



2020-2021

BUDGET

CITY OF KANNAPOLIS

Fiscal Year 2021 Budget

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City of Kannapolis

Annual Budget

Fiscal Year 2020-2021



Prepared by:

City of Kannapolis Staff

Special Thanks to:

Finance Department, City Manager's Office, Communications and Human Resources



City of Kannapolis

City Council



First row (left to right): M. Darrell Hinnant, Mayor, Van Rowell, Mayor Pro Tem, Doug Wilson, Council Member, Tom Kincaid, Council Member

Second row (left to right): Dianne Berry, Council Member, Ryan Dayvault, Council Member, Darrell Jackson, Council Member



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

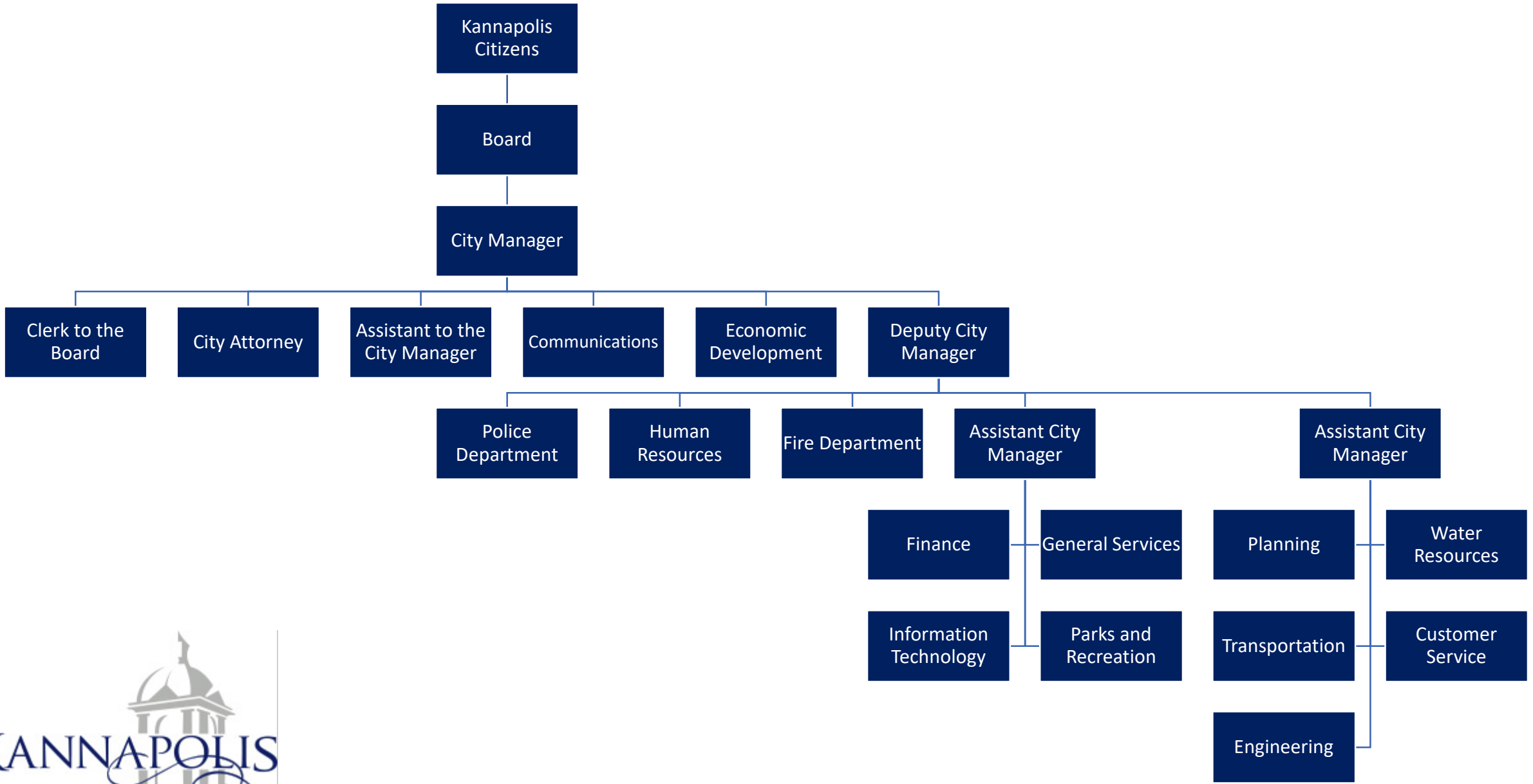
**City of Kannapolis
North Carolina**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director





FACTS AND INFORMATION ABOUT THE CITY

Kannapolis, North Carolina, is destined to become the most dynamic and desirable community in the Piedmont, a City that is attractive to families, loved for its neighborhoods, appreciated for its uniqueness and respected for its contribution to the economic vitality of the region. The City's location, history, access to excellent educational opportunities and other amenities all contribute to the citizens of Kannapolis working toward fulfilling the City's vision of a growing, dynamic and prosperous future.

LOCATION

Kannapolis had a population of 52,053 according to the July 1, 2019 Census estimate and is located in the piedmont area of North Carolina midway between the Atlantic Seacoast and the Great Smoky Mountains. The City is in the north central portion of Cabarrus County and the south central portion of Rowan County. Approximately eighty-two percent of the area of the City lies in Cabarrus County and the remaining eighteen percent in Rowan County. The City covers an area of approximately 34 square miles. The City is located approximately 12 miles northeast of Charlotte, North Carolina and abuts the City of Concord, North Carolina.

HISTORY

Kannapolis grew up around Cannon Mills Company, an enterprise begun in 1906, which came to be known as one of the world's major producers of household textiles. As the company prospered, the village serving the company and its workers (*the "Mill Village"*) grew to become a large, unincorporated community.

In 1982, David H. Murdock purchased Cannon Mills Company, which included the manufacturing properties as well as the Mill Village. The entire central business district of the city, with its commercial buildings and certain surrounding mill houses, is included in the Mill Village. Murdock began to refurbish the Mill Village by constructing new colonial facades, additional buildings, tree-lined streets, brick walks and a 65,000 square foot arcade-style mall. In addition, residents, the business community, and industry joined hands to build a new \$4 million YMCA, a new Senior Center and a new public library. On December 11, 1984, the City was incorporated with a population of approximately 32,000 and an assessed value of taxable property of approximately \$708,000,000. Currently the City's population is estimated to be 48,806 with an assessed value of approximately \$4,080,738,159. (See Appendix A)

City of Kannapolis Population

FY2015	FY2016	FY2017	FY2018	FY2019	FY 2020
44,359	46,144	47,839	48,806	49,652	52,053

During 1986, the bed and bath operations of Cannon Mills Company were sold to Fieldcrest Mills, Incorporated, and on January 30, 1986, these operations became a part of Fieldcrest Cannon, Incorporated, a new corporation. Murdock retained all of the non-manufacturing real estate, including the central business district, the surrounding mill houses, and certain other properties.

The non-manufacturing properties retained by Murdock initially included approximately 1,500 residential units, and the water and sewer systems serving the Mill Village. In 1989, the City purchased the water filtration plant and lines serving the Mill Village. The water filtration plant currently supplies water for the rest of the City as well as supplementing supplies for the Cities of Concord and Landis, North Carolina. The central business district of the City features nationally recognized stores as well as home-owned shops. Access to and around the central business district has been enhanced by the construction of Dale Earnhardt Boulevard, a major thoroughfare that provides access from Interstate Highway 85 and distributes traffic in and around the central business district.

Unfortunately, during 2003 the massive manufacturing facilities in downtown closed and nationwide over 7,000 people lost their jobs including 4,800 in Cabarrus and Rowan counties. The assets of Fieldcrest Cannon, Inc., owned by Pillowtex Corporation, were sold. Because Kannapolis is located in a high growth area of the Southeast, there was considerable interest by developers in these facilities. The new owner is David Murdock, who had previously purchased the facilities from the Cannon family in 1982 and sold them to Fieldcrest in 1986. On February 23, 2006 Mr. Murdock, owner of Castle & Cooke, Inc. and Dole Food Co., Inc. along with leaders from the University of North Carolina system, Duke University and the N.C. Community College System, and local, State and federal elected officials broke ground on the North Carolina Research Campus in downtown Kannapolis.

This research campus will focus primarily on biotechnology research related to nutrition. The 350 acre Research Campus is a joint venture between Dole Foods, the University of North Carolina system, and Duke University. Murdock has invested over \$1.3 billion to build the research facilities, office space, town homes and a retail center. The UNC and Duke institutions will fund and operate their programs. As of January 1, 2013 Castle & Cooke, Inc. had constructed buildings on the Research Campus at a cost of approximately \$270 million making up the TIF District. The TIF District’s incremental increase in value since being formed equates to \$2,526,182 of the approximate \$26,294,382 tax levy for all of Kannapolis.

EDUCATION

Kannapolis City School Administrative Unit serves most of the City's residents. The Cabarrus County School Administrative Unit serves residents in the southern part of the City, and the Rowan County School Administrative Unit serves those near the northern edge of the City. The City has no direct financial responsibility for the public school system. The State provides operational funds for a basic minimum education program, which is supplemented with county and federal funds. Financing public school facilities is primarily the responsibility of Cabarrus and Rowan counties; however, State bond funds have been made available for school construction in the past. Each school administrative unit is governed by an elected Board of Education, which appoints a school superintendent.

COMMUNITY PROFILE

Nine colleges, universities and trade schools are located within a twenty-five mile radius of the city. City residents most commonly commute to the University of North Carolina at Charlotte, Catawba College, Davidson College, and Pfeiffer University. Rowan-Cabarrus Community College (RCCC) and Shaw University have facilities within the City's boundaries.

RCCC played a critical role providing former textile workers basic educational classes, including high school equivalency courses, and retraining opportunities. With the announcement of the North Carolina Research Center, RCCC is working with the other campuses in the North Carolina Community College System to begin biotechnology training courses. The public school systems are also exploring opportunities to expand their life science programs.

TRANSPORTATION

Interstate Highway 85 serves the City from the south, north and east. Major thoroughfares, including US 29/601, Dale Earnhardt Boulevard, Lane Street, and the Kannapolis Parkway, provide connections to Interstate Highway 85 and route traffic through the City. There are approximately 302.5 miles of streets within Kannapolis, including 225.9 miles maintained by the City. The remainders are either maintained by the State of North Carolina or by private concerns. The primary funding source of the City's street maintenance budget is state funds. The City also provides street improvement work through the use of federal funds. New subdivision streets are primarily constructed by private developers for approval and acceptance for maintenance by the City.

The Southern Railway Company and Amtrak, which maintains a terminal in the City, provide rail service. The N.C. Department of Transportation in partnership with the City built a new terminal in Kannapolis with construction completed in December of 2004. Long distance Bus transportation is provided by Greyhound Trailways, and by a private charter Bus Company with facilities located in the City.

Local Bus transportation is provided by Rider, the Concord Kannapolis Transit System, which began operating in the spring of 2004 serving both the City of Kannapolis and the City of Concord. The system averages over 1,200 passengers per day and gives residents and visitors alike new opportunities for transportation for only \$1 per ride. The ADA accessible buses are complimented by the services of the Cabarrus County Para Transit service to ensure that all residents have access to transportation.

Air transportation is available at Charlotte Douglas International Airport, located approximately 27 miles south of the City and the City of Concord airport located within 3 miles of the City via I-85.

MEDICAL FACILITIES

Northeast Medical Center, a 457-bed facility located on a 60-acre campus in Concord is less than one mile from the City. NorthEast employs 350 physicians and works with 30 other physician practices through the NorthEast Physician Network. NorthEast Medical Center provides a full range of services including outpatient surgery, x-rays, laboratory, emergencies, a pharmacy and nationally recognized centers for the treatment of heart disease and cancer. Rowan Regional Medical Center is also available to citizens in Kannapolis.

The City's ability to build and maintain a strong and diverse tax base is certainly affected by local factors/conditions, but it is often more a result of what is happening beyond the control of local officials. As stated earlier, Pillowtex, the largest employer in the City closed its Kannapolis manufacturing operations in 2003. At that time, approximately 1,500 Kannapolis residents lost their jobs along with approximately 3,300 others that worked at the Kannapolis facility but lived outside the City. So far the plant closing has had very little impact on the City revenues and services.

COMMUNITY PROFILE

The top taxpayers for the City of Kannapolis:

Atlantic American Properties with 5.8%
 Kannapolis Logistics Center with 1.4%
 Glen Afton LLC with 1.22%
 Show Show Inc with 1.04%
 Duke Energy Corporation with 0.86%
 Kannapolis Investments LLC with 0.83%
 Gateway Afton Ridge Inc with 0.81%
 Centennial Afton Ridge LLC with 0.72%
 Integra POE LP with 0.67%
 Wells Fargo with 0.66%

The top ten taxpayers make up a total of 14.01% of the City's tax base.

As illustrated in the table below, the City's economy remains strong despite the October 2008 crash of the stock market and the great recession which followed. Commercial and Industrial building continues to perform at a similar pace in FY 2019 as the past year, possibly better. Looking forward, the overall economy should benefit from NCRC and other commercial entities strong growth, especially with the announcement of new enterprises such as a new data center.

Local Trends City of Kannapolis Building Permit Activity

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Single-Family Residential Permits	92	183	65	130	434	291	270	301	349	210
(Value in millions)	\$7.8	\$15.8	\$7.8	\$16.0	\$43.9	\$51.3	\$34.4	\$42.9	\$55.9	26.7
Commercial/ Industrial Building Permit (Value in millions)	9	119	102	102	71	89	94	73	200	82
	\$5.6	\$17.8	\$9.2	\$2.1	\$73.7	\$90.7	\$40.3	\$114.3	\$81.2	\$17.7
Total Building Permit	101	302	167	232	505	380	364	374	920	451
(Value in millions)	\$13.4	\$33.6	\$17.0	\$18.1	\$117.6	\$142.0	\$74.7	\$157.2	\$139.7	\$46.6

COMMUNITY PROFILE

Per Capita Personal Income in Cabarrus and Rowan County

County	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Cabarrus	34,444	34,452	38,079	31,576	33,576	37,947	38,142	38,879	43,920	45,220
Rowan	29,750	37,700	31,365	28,155	29,583	31,209	32,305	32,565	36,994	38,089

Source: Access NC

Unemployment Rate in Cabarrus and Rowan County

County	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*	FY 2020
Cabarrus	10.1%	9.3%	7.9%	6.8%	4.7%	4.8%	4.0%	3.9%	3.7%	7.8%
Rowan	11.3%	10.3%	8.8%	8.0%	5.3%	5.5%	4.4%	4.4%	4.0%	8.4%

*Data through June 2020

Source: Bureau of Labor Statistics

COMMERCE AND INDUSTRY

To attract more companies to Kannapolis, the City has partnered with a private development firm to build the Kannapolis Gateway Business Park on an 85-acre tract west of the City within one mile of I-85. Construction on a second service road was completed in 2006, by March of 2007 the park was almost entirely built out with businesses including Novant Health, Carolina-Gulf Packaging and Stewart-Haas Racing.

In February of 2011, Kannapolis City council approved an industrial incentive grant for the S.P. Richards Company. In March 2012, S.P. Richards Company completed the construction of their distribution center in Afton Ridge. Currently, there are projects valued at over \$1.5 billion in different stages of planning and construction, including the North Carolina Research Campus. Estimates show that between 5,000 and 7,000 jobs will be created by new business investment over the next five to ten years. Residential announcements have also been numerous and include mid-range homes with price points starting at \$150,000, to larger lot subdivisions featuring multi-million dollar mansions. These include Auburn Woods, Azalea Estates, Castlebrooke Manor, The Falls, Newman Manor, Pelham Pointe, Pine Creek, Jacob's Ridge, and The Farm at Riverpointe, Trinity Crest, and The Village at Kellswater Bridge, Waterford on the Rocky River, Wellington Chase, Wildwood Ridge and Windsor (Phases II & III). The City continues to meet the challenges of progressive change.

The number of Kannapolis small businesses is growing. In the past three years, Cabarrus and Rowan Counties have added approximately 4,206 new jobs to the local economy. The transition of the City from the manufacturing industry to other sectors has provided a steady stream of new workers into the job market. Job training is made possible by the vocational education programs in public schools and by three neighboring community colleges and technical schools.

LOCAL ECONOMY

Kannapolis continues to enjoy a favorable economic environment despite the slow recovery from the Great Recession. The City's economy has benefited from the City's proximity to Charlotte and access to major interstate highways. Over the past fifteen years, several major businesses have located in Kannapolis. Retail and hospitality initially drove much of this new growth, but in recent years most new development has been associated with the construction of the North Carolina Research Campus. The NC Research Campus, estimated to take ten years to complete, is a joint venture between Duke University, the University of North Carolina System, and Dole Foods. David Murdock; CEO of Dole Foods and Castle & Cooke, will invest over \$1.3 billion to build the research facilities, office space, town homes and retail center, while the UNC institutions and Duke University will fund and operate their programs. In 2010, General Mills became one of the latest additions to the North Carolina Research Campus; a Fortune 500 Company, General Mills will collaborate with universities and other corporations that already have facilities on the campus. Its corporate partner, Monsanto, has also been drawn to the campus due to the facility's proximity to Charlotte, the ability to partner with other universities, and the availability of analytical equipment. The City of Kannapolis completed construction on the Cabarrus Health Alliance facility on the NC Research Campus in April 2012. In mid-2013, the announcement of a 50,000 square foot data center which will be completed in FY 2016 on the research campus. In March 2014, Childress Klein Properties announced the construction of a 360,000 square foot speculative industrial building, to be known as Afton Ridge 1, in the Afton Ridge Business Park. The building, which fills a local void for available manufacturing and warehouse space, was completed at the end of FY 15. The City of Kannapolis is poised for an era of rapid growth and development as evidenced by the North Carolina Research Campus and the development and/or expansion of over 15 new sub-divisions and several PUD developments in the City. The City continues to meet the challenges of progressive change.

PUBLIC SERVICE ENTERPRISES

On July 1, 1987, the Kannapolis Sanitary District and the Royal Oaks Sanitary District merged with the City. The City purchased Cabarrus County water lines within and just outside the City during 1995. The City is now responsible for all water and sanitary sewer service in the City. The City owns and operates a water distribution and wastewater collection system currently serving approximately 18,000 residential, commercial and industrial customers with 2 million gallons of elevated water storage capacity. FY 17 will see the commencement of the Albemarle Water Line. The city will begin purchasing 8 MGD through this new source. The City also owns a water filtration plant designed for 15MGD capacity and currently produces approximately 3MGD. Wastewater treatment is provided by the Rocky River Regional Wastewater Treatment Plant, which is owned and operated by the Water and Sewer Authority of Cabarrus County.

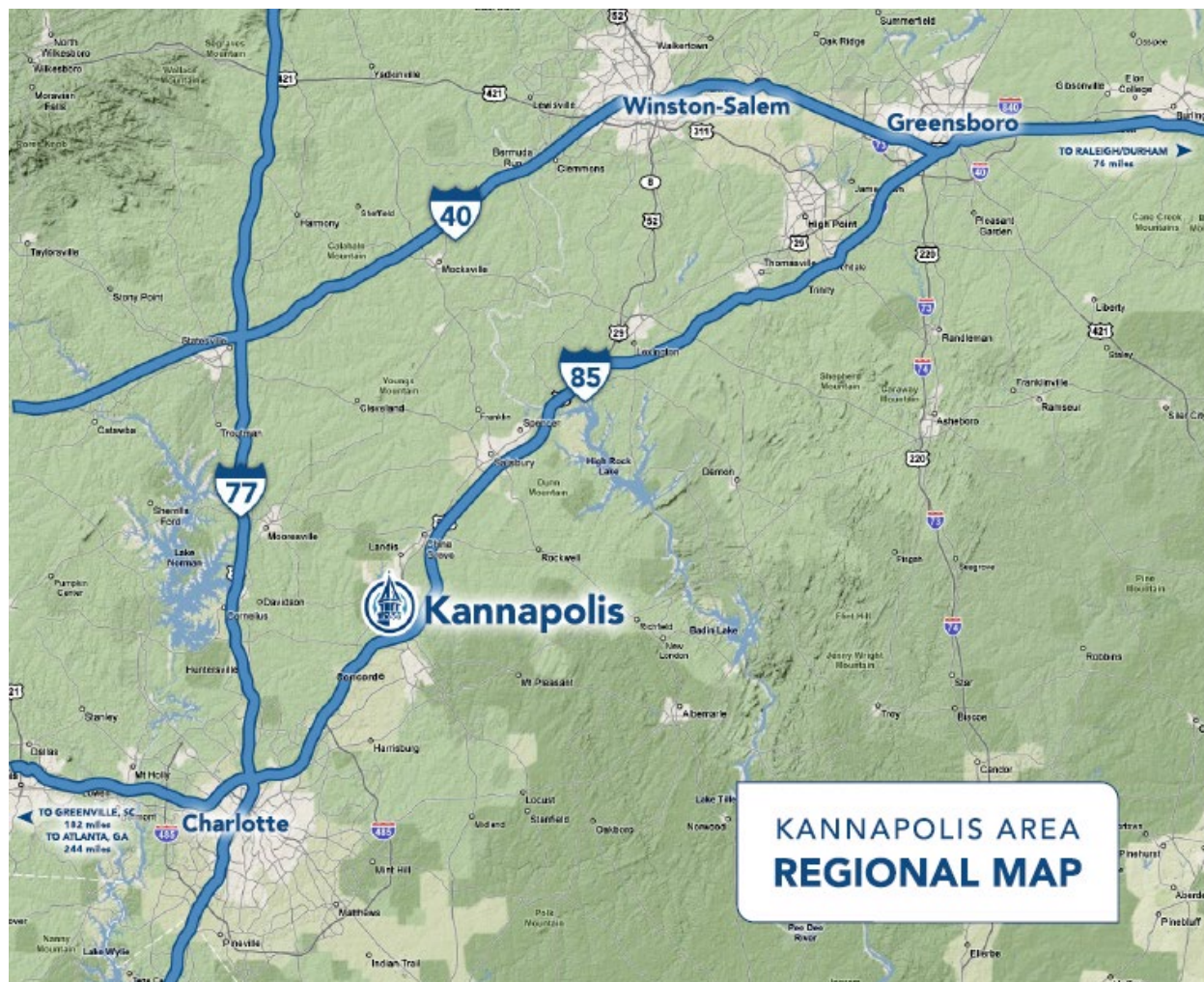
Electrical power systems within the City are owned and operated by Duke Power Company and the Town of Landis.

Public Service Company of North Carolina provides gas service to the City through a franchise agreement with the City.

OTHER SERVICES

In addition to water and sewer services, the City provides police and fire protection, planning and zoning, parks and recreation, refuse collection, street maintenance, stormwater maintenance, street lighting, traffic engineering, code enforcement, and community development services.

Kannapolis, North Carolina Location Map



City of Kannapolis Strategic Visioning Process Goals

I. Vision Statement

Our City shall strive to become the most dynamic and desirable community in the Piedmont. A City that is:

- Attractive to families;
- Loved for its neighborhoods
- Appreciated for its uniqueness
- Respected for its contribution to the economic vitality of the region

II. Mission Statement

The City of Kannapolis will work in partnership with our community to enhance the quality of life through positive leadership the delivery of effective, quality service and the achievement of our shared vision.

III. Core Values

We pursue **Excellence** in all that we do.

- Quality of work
- Effectiveness of our programs and services
- Dedication to getting the job done correctly
- Adaptability to changing conditions
- Pride in our successes
- Learning from our failures
- Accountability for each of our actions

We exercise the utmost **Professionalism** in our interaction with others.

- Civility in our interaction with others
- Respect for diversity and differing views and opinions
- Use of teamwork and partnerships
- Customer-focused approach to providing service

We perform our duties with a focus on **Integrity**.

- Honesty before all else
- Adherence to the highest ethical standards
- Fairness to all groups and individuals
- Loyalty to our employer and to our community

We practice good **Stewardship**.

STRATEGIC VISIONING PROCESS GOALS

- Efficiency of services
- Protection of the public trust
- Preservation of the City resources
- Betterment of our workforce
- Preservation of our natural environment

City of Kannapolis - Policy Agenda FY 2020*

*Unfortunately, due to the COVID-19 pandemic, the City was unable to hold its' annual City Council retreat.

Community Outreach, Education and Service

- 1. Foster ways to prepare the community for the massive socio-economic change coming to the City.**
 - Establish and actively support the following new citizen commissions:
 - i. Citizen's Advisory Commission for Community Development.
 - ii. Environmental Stewardship Commission.
- 2. Improve communication to citizens regarding the changing direction of the City.**
- 3. Develop and implement upgrades to the City website to transform it into a more effective communication tool for customer service, fostering community change and economic growth.**
- 4. Actively support youth, citizen and employee academies as a means of educating and involving citizens.**
- 5. Take bold steps to improve customer service.**
 - Involve employees in training program.
- 6. Examine current relationships and implement measures to improve intergovernmental cooperation and collaboration at the Local, State and Federal levels.**

Economic Growth and Development

- 7. Increase disposable income for residents by creating new, higher paying jobs.**
 - Strive for creating 5,000 new jobs in the City by end of FY 20.
- 8. Expand the tax base *actively* facilitating new private investment.**
 - Maintain aggressive incentive programs (*recent examples: Haas/CNC Racing, Golden Gait Trailers, and Ei*).
 - Continue to creatively partner with private investors to foster economic growth (*recent examples: MarkPiercePoole Properties/Gateway Biz Park, Castle and Cooke/NCRC, Kellswater/Merrifield Properties, Childress Klein, Riverpointe*).

- 9. Continue to support the North Carolina Research Campus in traditional and non-traditional ways.**
 - Support the Castle and Cooke efforts to locate a USDA Nutrition Research Center on the NCRC.
 - Partnering with Castle and Cooke, actively recruit new private business investment and university-based researchers to the campus.
- 10. Develop and implement ways to improve developer, investor and business relations – create a “business friendly” environment.**
- 11. Support improvements to the education and retraining system in Rowan and Cabarrus counties.**
 - Support the completion and assist in the implementation of the Cabarrus-Rowan Education and Workforce Development Action Plan.
- 12. Continue to creatively find ways to promote tourism in the City.**
 - Maintain and improve (or develop) partnerships with AAP/Cannon Village, Kannapolis Intimidators, Cabarrus Convention and Visitors Bureau, Cabarrus Events Association, other development interests (Kellswater, Childress Klein, etc.).
 - Continue to grow the Summer Entertainment Series at Village Park.
 - New Spring Festival.
 - With the NCRC and the Cabarrus CVB as partners, develop a plan for embracing the business traveler that will increasingly descend upon Kannapolis as the NCRC grows.
 - Identify the right balance between motorsports tourism and the new life science community especially as it relates to downtown Kannapolis.

Quality of Life

- 13. Improve the visual image of the City.**
 - Expand community education.
 - Aggressively increase code enforcement efforts.
 - Make targeted beautification investments.
 - Facilitate organized, proactive community clean-up efforts.
- 14. Improve Quality of Life: Excellent Education, Visual Attractiveness, Public Safety, Public Infrastructure and Parks, Entertainment, Culture and Recreation.**
 - Implement a Quality of Life Action Plan.
 - Continue to aggressively invest in Parks and Recreation activities.
 - Explore with Cabarrus County (and possibly Rowan County) the possibility for a state of the art library on the NCRC.
 - Raise the profile of the arts as a cultural and economic growth amenity.
 - Become more actively involved in the Cabarrus Arts Council.
 - Embrace cultural opportunities like Kannapolis’ own Piedmont Dance Theatre.
- 15. Find ways to embrace and preserve Kannapolis’ incredibly unique history.**
 - Support the efforts of the Kannapolis History Associates.

STRATEGIC VISIONING PROCESS GOALS

- Support the community's exploration of a Cannon family tribute.
- Develop a plan for historic preservation of targeted mill village communities.

16. Develop an environmentally sensitive culture in the community.

- Promote "green" building objectives and/or standards.
- Consider improved recycling programs.
- Continue Phase II stormwater and water conservation education programs.
- Improve air quality education programs.
- Support the activities of the Environmental Stewardship Commission.

Growth Management and Sustainability

17. Build sustainable new neighborhoods; preserve existing strong neighborhoods; and facilitate redevelopment of fragile neighborhoods.

- Improve and continue to implement strong UDO development standards.
- Actively assist neighborhoods in organizing.
- Establish focused, but comprehensive, socio-economic and physical redevelopment efforts – begin in the James Street/Happy Hollow neighborhood.
- Maintain a diverse range of housing options for both existing and new residents.

18. Develop a revised Land Use and Growth Management Plan.

- Prepare and implement a Central City Redevelopment Plan.
- Prepare and implement a Kannapolis Parkway Development Plan.
- Ensure that adequate land is set aside for office and industrial development opportunities.
- Address Western Cabarrus growth more directly with a focused planning effort.
- Support the findings of the Highway 3 Corridor Plan. Additionally, develop a more focused redevelopment plan that supports the planned widening of Highway 3 from Kannapolis Parkway to the NCRC.

19. Establish a transportation plan that supports and compliments the MPO and NCDOT plans.

- Continue to invest in strategic road and traffic improvement projects like Leonard Street and the Rogers Lake Road Extension projects from FY2008 and FY2009.
- Implement the NCRC TIF transportation projects.
- Openly and outwardly support the extension of CATS light rail to UNC-Charlotte.
- Aggressively participate in the exploration of mass transit expansion options in Cabarrus County and Rowan County.

