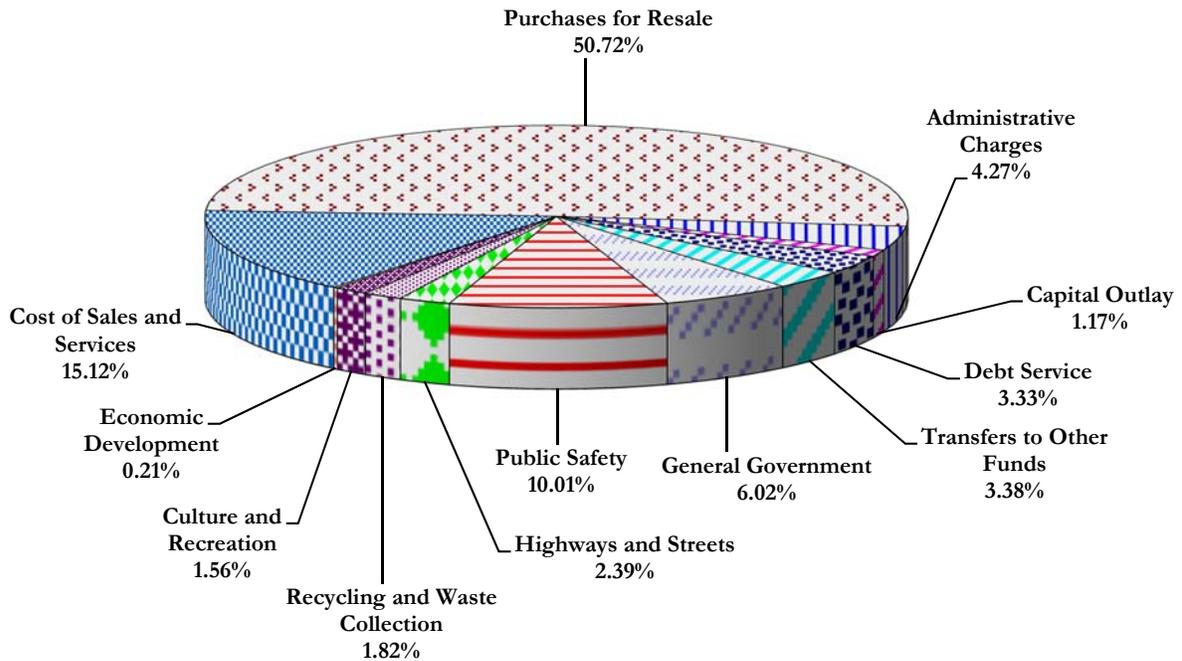
City of Lexington, North Carolina
Total Budget Summary

Enterprise Funds			
Electric Fund	Water & Wastewater Fund	Natural Gas Fund	Golf Fund
-	-	-	168,584
-	-	-	-
-	-	-	-
-	-	-	-
160,000	-	-	-
(1,325,000)	-	(889,664)	-
-	-	(40,000)	-
-	-	-	-
(179,209)	(326,795)	(69,251)	-
-	(60,000)	-	-
-	(125,000)	(150,000)	-
-	-	-	-
(1,344,209)	(511,795)	(1,148,915)	168,584
-	(37,545)	-	(36,000)
\$ 35,216,289	\$ 39,661,000	\$ 19,285,692	\$ 514,625

CITY ESTIMATED REVENUES BY TYPE (Total Budget)



CITY APPROPRIATIONS BY TYPE (Total Budget)



**CITY OF LEXINGTON
MAJOR REVENUE ASSUMPTIONS FOR FISCAL YEAR 2013-14**

GENERAL FUND REVENUES

Ad Valorem Property Taxes:

Current Year Ad Valorem Property Taxes – Based on information provided by Davidson County, the government entity which bills and collects the City’s property taxes, the assessed valuation for the City is estimated to remain virtually unchanged for fiscal year 2013-14 at \$1.493 billion. Property tax collections remain down due to the local economy; therefore a 6.75% uncollectible rate was used in deriving the budget for property taxes. The property tax rate will remain the same at \$.60 per \$100 of assessed valuation.

Prior Year Ad Valorem Property Taxes – Based on historical trends and adjusted for the amount outstanding of the 2012 property tax receivable balance projected as of June 30, 2013.

Interest on Delinquent Ad Valorem Property Taxes – Based on historical trends and adjusted for the amount outstanding of the 2012 property tax receivable balance projected as of June 30, 2013.

Other Tax:

Occupancy Tax – The City is authorized by the NC General Statutes to collect an occupancy tax of 6% on gross revenues from hotel/motel room occupancy within the corporate limits. This tax is restricted for the use of promoting tourism activities. The revenue budget was derived based on historical trends of gross revenues for each hotel/motel.

Unrestricted Intergovernmental:

Local Option Sales Tax – The budget is based on estimates provided by the North Carolina League of Municipalities (NCLM) as well as current collections. The City is projecting a 7.8% increase for fiscal year 2013-14.

Board of Alcoholic Control Distributions – The NC Statutes require the Board to distribute a portion of the profits to the City of Lexington. The budget was calculated based on historical trends.

Utility Franchise Tax, Telecommunications Sales Tax, and Piped Natural Gas Excise Tax – These taxes are levied by the State of NC. Both utility and telecommunications are levied based on the gross receipts of the companies operating in NC. The excise tax of piped natural gas is based on consumption by end users. The State of NC shares a portion of these revenues with municipalities based on sales and consumptions within each city. Local weather conditions, annexations, and any increases or decreases in local utility rates influence these revenue sources. For utility franchise tax, the City is budgeting a 17% increase based on historical trends and information provided by the NCLM. The City is budgeting relatively flat in telecommunications and natural gas compared to fiscal year 2012-13. Telecommunications is expected to be less due to cellular phone competition; and the piped natural gas excise tax is highly sensitive to the weather. This information was also supplied by the NCLM.

Cable TV Franchise – Effective January 1, 2007, this revenue is now passed through the State of North Carolina, as a state tax on cable television and video services franchise, to local governments versus what has historically been a local franchise agreement. This law is intended to promote competition, establish uniform tax rates and lower cable rates while still providing local revenue. The City has historically held two local franchise agreements with Time Warner and Lexcom, now doing business as Windstream, and the revenue received by the City was 5% of the cable TV companies' gross revenues within the City limits. The new revenue base now distributed quarterly from the State is comparable to historical trends.

Restricted Intergovernmental:

Solid Waste Disposal Tax – Effective July 1, 2008, the State enacted a \$2 per ton solid waste disposal tax. Proceeds of the tax are distributed as follows: 50% to pay for remediation of pre-1983 landfills, 18.75% to cities on a per capita basis for solid waste management programs, 18.75% to counties for solid waste management programs, and 12.5% to the Solid Waste Management Trust fund for grants for local governments and state agencies. The revenue for fiscal year 2013-14 is projected to decline 7.1% based on the trends recognized in fiscal year 2012-13.

Powell Bill – The City receives funding for street maintenance through the State of North Carolina's Powell Bill Fund, which is allocated 75% based on population and 25% based on city maintained street mileage. The budget for this revenue was calculated based on historical trends and information provided by the NCLM. The projected revenue is relatively flat based on the volume of motor fuel being taxed under current economic conditions.

Permits and Fees:

Inspections and Permits – Based on existing user charges and projected commercial and residential development as well as historical trends.

Sales and Services:

Recycling and Waste Collection – Based on the proposed user charge increase and a 9% vacancy rate from the traditional level of customers for collection of residential and commercial solid waste. The July 1, 2013 increase of \$1.00 per month per container for residential and commercial solid waste collections boosts revenues by \$99,600.

Cemetery – Based on existing user charges and the projected burials and graves sold as indicated by historical trends.

Recreation – Based on projected activities, participation and fees from existing user charges.

Administrative Reimbursement Charges:

Interfund Revenues – Based on estimated expenditures for services provided by General Fund departments that are reimbursed by the Electric, Water and Wastewater, and Natural Gas Funds. These reimbursements, calculated annually, are the sum of the estimated percentage of time and resources each General Fund department expends on behalf of the respective utility funds.

Interest:

Interest Earned on Investments – Based on estimated cash balances during fiscal year 2013-14 and estimated interest rates. Still recovering from the economic recession, interest rates are expected to remain relatively flat in the coming budget year; but the cash position to invest has strengthened. Thus, the City has budgeted roughly a 9% increase as compared to the fiscal year 2012-13 projections.

Other Financing Sources:

Installment Purchase Revenues – The City has plans to use proceeds from an installment loan for a Quint Aerial Apparatus truck for the Fire Department, which is projected to cost \$585,000 in fiscal year 2013-14.

Transfer from the Electric Fund – The City has budgeted to transfer \$1.325 million from the Electric Fund to the General Fund to balance the budget. This amount is \$25,000 less than the original funding in fiscal year 2012-13. The maximum transfer allowed based on a formula provided by the NC State Treasurer is approximately \$1.7 million. This calculation based on the formula is an amount not to exceed 3% of electric's gross capital assets.

Transfer from the Natural Gas Fund – The City has budgeted to transfer \$889,664 from the Natural Gas Fund to the General Fund to balance the budget. This represents an increase of \$12,239 as compared to fiscal year 2012-13. Current expansion activity in the Natural Gas Fund, which has increased the value of the capital assets and infrastructure, has ultimately enabled an increase in the transfer amount. The calculation based on the formula provided by the NC State Treasurer is an amount not to exceed 3% of natural gas's gross capital assets, which equals \$889,664 for Natural Gas.

Payment in Lieu of Taxes (PILOT) from the Electric, Water and Wastewater, and Natural Gas Funds – The utility funds pay the General Fund an amount equal to the value of their respective capital assets within the city limits multiplied by the property tax rate.

Appropriated Fund Balance – Every effort is made to maintain a stable or reduced level of fund balance appropriations. The City is budgeting \$975,954 in fund balance in order to balance the fiscal year 2013-14 budget. This is an increase of \$207,954 as compared to the fiscal year 2012-13 original budget. Appropriations of fund balance to balance the budget is limited to cash and cash equivalents less current claims against that cash. The statutory formula is cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts.

SPECIAL REVENUE FUND REVENUES

Ad Valorem Property Taxes:

Current Year Ad Valorem Property Taxes – Based on information provided by Davidson County, the government entity which bills and collects Uptown Lexington's property taxes, the assessed valuation for the Special Tax District is estimated to remain constant at \$50.3 million for fiscal year 2013-14. Property tax collections remain down due to the local economy; therefore a 6.75% uncollectible rate was used in deriving the budget for property taxes. The property tax rate for the Special Tax District will remain at \$.20 per \$100 of assessed valuation for fiscal year 2013-14.

GENERAL CAPITAL PROJECT FUND REVENUES

Sales and Services:

Property Rental – Funding derived from leasing warehouse space to Lexington Furniture Industries and Carolina Apparatus Repair and Service is included in the amount of \$99,107, to be used for expenditures associated with the LFI, Inc. Plant One property redevelopment.

ELECTRIC FUND REVENUES

Due to the aftermath of the recession, the revenue budget is based on no anticipated growth in power consumption in the residential and commercial classes. In addition, Lexington's industrial consumptions remain very low due to significant losses in industrial load from manufacturing plant closings since 2001.

Electric rates across all customer classes of residential, commercial and industrial have been increased by an average of 5.7% effective July 1, 2013. This adjustment in rates is necessary due to the North Carolina Municipal Power Agency No. 1 (NCMPA1) passing on a 5.7% wholesale power cost increase also effective July 1, 2013.

Beginning in July of 2009, a surcharge is now being applied and modified annually to every electric customer's bill in order to recoup the proceeds necessary to comply with the State enactment of Renewable Energy Portfolio Standards (REPS). This legislation is an environmental provision to require 10% renewable energy sources such as solar and wind in the NCMPA1 energy portfolio by 2018. The modified surcharges effective July 1, 2013 of \$6.12 per year for residential, \$30.48 per year for commercial, and \$307.20 per year for industrial customers are projected to generate \$176,241.

WATER AND WASTEWATER FUND REVENUES

Consumption estimates are factored in to budget the water and wastewater revenues. Consumption for water and wastewater is budgeted with a slight decrease overall for all customer classes due to voluntary conservation, the aftermath of the economic recession, and industrial load loss from plant closings.

NATURAL GAS FUND REVENUES

The revenue budget is based on adding 84 residential equivalents due to customer base growth in areas of the City and Davidson County where natural gas lines exist or have been extended in recent years. Consumption estimates have been weather normalized to reflect typical warmer winter weather trends, and based on historical trends and anticipated customer growth as it relates to natural gas consumption in the residential, commercial and industrial classes. Adversely impacting the revenue budget are the dwindling consumptions from the recession and plant closings in recent years.

The City is not changing the base rate charged to natural gas customers, and the cost of gas component is anticipated to reduce by 10% next budget year compared to fiscal year 2012-13.

GOLF FUND REVENUES

The revenue budget is based on the same 33,000 rounds played in fiscal year 2012-13, cart rentals and municipal club rentals. To offset the debt payment for the golf course renovations, the General Fund subsidy to the Golf Fund has been budgeted at \$168,584 which is the same as compared to the fiscal year 2012-13 original budgeted transfer. There is a \$1 cart fee increase effective April 1, 2014 that is expected to generate \$9,000 in additional revenue.

INTERNAL SERVICE FUND REVENUES

Charges for Sales and Services:

Interfund Revenues – Based on estimated expenditures for services provided by the Garage, Group Insurance, Risk Management and Utility Administration departments that are reimbursed by other funds. These reimbursements, calculated annually, are the sum of the estimated percentage of time and resources each Internal Service Fund department expends on behalf of the respective general, enterprise and internal service funds.

CAPITAL RESERVE FUND REVENUES

Other Financing Sources:

Transfer from Water and Wastewater Fund – Funding set aside from Water and Wastewater operations into capital reserve that is restricted for future capital infrastructure replacements and expansions for the water and wastewater utility system.

Transfer from Natural Gas Fund – Funding set aside from Natural Gas operations into capital reserve that is restricted for future capital infrastructure replacements and expansions for the natural gas utility system.

Transfer from Garage Fund – Funding set aside from Garage to fund future vehicle and equipment needs for use by all City departments.

DEBT INFORMATION

INSTALLMENT PURCHASES

The City enters into installment purchase agreements to finance purchases of capital outlay equipment, major capital items and construction of major capital facilities. Installment purchase agreements have been entered into for both general government and proprietary activities and are being repaid from the applicable resources. The debt is collateralized by a security interest in the property until the loan is liquidated.

GENERAL OBLIGATION (G.O.) BONDS

The City issues G.O. bonds to finance the purchase of major capital items and the acquisition and construction of major capital facilities. G.O. bonds have been issued for both general government and proprietary activities and are being repaid from the applicable resources. All G.O. bonds are collateralized by the full faith, credit, and taxing power of the City.

REVENUE BONDS

The City issues revenue bonds to finance the purchase of major capital items and the acquisition and construction of major capital facilities. Revenue bonds were issued for a natural gas system expansion in 2006. The revenue bonds are being repaid from the Natural Gas Fund. The City has been in compliance with the covenants as to rates, fees, rentals and charges in Section 704 of the Bond Order since its adoption in 2006. Section 704(a) of the Bond Order requires the debt service coverage ratio be no less than 125%. The debt service coverage ratio calculation for the year ended June 30, 2012 follows:

Operating Revenues	\$ 10,416,189
Operating Expenses*	8,464,574
Operating Income	<u>1,951,615</u>
Nonoperating Revenues (Expenses)**	<u>(107,875)</u>
Income Available for Debt Service	1,843,740
Revenue Bond Debt Service Principal and Interest Paid	351,967
Debt Service Coverage Ratio	524%

*Per rate covenants, this does not include the depreciation expense of \$544,692.

**Per rate covenants, this does not include revenue bond interest paid of \$118,685.

TOTAL OUTSTANDING DEBT PRINCIPAL AS OF JUNE 30, 2013

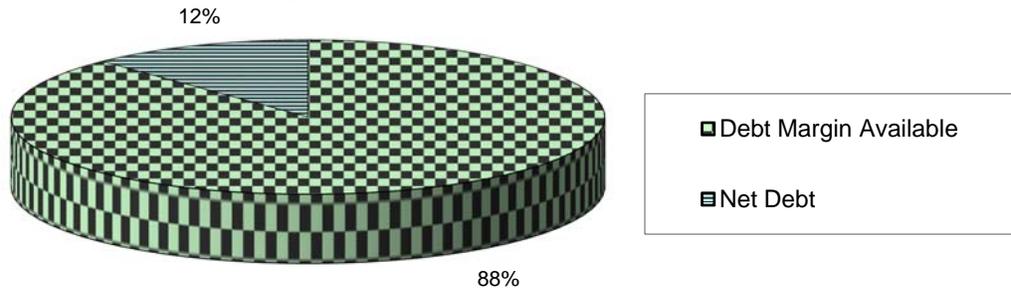
Fund	Installment Purchase	Bonds	Total Debt
General Fund	\$ 2,515,553	\$ 551,893	\$ 3,067,446
Electric Fund	3,643,434	826,955	4,470,389
Water & Wastewater Fund	2,404,221	2,255,152	4,659,373
Natural Gas Fund	1,566,623	2,357,826	3,924,449
Golf Fund	826,662	-	826,662
Total	\$ 10,956,493	\$ 5,991,826	\$ 16,948,319

LEGAL DEBT MARGIN AS OF JUNE 30, 2013

As demonstrated below, the City has maintained an ample legal debt margin. This margin is based on a debt limit of 8% of assessed valuation as required by North Carolina General Statute 159-55c. The margin allows for the issuance of new debt as described in the section below.

Assessed Valuation*	1,410,768,808
Debt Limit (8 percent of total assessed value)	<u>112,861,505</u>
Debt Applicable to Limitation (Gross Debt):	
Authorized and Outstanding G.O. Bonded Debt	3,634,000
Installment Purchase	10,956,493
Statutory Deductions:	
Electric G.O. Bonds	<u>(826,955)</u>
Total Debt Applicable to Limitation (Net Debt)	<u>13,763,538</u>
Legal Debt Margin Available	<u><u>\$99,097,967</u></u>

*Assessed valuation is presented per North Carolina Department of Revenue Form TR-2-12 2012 Municipal Certification of Valuation and Property Tax Levies for the Fiscal Year Ending June 30, 2013.



DEBT SERVICE BUDGET FOR FISCAL YEAR 2013-14

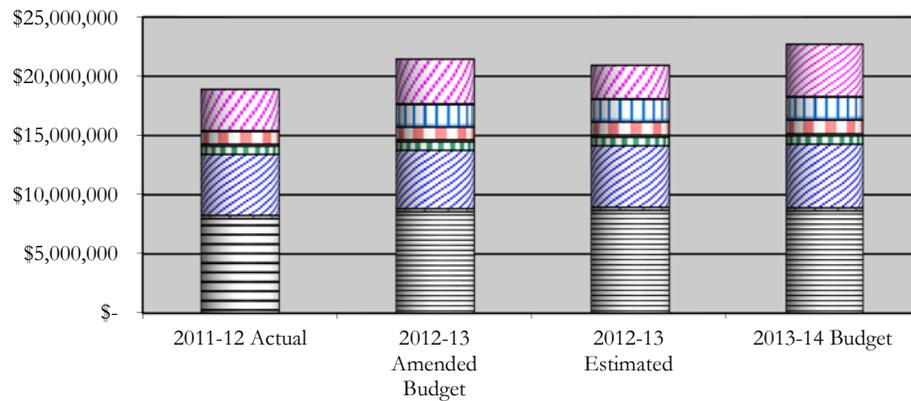
Fund	Installment Purchase		Bonds	
	Principal	Interest	Principal	Interest
General Fund	\$ 388,332	\$ 123,565	\$ 204,458	\$ 12,694
Electric Fund	396,569	133,382	157,438	19,020
Water & Wastewater Fund	386,049	97,153	422,105	51,869
Natural Gas Fund	227,198	89,069	253,563	94,472
Golf Fund	188,417	32,395	-	-
Total	\$ 1,586,565	\$ 475,564	\$ 1,037,564	\$ 178,055

PROPOSED DEBT

The City of Lexington currently anticipates issuing debt in the amount of \$585,000 in early FY 2013-14 for the purchase and upon delivery of a Fire Department Quint engine pumper and ladder truck. Installment financing is planned for this purchase at an interest rate of 2.25% or less for a repayment period of 7 years.

GENERAL FUND REVENUE SUMMARY

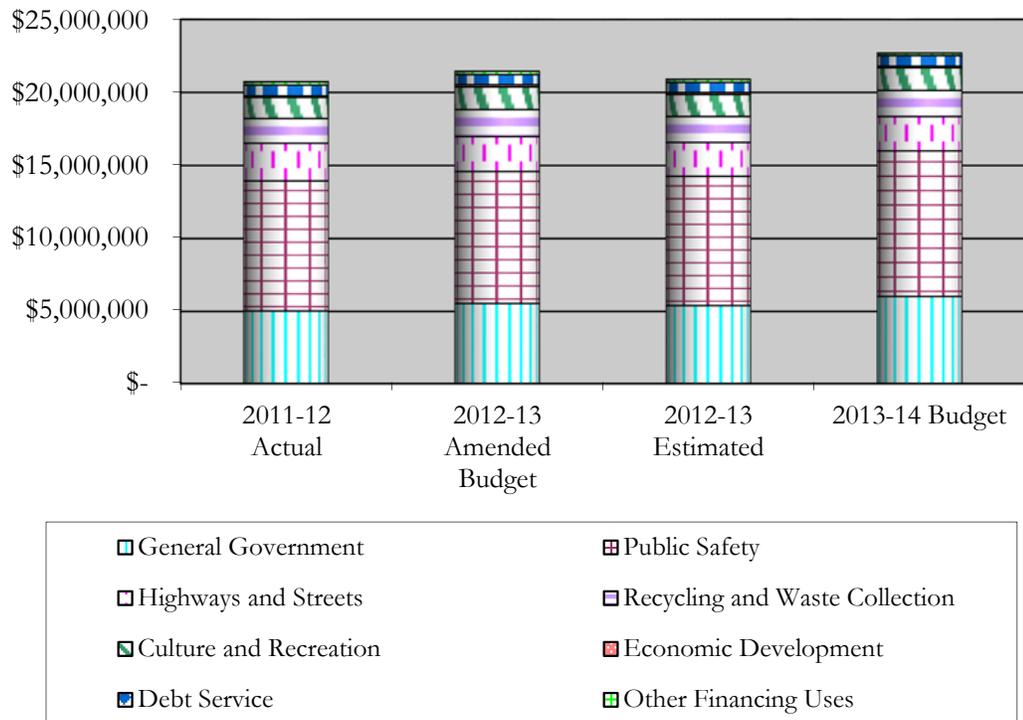
Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Ad Valorem Taxes	\$ 7,984,145	\$ 8,557,564	\$ 8,676,018	\$ 8,635,835
Other Taxes	264,890	258,730	264,235	263,385
Unrestricted Intergovernmental	5,153,753	4,932,621	5,194,176	5,366,634
Restricted Intergovernmental	692,205	713,874	725,241	693,443
Permits and Fees	165,203	176,000	170,300	179,300
Sales and Services	1,063,381	1,062,261	1,108,067	1,174,379
Administrative Charges	-	1,900,413	1,900,413	1,916,331
Interest	31,332	30,000	17,000	18,500
Miscellaneous	45,658	50,325	40,500	41,050
Other Financing Sources	3,492,695	3,763,622	2,823,410	4,406,345
Total	\$ 18,893,262	\$ 21,445,410	\$ 20,919,360	\$ 22,695,202



Ad Valorem Taxes	Other Taxes	Unrestricted Intergovernmental
Restricted Intergovernmental	Permits and Fees	Sales and Services
Administrative Charges	Interest	Miscellaneous
Other Financing Sources		

GENERAL FUND EXPENDITURE SUMMARY

Functions	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
General Government	\$ 5,022,123	\$ 5,546,881	\$ 5,404,491	\$ 6,033,178
Public Safety	8,923,159	9,042,545	8,852,388	9,962,250
Highways and Streets	2,578,808	2,391,819	2,320,618	2,349,795
Recycling and Waste Collection	1,690,560	1,842,030	1,772,493	1,791,474
Culture and Recreation	1,449,196	1,558,978	1,504,746	1,551,465
Economic Development	87,134	145,609	134,076	109,407
Debt Service	748,203	693,977	693,977	729,049
Other Financing Uses	230,809	223,571	223,571	168,584
Total	\$ 20,729,992	\$ 21,445,410	\$ 20,906,360	\$ 22,695,202



GOVERNING BOARD DEPARTMENT GENERAL FUND

Statement of Department's Purpose:

The purpose of the Governing Board Department is for City Council to work within state and federal laws to provide effective and efficient municipal services desired by our citizens in order to assure a balanced quality of life, protection for our citizens, and planned economic growth.

Departmental Functions:

- Legislative body for the City of Lexington government
- Adopts balanced annual budget
- Secures public safety through police, fire and code enforcement
- Authorizes City services like maintaining streets and sidewalks, operating water and wastewater systems; providing the Civic Center and parks and recreation programs designed to improve the City's quality of life; collects, disposes and recycles solid waste; operates electric and natural gas distribution systems
- Supports economic development activities of attracting and maintaining business, industry and jobs by investing in infrastructure and incentives
- Appoints advisory boards and commissions that assist in developing and carrying out City government policies, programs and new initiatives
- Appoints the City Manager as Chief Administrative Officer

2013-14 Objectives:

- To provide open, effective, and regular communication with citizens, customers, employees and partners
- To improve the financial strength and integrity of city government
- To shift from government solving problems to community solving problems by stimulating more citizen involvement, empowering boards, commissions and staff to do more and develop partnerships
- To operate city utilities and other enterprises in a business-like manner, provide efficient and effective service, and generate contributions to the General Fund for the overall operations and services of the City
- To improve the quality of life for our citizens through promotion and support of effective and efficient public schools, affordable housing, clean and safe neighborhoods, and wholesome recreation opportunities
- To promote and support a strong, diversified economy

**GOVERNING BOARD DEPARTMENT
GENERAL FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of City Council members (including Mayor)	9	9	9
Monthly salary - Mayor	\$500	\$500	\$500
Monthly salary - Council	\$400	\$400	\$400
# of meetings/month	2	2	2
Tax rate	0.560	0.560	0.560
% General Fund expenditures funded by ad valorem taxes	47%	47%	43%
Assessed valuation	1.49 Billion	1.47 Billion	1.47 Billion

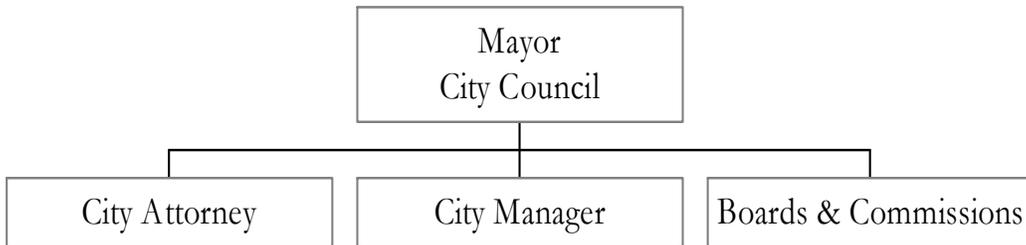
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 121,841	\$ 130,149	\$ 130,148	\$ 149,489
Operations	11,242	44,650	32,655	27,820
Capital Outlay	-	-	-	-
Total	\$ 133,083	\$ 174,799	\$ 162,803	\$ 177,309

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Board Members	9	9	9	9

Capital Outlay: None.

City of Lexington Governing Board



CITY MANAGER DEPARTMENT GENERAL FUND

Statement of Department's Purpose:

The purpose of the City Manager Department is to provide general administration of city government by coordinating departmental services, implementing policies adopted by City Council, and responding to citizens, boards, and commissions to develop partnerships, promote a strong economy and build an excellent quality of life.

Departmental Functions:

- City Manager is appointed by City Council and serves as Chief Administrative Officer, responsible for administration of all departments
- City Manager serves as Budget Officer – prepares annual budget for adoption by City Council and administers budget, including capital improvement program
- Enforcement of City, Federal, and State laws
- Appointment and discharge of personnel
- Preparation of City Council, Utilities Commission, Redevelopment Commission and Tourism Authority agendas and minutes of meetings
- Advise City Council of financial condition of the City
- Inform City Council on employment and operational matters
- Recommend policies, programs, ordinances, etc. to improve the quality of life in the City and maintain the City's financial integrity

2013-14 Objectives:

- To properly administer programs and policies approved by City Council
- To respond to citizen and City Council concerns promptly
- To prepare and administer annual budget
- To update Financial Planning Model annually and Enterprise Business Plans bi-annually
- To communicate effectively with citizens, customers, employees and partners
- To implement City Council's strategic goals
- To improve productivity, operational effectiveness, competitiveness and control costs
- To create private/public or public/public partnerships wherever possible
- To promote and invest in neighborhood revitalization and improve the quality of life in the City
- To promote customer service excellence and be customer friendly
- To pursue economic development opportunities and improve city financial strength
- To monitor utilities and golf operations monthly and meet with other departments routinely
- To pursue new technology innovations that will improve organizational efficiency and effectiveness
- To update citizen led long range strategic plan

**CITY MANAGER DEPARTMENT
GENERAL FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of employees in department	5	5	5
Population	21,420	19,001	18,808
Total original city budget	\$91.9 Million	95.9 Million	95.1 Million
Available fund balance as % of expenditures	31%	29%	30%
Date of last annexation	6/30/1998	6/30/1998	6/30/1998

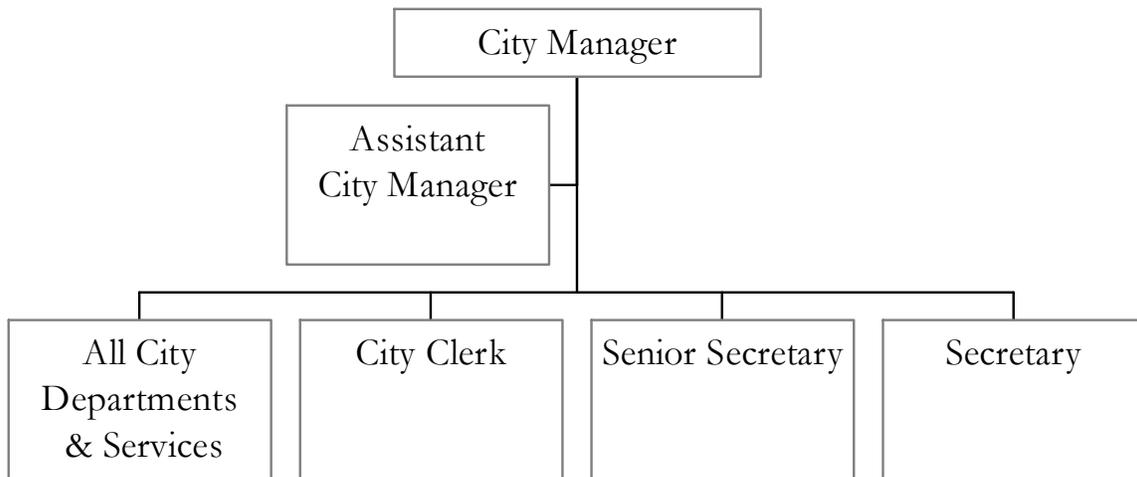
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 449,314	\$ 466,327	\$ 462,041	\$ 493,263
Operations	30,989	56,316	54,717	37,157
Capital Outlay	-	-	-	-
Total	\$ 480,303	\$ 522,643	\$ 516,758	\$ 530,420

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	5	5	5	5

Capital Outlay: None.

City of Lexington City Manager



**GENERAL ADMINISTRATION DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the General Administration Department is to account for administrative overhead costs, which are shared by all General Government departments/functions.