20. Ensure for an adequate long-term water supply.

- Implement long-term water conservation measures (drought and non-drought conditions).
- Continue to investigate the various long-term water supply options in both the Catawba and Yadkin basins and implement the plan that is in the best interest of Kannapolis citizens.
- Construction of Albemarle Water Line-City will begin purchasing water through this water line in FY 16.

General City Management

21. Develop and implement a 5-Year Personnel and Operating Plan.

- Continue to strive towards a fully staffed professional Fire Department.
- Catch up on personnel needs in other departments and strive to maintain the necessary staffing to stay ahead of the growth impacts.

22. Support the City's workforce.

- Develop and implement a revised pay plan with competitive pay and benefits.
- Implement a communications plan for consistently disseminating information to all employees.
- Involve employees in facilitating operational improvements and overall change in the community.
- Develop and implement a comprehensive employee succession plan that supports the training and eventual advancement of existing employees to new positions as retirements and other position vacancies occur and opportunities are presented.

23. Maintain a reasonable and economically competitive tax rate.

24. Continue to examine information technology and its role in the City organization and the community at large.

- Strategically include technology improvements in future operational budgets in all City departments.
- Identify and maximize the expanded WIFI possibilities with Castle and Cooke, Windstream and Time Warner.

City of Kannapolis City Government Core Businesses

City Council also identified and committed to the core businesses of city government. The core businesses are the key operational functions of the city that must be maintained as the larger goals and objectives are achieved.

City of Kannapolis core businesses are:

- Enforce laws and prevent crimes
- Provide fire and life safety
- Develop parks and ball fields; provide recreation programs
- Inform and involve stakeholders
- Build, maintain and rebuild road and sidewalks
- Shape future development
- Stimulate economic growth
- Provide water and sewer services
- Provide transportation services
- Provide recycling services
- Provide sanitation services



May 26, 2020

Subject: Recommended FY 2020-21 Budget

Dear Mayor Hinnant and Members of the Kannapolis City Council:

I am pleased to present to you the recommended Fiscal Year 2020-21 Budget for the City of Kannapolis, North Carolina, which begins July 1, 2020 and ends June 30, 2021. This budget has been prepared in accordance with the North Carolina Local Budget and Fiscal Control Act and the requirements of the N.C. General Statutes. This balanced budget identifies the revenue projections and expenditure estimates for FY 2021.

Heading into this new budget year we find ourselves in a dramatically different place than could ever have been contemplated as recently as three months ago. The COVID crisis has changed the way we think and act as a community. In some ways it may chart a new future as a city, state, nation and world. It will certainly change the way the City provides certain services, the investments we will make and the challenges we will face. As this continues to be an evolving situation, we do not fully understand the impacts. In fact, this budget is only marginally influenced by the current crisis. There are not major recommended funding shifts and there are no changes in service levels. The primary impact of the crisis so far is the revenue reduction - which, to be clear - is substantial. It is likely that during the upcoming budget year more clarity will emerge on what this crisis means to our City over the long-term.

We are projecting \$2,225,507 million in decreased revenue streams due to the impacts of COVID-19. This equates to five cents in property taxes.

These losses have required all City departments to hold the line on operating costs and prioritize all expenditures. This status quo budget WILL NOT require us to do anything remotely detrimental to service delivery to our citizens, growth and prosperity of our City, or the well-being of our employees.

The proposed budget includes no increases in the property tax rate. The rate will remain at .63 per \$100 valuation and there are no increases in fees.

Kannapolis has certainly been through several crisis points over the past 20 years: Pillowtex closure in 2003, two major droughts, and the Great Recession of 2008-09. Despite those challenges, Kannapolis has continued to persevere and, more importantly, prosper. Our City has seen a great resurgence that began with the development of the North Carolina Research Campus and has continued in recent years with significant residential growth, new employers such as

Gordon Foods and Amazon and, of course, major investments in our Downtown that will shape our City for generations.

There will certainly be some short-term pain due to lost City revenues, a delay in some private sector investments and potential local unemployment impacts. There are undoubtedly several unknowns surrounding Minor League Baseball and the new Atrium Health Ballpark, as well as the adjacent development plans. Answers regarding potential plans for the property surrounding the Ballpark should come within the next month and will likely have an impact on this budget.

Conversely, it appears that residential development continues to proceed at a similar positive pace as it was pre-COVID. This, of course could change in the coming months but so far there is no indication of this. Additionally, several downtown businesses are continuing in their plans to proceed with locating and opening, which is certainly encouraging news.

Finally, the sound financial planning City Council has participated in for the past decade will help us get through these challenges.

Looking Back: FY 20

Before exploring the FY 21 budget, it seems valuable to reflect briefly on the success of FY 20 and what those successes mean to the future of our City. The following is a summary of what has been a very busy and productive year:

1. Completed and opened the Downtown Infrastructure/Streetscape Improvements.
2. Completed and opened Atrium Health Ballpark.
3. Began construction on the Irish Buffalo Creek Greenway.
4. Completed and opened the Oakwood Avenue Sidewalk.
5. Completed and opened new Fire Station 2 and Fire Station 3.
6. Implemented the most substantial increase in employee benefits in the City's 35-year history including the following:
 - a. Implementation of the Employee Compensation Study (\$593,009).
 - b. 3% performance-based merit raises (\$351,186).
 - c. Additional 1% 401k match (\$191,099).
 - d. Doubling the Flex Dollar Program to \$840/employee (\$154,928).
 - e. Local Government Retirement System increased contributions (\$534,078).
 - f. Employee Workplace and Benefit Enhancements.
7. Stabilized or demolished all downtown buildings (roof replacement, mold remediation).
8. Completed the sale of Downtown Block 1 Phase One.
9. Completed and opened the Block 8 Parking Lot.
10. Completed Gem Theatre Long Term Plan.
11. Began intensive due diligence partnership with the United States Performance Center.
12. Cannon Blvd. Corridor Plan (started in FY 20 to be completed in FY 21).

The budget goals remain much the same in FY 21 as they were in FY 20: facilitating City Council priorities (especially the Downtown revitalization efforts); maintaining our overall progress in economic development; and rewarding and retaining current employees while attracting new ones. Unfortunately, some of these efforts must be sidelined for the coming year due to the unexpected

COVID impacts on our short-term financial picture. The hope is that this pause is only temporary and FY 22 (and possibly even the latter half of FY 21) will see economic and financial improvement.

FY 21 Budget Overview

The total proposed FY 2021 budget for the City of Kannapolis is **\$79,927,940** a 3.43% increase (\$2,648,414 actual) from the FY 2020 adopted budget. This figure is the total of the General Fund, the Water and Sewer Fund, the Stormwater Fund, the Environmental Fund, the Public Transit Fund, the Separation Pay Fund, and Downtown/College Station Fund and excludes any interfund transfers (as defined by transfers between the annually adopted funds). This doesn't include the General Management Services fee, which is a fee charged by the enterprise funds to pay for the indirect support from the General Fund.

Recent Budget History						
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Proposed
\$53,046,396	\$59,539,383	\$64,012,300	\$68,125,000	\$69,264,364	\$77,279,526	\$79,927,940

The past two budgets have been centered on the premise that a temporary refocus of resources to achieve the best possible outcomes for the massive downtown revitalization efforts was necessary. This approach meant that there would be a pause on meeting the full personnel and operational needs of every department until revenues from growth caught up. It was the thinking that this pause would continue at some level but would begin to be relaxed in the FY 21 and FY 22 budgets. Unfortunately, this may last a few years longer due to the economic and financial impacts of the COVID crisis.

The FY 21 budget includes a few key guiding principles that are important to set the stage for a full understanding of this rather unique budget year we are preparing for. These principles are as follows:

- 1. Budget Process and Structural Changes.** This year, the process included the implementation of distinct budget levels (continuation and expansion) for department budgets:
 - *Continuation* budget items are defined as essentially “keeping the lights on.” They maintain the same service levels in FY 21 as seen in FY 20. There are some increases in these budget items due to unavoidable factors such as inflation and contractual increases.
 - *Expansion* budget items are defined as anything new that wasn't previously approved through the budget process. Examples are enhancements to programs or services, new positions, new capital projects, and capital outlay items.

Additionally, the first phase of a restructuring of the Downtown/College Station Fund as it relates to the General Fund is included in the recommended FY 21 budget. This first phase

moves several operating expenditures into the General Fund. These changes separate the maintenance and operation of the downtown buildings and the College Station building (managed by the General Services Department) from the park-like activities such as mowing, landscaping, tree maintenance, restroom oversight (managed by the Parks and Recreation Department). The Ballpark debt service and special events expenses have also been moved to the General Fund.

The second phase in a future budget year will be to completely eliminate the Downtown/College Station fund as more of the downtown properties are returned to the private sector and the revenue and expenditures become minimal. At some future date, a separate downtown organization may be created to help guide activities like marketing and special events. This may once again require a new budget structure.

- 2. Watch Lists.** This recommended budget has been prepared in a very conservative manner due to the COVID-related uncertainties that lie ahead. For the most part only continuation items are included in this budget due to the projected decrease in certain revenues. This is especially true in the General Fund.

As noted previously in this message, we are projecting \$2,225,507 million in decreased revenue streams due to the impacts of COVID-19.

These losses have required all City departments to hold the line on operating costs and prioritize within a set amount of funds. This status quo budget WILL NOT require us to do anything remotely detrimental to service delivery to our citizens, growth and prosperity of our City, or the well-being of our employees.

Most of the departmental requests for expansion items are included in several “watch lists” embedded throughout this budget message. City Council can certainly add expenditure items from any of the watch lists to the FY 21 budget prior to its initial adoption in June or later in the budget year through amendments. If any new expenditures are added now, an appropriation of fund balance or the removal or reduction of currently funded items are the only feasible ways to do this. As always, it is recommended that one-time revenues like the use of fund balance should only be used for non-recurring expenditures (like capital improvements or capital outlay).

Staff intends to closely monitor all revenue streams throughout the budget year to track all trends that are emerging. Should the impacts (particularly with sales taxes) start to trend in a more positive direction, adjustments to the budget can be made when those trends become evident.

NOTE: After this recommended budget was already completed, the Cabarrus County Tax Office provided a **revised property tax estimate**. This new estimate equates to an additional \$595,512 in revenue. Rather than amend the budget proposal so late in the process, the decision was made to give City Council two options to address this additional revenue: 1) add it to the final adopted budget prior to June 30th with offsetting expenditures (this could simply be added to contingency or earmarked for specific items, or 2) do nothing

at all which may result in a surplus at the end of the year which would then roll into fund balance.

- 3. Cash Reserves/Fund Balance.** Somewhat related to the budget structural changes described in paragraph 1 above, staff recommends a slight shift in thinking about how new projects are funded going forward. Over the past few years the downtown funding has been somewhat isolated – loosely earmarking specific new revenue streams to specific downtown projects. The thought was that there are plenty of unrealized revenue streams from the real estate nature of the City’s efforts. However, based on the COVID uncertainties staff believes more focus should now be directed to the interrelatedness of all City funds and the overall budget impacts.

Going forward, it is recommended that all new one-time revenues (e.g., sale of property) be added to the fund balance in the General Fund and any use of those funds would be examined comprehensively – not isolated to only downtown efforts. One example: Downtown Block 2 is sold, and those proceeds will go into fund balance and then the use of those funds would be examined largely based on the targeted fund balance goals and how much is available for re-appropriation as much as the desire to invest in another downtown project. This would be the same process for the other funds (albeit on a smaller scale for some).

Any projects that were discussed pre-COVID but not formally earmarked through an appropriation will be part of a larger watch list as described in paragraph 2 above. City Council should also feel free to add items to these watch lists. For capital items, this would in some ways be a precursor to the next City Council retreat.

One of the foundational elements of the City’s financial planning for the past decade has been to improve cash reserves. Target percentages of expenditures for each fund was established. Over the years these amounts have fluctuated based on the various factors including cash-fronting projects ahead of financing. For the most part the actuals have consistently stayed within 5% of either side of the target.

It is important to note that these are just targets set by City Council. There is no law that requires any of the funds to maintain any cash reserves. There is an 8% minimum in the General Fund, but this is only a recommendation from the Local Government Commission and not state law. Even so, it is strongly recommended that these targets be achieved and maintained to the greatest extent possible.

The following table on the next page depicts the current cash reserves and fund balance estimates that will be available in FY 21.

Unrestricted Cash Reserves and Fund Balance					
Fund	Minimum Target %	Projected % June 30, 2020	Projected Total Reserves June 30, 2020	Available for Appropriation in FY 21	Amount needed to reach Target %
General	25%	22.36%	\$20,660,915	\$0	\$1,185,273
Downtown/College Stadium*	10%	29.61%	\$2,991,488	\$1,024,542	Above Target
Water and Sewer	25%	20.18%	\$10,559,291	\$0	\$934,431
Stormwater*	25%	49.95%	\$2,342,710	\$823,592	Above Target
Environmental	10%	8.68%	\$1,394,573	\$0	\$49,614
Transit*	NA	71.86%	\$620,878	\$620,878	NA
Total of all Funds	NA	NA	\$38,569,855	\$2,469,012	\$2,169,318

* The recommended FY 21 Budget includes an appropriation of \$263,698 in the Downtown/College Station Fund, \$400,000 in the Stormwater Fund, and \$200,000 in the Transit Fund.

As you will note from the table above, the total of all funds “available for appropriation” number and the “amount needed to reach the target percentage” number are very similar. This indicates we are about where we need to be – but there is room for improvement.

One way to improve on these cash reserve numbers is to continue to sell assets. The following are several potential asset sales that can strengthen cash reserves and/or secure items on the various “watch lists.”

Potential Additions to Fund Balance in FY 21		
New One-Time Revenue	Projected Amount	Notes
Oak Avenue	\$514,000	Under contract by June 30, 2020, Closing expected September 2020
Block 1 Phase 1 (payment 1)	\$50,000	Closing by June 30, 2020. Remaining \$400,000 due by June 30, 2022.
Plant 4 sale (townhomes)	\$973,000	Closing expected August 2020
Block 2 (payment 1)	\$300,000	Placeholder only – no firm offer yet. Total amount could exceed \$2 million
Old Stadium	\$2,500,000	Placeholder only – property not on the market yet.
Outparcels at College Station	\$400,000	Placeholder only – no formal offer. Interest has been limited.
Wyrick property	\$300,000	Pending a Board of Adjustment meeting. Agreement not completed.
Cabarrus Avenue property	\$127,000	Pending
Total	\$5,164,000	

Note: the sale of the 1.6 acres and the “re-sale” of the 7.25 acres at Gateway Business Park will likely result in approximately \$1.4 million additional one-time revenues. However, these revenues are restricted to CDBG eligible projects and initiatives.

General Fund Overview

The recommended FY 2021 General Fund budget is **\$51,075,837** which represents a 2.09% increase over FY 20 Adopted Budget (\$1,046,837 actual). The total ad valorem (property) tax revenue projected for FY 2021 is \$30,616,974 based upon an estimated tax base of \$4,952,952,776 (an increase of \$615,129,476 from FY 20) and a collection rate of 98.12%. This budget is using the same collection rate during the recession of 2008-09 due to unknowns related to the payments of property taxes that could be impacted by COVID.

General Fund Revenue Highlights:

1. The projected total **Property Tax revenue** for FY 21 is \$31,043,121 (which represents a 13.85% *increase* from FY 20 (\$3,776,011 actual). This increase includes a projection of \$426,147 for prior year collections. Due to the revaluation and the reduction in sales tax revenues, property taxes now represent 61% of the recommended FY 21 budget (compared to 55% in FY 21).

The **property tax rate** is recommended to remain unchanged at 63 cents per \$100 valuation.

Each penny on the tax rate is now equal to approximately \$495,295 (up from \$425,107 in FY 20 and \$399,912 in FY 19).

2. The City-wide **property tax base** is projected to be \$4,952,952,776 in FY 21. This is an increase of \$615,129,476 (14.18%). A significant part of the large increase is attributed the **revaluation of properties** on the Cabarrus County side of the City. The revaluation of real property required by state statute every eight years is completed and effective for taxes listed on January 1, 2020. Cabarrus County and Rowan County both conduct revaluations every four years. Rowan County's revaluation impacted the FY 20 budget.
3. Projected FY 21 **Property Tax revenue growth**, due solely to new private sector investment, in our City is estimated to be \$702,049. This is the fifth consecutive year of greater than \$700,000 in projected new tax revenues from private. An additional estimate of \$3,151,204 in increased property tax revenue is attributed to the Cabarrus County revaluation.
4. State law requires that units of local government to publish a **revenue-neutral tax rate** in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide the citizens with comparative information. The revenue-neutral tax rate, as defined by G.S. 159-11 (e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general re-appraisal. The reappraisal produced a tax base of \$4,952,952,776 for Kannapolis. The tax levy for the current fiscal year is \$2,732,828,679 and the growth factor since the last general appraisal is 3.29%. Using the formula mandated

by State law, the revenue-neutral rate for the City of Kannapolis is 57 cents per \$100 valuation.

5. **Sales Tax revenue** is projected to *decrease* significantly (-15.95% or -\$1,674,879 actual). This is compared to an \$845,000 increase included in the FY 20 budget (which was double the increase from the previous year). Sales taxes represent 17% of all General Fund revenues in the recommended FY 21 budget (down 4 percent from FY 20). The recommended budget includes \$8,825,121 in sales tax revenues.

The decrease is exclusively due to the COVID impacts of the shutdown of the local economy which will be slowly re-opened in the early part of FY 21. It is nearly impossible to accurately predict what this impact will be as this is uncharted territory. Staff is projecting a decrease in sales tax revenue of 30% in the first quarter, a 20% reduction in quarter two and a return to normal for quarters three and four. Staff based this in part off FY 2019 actual sales tax collected and consultation with Cabarrus County and City of Concord staff.

6. **Powell Bill** funding is projected to *decrease* by 20% which represents a budget impact of \$253,245 in the FY 21 budget. It is proposed that a reduction in street resurfacing by a like amount is the solution to this shortfall. This decrease is directly related to the funding shortfalls at NCDOT. The COVID crisis has resulted in historically low levels of gas tax and vehicle sales tax which is a primary funding source for NCDOT – including Powell Bill funds.
7. **Miscellaneous Revenue** is projected to *increase* by \$75,000. \$25,000 of this increase is based on trends year over year and \$50,000 in p-card rebates that the City receives for participating in the p-card program with Bank of America. This is a consistent revenue stream for the City. In FY 21, it is proposed that this revenue be used for an offsetting expense for contracted services for assistance with the annual audit compilation in the Finance Department. This is directly related to the major staffing reorganization in FY 20.
8. **Investment Income** is projected to *decrease* by \$1,742,500 due to the elimination of a balloon payment that occurred in FY 20 with the liquidation of the Series A NCRC Bond final balloon payment. This payment was budgeted as investment income as a revenue with offsetting expenditure, but it was technically an appropriation of restricted fund balance which is where the funds for the final balloon payment were “parked” for the past 10-years. It was essentially a one-time revenue for a one-time expenditure that is now resolved.
9. The **Build America Subsidy Bond Payment** revenue has been eliminated resulting in a \$451,000 *decrease* in revenues. This is due to the refunding for the Series A NCRC bonds. These bonds were paid off therefore the City is no longer eligible for the subsidy payment.
10. **Franchise Tax** revenues are projected to *decrease* by \$124,193 due to projected impacts from COVID (less economic activity). Staff is projecting a decrease in 20% for the first quarter receipts and a return to more normal revenue streams for the final three quarters of FY 21. These revenues increased by a modest \$67,941 in FY 20.

11. **Police Department Charges and Fees** are projected to *increase* by \$100,000 due to a School Resource Officer (SRO) Grant to Kannapolis City Schools (KCS) that the City invoices the school system for. The school system receives this grant from the State for additional coverage in the school system. The recommended FY 21 budget includes funding for an additional SRO position as an offsetting expense to fulfil the grant requirements for FY 21.
12. **Parks and Recreation Charges & Fees** is projected to *increase* by \$65,000 in forecasted revenue from KCS usage agreement rentals and the Youth Athletics. This amount does have some offsetting expenditures so if there are COVID impacts to the revenue stream, some of the expenditures will also not occur. Also included is \$55,000 in special event revenue from downtown events. These special event fees consist of entry and registration fees and sponsorships from Jiggy with the Piggy, parades and other downtown programs. This revenue was moved from the Downtown/College Station Fund to the General Fund for better accounting/oversight.
13. Revenues related to **Atrium Health Ballpark** are projected to *increase* by \$750,000. These revenues include an additional contribution of \$500,000 from the Convention and Visitors Bureau (CVB) which will assist with the first-year debt service on the Ballpark. The increase also includes \$250,000 as an estimated pro-rated team lease payment due to the delay of the Cannon Baller's season. The lease agreement provides for a \$450,000 payment but that is likely unrealistic given the COVID impacts. This figure is simply a placeholder. This issue will evolve in the coming months as we receive clarity on the status of this year's minor league baseball season.
14. A new revenue include in the recommended FY 21 budget is a \$200,000 transfer from the Transit Fund to the General Fund. Historically, the Transit fund has received a transfer from the General Fund in order to offset operations. In recent years the Transit Fund has accumulated a modest fund balance. This is an effort to restore funding back to the General Fund.
15. No appropriation of **fund balance** is proposed in the FY 21 General Fund budget.

General Fund Expenditure Highlights:

FY 21 was intended to be the final of three phases of the employee recruitment and retention efforts put in place by City Council in FY 19. Included in this phase was a projected Cost of Living (COLA) increase based on the CPI index (estimated at 1.5%), 3-5% merit increase for all current full time and Part-time 2A&2B employees in all funds, an additional 1% increase to the City 401K matching program bringing the current rate to 3% and an additional \$420 for all current full time and Part-time 2A & 2B employees in the Flex Spending plan, bringing the plan to \$1,260 for FY 21. Unfortunately, due to projected revenue shortfalls for FY 21, these efforts are recommended to be temporarily suspended. They will be included on the watch-list included at the end of this budget message.

Key General Fund operating fund expenditure *increases* include the following:

1. The only new General Fund **positions and operating capital** included in the recommended FY 21 budget are directly related to offsetting new revenues or offsetting reductions in operating expenses. These positions and related operating capital expenditures are listed below:

Position	Department	FY 21 Budget Impact	Funding/Offsetting Revenues
School Resource Officer	Police Department	\$60,000	Grant via KCS
Fire Mechanic	Fire Department	\$65,000	Reduction of contracted services
Totals		\$125,000	

Operating Capital Expenditure	Department	FY 21 Budget Impact	Funding/Offsetting Revenues
Police Cruiser	Police Department	\$40,000	Grant via KCS
Utility Vehicle	Fire Department	\$28,000	Reduction of contracted services
Total		\$68,000	

2. **Non-Departmental:**

- An increase of \$300,000 for the Local Government Retirement System (LGRS) contribution. The Local Government Employee's Retirement System Board voted to increase its rates by 1.2% annually over three years (first year being FY 20). The increase is based on a revised actuarial study completed to ensure that the system remains solvent and can meet its future obligations.
- Special Expenses increase of \$6,200 for hearing and lead testing for public safety departments.
- Contingency Funding is \$315,483 which is a *decrease* of \$49,657 from the FY 20 adopted budget. The reason for the decrease is that the FY 20 adopted budget included the addition of funds for youth athletics to the contingency line item as a holding place until those final decisions were made. Internal policy suggests this should be at least 0.5% of total General Fund budget. This year's budget includes a little more than 0.69%.
- Health Insurance increase of \$625,000. This will increase the employer contribution in health insurance from \$6,369/per employee to \$8,013/per employee. The need for this increase is due to an increase in claims. This increase has been occurring for the past several years with the shortfall being addressed through excess budget capacity or year-end fund balance appropriations. Now that we have a consistent multi-year trend, it is the appropriate time to proactively budget for the claims.
- Liability insurance increase of \$141,450 based on trends and estimates from the City's brokers.

3. **Information Technology:**

- \$40,000 increase for Munis Financial Software upgrade which is required to be compliant with W-2 printing for tax purposes.
- \$22,653 increase in public safety software (Visio Licenses and 911 recording software).

- \$60,491 in annual maintenance increase for city-wide software applications.
4. **General Services:**
 - \$8,983 for battery replacements for the uninterrupted power supply (UPS) unit at City Hall.
 - \$21,382 for safety platforms at Public Works Operations Center (safety issue).
 - \$8,023 for safety platform at City Hall (safety issue).
 - \$3,900 for upfits at Railroad depot per NCDOT requirements.
 - \$11,713 in preventative maintenance efforts.
 5. **City Council:** \$11,000 increase for annual dues to the Centralina Council of Governments. This would facilitate the City rejoining Centralina as other jurisdictions in Cabarrus County have done in recent years.
 6. **Police Department (Field Ops):** \$3,200 increase for BLET uniforms (new officers).
 7. **Fire Department:** \$48,358 increase in the contract with Odell Volunteer Fire and Rescue District. This increase is based on new home growth and the impact from the Cabarrus County revaluation.
 8. **Powell Bill:** \$34,000 increase in asphalt costs.
 9. **Parks:**
 - \$2,500 increase in landscaping efforts Downtown.
 - Moved \$26,000 from Downtown Fund ground maintenance to Parks and Recreation ground maintenance. This is a budget restructuring action - not an actual overall increase.
 - \$17,000 increase in concessions based on trends. This does have offsetting revenue so if there are COVID impacts to the revenues, the expenditures will not occur.
 - Moved current Stadium property mowing (\$33,600) and Downtown mowing/landscape maintenance (\$150,000) from the Downtown Fund to Parks and Recreation budget. This is a budget restructuring action - not an actual overall increase.
 - \$25,117 increase (10%) in mowing contracts due to re-bidding.
 10. **Parks and Recreation Programs:**
 - \$6,000 increase in trips. This may not be possible based on COVID restrictions, but the demand is certainly there. This is partially offset by increased fee revenue.
 - Moved \$200,000 in budgeted special events expenses from the Downtown Fund to the Park and Recreation budget. This is a budget restructuring action - not an actual overall increase.
 11. There are no new **Capital Improvement Projects** included in the recommended FY 21 budget for the General Fund. However, new debt service obligations have been added - see table below. The new debt service obligations for FY 21 are shown in red. The \$2.6 million principal payment for the Ballpark is by far the single largest driver of the FY 21

budget increase. The interest payment for the Ballpark was already included in the FY 20 Budget.

Limited Obligation Bonds (LOBs)	Principal	Interest	Total
Fire Stations 2 and 3	\$555,000	\$396,603	\$951,603
City Hall/Police Headquarters	\$1,370,000	\$807,556	\$2,177,556
NCRC Projects	\$2,370,000	\$303,583	\$2,673,583
Irish Buffalo Creek Greenway	\$200,000	\$80,000	\$280,000
Stadium (Atrium Health Ballpark)	\$2,600,000	\$2,097,550	\$4,697,550
Other Debt			
Wayfinding Signs	\$68,727	\$1,175	\$69,902
Equipment	\$42,154	\$9,603	\$51,757
Warehouse/Fire Truck	\$162,139	\$9,274	\$171,413
Village Park Building	\$52,267	\$784	\$53,051
Village Park/Fire Truck	\$250,774	\$101,189	\$351,963
Refinancing	\$415,193	\$17,128	\$432,321
Kannapolis Business Park	\$50,000	\$4,163	\$54,163
Totals	\$8,136,254	\$3,828,608	\$11,964,861

Key General Fund operating fund expenditure *decreases* include the following:

1. **Economic Development:** \$47,500 *decrease* in projected incentive grants for Amazon and Gordon Foods. This change is based on revised estimates received from Cabarrus County Tax Office.
2. **City Council:** \$40,000 *decrease* in election expenses. FY 2021 is not a municipal election year.
3. **Engineering: Contracted Services:** \$50,000 *decrease* due to the City bringing Engineering Services in house a few years ago. This is a continual “right-sizing” of the funding needs for outside engineering consultant services.
4. **Powell Bill:** *decrease* of \$253,245 in funds for street paving to correspond with the projected 20% reduction in revenues. \$333,565 remains in the budget for street paving.

General Fund Watch List – FY 21

(not ranked/prioritized)

New positions highlighted

	Amount	Department	Description
1	\$6,500	City Manager's Office	Clerk certification for cross-training and professional development opportunities
2	\$50,000	City Manager's Office	Cannon Family Memorial Study
3	\$72,000	Communications	(1) Communication specialist to assist with video production and other duties
4	\$60,000	Communications	Contracted Services for loop the loop app, revitalization website, economic dev. video
5	\$103,580	Engineering	(1) Engineering Technician position to compensate for growth/community needs
6	\$60,000	Finance	(1) Accounting Technician to handle evolving duties (p-card reconciliation)
7	\$120,000	Finance	(1) Assistant Finance Director
8	\$158,000	Fire	(3) Firefighters due to increased service demands (backfill due to re-org)
9	\$132,000	Fire	(1) Fire Inspector position due to increased call volume/plan review (includes all costs)
10	\$1,160,000	Fire	Radio replacement- equipment is outdated and will no longer be supported by manufacturer
11	\$750,000	Fire	Replacement of 25-year-old fire engine
12	\$30,000	Fire	Station alerting system- critical notification system during emergencies
13	\$14,000	Fire	Third Party PPE testing to prevent failure of PPE and enhance life cycle (10 years)
14	\$112,763	General Services	(2) Building Technicians to accommodate janitorial duties city-wide (all costs included)
15	\$445,000	General Services	Deferred maintenance on all City-wide properties (roof replacements, floor repairs, etc.)
16	\$30,000	Information Technology	Purchase of laptops and licenses and server for promotion of teleworking
17	\$6,200	Information Technology	Audio and visual upgrades at train station
18	\$350,000	Non-Departmental	Cost to fund additional 1% match for 401k (bringing total to 3%)
19	\$300,000	Non-Departmental	Cost to implement Cost of Living Adjustment (COLA) for all employees at 1.5%
20	\$475,000	Non-Departmental	Cost to fund merit pay (through performance evaluations) for employees at an average of 2.5%

General Fund Watch List – FY 21

(not ranked/prioritized)

New positions highlighted

	Amount	Department	Description
21	\$135,000	Non-Departmental	Cost to fund additional \$420 for Health Savings account (HSA)
22	\$248,000	Parks	Vehicle and equipment replacement due to expanding services and sites
23	\$139,000	Parks and Recreation	(2) Park Maintenance Tech positions and associated vehicle, equipment, maintenance
24	\$117,000	Parks and Recreation	(3) Park Maintenance Tech II's to allow coverage at parks and lead to promotions within the department.
25	\$80,000	Parks and Recreation	Increase in summer event series and West Avenue arts/community programs enhancement
26	\$10,000	Parks and Recreation	Addition of youth flag football to program offerings for Fall of 2020. \$4,000 is upfront equipment. Fees bring in around 50%. Net cost is \$10,000.
27	\$77,000	Planning	(1) Planner due to volume in permits and plan reviews
28	\$75,000	Planning	South Main Street Corridor Plan
29	\$3,000	Planning	Additional kiosk for front desk to help with demand and customer service efforts
30	\$15,500	Police	Reclass (1) Lieutenant position to Captain due to evolving duties
31	\$284,000	Police	(2) Police Officers to compensate for growth and evolving community needs (includes benefits, vehicles, public safety supplies, etc.)
32	\$21,000	Police	Taser Replacement – replacement of 12 tasers every year
33	\$6,000	Police	(8) Large Portable and rechargeable scene lights. Per unit cost is \$700
34	\$5,000	Police	Advanced Tactical Training by Norse Tactical for Special Response Team.
35	\$4,000	Police	Cellbrite training for staff
36	\$1,160,000	Police	Radio replacement- equipment is outdated and will no longer be supported by manufacturer
37	\$752,000	Police	Replacement of 14 vehicles that exceed established threshold; high maintenance costs.
38	\$16,000	Police	Replacement of body worn cameras. Currently at end of the life cycle.
39	\$120,000	Streets	Life cycle of asphalt is ending. This would add more funds for street paving.

Water and Sewer Fund Overview

The recommended FY 2021 Water and Sewer budget is \$20,500,000 which represents a 6.36% increase from the FY 20 Adopted Budget (\$1,225,000 actual increase).

Water and Sewer Fund Revenue Highlights:

No water or sewer rate increases are recommended for the FY 21 budget. The FY 20 budget included a rate increase of \$1.30 per 1,000 gallons primarily to fund new capital improvement projects. The projected \$925,000 in new charges and fees is from natural growth in the system (mostly new private sector development). This growth is similar to what has been experienced in the past two years.

The Water and Sewer Fund also increased tap and connection fees in February 2020 in order to offset the addition of a new crew, which consisted of the addition of 5 new positions (1 crew chief, 1 heavy equipment operator, 1 construction maintenance technician and 2 construction maintenance workers II). This new crew was put in place to assist with the demand from the private sector regarding the timely installation of water and sewer connections. The fee increases are projected to add \$350,000 to the FY 21 budget for this purpose.

Water and Sewer Fund Expenditure Highlights:

1. No new Water and Sewer Fund personnel are included in the recommended FY 21 budget.
2. **Distribution:**
 - Increase of \$9,500 repair and maintenance for vehicles
 - Increase of \$45,000 repairs to existing generators and Roto-phase for 3 lift stations.
 - Increase of \$106,200 replacement materials for water and sewer services
 - Increase of \$50,000 for Captains Watch manhole replacement.
 - \$16,800 replacement of an aged-out mower and tapping equipment.
3. **Treatment Plant:**
 - Increase of \$18,000 in tank maintenance efforts
 - Increase of \$37,750 for bulk water purchases based on trends
4. **Sewage Treatment:** \$222,151 increase based on projections from the Water and Sewer Authority of Cabarrus County (WSACC).
5. **Water and Sewer Fund Transfers:**
 - \$378,121 increase in General Management Services fee (fee charged by enterprise funds to pay General Fund for support)
 - \$495,700 transfer to Environmental Fund
6. There are several new Water and Sewer Fund **Capital Improvement Projects** included in the recommended FY 21 budget for the Water and Sewer Fund. The current debt service

obligations are shown on the following table. The new debt service for FY 21 is shown in red. New capital improvement projects include:

- a. Kannapolis Crossing water and sewer extensions (\$14,000,000).
- b. Lane Street waterline replacement - coordinated with NCDOT's Lane Street improvements (\$5,750,000).
- c. Water Treatment Plant improvements, including bulk storage replacement (\$700,000), and sludge lagoon dewatering (\$1,800,000).
- d. A replacement Vac Truck (\$650,000). The truck to be replaced is 15-years old with 198,000 miles. It is consistently out of service and needs to be replaced. Note: cash may be used for this expenditure subject to the timing of the revenue bond payments for the items a through c above.

Revenue Bonds	Principal	Interest	Total
Vac Truck	\$65,000	\$26,000	\$91,000
Kannapolis Crossing/Lane St/WTP Improvements	\$890,000	\$867,750	\$1,757,750
Downtown Water and Sewer	\$647,000	\$619,134	\$1,266,134
Davidson Road Water	\$270,000	\$188,964	\$458,964
Refunding Series 2011/2014 (NCRC Bonds)	\$1,799,800	\$837,080	\$2,636,880
Other Debt			
Jet Vac Truck	\$77,500	\$1,325	\$78,825
Equipment	\$76,528	\$17,434	\$93,962
Water Line-NCRC	\$76,633	\$6,269	\$82,902
Afton Run Sewer	\$57,834	\$5,753	\$63,587
Kannapolis Parkway	\$52,843	\$2,180	\$55,023
Second Creek	\$15,172	\$4,515	\$19,687
Totals	\$4,028,310	\$2,576,404	\$6,604,714

Water and Sewer Fund Watch List – FY 21

(not ranked/prioritized)

New positions highlighted

	Amount	Description
1	\$150,000	(2) new technician positions to operate and maintain all new sewer infrastructure associated with Shiloh Church Rd and High Bridge
2	\$50,000	(1) Construction Maintenance Worker II -New worker position for service maintenance, meter repairs, and construction.
3	\$85,000	(1) Compliance Coordinator to maintain compliance with all necessary programs to include - backflow/cross connect and FOG
4	\$54,815	Cost to implement Cost of Living Adjustment (COLA) for all employees at 1.5%
5	\$69,988	Cost to fund merit pay (through performance evaluations) for employees at an average of 2.5%

Water and Sewer Fund Watch List – FY 21

(not ranked/prioritized)

New positions highlighted

	Amount	Description
6	\$50,000	Cost to fund additional 1% match for 401k (bringing total to 3%)
7	\$26,040	Cost to fund additional \$420 for Health Savings account (HSA)
8	\$100,000	Outfall Contract Maintenance if new positions are not approved.
9	\$50,000	Root Control for sewer if new positions are not approved.
10	\$85,000	Replace W14 (2006) - currently has 235,000 miles
11	\$350,000	Replace sewer line along HWY 29, which the roadway is failing and needs to be repaired.

Stormwater Fund Overview

Stormwater Fund Revenue Highlights:

The proposed FY 2021 Stormwater Fund budget is **\$3,500,000**, which represents a 14.75% increase from the FY 20 adopted budget (\$450,000 actual). The sole source of revenue in this fund is charges and fees. The increase for FY 21 is organic (1.6% growth rate). No fee increase is proposed for FY 21 (the fourth consecutive year with no increased fees). For FY 21, there is also a \$400,000 fund balance appropriation – for the purpose of being transferred to the Environmental Fund to support that fund becoming self-sustaining and to account for increased recycling expenses.

This Stormwater Fund is now fully self-sustaining.

Stormwater Fund Expenditure Highlights:

1. No new Stormwater Fund personnel are included in the recommended FY 21 budget.
2. \$100,000 increase in costs to maintain the ditch maintenance program.
3. \$25,000 *decrease* in consultant services. This line item is used for compliance and assurance efforts dictated by Phase II permit.
4. \$151,977 increase in General Management services fee (transfer to the General Fund).
5. \$400,000 transfer to Environmental Fund to assist this fund in becoming self-sustaining. This transfer is being done to delay the previously planned Environmental Services Fee increase or a fund balance transfer to the General Fund.
6. No new capital improvement projects or debt service is included in the recommended FY 21 budget for the Stormwater Fund. The fund includes a \$168,148 *decrease* in debt service

due to the retirement of debt service from FY 20. The following are the current debt service obligations:

Installment Debt	Principal	Interest	Total
Equipment	\$17,562	\$4,000	\$21,563
Stormwater various projects	\$764,722	\$247,209	\$1,011,931
Total	\$782,284	\$251,209	\$1,033,493

Stormwater Fund Watch List – FY 21 (not ranked/prioritized) New positions highlighted		
	Amount	Description
1	\$102,876	(1) Crew Supervisor Position needed for oversight in field operations of Stormwater (includes vehicle purchase)
2	\$102,876	(1) Planner/Scheduler/Locator position. Currently SW utilities are not located for 811 calls, position would locate electric for lights in NCRC area (includes vehicle purchase)
3	\$15,453	Cost to implement Cost of Living Adjustment (COLA) for all employees at 1.5%
4	\$22,561	Cost to fund merit pay (through performance evaluations) for employees at an average of 2.5%
5	\$20,000	Cost to fund additional 1% match for 401k (bringing total to 3%)
6	\$6,720	Cost to fund additional \$420 for Health Savings account (HSA)
7	\$100,000	Contracted services: Ditching and shoulder cutting program
8	\$100,000	Contracted services: Stormwater System Environmental Resource Permitting. Impervious Area Audit (results in avg. total collection increase of 8 to 15 % of fees)
9	\$150,000	Mini-ex PC88MR-10 – a small hydraulic excavator to allow a backhoe to be returned to the Streets and Transportation Dept.

Environmental Fund Overview

The proposed FY 21 Environmental Fund budget is **\$4,530,187** which represents a 9.08% increase from the FY 20 adopted budget (\$377,187 actual). This is about 1% higher than the FY 20 increase.

Environmental Fund Revenue Highlights:

A \$2.50/month fee increase was originally planned for the FY 21 budget which would have increased the fee from \$15.60 to \$18.10 in order to reduce the inter-fund transfers to make this fund self-sustaining. However, due to the current economic climate, no fee increase is proposed for FY 21. Replacing this expected revenue is a one-time fund balance transfer from the Stormwater fund. As this is a non-recurring revenue, this fee increase will need to be revisited as part of the FY 22 Budget.

Environmental Fund Expenditure Highlights:

1. No new Environmental Fund personnel are included in the recommended FY 21 budget.
2. \$15,000 increase in repair and maintenance for vehicles for tire and routine impellor re-fits.
3. \$14,000 increase in container purchases to account for projected new home growth.
4. \$436,173 increase for Waste Management contract based on CPI index and the costs of sending recyclable materials to the Mecklenburg County recycling facility.
5. \$30,672 increase in bulk container purchases. This funding was accounted for in the Downtown fund for FY 20 and is moved to the Environmental Fund for FY 21.
6. \$25,000 increase in yard waste collections due to not using the landfill.
7. \$50,400 *decrease* in landfill costs based on past trends. \$39.70/ton tipping fee at Concord Speedway Landfill.
8. No new capital improvement projects or debt service is included in the recommended FY 21 budget for the Environmental Fund. The following is the current debt service obligation:

Special Obligation Bonds	Principal	Interest	Total
Leaf Collection Trucks	\$218,398	\$13,638	\$232,036
Totals	\$218,398	\$13,638	\$232,036

Environmental Fund Watch List – FY 21 (not ranked/prioritized) New positions highlighted		
	Amount	Description
1	\$77,174	(1) Operations Manager Position needed to have oversight of the Contracts/operations of garbage and recycling, Landfill and Yard and Loose-Leaf collection.
2	\$124,138	Construction Maintenance Techs (2) Positions would operate 2nd bag truck reduces the number of personnel substituted from other divisions
3	\$202,000	16-ton rear loader
4	\$7,168	Cost to implement Cost of Living Adjustment (COLA) for all employees at 1.5%
5	\$11,120	Cost to fund merit pay (through performance evaluations) for employees at an average of 2.5%
6	\$8,952	Cost to fund additional 1% match for 401k (bringing total to 3%)
7	\$2,520	Cost to fund additional \$420 for Health Savings account (HSA)
8	\$7,000	Purchase of operational materials (e.g. DEP fluids, etc.)

Separation Pay Fund Overview

The proposed FY 21 Separation Pay Fund Budget is **\$502,781** which represents a 2.61% increase from the FY 20 adopted budget (\$12,781 actual).

The full amount of the Separation Pay Fund is projected to be spent on separation pay obligations for retired City employees. From FY 20 to FY 21, four (4) former employees rolled off that are no longer eligible to receive special separation pay because they are over 62 years of age. In FY 20, five (5) employees became eligible to receive separation pay and for FY 21 an additional two (2) are projected to receive this benefit.

Thirty-two (32) former employees currently receive separation pay benefits.

Transit Fund Overview

The proposed FY 21 Transit Fund budget is **\$700,000**, which represents a 18.98% *decrease* from the FY 20 adopted budget (-\$164,000 actual).

Due to the impacts of COVID, the Concord/Kannapolis Transit System (CK Rider) is eligible for Federal CARES Act funding in the amount of \$4,152,243 (\$1,384,081 each year for three years). These funds will be split between the City of Concord and City of Kannapolis based upon the existing CK Rider funding formulas. Therefore, Kannapolis is projected to receive \$432,657 in FY 21. This funding is eligible to be used to supplement funding gaps which is the planned use of the funds for at least the first year. More discussions will occur between Concord and Kannapolis and the Transit Commission on the use of the funds in FY 22 and FY 23.

In the past, the Transit Fund received funding from two sources: the vehicle license tax and a transfer from the General Fund. The vehicle license tax is \$30 per vehicle. Of this amount, \$20 goes directly to the Transit Fund to support the public transit system and \$5 goes back to support the General Fund and \$5 goes towards road paving/improvements.

In FY 21, the vehicle license tax revenue is projected at \$500,000 with no transfer from the General Fund due to CARES Act funding. Also, for FY 21, the Transit Fund includes a \$200,000 appropriation of fund balance, which will then be transferred back to the General Fund. Historically, this fund has received a transfer *from* the General Fund in order to offset operations and therefore has accumulated a fund balance which will now, in part, be returned to the General Fund. Last year's transfer was increased by \$56,000 from the previous year.

The Transit Fund does include \$51,771 for the purchase of technology projects that aren't eligible for CARES Act funding. These projects were deferred from FY 20 to FY 21.

As this a contracted service, there are no direct capital or personnel expenditures.

Downtown/College Station Fund Overview

The proposed FY 2021 Downtown Fund Budget is **\$2,979,355** which represents a 57.46% decrease from FY 20 adopted budget (-\$4,024,645 actual). The reason behind this substantial decrease is a substantial part of this budget was moved to the General Fund for FY 21. These details are explained below.

Downtown/College Station Fund Revenue Highlights:

For FY 21 \$603,918 in rental and lease payments is expected from the downtown properties. There is also a \$263,698 fund balance appropriation for FY 21. In addition, there is a transfer from the General Fund of \$2,111,739. This covers the debt service obligations for the downtown properties.

1. **Residential Rent/Leases** (\$105,000 which is a \$9,000 *increase* from FY 20).
2. **Special Event Fees** (\$0, this has been moved to General Fund under Parks Programs budget).
3. **Commercial Rent/Leases** (\$473,918, which is a *decrease* of \$187,906, mostly due to businesses no longer located in downtown as well as a 15% reduction due to COVID impacts).
4. **Short-term Building Rental** (\$20,000 no change from FY 20).

Downtown/College Station Fund Expenditure Highlights:

1. The ongoing **maintenance and upkeep** of the downtown buildings is still included in the operating budget which totals \$867,616 in the recommended FY 21 budget. This is a *decrease* of \$1,825,806 from the FY 20 adopted budget. Included in this amount is \$421,500 for the remaining obligation on the USPC project, \$255,000 for continued stabilization of blocks 1 and 2, and \$20,000 for continued consultant services for the Gem Theatre. The remaining \$171,116 in expenditures are for general maintenance and upkeep of the downtown buildings. The General Services Department (with input from the City Manager's office) will now oversee this Fund.

The \$1.8 million decrease described above includes the movement of all revenues and expenses associated with West Avenue from the Downtown Fund to the General Fund (mostly in Parks and Recreation) to assist with better oversight and tracking of these projects. This includes grounds maintenance, utilities, the NC Music Hall of Fame financial support, liability insurance and special event funding. This decrease also includes one-time revenue appropriations for various projects downtown (including the block 8 parking lot and building stabilization activities). The funds not used will revert to fund balance at the end of the FY 20 Budget year.

2. There are no new **Capital Improvement Projects** in the FY 21 budget for the Downtown/College Station Fund. Debt service for this Fund decreased by 51% or (-\$2,198,839) due to the Ballpark debt service being moved to the General Fund. Any new projects (Gem Theatre, Swanee Theatre partnership, etc.) will require another funding source – likely fund balance from the General Fund. The following are the remaining current debt service obligations in this Fund:

Special Obligation Bonds	Principal	Interest	Total
Phase 1 of Duct Bank/College Station Acquisition	\$255,226	\$102,985	\$358,211
College Station/West Ave Duct Bank/Streetscape	\$394,999	\$257,381	\$652,380
Downtown Properties Acquisition	\$734,000	\$367,148	\$1,101,148
Totals	\$1,384,225	\$727,514	\$2,111,739

Downtown/College Station Fund Watch List – FY 21 (not ranked/prioritized)		
	Amount	Description
1	\$750,000	Gem Theatre renovations Phase 1 (HVAC replacement and related electrical upgrades)
2	\$650,000	Gem Theatre renovations Phase 2 (restrooms, second entrance)
3	\$950,000	Swanee Theatre Entertainment Venue Partnership
4	\$200,000	Upfits to College Station spaces (3 spaces)
5	TBD	Block 1 Phase 2 and Phase 3 Improvements
6	TBD	Block 4 Partnership – hotel, retail and parking deck
7	\$250,000	Lease obligations for future Team Store and Team Offices (recurring)

Looking Ahead – FY 2022 to FY 2024

COVID has temporarily derailed our short-term planning in two ways. First, it has created short term budget shortfalls as described elsewhere in this budget message. Second, it forced a postponement of the planned two-year City Council retreat that was planned for March 2020. It is the hope that this retreat can be rescheduled in the coming months as restrictions on public gatherings continue to be relaxed. To that end, the 2018 retreat priorities are presented here as information with the current status noted where appropriate. Also presented here are items such as water and sewer projects and personnel that were not part of the City Council Retreat but are still on the immediate horizon.

A few of these items are included on the watch lists (the ones planned for FY 21). Generally, the initiatives slated for FY 22 and beyond are not included on the future watch lists but can be added to this or future budgets at the discretion of City Council (with a dedicated funding source).

Plans and Strategies.

- South Main Street Corridor Plan (FY 19, delayed. Funding was needed for Cannon Blvd Plan. This is not included in the FY 21 budget as it was viewed as an expansion item, but City Council can add it back should it choose to do so. This is included on the General Fund Watch List)
- Downtown Retail Strategy (FY 19; on hold pending sale of West Avenue properties)
- Current Stadium Redevelopment Plan (on hold indefinitely due to decision to sell property)

- Cannon Memorial Study (FY 21; This is not included in the FY 21 budget as it was viewed as an expansion item, but City Council can add it back should it choose to do so. This is included on the General Fund Watch List)
- Open Space Acquisition Strategy (FY 22)
- First Street Crossing Plan (FY 22)
- Farmers Market Study (FY 23)

Capital Improvements (2018 City Council Retreat priorities).

- Bethpage Road Sidewalk (Unknown – depends on future NCDOT funding)
- Roxie Street Improvements (no funding allocated currently with NCDOT)
- Cannon Blvd/DE. Blvd Intersection Improvements (FY 21 with NCDOT – delayed from FY 20)
- Little Texas Phase II Sidewalk (FY 22 with NCDOT)
- Village Park Phase 4 (FY 22)
- Eastside Park Phase 1 – approximately ½ of the site (FY 22)
- Westside Park Phase 1 – approximately 1/3 of the site (FY 22)
- Cannon Mills Office Cupola (FY 23)
- Community Center (FY 23)
- Kannapolis Parkway Street Lighting and Landscaping (FY 23)
- Bakers Creek Park Improvements (FY 23)
- Irish Buffalo Creek Greenway Phase II (FY 23)

Capital Improvements (not part of 2018 Retreat priorities)

- Mooresville Road Water Main Relocation/Replacement (FY 22)
- Concrete Spillway Chute Repair at Kannapolis Lake (FY 24)
- Rogers Lake Road Bridge – Utility Work (FY 22)
- Downtown Sewer Outfall (FY 23)

Service Delivery Enhancements.

- Enhanced Summer Concert Series (4-year phase in: FY 19 and FY20 were completed, FY 22 to be determined; FY 21 is not included in the FY 21 budget as this was viewed as an expansion item but City Council can add it back should it chose to do so. This is included on the General Fund Watch List).
- Street Litter Clean-Up Program - capital & new personnel (2 phases: FY 22 and FY 23).

Personnel.

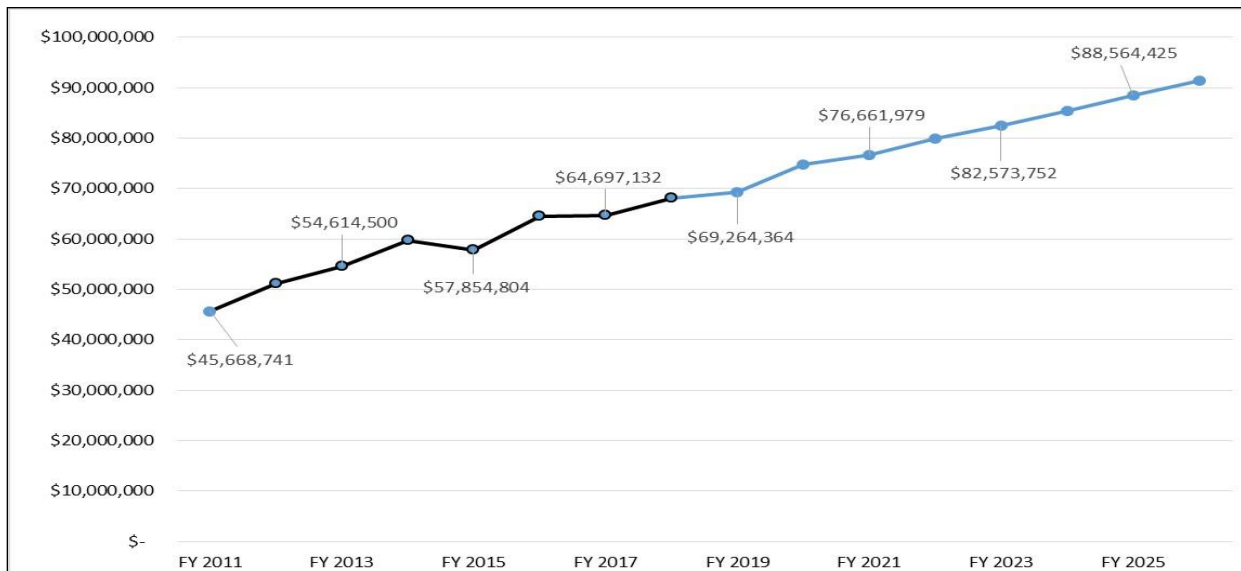
As part of the FY 21 budget process, department heads were asked to submit a three-year staffing plan. These requests were made after reviewing the staffing study from a few years ago. However, in compiling these requests, more emphasis was placed on the assessment of each department's leadership team than in previous studies. There are only a few new positions included in the FY 21 budget due to the revenue shortfalls. These positions include offsetting new revenues. The requested number of full-time positions City-wide total 34 in FY 21 and additional 34 full-time

positions in FY 22 and FY 23 (17 both years). All of these positions are included on the various “watch lists.”

Closing Thoughts

Despite the COVID crisis it appears that growth is continuing and there are no early indications that it may in any way stop as it did during the 2008-09 Great Recession. Growth in our local economy remains the number one factor for the current and long-term success in our City and our region. Kannapolis continues to evolve and mature as a City. Our City’s economic well-being has significantly rebounded since the demise of Pillowtex and the more recent Great Recession. The hope is that COVID does not have a multi-year impact like those events. As depicted on the following graph, the total City budget has increased by 50% since 2011 and is expected to nearly double by 2025. The recommended FY 21 budget is ahead of the projected budget growth by more than \$3 million even with the COVID-related budget shortfalls.

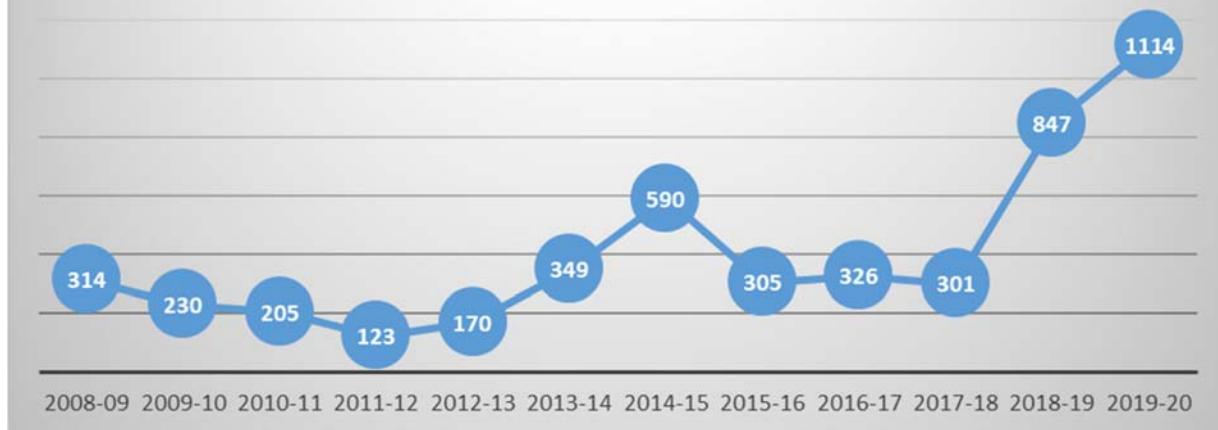
Budget Growth Projections 2011 to 2026



The City’s rapid growth trends have continued in recent years. Over the past six years (April 2014 to March 2020) 3,483 residential dwelling units were permitted (including 1,534 apartment units) an average of about 580 units per year.

From April 2019 through March 2020 the City permitted the largest total number dwelling units (1,114) in a one-year period in our history (surpassing the previous year of 847). There were more multi-family units (694) permitted in the past year than single family units (420). This is the second consecutive year of more than 500 multi-family units being permitted. The private investment for all residential development in the past year was approximately \$105.6 million – evenly split between single family homes and multi-family projects. This residential growth is depicted in the graph on the following page.

Residential Dwelling Units Permitted 2008-08 through 2019-20



One trend to watch is the relative decrease of commercial and industrial development (\$22,425,301 in the past 12 months compared to \$99,907,432 the previous 12 months). It is too early to tell what will happen in terms of permitting for the next several months. There are several potential large investments in the pipeline (Kannapolis Crossing, the U.S. Performance Center, downtown block 4) but these may not start to impact the budget for a few years.

The reality is these growth numbers are likely to pale in comparison to what Kannapolis will experience over the next decade. Moreover, this does not include *new* development that is either in the planning stages or is yet to come. It also does not include the corresponding commercial and industrial development, including the downtown investments. Suffice it to say, Kannapolis' future is very bright, current COVID pandemic notwithstanding.

This recommended FY 2020-21 budget is balanced in accordance with N.C. Statutes and it continues to address the goals and priorities the City Council has established over the past several years, albeit less aggressively than would have been predicted only a few months ago due to the COVID crisis. As always, this Budget is the result of hard work from a talented group of City employees. For each of those participating I am extremely thankful. I am very proud of the commitment to long hours that many of our staff put into the preparation of this budget. Our budget manager, Assistant to the City Manager, Kristin Jones and our Finance Director, Wendi Heglar have worked diligently with our management team (me, Eddie Smith, Eric Davis and Wilmer Melton) and all of our department heads. Kristin especially deserves kudos this year as she managed the budget process from beginning to end after only being on the job for a few months prior to the start of the budget process.

I continue to be very appreciative of City Council's support for City staff in the development and management of the annual budget as well as the implementation of City Council's long-term vision. The past few years have been a whirlwind of activity and City Council has found itself in

the position of having to make many complex and far-reaching decisions. It is my opinion that our City will be a far better place in the coming years as a result of such bold actions.

I do think there is a silver lining to the COVID pandemic. This may give us a short “breather” to allow City Council and the staff leadership team to regroup a bit. As I see it, the next Retreat – hopefully in the next few months – will be the start of a new era in Kannapolis. It will include many of the same great opportunities but also new challenges to overcome.

As I have noted in the past few budget messages, very few communities have the opportunities we have. Even fewer communities have the commitment and vision to take such bold steps to capitalize on them. We should all be proud of the place in which we find ourselves.

Without reservation, I respectfully recommend this proposed FY 2020-21 Budget to the City Council for its thoughtful consideration.

Sincerely,

A handwritten signature in black ink that reads "Mike Legg". The signature is written in a cursive, flowing style.