2013-14 Objectives:

- To update internal service department cost allocations annually based on services provided to other City departments
- To account for health and life insurance for general government retirees
- To evaluate funding support for local agencies that improve the quality of life of the citizens of Lexington
- To continue effective partnership with Davidson County in the collection of City taxes

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
Grants to agencies budget	\$276,750	\$302,036	\$305,984
Contingency budget	\$0	\$0	\$50,000
Property tax collection fees - real property	5.32 per bill	5.38 per bill	5.57 per bill
# of tax bills	10,050	10,137	10,074
Property tax collection fees - motor vehicles	1.48%	1.69%	1.73%
General Government expenditures	\$4,895,564	\$4,908,242	\$5,022,123
Public Safety expenditures	\$8,582,413	\$8,693,289	\$8,923,159
Hwy & Street expenditures	\$1,812,255	\$1,614,884	\$2,578,808
Recycling & Waste Collection expenditures	\$1,826,710	\$1,737,312	\$1,690,560
Culture & Recreation expenditures	\$1,286,543	\$1,370,362	\$1,449,196
Economic and Physical Development expenditures	\$68,300	\$0	\$87,134
Debt Service expenditures	\$654,170	\$725,727	\$748,203
Other Financing Uses	\$297,949	\$1,462,244	\$230,809

**GENERAL ADMINISTRATION DEPARTMENT
GENERAL FUND**

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 536,102	\$ 553,046	\$ 528,046	\$ 666,245
Operations	1,820,055	1,961,836	1,966,817	2,325,247
Capital Outlay	-	-	-	-
Total	\$ 2,356,157	\$ 2,514,882	\$ 2,494,863	\$ 2,991,492

Capital Outlay: None.

**GRANTS TO AGENCIES
FOR FISCAL YEAR 2013-2014**

AGENCIES	AMOUNT BUDGETED FY 12-13	AMOUNT REQUESTED FY 13-14	AMOUNT BUDGETED FY 13-14
Arts United for Davidson County	\$ 4,000	\$ 4,000	\$ 4,000
Communities in Schools of Lexington & Davidson County	\$ 3,000	\$ 3,000	\$ 3,000
Crisis Ministry of Davidson County	\$ 12,750	\$ 25,000	\$ 12,750
Davidson County Dept Senior Services	\$ 2,250	\$ 5,000	\$ 2,250
Davidson County Rescue Squad (1)	\$ -	\$ -	\$ -
Davidson County Services for the Deaf & Hard of Hearing	\$ 3,250	\$ 4,500	\$ 3,250
Davidson Medical Ministries	\$ 5,000	\$ 5,000	\$ 5,000
Family Services of Davidson County	\$ 4,000	\$ 4,000	\$ 4,000
Hospice of Davidson County	\$ 3,000	\$ 3,000	\$ 3,000
Life Center of Davidson County	\$ 1,750	\$ 1,750	\$ 1,750
Pastor's Pantry of Davidson County	\$ 1,750	\$ 1,750	\$ 1,750
Path of Hope	\$ 4,000	\$ 4,000	\$ 4,000
Positive Wellness Alliance	\$ 1,750	\$ 1,750	\$ 1,750
Salvation Army Boys & Girls Club	\$ 4,000	\$ 4,000	\$ 4,000
Davidson County Economic Development Commission (*)	\$ 41,000	\$ 42,000	\$ 41,000
Edward C. Smith Civic Center of Lexington (2)	\$ 80,000	\$ 80,000	\$ 80,000
Lexington Appearance Commission	\$ 5,000	\$ 7,100	\$ 6,000
Lexington Historic Preservation Commission	\$ 2,500	\$ 9,000	\$ 2,500
Lexington Housing Community Development Corporation	\$ 60,000	\$ 75,000	\$ 75,000
Lexington Human Relations Commission	\$ 4,000	\$ 4,000	\$ 4,000
Neighborhood Revitalization Funds (City Council)	\$ 9,000	\$ 9,000	\$ 9,000
Uptown Lexington (*)	\$ 40,500	\$ 50,500	\$ 40,500
TOTAL	\$ 292,500	\$ 343,350	\$ 308,500

Note: Detailed information related to each grant request is available for review upon request.

CITY MANAGER'S COMMENTS:

- (1) Davidson County Rescue Squad grant replaced by lease agreement for former Fire Station 2 in FY 12-13.
- (2) Civic Center: Since FY 03-04, funding reduced to share part of \$46,486 annual debt service with the City. Debt was issued in the amount of \$383,136 for HVAC and roof replacements and will be paid in full FY 2013-14.
- (*) Economic development initiatives.

**FINANCE DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Finance Department is to administer and provide fiscally responsible control for the City's financial affairs in accordance with all applicable federal, state, and city regulations.

Departmental Functions:

Accounts payable, accounts receivable, budget development and management, capital asset administration, cash and investments management, Comprehensive Annual Financial Report (CAFR) preparation, cost accounting, debt management, five-year financial planning, grants financial management, internal audit, payroll, and purchasing.

2013-14 Objectives:

- Provide excellent customer service and administrative support to internal and external customers
- Provide timely financial and economic information to support new Management and City Council in managing the FY 2013-14 budget through the post-recession period
- Assist in City's 10-year Strategic Planning Process
- Implement technology upgrades to enhance efficiency in agenda reporting, city-wide intranet, and CAFR reporting

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	10	10	10
CAFR on website	Yes	Yes	Yes
Budget on website	Yes	Yes	Yes
Who compiles CAFR?	Finance	Finance	Finance
# AP checks processed/year	5,393	4,610	4,387
% of JEs processed without error/year	99.1%	99.2%	99.8%
Rate of return on investments	0.70%	0.46%	0.41%
# of purchase orders/year	771	727	808
# of property auctions using GovDeals	33	24	30
\$ value of property auctions using GovDeals	\$19,831	\$53,953	\$47,178
Purchasing Card Rebate	\$0	\$0	\$20,174
Receive CAFR award	Yes	Yes	Yes
Receive budget award	No	No	No

**FINANCE DEPARTMENT
GENERAL FUND**

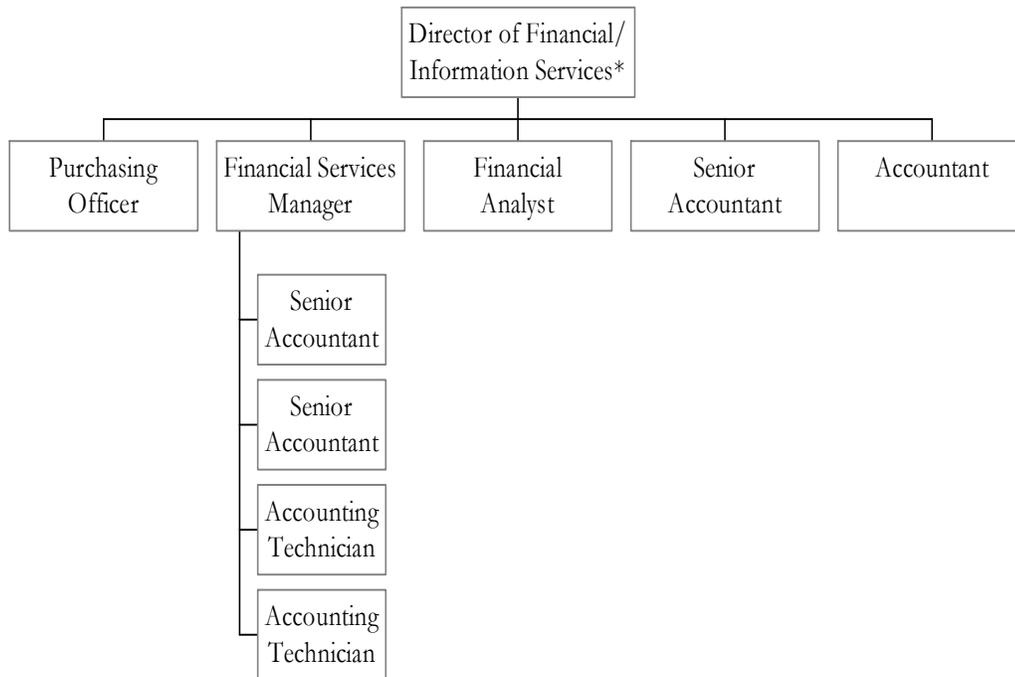
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 679,348	\$ 691,286	\$ 682,547	\$ 724,051
Operations	33,992	43,010	37,849	38,170
Capital Outlay	-	-	-	-
Total	\$ 713,340	\$ 734,296	\$ 720,396	\$ 762,221

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	10	10	10	10

Capital Outlay: None.

City of Lexington Finance



*Director of Financial/Information Services funded in Finance but provides leadership over the departments of Finance and Information Technologies.

**LEGAL DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Legal Department is to protect the interests of the City of Lexington by serving as legal advisor to the Mayor and City Council, City Manager, boards, commissions and staff.

2013-14 Objectives:

- To represent the City of Lexington in all aspects of litigation and legal affairs, including prosecution and defense of lawsuits for and against the City
- To prepare or assist in preparing agreements and other necessary legal documents
- To advise Mayor, City Council and staff in the development of regulations and in the execution of City policies and operations

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
Staff attorney	No	No	No
# of legal advisors	1	1	1
City attorney expenditures	\$27,874	\$24,814	\$26,870
Benefits provided	No	No	No

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ -	\$ -	\$ -	\$ -
Operations	26,870	33,060	33,060	33,060
Total	\$ 26,870	\$ 33,060	\$ 33,060	\$ 33,060

Capital Outlay: None.

**HUMAN RESOURCES DEPARTMENT
GENERAL FUND**

Statement of Department’s Purpose:

The purpose of the Human Resources Department is to comply with federal, state, and city employment laws and policies, hire and retain qualified employees, administer benefits through a partnership with the Finance Department, and direct services to employees and retirees.

Departmental Functions:

Recruiting, compensation and benefits administration, employee relations, compliance with federal, state, and city laws and policies.

2013-14 Objectives:

- Assist departments to recruit, train and retain a quality workforce in the face of a potential “silver tsunami”
- Coordinate group health plan to comply with healthcare reform transitions as mandated
- Expand wellness program to improve overall health of city workforce in an effort to reduce health costs

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	2	2	2
# of city employees	342	341	339
City employees per HR employee	170	170	167
Turnover rate	7%	7%	6%

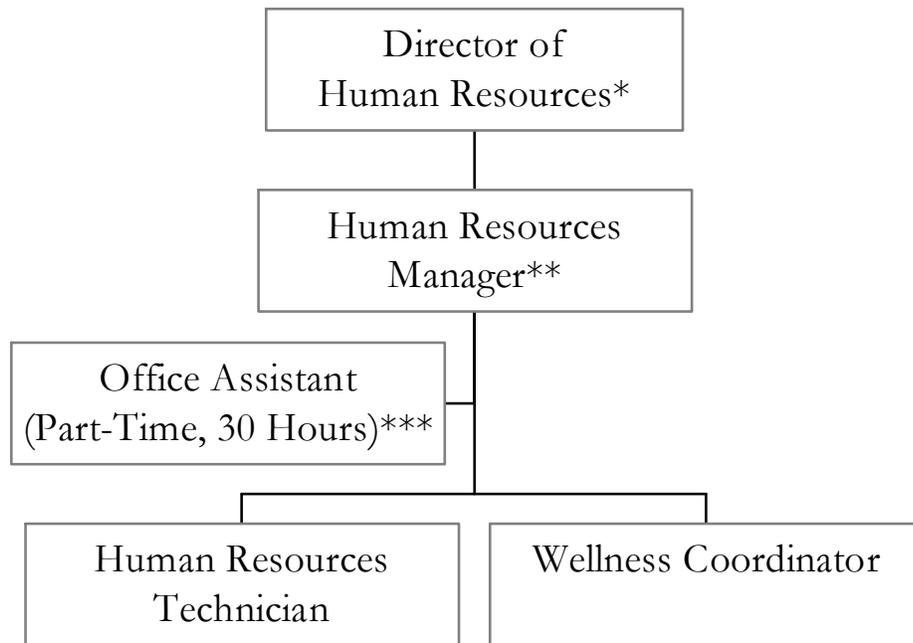
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2013-13 Estimated	2013-14 Budget
Personnel	\$ 134,469	\$ 160,099	\$ 153,115	\$ 249,828
Operations	49,277	66,639	66,512	73,293
Capital Outlay	-	-	-	-
Total	\$ 183,746	\$ 226,738	\$ 219,627	\$ 323,121

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	2	2	4	4

Capital Outlay: None.

City of Lexington Human Resources



*Director of Human Resources funded in Human Resources but provides leadership over the departments of Human Resources and Risk Management.

**Human Resources Manager funded in Human Resources but also provides leadership over the department of Risk Management.

***Time is split evenly between Human Resources and Risk Management.

INFORMATION TECHNOLOGIES DEPARTMENT GENERAL FUND

Statement of Department's Purpose:

The purpose of the Information Technologies Department is to provide key support for enhanced delivery of city services, via electronic and business commerce with reliable information on demand.

Departmental Functions:

Perform daily routine maintenance, support, administration and training for computer hardware including personal computers (PCs), servers, printers, copiers, network switches, the citywide Internet Protocol (IP) phone system; as well as software applications and suites used throughout the City including Microsoft Office, Cayenta Customer Information System (CIS), Geographic Information System (GIS), MUNIS financial system, Sungard OSSI police records management system, etc. Coordinate the creation of customized reports as requested by departments. Provide maintenance and continuous development of the City's website and intranet. Assist the Technology Steering Committee (TSC) and departments in evaluating, budgeting and acquiring technology related hardware and software to enhance productivity and efficiency.

2013-14 Objectives:

- Provide excellent customer service and administrative support to internal and external customers
- Conduct assessment and ultimately enhance network security and reliability
- Increase technological training opportunities for all city departments
- Resurrect active participation and improve communication of the TSC
- Evaluate and improve disaster recovery plans and methods
- Enhance electronic storage and archiving capabilities
- Phase in virtual desktop technology as a long term efficiency measure to mitigate limited IT staff
- Develop city-wide intranet to improve communication and efficiency for all city departments
- Continue to connect outlying city facilities to the City fiber ring, in an effort to improve connectivity performance and efficiency for Wastewater Treatment Plant personnel

**INFORMATION TECHNOLOGIES DEPARTMENT
GENERAL FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of full-time employees on staff	5	4	5
# of servers supported	25	30	36
# of PCs and laptops supported	244	250	245
# of servers supported per employee	5	8	7
# of PCs/laptops supported per employee	43	63	49
# of patrol cars with computers/printers	70	70	68
Routine PC/laptop replacement schedule	Unfunded	Laptops only	PC/Laptops
Disaster recovery plan in place	Yes	Yes	Yes
Average # of website hits/month	N/A	22,175	57,607
Provide website/e-commerce support	Yes	Yes	Yes
Provide police support	Yes	Yes	Yes
Provide telephone support (IP, cell)	Yes	Yes	Yes
Provide 24/7 on call support	Yes	Yes	Yes

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 195,290	\$ 291,303	\$ 287,006	\$ 343,444
Operations	464,865	480,346	460,164	401,317
Capital Outlay	95,395	172,935	147,932	108,576
Total	\$ 755,550	\$ 944,584	\$ 895,102	\$ 853,337

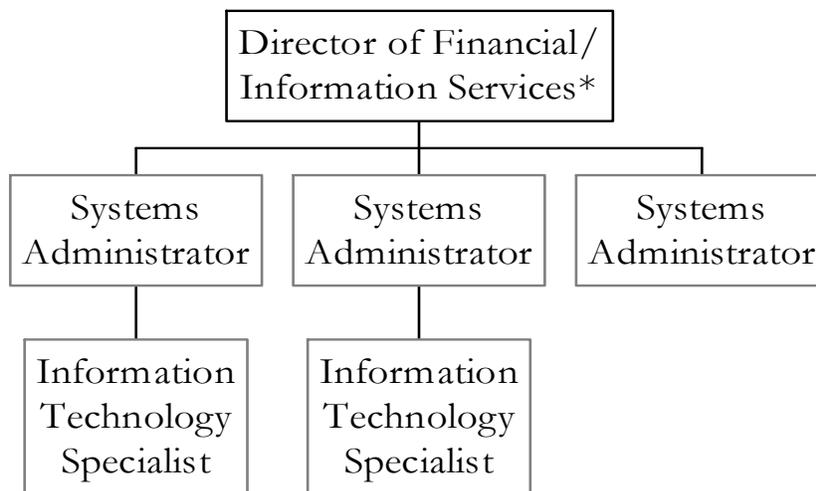
Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	5	5	5	5

**INFORMATION TECHNOLOGIES DEPARTMENT
GENERAL FUND**

Capital Outlay:

<u>Item</u>	<u>New/Replacement</u>	<u>2013-14 Budget</u>
Fiber/Air Fiber Extension to Water Tower/Golf Maintenance	N	\$ 20,000
Avamar Data Backup Upgrade	R	56,076
Server Replacements	R	<u>32,500</u>
Total		<u><u>\$ 108,576</u></u>

City of Lexington Information Technologies



*Director of Financial/Information Services funded in Finance but provides leadership over the departments of Finance and Information Technologies.

**PUBLIC BUILDINGS DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Public Buildings Department is to provide maintenance for all city facilities and custodial services for fourteen facilities.

Departmental Functions:

Maintenance, repair, and daily custodial service of all city owned buildings and all building systems including electrical, plumbing, heating and air conditioning (HVAC), as well as the condition of exterior walls, roofing and floors.

2013-14 Objectives:

- Maintain Lexington Furniture Industries Plant 1 property facilities during redevelopment stages
- Work with the Fire Marshal on upgrading city buildings to new fire codes
- Oversee renovations and painting at the Municipal Club and Edward C. Smith Civic Center auditorium

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of building maintenance employees	1	1	2
# of custodians	1 FT/4 PT	1FT/4 PT	2FT/4PT
In-house or contracted custodians	In-house	In-house	In-house
# of employee-occupied buildings	14	14	14

**PUBLIC BUILDINGS DEPARTMENT
GENERAL FUND**

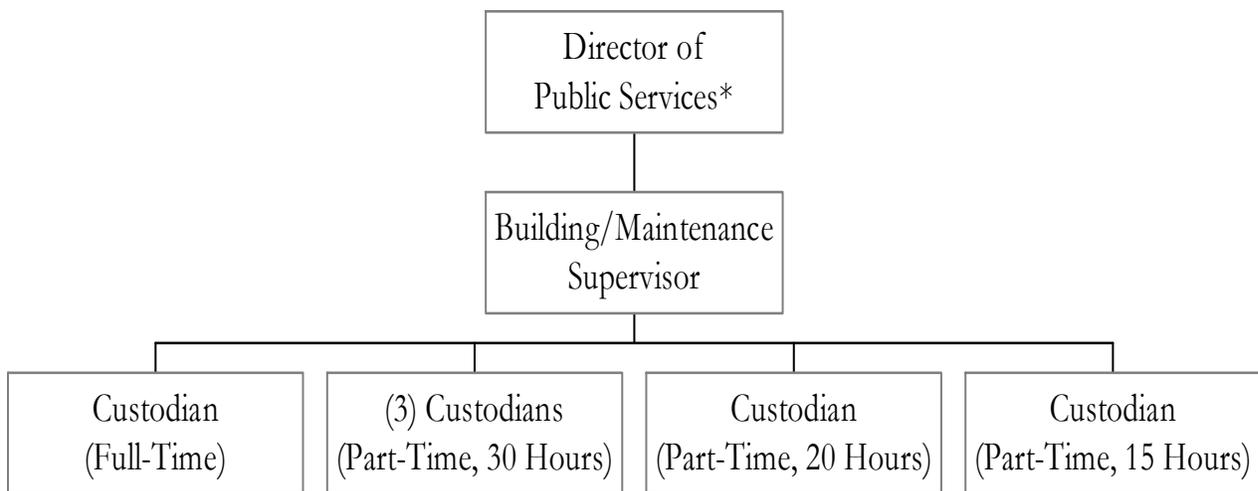
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 213,775	\$ 223,093	\$ 217,555	\$ 234,740
Operations	159,299	172,786	144,327	127,478
Capital Outlay	-	-	-	-
Total	\$ 373,074	\$ 395,879	\$ 361,882	\$ 362,218

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	2	2	2	2

Capital Outlay: None.

City of Lexington Public Buildings



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

POLICE DEPARTMENT GENERAL FUND

Statement of Department's Purpose:

The purpose of the Lexington Police Department is to serve the public by furthering a partnership with the community to prevent crime, thereby protecting life and property, and resolving problems.

Departmental Functions:

Emergency 911 response, person and property crime investigations, traffic enforcement, crash reconstruction, mental commitments, animal and neighborhood complaints, highway and drug interdiction, State and Federal prosecutions, parades and special events, foot patrols, DWI enforcement, speed enforcement, Community Watch, traffic direction, warrant service, escorts, crime scene processing, canine searches and tracking.

2013-14 Objectives:

- Provide the most ethical, fair, efficient, cost effective and objective service to the citizens of Lexington
- Enhance the involvement of community members in the identification and solution of community problems
- Seek input from citizens about matters that impact the quality of life in their neighborhoods and strive to improve them
- Use community-based alternatives aimed at problem solving in conjunction with enforcement actions to combat criminal activity and behavior
- Work collaboratively with other city departments through community policing, community-oriented government and provide extraordinary customer service
- Increase officer productivity and efficiency by providing education and specialized training in-house at the Police Training Facility in the areas of criminal investigation, crime scene processing, customer service and other related topics to insure well rounded and professional law enforcement personnel
- Provide training to officers on crime prevention techniques, and partner with the community to help reduce preventable crime

**POLICE DEPARTMENT
GENERAL FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of sworn officers	69	69	65
# of civilian personnel (full time)	10	10	10
Population per sworn officer	310	275	289
# of calls for service/year	57,039	57,377	55,545
# of calls per officer/year	827	832	856
# of traffic citations issued/year	3,793	4,485	4,131
# of K-9s	2	2	2
# of neighborhood watch meetings/year	122	122	122

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 4,539,791	\$ 4,679,972	\$ 4,640,748	\$ 4,789,353
Operations	262,291	373,503	349,104	402,322
Capital Outlay	20,594	-	-	-
Total	\$ 4,822,676	\$ 5,053,475	\$ 4,989,852	\$ 5,191,675

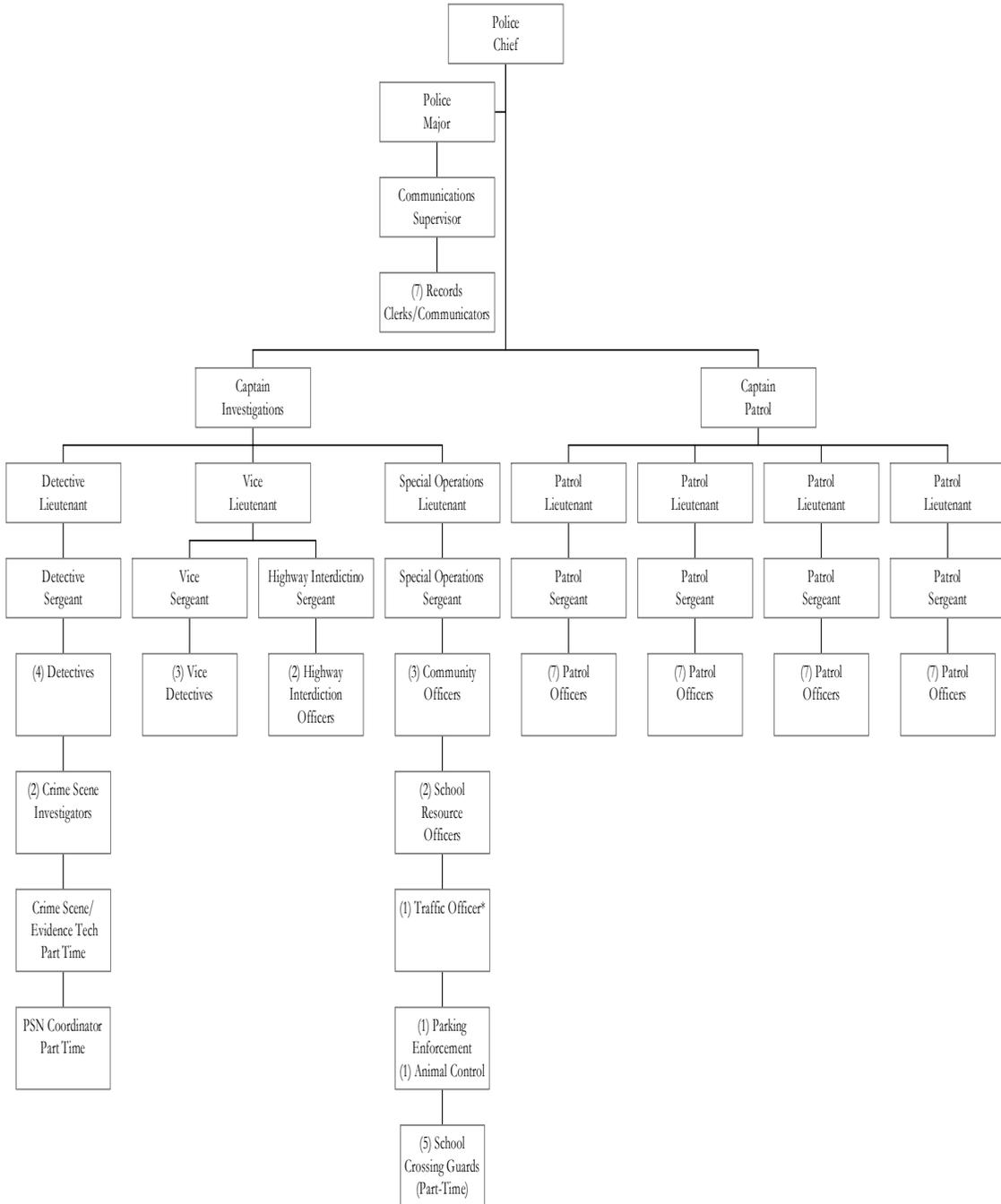
Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	79 ⁽¹⁾ ⁽²⁾	75 ⁽¹⁾ ⁽²⁾	74	74

(1) 1 COPS Officer funded by U.S. Department of Justice grant for fiscal years 2011-12 and 2012-13. Grant expires June 30, 2013.

(2) 1 Traffic Officer funded by Governor's Highway Safety Program grant for fiscal years 2011-12 and 2012-13. Grant expired September 30, 2012.

Capital Outlay: None.

City of Lexington Police



**FIRE DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Lexington Fire Department is to prevent and reduce the level of human suffering and economic losses in the community resulting from fires, accidents, and natural disasters.

Departmental Functions:

Provide fire suppression operations, evacuations, extrication operations, removal of fire hazards, chemical spill operations, public education on fire safety, fire prevention inspections, readiness training in rescue, suppression operations, hazardous materials, DHS natural disasters safety, and wellness and physical fitness.

2013-14 Objectives:

- Manage risk, improve operational safety
- Improve employee health and wellness
- Improve readiness for natural disasters
- Assure continued dependability and serviceability of department fleet
- Implement service delivery per NFPA 1710 and OSHA 1910.134
- Increase minimum staffing levels to 14 people per NC Department of Insurance
- Work collaboratively with the Business and Community Development department to streamline fire inspections and economic plan reviews

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of firefighters	42	42	42
# of admin personnel	6	6	6
# of certified fire inspectors	30	38	35
# of calls for service/year	1,089	1,137	998
# of stations	3	3	3
Date newest station placed into service	1988	2011	2011
PPC insurance rating	3	3	3
\$ value of fire loss	\$610,130	\$1,011,605	\$292,580
# of public education programs/year	196	282	154

**FIRE DEPARTMENT
GENERAL FUND**

Budget Summary:

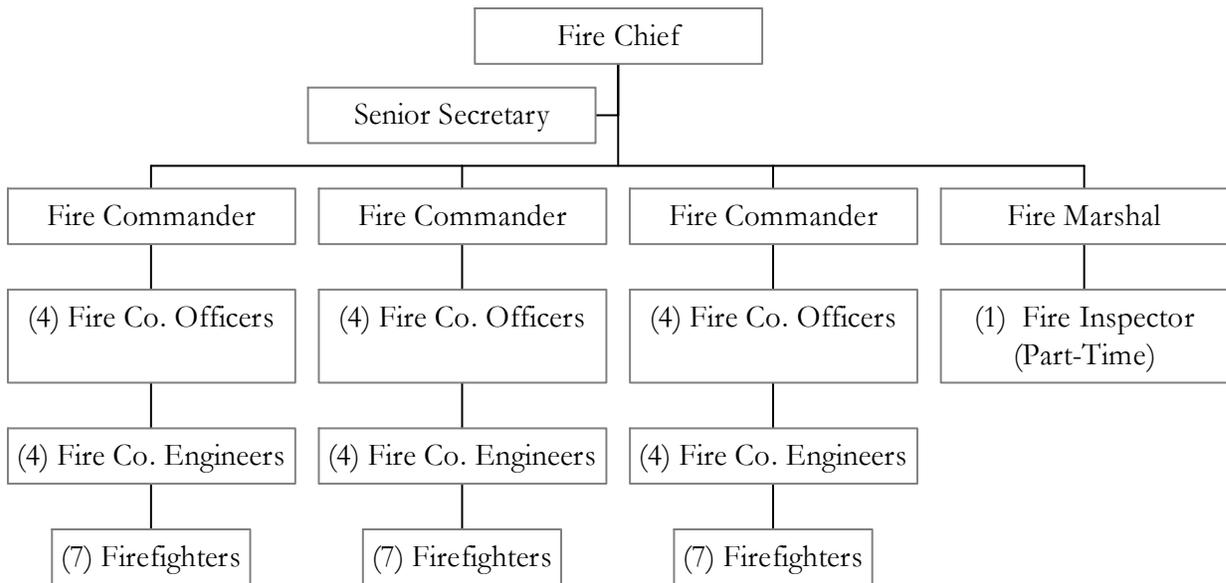
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 2,658,826	\$ 2,814,900	\$ 2,765,622	\$ 2,946,290
Operations	360,479	458,007	457,836	430,174
Capital Outlay	505,952	14,735	14,735	585,000
Total	\$ 3,525,257	\$ 3,287,642	\$ 3,238,193	\$ 3,961,464

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	48	48	51	51

Capital Outlay - Installment Purchase:

Item	New/Replacement	2013-14 Budget
Demo Quint Aerial Device - Ladder/Pumper Fire Truck	R	\$ 585,000
Total		<u>\$ 585,000</u>

City of Lexington Fire



BUSINESS AND COMMUNITY DEVELOPMENT DEPARTMENT GENERAL FUND

Statement of Department's Purpose:

- ❑ Protect and improve the community through enforcement of the Land Development Ordinance, State Building Code, Minimum Housing Code, and Nuisance Ordinances.
- ❑ Improve economic development and quality of life by recruiting new businesses and supporting existing business for sustainable growth.
- ❑ Guide proper and directed growth through long-range and short-range planning.
- ❑ Initiate, seek funding for, and implement redevelopment and neighborhood revitalization plans and projects.
- ❑ Increase effectiveness by working with partner agencies and interested citizens.
- ❑ Provide data, reference, and educational information on various planning and community issues.

Departmental Functions:

Code enforcement, permitting, community development, business development, grant applications and administration, complaint administration, neighborhood and community-wide planning, special redevelopment and community improvement projects, staff support, mapping, census and demographic resource.