Mike Legg
City Manager

**AN ORDINANCE ADOPTING A BUDGET FOR THE
CITY OF KANNAPOLIS, NORTH CAROLINA FOR THE
FISCAL YEAR BEGINNING JULY 1, 2020 AND ENDING JUNE 30, 2021**

BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina, meeting in open session this 22nd day of June 2020, that the following fund revenues and departmental expenditures, together with certain restrictions and authorizations are hereby adopted.

SECTION I – GENERAL FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Ad Valorem taxes	\$ 31,638,633
Sales taxes	8,825,121
Intergovernmental	5,586,536
Miscellaneous	5,421,059
Transfer from Transit Fund	<u>200,000</u>
TOTAL	<u>\$51,671,349</u>

SECTION II - WATER AND SEWER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Charges for Services	\$18,250,000
Other Revenues	<u>2,250,000</u>
TOTAL	<u>\$20,500,000</u>

SECTION III – STORM WATER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Storm Water Fees	\$ 3,100,000
Fund Balance Appropriated	<u>400,000</u>
TOTAL	<u>\$ 3,500,000</u>

SECTION IV – ENVIRONMENTAL FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

User Fees	\$ 3,448,487
Transfer from Other Funds	1,045,700
Solid Waste Disposal Tax	<u>36,000</u>
TOTAL	<u>\$ 4,530,187</u>

SECTION V – PUBLIC TRANSIT SYSTEM FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Motor Vehicle Privilege Tax	\$ 500,000
Fund Balance Appropriated	<u>200,000</u>
TOTAL	<u>\$ 700,000</u>

SECTION VI – SEPARATION PAY FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Transfer from General Fund	<u>\$ 502,781</u>
TOTAL	<u>\$ 502,781</u>

SECTION VII – DOWNTOWN FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Transfer from General Fund	\$ 6,809,289
Property Leases	578,918
Fund Balance Appropriated	263,698
Miscellaneous	<u>25,000</u>
TOTAL	<u>\$ 7,676,905</u>

SECTION VIII - GENERAL FUND: A total of \$51,671,349 is hereby authorized to be expended from the departmental accounts of the General Fund as follows:

General Government	\$ 8,154,178
Public Safety	17,456,525
Parks and Recreation	3,557,789
Public Works, incl. Powell Bill	4,014,929
Other	10,309,622
Contingency	910,995
Debt Service	<u>7,267,311</u>
TOTAL	<u>\$51,671,349</u>

SECTION IX - WATER AND SEWER FUND: A total of \$20,500,000 is hereby authorized to be expended from the Water and Sewer Fund as follows:

General Management Services Fee	\$ 2,143,921
Billing and Collections – Water and Sewer	907,348
Distribution - Water and Sewer	3,334,251
WSACC – Sewage Treatment	3,407,618
Water Treatment Plant	3,106,448
Transfer to Other Funds	495,700
Debt Service	<u>7,104,714</u>
TOTAL	<u>\$20,500,000</u>

SECTION X – STORM WATER FUND: A total of \$3,500,000 is hereby authorized to be expended from the Storm Water Fund as follows:

Personnel	\$ 886,328
Operations	709,600
Debt Service	1,033,493
General Management Services Fee	470,579
Transfer to Environmental Fund	<u>400,000</u>
TOTAL	<u>\$ 3,500,000</u>

SECTION XI – ENVIRONMENTAL FUND: A total of \$4,530,187 is hereby authorized to be expended from the Environmental Fund as follows:

Personnel	\$ 415,825
Operations	3,882,326
Debt Service	<u>232,036</u>
TOTAL	<u>\$ 4,530,187</u>

SECTION XII – PUBLIC TRANSIT SYSTEM FUND: A total of \$700,000 is hereby authorized to be expended from the Public Transit System Fund as follows:

Contracted Services	\$ 500,000
Transfer to the General Fund	<u>200,000</u>
TOTAL	<u>\$ 700,000</u>

SECTION XIII - SEPARATION PAY FUND: A total of \$502,781 is hereby authorized to be expended from the Separation Pay Fund as follows:

Salaries-Separation Pay	\$ <u>502,781</u>
TOTAL	<u>\$ 502,781</u>

SECTION XIV - DOWNTOWN FUND: A total of \$7,676,905 is hereby authorized to be expended from the Downtown Fund as follows:

Operations	\$ 867,616
Debt Service	<u>6,809,289</u>
TOTAL	<u>\$ 7,676,905</u>

SECTION XV - TAX RATE ESTABLISHED: An Ad Valorem Tax Rate of \$0.63 per \$100 property valuation is hereby established as the official tax rate for the City of Kannapolis for the fiscal year 2020-2021. This rate is based on an estimated valuation of \$5,049,289,745 and an estimated 98.12 percent collection rate, which was the collection rate experienced during the 08-09' recession. Allocation of the 2020-2021 tax rate will be as follows:

GENERAL FUND	\$.63
TOTAL TAX RATE	\$.63

SECTION XVI - SPECIAL AUTHORIZATION - CITY MANAGER OR DESIGNEE:

a The City Manager or designee is hereby authorized to transfer funds within or between funds, or modify revenue and expenditure projections, as contained under the following conditions:

1. The City Manager or designee may transfer amounts between objects of expenditures within a function (i.e. general government, public safety, public works, planning, parks and recreation).
2. The City Manager may transfer amounts between objects of expenditures and revenues without limitation.
3. The City Manager may not transfer any amounts between funds or from any contingency within any fund. Utilization of any contingency appropriation shall be accomplished with City Council approval only.
4. Additional authority is granted to the City Manager or designee to transfer amounts within and between funds for the sole purpose of funding salary and benefit adjustments consistent with the City of Kannapolis Personnel Policy and City of Kannapolis Personnel Ordinance.
5. Upon notification of funding increases or decreases to existing grants or revenues, or the award of grants or revenues, the City Manager or designee may adjust budgets to match, including grants that require a City match for which funds are available. If a local match is included, this requires City Council approval.
6. The City Manager or designee can create debt financing amendments from estimated projections upon approval by City Council of the debt financing and adjust as needed upon closing.
7. The City Manager may execute contracts which are not required to be bid or which G.S 143-131 allows as informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds.
8. The City Manager may reject formal bids for the purchase of apparatus, supplies, materials and equipment when deemed appropriate and in the best interest of the City of Kannapolis pursuant to G.S. 143-129 (a). Formal bids for construction or repair contracts must be awarded by City Council

b. Authorization is hereby given to the City Manager to withhold or postpone the expenditure of any funds appropriated in this ordinance when it appears to the City Manager that it would be in the best interest of the City for such expenditure to be withheld. This provision shall not in any way limit or restrict the right of the City Council to direct immediate disbursement of any appropriated funds when City Council is of the opinion that the funds should be expended regardless of the position taken by the City Manager.

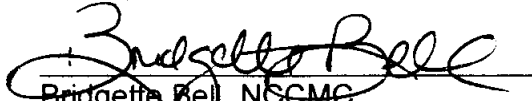
SECTION XVII - SPECIAL AUTHORIZATION – STAFFING AUTHORIZATION:

Funds allocated in this budget ordinance are meant to fund the employment of 389 Full Time positions for fiscal year 2021.

This Ordinance is approved and adopted this 22nd day of June 2020.


Milton D. Hinnant, Mayor

ATTEST:


Bridgette Bell, NSCMC
City Clerk

BUDGET PROCESS

The budget is the single most important document presented to the City Council. The budget is primarily intended to establish policy determination, but it also serves the citizens by providing an understanding of the City's operating fiscal programs. It reflects the City's commitment to maintain necessary services, improving quality of service and keeping the impact of taxes to the citizens at a minimum.

The City operates under an annual budget ordinance adopted in accordance with the provisions of the *Local Government and Fiscal Control Act*. The budget ordinance is the legal basis of the budgetary accounting system and the standard by which proposed expenditures are measured. The balanced budget ordinance must be adopted prior to the beginning of the fiscal year. The ordinance is subjected to public inspection and a public hearing prior to adoption. The budget is considered balanced when estimated net revenue equals appropriations.

The budget is adopted on a function basis and is prepared using the modified accrual method of accounting for all funds. This accounting approach recognizes revenues when they become both measurable and available to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. All monies received and expended must be included in the budget ordinance. Departmental appropriations within each function that have not been expended by the end of the fiscal year will lapse.

The City Manager is authorized to transfer budgeted amounts within a fund but any revisions that alter total expenditures of a fund must be approved by the City Council through legislative action by budget amendment. All budget transfers within a fund usually begin with a written request from a department head to the City Manager. Once approved by the City Manager, the transfer is made in the accounting system by the Budget/Finance Department. All transfers are reported to the City Council at their regularly scheduled monthly meetings and are made a matter of record in the official minutes. The legal level of budget control is by function as presented in the budget ordinance.

The preparation of the budget not only requires structured guidelines but also the participation and cooperation of many participants and a carefully scheduled series of events. The City in the formulation of the budget adheres to the following summarized budget cycle.

Formulate Historical Data

During the first phase of the budget process the accumulation of past financial information is prepared by the Finance Department. The data concerning expenditures is segregated by operational departments to be used by department heads and management for current year performance evaluation and projection of resources required to meet the upcoming year's departmental needs and objectives.

Preparation of Departmental Requests

Estimating departmental expenditures is the primary responsibility of the department head. When budgeting expenditures, the basic requirements are: (1) to request sufficient funding to adequately operate the department and (2) request funding at the lowest reasonable level in order to achieve the departmental goals and objectives.

Consolidate Preliminary Budget

The departmental requests are submitted to the Budget Officer in order to incorporate the individual departmental requests with the revenue projections made by the Finance Director/and Budget Officer into an overall budget. At this point, a balanced budget is submitted to the Budget Officer along with any projected tax increase. Departmental capital outlay requests are analyzed in accordance with the Capital Improvements Program and the formal budget reviews begin.

Evaluate Service Priorities and Objectives

The evaluation of service priorities and objectives is an important step in developing a fiscal plan which will achieve the City's program of service for the ensuing year. The budget document should reflect the service priorities of the governing body and citizens of Kannapolis. The service needs of the community are determined by the citizen's opinion surveys, public hearings and feedback through the City Council. A comprehensive review of service needs compared to departmental goals and objectives will be evaluated by the City Manager and Finance Director/Budget Officer.

Balance Proposed Budget

After the City's program of service priorities has been established, a balanced plan for funding must be formulated. Through careful assessment of funding requirements and financing elements a proposed budget document is organized into final format and submitted to the City Council for legislative review. A balanced budget occurs when planned expenditures equal anticipated revenues.

Legislative Review

The City Council reviews the budget thoroughly, department by department, with the City Manager and the respective department heads during special work sessions. Departmental goals and objectives are reviewed by the City Council at this time to ensure their adherence to City goals and policies. A copy of the proposed budget with recommended legislative changes will be filed with the City Clerk for public inspection and a public hearing will be scheduled prior to the formal adoption of the budget.

Budget Adoption

The adoption of the annual operating budget is the culmination of extensive reviews of budget proposals by department heads, administration, and the governing body. Adoption of the budget

BUDGET PROCESS AND POLICIES

by the governing body establishes the legal authority to incur expenditures in the ensuing fiscal year.

BUDGET CALENDAR

Date	Deliverables	Description
Monday, February 10, 2020	City Manager's Office produces the FY 21 base budget, which is the FY 20 adopted budget less any one-time costs or projects.	Base budget: starting point. Last year (FY 20) adopted budget less any one-time projects or costs.
Tuesday, February 11, 2020	Budget calendar and process is discussed at the Executive Team Meeting.	
Monday, February 17, 2020	Departments receive base budgets and begin to develop their continuation budgets. This includes reviewing and reassessing each base budget to reflect any updated budget amounts for all recurring line items.	Continuation budget: review of the base budget with any updated contractual costs and salary and fringe adjustments. Examples include: inflation of goods, utility increases, cost of labor increases, rate changes on contracts. All salary and fringe information is handled by Budget and Human Resources.
Monday, February 17, 2020	Finance reviews and assesses revenue forecasts and provides updated debt service figures.	
Wednesday, February 26, 2020	Department continuation budgets are due with any changes in line items noted and justified.	All proposed adjustments need a brief justification for the proposed change.
Monday, March 2, 2020	Departments submit expansion budget requests based on template distributed. This should include a 3-year forecast of the department's personnel requests, increase in operations outside of contractual obligations and operating capital (including rolling stock).	Expansion budget: anything new that wasn't previously approved or adopted with the budget. These requests are new and don't include items currently in a department's annual operating budget. Examples include: new positions, new vehicles, new programs or services, new capital items and new technology.
Monday, March 16, 2020	Department expansion budgets are due.	Budget will key all expansion requests in Munis and note any one-time projections and/or initiatives.
Wednesday, March 18 - Monday, March 30, 2020 <i>*subject to change</i>	Budget conferences begin. Budget conferences will consist of the City Manager, respective Deputy or Assistant City Manager(s) and Assistant to the City Manager with corresponding Department staff.	Continuation and Expansion departmental budgets will be discussed in these meetings.

BUDGET PROCESS AND POLICIES

Thursday, April 2, 2020	Preliminary budget is prepared and compiled by staff	This includes changes reflected by the City Manager and City Council.
Date	Deliverables	Description
Tuesday, May 26, 2020 <i>*subject to change</i>	FY 21 Preliminary Budget is presented to City Council.	
Wednesday, May 27 - Friday, June, 5, 2020	Staff makes final revisions and recommendations to the budget.	
Monday, June 8, 2020	City Council holds public hearing on the proposed FY 2021 Budget.	
Monday, June 22, 2020	City Council adopts FY 2021 Budget.	This includes corresponding budget ordinances for all annually adopted funds and any fee schedule changes.
Tuesday, June 23 - Friday, June 26, 2020	FY 21 Adopted Budget is disseminated to Department Heads.	Enables Department Heads to view their FY 21 adopted operating budgets which will note any expansionary items that were adopted with the budget.
Monday, June 29, 2020	Departmental Program templates are shared with Department Heads and staff.	Departmental Program templates consist of the following: department's mission, major accomplishments, performance indicators and action plans for the upcoming budget year.
Monday, July 27, 2020	Departmental Program templates are due to staff.	Departmental Program templates will be compiled for the inclusion in the Annual Adopted Budget Document which is distributed to City Council and the public.
Tuesday, June 23 - Monday, August 3, 2020	Final Budget Document is compiled by City staff.	

BUDGET LEVELS

This year, the City utilized five budget levels to better distinguish between needs versus wants. Adding these levels gave management a better picture of operating budgets for each department, where departments began the budget year and the opportunities for growth (expansion) in the budget. The budget is estimated to progress through the following five levels before adoption.

Level 1 - Department Continuation: This level started with the FY 2020 adopted budgeted amounts less any one-time projects or costs. This detail served as a starting point, but departments still assessed and updated all prior year detail and amounts while adding new detail if necessary. Continuation budgets are those that provide the same level of service in the coming year that the department is providing in the current year. Such budgets typically include items that repeat year after year. It is ok to have increases in this column due to an increase in the cost of doing business year over year (i.e. inflation costs in operations, supplies, fuel, utilities, etc.)

BUDGET PROCESS AND POLICIES

Level 2 - Department Expansion: This level consisted of new requests only. The following classified as an expansion request: new personnel, new software, new technology for new personnel, new projects, new upgrades, new programs, new services, new vehicles for new personnel or adding to the fleet outside of the normal replacement cycle. Not every department had expansion requests. If departments were not asking for anything new in FY 21, then they only worked in the continuation budget level. Expansion requests required justification and for departments to project three years out. The following revenues classified as expansion: those tied to a new grant, new reimbursement due to a new position or a new fee structure.

Level 3 – Manager Recommendation Continuation: Budget will move to this level prior to departmental budget conferences in March. Any adjustments that took place at the budget conferences to departmental continuation were reflected in this level.

Level 4- Manager Recommendation Expansion: This level is like level 3 except that it is only a copy of the department expansion level. Any adjustments that took place at the budget conferences to departmental expansion were reflected in this level.

Level 5- City Council: Budget will move to this level after the budget conferences and adjustments are made in the two Manager’s levels. Any adjustments that take place after the budget is recommended in May will be reflected in this level and ultimately the budget will be adopted in this level.

Continuation	Expansion
Description: Continuation requests are for funding above FY 20 levels that are required to provide the same level of service. Most often continuation requests include salary and benefit adjustments and contractual increases.	Description: Expansion requests are for anything new that wasn’t previously reviewed/approved by City Council or Management via the budget process. These requests are new and do not include items in the department's annual operating budget.
Examples include:	Examples include:
1. Salary and Benefit adjustments for existing positions - No department action is need here. This is handled by Budget and Human Resources through the salary projection.	1. New position requests with associated costs including: uniforms, technology, vehicles, supplies, travel and training, memberships, etc.
2. Rate changes on contractual obligations	2. Position Reclassifications
3. Inflation or deflation on items to be purchased -Facility expenses such as rent and utilities	3. New programs, projects or services and all associated expenses and/or revenues that go with them.

BUDGET PROCESS AND POLICIES

4. Mandated program or service expenses	4. An increase in expenses associated with a major change in a program or project (i.e. adding another location).
Continuation	Expansion
5. Scheduled replacement in accordance with the replacement cycle of vehicles/equipment -Consult with General Services and IT	5. New software, technology or upgrades
	6. Operating costs associated with CIP Projects which includes: personnel, technology, furniture, supplies, etc.
	7. Maintenance projects that are out of the ordinary
	8. Professional/Contracted Services that don't occur regularly

BUDGET ADOPTION

The annual budget serves as the foundation for the City's financial planning and control. Chapter 159 of the North Carolina General Statutes prescribes a uniform system of budget adoption, administration and fiscal control.

The budget is prepared by fund, function (e.g., public safety) and department (e.g., Police). Not later than July 1, City Council is required to adopt a budget ordinance making appropriations and levying taxes for the budget year in such sums as Council may consider enough and proper, whether greater or less than the sums recommended in the adopted budget. The budget ordinance authorizes all financial transactions of the City except:

- a. The City Manager is hereby authorized to transfer funds from one-line item to another line item within each Fund of said budget with the exception of the general contingency account. Utilization of any contingency funding appropriation shall be accomplished with City Council approval only.
- b. Authorization is hereby given to the City Manager to withhold or postpone the expenditure of any funds appropriated in this ordinance when it appears to the City Manager it would be in the best interest of the City for such expenditure to be withheld.

This provision shall not in any way limit or restrict the right of the City Council to direct immediate disbursement of any of any appropriated funds when city Council is of the opinion that the funds should be expended regardless of the position taken by the City Manager.

BASIS OF BUDGETING

The accounts of the City are organized based on funds or account groups of which each is considered a separate accounting entity. Government resources are allocated for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. This segregation of revenues and costs allows close monitoring of attributable accounts to provide assurance that each fund is self-supporting and that revenues which are earmarked by law for specific purposes are identifiable. The City of Kannapolis' operating budget consists of seven funds: **General Fund, Water and Sewer Fund, Stormwater Fund, Environmental Fund, Transit Fund, Separation Pay Fund, and the Downtown Fund.** These funds are the City's only annually budgeted funds.

The City's *Comprehensive Annual Financial Report* also includes capital project funds and grant project funds which are not required to be budgeted annually and are not included as a part of the annually budget numbers. See the Capital Projects and Grants section of this document for details of these funds and their impact on the annual budget.

The **General Fund** is a governmental fund and accounts for the revenues and expenditures of all City departments except those required to be accounted for in other funds. The General Fund is the City's main operating fund. The primary revenue sources are ad valorem taxes and State shared revenues. The primary expenditures are public safety, public works, community development, parks and recreation, general government services, and debt service.

The **Water and Sewer Fund** is an Enterprise Fund and accounts for the operations of the water treatment and distribution systems and the wastewater distribution and treatment systems. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Government Body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The **Stormwater Fund** is also an Enterprise Fund and accounts for the operations of the stormwater drainage system maintenance along with a federally mandated stormwater runoff education program.

The **Environmental Fund** is an Enterprise Fund that will account for the contractual operations of the Recycling and Solid Waste programs. This fund started as the recycling fund in FY2012.

The **Transit Fund** is a Special Revenue Fund and was established by the City to set aside funds for payment of the City's share of expenses related to the new Concord-Kannapolis Local Public Transportation System. Revenues are provided by a special vehicle license tax. Special revenue

funds are used by government to account for special revenues that are legally restricted to expenditures for a particular purpose. The vehicle license tax levied to support this fund is restricted by law to be used only for transit systems.

The **Separation Pay Fund** is a Pension Trust Fund used to account for a State mandated Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. Revenues are provided by contributions from the General Fund.

The **Downtown/College Station Fund** is an Enterprise Fund and accounts for the operations of the newly purchased downtown properties purchased by the City of Kannapolis. FY 16 was the first year for this fund. During FY 18, the City purchased a commercial property for the location of the RCCC Cosmetology School. In addition to the Downtown properties purchased, and the operations and management of those properties, this fund will account for all activity related to the newly named College Station properties.

The budget for the General Fund funds is adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), specifically the modified accrual basis. Budgets for the Water and Sewer Fund and the Stormwater Fund are adopted on a basis consistent with GAAP, specifically the accrual basis, except that bond proceeds and contributed capital are not included in the annual budget, bond principal payments and additions to fixed assets are treated as expenditures, depreciation expense is not budgeted, and no accruals are made for interest expense and vacation pay. The Separation Pay Fund and the Transit Fund are budgeted on a modified accrual basis. The City's Annual Financial Statements present data for all funds on the accrual basis in the Government wide statements. Budget to Actual presentations in the Annual Financial Statements are presented as stated above for adopted budgets.

Revenues are shown by sources and by funds. Accurate revenue estimates are dependent upon correct classification because factors which affect individual revenues do not affect each source uniformly. Revenue projections can be made more accurately when revenues are segregated by source and controlled accordingly.

The major revenues for the City by source are as follows:

- **Ad Valorem Taxes:** Collections of current year and prior year tax levies; interest on delinquent taxes; late listing penalties; and other costs of collection delinquent taxes.
- **Intergovernmental:** Federal, State, and Local financial assistance; utility franchise tax; beer & wine tax; Powell Bill funds; refunds of sales and gas taxes; ABC Board distributions; receipt from other local governments; and state grants.
- **Sales Tax:** Collections of the one percent (1%) local options-sales tax and both the one-half (½) of one percent (1%) local option sales taxes (Articles 40 and 42).
- **User Charges:** Water and sewer sales; non-payment penalties; taps and connection fees and stormwater fees.

BUDGET PROCESS AND POLICIES

- **Other Revenue:** Vehicle License taxes, Business Privilege licenses, Zoning and other permits; interest income; court cost fees; civil violations; sale of materials; charges to other funds; sale of surplus properties; and other miscellaneous revenue.

Expenditures are shown in the budget classified by funds from which they are paid, by departments spending the money, by the functions for which the expenditures are made and by the object of expenditures which provides greater detail for controlling expenditures. Funds are appropriated at adequate levels in order to maintain or improve the quality and the level of service which has been provided in the past.

The major expenditures by function are shown as follows:

- **General Government:** Expenditures for the Governing Body; City Manager; Human Resource Director; Legal Services; Finance Administration; Information Technology; Economic Development; City Memberships; and General Services.
- **Community Development:** Expenditures for Planning; Zoning and Code Enforcement.
- **Public Safety:** Expenditures for the Police Department (administration, support services, and field operations); and Fire Department (administration, medical response, prevention, and suppression, and general services).
- **Parks and Recreation**
- **Public Works:** Expenditures for Public Works (engineering, streets – Powell Bill, street lighting, traffic signs and markings, solid waste – yard waste solid waste-residential garbage, and operations center).
- **Debt Service:** Expenditures related to General Fund Debt service.
- **Non-departmental:** Expenditures for General Fund not otherwise classified by department.
- **Contingency:** Provision for unexpected expenditures.
- **Water and Sewer Fund:** Expenditures for administration, billing and collection, distribution, sewage treatment, water treatment plant, and debt service.
- **Stormwater Fund:** Expenditures for maintenance of the stormwater drainage system and federally mandated stormwater runoff education program.
- **Environmental Fund:** Expenditures for contracted services related to recycling, and solid waste collections.
- **Transit Fund:** Expenditures related specifically to the regional transit system established by the cities of Kannapolis and Concord.

BUDGET PROCESS AND POLICIES

- **Downtown Fund:** Expenditures related specifically to the recently purchased 46 acres of downtown properties.

Expenditures by object are divided into three (3) major categories: Personnel, Operating, and Capital. These categories are summarized below:

- **Personnel:** Expenditures which can be directly attributed to the employee salaries of all types (i.e., incentive pay, merit increases, longevity pay, etc.) and expenditures for group insurance, retirement, 401K expense, FICA, and worker's compensation. The cost of all of these have been budgeted within each operating department which gives a more accurate cost of departmental operations.
- **Operating:** Operating expenditures related to the purchase of services such as utilities, travel, training, maintenance costs, and equipment rentals, the purchase of supplies used for City business, and insurance purchases for public officials liability, automobile liability, and expenditures for miscellaneous expenditures are directly affected by inflationary trends, increased service demands and enforcement of governmental regulations.
- **Capital:** Expenditures for the purchase of land, machinery, equipment, furniture, and fixtures which are too permanent a nature to be considered expendable at the time of purchase. The capital items should have a value of \$5,000 or more with an expendable life of one year or more. Budgeting of capital equipment and capital improvements are funded in accordance with the City's Capital Improvement Program and contingent on availability of funds and are included in the annual budget at the discretion of the City Manager and the City Council. For major capital construction or for capital items that require the borrowing of money, a "Capital Project Ordinance" will be adopted by City Council and will stay open until the construction or purchase is completed. The impact of the annual budget will only be related to debt payments, transfers of cash to the project ordinance, or for related appropriations for personnel or maintenance costs.

**CITY OF KANNAPOLIS
REVENUE ASSUMPTIONS**

Certain methods, techniques and approaches have been used to aid the City in estimating future revenues. By analyzing current trends and their underlying forces, the City can make realistic projections of revenues. The following are some assumptions concerning revenues estimated in the City of Kannapolis 2020-2021 Budget.

REVENUES

FORECAST RATIONALE

Ad Valorem Taxes

Property valuations are established by the County Tax Assessor. The City of Kannapolis is in two (2) counties, Rowan and Cabarrus and the property values are set by each respective County Tax Assessor. Projections of \$5,049,289,745 assessed valuations are based on preliminary tax information received from the respective County tax assessors. The tax rate per \$100 of value was set at 63.0 cents by City Council. The estimated collection percentage is 98.12%, which was the collection rate during the 08-09' recession. The prior year tax budget amount is based upon previous historical trends. **Estimate – General Fund – Current year tax - \$30,616,974; prior year tax - \$426,147.**

Utility Tax

The City shares in the taxes levied by the State on various utilities. Revenues are based on estimated receipts from the N.C. Department of Revenue and historical models. Each city's share is based on the actual receipts from electric, telephone, and natural gas services and cable TV within their municipal boundaries, as a proportion of total state-wide receipts except for cable TV which is paid directly to the City by the cable company, Time Warner Cable. Any significant local rate increases or decreases approved during the year will cause receipts to change. Due to impacts of the COVID-19 pandemic, franchise tax funding is projected to decline by 20% in the first quarter. **Appropriation – General Fund - \$2,660,000.**

Beer & Wine Tax

The State levies a tax shared by the City on wholesale sales of both beer and wine. Revenue estimates were established based on estimated receipts for the current year along with historical trends. **Estimate – General Fund \$210,000.**

Powell Bill

One and three quarters (1¾) cents per gallon of the State gasoline tax is distributed to municipalities to be earmarked for street

BUDGET PROCESS AND POLICIES

construction and maintenance. Seventy five percent (75%) is based on per capita and the remaining twenty five percent (25%) is based on number of miles of streets maintained. The State provides the estimated value to place on each. Due to impacts of the COVID-19 pandemic, Powell Bill funding is projected to decline by 20%. **Estimate – Powell Bill revenues \$1,065,744.**

Local Option Sale Tax

Revenue projections are based on anticipated retail sales and historical trends. State G.S. 105, Article 39 or 1% rate was established whereby counties and municipalities receive the net proceeds of the tax collections within the county less the cost to the State of collecting and administering the tax (point of sale). The net proceeds are distributed based on a per capita basis in Rowan County and an ad-valorem tax basis in Cabarrus County. The *Per Capita Basis* is calculated based on the ratio of the City's population to the sum of the total population of the taxing county and all the cities within the county. The *Ad-Valorem Basis* is calculated in a similar manner except that the total property tax levy is used in place of population. G.S. 105, Article 40 or ½ of 1% rate and G.S. 105, Article 42 or ½ of 1% was established with net proceeds placed in a Statewide pool. Net proceeds are distributed on a per capita and ad-valorem tax basis. Due to impacts of the COVID-19 pandemic, sales tax is projected to decline by 30% in Q1, 20% in Q2 and base level growth for Q3 and Q4 based off FY 19 actuals. **Estimate – General Fund \$8,825,121.**

Investment Income

Investment or interest income revenues are projected on the basis of estimated average available cash balances at an anticipated realistic rate of return. **Estimate General Fund \$210,000, Water & Sewer Fund \$30,000.**

Planning and Zoning Fees

Projections are based on comparisons of past operating data and consideration for a slow recovering housing activity. **Estimate – General Fund \$100,000.**

Recreation Fees and Charges

Projections are based on comparisons of past operating data and new amenities added at Village Park for which admission fees are charged. **Estimate – General Fund \$45,000**

Vehicle License Tax

The City receives \$30.00 per vehicle (\$10.00 for the General Fund and \$20.00 for the Transit Fund) located in the City and required by the State to register for a license plate. Projections are based on comparisons of past operating data. **Estimate – General Fund \$389,559; Transit Fund \$500,000.**

BUDGET PROCESS AND POLICIES

City Code Violation Revenues

Projections are based on comparisons of past operating data. **Estimate – General Fund \$65,000.**

Real Property Rental

The City collects rental revenue from certain properties owned by the city and used by others. These properties include a cellular tower, and some vacant land used by farmers. Projections are based on comparisons of past operating data. **Estimate – General Fund – Tower Rental \$70,000; Building Rental \$90,000.**

Fire Fees and Charges

Projections are based on historical data of inspections of commercial development done prior to the fee being implemented. **Estimate – General Fund \$25,000. (Fire - Technical Services charges and fees)**

Police Officer Court Cost Reimbursements

Projections are based on comparisons of past operating data. **Estimate – General Fund \$20,000.**

Enterprise Fund Management Fees

Charges for services by the General Fund to the Water and Sewer Fund and the Stormwater Fund within the City. Funding is projected by estimating cost of services provided on historical trend information. **Estimate – General Fund \$2,614,500.**

Water and Sewer Charges

Proceeds are from the sale of treated water both retail and wholesale and retail charges for wastewater disposal service through their respective distribution and disposal systems. Revenue estimates are based on historical user trends of consumption times the rates charged to customers. **Estimate – Water and Sewer Fund – Retail \$18,250,000; Wholesale \$415,000.**

Taps and Connections

Fees are charged to customers for connections to the City's water or wastewater system. Revenues are based on historical trends and the projections of connection fees due from developers. **Estimate – Water and Sewer Fund \$1,250,000**

Penalties for Late Payment

Penalties are charged for late payment of Water and Sewer charges billed to customers. Revenues are based on historical trends. **Estimate – Water and Sewer Fund \$400,000.**

BUDGET PROCESS AND POLICIES

Solid Waste Fee

A new fee was added in 2007 for solid waste pickup for commercial dumpster containers located at apartment complexes and mobile home parks. These dumpster pickups were considered residential pickup in past years and were not charged a fee. This designation was changed to commercial pickup and a fee added. Estimate is based on prior year collections. **Estimate – General Fund \$36,000.**

Intergovernmental Revenues

The City will receive funds from Cabarrus County related to the purchase of Limited Obligation Bonds. **Estimate – General Fund \$1,336,792.**

Community Development Block Grant Reimbursement

The City has a full time Grant Administrator in the City Manager's office and will receive funds from the HUD CDBG program as reimbursement for this staff position. **Estimate – General Fund \$70,000.**



CITY OF KANNAPOLIS FINANCIAL POLICIES

The City of Kannapolis budgetary and financial policies set forth basic guidance for the fiscal management of the City. Most of the policies represent long standing principles and traditions with its legal framework outlined in both the General Statutes of North Carolina and the City Code of Ordinances. These policies though general in statement are the controlling element in the City's financial stability. Summarized below are major financial policy strategies.