2013-14 Objectives:

Code Enforcement

- Implement GIS module of BluePrince software / Combine complaint system / building permits / land use cases
- Continue to move toward Paperless – digital filing for retention of land use, blight, and construction records (scan and purge existing paper files)
- Present drafted Commercial Maintenance Code
- Partner with Fire Marshall on enforcement and permitting
- Administer Lien Program
- Administer Blight Removal Program
- Liaison to Davidson County Homebuilders
- Liaison to Davidson County Electrical Contractors
- Continuing Education / Training

Planning

- Train new City Planners
- Begin Corridor and Neighborhood Planning Initiatives
- Staff the Planning Board/Board of Adjustment
- Liaison to Renaissance Strategic Plan / Staff

Research Subcommittee

- Maintain the Land Use Ordinance / Map
- Oversee issuance of minor and major zoning permit for development / guide developers

Community and Economic Development

- Depot District redevelopment plan / TIGER II planning grant
- Implement Business Development Program (recruit, facilitate start-ups and development, entrepreneur development, location marketing, business incentive grant program)
- Staff Historic Preservation Commission / Finalize Local Historic District Designation
- Liaison to Uptown Lexington, Inc. / Assist in facilitating Uptown Redevelopment projects
- Staff Appearance Commission
- Apply for various Community and Economic Development grants
- Liaison to LHCDC / Homeownership Center
- Liaison to Passenger Rail Advisory Committee
- Liaison to Local Food Program Initiative

**BUSINESS AND COMMUNITY DEVELOPMENT DEPARTMENT
GENERAL FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	6	7	7
# of minimum housing inspections/year	2,632	2,650	2,657
# of building inspections/year	1,422	1,613	1,631
# of housing units	8,510	8,510	8,510
% of rental housing units	50.20%	50.20%	50.20%
# of nuisance complaints/year	2,005	3,433	2,769
\$ value of new residential construction	\$5.9 Million	\$3.2 Million	\$3.7 Million
\$ value of new commercial construction	\$6.8 Million	\$30 Million	9.1 Million

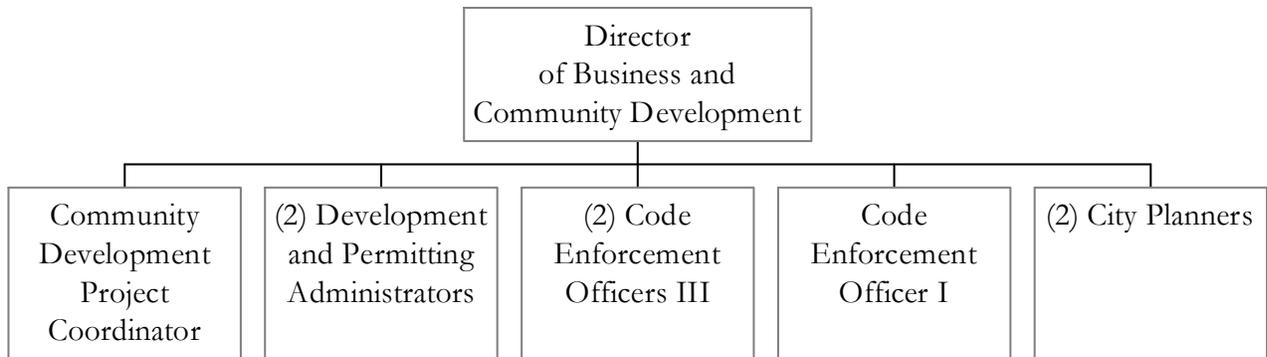
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 475,045	\$ 549,133	\$ 493,837	\$ 688,774
Operations	100,181	144,295	122,506	120,337
Capital Outlay	-	8,000	8,000	-
Total	\$ 575,226	\$ 701,428	\$ 624,343	\$ 809,111

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	7	9	9	9
Board Members	9	9	9	9

Capital Outlay: None.

City of Lexington Business and Community Development



ENGINEERING DEPARTMENT GENERAL FUND

Statement of Department's Purpose:

The Engineering Department provides engineering, technical and contract management assistance to all city departments. It is the Engineering Department's responsibility to schedule, design, prepare specifications, acquire permits, secure right-of-ways, advertise, bid and manage all capital improvement projects as directed and approved by the City Council and the City Manager. Other engineering responsibilities include plan review, obtaining and holding applicable permits and encroachment agreements, and observing the construction of new public infrastructure to ensure compliance with local, state, and federal regulations.

Departmental Functions:

Geographic Information System (GIS) mapping, building permit & Planning Board reviews, design and construction management, pavement asset management, surveying, engineering & NC Department of Transportation (NCDOT) coordination, sewer & roadway design, certify plat review for recordation in Davidson County, FEMA compliance, Powell Bill statement & map certification, maintain 811 underground utility location grids, provide GIS support to all city departments, supervision and support to superintendents over Public Buildings and Grounds, Recycling and Waste Collection, Streets, Fleet Management, and Water and Wastewater treatment plants and line maintenance.

2013-14 Objectives:

- Support efforts to build a passenger rail stop in Lexington
- Provide engineering services for the CDBG Economic Recovery Grant – Erlanger and Green Needles Parks
- Manage CDBG grant for Cow Palace Sewer Improvements
- Start connecting Cayenta Location Points to GIS mapping
- Continue to seek and administer grants
- Support coordination efforts with NCDOT NC8 / West Bypass activities
- Manage the outsourcing of street maintenance programs
- Update and maintain “Public Web Map” available at <http://lexington.connectgis.com/Map.aspx>
- Add pass word protected Gas Data to Public Web Map
- Update and maintain “Database Versioning” to allow field personnel to update GIS system
- Update and maintain “Automatic System Monitoring” in Lexington GIS to detect potential system malfunctions and send email alerts
- Provide maps and GIS products to support other city departments
- Maintain and enhance digital deeds and right-of-ways linked to GIS
- Continue building water & wastewater databases for GIS
- Collect GPS locations for quality assurance of “Georeferenced Maps” used in heads-up digitizing
- Collect GPS location data for new water, wastewater and storm drainage
- Use Facility Maintenance Approach to access best management practice for pavement, water and wastewater infrastructure
- Construction review and inspection of wastewater extensions in areas by other partners

**ENGINEERING DEPARTMENT
GENERAL FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	4	4	4
GIS or Manual Mapping	GIS	GIS	GIS
# of Professional Engineers	1	1	1
# of Professional Land Surveyors	1	1	1
# of street work orders/year	1,069	1,293	1,276
# of water and wastewater work orders/year	2,125	2,021	1,859

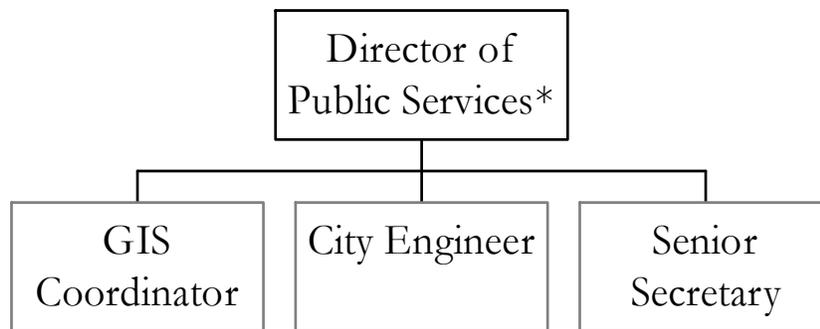
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 314,760	\$ 338,620	\$ 326,944	\$ 372,162
Operations	79,933	102,007	88,211	105,764
Capital Outlay	-	-	-	-
Total	\$ 394,693	\$ 440,627	\$ 415,155	\$ 477,926

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	4	4	4	4

Capital Outlay: None.

City of Lexington Engineering



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

STREET DEPARTMENT GENERAL FUND

Statement of Department's Purpose:

The purpose of the Street Department is to provide maintenance of the city streets, signs, pavement markings, sidewalks, curb and gutter, and storm drainage pipes and structures, to provide ice and snow control on streets located within the City limits, and to maintain the appearance and pleasing aesthetics within the corporate City limits of Lexington.

Departmental Functions:

- Patch potholes and utility cuts
- Maintain sidewalks, curb and gutter; install new sidewalks where needed
- Maintain highway road signs and street signs
- Maintain pavement markings, arrows, crosswalks, stop bars, double yellow lines and parking spaces
- Maintain existing and install new storm drainage structures and maintain ditches and drainage areas
- Sweep city streets and other city properties
- Set up traffic control for construction and city events
- Perform ice and snow control on city streets, applying brine, plowing and salting
- Keep roadways and streets clear of hazards, tree limbs and debris
- Keep right of ways and other public areas and structures within the City limits maintained to promote pleasing aesthetics

2013-14 Objectives:

- Effectively manage personnel and equipment to provide the highest level of customer service and best value for the expenditure
- Maintain an effective preventive maintenance program and minimize lifetime costs of roadways and related structures
- Continue aggressive pavement maintenance program with resurfacing and surface treatments to minimize pavement deterioration
- Continue sidewalk replacement and repair program, targeting uptown and surrounding areas
- Maintain an effective sign survey and replacement program
- Maintain sweeping program and steadily increase efficiency in the route cycle
- Target badly deteriorated curb and gutter areas and start replacement by in-house services
- Target areas of needed repair and maintenance noted on the street pothole survey
- Remain current and knowledgeable of eligible, efficient and effective uses for Powell Bill funds
- Effectively target unsightly debris, undergrowth, weeds, grass, graffiti, and other nuisances to promote a cleaner, safer and pleasing City

**STREET DEPARTMENT
GENERAL FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	15	15	15
Street miles	125.4	125.4	125.4
Miles per employee	8	8	8
Tons of asphalt used for pot holes	562	543	579
Feet of sidewalk replaced/repared per year	2,095	814	1,142

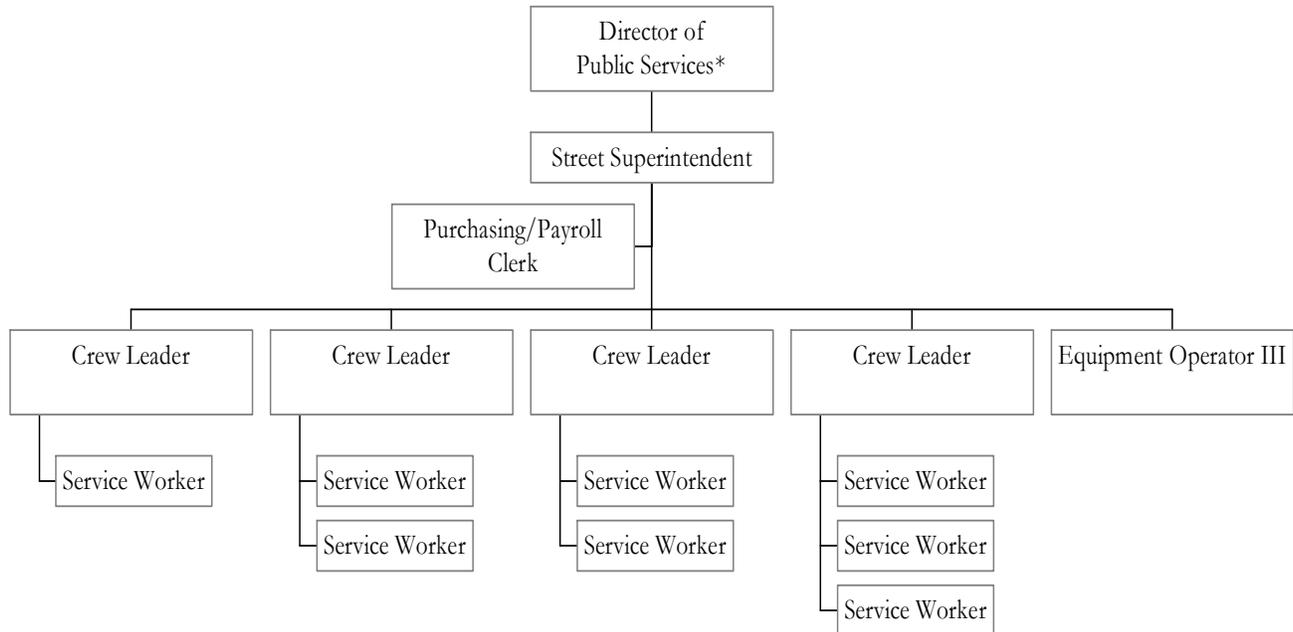
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 751,362	\$ 755,194	\$ 734,387	\$ 802,891
Operations	1,432,753	1,195,998	1,171,076	1,068,978
Capital Outlay	-	-	-	-
Total	\$ 2,184,115	\$ 1,951,192	\$ 1,905,463	\$ 1,871,869

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	15	15	15	15

Capital Outlay: None.

City of Lexington Street



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

RECYCLING AND WASTE COLLECTION DEPARTMENT GENERAL FUND

Statement of Department's Purpose:

The purpose of the Recycling and Waste Collection Department is to help maintain a high standard of health and cleanliness by managing timely collection and disposal of the solid waste and recycling generated by the citizens of Lexington and to accomplish this goal in a cost effective manner with a high level of customer satisfaction.

Departmental Functions:

- Weekly collection and disposal of garbage and recycling for 8,500 households
- Weekly collection and disposal of garbage and recycling for city departments
- Weekly collection and disposal of garbage and recycling for approximately 275 commercial rollout customers
- Weekly collection and disposal of yard waste, limbs, grass, trimmings, etc. for 8,500 households
- Weekly collection and disposal of recyclable items including electronics, metal, white goods and tires as requested (for residential locations)
- Cleanup for special Uptown Lexington events (BBQ Festival, National Night Out, Christmas Open House, etc.)

2013-14 Objectives:

- Provide monthly activity-based cost reports to administration
- Provide support and participation in the Public Services Mission – City wide cleanup campaign
- Continue customer education efforts regarding waste collection and recycling services and additional recycling mandates – utilize website opportunities
- Comprehensive review of City Waste Collection Code
- Expand the commercial and residential rollout recycling programs

**RECYCLING AND WASTE COLLECTION DEPARTMENT
GENERAL FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	18	18	18
# of residences	8,500	8,500	8,500
Tons of garbage collected/year (residential)	7,850	7,520	7,125
Tons of recycling/year (residential)	385	540	505
% of customers who recycle	30%	30%	30%
Monthly rate charged for residential collection	\$8	\$8	\$8
Tipping fees per ton	\$36	\$36	\$36
Ratio of revenues to expenditures	1 to 2.39	1 to 2.14	1 to 2.08

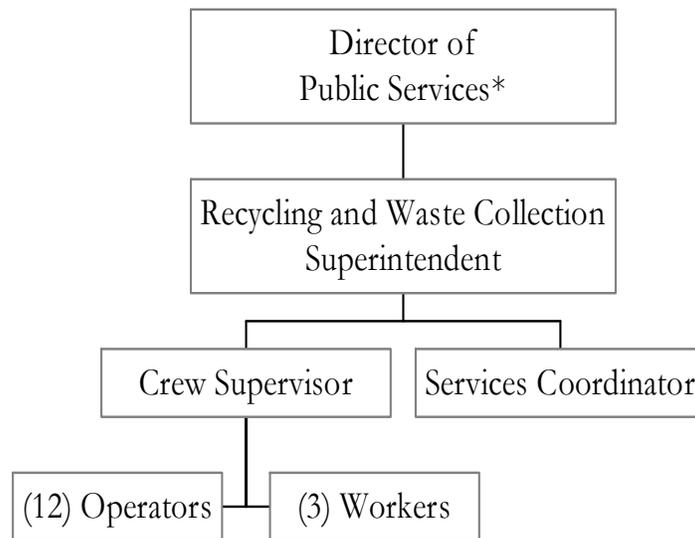
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 855,561	\$ 906,510	\$ 866,271	\$ 939,732
Operations	834,999	899,020	869,740	851,742
Capital Outlay	-	36,500	36,482	-
Total	\$ 1,690,560	\$ 1,842,030	\$ 1,772,493	\$ 1,791,474

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	18	18	18	18

Capital Outlay: None.

City of Lexington Recycling & Waste Collection



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

**RECREATION DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Recreation Department is to provide a comprehensive year round program of recreational activities in conjunction with outstanding parks, playgrounds and facilities, in an effort to enhance the overall quality of life for all citizens of Lexington.

Departmental Functions:

Operate 20 city parks, 15 tennis courts, 9 ball fields, 3 soccer fields, 2 festivals, 12 basketball courts; and provide a year round program of recreational activities.

2013-14 Objectives:

- Complete construction of Green Needles and Erlanger Park Circle walking trail and community shelter
- Begin architectural services to renovate Holt-Moffitt Field House
- Develop Park and Facility Development plan
- Hold successful Multicultural and 4th of July festivals

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees (FT)	6	6	6
Expenditures per capita	\$30	\$36	\$38
# of sports registrants/year	819	809	844
# of youth recreation centers	0	0	0
# of pools	2	2	2
# of parks	17	18	19

**RECREATION DEPARTMENT
GENERAL FUND**

Budget Summary:

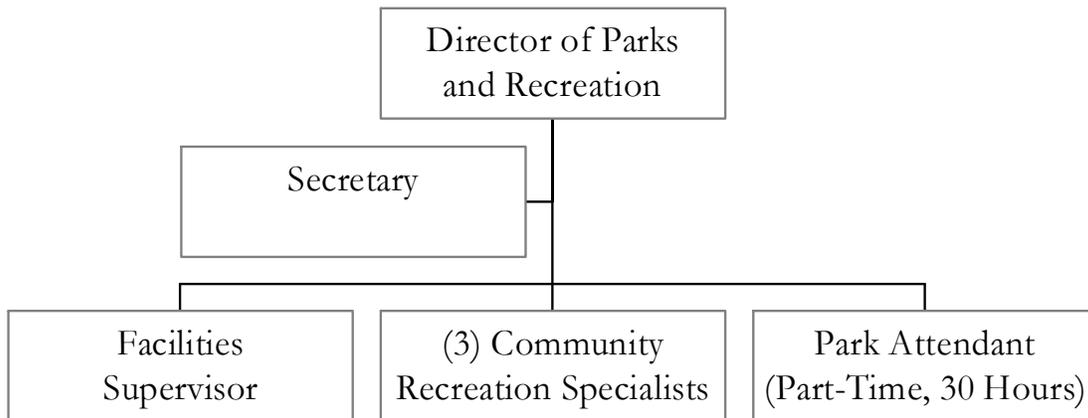
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 449,622	\$ 477,483	\$ 452,235	\$ 498,291
Operations	209,435	281,239	276,175	268,113
Capital Outlay	64,511	63,549	65,000	8,978
Total	\$ 723,568	\$ 822,271	\$ 793,410	\$ 775,382

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	6	6	6	6

Capital Outlay:

Item	New/Replacement	2013-14 Budget
Myers Park Fencing	N	\$ 8,978
Total		<u>\$ 8,978</u>

City of Lexington Recreation



**PUBLIC GROUNDS DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Public Grounds Department is to provide extraordinary customer service in the maintenance of various city facilities.

Departmental Functions:

Maintenance and mowing of all city public grounds including cemeteries, parks, playgrounds, right-of-ways and electric substations.

2013-14 Objectives:

- Provide cemetery services in an efficient and courteous manner
- Provide support to the Recreation Department in the development of the Holt Moffitt Field and Green Needles Park
- Improve the playground equipment at various city parks by painting and making repairs as needed
- Continue to improve the turf on all sports fields with use of lime and fertilizer

Performance Measure Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	12	12	12
# of cemeteries	4	4	4
# of burials/year	89	92	75
# of acres maintained	480	480	480
Miles of right-of-way maintained	218	218	218
Acres maintained per employee	40	40	40
Annual maintenance cost/acre	\$1,425	\$1,528	\$1,516

**PUBLIC GROUNDS DEPARTMENT
GENERAL FUND**

Budget Summary:

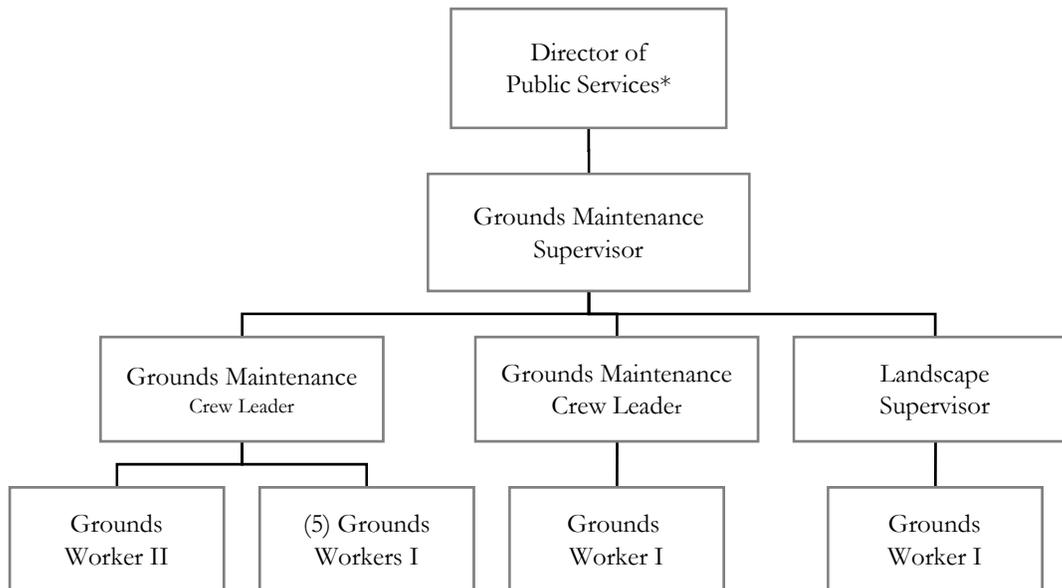
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 519,827	\$ 528,918	\$ 514,141	\$ 566,102
Operations	192,321	200,489	190,635	202,481
Capital Outlay	13,480	7,300	6,560	7,500
Total	\$ 725,628	\$ 736,707	\$ 711,336	\$ 776,083

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	12	12	12	12

Capital Outlay:

Item	New/Replacement	2013-14 Budget
Zero Turn Mower	R	\$ 7,500
Total		<u>\$ 7,500</u>

City of Lexington Public Grounds



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

**ECONOMIC DEVELOPMENT DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Economic Development Department is to account for grant incentive payments made to businesses in order to promote continued economic development and growth within the City of Lexington, to diversify and increase the tax base, and create or maintain jobs.

2013-14 Objectives:

- To monitor and enhance economic development and growth within the City of Lexington
- To monitor and fulfill City Council approved economic development grant contract obligations
- To explore new opportunities and provide incentives that will promote economic development
- To incorporate the business development initiative led by the Office of Business and Community Development

Performance Measures Summary:

Indicators	FY 09-10	FY 10-11	FY 11-12
Economic Development Expenditures	\$68,300	\$0	\$87,134

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Operations	\$ 87,134	\$ 105,609	\$ 99,076	\$ 109,407
Capital Outlay	-	40,000	35,000	-
Total	\$ 87,134	\$ 145,609	\$ 134,076	\$ 109,407

Capital Outlay: None.

**DEBT SERVICE DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Debt Service Department is to account for installment purchase principal and interest payments as well as bond principal and interest payments related to capital improvement projects and equipment and vehicle purchases made by General Fund departments.

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
Net bonded GO debt to assessed valuation (%)**	0.080%	0.070%	0.050%
Net bonded GO debt per capita**	\$54	\$51	\$40
S&P rating	AA-	AA-	AA-
Moody's rating	A1	A1	A1
Fitch rating	N/A	N/A	N/A
NC Municipal Council rating	87	87	87

** Includes bonds authorized and unissued (excludes all enterprise fund debt)

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Debt Service	\$ 748,203	\$ 693,977	\$ 693,977	\$ 729,049
Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Total	\$ 748,203	\$ 693,977	\$ 693,977	\$ 729,049

Schedule of New General Fund Installment Finance and Bonded Debt:

Installment Finance:

Item	Purchase Price	Years Financed	Interest Rate	Debt Service Payment
Demo Quint Aerial Device - Ladder/Pumper Fire Truck	\$ 585,000	7	2.25%	\$ 89,400
Total	<u>\$ 585,000</u>			<u>\$ 89,400</u>

**OTHER FINANCING USES DEPARTMENT
GENERAL FUND**

Statement of Department's Purpose:

The purpose of the Other Financing Uses Department is to account for all transfers from the General Fund to other funds within the City budget.

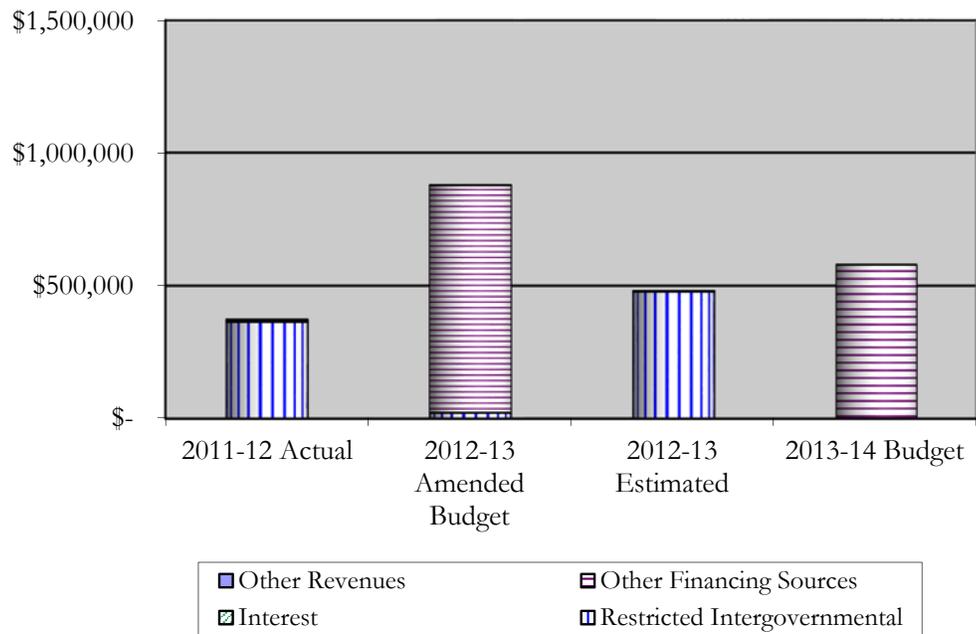
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Transfer to Assistance to Firefighters Grant	\$ -	\$ 15,587	\$ 15,587	\$ -
Transfer to Neighborhood Stabilization Program Grant	39,400	39,400	39,400	-
Transfer to General Capital Projects Fund	22,825	-	-	-
Transfer to Golf Fund	168,584	168,584	168,584	168,584
Total	\$ 230,809	\$ 223,571	\$ 223,571	\$ 168,584



**CONTROLLED SUBSTANCE TAX FUND
REVENUE SUMMARY**

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Restricted Intergovernmental	\$ 363,494	\$ 21,786	\$ 478,033	\$ -
Interest	5,309	-	2,232	-
Other Revenues	3,762	-	25	-
Other Financing Sources	-	855,313	-	579,389
Total	\$ 372,565	\$ 877,099	\$ 480,290	\$ 579,389



**CONTROLLED SUBSTANCE TAX DEPARTMENT
SPECIAL REVENUE FUND**

Statement of Department's Purpose:

The purpose of the Controlled Substance Tax Department is to account for federal, state, and county controlled substance tax revenues, otherwise known as federal and state drug forfeiture funds which are restricted for public safety expenditures.

Departmental Functions:

Emergency 911 response, person and property crime investigations, traffic enforcement, crash reconstruction, mental commitments, animal and neighborhood complaints, highway and drug interdiction, State and Federal prosecutions, parades and special events, foot patrols, DWI enforcement, speed enforcement, community watch, traffic direction, warrant service, escorts, crime scene processing, canine searches and tracking.

2013-14 Objectives:

- Purchase new law enforcement supplies and equipment to enhance existing efforts and initiate new programs

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
Revenue received from Federal Forfeitures of Assets	\$1,105,711	\$1,062,830	\$347,205
Revenue received from State Forfeitures of Assets	\$15,640	\$17,745	\$16,289

**CONTROLLED SUBSTANCE TAX DEPARTMENT
SPECIAL REVENUE FUND**

Budget Summary:

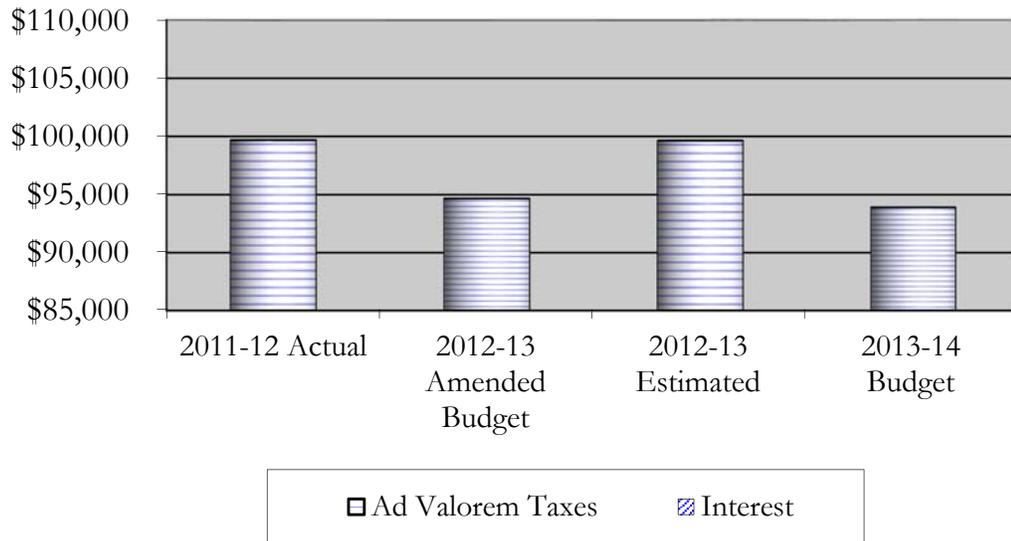
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ -	\$ 12,956	\$ -	\$ -
Operations	719,779	702,938	641,995	482,569
Capital Outlay	361,457	153,029	146,983	96,820
Other Financing Uses	22,297	8,176	7,691	-
Total	\$ 1,103,533	\$ 877,099	\$ 796,669	\$ 579,389

Capital Outlay:

Item	New/Replacement	2013-14 Budget
4 Police Vehicles	R	<u>\$ 96,820</u>
Total		<u><u>\$ 96,820</u></u>

**SPECIAL TAX DISTRICT FUND
REVENUE SUMMARY**

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Ad Valorem Taxes	\$ 99,678	\$ 94,669	\$ 99,635	\$ 93,914
Interest	23	-	20	-
Total	\$ 99,701	\$ 94,669	\$ 99,655	\$ 93,914



**SPECIAL TAX DISTRICT DEPARTMENT
SPECIAL REVENUE FUND**

Statement of Department's Purpose:

The purpose of the Special Tax District Department is to account for the additional ad valorem property tax received for and expenditures related to the revitalization of the uptown district.

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
Current tax rate	0.20	0.20	0.20
Tax Contribution to Uptown Lexington, Inc.	\$91,022	\$101,669	\$99,678

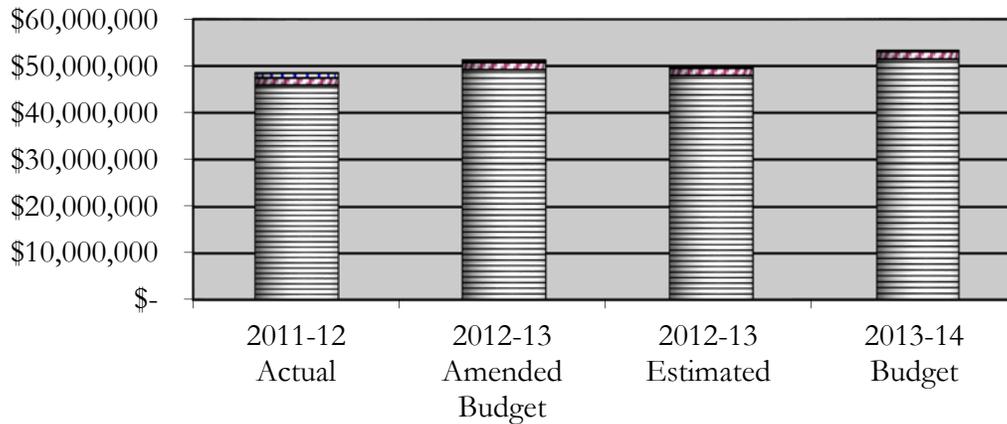
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Operations	\$ 99,701	\$ 94,669	\$ 94,669	\$ 93,914
Total	\$ 99,701	\$ 94,669	\$ 94,669	\$ 93,914



ELECTRIC FUND REVENUE SUMMARY

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Sales and Services	\$ 45,851,593	\$ 49,164,592	\$ 47,922,944	\$ 51,426,502
Other Revenues	1,578,459	1,624,316	1,579,577	1,666,321
Other Financing Sources	1,050,000	439,523	395,000	160,000
Total	\$ 48,480,052	\$ 51,228,431	\$ 49,897,521	\$ 53,252,823



ELECTRIC DEPARTMENT ENTERPRISE FUND

Statement of Department's Purpose:

The purpose of the Electric Department is to meet the needs of the City of Lexington and Davidson County customers by providing reliable, cost effective and safe electric service.