Operating Budget Policies

Pursuant to the North Carolina General Statutes Article 159-11 the City will adopt a balanced budget which provides a work program and an operational plan for the ensuing year. The City will maintain a program of budgetary controls to ensure adherence to the budget. Monthly financial statements will be prepared for the City Council and City Manager and department heads to assist in the monitoring of actual revenues, expenditures and budgeted amounts. Comprehensive financial data will be compiled annually to include user rate studies, capital improvement programs and forecasting or projections of financial status. These reports are imperative for long-term financial planning.

The City will retain an independent accounting firm to perform an annual financial and compliance audit in accordance with general accepted accounting practices as outlined by the Governmental Accounting, Auditing, and Financial Reporting (GAAFR). In conjunction with the independent audit, internal audits are conducted on selected internal control procedures to ensure that the City is managing and utilizing its resources in an economical and efficient manner.

As a part of the normal budget process, the Finance Office will review and estimate revenues in an objective and realistic manner. Attempts will be made to secure additional revenue sources to offset any reductions of federal or local funding. The City will re-evaluate annually all user charges at a level related to the cost of providing these services. The Enterprise Fund will adhere to the full utility concept which allows each user to contribute revenues proportional to the level of service received. This concept requires that income be sufficient to maintain a self-supporting fund status. The General Fund will be compensated by the Enterprise Fund for general and administrative services provided. The Powell Bill Fund will be compensated by the Enterprise Fund for repairs to City streets caused by water and sewer line repairs.

Investment Policy

The City will continue to monitor the cash flow of all funds on a regular basis to insure maximum investment of idle cash. The criteria for selecting an investment will include safety, liquidity and yield. The City will invest only in quality investments which comply with the North Carolina Budget and Fiscal Control Act. Each month an investment report will be prepared for review by the Finance Director and City Manager.

Reserve Policy

The City will maintain operating reserves categorized as appropriated contingency and undesignated fund balance. The appropriated contingency will not exceed five percent (5%) of all other appropriations within the same fund. The revenue reserve is established to provide for any unforeseen revenue losses and allows flexibility in the balanced budget process. The City strives to maintain a General Fund balance between 25% - 33% of the previous fiscal year's expenditures.

Debt Policy

The City takes a planned approach to the management of its long-term outstanding debt and makes an effort toward funding from internally generated capital, when appropriate. The City will consider the use of long-term debt financing only when it meets the following criteria:

- The financing period is no longer than the estimated life of the improvement.
- The cost of the improvement including the interest is reasonable.
- The projected revenue increases to be used to pay the debt are not excessive.
- The improvement will benefit both current and future citizens of the City.

The City will limit the total of all general obligation bonds issued to no more than eight percent (8.0%) of the total assessed valuation. The City will follow a policy of full disclosure on every financial report and bond prospectus. Finally, the City may utilize the authority granted within the General Statutes for lease or installment purchases when deemed appropriate.

Capital Improvement Policy

The City will maintain a Capital Improvement Program that will be reviewed annually and updated every 2 years. Since capital improvements involve large sums of capital and long-term commitments, each capital project will be carefully analyzed before it becomes a component of the program. Each City department is responsible for submitting capital improvement needs as a part of the Capital Improvement Program process and is responsible for ensuring that any personal services or operating costs affected by capital spending decisions are included in the appropriate operating budget. Each City department head is charged with the responsibility of safeguarding and maintaining the City's capital investments in order to reduce replacement costs.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

Section Contents

Objectives

Budget Development Policies

Capital Improvement Budget Policies

Debt Policies

Reserve Policies

Cash Management and Investment Policy

FISCAL POLICY GUIDELINES - OBJECTIVES

This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practice of the City of Kannapolis, North Carolina. A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management. Effective fiscal policy:

- Contributes significantly to the City's ability to insulate itself from fiscal crisis
- Enhances short term and long term financial credit ability by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the City rather than single issue areas,
- Promotes the view of linking long-run financial planning with day to day operations, and
- Provides the City Council, citizens and the City's professional management a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

To these ends, the following fiscal policy statements are presented.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

BUDGET DEVELOPMENT POLICIES

1. The City will develop and adopt the annual operating budget in a manner in order to gauge progress toward meeting specified goals and objectives. The budget must be balanced where revenues equal expenditures.
2. Water and sewer rates, storm water fees, and solid waste fees will be established at the appropriate level to enable the related funds to be self-supporting. In addition, water and sewer rates will be established to maintain compliance with revenue bond covenants.
3. One-time or other special revenues will not be used to finance continuing City operations but instead will be used for funding special projects.
4. The City will pursue an aggressive policy seeking the collection of delinquent utility, license, permit and other fees due to the City.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

CAPITAL IMPROVEMENT BUDGET POLICIES

1. The City will prioritize all capital improvements in accordance with an adopted capital improvement program.
2. The City will develop a ten-year plan for capital improvements and review the plan annually. Changes to the ten-year plan will occur in every even year. The City utilizes a weighted ranking system based on seven critical used to recommend projects to the capital improvement program. Additional projects can be added to the CIP without ranking, but funding for projects added in this manner are subjected to normal operating budget constraints. These seven groups are:
 - 1) Mandate and Urgent Issues
 - 2) Public Health, Safety, and Welfare
 - 3) Financial Stewardship
 - 4) Community Vitality and Environmental Stewardship
 - 5) Economic Growth and Prosperity
 - 6) Government Effectiveness and Operations Effectiveness
 - 7) Asset Preservations
3. The City will enact an annual capital budget based on the ten-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections.
4. The City will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
5. The City will use intergovernmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and City priorities, and whose operating and maintenance costs have been included in operating budget forecasts.
6. The City will maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.
7. The City will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

CAPITAL IMPROVEMENT BUDGET POLICIES (continued)

8. The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted for approval.
9. The City will attempt to determine the least costly and most flexible financing method for all new projects, including the utilization of cash revenue funds, as well as using cash for capital purchases where feasible.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

DEBT POLICIES

General

1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except where approved justification is provided.
2. The City will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current-year (pay-as-you-go) appropriations.
3. When the City finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project. Target debt ratios will be annually calculated and included in the review of financial trends.
4. Where feasible, the City will explore the usage of special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.
5. The City will retire tax anticipation debt, if any, annually and will retire bond anticipation debt within six months after completion of the project.

Tax Supported Debt

6. Net debt as a percentage of total assessed value of taxable property should not exceed 4.0%. Net debt is defined as any and all debt that is tax-supported.
7. The ratio of debt service expenditures as a percent of total general fund expenditures should not exceed 15% with an aggregate ten-year principal payout ratio target of 60% or better.
8. The City recognizes the importance of underlying and overlapping debt in analyzing financial condition. The City will regularly analyze total indebtedness including underlying and overlapping debt.

Revenue Supported Debt

9. The City will target a minimum amount of equity funding of 10% of the capital improvement plan on a five-year rolling average.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

RESERVE POLICIES

1. The City will establish an emergency reserve to pay for needs caused by unforeseen emergencies, including unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs. This **contingency** reserve will be budgeted at not less than 0.5% of the operating funds. FY12: .5% equals \$150,000.
2. Unreserved, Undesignated Fund Balances will mean funds that remain available for appropriation by the City Council after all commitments for future expenditures, required reserves defined by State statutes, and previous Council designations have been calculated. The City will define these remaining amounts as “available fund balances.”
3. Available fund balances at the close of each fiscal year should be within a range of at least 25% and no more than 33% (13 to 17 weeks) of the Total Annual Operating Budget of the City.
4. The City Council may, from time-to-time, appropriate fund balances that will reduce available fund balances below the 25% policy for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the City of Kannapolis. In such circumstances, the Council will adopt a plan to restore the available fund balances to the policy level within 36 months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the City, then the Council will establish a different but appropriate time period.
5. In the event that available fund balances are in excess of 33%, then the City will develop a spending plan utilizing more cash payments for capital projects, or other capital assets.
6. The City will adopt a comprehensive strategy for the long-term stability and financial health of the Water and Sewer Fund, Stormwater Fund, and Environmental Fund. Each fund will maintain a targeted cash balance reserve as compared to that fund’s annual expenditures. The targeted cash balance reserve is stated below:

Water and Sewer Fund	25%
Stormwater Fund	25%
Environmental Fund	10%

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY

Introduction

It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the City and conforming to all State statutes governing the investment of idle funds.

Objectives

- A. To link long-term financial planning with short-term daily operations and decision-making.
- B. To maintain and improve the City's financial position.
- C. To maintain and improve the City's credit ratings by meeting or exceeding the requirements of rating agencies through sound financial policies.
- D. To maintain and increase investor confidence in the City and to provide credibility to the citizens of the City regarding financial operations,
- E. To protect the City of Kannapolis from emergency fiscal crisis by ensuring the continuance of services even in the event of an unforeseen occurrence.
- F. To ensure that Council's adopted policies are implemented in an efficient and effective manner.

Legality

The cash management and investment program of the City of Kannapolis (hereafter the "City") shall be operated in conformance with federal North Carolina, and other legal requirements, including provisions of the North Carolina General Statutes (hereafter "G.S."), specifically The Local Government Budget and Fiscal Control Act (the "LGBFCA"), primarily G.S. 159-30 – Investment of Idle Funds.

Scope

This investment policy applies to all financial assets of the City except authorized petty cash, trust funds, and debt proceeds, which are accounted for and invested separately from pooled cash. The City pools the cash resources of its various funds into a single pool in order to maximize investment opportunities and returns.

Prudence

The standard of prudence to be used by authorized staff shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Authorized staff acting in accordance with procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Responsibility

The Finance Director or his/her designee shall have the responsibility for the administration of the investment policy of the City of Kannapolis. The Finance Director will routinely monitor the contents of the portfolio, the available markets, and the relative values of competing instruments, and will adjust the portfolio accordingly.

Objectives

The City's objectives in managing the investment portfolio, in order of priority, are safety, liquidity, and yield.

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To best mitigate against credit risk (the risk of loss due to the failure of the security issuer) diversification is required. To best mitigate against interest rate risk (the risk that changes in interest rates will adversely affect the market value of a security and that the security will have to be liquidated and the loss realized) the second objective, adequate liquidity, must be met.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating and debt service cash requirements that may be reasonably anticipated. The portfolio will be structured so that securities mature concurrent with cash needs (static liquidity), with securities with an active secondary market (dynamic liquidity), and with deposits and investments in highly liquid money market and mutual fund accounts.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary, economic and interest rate cycles, taking into account investment risk constraints and liquidity needs.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the City.

Authorized Financial Dealers and Financial Institutions

The Finance Director will maintain a list of financial institutions authorized to provide investment services. Authorized financial institutions include banks maintaining an office in the State of North Carolina and securities brokers/dealers classified by the New York Federal Reserve as a primary dealer.

The Finance Director shall have discretion in determining the number of authorized financial institutions and may limit that number based upon the practicality of efficiently conducting the investment program. The Finance Director shall also have the discretion to add or remove authorized financial institutions based upon potential or past performance.

Internal Control

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires the use of estimates and judgments by management.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Collateralization

Collateralization is required for certificates of deposit. North Carolina General Statutes allow the State Treasurer and the Local Government Commission to prescribe rules to regulate the collateralization of public deposits in North Carolina banks. These rules are codified in the North Carolina Administrative Code - Title 20, Chapter 7 (20 NCAC 7). The Pooling Method of collateralization under 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local government. This method transfers the responsibility for monitoring each bank's collateralization and financial condition from the City to the State Treasurer. The City will only maintain deposits with institutions using the Pooling Method of collateralization.

Delivery and Custody

All investment security transactions entered into by the City shall be conducted on a delivery versus payment basis. Securities will be held by a third party custodian designated by the Finance Director and each transaction will be evidenced by safekeeping receipts and tickets.

Authorized Investments

The City is empowered by North Carolina G.S. 159-30(c) to invest in certain types of investments. The City Council approves the use of the following investment types, the list of which is more restrictive than G.S. 159-30(c):

- a) Obligations of the United States or obligations fully guaranteed as to both principal and interest by the United States.
- b) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the United States Postal Service.
- c) Obligations of the State of North Carolina
- d) Bonds and notes of any North Carolina local government or public authority that is rated "AA" or better by at least two of the nationally recognized ratings services or that carries any "AAA insured" rating.
- e) Fully collateralized deposits at interest or certificates of deposit with any bank, savings and loan association or trust company that utilizes the Pooling Method of collateralization (section VIII.I).
- f) Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service, which rates the particular obligation.

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

- g) Banker's acceptance of a commercial bank or its holding company provided that the bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations.
- h) Participating shares in a mutual fund for local government investment, provided that the investments of the fund are limited to those qualifying for investment under G.S. 150-30(c) and that said fund is certified by the LGC. (The only such certified fund is the North Carolina Capital Management Trust.)
- i) Evidences of ownership of, or fractional undivided interest in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian (STRIPS).
- j) Guaranteed investment contracts utilizing repurchase agreements but only for the investment of debt proceeds which are to be collateralized at 105% and marked to market on a daily basis.

Diversification

The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.

Diversification by Instrument	Percent of Portfolio
US Treasury Obligations (bills, notes, bonds)	100%
US Government Agencies (fully guaranteed)	100%
Bankers Acceptances (BAS) (G.S. 147-69.1 (C4F) Commercial Paper (G.S. 147-69.1 (C4F)	40%
Repurchase Agreements	25%
Certificates of Deposit (CDs) Commercial Banks	100%
Certificates of Deposit (CDs) Savings and Loans	25%
North Carolina Capital Management Trust	50%

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Maturity Scheduling

Investment maturities shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, power purchases), as well as considering sizeable blocks of anticipated revenue (tax receipts, etc.). Maturities shall be times to comply with the following guidelines:

Under 1 year	50%
Under 3 years	75%
Under 5 years	100%

Selection of Securities

The Finance Director or his or her designee will determine which investments shall be purchased and sold and the desired maturity date(s) that are in the best interest of the City. The selection of an investment will involve the evaluation of, but not limited to, the following factors: cash flow projections and requirements; current market conditions; and overall portfolio balance and makeup.

Active Trading of Securities

It is the City's intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal. However, if economic or market conditions change making it in the City's best interest to sell or to trade a security before maturity, that action may be taken.

Pooled Cash and Allocation of Interest Income

All moneys earned and collected from investments other than bond proceeds will be allocated monthly to the various participating funds. Earnings on bond proceeds will be directly credited to the same proceeds.

Marking to Market

A report of the market value of the portfolio will be generated at least annually by the Finance Director.

Software

The City recognizes the significance of the size of its investment portfolio and of the requirements contained in this policy. The City will utilize investment software which enables efficient transaction processing and recording, sufficient portfolio monitoring and the ability to maintain reporting compliance with this policy.³

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

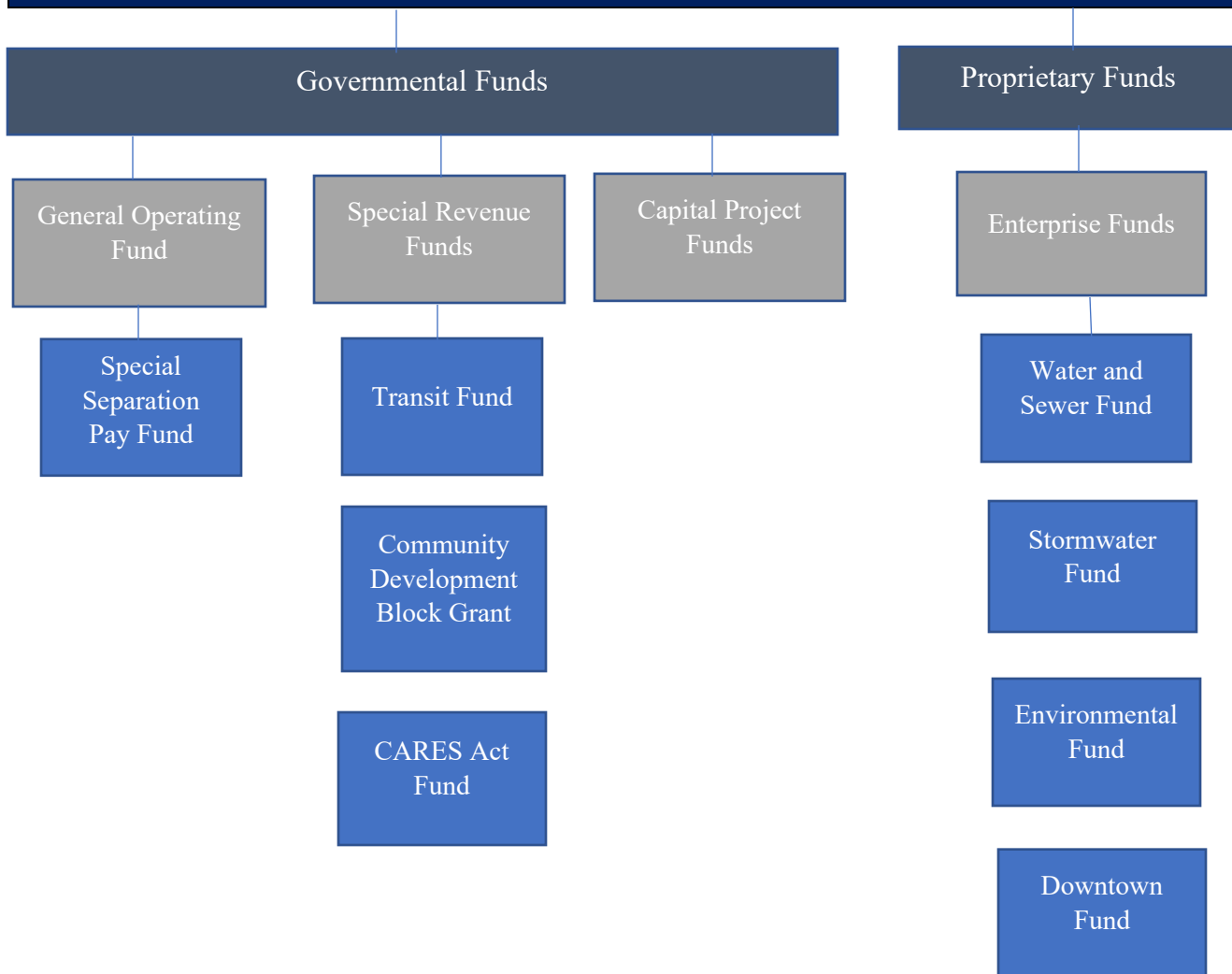
INVESTMENT POLICY – *continued*

Reporting

The Finance Director will prepare a quarterly investment report that will be submitted to the Council. The monthly investment report will include, but is not limited to, a listing of all investments, the investment description, the settlement and maturity dates, the cost value, and the yield to maturity. The monthly investment report will include reporting on the status of diversification compliance.

FINANCIAL STRUCTURE

ALL FUNDS



Fund Relationships

The City of Kannapolis's accounts are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund balances, revenues and expenditures. The City has the following governmental funds.

General Operating Fund: The general fund is the principal operating fund of the City and is used to account for all resources and activities of the City which are not required to be accounted for in another fund.

General Fund: The General fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, federal and state grants and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, sanitation services, cultural and recreational activities and general governmental services. See the full department listing below.

Departments:

- City Council
- City Manager's Office
- Legal Services
- Economic Development
- Communications
- Human Resources
- Finance
- Information Technology
- General Services
- Public Works
 - Engineering
 - Street Lighting
 - Streets Signs and Markings
 - Street Maintenance
 - Powell Bill
 - Operations Center
- Planning
- Parks
 - Recreation
 - Programs
 - Stadium
- Police
 - Administration
 - Support Services
 - Field Operations
- Fire
 - Administration
 - Technical Services
 - Emergency Services

FINANCIAL STRUCTURE

Enterprise Funds: These 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 to finance or recover primarily through user charges the costs of providing goods or services to the general public on a continuing basis; 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.

Water and Sewer Fund: This fund is used to account for the City's water and sewer operations.

Departments:

- Customer Service
- Distribution
- Water Treatment Plant
- Sewage Treatment

Stormwater Fund: This fund is used to account for the City's stormwater operations.

Environmental Fund: This fund is used to account for the City's environmental operations.

Downtown Fund: This fund is used to account for the City's downtown operations.

Special Revenue Funds: These funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Transit Fund: This fund is used to account for the transit system for the City. This is a joint system with the City of Kannapolis and City of Concord called CK Rider.

Community Development Block Grant Fund: this fund accounts for revenues received under the Community Development Block Grant program that are specifically restricted to the revitalization of selected areas within the City.

CARES Act Fund: This fund was established during the COVID-19 pandemic as a means of accounting for the Coronavirus Aid, Relief and Economic Security (CARES) funding the City received from both Cabarrus and Rowan County.

Capital Project Funds: These funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Irish Buffalo Creek Greenway: This fund is used to account for the development of a greenway along Irish Buffalo Creek.

Little Texas Road Sidewalk: This fund is used to account for sidewalk improvements on Little Texas Road.

Bethpage Sidewalk: This fund is used to account for sidewalk improvements on Bethpage Road.

Revenue Bonds 2020: This fund is used to account for the water and sewer improvements financed as part of the 2020 revenue bonds.

Sports and Entertainment Venue: This fund is used to account for the baseball stadium.

BUDGET SUMMARY

City of Kannapolis
Revenue Summary
Fiscal Year 2021

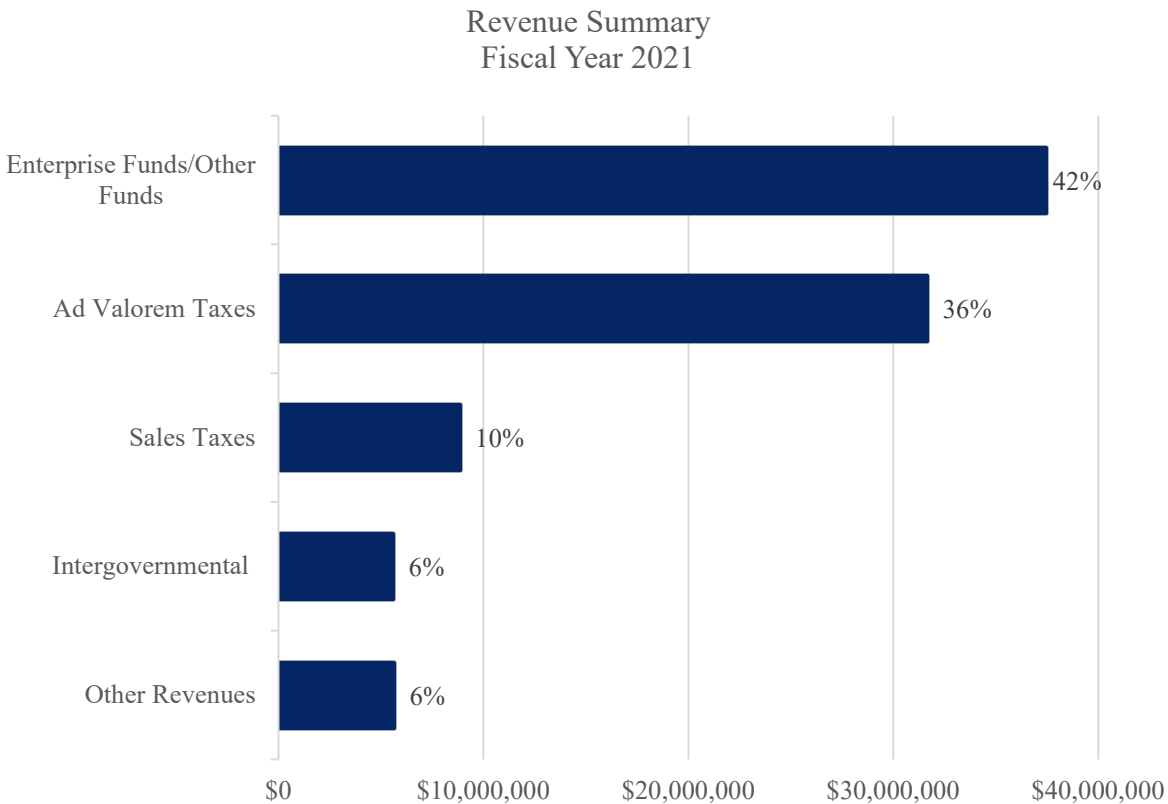
	FY 2019 Adopted	FY 2020 Adopted	FY 2021 Adopted	Difference
Ad Valorem Taxes	25,768,494	27,267,110	31,638,633	4,371,523
Sales Taxes	9,555,000	10,500,000	8,825,121	(1,674,879)
Intergovernmental	6,460,108	6,552,238	5,586,536	(965,702)
Other Revenues	3,871,030	5,703,652	5,441,059	(262,593)
Appropriated Fund Balance/Transfers In	663,368	6,000	200,000	194,000
Total General Fund	\$ 46,318,000	\$ 50,029,000	\$ 51,671,349	\$ 1,642,349
Total Water and Sewer Fund	\$ 18,362,000	\$ 19,275,000	\$ 20,500,000	\$ 1,225,000
Total Stormwater Fund	\$ 3,023,000	\$ 3,050,000	\$ 3,500,000	\$ 450,000
Total Environmental Fund	\$ 3,846,500	\$ 4,153,000	\$ 4,530,187	\$ 377,187
Total Separation Pay Fund	\$ 500,000	\$ 490,000	\$ 502,781	\$ 12,781
Total Transit Fund	\$ 808,000	\$ 864,000	\$ 700,000	\$ (164,000)
Total Downtown Fund	\$ 5,621,000	\$ 7,004,000	\$ 7,676,905	\$ 672,905
Grand Total All Funds	\$ 78,478,500	\$ 84,865,000	\$ 89,081,222	\$ 4,216,222
Less Inter-Fund Transfers	\$ 9,214,136	\$ 7,585,474	\$ 3,860,220	\$ (3,725,254)
Grand Total All Funds	\$ 69,264,364	\$ 77,279,526	\$ 85,221,002	\$ 7,941,476

*Interfund transfers are transfers between annual operating funds. Doesn't include General Management Services Fee charged by enterprise funds to give back to the General Fund.

The City of Kannapolis' operating budget consists of seven funds: General Fund, Water and Sewer Fund, Stormwater Fund, Environmental Fund, Transit Fund, Separation Pay Fund and the Downtown Fund. The General Fund is the City's main operating fund. The primary sources of revenue are property taxes and sales taxes. This fund supports the following department areas: general government, public safety, public works, community development, and parks and recreation. The Water and Sewer Fund, Stormwater, Environmental Fund and Downtown Fund are all enterprise funds that the City operates. These funds run more similarly to a business and primarily operate off user charges and fees. The Transit Fund is a special revenue fund due to

BUDGET SUMMARY

having specific revenues that the City is legally restricted to expend for purposes, such as the public transit system. Last, is the Special Separation Pay Fund, which is a pension trust fund. For law enforcement officers, the State has made this separation allowance mandatory by Article 12D of the North Carolina General Statute 143. The City has chosen to make this benefit available for all City employees. The seven funds mentioned will be further discussed in each fund summary section of the budget document.