Departmental Functions:

- Maintenance of 74 miles of 44kV transmission line, approximately 616 miles of distribution line, and 19,890 electric meters
- Maintenance and installation of street and area lights
- Maintain SCADA system, 11 electric substations, and two 44kV delivery substations
- Budget and maintain inventory for maintenance and new construction
- Planning and management of capital improvement project for system reliability
- Monitor commercial and industrial accounts for correct billing rates
- Preparation of proposals for economic development
- Maintain records on all older transformers that contained PCB oil for proper disposal
- Update and maintain maps for Geographic Information System (GIS) mapping
- Tree trimming service to maintain system reliability
- Install Christmas decorations and special event banners for Uptown Lexington
- Installation of temporary power pedestals for all special events
- Maintain ball field and tennis court lights for Recreation Department
- Ensure high levels of customer service when dealing with current and prospective customers
- Assist other agency members during power outages due to severe weather conditions
- Assist in the development of rates and fees

2013-14 Objectives:

- Advocate system growth to meet the goals of the financial and business plans, including the building of cash reserves in the Electric Fund to ensure financial stability
- Pursue new technology that will improve organizational efficiency
- Upgrade the electric system to improve its reliability via the use of the Capital Improvement Plan
- Maintain a strong working relationship with Davidson County Economic Development Commission
- Move towards no loss time accidents for the year by increasing safety awareness
- Reduce outages and outage response times; goal is to reduce average response time to less than 60 minutes
- Promote "HOMETOWN GREEN" energy efficiency programs
- Continue Automatic Meter Reading (AMR) program implementation
- Implement LED lighting technology with a LED street lighting test program

**ELECTRIC DEPARTMENT
ENTERPRISE FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	25	24	23
Miles of line	494	494	616
Miles of line/employee	20	21	27
# of customers	18,118	18,362	18,352
# of customers/employee	725	765	798
% of system loss	5.27%	5.03%	5.07%
# of breaker outages/year	37	32	25

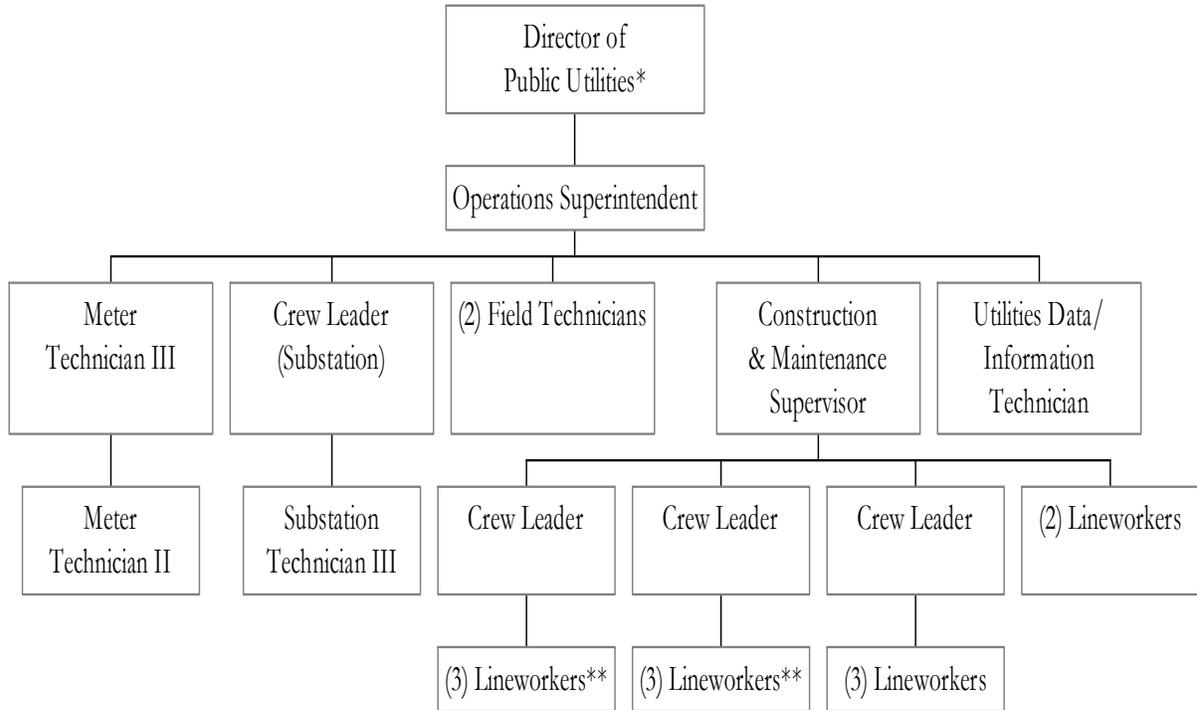
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 1,459,160	\$ 1,556,324	\$ 1,417,193	\$ 1,516,258
Operations	5,222,423	5,610,481	5,552,093	6,707,625
Power Purchases	39,655,108	41,579,095	41,110,275	43,524,731
Capital Outlay	17,885	136,750	26,750	-
Other Financing Uses	2,234,423	2,345,781	2,345,781	1,504,209
Total	\$ 48,588,999	\$ 51,228,431	\$ 50,452,092	\$ 53,252,823

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	23	23	23	21

Capital Outlay: None

City of Lexington Electric

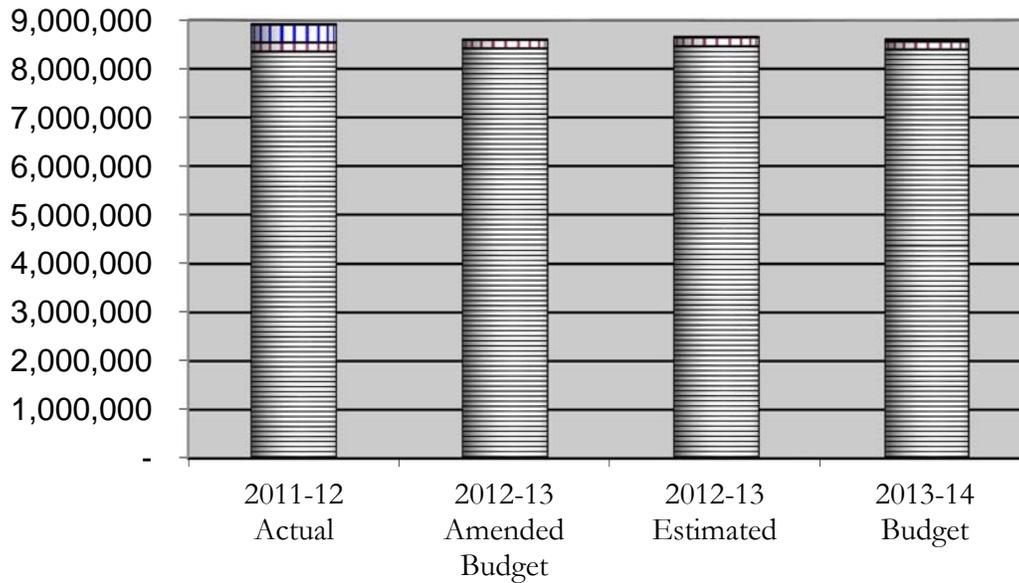


*Director of Public Utilities funded in Public Utilities Administration but provides leadership over the following departments: Electric, Natural Gas, Public Utilities Administration, Customer Service, Warehousing, Meter Reading and Marketing.

**2 positions not funded

WATER & WASTEWATER FUND REVENUE SUMMARY

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Unrestricted Intergovernmental	\$ 11,986	\$ 11,315	\$ 11,315	\$ 10,147
Sales and Services	8,352,862	8,417,824	8,459,829	8,396,225
Other Revenues	185,971	173,884	184,850	162,540
Other Financing Sources	365,786	-	-	37,545
Total	\$ 8,916,605	\$ 8,603,023	\$ 8,655,994	\$ 8,606,457



**WATER & WASTEWATER ADMINISTRATION DEPARTMENT
ENTERPRISE FUND**

Statement of Department’s Purpose:

The purpose of the Water and Wastewater Administration Department is to provide administrative oversight to ensure that the customers of the City’s water and wastewater treatment plants receive quality service, the City complies with environmental mandates, and the employees have a quality work experience.

Departmental Functions:

- Provide administrative support for operation of the water and wastewater treatment plants
- Provide information to the City’s Utilities Commission and City Council on the state of the water and wastewater treatment systems
- Provide information to the public on the state of the water and wastewater treatment systems
- Administer all state and federal permits associated with the operation of the water and wastewater treatment plants

2013-14 Objectives:

- Ensure that water and wastewater plants maintain compliance with federal and state regulations
- Collaborate with water and wastewater plant personnel so that operations are optimized to maintain performance while reducing costs
- Provide staff support necessary to promote recreation and water quality at Lake Thom-A-Lex
- Provide staff support for water quality related initiatives in the Abbots and Swearing Creek drainage basins
- Continue to work with property owners in the Lake Thom-A-Lex watershed to promote and acquire conservation easements
- With Thomasville and Davidson County as partners, provide staff support for the construction of the pilot greenway project that runs from Lexington’s water plants to Lake Thom-a-Lex

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of administrative employees for water & wastewater	2	2	1
# of water customers	8,277	8,269	8,219
# of wastewater customers	7,937	7,940	7,922

**WATER & WASTEWATER ADMINISTRATION DEPARTMENT
ENTERPRISE FUND**

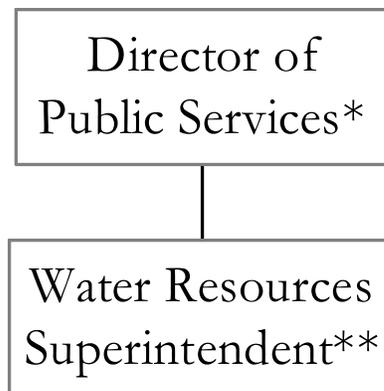
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 110,294	\$ 94,954	\$ 94,439	\$ 97,219
Operations	2,156,825	2,187,803	2,143,441	2,204,370
Capital Outlay	-	-	-	-
Other Financing Uses	1,424,622	778,351	778,351	511,795
Total	\$ 3,691,741	\$ 3,061,108	\$ 3,016,231	\$ 2,813,384

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	2	1	1	1

Capital Outlay: None.

City of Lexington Water & Wastewater Administration



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

**Water Resources Superintendent funded in Water & Wastewater Administration but provides leadership over the departments of Water Plant and Wastewater Treatment Plant.

**WATER PLANT DEPARTMENT
ENTERPRISE FUND**

Statement of Department's Purpose:

The purpose of the Water Plant Department is to provide an adequate supply of safe and pleasing drinking water at a reasonable cost, friendly and courteous service that is both timely and effective, as well as provide fire protection water supply for all customers.

Departmental Functions:

- Operate two water treatment plants to maintain compliance with permits and protect the health of the water system's customers
- Operate the two water plants to provide adequate volumes of water for fire protection as necessary
- Operate a laboratory to provide data for operation of the water plants, the operation of the distribution system, and for state compliance reporting
- Partner with Thomasville in the upkeep of Lake Thom-A-Lex and in protecting its water quality

2013-14 Objectives:

- Provide a safe and productive work place
- Comply with state and federal regulations
- Continue maintenance program upgrades to water plant to enhance reliability
- Begin construction of two new drying beds
- Comply with new regulations taking effect in October 2013
- With Thomasville and Davidson County as partners, begin construction of the pilot greenway project that runs from Lexington's water plants to Lake Thom-a-Lex

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of water plant employees	11	11	11
# of water plants	2	2	2
Design plant capacity (mgd)	9.4	9.4	9.4
Residential water bill (3 CCF usage)	\$14.49	\$14.86	\$15.24
Residential water bill (10 CCF usage)	\$24.85	\$25.50	\$26.16

**WATER PLANT DEPARTMENT
ENTERPRISE FUND**

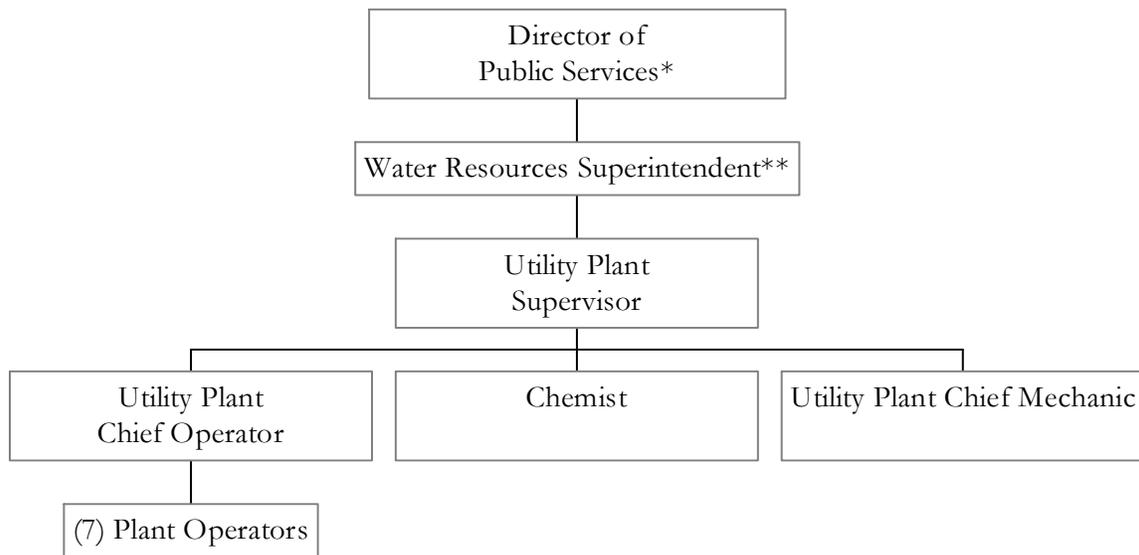
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 597,188	\$ 612,096	\$ 582,245	\$ 636,757
Operations	850,606	904,691	873,859	1,098,402
Capital Outlay	-	37,344	26,844	-
Total	\$ 1,447,794	\$ 1,554,131	\$ 1,482,948	\$ 1,735,159

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	11	11	11	11

Capital Outlay: None.

City of Lexington Water Plant



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

**Water Resources Superintendent funded in Water & Wastewater Administration but provides leadership over the departments of Water Plant and Wastewater Treatment Plant.

**WASTEWATER TREATMENT PLANT DEPARTMENT
ENTERPRISE FUND**

Statement of Department’s Purpose:

The purpose of the Wastewater Treatment Plant Department is to provide quality, environmentally safe wastewater treatment at a reasonable cost to the customers of Lexington; where customers are treated in a friendly, courteous, and knowledgeable manner and given a prompt internal or external solution.

Departmental Functions:

- Treat wastewater at the Lexington Regional Wastewater Treatment Plant
- Produce compost from sludge generated at the Lexington Regional Wastewater Treatment Plant
- Operate two spray irrigation systems – one at the Lexington Wastewater Treatment Plant and one at the Lexington Golf Course
- Provide laboratory support for the wastewater treatment plan, the pretreatment program and the permits associated with water and wastewater treatment facilities
- Maintain a pretreatment program and an associated oil and grease program for the wastewater plant and the collection system

2013-14 Objectives:

- Provide a safe and productive work place
- Maintain the level of operation at the compost plant
- Continue with scheduled replacements of mixers and blowers and overhaul of the belt press
- Continue project to upgrade capacity for the compost facility
- Renew all wastewater permits
- Put expanded compost facilities online

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of wastewater treatment plant employees	16	16	16
# of wastewater plants	1	1	1
Plant capacity (mgd)	6.5	6.5	6.5
Residential sewer bill (3 CCF usage)	\$19.16	\$20.11	\$21.11
Residential sewer bill (10 CCF usage)	\$39.25	\$41.18	\$43.23

**WASTEWATER TREATMENT PLANT DEPARTMENT
ENTERPRISE FUND**

Budget Summary:

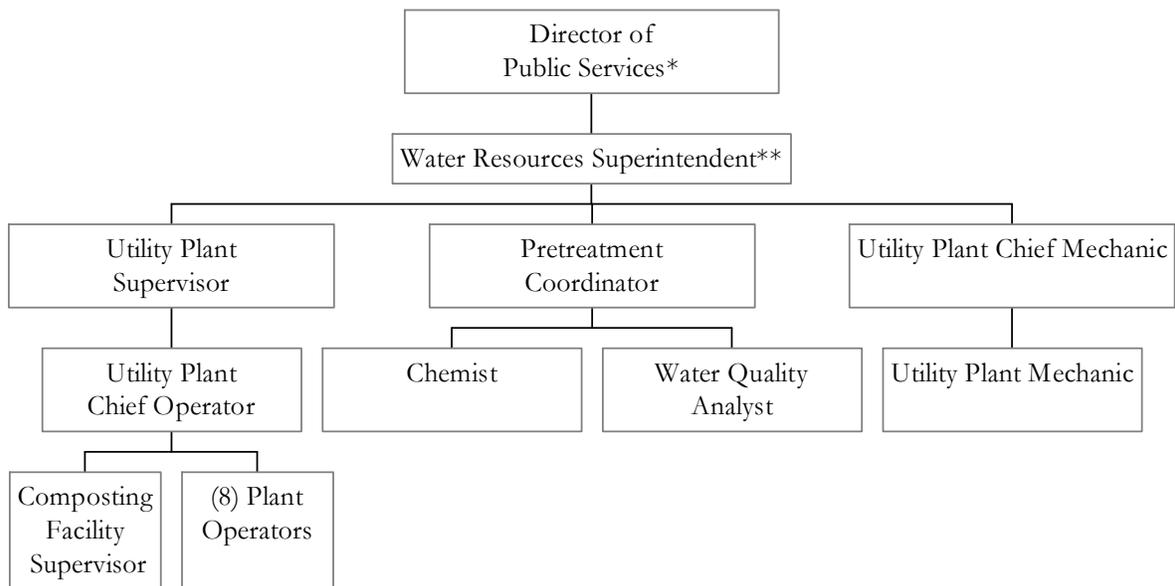
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 936,006	\$ 986,674	\$ 955,798	\$ 1,026,367
Operations	1,229,141	1,237,940	1,184,870	1,227,230
Capital Outlay	7,878	75,000	65,000	200,000
Total	\$ 2,173,025	\$ 2,299,614	\$ 2,205,668	\$ 2,453,597

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	16	16	16	16

Capital Outlay:

Item	New/Replacement	2013-14 Budget
Secondary Bar Screen	R	\$ 200,000
Total		<u>\$ 200,000</u>

City of Lexington Wastewater Treatment Plant



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

**Water Resources Superintendent funded in Water & Wastewater Administration but provides leadership over the departments of Water Plant and Wastewater Treatment Plant.

**PUBLIC WORKS DEPARTMENT
ENTERPRISE FUND**

Statement of Department’s Purpose:

To maintain the water distribution and wastewater collection systems, including but not limited to: 212 miles of wastewater mains, 192 miles of water mains, over 10,000 water taps, over 9,000 wastewater taps, 34 wastewater pumping stations and provide 24 hour service.

Departmental Functions:

Installation and maintenance of water and wastewater mains, water meters, water and wastewater service connections, fire hydrants, wastewater manholes, wastewater outfalls, wastewater pumping stations, budget preparation, capital improvement planning, inspection and approval of contractor built projects, and compliance with all water and wastewater regulations as mandated by the North Carolina Department of Natural Resources (NCDENR).

2013-14 Objectives:

- Provide quality customer service and ensure sensible growth of recently built wastewater systems
- Repair and replace identified sections of defective wastewater mains
- Clean and inspect wastewater mains in at least 10% of the service area
- Replace 10 old or defective fire hydrants
- Provide continuous emergency response to utility emergencies
- Negotiate and comply with the terms of the collection system permit
- Review lift stations for possible replacement with gravity lines
- Review large diameter wastewater mains for possible slip lining and renewal replacement projects
- Provide assistance and inspection for the wastewater projects being built by Davidson County
- Update the Geographic Information System (GIS) mapping system and database
- Train highly skilled employees of new mandates, regulations and reporting improvements put out by State and Federal officials as well as NCDENR
- Accomplish the goals set by City Council for the overall Public Service Mission

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of water & wastewater maintenance & construction employees	15	15	15
Water miles	187	187	192
Wastewater miles	212	212	212
Annual water sales (millions of gallons)	823	885	878
Annual water production (millions of gallons)	875	987	988
% system loss	6%	10%	11%

**PUBLIC WORKS DEPARTMENT
ENTERPRISE FUND**

Budget Summary:

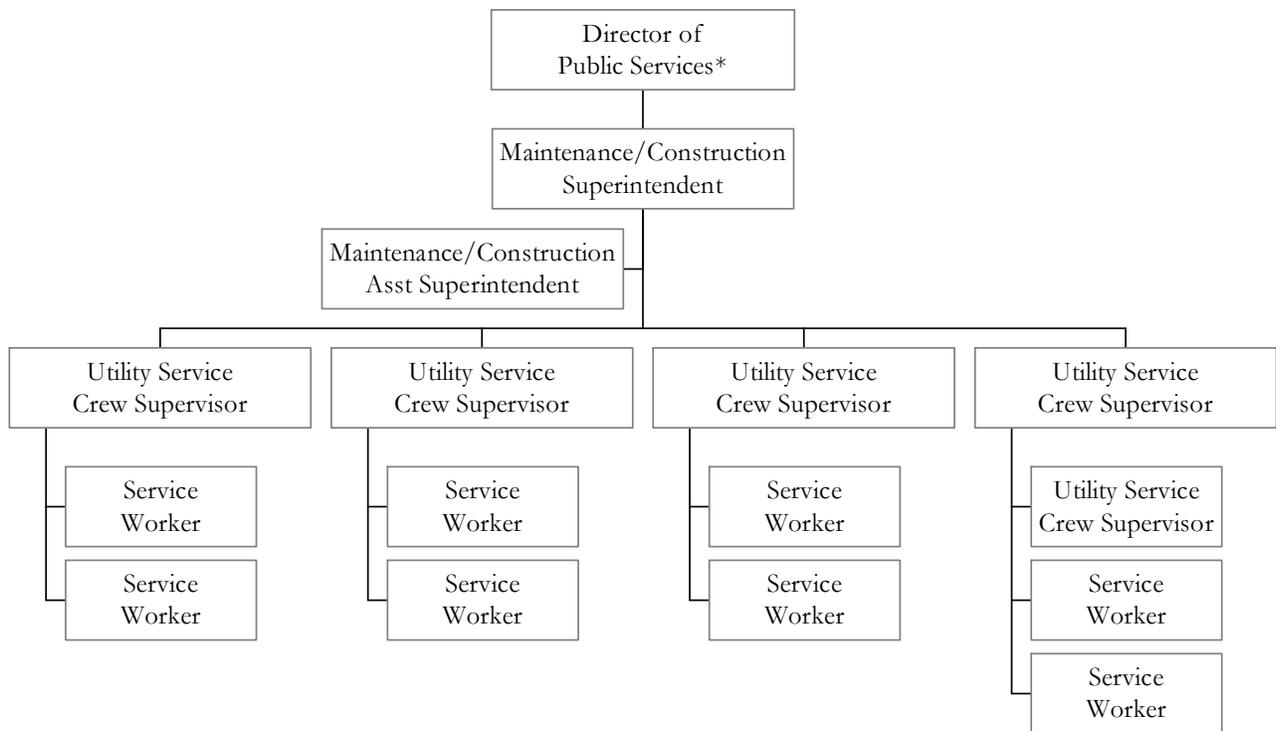
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 714,692	\$ 794,175	\$ 759,947	\$ 843,033
Operations	576,963	593,995	536,431	636,284
Capital Outlay	5,750	300,000	300,000	125,000
Total	\$ 1,297,405	\$ 1,688,170	\$ 1,596,378	\$ 1,604,317

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	15	15	15	15

Capital Outlay:

Item	New/Replacement	2013-14 Budget
Pump Station Generator	N	<u>\$ 125,000</u>
Total		<u><u>\$ 125,000</u></u>

City of Lexington Public Works Maintenance & Construction

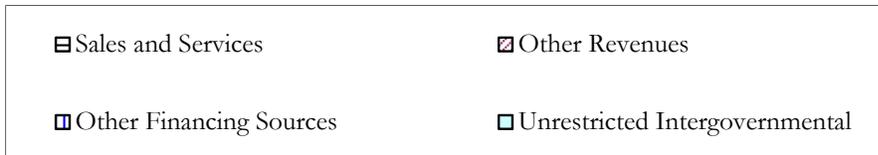
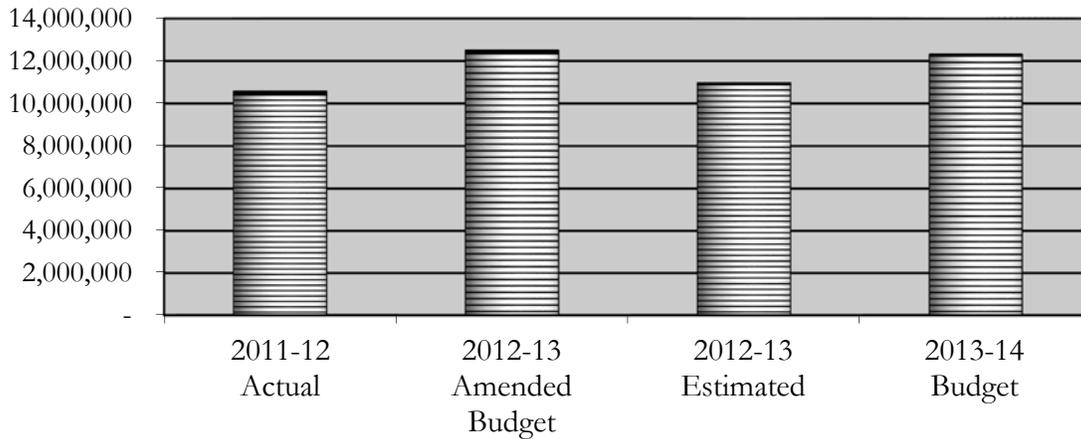


*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.



NATURAL GAS FUND REVENUE SUMMARY

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Unrestricted Intergovernmental	\$ 33,960	\$ 32,059	\$ 32,059	\$ 28,752
Sales and Services	10,412,360	12,352,726	10,903,860	12,247,570
Other Revenues	25,574	51,100	17,105	28,200
Other Financing Sources	89,392	60,000	-	-
Total	\$ 10,561,286	\$ 12,495,885	\$ 10,953,024	\$ 12,304,522



NATURAL GAS DEPARTMENT ENTERPRISE FUND

Statement of Department's Purpose:

The mission of the City in the operation and reliability of the City's utilities is to "ensure that utility services are operated in a safe, effective, and efficient manner and to add quality of life to the community as well as provide for economic growth." This mission can be achieved by operating the natural gas utility in a business manner and to empower staff to react to industry changes. This empowerment will result in better management of risks, greater returns on investment, more stable and competitive pricing, and new growth; therefore, will provide a more positive image and value of natural gas to the City's customers.