Across all funds, the enterprise funds/other funds revenue source of primarily charges and fees comprise the total budget at 42%. Outside of the enterprise funds, the Transit and Separation Pay Funds are also accounted for in this area. The second largest revenue source at 36% is ad valorem taxes, which is the collection of current and prior year tax levied on all property. Sales tax is the third largest source of revenue for the City at 10%. Sales tax is the collections of the one percent (1%) local options-sales tax and both the one-half (1/2) of one percent (1%) local option sales taxes (Articles 40 and 42). The intergovernmental revenue source is any federal, state and local assistance that the City receives which comprises 6% of the total budget. Revenues in this category consist of the following: franchise tax, beer and wine tax, ABS funds, contributions from Cabarrus County and Rowan County, Community Development Block Grant (CDBG) revenue and Powell Bill funds, which come from the State. The final source of revenue at 6% is classified as other revenue. The other category consists of revenues from the General Fund departments, miscellaneous revenue, and appropriated fund balance. Also included in this category is the enterprise fund management fee reimbursement, which is the fee that the Water and Sewer and Stormwater Funds pay to the General Fund for support.

BUDGET SUMMARY

The first table shows a historical comparison of the major revenue sources by fund, with actual data pulled from the City’s audit for fiscal years 2018 and 2019. The FY 20 adopted column is the original budget and for FY 21 there are 2 columns; one for the manger proposed budget and one for the adopted budget.

Source of Revenues by Fund

	FY 18 Actual	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted
Revenues					
Ad Valorem Taxes	25,435,224	26,133,411	27,267,110	31,043,121	31,638,633
Sales Taxes	9,967,045	10,754,189	10,500,000	8,825,121	8,825,121
Intergovernmental	5,877,570	8,412,783	6,552,238	5,586,536	5,586,536
Other	2,362,524	3,189,288	5,703,652	5,421,059	5,421,059
Fund Balance	-	-	6,000	-	-
Transfers	-	-	-	200,000	200,000
Total General Fund	\$ 43,642,363	\$ 48,489,671	\$ 50,029,000	\$ 51,075,837	\$ 51,671,349
Total Water and Sewer Fund	17,105,578	17,715,411	19,275,000	20,500,000	20,500,000
Total Stormwater Fund	2,940,992	2,991,457	3,050,000	3,500,000	3,500,000
Total Environmental Fund	4,722,950	3,987,225	4,153,000	4,530,187	4,530,187
Total Separation Fund	465,000	500,000	490,000	502,781	502,781
Total Transit Fund	608,846	727,888	864,000	700,000	700,000
Total Downtown Fund	3,055,759	5,879,126	7,004,000	2,979,355	7,676,905
Grand Total All Funds	72,541,488	80,290,778	84,871,000	83,788,160	89,081,222
Less Interfund Transfers	(3,074,200)	(9,214,136)	(7,585,474)	(3,860,220)	(3,860,220)
Grand Total All Funds	69,467,288	71,076,642	77,285,526	79,927,940	85,221,002

The following table shows a comparison of revenue sources across all funds for the FY 21 budget.

	FY 21 General Fund	FY 21 Water and Sewer	FY 21 Stormwater	FY 21 Environmental	FY 21 Separation Pay	FY 21 Transit Fund	FY 21 Downtown Fund	FY 21 Total All Funds
Source of Funds								
Ad Valorem Taxes	31,638,633	-	-	-	-	-	-	31,638,633
Sales Taxes	8,825,121	-	-	-	-	-	-	8,825,121
Intergovernmental	5,586,536	-	-	-	-	-	-	5,586,536
Investment Income	210,000	30,000	-	-	-	-	-	240,000
Other	4,821,500	415,000	-	36,000	-	-	-	5,272,500
Charges for Services	-	18,665,000	3,100,000	3,448,487	-	-	603,918	25,817,405
Tap/Connection Fees	-	1,390,000	-	-	-	-	-	1,390,000
Vehicle License Tax	389,559	-	-	-	-	500,000	-	889,559
Fund Balance	-	-	400,000	-	-	200,000	263,698	863,698
Transfers	200,000	-	-	1,045,700	502,781	-	6,809,289	8,557,770
Total Sources	\$ 51,671,349	\$ 20,500,000	\$ 3,500,000	\$ 4,530,187	\$ 502,781	\$ 700,000	\$ 7,676,905	\$ 89,081,222

A line item breakdown of the major revenue sources by fund is on the pages to follow. The first fund is the General Fund, followed by the Water and Sewer Fund, the Stormwater Fund, the Environmental Fund, Special Separation Pay Fund, Transit Fund and the Downtown Fund.

BUDGET SUMMARY

General Fund Detailed Revenue Sources

	FY 18 Actual	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted
Revenues					
Ad Valorem Taxes- Current	25,088,512	25,609,191	26,781,721	30,616,974	31,212,486
Ad Valorem Taxes- Prior	346,712	524,220	485,389	426,147	426,147
Total Ad Valorem Taxes	25,435,224	26,133,411	27,267,110	31,043,121	31,638,633
1% Sales Tax (State)	3,818,028	4,133,987	4,500,000	3,587,034	3,587,034
1/2% Sales Tax (Local)* includes FD Sales Tax	5,743,147	6,223,648	6,080,000	5,388,087	5,388,087
Total Sales Taxes	9,561,175	10,357,635	10,580,000	8,975,121	8,975,121
Franchise Tax	2,716,262	2,765,942	2,784,193	2,660,000	2,660,000
Beer and Wine Tax	201,816	204,271	231,923	210,000	210,000
ABC Funds	86,400	88,875	100,000	90,000	90,000
Cabarrus Contributions	1,523,585	1,522,960	1,512,133	1,336,792	1,336,792
Powell Bill Funds	1,301,140	1,296,666	1,318,989	1,065,744	1,065,744
State Grants	-	2,394,007	-	-	-
Fire - Rowan County Contributions	4,231	4,020	4,000	4,000	4,000
Controlled Substance Tax	17,188	47,072	-	-	-
Federal Asset Forfeiture Funds	21,423	8,970	-	-	-
NC Dept of Commerce	5,525	80,000	-	-	-
Total Intergovernmental	5,877,570	8,412,783	5,951,238	5,366,536	5,366,536
Build America Bond Subsidy Pay	452,392	454,090	451,000	-	-
CDBG Administration Revenues	71,154	85,372	70,000	70,000	70,000
Vehicle License	401,692	369,723	384,750	389,559	389,559
Vehicle Rental Tax	4,178	26,831	5,000	20,000	20,000
Buildings Rental	101,292	120,933	90,000	90,000	90,000
Tower Rental	53,959	93,254	70,000	70,000	70,000
Enterprise Management Fee	-	-	2,084,402	2,614,500	2,614,500
Miscellaneous Revenue	458,747	664,825	225,000	300,000	300,000
Investment Income	328,598	756,108	1,952,500	210,000	210,000
Police - Charges and Fees	61,554	168,799	69,000	169,000	169,000
Officer Court Reimbursement	32,977	28,330	20,000	20,000	20,000
False Alarm Fees	10,364	6,016	8,000	8,000	8,000
Fire- Technical Services Charges and Fees	55,389	26,627	18,000	25,000	25,000
Street Lighting Fees and Charges	73,831	116,091	75,000	-	-
Code Enforcement - Charges and Fees	82,723	80,706	100,000	80,000	80,000
City Code Violations	77,381	102,837	36,000	65,000	65,000
Parks - Charges and Fees	411,501	387,534	471,000	450,000	450,000
Recreation Programs - Charges and Fees	32,653	37,856	45,000	110,000	110,000
Recreation Programs - Donations	58,009	59,910	50,000	50,000	50,000
CVB Contribution	-	-	-	500,000	500,000
Team Lease	-	-	-	250,000	250,000
Total Other	2,768,394	3,585,842	6,224,652	5,491,059	5,491,059
Transfers In from Other Funds	-	-	-	200,000	200,000
Appropriated Fund Balance	-	-	6,000	-	-
Total Transfers/Appropriated Fund Balance	-	-	6,000	200,000	200,000
Total General Fund	43,642,363	48,489,671	50,029,000	51,075,837	51,671,349

BUDGET SUMMARY

Enterprise/Other Funds Detailed Revenue Sources

	FY 18 Actual	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted
Revenues					
Charges and Fees	14,951,785	15,131,247	17,325,000	18,250,000	18,250,000
Wholesale Water Sales	393,395	330,235	375,000	415,000	415,000
Tap Fees	224,150	285,100	200,000	250,000	250,000
Connection Fees	787,449	717,316	700,000	1,000,000	1,000,000
Reconnection Fees	152,750	157,793	150,000	140,000	140,000
Penalties	456,289	478,407	450,000	400,000	400,000
Miscellaneous Revenue	66,291	12,538	15,000	15,000	15,000
Investment Income	73,469	162,069	60,000	30,000	30,000
Transfers In	-	440,706	-	-	-
Total Water and Sewer Fund	17,105,578	17,715,411	19,275,000	20,500,000	20,500,000
Charges and Fees	2,940,992	2,991,457	3,050,000	3,100,000	3,100,000
Investment Income	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Fund Balance Appropriated	-	-	-	400,000	400,000
Transfer from Water and Sewer Fund	-	-	-	-	-
Total Stormwater Fund	2,940,992	2,991,457	3,050,000	3,500,000	3,500,000
Solid Waste Disposal Tax	30,957	35,124	32,300	36,000	36,000
Charges and Fees	2,446,722	3,152,622	3,275,000	3,448,487	3,448,487
Miscellaneous Revenue	56,019	85,779	-	-	-
Transfers from General Fund	995,000	453,700	350,000	150,000	150,000
Transfers from Water and Sewer Fund	114,290	260,000	495,700	495,700	495,700
Transfers from Stormwater Fund	-	-	-	400,000	400,000
Proceeds from Debt Financing	1,079,962	-	-	-	-
Total Environmental Fund	4,722,950	3,987,225	4,153,000	4,530,187	4,530,187
Transfer from General Fund	465,000	500,000	490,000	502,781	502,781
Total Separation Pay Fund	465,000	500,000	490,000	502,781	502,781
Vehicle License Tax	200,846	679,888	760,000	500,000	500,000
Transfer from General Fund	408,000	48,000.00	104,000	-	-
Appropriated Fund Balance	-	-	-	200,000	200,000
Total Transit Fund	608,846	727,888	864,000	700,000	700,000
State Grant	100,000	42,389	-	-	-
Common Area Maintenance Fee	29,672	26,830	5,000	5,000	5,000
Building Rental	29,547	24,782	20,000	20,000	20,000
Commercial Rent/Lease	609,512	584,639	661,824	473,918	473,918
Residential Rent/Lease	103,569	76,951	96,000	105,000	105,000
Special Event Fees	68,435	51,514	75,800	-	-
Miscellaneous Revenue	-	9,137	-	-	-
Sale of Assets	-	439,974	-	-	-
Investment Income	13,824	23,710	-	-	-
Proceeds from Debt Financing	895,000	-	-	-	-
Transfers from General Fund	1,206,200	4,599,200	4,714,252	2,111,739	6,809,289
Transfers from Water and Sewer Fund	-	-	1,431,124	-	-
Fund Balance Appropriated	-	-	-	263,698	263,698
Total Downtown Fund	3,055,759	5,879,126	7,004,000	2,979,355	7,676,905

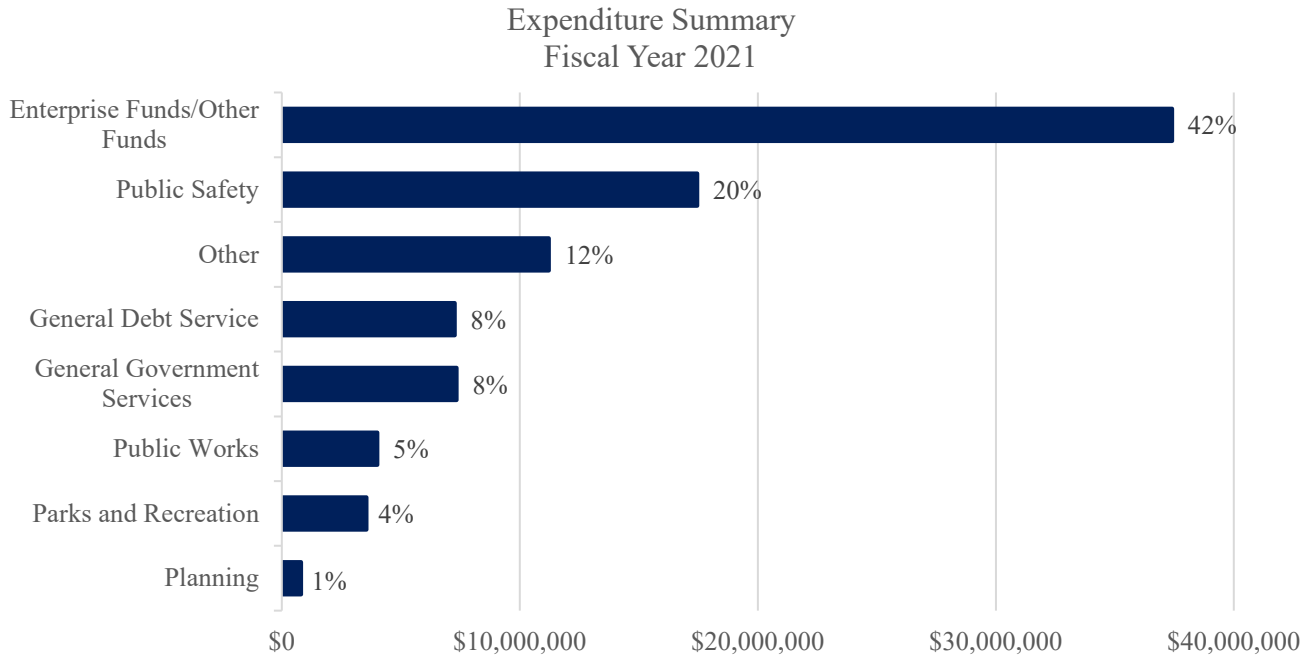
BUDGET SUMMARY

**City of Kannapolis
Expenditure Summary
Fiscal Year 2021**

	FY 2019 Adopted	FY 2020 Adopted	FY 2021 Adopted	Difference
General Government Services	5,864,428	6,755,101	7,344,675	589,574
Planning	1,120,192	771,326	809,503	38,177
Public Safety	16,405,472	17,087,276	17,456,525	369,249
Parks and Recreation	2,536,001	2,915,200	3,557,789	642,589
Public Works	4,258,805	4,421,075	4,014,929	(406,146)
Other	7,493,445	8,093,892	11,220,617	3,126,825
General Debt Service	8,639,657	9,985,130	7,267,311	(2,717,819)
Total General Fund	\$ 46,318,000	\$ 50,029,000	\$ 51,671,349	\$ 1,642,349
Water and Sewer Fund	\$ 18,362,000	\$ 19,275,000	\$ 20,500,000	\$ 1,225,000
Stormwater Fund	\$ 3,023,000	\$ 3,050,000	\$ 3,500,000	\$ 450,000
Environmental Fund	\$ 3,846,500	\$ 4,153,000	\$ 4,530,187	\$ 377,187
Separation Pay Fund	\$ 500,000	\$ 490,000	\$ 502,781	\$ 12,781
Transit Fund	\$ 808,000	\$ 864,000	\$ 700,000	\$ (164,000)
Downtown Fund	\$ 5,621,000	\$ 7,004,000	\$ 7,676,905	\$ 672,905
Grand Total All Funds	\$ 78,478,500	\$ 84,865,000	\$ 89,081,222	\$ 4,216,222

The table above is an expenditure summary for the City’s seven annually adopted funds. The City’s General Fund is broken out by the major function areas, which are: general government services, planning, public safety, parks and recreation, public works, other and debt service. The general Government Services area is made up of the following departments: City Council, City Manager’s Office, Economic Development, Communications, Human Resources, City Attorney, Finance, Information Technology and General Services. The planning area is made up solely of the City’s Planning Department. The public safety area is comprised of the Police and Fire Departments. Public works includes: Engineering, Street Lighting, Operations Center, Signs and Markings, Powell Bill and Street Maintenance. Parks and recreation include: Parks and Recreation and the Stadium. The Other category consists of the Non-Departmental service area as well as any transfers that the General Fund makes to the other funds. Last, debt service is any principal and interest payments accounted for in the General Fund.

BUDGET SUMMARY



The chart above gives a breakdown in expenditures by fund. The Enterprise funds/other funds which consists of: Water and Sewer, Stormwater, Environmental, Downtown, Transit and Special Separation pay comprise 42% of total spending for the City. The next largest expenditure area is public safety at 20% then other category at 12%. Then is general government debt service at 8%. The debt service area includes debt service on City Hall/Police Headquarters, various fire stations and equipment and parks projects. Further breakdown in the City's debt service payments can be found in the debt service program summary of the budget document. General government services area comprises 8% of all spending, while public works comprises 5% of total spending. Last, parks and recreation comprise 4% and planning at 1% of total spending city-wide.

The first table on the following page below shows a historical comparison of the major expenditures by fund, with actual data pulled from the City's audit for fiscal years 2018 and 2019. The FY 20 adopted column is the original budget and for FY 21 there are 2 columns; one for the manger proposed budget and one for the adopted budget.

BUDGET SUMMARY

	FY 18 Actual	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted
Expenditures					
General Government Services	10,454,830	8,467,614	14,848,993	13,272,230	18,565,292
Planning	795,018	736,232	771,326	809,503	809,503
Public Safety	17,878,070	16,012,378	17,087,276	17,456,525	17,456,525
Parks and Recreation	2,408,362	2,598,425	2,915,200	3,557,789	3,557,789
Public Works	4,544,122	3,518,263	4,421,075	4,014,929	4,014,929
General Debt Service	7,373,182	8,428,016	9,985,130	11,964,861	7,267,311
Total General Fund	43,453,584	39,760,928	50,029,000	51,075,837	51,671,349
Water and Sewer Fund	15,397,870	19,402,345	19,275,000	20,500,000	20,500,000
Stormwater Fund	2,237,253	3,301,471	3,050,000	3,500,000	3,500,000
Environmental Fund	4,421,323	3,772,767	4,153,000	4,530,187	4,530,187
Separation Pay Fund	374,195	396,169	490,000	502,781	502,781
Transit Fund	599,060	620,127	864,000	700,000	700,000
Downtown Fund	3,138,365	4,874,034	7,004,000	2,979,355	7,676,905
Grand Total All Funds	69,621,650	72,127,841	84,865,000	83,788,160	89,081,222

The following table shows a comparison of expenditure uses across all funds for the FY 21 budget.

	FY 21 General Fund	FY 21 Water and Sewer	FY 21 Stormwater	FY 21 Environmental	FY 21 Separation Pay	FY 21 Transit Fund	FY 21 Downtown Fund	FY 21 Total All Funds
Uses of Funds								
General Government	7,344,675	-	-	-	-	-	-	7,344,675
Planning	809,503	-	-	-	-	-	-	809,503
Public Safety	17,456,525	-	-	-	-	-	-	17,456,525
Parks and Recreation	3,557,789	-	-	-	-	-	-	3,557,789
Public Works	4,014,929	-	-	-	-	-	-	4,014,929
Other	11,220,617	-	1,595,928	4,298,151	502,781	700,000	867,616	19,185,093
Debt Service	7,267,311	7,104,714	1,033,493	232,036	-	-	6,809,289	22,446,843
Distribution	-	3,334,251	-	-	-	-	-	3,334,251
Water Treatment Plant	-	3,106,448	-	-	-	-	-	3,106,448
Sewage Treatment (WSACC)	-	3,407,618	-	-	-	-	-	3,407,618
Billing and Collections	-	907,348	-	-	-	-	-	907,348
Transfers Other Funds	-	2,639,621	870,579	-	-	-	-	3,510,200
Total Uses	\$ 51,671,349	\$ 20,500,000	\$ 3,500,000	\$ 4,530,187	\$ 502,781	\$ 700,000	\$ 7,676,905	\$ 89,081,222

A line item breakdown of expenditures by fund is on the pages to follow. The first fund is the General Fund, followed by the Water and Sewer Fund, the Stormwater Fund, the Environmental Fund, Special Separation Pay Fund, Transit Fund and the Downtown Fund.

BUDGET SUMMARY

General Fund Detailed Expenditures

	FY 18 Actual	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted
Expenditures					
City Council	205,861	204,143	247,500	219,663	219,663
City Manager - Administration	822,410	881,449	1,002,385	1,421,627	1,421,627
Economic Development	2,164,886	3,062,107	715,000	712,750	712,750
Communications	170,968	119,867	154,200	167,700	167,700
Human Resources	492,958	494,426	536,370	537,560	537,560
City Attorney	320,910	418,407	372,320	416,958	416,958
Finance	846,866	913,505	860,284	831,184	831,184
Information Technology	1,352,046	1,260,235	1,268,027	1,427,035	1,427,035
General Services	1,935,440	1,435,057	1,599,015	1,610,198	1,610,198
Total General Government	8,312,345	8,789,196	6,755,101	7,344,675	7,344,675
Police - Administration	816,428	1,039,933	897,432	788,674	788,674
Police - Support Services	2,808,677	2,811,995	3,175,453	3,358,847	3,358,847
Police - Field Operations	4,721,898	4,301,241	4,761,101	4,856,246	4,856,246
Total Police	8,347,003	8,153,169	8,833,986	9,003,767	9,003,767
Fire - Administration	899,559	882,143	934,237	1,090,066	1,090,066
Fire- Emergency Services	8,183,108	6,528,667	6,853,963	6,875,507	6,875,507
Fire- Technical Services	448,400	448,399	465,090	487,185	487,185
Total Fire	9,531,067	7,859,209	8,253,290	8,452,758	8,452,758
Public Works - Engineering	1,273,935	1,119,669	1,239,676	986,229	986,229
Public Works - Street Lighting	773,650	610,895	683,000	730,400	730,400
Public Works - Operations Center	97,435	114,247	138,300	138,300	138,300
Public Works - Signs and Markings	483,670	392,700	432,078	413,435	413,435
Public Works- Powell Bill	1,915,432	1,280,752	1,928,021	1,746,565	1,746,565
Total Public Works	4,544,122	3,518,263	4,421,075	4,014,929	4,014,929
Planning	795,018	736,232	771,326	809,503	809,503
Total Planning	795,018	736,232	771,326	809,503	809,503
Parks and Recreation - Parks	1,796,984	1,961,790	2,309,200	2,698,789	2,698,789
Parks and Recreation - Recreation Programs	402,999	376,188	390,000	734,000	734,000
Stadium	208,379	260,447	216,000	125,000	125,000
Total Parks and Recreation	2,408,362	2,598,425	2,915,200	3,557,789	3,557,789
Non-Departmental	2,142,485	(321,582)	2,435,242	3,163,035	3,758,547
Transfers	-	-	5,658,650	2,764,520	7,462,070
Total Other	2,142,485	(321,582)	8,093,892	5,927,555	11,220,617
Debt Service	7,373,182	8,428,016	9,985,130	11,964,861	7,267,311
Total Debt Service	7,373,182	8,428,016	9,985,130	11,964,861	7,267,311
Total General Fund Expenditures	43,453,584	39,760,928	50,029,000	51,075,837	51,671,349

BUDGET SUMMARY

Enterprise/Other Funds Detailed Expenditures

	FY 18 Actual	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted
Expenditures					
Billing and Collections	826,647	822,945	928,721	907,348	907,348
Distribution	3,090,787	3,189,262	2,842,216	3,334,251	3,334,251
Water Treatment Plant	2,951,697	3,354,158	3,004,814	3,106,448	3,106,448
Sewage Treatment (WSACC)	3,043,249	3,512,330	3,185,467	3,407,618	3,407,618
General Management Services	1,616,000	1,765,800	1,765,800	2,143,921	2,143,921
Transfer to Capital/Other Funds	114,290	1,947,436	1,926,824	495,700	495,700
Debt Service	3,755,200	4,810,414	5,621,158	7,104,714	7,104,714
Total Water and Sewer Fund	15,397,870	19,402,345	19,275,000	20,500,000	20,500,000
Total Stormwater Fund	2,237,253	3,301,471	3,050,000	3,500,000	3,500,000
Total Environmental Fund	4,421,323	3,772,767	4,153,000	4,530,187	4,530,187
Total Separation Pay Fund	374,195	396,169	490,000	502,781	502,781
Total Transit Fund	599,060	620,127	864,000	700,000	700,000
Total Downtown Fund	3,138,365	4,874,034	7,004,000	2,979,355	7,676,905

BUDGET SUMMARY

The following tables show a comparison of expenditures for each fund by three major categories, which are: personnel; operating and capital expenses. Personnel expenses are those associated with employment including salaries and benefits. The operations category includes all of the expenses associated to operate that department. Examples include office supplies, uniforms, technology, printing, equipment, contracted services, etc. The capital category includes any capital purchase over \$5,000 but under the \$100,000 threshold, which qualifies the purchase to be a capital improvement project. Examples include vehicle, machinery and equipment purchases. Also included in the tables below are full-time positions by each fund from FY 2018- FY 2021.

Expenditures by Category

	FY 18 General Fund	FY 18 Water and Sewer	FY 18 Stormwater	FY 18 Environmental	FY 18 Separation Pay	FY 18 Transit Fund	FY 18 Downtown Fund	FY 18 Total All Funds
Expenditures								
Personnel	20,092,522	2,805,223	801,158	255,800	-	-	-	23,954,703
Operating	22,666,597	14,154,677	2,131,542	3,032,100	465,000	598,000	2,083,700	45,131,616
Capital	1,230,881	567,300	61,300	253,400	-	-	-	2,112,881
Total	\$ 43,990,000	\$ 17,527,200	\$ 2,994,000	\$ 3,541,300	\$ 465,000	\$ 598,000	\$ 2,083,700	\$ 71,199,200
Positions	281	48	16	4	-	-	-	349

	FY 19 General Fund	FY 19 Water and Sewer	FY 19 Stormwater	FY 19 Environmental	FY 19 Separation Pay	FY 19 Transit Fund	FY 19 Downtown Fund	FY 19 Total All Funds
Expenditures								
Personnel	20,132,114	3,228,703	808,848	-	-	-	-	24,169,665
Operating	25,989,886	14,893,297	2,146,916	3,846,500	500,000	808,000	5,621,000	53,805,599
Capital	196,000	240,000	67,236	-	-	-	-	503,236
Total	\$ 46,318,000	\$ 18,362,000	\$ 3,023,000	\$ 3,846,500	\$ 500,000	\$ 808,000	\$ 5,621,000	\$ 78,478,500
Positions	289	55	16	4	-	-	-	364

	FY 20 General Fund	FY 20 Water and Sewer	FY 20 Stormwater	FY 20 Environmental	FY 20 Separation Pay	FY 20 Transit Fund	FY 20 Downtown Fund	FY 20 Total All Funds
Expenditures								
Personnel	21,872,270	3,483,256	900,157	306,334	-	-	-	26,562,017
Operating	28,098,730	15,791,744	2,149,843	3,846,666	490,000	864,000	7,004,000	58,244,983
Capital	58,000	-	-	-	-	-	-	-
Total	\$ 50,029,000	\$ 19,275,000	\$ 3,050,000	\$ 4,153,000	\$ 490,000	\$ 864,000	\$ 7,004,000	\$ 84,807,000
Positions	304	62	16	6	-	-	-	388

	FY 21 General Fund	FY 21 Water and Sewer	FY 21 Stormwater	FY 21 Environmental	FY 21 Separation Pay	FY 21 Transit Fund	FY 21 Downtown Fund	FY 21 Total All Funds
Expenditures								
Personnel	25,448,497	3,773,012	886,328	415,825	-	-	-	30,523,662
Operating	26,154,894	16,710,188	2,613,672	4,114,362	502,781	700,000	7,676,905	58,472,802
Capital	67,958	16,800	-	-	-	-	-	84,758
Total	\$ 51,671,349	\$ 20,500,000	\$ 3,500,000	\$ 4,530,187	\$ 502,781	\$ 700,000	\$ 7,676,905	\$ 89,081,222
Positions	306	62	16	6	-	-	-	390

FUND SUMMARIES

GENERAL FUND					
	FY 2020 Adopted		FY 2021 Adopted	Difference	% Change
Revenues					
Ad Valorem Taxes	27,267,110		31,638,633	4,371,523	16.03%
Sales Taxes	10,500,000		8,825,121	(1,674,879)	-15.95%
Intergovernmental	6,552,238		5,586,536	(965,702)	-14.74%
Other Revenues	5,703,652		5,421,059	(282,593)	-4.95%
Appropriated Fund Balance/Transfers In	6,000		200,000	194,000	3233.33%
Total	\$ 50,029,000		\$ 51,671,349	\$ 1,642,349	3.28%
Expenditures					
Personnel	23,645,030		25,448,497	1,803,467	7.63%
Operating	26,268,570		26,154,894	(113,676)	-0.43%
Capital	115,400		67,958	(47,442)	-41.11%
Total	\$ 50,029,000		\$ 51,671,349	\$ 1,642,349	3.28%

The FY 2021 adopted General Fund budget totals \$51,671,349 which is an increase of 3.28% or \$1,642,349 over the FY 2020 adopted budget of \$50,029,000.