Departmental Functions:

- Maintenance (total of 662 miles of pipe to maintain: 428 miles of natural gas mains and 234 miles of service pipe, 10,170 services throughout Davidson County, 24 hour on call service for customers)
- Construction (install mains and services, manage contractors who install mains and services on the City's system, relocate and repair mains and services, repair leaks)
- Maintenance (change meters, program and maintain AMRs, atmospheric corrosion survey and repairs, test meters, regulator stations, leak surveys, and maintain the new pressure monitoring system)
- Purchasing (manage the purchasing, transportation and distribution of approximately 1.81 million DTs of natural gas annually, gas purchases, hedging, storage withdrawals and injections, capacity/asset management)
- Engineering (engineering mains with the assistance of contracted engineers, encroachments and right-of-ways, permits, Geographic Information System (GIS) mapping)
- Compliance and safety (meet all state and federal Office of Pipeline Safety (OPS) requirements, documentation and reporting of all pipeline activities, training and qualification of employees, Operator Qualifications (OQ), public awareness mandates, Distribution Integrity Management Program (DIMP) mandates)

2013-14 Objectives:

Meet the goals of the financial and business plans, which include the following:

- Add new customers, new load growth and value to the natural gas system
- Second year of construction of new Training Infrastructure on Hwy 52 property
- Complete gas line expansion from Welcome Tap Station to HWY 150
- Continue GIS Mapping Project
- Complete the Raleigh Road Bridge replacement
- Study NGV's

**NATURAL GAS DEPARTMENT
ENTERPRISE FUND**

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	21	22	21
# of customers	8,934	8,948	8,940
Total DTs sold/year	1.89 Million	2.02 Million	1.81 Million
Miles of main line	405	420	428
Miles of service line	225	230	234
Yearly residential bill amount (59 therms/month)	\$934	\$872	\$793

Budget Summary:

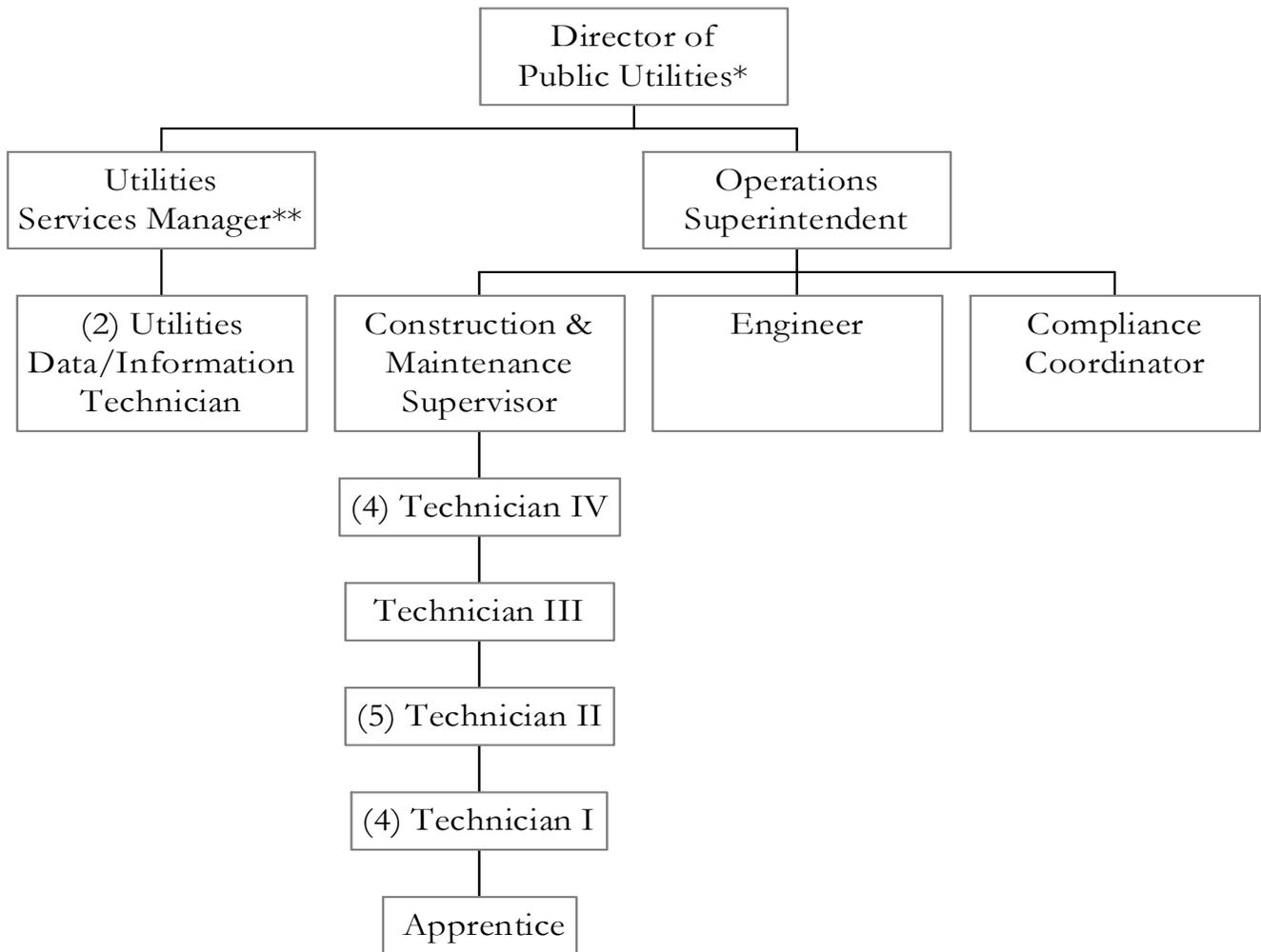
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 1,114,260	\$ 1,111,351	\$ 1,042,284	\$ 1,159,835
Operations	3,401,660	3,505,425	3,313,874	3,542,600
Natural Gas Purchases	5,290,686	6,726,940	5,405,496	6,433,033
Capital Outlay	24,929	11,523	11,523	20,139
Other Financing Uses	1,147,666	1,140,646	1,140,646	1,148,915
Total	\$ 10,979,201	\$ 12,495,885	\$ 10,913,823	\$ 12,304,522

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	21	21	21	21

Capital Outlay:

Item	New/Replacement	2013-14 Budget
GPS Unit	R	\$ 9,605
Air Motor	R	10,534
Total		<u>\$ 20,139</u>

City of Lexington Natural Gas

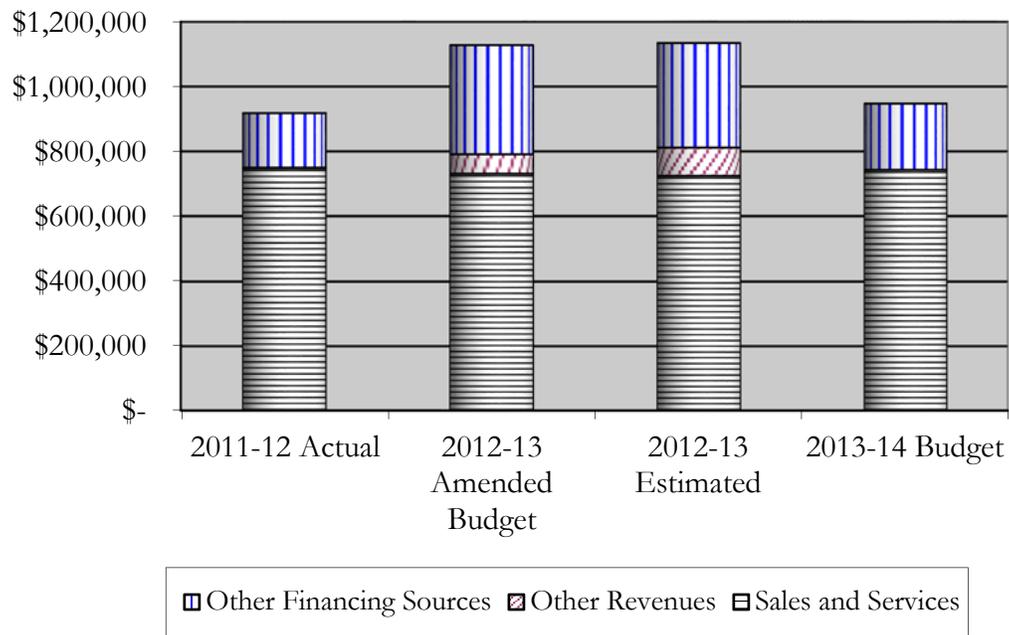


*Director of Public Utilities funded in Public Utilities Administration but provides leadership over the following departments: Electric, Natural Gas, Public Utilities Administration, Customer Service, Warehousing, Meter Reading and Marketing.

**Utilities Services Manager funded in Public Utilities Administration but provides leadership over the departments of Natural Gas and Marketing.

GOLF FUND REVENUE SUMMARY

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Sales and Services	\$ 747,737	\$ 730,779	\$ 723,936	\$ 742,479
Other Revenues	1,659	60,200	87,325	280
Other Financing Sources	168,584	336,584	323,059	204,584
Total	\$ 917,980	\$ 1,127,563	\$ 1,134,320	\$ 947,343



**GOLF DEPARTMENT
ENTERPRISE FUND**

Statement of Department's Purpose:

The purpose of the Golf Department is to provide the best possible golf value and great customer service to all customers. The Golf Department's ultimate goal is to be a constant source of revenue for the City of Lexington and to add to the quality of life.

Departmental Functions:

- All golf related operations including daily operations of golf shop and course, setting and collection of fees, golf course maintenance, golf cart maintenance, golf course marketing, originating and organizing tournaments and managing benefit golf events for the community
- Assistance in learning the game of golf through teaching and instruction
- Operation of all Municipal Club activities including rental collection, marketing and management

2013-14 Objectives:

- Maximize revenues through rounds of golf and customer service toward the goal of self-sufficiency for the golf enterprise
- Demonstrate exceptional customer service and relations with golfers, to inform and entice them to play at Lexington
- Build a database of customers to increase marketing opportunities
- Provide opportunities for growth and enrichment for staff so they can provide higher qualities of service and value
- Manage a profitable Municipal Club for the City and to provide a clean and safe facility for public functions

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
Weekday green fee	\$16	\$16	\$16
Weekend green fee	\$21	\$21	\$21
9 hole cart fee	\$6	\$6	\$6
18 hole cart fee	\$12	\$12	\$12
Weekday green & cart fee	\$27	\$27	\$27
Weekend green & cart fee	\$33	\$33	\$33
Senior fee (includes cart)	\$21	\$21	\$21
# of rounds	28,340	27,094	33,637
Total golf revenues	\$604,562	\$566,555	\$719,957
Average dollar/round	\$21.33	\$20.91	\$21.40
Offer memberships or equivalent?	Yes	Yes	Yes

**GOLF DEPARTMENT
ENTERPRISE FUND**

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 384,317	\$ 406,891	\$ 392,924	\$ 428,148
Operations	420,439	720,672	727,624	519,195
Capital Outlay	18,126	-	-	-
Total	\$ 822,882	\$ 1,127,563	\$ 1,120,548	\$ 947,343

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	5	5	5	5

Capital Outlay: None.

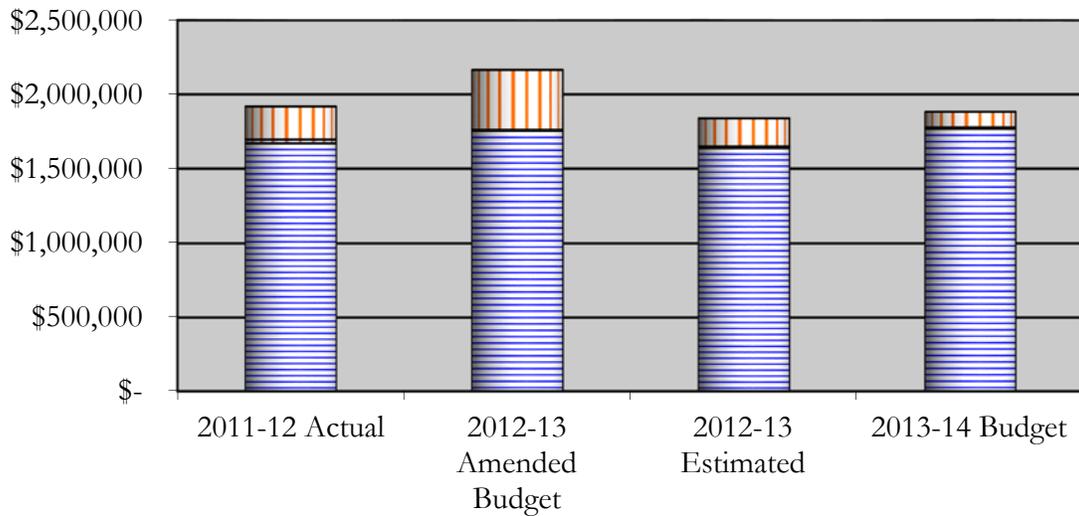
City of Lexington Golf



*1 Position not funded

GARAGE FUND REVENUE SUMMARY

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Charges for Sales and Services	\$ 1,669,665	\$ 1,754,090	\$ 1,637,155	\$ 1,768,910
Other Revenues	25,864	6,800	11,417	8,170
Other Financing Sources	223,115	403,794	190,000	105,423
Total	\$ 1,918,644	\$ 2,164,684	\$ 1,838,572	\$ 1,882,503



**GARAGE DEPARTMENT
INTERNAL SERVICE FUND**

Statement of Department's Purpose:

The purpose of the Garage Department is to operate an efficient, productive repair and preventive maintenance facility that provides the customer with safe and well-maintained equipment. The department generates 3,100 repair orders per year covering all areas of light and heavy vehicle repairs including engine, transmission, air conditioning and hydraulic repairs.

Departmental Functions:

Repair and maintenance of City Fleet, keep and monitor inventory levels for fuel, diesel and replacement parts.

2013-14 Objectives:

- Explore new ways to be more productive and efficient
- Upgrade mechanical skills and upgrade equipment
- Comply with industry standards for service techniques
- Reduce vehicle downtime with better scheduling and routine maintenance
- Enhance preventive maintenance program
- Maintain a teamwork environment
- Research and assist management team to maximize utilization of city fleet by managing and assigning vehicles and equipment within the City's motor pool

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	7	7	7
# of mechanics	5	5	5
# of vehicles	270	270	275
Vehicles per mechanic	54	54	55
# of other repair units	181	181	183
Repair units per mechanic	36	36	37
Average age of total fleet	14 Years	14 years	14 years
Average age of vehicle fleet	11 Years	11 years	11 years
# of external customers	1	1	0

**GARAGE DEPARTMENT
INTERNAL SERVICE FUND**

Budget Summary:

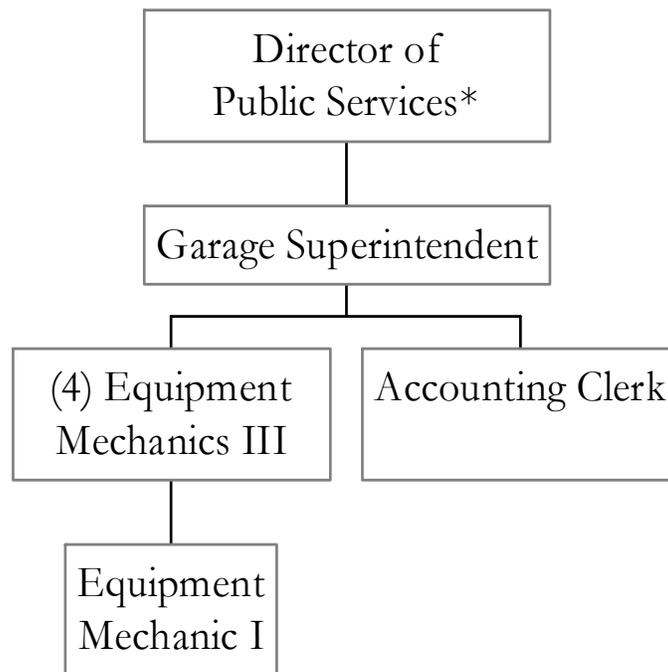
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 404,072	\$ 423,686	\$ 412,923	\$ 445,236
Operations	974,645	1,133,135	1,033,825	1,058,111
Capital Outlay	201,095	328,425	235,000	105,423
Other Financing Uses	270,851	279,438	270,000	273,733
Total	\$ 1,850,663	\$ 2,164,684	\$ 1,951,748	\$ 1,882,503

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	7	7	7	7

Capital Outlay:

Item	New/Replacement	2013-14 Budget
Mid-Size Sedan	R	\$ 20,188
1/2 Ton 4X4 Truck	R	25,235
Mini Excavator	R	60,000
Total		<u>\$ 105,423</u>

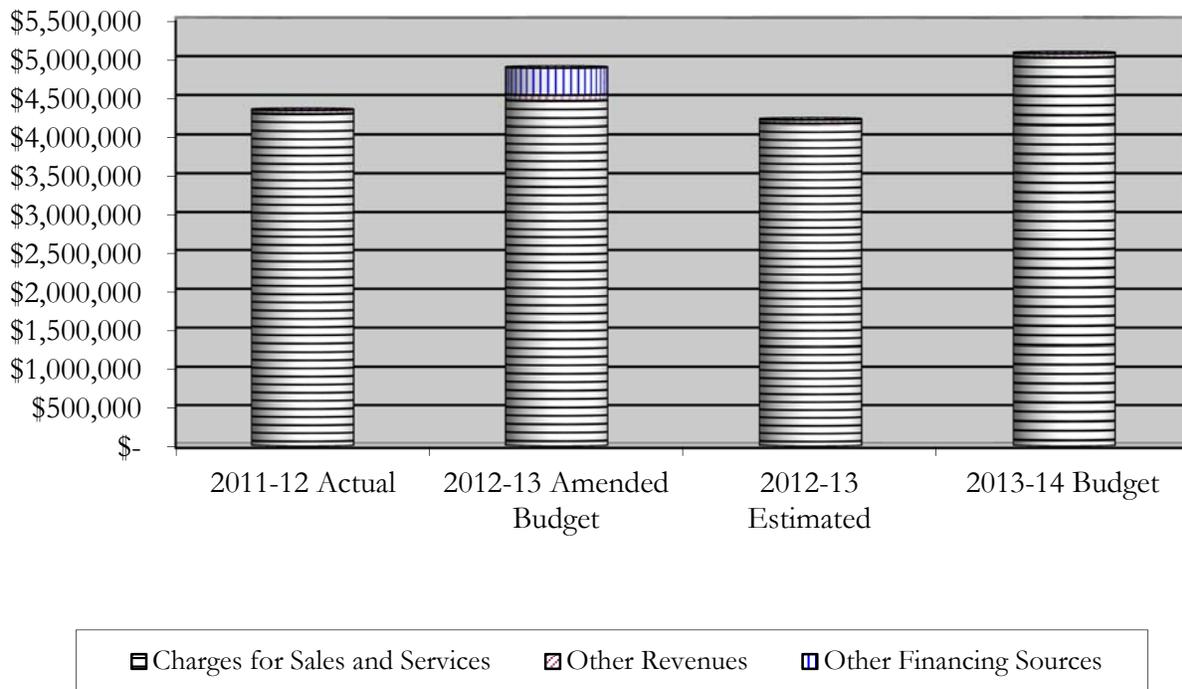
City of Lexington Garage



*Director of Public Services funded in Engineering but provides leadership over the following departments: Public Buildings, Engineering, Street, Recycling & Waste Collection, Public Grounds, Water & Wastewater and Garage.

GROUP INSURANCE FUND REVENUE SUMMARY

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Charges for Sales and Services	\$ 4,294,427	\$ 4,464,043	\$ 4,171,712	\$ 5,023,883
Other Revenues	48,430	73,000	47,520	48,828
Other Financing Sources	-	350,000	-	-
Total	\$ 4,342,857	\$ 4,887,043	\$ 4,219,232	\$ 5,072,711



**GROUP INSURANCE DEPARTMENT
INTERNAL SERVICE FUND**

Statement of Department's Purpose:

The purpose of the Group Insurance Department is to account for the self-insurance for health and dental benefits provided to the City's retirees, employees and their dependents.

2013-14 Objectives:

- To make accurate and timely payments to a third party administrator for total claims, stop loss premiums and administrative charges
- To provide city employees with the best possible health, vision and dental benefits available at the most efficient cost
- To provide funding to enhance wellness program in order to control insurance costs and improve overall health of city workforce

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of employees handling insurance	1	1	1
# of plan participants	424	421	426
Self-insured	Yes	Yes	Yes
Employee premium/week	\$5.00	\$5.00	\$5.00
Employee/spouse premium/week	\$41.94	\$41.94	\$41.94
Employee/one child premium/week	\$29.58	\$29.58	\$29.58
Employee/two children premium/week	\$46.58	\$46.58	\$46.58
Employee/family premium/week	\$59.49	\$59.49	\$59.49
Retiree premium/week	\$13.40	\$13.40	\$13.40
Retiree/spouse premium/week	\$85.49	\$85.49	\$85.49
Retiree/one child premium/week	\$64.29	\$64.29	\$64.29
Retiree/two children premium/week	\$64.29	\$64.29	\$64.29
Retiree/family premium/week	\$137.61	\$137.61	\$137.61

All premiums are for health and dental insurance.

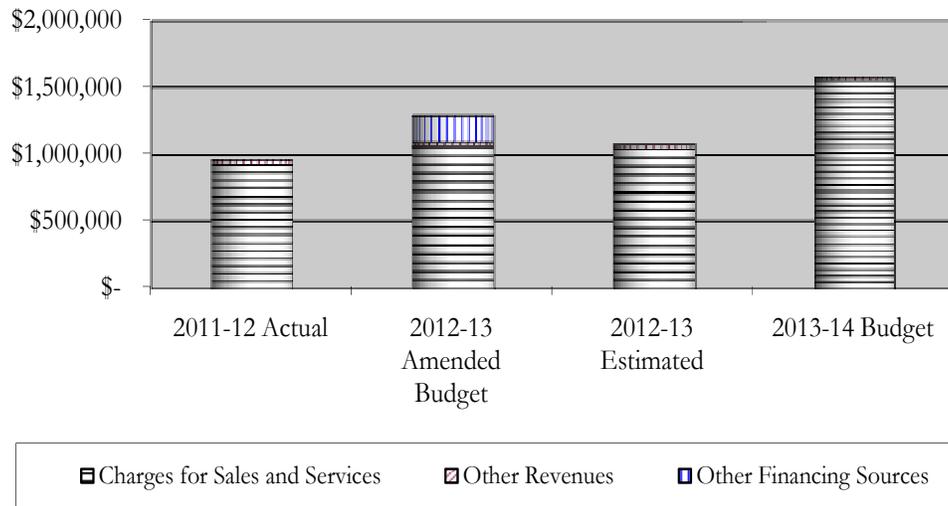
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Operations	\$ 4,642,673	\$ 4,863,027	\$ 4,783,533	\$ 5,017,239
Other Financing Uses	-	24,016	16,303	55,472
Total	\$ 4,642,673	\$ 4,887,043	\$ 4,799,836	\$ 5,072,711

Capital Outlay: None.

RISK MANAGEMENT FUND REVENUE SUMMARY

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Charges for Sales and Services	\$ 918,191	\$ 1,058,773	\$ 1,043,797	\$ 1,549,931
Other Revenues	42,460	25,100	22,429	22,943
Other Financing Sources	-	205,367	-	-
Total	\$ 960,651	\$ 1,289,240	\$ 1,066,226	\$ 1,572,874



**RISK MANAGEMENT DEPARTMENT
INTERNAL SERVICE FUND**

Statement of Department's Purpose:

The purpose of the Risk Management Department is to provide accountability for the City's self-retention cost portion and for the premiums on the City's reinsurance program pertaining to workers compensation, property and liability exposures; and to operate a safety program that provides safety training and promotes employee safety with the goal of reducing employee injuries, property damage, and liability exposures in the workplace.

Departmental Functions:

Secure and maintain the City's insurance program; administer all workers compensation, general liability, property and auto claims. Record and track all claims and analyze to determine what actions are necessary to reduce exposures and/or losses. Assess the safety needs of the departments and coordinate the necessary safety training. Periodically conduct inspections to help ensure the safety of employees and customers. Administer the City's random drug testing program, hearing conservation program and assist in the City's emergency preparedness plans.

2013-14 Objectives:

- The development of a safety program and safety training that reduces or holds claims at a minimum
- Continue and expand the safety committee activities
- Continue safety awareness programs
- Initiate the workers compensation understanding program
- Reduce the number of injury claims
- Develop an insurance program that provides adequate coverage and protection for the City

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of employees in department	2	2	2
Self-insured	Yes	Yes	Yes
Amount of general liability coverage	\$11,000,000 / \$300,000	\$11,000,000 / \$300,000	\$11,000,000 / \$300,000
Amount of property coverage	\$70,061,500 Exc 1 mil	\$80,524,942 Exc 1 mil	\$80,737,959 Exc 1 mil
Amount of auto liability coverage	\$700,000 /\$300,000	\$700,000 /\$300,000	\$700,000 /\$300,000
Third Party Administration fees	\$11,000	\$11,000	\$11,000
Total premiums	\$632,548	\$498,006	\$488,587
# of workers compensation claims	86	53	61
\$ value of workers compensation claims	\$383,150	\$57,615	\$342,423
# of lost work days	885	79	30
Value of life insurance provided to employees	1.5 X Salary	1.5 X Salary	1.5 X Salary

**RISK MANAGEMENT DEPARTMENT
INTERNAL SERVICE FUND**

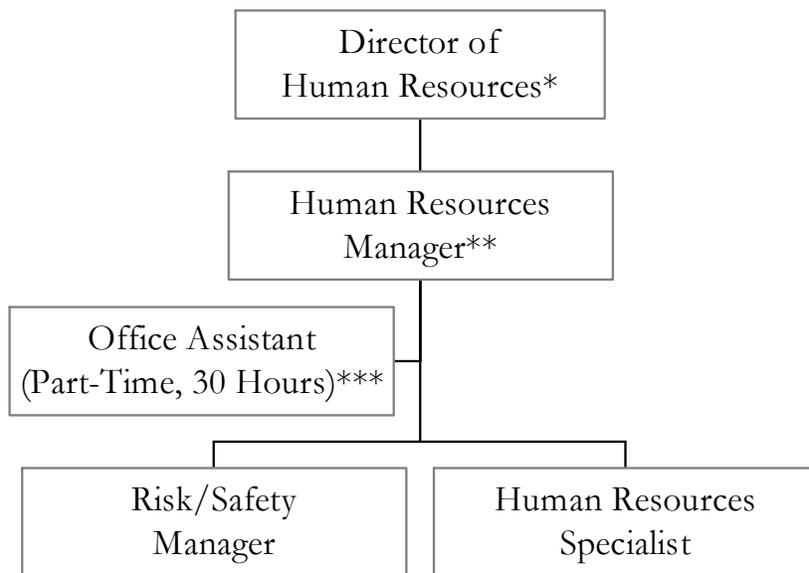
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 146,373	\$ 147,515	\$ 147,109	\$ 154,084
Operations	1,398,200	1,141,725	981,413	1,418,790
Capital Outlay	8,604	-	-	-
Total	\$ 1,553,177	\$ 1,289,240	\$ 1,128,522	\$ 1,572,874

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	2	2	2	2

Capital Outlay: None.

City of Lexington Risk Management



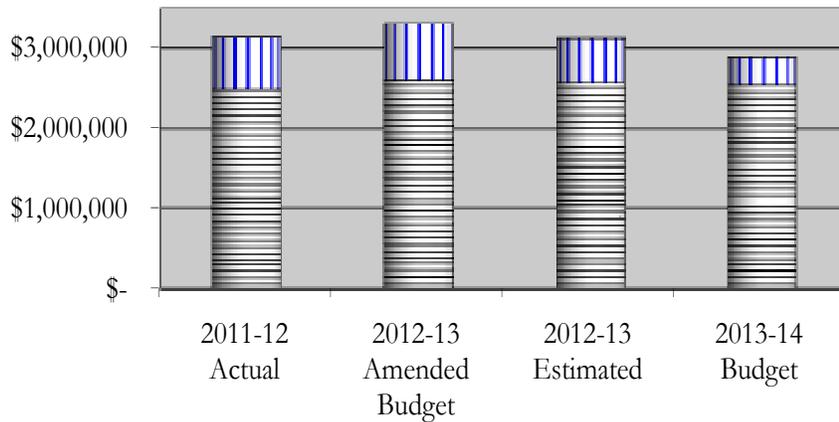
*Director of Human Resources funded in Human Resources but provides leadership over the departments of Human Resources and Risk Management.

**Human Resources Manager funded in Human Resources but provides leadership over the department of Risk Management.

***Time is split evenly between Human Resources and Risk Management.

**UTILITY ADMINISTRATION FUND
REVENUE SUMMARY**

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Charges for Sales and Services	\$ 2,465,684	\$ 2,607,024	\$ 2,572,486	\$ 2,524,712
Other Revenues	787	600	550	585
Other Financing Sources	659,750	705,919	542,750	360,000
Total	\$ 3,126,221	\$ 3,313,543	\$ 3,115,786	\$ 2,885,297



■ Charges for Sales and Services	■ Other Revenues	■ Other Financing Sources
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**UTILITY ADMINISTRATION DEPARTMENT
INTERNAL SERVICE FUND**

Statement of Department’s Purpose:

The purpose of the Utility Administration Department is to account for administrative supervisory and overhead costs, which are shared by the Electric, Natural Gas, Warehouse, Marketing, Customer Service, Billing and Utility Meter Technician utility departments and support functions. This department also includes the Utilities Commission, which acts as an advisory board by monitoring operational activities of the City’s utilities, reporting findings and making recommendations for approval to the City Council on a monthly basis.

2013-14 Objectives:

- To update internal service department cost allocations annually based on services provided to other city departments
- To account for health and life insurance for utility retirees
- Make recommendations with regard to annual budget, rate changes, as well as utility based contracts and bids so as to reduce the burden placed on the City Council
- Provide forum for customer complaints, appeals on customer utility issues, extensions and billing
- Enhance supervisory oversight of utility functions to produce cost savings and efficiencies
- Promote growth of the utility customer base by aggressively marketing utility services
- Continue to advocate system growth to meet the goals of the financial and business plans, including building of cash reserves to ensure financial stability
- Pursue new technology that will improve organizational efficiency
- Support funding for utility capital improvement projects to improve reliability issues in all utilities
- Maintain a strong working relationship with Davidson County Economic Development Commission
- Enhance utility energy services via key customer accounts, Natural Gas Vehicles (NGVs), energy efficiency and audit programs
- Enhance department administrative efficiency by better managing common functions

Budget Summary:

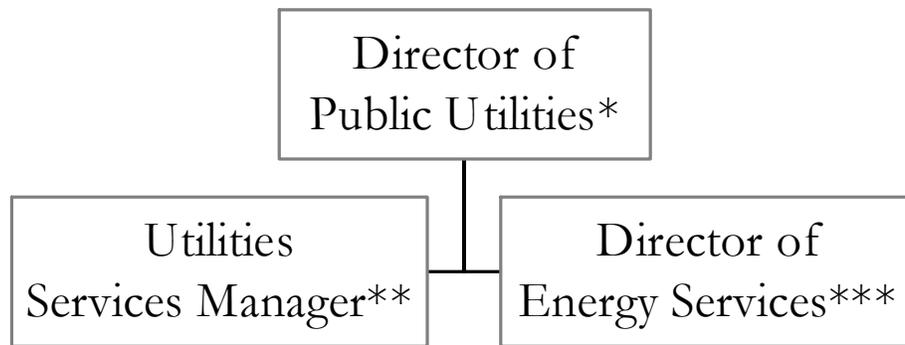
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 335,287	\$ 634,869	\$ 533,931	\$ 684,943
Operations	182,138	230,716	224,478	224,506
Capital Outlay	-	-	-	-
Other Financing Uses	659,750	542,750	542,750	60,000
Total	\$ 1,177,175	\$ 1,408,335	\$ 1,301,159	\$ 969,449

**UTILITY ADMINISTRATION DEPARTMENT
INTERNAL SERVICE FUND**

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	1	3	3	3
Board Members	5	5	5	5

Capital Outlay: None.

City of Lexington Public Utilities Administration



*Director of Public Utilities funded in Public Utilities Administration but provides leadership over the following departments: Electric, Natural Gas, Public Utilities Administration, Customer Service, Warehousing, Meter Reading and Marketing.

**Utilities Services Manager funded in Public Utilities Administration but provides leadership over the departments of Natural Gas and Marketing.

***Director of Energy Services funded in Public Utilities Administration but provides leadership over the departments of Customer Service and Meter Reading.

**CUSTOMER SERVICE DEPARTMENT
INTERNAL SERVICE FUND**

Statement of Department's Purpose:

The purpose of the Customer Service Department is to assist customers with utility service, answer utility questions, facilitate bill payment and provide for timely billings, while concentrating at all times on quality customer service.

Departmental Functions:

Answer incoming lines for all departments and maintain city-wide phone system, processing of all City receivables including bank drafts and online payments, debt setoff program, utility billing, payment arrangements, connection and disconnection of service, answering of bill questions, automated outage reporting and key account program.

2013-14 Objectives:

- Provide 100% on time and accurate billing
- Keep satisfaction level at or above 95% based on survey response
- Maintain collection level of 99.3%
- Increase efficiency through the use of innovative ideas and technology such as online energy audits, online service requests, automated phone payments and offsite kiosk

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	14	14	14
# of bills/month	22,585	22,635	22,628
Cost of generating a bill (includes labor)	\$0.94	\$0.97	\$0.99
# of walk-in payments	119,542	114,100	112,216
# of dr/cr card payments	8,688	10,554	11,759
# of web payments	18,452	21,500	24,143
# of automated phone payments	11,798	14,045	15,921
# of pay arrangements	24,454	25,335	25,125
# of service requests processed	4,331	4,661	4,523

**CUSTOMER SERVICE DEPARTMENT
INTERNAL SERVICE FUND**

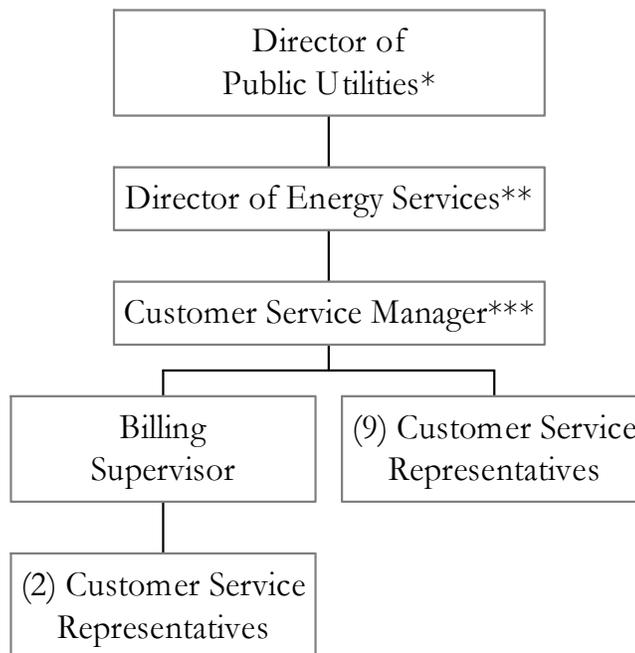
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 637,664	\$ 587,155	\$ 561,887	\$ 611,277
Operations	264,414	319,331	308,431	290,404
Capital Outlay	37,571	22,000	20,475	-
Total	\$ 939,649	\$ 928,486	\$ 890,793	\$ 901,681

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	14	13	13	13

Capital Outlay: None.