Revenues in the General Fund are divided among property taxes, sales taxes, intergovernmental revenues, other revenues and appropriated fund balance. The primary increase in property tax revenues is due to the Cabarrus County revaluation of property which is estimated at a 16% increase. Due to impacts related to the COVID-19 pandemic, an overall 15.95% decrease is projected in sales tax revenue. Intergovernmental revenue is also estimated to decline by 14.74% due a 20% decrease in funding in franchise tax and Powell Bill funding. The other revenue category is decreasing by 4.95% primarily due to decreases in investment income and the City no longer collecting street lighting fees and charges. This revenue stream is now handled between Duke Energy and the developer directly when street lighting is installed. Last, the General Fund is receiving a \$200,000 transfer in from the Transit Fund.

Expenditures in the personnel category include all expenses associated with employment including salaries and benefits. Also included in this category is special separation pay. The primary increase in salary and benefit increases is year-end projected merits for FY 20, currently no merits or COLA are proposed to be funded in FY 21 due to major revenue shortfalls as a result of the COVID-19 pandemic. Also included in this category for FY 21 is the 1.2% retirement rate increase for all eligible employees. For FY 21, the general government the rate is 10.2% and law enforcement is 10.9%. Last, the increase from FY 20 to FY 21 includes the additional \$625,000 in medical expense related to the employer contribution in health insurance costs due to an increase in projected claims.

The operations category includes all the expenses associated to operate that department. Examples include: office supplies, technology equipment, uniforms, contracted services, etc. Also included

FUND SUMMARIES

in this category is debt service obligations and inter-fund transfers. Expenditures in the operations category decreased by 0.43% from the FY 20 adopted budget. The primary decrease relates to reduced transfers that the General Fund makes to the Transit Fund and Downtown Fund.

The capital category includes any capital purchase over \$5,000 but under the \$100,000 threshold, which qualifies the purchase to be a capital improvement project. Examples in this category include: vehicles, furniture and equipment. For FY 21, \$67,958 is budgeted in capital outlay for vehicle purchases for a school resource officer in the Police Department and mechanic in the Fire Department. These costs are covered with either a grant or a reduction in a corresponding expenditure account.

WATER AND SEWER FUND						
	FY 2020 Adopted		FY 2021 Adopted		Difference	% Change
Revenues						
Charges and Fees	17,325,000		18,250,000		925,000	5.34%
Wholesale Water Sales	375,000		415,000		40,000	10.67%
Tap Fees	200,000		250,000		50,000	25.00%
Connection Fees	700,000		1,000,000		300,000	42.86%
Reconnection Fees	150,000		140,000		(10,000)	-6.67%
Penalties	450,000		400,000		(50,000)	-11.11%
Miscellaneous Revenue	15,000		15,000		-	0.00%
Investment Income	60,000		30,000		(30,000)	-50.00%
Total	\$ 19,275,000		\$ 20,500,000		\$ 1,225,000	6.36%
Expenditures						
Personnel	3,483,256		3,773,012		289,756	8.32%
Operating	15,791,744		16,710,188		918,444	5.82%
Capital	-		16,800		16,800	0.00%
Total	\$ 19,275,000		\$ 20,500,000		\$ 1,225,000	6.36%

The FY 21 Water and Sewer budget totals \$20,500,000, which represents a \$1,225,000 or 6.36% increase over the FY 2020 adopted budget of \$19,275,000. For FY 21, charges and fees is projected to increase by \$925,000 due to organic growth and projected new water customers. Tap and connection fees are projected to increase by over \$350,000 due to growth and a recent fee increase that took place mid-fiscal year 2020. Due to lingering impacts of COVID-19, staff is projecting a decrease in penalty revenue due to late payments by \$50,000. The major increase in personnel expenditures is related to adding a new crew mid-fiscal year 2020 to assist with tap and connection installations for developments. Also included in the increase in personnel is the retirement rate increase, health insurance increase and projected year-end FY 20 merits. Again, no merits or cost of living adjustment are budgeted for FY 21 due to revenue shortfalls. The major increase in operations for the Water and Sewer fund is an increase in bulk water purchases, materials for water and sewer replacements, estimates from WSACC for sewage treatment and the debt service for a

FUND SUMMARIES

Vac truck replacement that is estimated at \$650,000. The \$16,800 in capital is for equipment purchases, such as an old mower and tapping equipment.

STORMWATER FUND					
	FY 2020 Adopted		FY 2021 Adopted	Difference	% Change
Revenues					
Charges and Fees	3,050,000		3,100,000	50,000	1.64%
Appropriated Fund Balance	-		400,000	400,000	100.00%
Total	\$ 3,050,000		\$ 3,500,000	\$ 450,000	14.75%
Expenditures					
Personnel	900,157		886,328	(13,829)	-1.54%
Operating	2,149,843		2,613,672	463,829	21.58%
Capital	-		-	-	0.00%
Total	\$ 3,050,000		\$ 3,500,000	\$ 450,000	14.75%

The FY 21 Stormwater budget totals \$3,500,000, which represents a \$450,000 or 14.75% increase over the FY 20 adopted budget of \$3,050,000. For FY 21, charges and fees is projected to increase by \$50,000 due to organic growth. In order to mitigate the General Fund's full transfer to the Environmental fund, the Stormwater Fund has a fund balance appropriation of \$400,000 which will be transferred to the Environmental Fund. The major increase in operating expenditures is the transfer to the Environmental Fund, an increase in the general management services fee to the General Fund and \$100,000 in contracted services to maintain the ditching program.

ENVIRONMENTAL FUND					
	FY 2020 Adopted		FY 2021 Adopted	Difference	% Change
Revenues					
Solid Waste Disposal Tax	32,300		36,000	3,700	11.46%
Charges and Fees	3,275,000		3,448,487	173,487	5.30%
Transfers from General Fund	350,000		150,000	(200,000)	-57.14%
Transfers from Water and Fund	495,700		495,700	-	0.00%
Transfers from Stormwater	-		400,000	400,000	100.00%
Total	\$ 4,153,000		\$ 4,530,187	\$ 377,187	9.08%
Expenditures					
Personnel	306,334		415,825	109,491	35.74%
Operating	3,846,666		4,114,362	267,696	6.96%
Capital	-		-	-	0.00%
Total	\$ 4,153,000		\$ 4,530,187	\$ 377,187	9.08%

FUND SUMMARIES

The FY 21 Environmental budget totals \$4,530,187, which represents a \$377,187 or 9.08% increase over the FY 20 adopted budget of \$3,050,000. For FY 21, charges and fees is projected to increase by \$173,487 due to organic growth and projected new households. This fund was scheduled to have a fee increase of \$1.50 for FY 21 according to the City’s long-range financial plan. This would have generated an additional \$500,000 to assist this fund in becoming self-sustaining. Due to the impacts of COVID-19, no fee increase is proposed for FY 21, so this fund relies on inter-fund transfers from the General, Water and Sewer and Stormwater Fund in order to operate. The primary driver in operational increases in this fund is an increase in recycling and solid waste disposal costs. A ton of solid waste disposed at the landfill is \$39.40/ton while a ton of recyclable materials is \$98/ton. The Environmental Fund also has an increase in personnel costs due to the city-wide restructuring which moved the Director of Transportation and Environmental services to this budget. Also reflected in the personnel category is the retirement and health insurance increases as well as projected year-end FY 20 merits.

SEPARATION PAY FUND								
	FY 2020 Adopted		FY 2021 Adopted		Difference		% Change	
Revenues								
Transfers from General Fund		490,000		502,781		12,781		2.61%
Total	\$	490,000	\$	502,781	\$	12,781		2.61%
Expenditures								
Personnel		-		-		-		0.00%
Operating		490,000		502,781		12,781		2.61%
Capital		-		-		-		0.00%
Total	\$	490,000	\$	502,781	\$	12,781		2.61%

The FY 21 Separation Pay Fund is funded through a contribution from the General Fund. For FY 21, the contribution is \$502,781, which is a \$12,781 or 2.61% increase over the FY 20 adopted budget of \$490,000. The primary driver for the increase is new employees becoming eligible for this benefit. Currently, thirty-two employees receive this benefit with a projected two new employees to roll on during FY 21. Expenditures are calculated based off .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the employee for each year of credible service. Benefits such as Social Security and Medicare are also calculated off the total projected contribution.

FUND SUMMARIES

TRANSIT FUND						
	FY 2020 Adopted		FY 2021 Adopted		Difference	% Change
Revenues						
Vehicle License	760,000		500,000		(260,000)	-34.21%
Transfers from General Fund	104,000		-		(104,000)	-100.00%
Appropriated Fund Balance	-		200,000		200,000	100.00%
Total	\$ 864,000		\$ 700,000		\$ (164,000)	-18.98%
Expenditures						
Personnel	-		-		-	0.00%
Operating	864,000		700,000		(164,000)	-18.98%
Capital	-		-		-	0.00%
Total	\$ 864,000		\$ 700,000		\$ (164,000)	-18.98%

The FY 21 Transit Fund budget totals \$700,000 for FY 21, which is a decrease of \$164,000 or 18.98% from the FY 20 adopted budget of \$864,000. The primary decrease for FY 21 results in not having a transfer from the General Fund in order to offset operations. Due to the impacts of the COVID-19 pandemic, public transit systems received additional funding via the CARES Act. This additional funding is used to offset operational expenses related to public transit systems. In conjunction with the City of Concord, Kannapolis will receive this funding over the next three years. In addition, the Transit Fund receives revenue from the vehicle license tax, which is \$30. \$20 goes directly to the Transit Fund to support the public transit system and \$5 goes back to support to the General Fund for support and \$5 goes towards road paving/improvements. The Transit Fund does include \$51,771 for the purchase of technology projects that aren't eligible for CARES Act funds. These projects were deferred to FY 21. Funding for the technology items will come from the projected vehicle license tax revenue. For FY 21, there is a fund balance appropriation of \$200,000 which will be transferred back to the General Fund. Historically, this fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance.

FUND SUMMARIES

DOWNTOWN FUND							
	FY 2020 Adopted		FY 2021 Adopted		Difference		% Change
Revenues							
Common Area Maintenance	5,000		5,000		-		0.00%
Rentals	777,824		598,918		(178,906)		-23.00%
Special Event Fees	75,800		-		(75,800)		-100.00%
Transfers from General Fund	4,714,252		6,809,289		2,095,037		44.44%
Transfers from Water and Sewer Fund	1,431,124		-		(1,431,124)		-100.00%
Appropriated Fund Balance	-		263,698		263,698		100.00%
Total	\$ 7,004,000		\$ 7,676,905		\$ 672,905		9.61%
Expenditures							
Personnel	-		-		-		0.00%
Operating	7,004,000		7,676,905		672,905		9.61%
Capital	-		-		-		0.00%
Total	\$ 7,004,000		\$ 7,676,905		\$ 672,905		9.61%

The Downtown Fund totals \$7,676,905, which is an increase of \$672,905 or 9.61% from the FY 20 adopted budget of \$7,004,000. The primary driver behind increase is the addition of the principal debt service payment for the Atrium Health Ballpark. The debt service is budgeted in the Downtown Fund because that is where the asset and liability are accounted for. Although, all operating costs for the ballpark are accounted for in the General Fund for better oversight and accountability efforts. The ballpark and the West Avenue streetscape projects are housed under the Parks budget as they are considered parks that require staffing and maintenance efforts. Revenues in the Downtown Fund are projected to decrease based on the city leasing less properties as they become developed and reduced rental revenue by 15% due to COVID-19 impacts. For FY 20, the Downtown Fund received transfers from both the General and Water and Sewer Funds for infrastructure upgrades downtown. For FY 21, there is no proposed transfer from the Water and Sewer Fund and the transfer from the General Fund increased by 44%. This transfer will cover the debt service obligations in this fund for FY 21. New to FY 21 is a fund balance appropriation of \$263,698. Overall, costs in this fund have increased by 9.61% due to the principal debt service for the Atrium Health Ballpark coming online in FY 21.

GENERAL FUND

The General Fund (GF) is the largest fund with the City and represents most of the financial resources of the City. General Fund revenue includes monies collected from property taxes, licenses and permits, local taxes and other types of revenue. This fund includes most of the basic operating services, such as fire and police protection, administration, finance, information technology, economic development, communications, parks, planning, and general services.

GENERAL FUND SUMMARY

General Fund Revenues

Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
Ad Valorem Taxes - Current Year	26,781,721	31,212,486	4,430,765	16.54%
Ad Valorem Taxes - Prior Year	485,389	426,147	(59,242)	-12.21%
Total Ad Valorem Taxes	\$ 27,267,110	\$ 31,638,633	\$ 4,371,523	16.03%
1% Sales Tax (State)	4,500,000	3,587,034	(912,966)	-20.29%
1/2% Sales Tax (Local)	6,000,000	5,238,087	(761,913)	-12.70%
Total Sales Tax	\$ 10,500,000	\$ 8,825,121	\$ (1,674,879)	-15.95%
Fire District Sales Tax	80,000	150,000	70,000	87.50%
Franchise Tax	2,784,193	2,660,000	(124,193)	-4.46%
Beer & Wine Tax	231,923	210,000	(21,923)	-9.45%
ABC Funds	100,000	90,000	(10,000)	-10.00%
Cabarrus Contributions	1,512,133	1,336,792	(175,341)	-11.60%
Build America Bond Subsidy Pay	451,000	-	(451,000)	-100.00%
CDBG Administration Revenues	70,000	70,000	-	0.00%
Rowan County Contributions	4,000	4,000	-	0.00%
Powell Bill Funds	1,318,989	1,065,744	(253,245)	-19.20%
Total Intergovernmental	\$ 6,552,238	\$ 5,586,536	\$ (965,702)	-14.74
Vehicle License	384,750	389,559	4,809	1.25%
Vehicle Rental Tax	5,000	20,000	15,000	300.00%
Buildings Rental	90,000	90,000	-	0.00%
Tower Rental	70,000	70,000	-	0.00%
Miscellaneous Revenue	225,000	300,000	75,000	33.33%
Investment Income	1,952,500	210,000	(1,742,500)	-89.24%
Enterprise Fund Management Fee Reimbursement	2,084,402	2,614,500	530,098	25.43%
Police - Charges and Fees	69,000	169,000	100,000	144.93%
Officer Court Reimbursement	20,000	20,000	-	0.00%
False Alarm Fees	8,000	8,000	-	0.00%
Fire: Technical Services - Charges & Fees	18,000	25,000	7,000	38.89%
Street Lighting Fees and Charges	75,000	-	(75,000)	-100.00%
Code Enforcement - Charges & Fees	100,000	80,000	(20,000)	-20.00%
City Code Violations	36,000	65,000	29,000	80.56%
Parks - Charges and Fees	471,000	450,000	(21,000)	-4.46%
Recreation Programs-Charges & Fees	45,000	110,000	65,000	144.44%
Recreation Programs - Donations	50,000	50,000	-	0.00%
CVB Contribution	-	500,000	500,000	100.00%
Team Lease	-	250,000	250,000	100.00%
Total Other	\$ 5,703,652	\$ 5,421,059	\$ (282,593)	-4.95%
Appropriated Fund Balance	6,000	-	(6,000)	-100.00%
Transfer from Transit Fund	-	200,000	200,000	100.00%
Total FB App/Transfers In	\$ 6,000	\$ 200,000	\$ 194,000	3233.33%
	\$ 50,029,000	\$ 51,671,349	\$ 1,642,349	3.28%

Property (Ad Valorem) Taxes

Property valuations are established by the County Tax Assessor. The City of Kannapolis is in two (2) counties, Rowan and Cabarrus and the property values are set by each respective County Tax Assessor

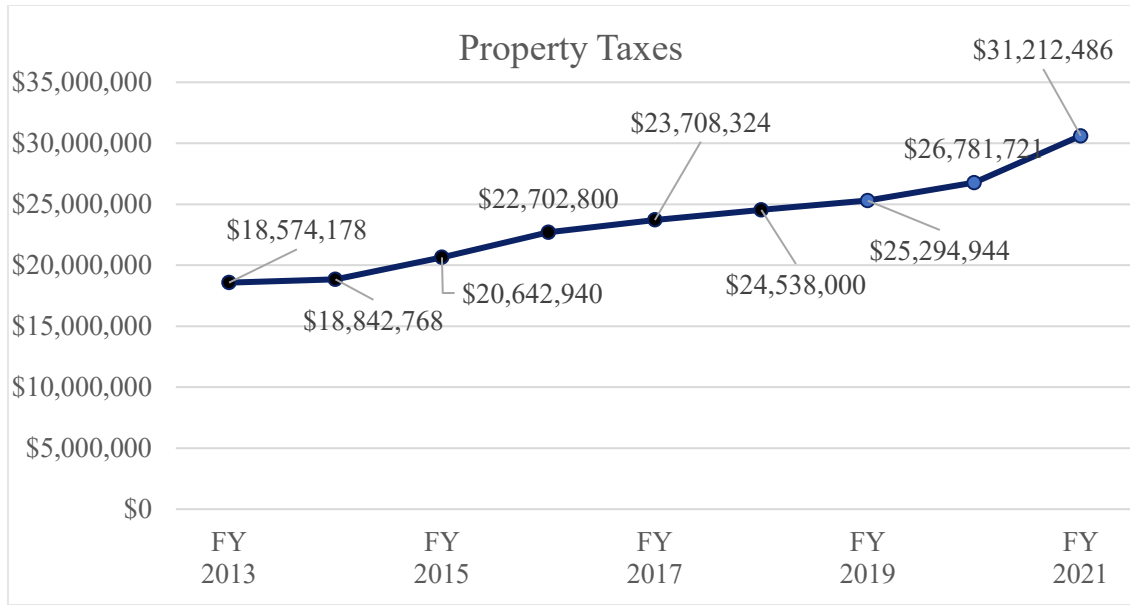
Property taxes are projected to increase by 16% or \$4,430,765 in FY 21 over the FY 20 adopted budget. This large increase is attributed to normal growth on the Rowan County portion of Kannapolis and based off 14% growth in valuation on the Cabarrus County side due to the revaluation of properties.

The revaluation of real property required by state statute every eight years is completed and effective for taxes listed on January 1, 2020. Cabarrus County and Rowan County conduct revaluations every four years rather than the maximum eight years. State law requires that units of local government, including public authorities, publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide the citizens with comparative information. The FY 21 proposed operating budget follows the general reappraisal of real property for Cabarrus County. The revenue-neutral tax rate, as defined by G.S. 159-11 (e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. The reappraisal produced a tax base of \$5,049,289,745 for Kannapolis. The tax levy for the current fiscal year is \$2,732,828,679 and the growth factor since the last general appraisal is 3.29%. Using the formula mandated by State law, the revenue-neutral rate for the City of Kannapolis is 57 cents. If the City was to go revenue neutral it would result in the loss of over \$2.97 million in property tax revenue for FY 21.

The proposed tax rate for the City remains at 63 cents. The FY 2021 property tax revenue is based off a proposed rate of \$0.63 per \$100 of assessed valuation. The total taxable property value is estimated at \$5,049,289,745, which is a 16.40% over the FY 20 adopted valuation. Due to the impacts of COVID-19, the City used a combined collection rate from the 2008-2009 recession, 98.12% based on the unknowns related to the payments of property taxes in the current climate. One penny on the tax rate equates to \$504,929 in property tax revenue. FY 21 proposed property tax revenue is estimated at \$31,638,633 and comprises 61% of all General Fund revenue. This includes \$31,212,486 in current year property taxes and \$426,147 in prior year taxes.

Please note the graph on the following page that shows the increase in property tax revenue over the past 8 years. The City of Kannapolis has experienced consistent growth and continues to do so. The large increase in the FY 21 budget is attributed to the revaluation of properties in Cabarrus County.

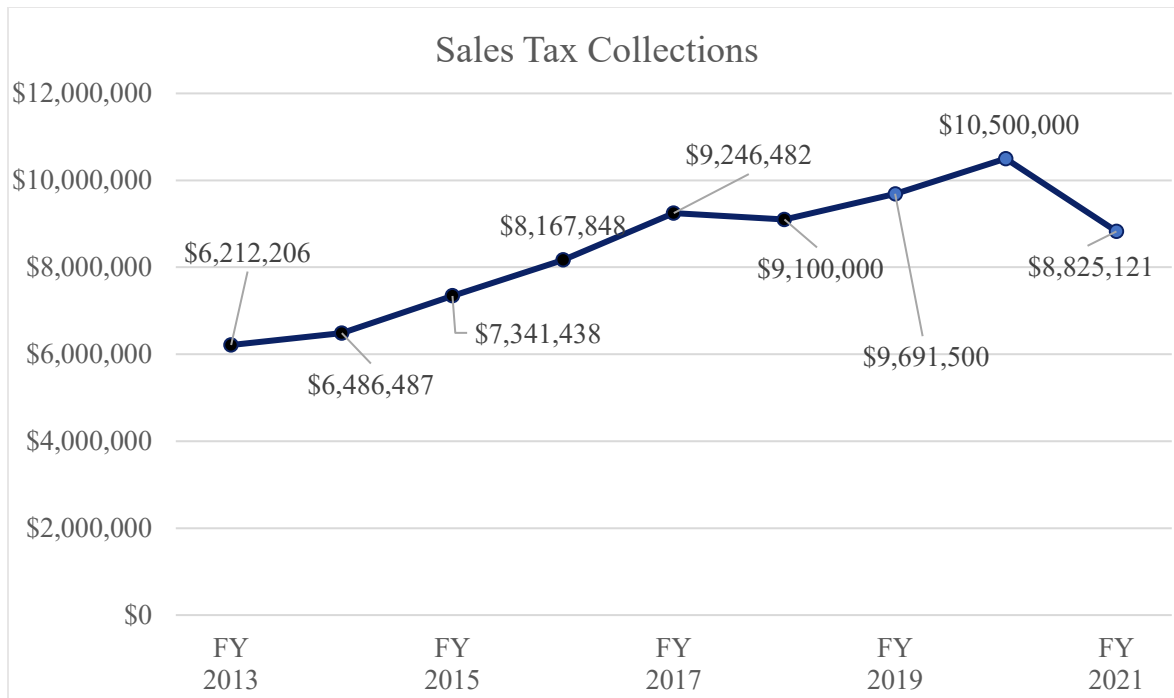
GENERAL FUND SUMMARY



Sales Taxes

Sales tax projections are based on retail sales and historical trends. Article 39 (G.S. 105) or 1% was established whereby counties and municipalities receive the net proceeds of the tax collections within the county less the cost to the State of collecting and administering the tax (point of sale). The net proceeds are distributed on a per capita basis in Rowan County and an ad-valorem basis in Cabarrus County. The per capita basis is calculated based on the ratio of the City's population to the sum of the total population of the taxing county and all the cities within the county. The ad valorem basis is calculated in a similar manner except that the total property tax levy is used in place of population. Article 40 (G.S 105) or ½ of 1% and Article 42 (G.S 105) or ½ of 1% was established with net proceeds placed in a state-wide pool. Net proceeds are distributed on a per capita and ad-valorem tax basis. Sales tax comprises 17% of the proposed General Fund budget. Due to the COVID-19 pandemic, staff is projecting a decrease in sales tax revenue from the FY 20 adopted budget of \$10,500,000. Major retailers and businesses were forced to close during March – May 2020 and are projected to have phased openings based on a percentage of their total capacity in June and into fiscal year 2021. This has had a major impact on sales tax revenue that the City receives. For year-end 2020, staff is projecting to come in \$1.9 million under budget. These year-end projections for FY 20 impact the forecasts for FY 21. Staff is using the following methodology in forecasting sales tax revenue for FY 21: 30% decline for the first quarter, 20% decline for the second quarter and baseline (flat) growth for the third and fourth quarter (all quarters based off FY 19 actuals). For FY 21, sales tax is budgeted at \$8,825,121 which is a decrease of 15.9% over FY 20 adopted budget.

GENERAL FUND SUMMARY

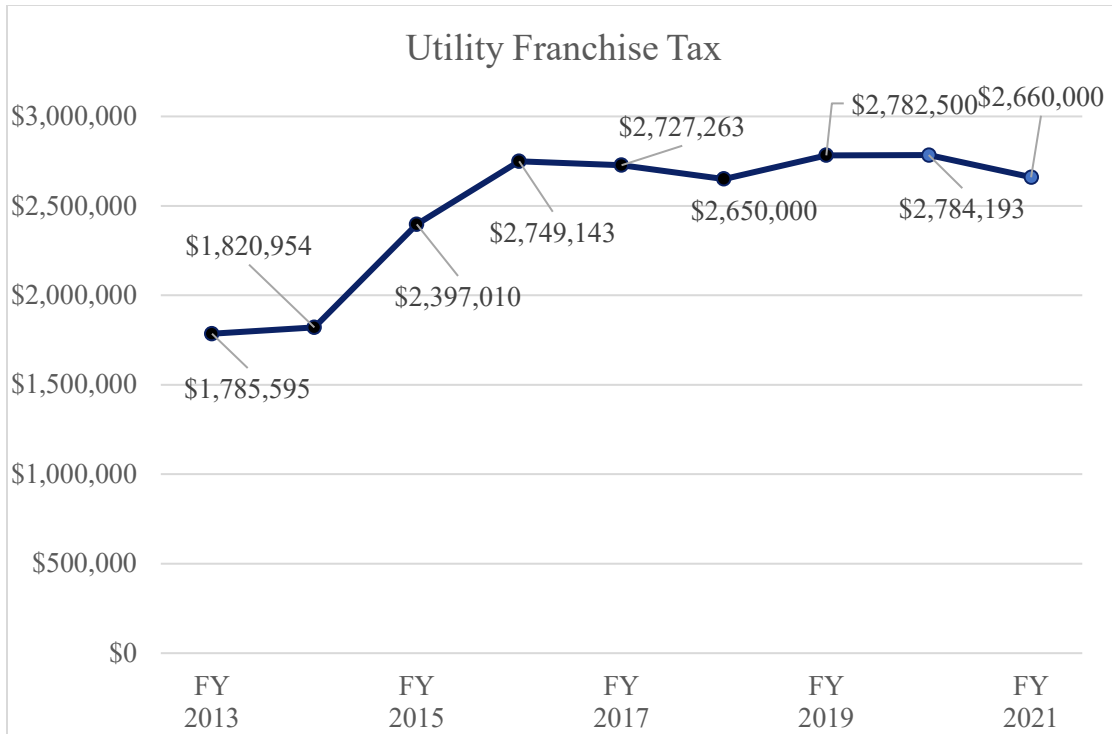


Intergovernmental Revenue

Intergovernmental revenue is received from the Federal, State and Local levels that provide financial assistance to the City. Revenues in this category include utility franchise tax, beer and wine tax, Powell Bill funds, refunds of sales and gas taxes, ABC Board distributions, receipts from other local governments and state grants. Included in this category are the funds the City will receive from Cabarrus County related to the purchase of Limited Obligation Bonds. This category comprises 11% of the total General Fund budget for FY 21. This is a 14.74% decrease from the FY 20 adopted budget. The primary driver behind the decrease is the reduced funding from the Build America Subsidy Bond. This subsidy payment is related to Series A NCRC bonds. Due to the refinancing of these bonds that were paid off at closing, the City is no longer eligible for the subsidy payment. Another decrease is in projected Powell Bill funding due to impacts related to the COVID-19 pandemic. For FY 21, a 20% decline in Powell Bill funding is estimated or a reduction of \$266,435.

Included in the intergovernmental category is the utility franchise, which is the third largest source of revenue for the General Fund. These receipts have increased for the City in the past, but the source has shown limited growth over the past few years. For FY 21, the city forecasts a 20% decline in the first quarter receipts from franchise taxes due to lingering impacts of COVID-19. For FY 21, franchise tax is projected at \$2,660,000 or 4.4% decrease from the FY 20 adopted budget of \$2,784,193.

GENERAL FUND SUMMARY

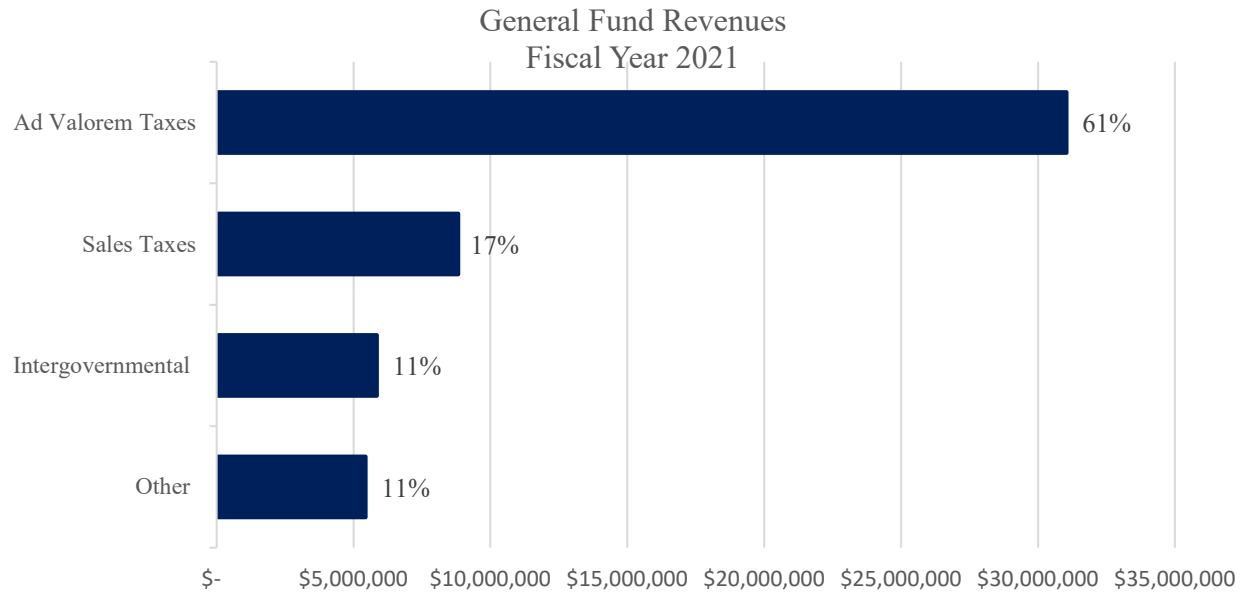


Other Revenues

Other revenues are revenues collected for activities of the City that may not be specific in nature and don't fit easily into a previously mentioned revenue category. These revenues comprise 11% of the General Fund budget. Revenues in this category consist of the \$5 vehicle license fee that goes to support operations of the General fund, vehicle rental tax, building and tower rental, miscellaneous revenue, investment income, and charges and fees from various city departments. Other revenues in this area include the enterprise fund management fee, which is charged by services by the General Fund to the Water and Sewer Fund and the Stormwater Fund within the City. Also included in the other category is a transfer from the Transit Fund to the General Fund. Historically, the Transit Fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance. \$200,000 of this fund balance is proposed to be returned to the General Fund.