City of Lexington Customer Service



*Director of Public Utilities funded in Public Utilities Administration but provides leadership over the following departments: Electric, Natural Gas, Public Utilities Administration, Customer Service, Warehousing, Meter Reading and Marketing.

**Director of Energy Services funded in Public Utilities Administration but provides leadership over the departments of Customer Service and Meter Reading.

***Customer Service Manager funded in Customer Service but provides leadership over the department of Meter Reading.

**WAREHOUSING DEPARTMENT
INTERNAL SERVICE FUND**

Statement of Department's Purpose:

The purpose of the Warehousing Department is to act as a central purchasing and warehousing operation for Electric, Natural Gas and the Public Works division of the Water and Wastewater utilities; and to maintain materials and equipment in support of utilities maintenance and construction projects.

Departmental Functions:

- Purchase all material for Natural Gas, Electric and Public Works
- Maintain adequate inventory levels for all three utilities
- Send quotations out for best pricing for all three utilities
- Review inventory levels and identify minimum reorder quantities
- Maintain clean and safe warehouses
- Monitor remote site, the Young Drive storage yard, for accurate inventory levels
- Dispose of PCB transformers and maintain required records

2013-14 Objectives:

- Reorganize and efficiently utilize the outside storage area at the central warehouse
- Continue training new employees in regard to receiving, storing, issuing and accountability
- Continue safe, accident-free and injury-free daily operations

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of dept. employees	3	3	3
\$ value of inventory	1.75 Million	1.80 Million	2 Million
# of inventory items	1,732	1,875	1,944
# of departments served	3	3	3
# of pick tickets or work orders/year	800	900	800
# of pick tickets or work orders/employee	266	300	267

**WAREHOUSING DEPARTMENT
INTERNAL SERVICE FUND**

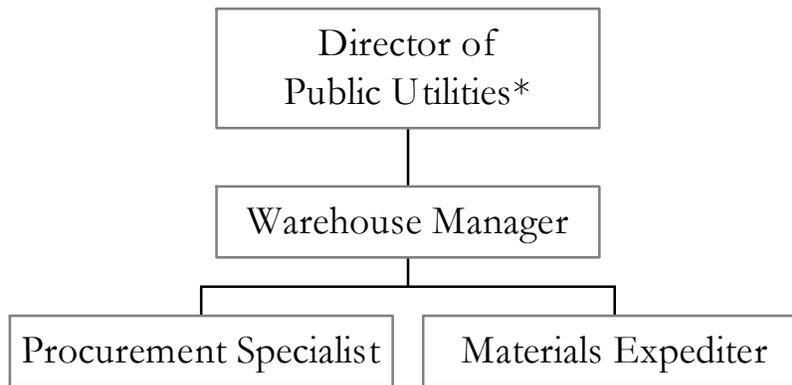
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 172,550	\$ 175,835	\$ 173,189	\$ 181,461
Operations	15,105	20,205	13,772	67,266
Capital Outlay	-	-	-	-
Total	\$ 187,655	\$ 196,040	\$ 186,961	\$ 248,727

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	3	3	3	3

Capital Outlay: None.

City of Lexington Warehousing



*Director of Public Utilities funded in Public Utilities Administration but provides leadership over the following departments: Electric, Natural Gas, Public Utilities Administration, Customer Service, Warehousing, Meter Reading and Marketing.

**METER READING DEPARTMENT
INTERNAL SERVICE FUND**

Statement of Department’s Purpose:

The purpose of the Meter Reading Department is to inspect and read all utility meters as scheduled, handle move-in and move-out service orders while providing excellent in-field customer service.

Departmental Functions:

Meter reading, non-pay disconnections, connect and disconnect services, notification of water leaks, medical alert, neighborhood watch.

2013-14 Objectives:

- Provide accuracy levels of at least 99.5% on readings
- Continue to notify customers of consumption increases or irregularities
- Provide educated responses to customer questions in the field
- Increase value added services through quicker response times with Automated Meter Reading (AMR) implementation
- Cross train throughout the City to broaden knowledge with “valued employee” concept in mind

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of employees reading meters	4	3	2
# of employees dedicated to disconnects, cut-offs, cut-ons	2	2	2
# of AMR meters	20,588	32,286	36,722
# of non-AMR meters	19,393	7,604	2,099
Non-AMR meters read per employee	4,848	2,534	1,050
# of disconnects per year for non-payment	3,385	2,366	3,096
# of miles driven	83,369	76,704	77,385

**METER READING DEPARTMENT
INTERNAL SERVICE FUND**

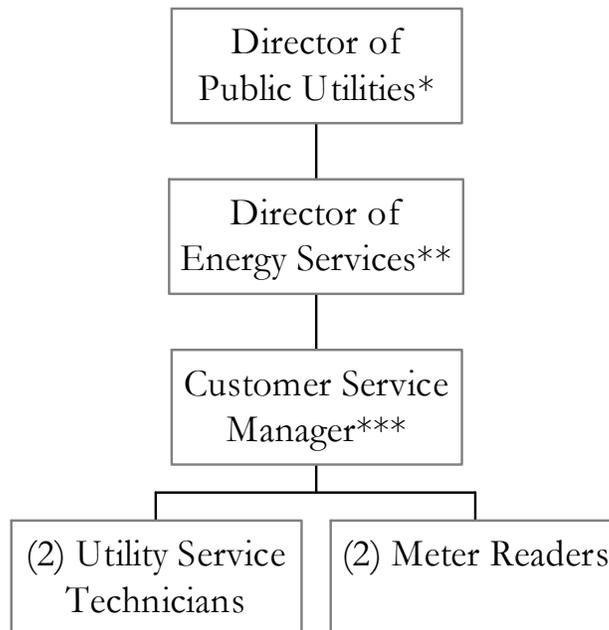
Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 260,966	\$ 227,465	\$ 218,933	\$ 223,408
Operations	47,378	90,424	83,360	55,816
Capital Outlay	-	-	-	-
Total	\$ 308,344	\$ 317,889	\$ 302,293	\$ 279,224

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	4	4	4	4

Capital Outlay: None.

City of Lexington Meter Reading



*Director of Public Utilities funded in Public Utilities Administration but provides leadership over the following departments: Electric, Natural Gas, Public Utilities Administration, Customer Service, Warehousing, Meter Reading and Marketing.

**Director of Energy Services funded in Public Utilities Administration but provides leadership over the departments of Customer Service and Meter Reading.

***Customer Service Manager funded in Customer Service but provides leadership over the department of Meter Reading.

**MARKETING DEPARTMENT
INTERNAL SERVICE FUND**

Statement of Department’s Purpose:

The purpose of the Marketing Department is to promote Lexington Utilities to existing and potential customers.

Departmental Functions:

- Awareness through festivals, events, and individual contact
- Energy audits
- Energy conservation
- Utility incentive rebates
- Utility advertisements – TV, radio, newspapers, magazines, internet and sponsorships

2013-14 Objectives:

- Promote growth of the Lexington Utilities customer base
- Market natural gas service to potential customers in emerging markets
- Market natural gas “infill” to grow base
- Train and begin energy audits through the marketing department
- Provide incentive rebates to customers
- Improve safety awareness by creating a program for schools and community organizations

Performance Measures Summary:

Measures	FY 09-10	FY 10-11	FY 11-12
# of staff hours dedicated to marketing/week	80	60	70
Advertising budget	\$136,014	\$133,674	\$164,431
Water heater rebates	\$37,950	\$30,450	\$31,350
Heat pump rebates	\$64,400	\$71,550	\$62,500
Natural Gas incentives	\$23,710	\$35,158	\$41,298
New Electric customers	88	72	58
New Natural Gas customers	211	188	146

**MARKETING DEPARTMENT
INTERNAL SERVICE FUND**

Budget Summary:

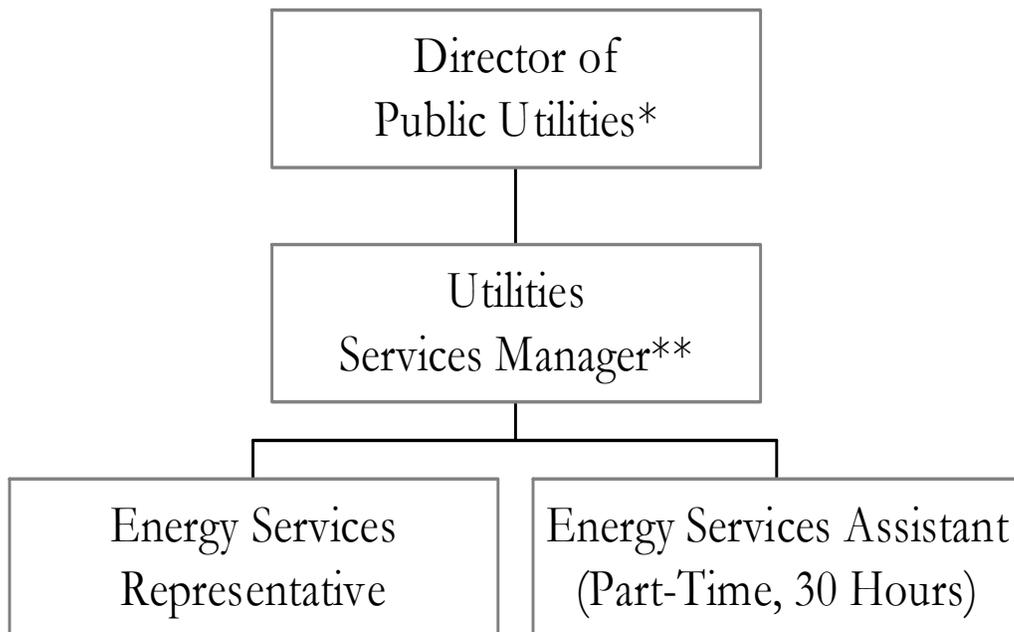
Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Personnel	\$ 82,364	\$ 102,031	\$ 96,277	\$ 103,232
Operations	324,164	360,762	273,849	375,604
Capital Outlay	-	-	-	7,380
Total	\$ 406,528	\$ 462,793	\$ 370,126	\$ 486,216

Personnel Positions	2011-12 Authorized	2012-13 Authorized	2013-14 Authorized	2013-14 Funded
Full Time	2	1	1	1

Capital Outlay:

<u>Item</u>	<u>New/Replacement</u>	<u>2013-14 Budget</u>
Hazard Hamlet	N	\$ 7,380
Total		<u>\$ 7,380</u>

City of Lexington Marketing

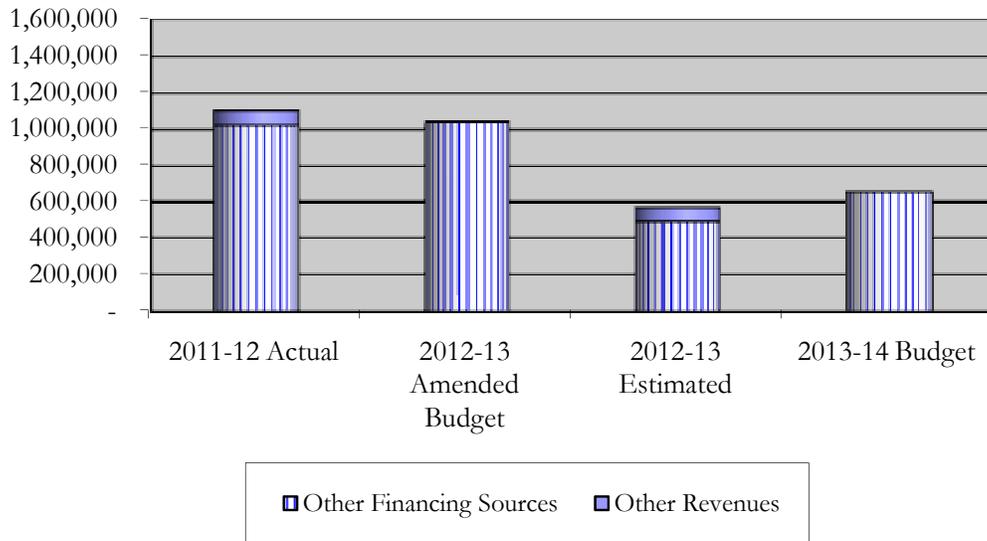


*Director of Public Utilities funded in Public Utilities Administration but provides leadership over the following departments: Electric, Natural Gas, Public Utilities Administration, Customer Service, Warehousing, Meter Reading and Marketing.

**Utilities Services Manager funded in Public Utilities Administration but provides leadership over the departments of Natural Gas and Marketing.

CAPITAL RESERVE FUND REVENUE SUMMARY

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Other Revenues	\$ 74,384	\$ -	\$ 79,000	\$ -
Other Financing Sources	1,024,976	1,039,583	495,000	654,156
Total	\$ 1,099,360	\$ 1,039,583	\$ 574,000	\$ 654,156



**CAPITAL RESERVE
INTERNAL SERVICE FUND**

Statement of Department's Purpose:

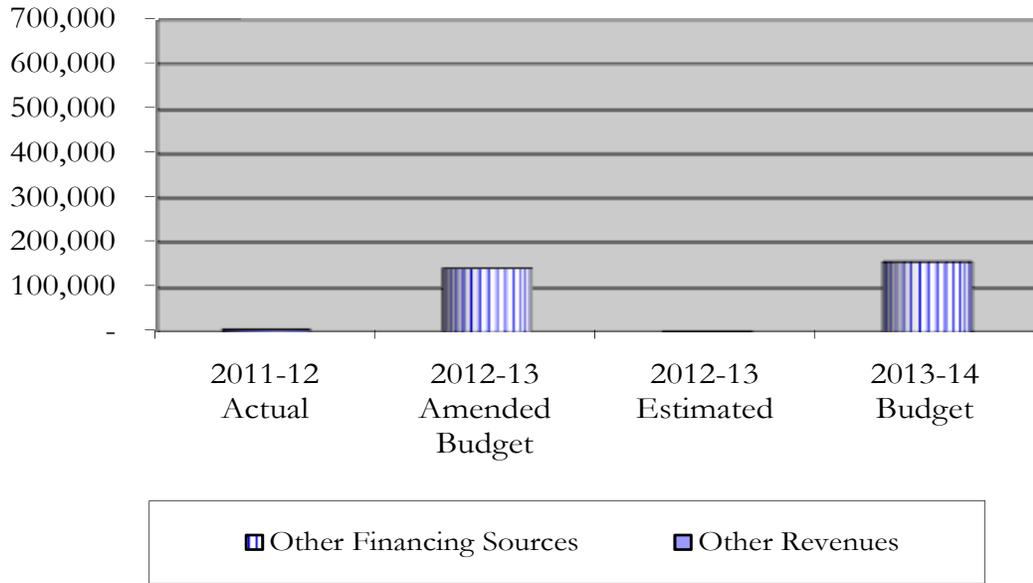
The Capital Reserve Fund provides for the accumulation of financial resources for future capital project and equipment needs in the Electric, Water and Wastewater and Natural Gas utilities, as well as for the Golf Course and Garage vehicle and equipment fleet.

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Capital Reserve	\$ -	\$ 504,438	\$ -	\$ 548,733
Other Financing Uses	773,115	535,145	440,000	105,423
Total	\$ 773,115	\$ 1,039,583	\$ 440,000	\$ 654,156

**RATE STABILIZATION FUND
REVENUE SUMMARY**

Sources	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Other Revenues	\$ 6,694	\$ -	\$ 2,650	\$ -
Other Financing Sources	-	145,000	-	160,000
Total	\$ 6,694	\$ 145,000	\$ 2,650	\$ 160,000



**RATE STABILIZATION
INTERNAL SERVICE FUND**

Statement of Department's Purpose:

The Rate Stabilization Fund provides for the accumulation of financial resources for retail rate stabilization for the Electric and Natural Gas utility customers.

Budget Summary:

Expenditure Summary	2011-12 Actual	2012-13 Amended Budget	2012-13 Estimated	2013-14 Budget
Other Financing Uses	\$ 500,000	\$ 145,000	\$ 145,000	\$ 160,000
Total	\$ 500,000	\$ 145,000	\$ 145,000	\$ 160,000

**CAPITAL PROJECTS SUMMARY
FY 2013-14 BUDGET**

General Fund:

Lexington Furniture Industries Plant One Property (1)	<u>\$102,547</u>
Total General Fund Capital Projects	<u>\$102,547</u>

Natural Gas Fund:

Phase II Training Qualifications Center Construction (2)	<u>\$40,000</u>
Total Natural Gas Fund Capital Projects	<u>\$40,000</u>

Utility Administration Fund:

Automated Meter Reading (3)	<u>\$60,000</u>
Total Utility Administration Fund Capital Projects	<u>\$60,000</u>

Grand Total - Capital Projects **\$202,547**

- (1) Funding for redevelopment of Lexington Furniture Industries Plant One Property in FY13-14 will be provided by leasing warehouse space to two tenants, Lexington Furniture Industries and Carolina Apparatus Repair and Service, in the amount of \$99,107. Remaining revenues in the amount of \$3,440 will be provided by the sale of surplus property.
- (2) \$40,000 will be transferred from Natural Gas operations to fund this capital project for FY13-14.
- (3) Year 8 of an 8 year implementation plan. Funding for FY13-14 will be provided from the Water and Wastewater Fund in the amount of \$60,000.



CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 13-17

BUDGET ORDINANCE FOR THE CITY OF LEXINGTON GENERAL, SPECIAL REVENUE,
AND ENTERPRISE FUNDS FOR FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina;

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the City government and its activities for the fiscal year beginning July 1, 2013, and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

General Government	\$ 6,033,178
Public Safety	9,962,250
Highways and Streets	2,349,795
Sanitation	1,791,474
Culture and Recreation	1,551,465
Economic Development	109,407
Debt Service	729,049
Other Financing Uses	<u>168,584</u>
Total Appropriations	<u>\$22,695,202</u>

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Ad Valorem Taxes	\$ 8,635,835
Other Taxes	263,385
Unrestricted Intergovernmental	5,366,634
Restricted Intergovernmental	693,443
Permits & Fees	179,300
Sales & Services	1,174,379
Administrative Charges	1,916,331
Interest	18,500
Miscellaneous	41,050
Other Financing Sources	<u>4,406,345</u>
Total Estimated Revenues	<u>\$22,695,202</u>

Section 3. The following amounts are hereby appropriated in the Special Revenue Fund – Controlled Substance for the fiscal year beginning July 1, 2013, and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

Public Safety	\$ <u>579,389</u>
Total Appropriations	<u>\$ 579,389</u>

Section 4. It is estimated that the following revenues will be available for the Special Revenue Fund – Controlled Substance for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Other Financing Sources	\$ 579,389
Total Estimated Revenues	<u>\$ 579,389</u>

Section 5. The following amounts are hereby appropriated in the Special Revenue Fund – Special Tax District for the fiscal year beginning July 1, 2013, and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

Economic Development	\$ 93,914
Total Appropriations	<u>\$ 93,914</u>

Section 6. It is estimated that the following revenues will be available for the Special Revenue Fund – Special Tax District for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Ad Valorem Taxes	\$ 93,914
Total Estimated Revenues	<u>\$ 93,914</u>

Section 7. The following amounts are hereby appropriated in the Electric Fund for the operation of the electric system for the fiscal year beginning July 1, 2013, and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

Electric Utility Operations	\$51,042,205
Debt Service	706,409
Other Financing Uses	<u>1,504,209</u>
Total Appropriations	<u>\$53,252,823</u>

Section 8. It is estimated that the following revenues will be available in the Electric Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Sales & Services	\$51,426,502
Other Revenues	1,666,321
Other Financing Sources	<u>160,000</u>
Total Estimated Revenues	<u>\$53,252,823</u>

Section 9. The following amounts are hereby appropriated in the Water and Wastewater Fund for the operation of the water and wastewater system for the fiscal year beginning July 1, 2013, and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

Water and Wastewater Utility Operations	\$ 7,137,486
Debt Service	957,176
Other Financing Uses	<u>511,795</u>
Total Appropriations	<u>\$ 8,606,457</u>

Section 10. It is estimated that the following revenues will be available in the Water and Wastewater Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Unrestricted Intergovernmental	\$ 10,147
Sales & Services	8,396,225
Other Revenues	162,540
Other Financing Sources	<u>37,545</u>
Total Estimated Revenues	<u>\$ 8,606,457</u>

Section 11. The following amounts are hereby appropriated in the Natural Gas Fund for the operation of the natural gas system for the fiscal year beginning July 1, 2013, and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

Natural Gas Utility Operations	\$10,491,305
Debt Service	664,302
Other Financing Uses	<u>1,148,915</u>
Total Appropriations	<u>\$12,304,522</u>

Section 12. It is estimated that the following revenues will be available in the Natural Gas Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Unrestricted Intergovernmental	\$ 28,752
Sales & Services	12,247,570
Other Revenues	<u>28,200</u>
Total Estimated Revenues	<u>\$12,304,522</u>

Section 13. The following amounts are hereby appropriated in the Golf Fund for the operation of the golf course for the fiscal year beginning July 1, 2013, and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

Golf Course Operations	\$ 726,531
Debt Service	<u>220,812</u>
Total Appropriations	<u>\$ 947,343</u>

Section 14. It is estimated that the following revenues will be available in the Golf Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Sales & Services	\$ 742,479
Other Revenues	280
Other Financing Sources	<u>204,584</u>
Total Estimated Revenues	<u>\$ 947,343</u>

Section 15. There is hereby levied a tax at the rate of sixty cents (\$.60) per one hundred dollars (\$100) assessed valuation of property as listed for taxes as of January 1, 2013, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund in Section 2 of this ordinance.

This rate is based on a total estimated valuation of property for the purposes of taxation of \$1,493,000,000 and the Fiscal Year 2012-2013 estimated rate of collection of 93.25%.

Section 16. There is hereby levied an uptown tax at the rate of twenty cents (\$.20) per one hundred dollars (\$100) assessed valuation of property as listed for taxes in the Uptown District as of January 1, 2013, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the Special Revenue Fund - Special Tax District in Section 6 of this ordinance.

This rate is based on a total estimated valuation of property in the Uptown District for the purposes of taxation of \$50,355,875 and the Fiscal Year 2012-2013 estimated rate of collection of 93.25%.

Section 17. The 2013-2014 Budget Ordinance may be adjusted during the year for Revenue and Expenditure or for policy that has not been determined. All changes will be approved by City Council.

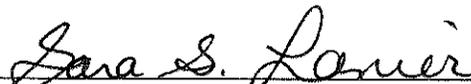
Section 18. Pursuant to authority granted to the Budget Officer by North Carolina General Statute 159-15, the Budget Officer (City Manager or Assistant City Manager) is authorized to transfer appropriations within this budget without a report being required, subject to the following limitations:

1. The total expenditures of any functional area or fund do not exceed the original appropriation or any amended amount approved by the City Council;
2. No transfer can take place between functional areas in a fund or between funds without prior City Council action;
3. No transfer can grant a salary increase or create a position not duly authorized by existing personnel policy or City Council action;
4. No transfer can authorize the purchase of a capital outlay item \$20,000 or greater that has not been previously approved by the City Council; if the purchase results in an increase to the City's fleet of vehicles, a report is required at the next regular meeting of City Council;
5. No transfer from a contingency line item in any fund can be made without prior City Council approval, except in an emergency as defined in N.C. General Statute 159-13.
6. No transfer or appropriation from City Council Neighborhood Revitalization Funds can be made without prior City Council approval; and any unspent funds at the end of the fiscal year will be classified as Committed Fund Balance for future year neighborhood revitalization initiatives.

Section 19. The City Council incorporates the budget on file with the Finance Officer and the City Clerk for direction in the collection and disbursement of funds and for public inspection.

Section 20. This ordinance is effective upon its adoption. This the 10th day of June, 2013.


Newell Clark, Mayor


Sara S. Lanier, MMC
City Clerk



CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 13-18

FINANCIAL PLAN FOR THE CITY OF LEXINGTON INTERNAL SERVICE FUNDS FOR
FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina;

Section 1. The following amounts are estimated Revenues and Expenditures for the Internal Service Funds: Garage Fund, Group Insurance Fund, Risk Management Fund and Utility Administration Fund for the Fiscal Year beginning July 1, 2013, and ending June 30, 2014.

GARAGE FUND

Appropriations Authorized \$ 1,882,503

Anticipated Revenues \$ 1,882,503

GROUP INSURANCE FUND

Appropriations Authorized \$ 5,072,711

Anticipated Revenues \$ 5,072,711

RISK MANAGEMENT FUND

Appropriations Authorized \$ 1,572,874

Anticipated Revenues \$ 1,572,874

UTILITY ADMINISTRATION FUND

Appropriations Authorized \$ 2,885,297

Anticipated Revenues \$ 2,885,297

Section 2. The 2013-2014 Budget Ordinance may be adjusted during the year for Revenue and Expenditure or for policy that has not been determined. All changes will be approved by City Council.

Section 3. Pursuant to authority granted to the Budget Officer by North Carolina General Statute 159-15, the Budget Officer (City Manager or Assistant City Manager) is authorized to transfer appropriations within this budget without a report being required, subject to the following limitations:

1. The total expenditures of any functional area or fund do not exceed the original appropriation or any amended amount approved by the City Council;
2. No transfer can take place between functional areas in a fund or between funds without prior City Council action;
3. No transfer can grant a salary increase or create a position not duly authorized by existing personnel policy or City Council action;

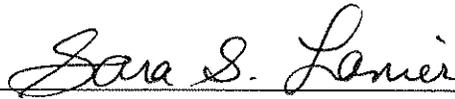
4. No transfer can authorize the purchase of a capital outlay item \$20,000 or greater that has not been previously approved by the City Council; if the purchase results in an increase to the City's fleet of vehicles, a report is required at the next regular meeting of City Council;
5. No transfer from a contingency line item in any fund can be made without prior City Council approval, except in an emergency as defined in N.C. General Statute 159-13.

Section 4. The City Council incorporates the financial plan on file with the Finance Officer and the City Clerk for direction in the collection and disbursement of funds and for public inspection.

Section 5. This ordinance is effective upon its adoption. This the 10th day of June, 2013.



Newell Clark, Mayor



Sara S. Lanier, MMC
City Clerk



CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 13-19

BUDGET ORDINANCE FOR THE CITY OF LEXINGTON CAPITAL PROJECT FUNDS FOR
FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The General Capital Project amended is the redevelopment of Lexington Furniture Industries (LFI) Plant One Property to be financed by leasing warehouse space to two tenants, Lexington Furniture Industries and Carolina Apparatus Repair and Service, and revenues received from the sale of surplus property.

The Natural Gas Construction in Progress project authorized is the Phase II Training Qualifications Center Construction project to be financed by a transfer from the Natural Gas Fund.

The Utility Administration Construction in Progress project authorized is the final implementation of Automated Meter Reading to be financed by a transfer from the Utility Administration Fund consisting of reserves from the Water and Wastewater Fund.

Section 2. The officers of this unit are hereby directed to proceed with the capital projects within the terms of the budget contained herein.

Section 3. The following amounts are appropriated for the General Capital Projects Fund:

LFI Plant One Property	<u>\$ 102,547</u>
Total Appropriations	<u>\$ 102,547</u>

Section 4. The following revenues are anticipated to be available for the General Capital Projects Fund:

Property Rental (LFI Plant One Property)	\$ 99,107
Sales – Capital Assets/City Property (LFI Plant One Property)	<u>3,440</u>
Total Estimated Revenues	<u>\$ 102,547</u>

Section 5. The following amounts are appropriated for the Natural Gas Construction in Progress Fund:

Phase II Training Qualifications Center Construction	<u>\$ 40,000</u>
Total Appropriations	<u>\$ 40,000</u>

Section 6. The following revenues are anticipated to be available for the Natural Gas Construction in Progress Fund:

Other Financing Sources – Transfer from Natural Gas Fund	<u>\$ 40,000</u>
Total Estimated Revenues	<u>\$ 40,000</u>

Section 7. The following amounts are appropriated for the Utility Administration Construction in Progress Fund:

Automated Meter Reading	\$ 60,000
Total Appropriations	\$ 60,000

Section 8. The following revenues are anticipated to be available for the Utility Administration Construction in Progress Fund:

Other Financing Sources – Transfer from Utility Administration Fund	\$ 60,000
Total Estimated Revenues	\$ 60,000

Section 9. The Finance Officer is hereby directed to maintain within these funds sufficient specific detailed accounting records.

Section 10. Copies of this capital project ordinance shall be furnished to the Clerk, City Council, Budget Officer and the Finance Officer for direction in carrying out these projects.

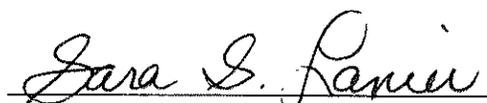
Section 11. The Budget Officer (City Manager or Assistant City Manager) is hereby authorized to transfer funds from one line item to another line item within each project without further approval by the City Council.

Section 12. The 2013-2014 Budget Ordinance may be adjusted during the year for Revenue and Expenditure or for policy that has not been determined. All changes will be approved by City Council.

Section 13. The City Council incorporates the budget on file with the Finance Officer and the City Clerk for direction in the collection and disbursement of funds and for public inspection.

Section 14. This ordinance is effective upon its adoption. This the 10th day of June, 2013.


Newell Clark, Mayor


Sara S. Lanier, MMC
City Clerk



CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 13-20

ORDINANCE AMENDING THE ESTABLISHMENT AND MAINTENANCE OF THE CAPITAL RESERVE FUND FOR FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina,

Section 1. Whereas, the City of Lexington owns and operates a municipal electric system, water and wastewater system, natural gas system and golf course collectively known as the Enterprise Funds; as well as a Garage Internal Service Fund which accounts for activities related to maintaining the City's fleet of vehicles and equipment; and

Section 2. Whereas, the continued operation of the Enterprise Funds and the Garage Fund requires significant capital expenditures to maintain a high degree of quality and service; and

Section 3. Whereas, the City of Lexington has established a Capital Reserve Fund for the purpose of future acquisition and/or construction of capital assets and infrastructure; and

Section 4. Whereas, the Capital Reserve Fund will remain operational until such time it is no longer practical; and

Section 5. Whereas, the Capital Reserve Fund should accumulate funds sufficient to provide for at least one year's average capital acquisition and construction expenditures; the reserves accumulated will be used for planned improvements, economic development opportunities, emergency expenditures, and vehicle and equipment purchases; and

Section 6. Whereas, the Enterprise Funds will make transfers to the Capital Reserve Fund when financially feasible and as City Council approves; these transfers will be restricted for future use by each respective enterprise fund; and

Section 7. Whereas, the Capital Reserve Fund will also derive funds from the collection of water and wastewater capital recovery fees for the purpose of future water and wastewater capacity expenditures; these funds will be restricted for future use by the Water and Wastewater Enterprise Fund; and

Section 8. Whereas, the Garage Fund will make transfers to the Capital Reserve Fund when funds are received by the Garage Fund from other City departments for the replacement of vehicles and equipment rented out to these respective departments and as City Council approves; these transfers will be restricted for future use by the Garage Fund; and

Section 9. Whereas, for the City of Lexington to have available funds for future capital assets and infrastructure needs, and in accordance with N.C. General Statute 159 Sections 18-22, the following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

Capital Reserve – Water and Wastewater	\$ 125,000
Capital Reserve – Natural Gas	150,000
Capital Reserve – Garage	273,733
Other Financing Uses – Transfer to Garage Fund	<u>105,423</u>
Total Appropriations	<u>\$ 654,156</u>

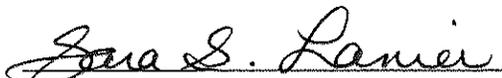
Section 10. It is estimated that the following revenues will be available in the Capital Reserve Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Other Financing Sources	\$ <u>654,156</u>
Total Estimated Revenues	<u>\$ 654,156</u>

ADOPTED this the 10th day of June, 2013.



Newell Clark, Mayor



Sara S. Lanier, MMC
City Clerk



CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 13-21

ORDINANCE AMENDING THE ESTABLISHMENT AND MAINTENANCE OF THE RATE STABILIZATION FUND FOR FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina,

Section 1. Whereas, the City of Lexington owns and operates a municipal electric system and natural gas system known as the Enterprise Funds; and

Section 2. Whereas, the effective operation of the Enterprise Funds requires prudent financial management of retail rates for the City utility customers; and

Section 3. Whereas, the City of Lexington has established a Rate Stabilization Fund for the purpose of maintaining stabilized and competitive customer retail rates for the Enterprise Funds; and

Section 4. Whereas, the Rate Stabilization Fund will remain operational until such time it is no longer practical; and

Section 5. Whereas, the Rate Stabilization Fund should accumulate funds sufficient to stabilize future retail rate increases for the Enterprise Funds and the reserves accumulated will be used for said purpose; and

Section 6. Whereas, the Enterprise Funds will make transfers to the Rate Stabilization Fund when financially feasible and as City Council approves; these transfers will be restricted for future use by each respective enterprise fund; and

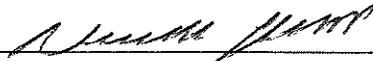
Section 7. Whereas, for the City of Lexington to have available funds for the future to maintain level and stable rates, the following amounts are hereby appropriated in the Rate Stabilization Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this City:

Other Financing Uses – Transfer to Electric Fund	<u>\$160,000</u>
Total Appropriations	<u>\$160,000</u>

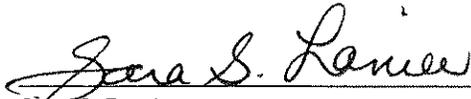
Section 8. It is estimated that the following revenues will be available in the Rate Stabilization Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Other Financing Sources	<u>\$160,000</u>
Total Estimated Revenues	<u>\$160,000</u>

ADOPTED this the 10th day of June, 2013.



Newell Clark, Mayor



Sara S. Lanier
City Clerk



CITY OF LEXINGTON, NC
RESOLUTION NO. 23-13

RESOLUTION APPROVING FEE AND RATE CHANGES FOR THE FIRE, RECYCLING & WASTE COLLECTION, RECREATION, GOLF AND ELECTRIC DEPARTMENTS.

WHEREAS, the City of Lexington City Council has reviewed the fees and rates for the Fire, Recycling & Waste Collection, Recreation, Golf and Electric Departments and in an effort to provide sufficient revenues to meet budgetary demands, the Lexington City Council finds it necessary to make the following revisions to the City's Fee and Rate Schedules; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lexington that:

1. The amendments to the fee and rate schedules are attached hereto and incorporated by reference as:

Attachment A – Fire Fees

Attachment B – Recycling & Waste Collection Fees

Attachment C – Recreation Fees

Attachment D – Golf Fees

Attachment E – Electric Rates

2. The fees and rates will be amended effective with the dates denoted on each Attachment.

ADOPTED this the 10th day of June, 2013.


Newell Clark, Mayor


Sara S. Lanier, MMC
City Clerk



FIRE FEES

Type of Fee	Current Fee	Proposed Fee 7/1/2013
Fire Prevention Operational Permits: Open Flames & Candles Permit	N/A	\$50.00

RECYCLING & WASTE COLLECTION FEES

Type of Fee	Current Fee	Proposed Fee 7/1/2013
Residential Rollout Service	\$8.00 per container per month	\$9.00 per container per month
Commercial Rollout Service	\$8.00 per container per pickup	\$9.00 per container per pickup

RECREATION FEES

Type of Fee	Current Fee	Proposed Fee 7/1/2013
Festivals - Vendor Space Rental (Space Size):		
10' x 10'	Ratify \$25.00	Ratify \$25.00
10' x 10' with Power	Ratify \$75.00	Ratify \$75.00
10' x 20'	Ratify \$50.00	Ratify \$50.00
10' x 20' with Power	Ratify \$100.00	Ratify \$100.00
20' x 30'	Ratify \$100.00	Ratify \$100.00
20' x 30' with Power	Ratify \$175.00	Ratify \$175.00
Trailer	Ratify \$125.00	Ratify \$125.00
Trailer with Power	Ratify \$200.00	Ratify \$200.00

GOLF FEES

Type of Fee	Current Fee	Proposed Fee 3/1/2014
Clubhouse Rental: Weekend (Friday, Saturday, Sunday)	\$400.00*	\$500.00*

*Add \$50.00 to all rates for non-city residents (except multiple day rentals).

Type of Fee	Current Fee	Proposed Fee 4/1/2014
Golf Course:		
Annual Pass with 9 Hole Cart	\$9.00	\$10.00
Corporate Pass with 9 Hole Cart	\$9.00	\$10.00
Weekend Green Fee with 9 Hole Cart	\$20.00	\$21.00
9 Hole Cart	\$6.00	\$7.00
18 Hole Cart	\$12.00	\$13.00
Senior Green Fee with 18 Hole Cart	\$21.00	\$22.00
Military Green Fee with 18 Hole Cart*	Promo \$23.00	\$24.00
Tournament Pricing:		
Number of People (per person fee):		
20 to 39 (Weekdays)	\$25.00	\$26.00
40 to 79 (Weekdays)	\$24.00	\$25.00
80 to 119 (Weekdays)	\$23.00	\$24.00
20 to 39 (Weekends)	\$30.00	\$31.00
40 to 79 (Weekends)	\$29.00	\$30.00
80 to 119 (Weekends)	\$28.00	\$29.00

*This fee has proven successful as promotion and is being recommended permanent.

Residential Service
Schedule R

Availability

Available only to residential customers in residences, condominiums, mobile homes or individually metered apartments that provide independent and permanent facilities complete for living, sleeping, eating, cooking and sanitation.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single-phase, 120/240 volts; or three-phase, 208Y/120 volts; or other available voltages at the City's option.

Motors in excess of 2 H.P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the City.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable Commercial Service Schedule.

Residential		
	Summer (June-September)	Non-Summer (October-May)
Basic Facilities Charge	\$18.23	\$18.23
Minimum Charge:	Basic Facilities Charge	
Energy Charges:		
First 500 kWh	\$.1282 per kWh	\$.1210 per kWh
Next 500 kWh	\$.1238 per kWh	\$.1167 per kWh
Over 1,000 kWh	\$.1209 per kWh	\$.1139 per kWh

The definitions of "Summer/Non-Summer," "Determination of Energy," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Residential Service – All Electric
Schedule RA

Availability

Available only to residential customers in residences, condominiums, mobile homes or individually metered apartments that provide independent and permanent facilities complete for living, sleeping, eating, cooking and sanitation. In addition, all energy required for all water heating, cooking, clothes drying, and environmental space conditioning must be supplied electrically, and all electric energy used in such dwelling must be recorded through a single meter.

To qualify for service under this Schedule, the environmental space conditioning system and a separate electric water heater must be permanently installed in accordance with sound engineering practices and the manufacturer's recommendations, and both shall meet the following conditions.

Electric Space Heating:

1. Room-type systems shall be controlled by individual room thermostats.
2. Heat pumps shall be controlled by two-stage heating thermostats, the first stage controlling compressor operation and the second stage controlling all auxiliary resistance heaters. Auxiliary heaters shall be limited to 48 amps (11.5kW at 240 volts) each and shall be switched so that the energizing of each successive heater is controlled by a separate adjustable outdoor thermostat. A manual switch for by-pass of the first stage and the interlock of the second stage of the heating thermostat will be permitted.
3. Excess heating capacity (15% more than total calculated heat losses) may be disconnected at option of the City.
4. The residence shall be insulated so that total heat losses (as calculated by the current edition of ASHRAE Guide) shall not exceed 0.158 watts (0.539 BTUH) per sq. ft. of net heated area per degree F. temperature differential. Duct or pipe losses shall be included in the computation of total heat losses.

Electric Domestic Water Heater:

1. Water heaters shall be of the automatic insulated storage type, of not less than 30-gallon capacity, and may be equipped with only a lower element or with a lower element and an upper element.
2. Heaters having only a lower element may have wattage up to but not exceeding the specific wattage as shown below for various tank capacities.

Residential Service – All Electric
Schedule RA

Tank Capacity in Gallons	Maximum Single Element Wattage
30 – 39	3,500
40 – 49	4,500
50 and Larger	5,500

3. Heaters having both a lower and an upper element may have wattage in each element up to but not exceeding the specific wattage set forth in the table above for single element heaters, but they must have interlocking thermostats to prevent simultaneous operation of the two elements. However, if the sum of the wattage of the two elements does not exceed the specific wattage for single element heaters set forth in the table above, no interlocking device will be required.
4. Heaters of 120 gallons capacity and larger shall be subject to special approval.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single-phase, 120/240 volts; or three-phase, 208Y/120 volts; or other available voltages at the City's option.

Motors in excess of 2 H.P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the City.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable Commercial Service Schedule.

Residential Service – All Electric
Schedule RA

Residential - All Electric		
	Summer (June-September)	Non-Summer (October-May)
Basic Facilities Charge	\$18.23	\$18.23
Minimum Charge:	Basic Facilities Charge	
Energy Charges:		
First 500 kWh	\$.1210 per kWh	\$.1139 per kWh
Next 500 kWh	\$.1162 per kWh	\$.1091 per kWh
Over 1,000 kWh	\$.1129 per kWh	\$.1058 per kWh

The definitions of “Summer/Non-Summer,” “Determination of Energy,” and “Sales Tax” are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Small Commercial Service
Schedule SC

Availability

Available to the non-residential customer with monthly demand of 50 kW or less.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single site.

Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other Schedule of the City, except at the option of the City, under special terms and conditions expressed in writing with the contract with the Customer.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at the available voltage.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the City before purchasing equipment.

Motors less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators and all motors of more than 25 H.P. must be the slip ring type except that the City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

For Billing Months Energy		Rate
Basic Facilities Charge		\$61.61
Minimum Charge:	Basic Facilities Charge	
	Summer	Non-Summer
Demand Charge:		
First 10 kW	\$5.99 per kW	\$5.99 per kW
All Over 10 kW	\$12.39 per kW	\$12.39 per kW
Energy Charge:		
<i>First 100 kWh per kW Billing Demand Per Month</i>		
First 3,000 kWh	\$.1088 per kWh	\$.1021 per kWh
All Over 3,000 kWh	\$.0792 per kWh	\$.0725 per kWh
<i>Next 200 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0755 per kWh	\$.0686 per kWh
<i>All Over 300 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0651 per kWh	\$.0582 per kWh

Small Commercial Service
Schedule SC

Determination of Billing Demand

At its option, the City may install a demand meter to measure demand for any customer served under this schedule.

The demand charge each month is computed by multiplying the applicable demand rate times the maximum integrated 30-minute demand measured during the month.

The billing demand for computing energy charges each month shall be the maximum integrated 30-minute demand measured during the month, but not less than 30 kW.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing the resultant value by the average power factor in percent for that month.

Contract Period

Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

The definitions of "Summer/Non-Summer," "Month," "Determination of Energy," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Small Commercial Service – All Electric
Schedule SCA

Availability

Available to the non-residential Customer with a monthly demand of 50 kW or less in which environmental space conditioning is required and all energy for all such conditioning (heating and cooling) is supplied electrically through the same meter as all other electric energy used in the establishment. However, if any such establishment contains residential housekeeping units, all energy for all water heating and cooking for such units is also supplied electrically.

To qualify for service under this Schedule, space-conditioning systems shall be permanently installed in accordance with sound engineering practices and the manufacturer's recommendation.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single site.

This Schedule is not available to the individual customer who qualifies for a residential or industrial schedule nor for auxiliary or breakdown service. Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing with the contract with the Customer.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at the available voltage.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the City before purchasing equipment.

Motors less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators and all motors of more than 25 H.P. must be the slip ring type except that the City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

Small Commercial Service – All Electric
Schedule SCA

For Billing Months Energy		Rate
Basic Facilities Charge		\$68.45
Minimum Charge:	Basic Facilities Charge	
	Summer	Non-Summer
Demand Charge:		
First 10 kW	\$5.99 per kW	\$5.99 per kW
All Over 10 kW	\$12.39 per kW	\$12.39 per kW
Energy Charge:		
<i>First 100 kWh per kW Billing Demand Per Month</i>		
First 1,875 kWh	\$.1273 per kWh	\$.1204 per kWh
All Over 1,875 kWh	\$.0890 per kWh	\$.0821 per kWh
<i>Next 200 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0786 per kWh	\$.0720 per kWh
<i>All Over 300 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0657 per kWh	\$.0589 per kWh

Determination of Billing Demand

At its option, the City may install a demand meter to measure demand for any customer served under this schedule.

The demand charge each month is computed by multiplying the applicable demand rate times the maximum integrated 30-minute demand measured during the month.

The billing demand for computing energy charges each month shall be the maximum integrated 30-minute demand measured during the month, but not less than 15 kW.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Small Commercial Service – All Electric
Schedule SCA

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing the resultant value by the average power factor in percent for that month.

Contract Period

Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

The definitions of "Summer/Non-Summer," "Month," "Determination of Energy," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Medium Commercial Service
Schedule MC

Availability

Available to the non-residential customer whose monthly demand exceeds 50 kW in any three months of the preceding twelve months but is less than 250 kW.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single site.

Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other Schedule of the City, except at the option of the City, under special terms and conditions expressed in writing with the contract with the Customer.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at the available voltage.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the City before purchasing equipment.

Motors less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators and all motors of more than 25 H.P. must be the slip ring type except that the City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

For Billing Months Energy		Rate
Basic Facilities Charge		\$82.14
Minimum Charge:	Basic Facilities Charge	
	Summer	Non-Summer
Demand Charge:		
All kW	\$12.39 per kW	\$12.39 per kW
Energy Charge:		
<i>First 100 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.1002 per kWh	\$.0949 per kWh
<i>Next 200 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0907 per kWh	\$.0841 per kWh
<i>All Over 300 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0799 per kWh	\$.0733 per kWh

Medium Commercial Service
Schedule MC

Determination of Billing Demand

At its option, the City may install a demand meter to measure demand for any customer served under this schedule.

The demand for billing purposes each month shall be the maximum integrated 30-minute demand measured during the month.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing the resultant value by the average power factor in percent for that month.

Contract Period

Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

The definitions of "Summer/Non-Summer," "Month," "Determination of Energy," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Medium Commercial Service – All Electric
Schedule MCA

Availability

Available to the non-residential customer whose monthly demand exceeds 50 kW in any three months of the preceding twelve months but is less than 250 kW and in which environmental space conditioning is required and all energy for all such conditioning (heating and cooling) is supplied electrically through the same meter as all other electric energy used in the establishment. However, if any such establishment contains residential housekeeping units, all energy for all water heating and cooking for such units is also supplied electrically.

To qualify for service under this Schedule, space-conditioning systems shall be permanently installed in accordance with sound engineering practices and the manufacturer's recommendation.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single site.

This Schedule is not available to the individual customer who qualifies for a residential or industrial schedule nor for auxiliary or breakdown service. Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing with the contract with the Customer.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at the available voltage.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the City before purchasing equipment.

Motors less than 5 HP may be single-phase. All motors of more than 5 HP must be equipped with starting compensators and all motors of more than 25 HP must be the slip ring type except that the City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

Medium Commercial Service – All Electric
Schedule MCA

For Billing Months Energy		Rate
Basic Facilities Charge		\$205.35
Minimum Charge:	Basic Facilities Charge	
	Summer	Non-Summer
Demand Charge:		
All kW	\$12.39 per kW	\$12.39 per kW
Energy Charge:		
<i>First 100 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0923 per kWh	\$.0854 per kWh
<i>Next 200 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0854 per kWh	\$.0787 per kWh
<i>All Over 300 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0711 per kWh	\$.0643 per kWh

Determination of Billing Demand

At its option, the City may install a demand meter to measure demand for any customer served under this schedule.

The demand for billing purposes each month shall be the maximum integrated 30-minute demand measured during the month.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing the resultant value by the average power factor in percent for that month.

Medium Commercial Service – All Electric
Schedule MCA

Contract Period

Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

The definitions of “Summer/Non-Summer,” “Month,” “Determination of Energy,” and “Sales Tax” are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Large Commercial Service
Schedule LC

Availability

Available to the non-residential customer whose monthly demand is 250 kW or greater in any three months of the preceding twelve months.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single site.

Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing with the contract with the Customer.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at the available voltage.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the City before purchasing equipment.

Motors less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators and all motors of more than 25 H.P. must be the slip ring type except that the City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

For Billing Months Energy	Rate	
Basic Facilities Charge		\$231.39
Minimum Charge:	Basic Facilities Charge	
	Summer	Non-Summer
Demand Charge:		
All kW	\$12.39 per kW	\$12.39 per kW
Energy Charge:		
<i>First 100 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0911 per kWh	\$.0842 per kWh
<i>Next 200 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0814 per kWh	\$.0744 per kWh
<i>All Over 300 kWh per kW Billing Demand Per Month</i>		
All kWh	\$.0686 per kWh	\$.0617 per kWh

Large Commercial Service
Schedule LC

Determination of Billing Demand

At its option, the City may install a demand meter to measure demand for any customer served under this schedule.

The demand for billing purposes each month shall be the maximum integrated 30-minute demand measured during the month.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing the resultant value by the average power factor in percent for that month.

Contract Period

Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

The definitions of "Summer/Non-Summer," "Month," "Determination of Energy," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Medium Industrial Service
Schedule MI

Availability

Available only to establishments classified as “Manufacturing Industries” by the Standard Industrial Classification Manual, 1957 or later version, published by the Bureau of Budget, United States Government, and where more than 50% of the electric consumption of such establishment is used for its manufacturing processes whose monthly demand exceeds 50 kW in any three months of the preceding twelve months but is less than 250 kW.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single site.

This Schedule is not available for auxiliary or breakdown service. Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing with the contract with the Customer.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at the available voltage.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the City before purchasing equipment.

Motors less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators and all motors of more than 25 H.P. must be the slip ring type except that the City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

For Billing Months Energy	Rates
Basic Facilities Charge	\$142.70
Minimum Charge:	Basic Facilities Charge
Demand Charge:	
All kW	\$12.39 per kW
Energy Charge:	
First 100 kWh per kW Billing Demand Per Month	
All kWh	\$.0629 per kWh
Next 200 kWh per kW billing Demand Per Month	
All kWh	\$.0609 per kWh
All Over 300 kWh per kW Billing Demand Per Month	
All kWh	\$.0586 per kWh

Medium Industrial Service
Schedule MI

Determination of Billing Demand

At its option, the City may install a demand meter to measure demand for any customer served under this schedule.

The demand for billing purposes each month shall be the maximum integrated 30-minute demand measured during the month.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing the resultant value by the average power factor in percent for that month.

Contract Period

Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

The definitions of "Month," "Determination of Energy," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Large Industrial Service
Schedule LI

Availability

Available only to establishments classified as “Manufacturing Industries” by the Standard Industrial Classification Manual, 1957 or later version, published by the Bureau of Budget, United States Government, and where more than 50% of the electric consumption of such establishment is used for its manufacturing processes whose monthly demand exceeds 250 kW in any three months of the preceding twelve months but is less than 1,000 kW.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single site.

This Schedule is not available for auxiliary or breakdown service. Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing with the contract with the Customer.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at the available voltage. The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the City before purchasing equipment.

Motors less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators and all motors of more than 25 H.P. must be the slip ring type except that the City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

For Billing Months Energy	Rates
Basic Facilities Charge	\$422.80
Minimum Charge:	Basic Facilities Charge
Demand Charge:	
All kW	\$12.39 per kW
Energy Charge:	
First 100 kWh per kW Billing Demand Per Month	
All kWh	\$.0672 per kWh
Next 200 kWh per kW billing Demand Per Month	
All kWh	\$.0631 per kWh
All Over 300 kWh per kW Billing Demand Per Month	
All kWh	\$.0590 per kWh

Large Industrial Service
Schedule LI

Determination of Billing Demand

At its option, the City may install a demand meter to measure demand for any customer served under this schedule.

The demand for billing purposes each month shall be the maximum integrated 30-minute demand measured during the month.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing the resultant value by the average power factor in percent for that month.

Contract Period

Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

The definitions of "Month," "Determination of Energy," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Very Large Industrial Service
Schedule VLI

Availability

Available only to establishments classified as “Manufacturing Industries” by the Standard Industrial Classification Manual, 1957 or later version, published by the Bureau of Budget, United States Government, and where more than 50% of the electric consumption of such establishment is used for its manufacturing processes whose monthly demand is 1,000 kW or greater in any three months of the preceding twelve months.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single site.

This Schedule is not available for auxiliary or breakdown service. Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing with the contract with the Customer.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at the available voltage. The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the City before purchasing equipment.

Motors less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators and all motors of more than 25 H.P. must be the slip ring type except that the City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

For Billing Months Energy	Rates
Basic Facilities Charge	\$665.91
Minimum Charge:	Basic Facilities Charge
Demand Charge:	
All kW	\$12.39 per kW
Energy Charge:	
First 100 kWh per kW Billing Demand Per Month	
All kWh	\$.0630 per kWh
Next 200 kWh per kW billing Demand Per Month	
All kWh	\$.0596 per kWh
All Over 300 kWh per kW Billing Demand Per Month	
All kWh	\$.0562 per kWh

Very Large Industrial Service
Schedule VLI

Determination of Billing Demand

At its option, the City may install a demand meter to measure demand for any customer served under this schedule.

The demand for billing purposes each month shall be the maximum integrated 30-minute demand measured during the month.

Minimum Bill

The minimum bill shall be the basic facilities charge.

Power Factor Correction

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing the resultant value by the average power factor in percent for that month.

Contract Period

Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

The definitions of "Month," "Determination of Energy," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Building Construction Service
Schedule BC

	Rate
Basic Facilities Charge	\$30.14
Minimum Charge:	Basic Facilities Charge
Energy Charges:	
First 50 kWh	\$.2097 per kWh
All Over 50 kWh	\$.1266 per kWh

Minimum Bill:

For single-phase service, the monthly minimum charge shall be the basic facilities charge.

The definition of "Sales Tax" is contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Street Lighting Service
Schedule SL

Monthly Rate

(A) Bracket Mounted Luminaries

All-night outdoor lighting service using overhead conductors and City standard equipment mounted on wood poles.

Lamp Rating In Lumens	kWh Per Month	Type of Luminary
7,500	75	Mercury Vapor
20,000	152	Mercury Vapor
9,500	47	High Pressure Sodium Vapor
16,000	70	High Pressure Sodium Vapor
27,500	104	High Pressure Sodium Vapor
38,000	136	High Pressure Sodium Vapor

(B) Other Luminaries

Decorative and non-standard luminaries can be installed on request, at the City's option, at the rate listed below plus an additional monthly charge of \$6.19 per luminary.

For Billing Months Energy

Rate

All kWh

\$0.0949 per kWh

The definition of "Sales Tax" is contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Traffic Signal Service
Schedule TS

Availability

Available to city, county, state and federal authorities, in areas served by the City, for the energy requirements of traffic and safety signal systems.

Power delivered hereunder shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for under any other schedule of the City.

Type of Service

The City will furnish 60 Hertz service through one meter, at one delivery point, at 120/240 volts, single phase.

	Rate
Basic Facilities Charge	\$8.41
Minimum Charge:	Basic Facilities Charge
Energy Charges:	
First 50 kWh	\$.2190 per kWh
All Over 50 kWh	\$.0873 per kWh

Minimum Bill

The minimum bill shall be the basic facilities charge.

The definitions of "Month," and "Sales Tax" are contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utilities Customer Service Policy Manual are an integral part of this tariff.

Area Lighting Service
Schedule AL

Availability

Available to the individual Customer at locations on the City's distribution system.

Monthly Rate

- (A) Bracket Mounted Luminaries
 All-night outdoor lighting service using overhead conductors and City standard package equipment mounted on wood poles:

- (B) Decorative Luminaries
 All-night outdoor lighting service using underground service and City standard package equipment mounted on fiberglass poles:

Lamp Rating in Lumens	kWh Per Month	Type of Luminary	Monthly Rate
7,500	75	175 Watt Mercury Vapor	\$9.01
20,000	152	400 Watt Mercury Vapor	\$16.02
9,500	47	100 Watt High Pressure Sodium	\$9.01
27,500	104	250 Watt High Pressure Sodium	\$16.02
36,000	136	400 Watt Metal Halide	\$16.02
9,500	47	100 Watt Decorative Lantern	\$13.98
9,500	47	100 Watt Decorative Acorn	\$22.37
14,000	60	175 Watt Metal Halide Acorn	\$21.64
38,000	136	400 Watt Metal Halide Shoe-Box Single	\$26.71
38,000	272	400 Watt Metal Halide Shoe-Box Twin	\$40.08

Service using overhead conductors is not available in any area designated by the City as underground distribution area, not in any area, location, or premises being served from an underground source.

Explanatory Notes

Lamps should burn from approximately one half-hour after sunset until approximately one half-hour before sunrise. The City will replace burned-out lamps and otherwise maintain the luminaries during regular daytime working hours as soon as practicable following notification by the Customer of the necessity.

Luminaries will be installed only on City-owned poles or structures. All facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, or other structures, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the City.

Area Lighting Service
Schedule AL

Equipment (such as disconnecting switches) other than that supplied by the City as standard is not available under this Schedule, and shall not be installed by the Customer.

This Schedule is not available for seasonal or other part-time operation of outdoor luminaries.

A service charge will be billed for any conversion of luminaries.

Location of the luminary or luminaries shall be designated by the Customer, but the location must be within the distance that can be reached by a secondary extension from the City's nearest distribution facilities.

Contract Period

The original terms of any contract may be from a minimum of one year to a maximum of 15 years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. Minimum term of contract for specific situations shall be as follows:

- (a) One year for all luminaries designated as standard by the City, bracket mounted on standard wood poles served by overhead conductors.
- (b) Five years for all luminaries served by underground conductors.
- (c) Ten years for all luminaries designated as non-standard by the City, and all standard luminaries mounted on supports other than standard wood poles.
- (d) Fifteen years for all luminaries or supports designated by the City as decorative or other unusual design.

The definition of "Sales Tax" is contained within the General Terms and Conditions and are pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utility Services Manual are an integral part of this tariff.

Cable Amplifier and Repeater Service
Schedule CA

Availability

Available to establishments which provide cable amplification and repeater service for the provision of cable television.

Type of Service

The City will furnish 60-Hertz service through one meter, at one delivery point, at 120/240 volts, single phase.

	Rate
Monthly Charge	\$47.87

The definition of "Sales Tax" is contained within the General Terms and Conditions and is pertinent to this rate schedule. The General Terms and Conditions Section and the Lexington Utility Services Manual are an integral part of this tariff.

Coincident Peak Rate –98-1
Schedule CP 98-1

AVAILABILITY

Available only to new commercial or industrial loads which began receiving service after July 1, 1998. The demand of the new load must equal or exceed 100 kW but be less than 500 kW during at least three months of a twelve-month period.

Service under this Schedule shall be used solely by the contracting customer in a single enterprise, located entirely on a single contiguous site or premises.

This Schedule is not available for auxiliary or breakdown service and power delivered hereunder shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the City in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-ways, privileges, franchises, and permits for the delivery of such power, and the City shall not be liable to any customer or applicant for power in the event the City is delayed in, or is prevented from furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, and/or permits.

TYPE OF SERVICE

The City will furnish 60-Hertz service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single-phase, 120/240 volts; or
3 phase, 208Y/120 volts, 480Y/277 volts; or
3 phase, 3 wire, 240, 480, 575, or 2400 volts, or
3 phase, 4160Y/2400, 12470Y/7200, or
3 phase voltages other than the foregoing, but only at the City's option, and provided that the size of the Customer's load and the duration of the Customer's contract warrants a substation solely to serve that Customer, and further provided that the Customer furnish suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the city's specifications.

The type of service supplied will depend upon the voltage available at or near the Customer's location. Prospective customers should ascertain the available voltage by inquiry at the office of the City before purchasing equipment.

Motors of less than 5 HP may be single-phase. All motors of more than 5 HP must be equipped with starting compensators and all motors of more than 25 HP must be of the slip ring type except that the

Coincident Peak Rate –98-1
Schedule CP 98-1

City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

MONTHLY RATE

A. Basic Facilities Charge (Minimum Charge)	\$70.17
B. Demand Charge:	
Monthly CP Demand	
Summer (June-Sept.)	\$24.06 per kW
Winter (Oct.-May)	\$ 7.03 per kW
Excess Demand (all months)	\$ 2.11 per kW
C. Energy Charges:	
First 438 kWh per CP kW of Billing Demand	\$0.0490 per kWh
All remaining kWh	\$0.0448 per kWh

DEFINITION OF “MONTH”

The term “month” as used in the Schedule means the period intervening between meter readings for the purposes of monthly billing, such reading being taken once a month.

DETERMINATION OF BILLING DEMAND

Billing Demand:

Billing Demand shall be the average of the integrated clock hour kW demands measured during the hours of the On-Peak Period on the day identified as the Peak Management Day used by the North Carolina Municipal Power Agency Number 1 (NCMPA1) for wholesale billing purposes during the corresponding month of Customer’s billing.

On-Peak Periods:

On-peak periods are non-holiday weekdays during the following times:

June-September	2pm – 6pm
December-February	7am – 9am
All other months	7am – 9am and 2pm – 6pm

Holidays:

The following days of each calendar year are considered holidays: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day, and Christmas Day. In the event that any of the forgoing Holidays falls on a Saturday, the preceding Friday shall be deemed to be the Holiday. In the event any of the foregoing Holidays falls on a Sunday, the following Monday shall be deemed to be the Holiday.

Coincident Peak Rate –98-1
Schedule CP 98-1

Peak Management Days:

Peak Management Days are those days on which NCMPA1 notifies its Participants to activate their peak management programs during On-Peak periods. The Peak Management Day used to establish the city's wholesale billing demand is the one Peak Management Day during the month on which NCMPA1 experienced the greatest average load (determined as the average of NCMPA1's integrated hourly loads during the hours of the On-Peak Period).

EXCESS DEMAND

Excess demand shall be the difference between the maximum integrated clock hour kW demand recorded during the current billing month and the Billing Demand for the same billing month.

NOTIFICATION BY CITY

The City will use diligent efforts to predict each monthly system peak and provide advance notice to the Customer. However, the City does not guarantee an accurate prediction, nor does the City guarantee that advance notice will be provided. Notification by the City will be provided to the Customer by direct telephone communications or automatic signal, as mutually agreed. The Customer will hold the City harmless in connection with its response to notification.

DETERMINATION OF ENERGY

The kWh of energy shall be the sum of all energy used during the current billing month as indicated by watt-hour meter readings.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing by the average power factor in percent for that month.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the City for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days prior notice of such termination in writing; but the City may require a contract for a longer original term of years where the requirement is justified by the circumstances.

SALES TAX

Any applicable North Carolina state or local sales tax shall be added to the customer's total charges for each month, determined in accordance with the above electric rates.

Originally Adopted July 1, 1998

Coincident Peak Rate –98-1A
Schedule CP 98-1A

AVAILABILITY

Available only to new commercial or industrial loads which began receiving service after April 1, 1999. The demand of the new load must equal or exceed 100 kW but be less than 500 kW during at least three months of a twelve-month period and maintain an average annual load factor of at least 65%.

Service under this Schedule shall be used solely by the contracting customer in a single enterprise, located entirely on a single contiguous site or premises.

This Schedule is not available for auxiliary or breakdown service and power delivered hereunder shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the City in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-ways, privileges, franchises, and permits for the delivery of such power, and the City shall not be liable to any customer or applicant for power in the event the City is delayed in, or is prevented from furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, and/or permits.

TYPE OF SERVICE

The City will furnish 60-Hertz service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single-phase, 120/240 volts; or
3 phase, 208Y/120 volts, 480Y/277 volts; or
3 phase, 3 wire, 240, 480, 575, or 2400 volts, or
3 phase, 4160Y/2400, 12470Y/7200, or
3 phase voltages other than the foregoing, but only at the City's option, and provided that the size of the Customer's load and the duration of the Customer's contract warrants a substation solely to serve that Customer, and further provided that the Customer furnish suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the city's specifications.

The type of service supplied will depend upon the voltage available at or near the customer's location. Prospective customers should ascertain the available voltage by inquiry at the office of the City before purchasing equipment.

Motors of less than 5 HP may be single-phase. All motors of more than 5 HP must be equipped with starting compensators and all motors of more than 25 HP must be of the slip ring type except that the

Coincident Peak Rate –98-1A
Schedule CP 98-1A

City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

MONTHLY RATE

A. Basic Facilities Charge (Minimum Charge)	\$70.17
B. Demand Charge:	
Monthly CP Demand	
Summer (June-Sept.)	\$22.37 per kW
Winter (Oct.-May)	\$ 2.80 per kW
Excess Demand (all months)	\$ 2.11 per kW
C. Energy Charges:	
First 438 kWh per CP kW of Billing Demand	\$0.0480 per kWh
All remaining kWh	\$0.0435 per kWh

DEFINITION OF “MONTH”

The term “month” as used in the Schedule means the period intervening between meter readings for the purposes of monthly billing, such reading being taken once a month.

DETERMINATION OF BILLING DEMAND

Billing Demand:

Billing Demand shall be the average of the integrated clock hour kW demands measured during the hours of the On-Peak Period on the day identified as the Peak Management Day used by the North Carolina Municipal Power Agency Number 1 (NCMPA1) for wholesale billing purposes during the corresponding month of Customer’s billing.

On-Peak Periods

On-peak periods are non-holiday weekdays during the following times:

June-September	2pm – 6pm
December-February	7am – 9am
All other months	7am – 9am and 2pm – 6pm

Holidays:

The following days of each calendar year are considered holidays: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day, and Christmas Day. In the event that any of the forgoing Holidays falls on a Saturday, the preceding Friday shall be deemed to be the Holiday. In the event any of the foregoing Holidays falls on a Sunday, the following Monday shall be deemed to be the Holiday.

Coincident Peak Rate –98-1A
Schedule CP 98-1A

Peak Management Days:

Peak Management Days are those days on which NCMPA1 notifies its Participants to activate their peak management programs during On-Peak periods. The Peak Management Day used to establish the city's wholesale billing demand is the one Peak Management Day during the month on which NCMPA1 experienced the greatest average load (determined as the average of NCMPA1's integrated hourly loads during the hours of the On-Peak Period).

EXCESS DEMAND

Excess demand shall be the difference between the maximum integrated clock hour kW demand recorded during the current billing month and the Billing Demand for the same billing month.

NOTIFICATION BY CITY

The City will use diligent efforts to predict each monthly system peak and provide advance notice to the Customer. However, the City does not guarantee an accurate prediction, nor does the City guarantee that advance notice will be provided. Notification by the City will be provided to the Customer by direct telephone communications or automatic signal, as mutually agreed. The Customer will hold the City harmless in connection with its response to notification.

DETERMINATION OF ENERGY

The kWh of energy shall be the sum of all energy used during the current billing month as indicated by watt-hour meter readings.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing by the average power factor in percent for that month.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the City for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days prior notice of such termination in writing; but the City may require a contract for a longer original term of years where the requirement is justified by the circumstances.

SALES TAX

Any applicable North Carolina state or local sales tax shall be added to the customer's total charges for each month, determined in accordance with the above electric rates.

Originally Adopted April 1, 1999

Coincident Peak Rate –98-2
Schedule CP 98-2

AVAILABILITY

Available to (1) new commercial or industrial loads which began receiving service after July 1, 1998 or (2) commercial or industrial loads previously served under the City's ED 1-A rate, which was closed December 31, 2003. The demand of the load must equal or exceed 500 kW but be less than 3,000 kW during at least three months of a twelve-month period.

Service under this Schedule shall be used solely by the contracting customer in a single enterprise, located entirely on a single contiguous site or premises.

This Schedule is not available for auxiliary or breakdown service and power delivered hereunder shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the City in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-ways, privileges, franchises, and permits for the delivery of such power, and the City shall not be liable to any customer or applicant for power in the event the City is delayed in, or is prevented from furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, and/or permits.

TYPE OF SERVICE

The City will furnish 60-Hertz service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single-phase, 120/240 volts; or
3 phase, 208Y/120 volts, 480Y/277 volts; or
3 phase, 3 wire, 240, 480, 575, or 2400 volts, or
3 phase, 4160Y/2400, 12470Y/7200, or
3 phase voltages other than the foregoing, but only at the City's option, and provided that the size of the Customer's load and the duration of the Customer's contract warrants a substation solely to serve that Customer, and further provided that the Customer furnish suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the city's specifications.

The type of service supplied will depend upon the voltage available at or near the Customer's location. Prospective customers should ascertain the available voltage by inquiry at the office of the City before purchasing equipment.

Motors of less than 5 HP may be single-phase. All motors of more than 5 HP must be equipped with starting compensators and all motors of more than 25 HP must be of the slip ring type except that the

Coincident Peak Rate –98-2
Schedule CP 98-2

City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

MONTHLY RATE

A. Basic Facilities Charge (Minimum Charge)	\$350.81
B. Demand Charge:	
Monthly CP Demand	
Summer (June-Sept.)	\$23.38 per kW
Winter (Oct.-May)	\$ 4.22 per kW
Excess Demand (all months)	\$ 2.11 per kW
C. Energy Charges:	
First 438 kWh per CP kW of Billing Demand	\$0.0480 per kWh
All remaining kWh	\$0.0422 per kWh

DEFINITION OF “MONTH”

The term “month” as used in the Schedule means the period intervening between meter readings for the purposes of monthly billing, such reading being taken once a month.

DETERMINATION OF BILLING DEMAND

Billing Demand:

Billing Demand shall be the average of the integrated clock hour kW demands measured during the hours of the On-Peak Period on the day identified as the Peak Management Day used by the North Carolina Municipal Power Agency Number 1 (NCMPA1) for wholesale billing purposes during the corresponding month of Customer’s billing.

On-Peak Periods:

On-peak periods are non-holiday weekdays during the following times:

June-September	2pm – 6pm
December-February	7am – 9am
All other months	7am – 9am and 2pm – 6pm

Holidays:

The following days of each calendar year are considered holidays: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day, and Christmas Day. In the event that any of the forgoing Holidays falls on a Saturday, the preceding Friday shall be deemed to be the Holiday. In the event any of the foregoing Holidays falls on a Sunday, the following Monday shall be deemed to be the Holiday.

Coincident Peak Rate –98-2
Schedule CP 98-2

Peak Management Days:

Peak Management Days are those days on which NCMPA1 notifies its Participants to activate their peak management programs during On-Peak periods. The Peak Management Day used to establish the city's wholesale billing demand is the one Peak Management Day during the month on which NCMPA1 experienced the greatest average load (determined as the average of NCMPA1's integrated hourly loads during the hours of the On-Peak Period).

EXCESS DEMAND

Excess demand shall be the difference between the maximum integrated clock hour kW demand recorded during the current billing month and the Billing Demand for the same billing month.

NOTIFICATION BY CITY

The City will use diligent efforts to predict each monthly system peak and provide advance notice to the Customer. However, the City does not guarantee an accurate prediction, nor does the City guarantee that advance notice will be provided. Notification by the City will be provided to the Customer by direct telephone communications or automatic signal, as mutually agreed. The Customer will hold the City harmless in connection with its response to notification.

DETERMINATION OF ENERGY

The kWh of energy shall be the sum of all energy used during the current billing month as indicated by watt-hour meter readings.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing by the average power factor in percent for that month.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the City for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days prior notice of such termination in writing; but the City may require a contract for a longer original term of years where the requirement is justified by the circumstances.

SALES TAX

Any applicable North Carolina state or local sales tax shall be added to the customer's total charges for each month, determined in accordance with the above electric rates.

Originally Adopted July 1, 1998

Coincident Peak Rate –98-3
Schedule CP 98-3

AVAILABILITY

Available only to new industrial loads which began receiving service after July 1, 1998. The demand of the new load must equal or exceed 3,000 kW during at least three months of a twelve-month period.

Service under this Schedule shall be used solely by the contracting customer in a single enterprise, located entirely on a single contiguous site or premises.

This Schedule is not available for auxiliary or breakdown service and power delivered hereunder shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for under any other schedule of the City, except at the option of the City, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the City in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-ways, privileges, franchises, and permits for the delivery of such power, and the City shall not be liable to any customer or applicant for power in the event the City is delayed in, or is prevented from furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, and/or permits.

TYPE OF SERVICE

The City will furnish 60-Hertz service through one meter, at one delivery point, at one of the following approximate voltages where available:

Single-phase, 120/240 volts; or
3 phase, 208Y/120 volts, 480Y/277 volts; or
3 phase, 3 wire, 240, 480, 575, or 2400 volts, or
3 phase, 4160Y/2400, 12470Y/7200, or
3 phase voltages other than the foregoing, but only at the City's option, and provided that the size of the Customer's load and the duration of the Customer's contract warrants a substation solely to serve that Customer, and further provided that the Customer furnish suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the city's specifications.

The type of service supplied will depend upon the voltage available at or near the Customer's location. Prospective customers should ascertain the available voltage by inquiry at the office of the City before purchasing equipment.

Motors of less than 5 HP may be single-phase. All motors of more than 5 HP must be equipped with starting compensators and all motors of more than 25 HP must be of the slip ring type except that the

Coincident Peak Rate –98-3
Schedule CP 98-3

City reserves the right, when in its opinion the installation would not be detrimental to the service of the City, to permit other types of motors.

MONTHLY RATE

A. Basic Facilities Charge (Minimum Charge)	\$347.13
B. Demand Charge:	
Monthly CP Demand	
Summer (June-Sept.)	\$21.24 per kW
Winter (Oct.-May)	\$ 3.47 per kW
C. Energy Charges:	
First 438 kWh per CP kW of Billing Demand	\$0.0422 per kWh
All remaining kWh	\$0.0410 per kWh

DEFINITION OF “MONTH”

The term “month” as used in the Schedule means the period intervening between meter readings for the purposes of monthly billing, such reading being taken once a month.

DETERMINATION OF BILLING DEMAND

Billing Demand:

Billing Demand shall be the average of the integrated clock hour kW demands measured during the hours of the On-Peak Period on the day identified as the Peak Management Day used by the North Carolina Municipal Power Agency Number 1 (NCMPA1) for wholesale billing purposes during the corresponding month of Customer’s billing.

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The following days of each calendar year are considered holidays: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day, and Christmas Day. In the event that any of the forgoing Holidays falls on a Saturday, the preceding Friday shall be deemed to be the Holiday. In the event any of the foregoing Holidays falls on a Sunday, the following Monday shall be deemed to be the Holiday.

Coincident Peak Rate –98-3
Schedule CP 98-3

Peak Management Days:

Peak Management Days are those days on which NCMPA1 notifies its Participants to activate their peak management programs during On-Peak periods. The Peak Management Day used to establish the city's wholesale billing demand is the one Peak Management Day during the month on which NCMPA1 experienced the greatest average load (determined as the average of NCMPA1's integrated hourly loads during the hours of the On-Peak Period).

EXCESS DEMAND

Excess demand shall be the difference between the maximum integrated clock hour kW demand recorded during the current billing month and the Billing Demand for the same billing month.

NOTIFICATION BY CITY

The City will use diligent efforts to predict each monthly system peak and provide advance notice to the Customer. However, the City does not guarantee an accurate prediction, nor does the City guarantee that advance notice will be provided. Notification by the City will be provided to the Customer by direct telephone communications or automatic signal, as mutually agreed. The Customer will hold the City harmless in connection with its response to notification.

DETERMINATION OF ENERGY

The kWh of energy shall be the sum of all energy used during the current billing month as indicated by watt-hour meter readings.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 90 percent, the City may correct the integrated demand in kilowatts for that month by multiplying by 90 percent and dividing by the average power factor in percent for that month.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the City for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days prior notice of such termination in writing; but the City may require a contract for a longer original term of years where the requirement is justified by the circumstances.

SALES TAX

Any applicable North Carolina state or local sales tax shall be added to the customer's total charges for each month, determined in accordance with the above electric rates.

Originally Adopted July 1, 1998

Renewable Energy Portfolio Standards Charge
Rider REPS

Applicability

The Renewable Energy Portfolio Standards Charge set forth in this Rider is applicable to all customer accounts receiving electric service from the City, except as provided below. These charges are collected for the expressed purpose of enabling the City to meet its Renewable Energy Portfolio Standards compliance obligations as required by the North Carolina General Assembly in Senate Bill 3 ratified on August 2, 2007.

Billing

Monthly electric charges for each customer account computed under the City's applicable electric rate schedule will be increased by an amount determined by the table below:

Customer Type	Renewable Resources	DSM/Energy Efficiency	Total REPS Monthly Charge
Residential	\$ 0.51	\$ 0.00	\$ 0.51/customer
Commercial	\$ 2.48	\$ 0.06	\$ 2.54/customer
Industrial	\$25.60	\$ 0.00	\$25.60/customer

Exceptions

Industrial and Commercial Customer Opt-out

All industrial customers, regardless of size, and large commercial customers with usage greater than one million kWh's per year can elect not to participate in the City's demand-side management (DSM) and energy efficiency measures in favor of its own implemented demand-side management and energy efficiency measures by giving appropriate written notice to the City. In the event such customers opt-out, they are still subject to the Renewable Resources portion of the charges above.

Low Usage Accounts

The following service schedules will not be considered accounts because of the low energy use associated with them and the near certainty that customers served under these schedules already will pay a per account charge under another residential, commercial, or industrial service schedule:

- Schedule BC – Building Construction Service
- Schedule SL – Street Lighting Service
- Schedule TS – Traffic Signal Service
- Schedule AL – Area Lighting Service

Renewable Energy Portfolio Standards Charge
Rider REPS

Sales Tax

Any applicable North Carolina state or local sales tax shall be added to the customer's total charges for each month, determined in accordance with this Rider.

Originally Adopted June 8, 2009

Renewable Energy Credit Rider No. 1
Rider REC-1

AVAILABILITY

This optional rate rider is available to customers on any City of Lexington (“City”) rate schedule who operate solar photovoltaic, wind powered, or biomass-fueled generating systems, without battery storage, located and utilized at the customer’s primary residence or business. To qualify for this rate rider, the customer must have complied with the City’s Interconnection Standards and have an approved Interconnection Request Form. As part of the Interconnection Request Form approval process, the City retains the right to limit the number and size of renewable energy generating systems installed on the City’s System. The generating system that is in parallel operation with service from the City and located on the customer’s premises must be manufactured, installed, and operated in accordance with all governmental and industry standards, in accordance with all requirements of the local code official, and fully conform with the City’s applicable renewable energy interconnection interface criteria. Qualified customers must generate energy for purposes of a buy-all/sell-all arrangement to receive credits under this rate rider. That is, the City agrees to buy all and the customer agrees to sell all of the energy output and associated energy from the renewable energy resource. Customers with qualified systems may also apply for NCGreenPower credits or North Carolina Municipal Power Agency 1 (“NCMPA1”) Renewable Energy Certificate (“REC”) credits.

The Fixed Long-Term Rates on this Rider are available only to Customers who have executed a Power Purchase Agreement with the City before July 1, 2013 for delivery of power beginning on or before the earlier of thirty (30) months from the date of execution of the Power Purchase Agreement.

Notwithstanding the above, all qualifying facilities have the option to sell energy to the City on an “as available” basis and receive energy credits only calculated using the Variable Rates identified in this Rider for the delivered energy.

MONTHLY CREDIT

Monthly credits are paid according to the type of renewable generation.

Wind and Biomass Energy Credit (\$ Per kWh):

		<u>Fixed Long-term Rate</u>		
	<u>Variable</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>
On-peak energy*	\$0.0332	\$0.0343	\$0.0372	\$0.0396
Off-peak energy	\$0.0098	\$0.0103	\$0.0109	\$0.0113

Renewable Energy Credit Rider No. 1
Rider REC-1

Solar Photovoltaic Energy Credit (\$ Per kWh):

		<u>Fixed Long-term Rate</u>		
	<u>Variable</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>
All energy*	\$0.0355	\$0.0366	\$0.0394	\$0.0418

* These energy credits include a capacity component.

Monthly Energy:

Monthly energy shall be the total kWh of energy produced by the Customer's renewable energy generating system and delivered to the City during the current calendar month.

On-Peak Energy:

On-peak energy shall be the metered energy during the on-peak energy period of the current calendar month, whereby the on-peak energy period is defined as non-holiday weekdays from 7:00 AM to 11:00 PM EPT.

Off-Peak Energy:

Off-peak energy shall be the monthly energy less the amount of energy billed as on-peak energy.

CONTRACT PERIOD

Prior to receiving service under this Rider, the City and the Customer shall have entered either an Interconnection Agreement or executed a Certificate of Completion (inverter-based generators less than 10 kW) and a Power Purchase Agreement which covers the special terms and conditions for the customer's requirements related to the interconnection of the customer's renewable energy generating system.

Each of these agreements shall have a minimum term of one (1) year. Either party may terminate the agreements after one year by giving at least thirty (30) days previous notice of such termination in writing.

GENERAL

Service under this Rider is subject to the provisions of the Service Regulations of the City contained in the City Code of Ordinances.

Renewable Energy Credit Rider No. 1
Rider REC-1

SPECIAL CONDITIONS

The customer's service shall be metered with two meters, one of which measures all energy provided by the City and used by the customer, and the other measures the amount of energy generated by the customer's renewable energy generator which is provided to the City.

In the event that the City determines that it is necessary to install any additional equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay for the cost of such equipment in accordance with the terms of its Power Purchase Agreement.

Originally Adopted December 13, 2010.

Renewable Energy Credit Rider No. 2
Rider REC-2

AVAILABILITY

This optional rate rider is available to customers on any City of Lexington (“City”) rate schedule who operate solar photovoltaic, wind powered, or biomass-fueled generating systems, without battery storage, located and utilized at the customer’s primary residence or business. To qualify for this rate rider, the customer must have complied with the City’s Interconnection Standards and have an approved Interconnection Request Form. As part of the Interconnection Request Form approval process, the City retains the right to limit the number and size of renewable energy generating systems installed on the City’s System. The generating system that is in parallel operation with service from the City and located on the customer’s premises must be manufactured, installed, and operated in accordance with all governmental and industry standards, in accordance with all requirements of the local code official, and fully conform with the City’s applicable renewable energy interconnection interface criteria. Qualified customers must generate energy for purposes of a buy-all/sell-all arrangement to receive credits under this rate rider. That is, the City agrees to buy all and the customer agrees to sell all of the energy output and associated energy from the renewable energy resource. Customers with qualified systems may also apply for NCGreenPower credits or North Carolina Municipal Power Agency 1 (“NCMPA1”) Renewable Energy Certificate (“REC”) credits.

The Fixed Long-Term Rates on this Rider are available only to Customers who have executed a Power Purchase Agreement with the City before July 1, 2014 for delivery of power beginning on or before the earlier of thirty (30) months from the date of execution of the Power Purchase Agreement.

Notwithstanding the above, all qualifying facilities have the option to sell energy to the City on an “as available” basis and receive energy credits only calculated using the Variable Rates identified in this Rider for the delivered energy.

MONTHLY CREDIT

Monthly credits are paid according to the type of renewable generation.

Wind and Biomass Energy Credit (\$ Per kWh):

		<u>Fixed Long-term Rate</u>		
	<u>Variable</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>
On-peak energy*	\$0.0298	\$0.0339	\$0.0363	\$0.0387
Off-peak energy	\$0.0095	\$0.0103	\$0.0108	\$0.0112

Renewable Energy Credit Rider No. 2
Rider REC-2

Solar Photovoltaic Energy Credit (\$ Per kWh):

		<u>Fixed Long-term Rate</u>		
	<u>Variable</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>
All energy*	\$0.0320	\$0.0356	\$0.0381	\$0.0405

* These energy credits include a capacity component.

Monthly Energy:

Monthly energy shall be the total kWh of energy produced by the Customer's renewable energy generating system and delivered to the City during the current calendar month.

On-Peak Energy:

On-peak energy shall be the metered energy during the on-peak energy period of the current calendar month, whereby the on-peak energy period is defined as non-holiday weekdays from 7:00 AM to 11:00 PM EPT.

Off-Peak Energy:

Off-peak energy shall be the monthly energy less the amount of energy billed as on-peak energy.

CONTRACT PERIOD

Prior to receiving service under this Rider, the City and the Customer shall have entered either an Interconnection Agreement or executed a Certificate of Completion (inverter-based generators less than 10 kW) and a Power Purchase Agreement which covers the special terms and conditions for the customer's requirements related to the interconnection of the customer's renewable energy generating system.

Each of these agreements shall have a minimum term of one (1) year. Either party may terminate the agreements after one year by giving at least thirty (30) days previous notice of such termination in writing.

GENERAL

Service under this Rider is subject to the provisions of the Service Regulations of the City contained in the City Code of Ordinances.

Renewable Energy Credit Rider No. 2
Rider REC-2

SPECIAL CONDITIONS

The customer's service shall be metered with two meters, one of which measures all energy provided by the City and used by the customer, and the other measures the amount of energy generated by the customer's renewable energy generator which is provided to the City.

In the event that the City determines that it is necessary to install any additional equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay for the cost of such equipment in accordance with the terms of its Power Purchase Agreement.

Originally Adopted June 13, 2011.

CITY OF LEXINGTON, NC
RESOLUTION NO. 24-13

RESOLUTION DECLARING OFFICIAL INTENT OF THE CITY TO REIMBURSE
EXPENDITURES UNDER UNITED STATES DEPARTMENT OF TREASURY
REGULATIONS.

BE IT RESOLVED by the City Council (the "Council") of Lexington, North Carolina (the "City"):

Section 1. It is hereby found, determined and declared by the Council as follows:

(a) Treasury Regulations Section 1.150-2 (the "Regulations"), promulgated by the United States Department of Treasury, prescribe specific procedures which will be applicable to certain bonds or notes issued by the City, without limitation, a requirement that the City declare its official intent to reimburse certain expenditures with proceeds of debt to be incurred by the City prior to payment of the expenditures to be reimbursed.

(b) The City desires to expend its own funds at this time for the purpose of purchasing a Quint Aerial Device – Ladder/Pumper Fire Truck (see Exhibit A) for the said City, for which expenditures the City reasonably expects to reimburse itself from the proceeds of debt to be hereafter incurred by the City.

(c) The City reasonably expects as of the date hereof that \$585,000 is the maximum principal amount of debt to be incurred for the purpose of paying the costs of the vehicle and equipment described in paragraph (b) of this section.

Section 2. Effective Date. This resolution shall take effect upon its passage.

ADOPTED this the 10th day of June, 2013.



Newell Clark, Mayor



Sara S. Lanier, MMC
City Clerk



EXHIBIT A

Fiscal Year 2013-2014

Schedule of New General Fund Installment Finance Debt:

<u>Item</u>	<u>Purchase Price</u>	<u>Years Financed</u>	<u>Interest Rate</u>	<u>Debt Service Payment</u>
Demo Quint Aerial Device - Ladder/Pumper Fire Truck	\$ 585,000	7	2.25%	\$ 89,400
Total	<u>\$ 585,000</u>			<u>\$ 89,400</u>

CITY OF LEXINGTON, NC
RESOLUTION NO. 25-13

RESOLUTION ADDRESSING FORMAL POLICY ON OPERATING TRANSFERS
FROM THE ELECTRIC FUND TO THE GENERAL FUND.

WHEREAS, the City of Lexington, North Carolina budgets annual operating transfers from the Electric Fund to the General Fund; and

WHEREAS, City Council adopted a formal policy for operating transfers from the Electric Fund to the General Fund on August 14, 1995 by means of Resolution No. 5-96; and

WHEREAS, the 1995 formal policy was modeled via guidelines established by the North Carolina State Treasurer's Office Memorandum #814 dated May 1, 1995, of which the City has ensured compliance with the guiding principles as set forth by the State Treasurer's Office; and

WHEREAS, Section 4 of the formal policy addresses limitations placed on the amount of the operating transfer annually by which the transfer "...shall not exceed the lesser of 50 percent of the Electric Fund's most recent audited operating income;" and

WHEREAS, for the current fiscal year 2012-13 and the proposed budget for 2013-14, the amount of the operating transfer from the Electric Fund to the General Fund is not within the Section 4 provision of the formal policy, which is due to extenuating industrial load loss and economic circumstances adversely affecting operating profits in the Electric Fund; and

WHEREAS, Section 5 of the formal policy addresses exceptions that can be made regarding the amount of the operating transfer as follows: "In the event of an emergency, the amount to be paid from the Electric Fund under this resolution may be increased or reduced upon approval by a simple majority of the City Council of the City of Lexington;" and

WHEREAS, while exceptions can be made to the 1995 formal policy, City Council recognizes the need to reevaluate and update the formal policy in the coming fiscal year and take into account the current economic climate of owning a municipal electric system as a member of the NC Municipal Power Agency 1; and

WHEREAS, City Council desires to preserve the financial integrity of the Electric Fund and take action to moderately reduce the operating transfer from the Electric Fund to the General Fund, in order to make a good faith effort towards the Section 4 provision of the formal policy;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lexington, North Carolina that:

In accordance with Section 5 of the Formal Policy adopted on August 14, 1995, exceptions are granted to justify the operating transfer from the Electric Fund to the General Fund for Fiscal Years 2012-13 and 2013-14 over the limitations identified in Section 4 of the Formal Policy; and

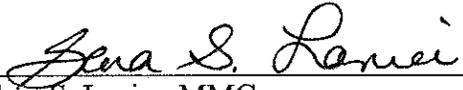
Action will be taken by City Council in June 2013 to moderately reduce the operating transfer from the Electric Fund to the General Fund in order to make a good faith effort towards Section 4 of the Formal Policy; and

A review and update of the Formal Policy, originally adopted August 14, 1995 via Resolution No. 5-96, will be conducted in Fiscal Year 2013-14 and placed on file with the North Carolina State Treasurer's Office.

ADOPTED this the 10th day of June, 2013.



Newell Clark, Mayor



Sara S. Lanier, MMC
City Clerk



GLOSSARY OF TERMS

ADA: The commonly used acronym for the Americans with Disabilities Act.

ADOPTED BUDGET: Term used to describe revenues and expenditures for the upcoming year beginning July 1 as adopted by the City Council.

AMENDMENT: An ordinance or resolution that is adopted by City Council during the fiscal year to change the original budget appropriations or estimated revenues.

APPROPRIATION: A budgeted expenditure authorization granted by City Council to incur obligations.

ASSESSED VALUATION: A value established by Davidson County for property in the corporate limits. The value is then used as a basis for levying property taxes at the adopted tax rate.

AUTOMATED METER READING SYSTEM (AMR): A project that will enable meter readers to drive by and electronically acquire meter readings without exiting the vehicle and physically reading the meter, by attaching an electronic device (ERT) to all city utility meters. This system is utilized to achieve efficiencies and savings for city departments.

BALANCED BUDGET: Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is a requirement that the budget submitted to the City Council be balanced.

BENCHMARKS: Comparisons of a department's effectiveness or efficiency.

BOND REFERENDUM: An election in which citizens vote on whether the City will be allowed to issue debt in the form of interest-bearing bonds.

BUDGET: A comprehensive financial plan of operation for a specified period of time that matches all planned revenues and expenditures with various municipal services.

BUDGET CALENDAR: The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT: The official written statement prepared by the City staff reflecting the decisions made by the City Council in their deliberations.

BUDGET MESSAGE: A general discussion of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget changes from previous fiscal years, City Council goals, and the views and recommendations of the City Manager.

BUDGET ORDINANCE: The schedule of revenues and expenditures for the upcoming fiscal year by fund, which is adopted by the City Council each year.

CAPITAL CONSTRUCTION PROJECTS: Major construction for items such as buildings, parks, streets, bridges, utility distribution systems, etc.

CAPITAL IMPROVEMENTS PROGRAM (CIP): The annually updated plan or schedule of project expenditures for public facilities and infrastructure (buildings, roads, etc.), with estimated project costs, sources of funding, and timing of work over a five year period.

CAPITAL OUTLAY: Any asset which is tangible in nature and has a useful life longer than two years and which meets the following criteria in regard to value. Buildings, other improvements, machinery and equipment purchased by the City, which individually amount to a value of \$5,000 or greater are capital. Normal maintenance expenditures and expenditures for software are not capital.

CCF: Acronym for one hundred cubic feet, a measurement used for water consumption which equates to approximately 750 gallons.

DEBT SERVICE: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

DEPARTMENT: A major administrative division of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

DT: Acronym for Dekatherm, a measurement used for natural gas energy usage; the quantity of heat energy that is equivalent to one million Btu (British thermal unit). One Btu is the amount of heat required to raise the temperature of one pound of water one degree at 60 degrees Fahrenheit.

ENCUMBRANCE ACCOUNTING: The system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

FISCAL YEAR: The time period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year. Budgeting is carried out on a fiscal year schedule for local governments in North Carolina.

FUNCTION: A group of related programs crossing organization (departmental) boundaries and aimed at accomplishing a broad goal or major service. Functions include General Government, Public Safety, Highways and Streets, Sanitation, Culture and Recreation, Economic Development, Debt Service and Other Financing Uses.

FUND BALANCE: Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina general statutes dictate that a portion of fund balance is not available for appropriation in the following fiscal year.

GAAP: Acronym for Generally Accepted Accounting Principles, which are the conventions, rules, and procedures necessary to describe accepted accounting practices at a particular time.

GENERAL OBLIGATION (G.O.) BONDS: Debt issued by the City, repayment of which is backed by full taxing power of the City.

GEOGRAPHIC INFORMATION SYSTEM (GIS): A project that will link the City to a citywide mapping system database, including hardware and software. This system is to be utilized as a planning, analytical and engineering tool by City departments.

GFOA: Acronym for Government Finance Officers Association.

GOAL: A statement of broad direction, purpose or intent based on the needs of the community.

INSTALLMENT FINANCE: Method of financing used for acquisition of equipment or improvements to property. The title to the property transfers to the City at the end of the lease.

INTEREST EARNED ON INVESTMENTS: Revenue earned on investments with a third party. The City uses a pooled cash system, in that cash is aggregated or pooled from all funds and invested in total. The interest earned is then allocated back to the individual funds based on the average daily cash balance in each respective fund.

INTERFUND TRANSFERS: Amounts transferred from one fund to another.

KWh: An acronym that stands for kilowatt-hour. A kilowatt-hour is a measurement of electric energy usage.

MGD: Acronym for one million gallons per day.

NCDOT: Acronym for North Carolina Department of Transportation.

OBJECTIVE: A statement of specific direction, purpose or intent to be accomplished by staff.

OTHER FINANCING SOURCE: Increase in current financial resources that is reported separately from the revenues to avoid distorting revenue trends. The use of other financing sources category is limited to items so classified by GAAP, such as transfers from other funds or debt proceeds.

OTHER FINANCING USE: Decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP, such as transfers to other funds.

PAY AND CLASSIFICATION PLAN OR STUDY: An inventory of positions and the worth of each position to an organization which is then assigned to classes requiring knowledge, skills, responsibilities, and duties similar enough to be assigned the same salary level.

POWELL BILL: Funding from state-shared gasoline tax, which is restricted for use on maintenance of local streets and roads.

PROPERTY TAX RATE: The rate at which real and personal property in the City is taxed in order to produce revenues sufficient to conduct necessary governmental activities.

PROPERTY TAXES (AD VALOREM TAXES): Taxes paid by those owning property in the City. These taxes are based on assessed valuation.

REVENUE: Income received from various sources used to finance government services.

REVENUE BONDS: Bonds payable from a specific source of revenue or user fees that do not pledge the full faith and credit of the City.