The bar graph on the following page notes the breakdown in primary revenue sources in the General Fund.

GENERAL FUND SUMMARY



GENERAL FUND SUMMARY

General Fund Expenditures

Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
City Council	247,500	219,663	(27,837)	-11.25%
City Manager - Administration	1,002,385	1,421,627	419,242	41.82%
Economic Development	715,000	712,750	(2,250)	-0.31%
Communications	154,200	167,700	13,500	8.75%
Human Resources	536,370	537,560	1,190	0.22%
City Attorney	372,320	416,958	44,638	11.99%
Finance	860,284	831,184	(29,100)	-3.38%
Information Technology	1,268,027	1,427,035	159,008	12.54%
General Services	1,599,015	1,610,198	11,183	0.70%
Total General Government	\$ 6,755,101	\$ 7,344,675	\$ 589,574	8.73%
Police - Administration	897,432	788,674	(108,758)	-12.12%
Police - Support Services	3,175,453	3,358,847	183,394	5.78%
Police - Field Operations	4,761,101	4,856,246	95,145	2.00%
Total Police	\$ 8,833,986	\$ 9,003,767	\$ 169,781	1.92%
Fire - Administration	934,237	1,090,066	155,829	16.68%
Fire - Emergency Services	6,853,963	6,875,507	21,544	0.31%
Fire - Technical Services	465,090	487,185	22,095	4.75%
Total Fire	\$ 8,253,290	\$ 8,452,758	\$ 199,468	2.42%
Public Works - Engineering	1,239,676	986,229	(253,447)	-20.44%
Public Works - Street Lighting	683,000	730,400	47,400	6.94%
Public Works - Operations Center	138,300	138,300	-	0.00%
Public Works - Signs and Markings	432,078	413,435	(18,643)	-4.31%
Powell Bill	1,928,021	1,746,565	(181,456)	-9.41%
Total Public Works	\$ 4,421,075	\$ 4,014,929	\$ (406,146)	-9.19%
Planning	\$ 771,326	\$ 809,503	\$ 38,177	4.95%
Total Planning	\$ 771,326	\$ 809,503	\$ 38,177	4.95%
Parks and Recreation - Parks	2,309,200	2,698,789	389,589	16.87%
Parks and Recreation - Recreation Programs	390,000	734,000	344,000	88.21%
Stadium	216,000	125,000	(91,000)	-42.13%
Total Parks and Recreation	\$ 2,915,200	\$ 3,557,789	\$ 642,589	22.04%
Non - Departmental	2,435,242	3,758,547	1,323,305	54.34%
Transfers	5,658,650	7,462,070	1,803,420	31.87%
Total Other	\$ 8,093,892	\$ 11,220,617	\$ 3,126,725	38.63%
Debt Service Payments (Principal and Interest)	9,985,130	7,267,311	(2,717,819)	-27.22%
Total Debt Service	\$ 9,985,130	\$ 7,267,311	\$ (2,717,819)	-27.22%
Total General Fund Expenditures	\$ 50,029,000	\$ 51,671,349	\$ 1,642,349	3.28%

GENERAL FUND SUMMARY

Expenditures in the General Fund are broken out among function areas. There are seven function areas explained below:

General Government

The General Government Services area accounts for services provided by the City for the benefit of the public and the government body as a whole. This service area encompasses the following departments: City Council, City Manager's Office, Economic Development, Communications, Human Resources, Legal Services, Finance, Information Technology and General Services. This service area comprises 14% of total General Fund spending. This service area increased by 8.73% or \$589,574 from the FY 20 adopted budget to the FY 21 proposed budget. The primary increase is in the City Manager's budget due to the city-wide restricting efforts that took place mid-fiscal year 2020. The restructuring developed two (2) Assistant City Manager positions in order to improve service delivery and communication between departments city-wide. The Information Technology department increased by \$159,008 or 12.5% from the FY 20 adopted budget. The primary reason behind this increase is due to a projected 7% increase in annual maintenance costs and due to the Munis Financial Software System upgrade which is slated for FY 2021.

Public Safety

Public Safety funding provides services responsible for the safety and security of the public. Included in this service area is the Police Department and the Fire Department. The Police Department includes three divisions: Administration, Support Services and Field Operations. The Fire Department also includes three divisions: Administration, Emergency Services and Technical Services. This service area comprises 33% of all General Fund spending. The breakdown is 17% for Police Services and 16% for Fire Services. Both departments increased incrementally over the FY 20 adopted budget due to standard contractual and inflation increases.

Public Works

Public Works is responsible for enhancing the quality of life by providing dependable, high quality and responsive services. The following departments comprise this service area: Engineering, Street Lighting, Operations Center, Signs and Markings, Powell Bill, and Street Maintenance. This area comprises 8% of total General Fund spending. Overall, this area decreased by \$406,146 or 9.19% from the FY 20 adopted budget. The primary reason behind the decrease is a reduction in the Engineering Department's contracted services account. The City brought the Engineering function in-house and has slowly decreased the outside contracted services since. Another decrease relates to Powell Bill funding. Due to projected impacts related to COVID-19 and funding from the North Carolina Department of Transportation, the City is projecting a 20% decrease in Powell Bill funding for FY 21 or a loss of \$266,435.

Planning

Planning provides for orderly planning of growth and development within the City. This area comprises 2% of all General Fund spending. Overall, the Planning Department saw a slight increase over the FY 20 adopted budget due to contractual increases and maintenance and repairs on vehicles.

Parks and Recreation

Parks and Recreation provides City residents with opportunities and facilities for recreational and educational programs and activities. The departments that make up this service area are: Parks, Recreation Programs and the Stadium. Parks and Recreation include the maintenance of all city parks, youth athletics, summer events and concert series and the newly opened Atrium Health Ballpark. Overall, this service area is projected to increase by 22% or \$642,589 from the FY 20 adopted budget. The primary increase is due to an increase in moving many of the expenses associated with the baseball stadium and downtown West Avenue linear park from the Downtown Fund to the General Fund budget for FY 21. This will assist staff in better accountability and oversight of projects related to these areas. Another driver behind the increase is due to an increase in re-bidding the ground maintenance contract city-wide. Overall, parks and recreation funding accounts for 7% of all General Fund spending.

Other

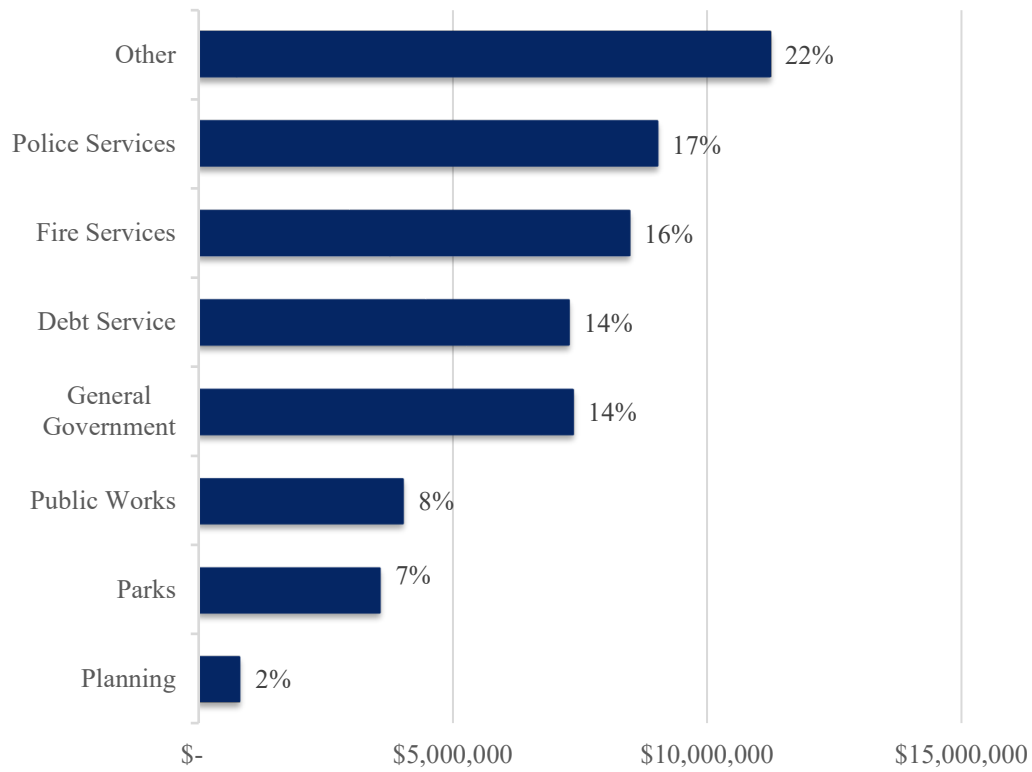
The other category includes the Non-Departmental department, fund balance appropriations and transfers from other funds. This area comprises around 22% of all General Fund spending. The primary increase in this category is due to projected health and liability insurance increases for FY 21. Based on an analysis of claims, staff is projecting an additional \$625,000 in funding for the employer contribution for health insurance. For FY 21, the General Fund is transferring \$150,000 to the Environmental Fund to help offset increases in recycling expenses and \$6,809,289 to the Downtown Fund to offset debt service obligations on the remaining properties the City owns and to include the first principal debt service payment on the new Atrium Health Ballpark, which is an additional \$2.5 million. Last, the General Fund is projected to transfer \$502,781 to fund the Special Separation Pay Fund for FY 21.

Debt Service

The debt service category accounts for principal and interest payments on debt that is outside of the enterprise fund debt service obligations. Debt service in the General Fund is for greenways, City Hall and Police Headquarters, Fire Stations, and machinery and equipment used to support departments in the General Fund. Overall, this category comprises 14% of all General Fund spending

GENERAL FUND SUMMARY

General Fund Expenditures Fiscal Year 2021



General Government



City Council 11000

MISSION STATEMENT:

The Governing Body consists of a Mayor and six Council members who comprise the City Council. The Council is elected to a four-year staggered term by its citizens and holds ultimate authority to act for the City. The Council decides what services the City provides and at what level, establishes fiscal policy by adopting the annual budget ordinance, levies the City's taxes, and adopts local laws and regulations. The City of Kannapolis will work in partnership with our community to enhance the quality of life through positive leadership the delivery of effective, quality service and the achievement of our shared vision.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	83,797	102,900	105,100	102,863
Operating	120,345	144,600	162,612	116,800
Capital	-	-	-	-
Total Expenditures	\$ 204,142	\$ 247,500	\$ 267,712	\$ 219,663
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	7	7	7	7

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$102,863
Operating Expenses	\$116,800
Total Budget	\$219,663

Increases:

- \$11,000 increase in dues and subscriptions due to the addition of Centralina Council of Government dues
- \$1,200 increase in dues and subscriptions due to 3 new positions now accounted for in this budget from Finance and Engineering

Reduction/Decreases:

- \$40,000 decrease in election expense. This is a non-election year.

GENERAL GOVERNMENT

Items of Interest:

- \$32,000 - NC League of Municipalities
- \$4,000 - National League of Cities
- \$8,200 - Metropolitan Mayor's Coalition
- \$8,727 - Cabarrus/South Rowan MPO
- \$11,000- Centralina Council of Governments
- \$8,000 - Public Health Authority
- \$1,650 - Rowan Chamber of Commerce
- \$2,000 - Cabarrus Chamber of Commerce
- \$2,500 - Alliance for Innovation
- Elections expenses are found in budget every other year

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	95,588	95,550	(38)	-0.04%
41400	Board Member Fees	-	-	-	0.00%
42000	FICA	7,312	7,313	1	0.01%
Sub-Total for Personnel		\$ 102,900	\$ 102,863	\$ (37)	-0.04%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	3,500	3,500	-	0.00%
46100	Office Supplies	1,600	1,600	-	0.00%
46300	Dues and Subscriptions	67,000	79,200	12,200	18.21%
51100	Travel and Training	15,000	15,000	-	0.00%
51200	Elections	40,000	-	(40,000)	-100.00%
51300	Special Expenses	17,500	17,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 144,600	\$ 116,800	\$ (27,800)	-19.23%
TOTAL CITY COUNCIL					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	102,900	102,863	(37)	-0.04%
	Operating Expenditures	144,600	116,800	(27,800)	-19.23%
Total for All Categories of Expenses		\$ 247,500	\$ 219,663	\$ (27,837)	-11.25%

City Manager 11100

MISSION STATEMENT:

The City Manager acts as the Chief Executive Officer of the City and is responsible to the City Council for administering all municipal affairs including appointment and termination of City personnel; directing the supervision of City operations; advising City Council; ensuring that laws, resolutions, and regulations are faithfully executed; preparing and submitting the annual budget and capital improvement program; and other duties as directed by City Council.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	819,476	939,385	1,060,435	1,351,627
Operating	61,972	63,000	63,000	70,000
Capital	-	-	-	-
Total Expenditures	\$ 881,448	\$ 1,002,385	\$ 1,123,435	\$ 1,421,627
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	7	9	9	9

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$1,351,627
Operating Expenses	\$70,000
Total Budget	\$1,421,627

Personnel includes: City Manager, Deputy City Manager, (2) Assistant City Managers, Assistant to the City Manager, Communications Director, Director of Business and Community Affairs, City Clerk and the Community Development Block Administrator

Increases:

- 3 positions moved to this budget from Finance and Engineering due to the re-organization that took place mid-year in FY 20
 - All associated costs with these positions moved as well (salary, fringe, travel and dues)

GENERAL GOVERNMENT

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	712,357	1,029,131	316,774	44.47%
41100	Salaries - Part Time	2,550	2,550	-	0.00%
41300	Longevity Pay	4,289	4,964	675	15.74%
41600	Vehicle Allowance	30,000	42,000	12,000	40.00%
42000	FICA	55,018	74,081	19,063	34.65%
42210	401k	14,332	19,237	4,905	34.22%
42200	State Retirement	64,498	105,482	40,984	63.54%
42230	Deferred Compensation	10,025	10,707	682	6.80%
42300	Medical Insurance	41,399	57,321	15,922	38.46%
42400	Life Insurance	1,483	2,000	517	34.86%
42500	Dental Insurance	2,520	3,240	720	28.57%
42600	Disability Insurance	914	914	-	0.00%
Sub-Total for Personnel		\$ 939,385	\$ 1,351,627	\$ 412,242	43.88%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	10,500	10,500	-	0.00%
46100	Office Supplies	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	10,500	12,500	2,000	19.05%
51100	Travel and Training	26,000	31,000	5,000	19.23%
51300	Special Expenses	3,000	3,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 63,000	\$ 70,000	\$ 7,000	11.11%
TOTAL CITY MANAGER					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	939,385	1,351,627	412,242	43.88%
	Operating Expenditures	63,000	70,000	7,000	11.11%
Total for All Categories of Expenses		\$ 1,002,385	\$ 1,421,627	\$ 419,242	41.82%

Economic Development 11115

MISSION STATEMENT:

Recruit new businesses and assist expanding businesses to increase the commercial and industrial tax base, create new high-paying jobs, and shift the tax burden away from residential taxpayers.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	3,062,107	715,000	715,000	712,750
Capital	-	-	-	-
Total Expenditures	\$ 3,062,107	\$ 715,000	\$ 715,000	\$ 712,750
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Completed construction of the downtown streetscape and infrastructure, and the sports and entertainment venue.
2. Old Armor Beer Company opened in downtown Kannapolis as the City's first brewery. Additional businesses opened in downtown as a result of the City's revitalization efforts, including a bike store and salon.
3. The NC Food Innovation Lab opened at the NC Research Campus as a food manufacturing pilot plant to focus on food research, development, and commercialization.
4. Prime Beverage is opening a beverage co-packing facility in a 300,000 square foot building. \$58M investment, 230 jobs.
5. Reynolds Group is opening a distribution facility in the 360,000 square foot building at Afton Ridge I.

Action Plan:

1. Respond to requests for incentives and support for economic development projects during FY21.
2. Complete the sale of downtown blocks 2 and 7 to developers/investors to continue spurring downtown revitalization and new businesses.
3. Complete the construction of the public parking deck and VIDA apartments, the City’s first new residential development in downtown.
4. Finalize plans for and begin construction on the Pennant Square townhomes, the City’s first for-sale units in downtown.
5. Replace HVAC and add new bathrooms to the Gem Theatre.
6. Consider and plan for additional downtown development.
7. Consider and plan for sale of former ballpark.

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Number of major, new companies announced in Kannapolis	1	2	1
Number of new businesses opening in downtown Kannapolis	0	3	10
Number of new residential units completed in downtown Kannapolis	0	0	285
Number of new projects announced for downtown Kannapolis	1	2	2

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$712,750
Total Budget	\$712,750

Personnel includes: No personnel cost are paid from this department.

Increases:

- \$25,000 moved from Downtown Fund for non-profit community support
 - Supports organizations such as rotary and the YMCA

Reduction/Decreases:

- \$47,500 – Economic Development Incentive grants
 - \$260,000 for Amazon
 - \$312,500 for Gordon Foods

Items of Interest:

- \$6,750 – 600 Festival
- \$21,500 – Cabarrus Arts Council
- \$1,000 – Chamber of Commerce Annual Meeting

GENERAL GOVERNMENT

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43405	EDC Contribution	66,000	66,000	-	0.00%
43415	Economic Development Initiatives	-	-	-	0.00%
46350	Community Support	29,000	74,250	45,250	156.03%
51310	Incentive Grant	620,000	572,500	(47,500)	-7.66%
Sub-Total for Operating		\$ 715,000	\$ 712,750	\$ (2,250)	-0.31%
TOTAL ECONOMIC DEVELOPMENT					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	715,000	712,750	(2,250)	-0.31%
Total for All Categories of Expenses		\$ 715,000	\$ 712,750	\$ (2,250)	-0.31%

Communications 11120

MISSION STATEMENT:

The Communication Department's mission is to communicate and engage citizens, elected officials and staff in the process of the City's governmental functions and services.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	109,536	154,200	154,200	167,700
Capital	10,330	-	9,930	-
Total Expenditures	\$ 119,866	\$ 154,200	\$ 164,130	\$ 167,700
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continue to implement the City's Brand and Strategic Marketing Plan with an emphasis on economic development.
2. Hosted eight citywide special events and numerous public outreach programs
3. Initiated the Public Art Program with install of four sculptures and murals on West Avenue
4. Produce communication daily for social media, website, news releases and newsletter platforms.
5. Continued environmental education programs, K101, 3rd Grade Civic Education, Adopt-A-Street
6. Won two N.C. Awards for Communications and Marketing.

Action Plan:

1. Continue to implement the City's Brand and Strategic Marketing Plan with an emphasis on economic development.
2. Continue to grow the City's communication channels (social media, website, news releases and newsletter platforms).
3. Maintain (if possible due to COVID restrictions) the environmental education programs, K101, 3rd Grade Civic Education, Adopt-A-Street.

GENERAL GOVERNMENT

4. Continue to transition city internal materials to electronic forms.

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Increase public outreach via communication channels by 5% (SM, web, newsletters, media)	NA	NA	5%
Grow the Adopt-A-Street Program	5	8	10
Increase Cartology App Audience Members	838	1,730	2,000

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$167,700
Total Budget	\$167,000

Personnel includes: No personnel cost are paid from this department

Increases:

- \$10,500 increase in marketing and branding needed for e-hosting tools and increased publication and printing costs
- \$500 increase in travel due to environmental education coursework
- \$500 increase in academy programs due to an increase in participants
- \$2,000 increase in outreach for continued county-wide environmental education efforts

Items of Interest:

- \$21,500 – Special Events Mailers
- \$25,000 – Economic Development Marketing
- \$9,200 – Everbridge mass communication
- \$48,000 – Kannapolis Matters

GENERAL GOVERNMENT

OPERATING EXPENDITURES

Account #	Account Description	FY 2020 Adopted	FY 2020 Adopted	Actual Increase/ Decrease (\$)	% Change
43425	Marketing/Branding	124,500	135,000	10,500	8.43%
51100	Travel and Training	4,500	5,000	500	11.11%
51300	Special Expenses	9,200	9,200	-	0.00%
51421	Academy Programs	3,500	4,000	500	14.29%
51422	Outreach Education Programs	12,500	14,500	2,000	16.00%
Sub-Total for Operating Expenditures		\$ 154,200	\$ 167,700	\$ 13,500	8.75%

TOTAL COMMUNICATIONS

	Expense Category	FY 2020 Adopted	FY 2020 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	154,200	167,700	13,500	8.75%
Total for All Categories of Expenses		\$ 154,200	\$ 167,700	\$ 13,500	8.75%

Human Resources 11200

MISSION STATEMENT:

To provide a centralized source of support and professional assistance which enables the City to recruit, select, and maintain an appropriate level of qualified and trained staff that are committed to providing quality service.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	396,072	416,570	430,570	425,860
Operating	98,353	119,800	119,800	111,700
Capital	-	-	-	-
Total Expenditures	\$ 494,425	\$ 536,370	\$ 550,370	\$ 537,560
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	5	5	5	5

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Administered the City's employee benefits program and provided daily assistance to employees, retirees, and COBRA participants with benefit plan changes, claims and general questions.
2. Administered an employee wellness program that includes an onsite health clinic and onsite access to dietician and nutritionist services.
3. Administered the City's general, property, public officials, police professional, environment and workers compensation liability insurance programs.
4. Ensured the City Compliance with local, state and federal regulations affecting safety, employee benefits, personnel policies, procedures and practices.
5. Developed and implemented policies and strategies in response to COVID-19 pandemic to protect the health and safety of City employees and other visitors to City facilities and in response to Families First Corona Virus Act and CARES Act.
6. Continued to build out human resource functions in Munis and Employee Self Service to facilitate paperless recordkeeping and implemented virtual open enrollment and new hire orientation procedures.

Action Plan:

1. Refer 95% of all employment applications within one week of receipt. (can track this)
2. Increase percentage of new hires successfully completing the probationary period to 95%.
3. Evaluate and identify Human Resource functions and tasks that can be performed remotely/virtually; develop and implement strategies to better utilize electronic and virtual options.
4. Implement policies, protocols, and training to reduce overall risk and minimize claims frequency and exposure.

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of applications processed	1,166	699	1,000
% of applications referred within one week of closing date	100% (5.7days)	100% (5.3 days)	100%
Percentage of new hires successfully completion probationary period (6 months)	85%	85%	95%
Workers Compensation Claims	53	52	40 **
Workers Compensation claims with lost time	5	13	0
Workers Compensation claims paid	\$153,353	\$52,980	\$75,000

**Due to COVID-19, claims to date (81) already exceed the goal for the year.

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$425,860
Operating Expenses	\$111,700
Total Budget	\$537,560

Personnel includes: Human Resources Director, Risk Manager, Human Resources Analyst, Administrative Assistant (2)

Increases:

- Standard salary and fringe increases based on projected year-end merit for FY 20

Reduction/Decreases:

- \$8,100 reduction based on trends and used to offset hearing/lead testing in Non-departmental budget

Items of Interest:

- Advertising covers all cost of advertising for the city
- Contracted Services covers EAP, pre-employment background checks, and OPEB reports

GENERAL GOVERNMENT

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	317,989	326,267	8,278	2.60%
41200	Salaries - Overtime	2,300	2,300	-	0.00%
41300	Longevity Pay	1,932	1,932	-	0.00%
42000	FICA	24,650	24,570	(80)	-0.32%
42200	State Retirement	29,000	33,479	4,479	15.44%
42210	401k	6,444	3,057	(3,387)	-52.56%
42300	Medical Insurance	31,845	31,845	-	0.00%
42400	Life Insurance	610	610	-	0.00%
42500	Dental Insurance	1,800	1,800	-	0.00%
42800	Tuition Reimbursement	-	-	-	0.00%
Sub-Total for Personnel		\$ 416,570	\$ 425,860	\$ 9,290	2.23%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	500	500	-	0.00%
43200	Advertising	20,100	12,000	(8,100)	-40.30%
43710	Medical Expenses	30,000	30,000	-	0.00%
44200	Repair & Maintenance: Vehicles	500	500	-	0.00%
45250	Telephone	1,700	1,700	-	0.00%
45610	Motor Fuel	1,000	1,000	-	0.00%
46100	Office Supplies	3,000	3,000	-	0.00%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
48000	Contracted Services	49,500	49,500	-	0.00%
51100	Travel and Training	9,000	9,000	-	0.00%
51110	Departmental Training	1,500	1,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 119,800	\$ 111,700	\$ (8,100)	-6.76%
TOTAL HUMAN RESOURCES					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	416,570	425,860	33,323	2.23%
	Operating Expenditures	119,800	111,700	35,000	-6.76%
Total for All Categories of Expenses		\$ 536,370	\$ 537,560	\$ 1,190	0.22%

Legal Services 11300

MISSION STATEMENT:

The City Attorney is a statutory personnel appointment made by the city Council who serves at the pleasure of the City Council. The City Attorney is responsible for the management, charge, and control of all legal issues before the City and is the legal advisor to draft all legal instruments, resolutions, orders, and ordinances, as well as commencing and prosecuting all actions and suits before any tribunal in the State on behalf of the City. The City Attorney also serves as legal counsel for all boards and commissions of the City.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	278,790	287,620	307,820	307,258
Operating	139,618	84,700	181,200	109,700
Capital	-	-	-	-
Total Expenditures	\$ 418,408	\$ 372,320	\$ 489,020	\$ 416,958
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	2	2	2	2

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Supervise, manage and control all legal matters of the City.
2. Legal advisor to the Mayor, City Council, City Manager and several departments, boards and commissions of the City.
3. Provide written and oral opinions upon any subject involving matters of the City.

Action Plan:

1. Draft ordinances and resolutions
2. Assist with code enforcement and condemnation actions
3. Draft or supervise drafting of all deeds, obligations, contracts, leases, conveyances, agreements and all other legal instruments

GENERAL GOVERNMENT

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$307,258
Operating Expenses	\$109,700
Total Budget	\$416,958

Personnel Includes: City Attorney, Administrative Assistant

Increases:

- \$25,000 in contracted services based on trends
- Standard salary and fringe increases based on projected year-end merit for FY 20

Reductions/Decreases:

- None

Items of Interest:

- None

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	221,087	237,164	16,077	7.27%
41600	Vehicle Allowance	7,200	7,200	-	0.00%
42000	FICA	16,913	17,475	562	3.32%
42210	401k	19,898	24,192	4,294	21.58%
42200	State Retirement	4,422	2,869	(1,553)	-35.12%
42300	Medical Insurance	12,738	12,738	-	0.00%
42400	Life Insurance	1,742	2,000	258	14.81%
42500	Dental Insurance	720	720	-	0.00%
42600	Disability Insurance	2,900	2,900	-	0.00%
Sub-Total for Personnel		\$ 287,620	\$ 307,258	\$ 19,638	6.83%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	500	500	-	0.00%
45250	Telephone	900	900	-	0.00%
46100	Office Supplies	1,500	1,500	-	0.00%
46300	Dues and Subscriptions	4,500	4,500	-	0.00%
48000	Contracted Services	65,000	90,000	25,000	38.46%
51100	Travel and Training	12,000	12,000	-	0.00%

GENERAL GOVERNMENT

51800	Meetings	300	300	-	0.00%
Sub-Total for Operating Expenditures		\$ 84,700	\$ 109,700	\$ 25,000	29.52%

TOTAL CITY ATTORNEY

	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	287,620	307,258	19,638	6.83%
	Operating Expenditures	84,700	109,700	25,000	29.52%
Total for All Categories of Expenses		\$ 372,320	\$ 416,958	\$ 44,638	11.99%

Finance 11400

MISSION STATEMENT:

The Finance Department is charged with the responsibility of administering the City's financial affairs in compliance with all State and Federal laws and reporting requirements and is dedicated to doing so with credibility and in a manner worthy of distinction and excellence.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	657,821	618,284	623,284	529,184
Operating	255,684	242,000	262,000	302,000
Capital	-	-	-	-
Total Expenditures	\$ 913,505	\$ 860,284	\$ 885,284	\$ 831,184
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	8	6	6	6

PERFORMANCE MEASUREMENT:

Accomplishments:

1. The Finance Department received the GFOA's *Certificate of Achievement for Excellence in Financial Reporting* for the City's *Comprehensive Annual Financial Report (CAFR)* for FY 2019. This is the twenty-eighth year the City has received this award.
2. Refinanced the City's Outstanding Taxable Limited Obligation Bonds, Series 2010B. The savings for this project is \$2,627,602.
3. Secured financing for Irish Buffalo Greenway for \$1,380,000 at 2.22% interest. This is the City's portion of the \$5,548,221 project. The Finance Department also secured \$2,211,746 in grant reimbursement from the State through June 30, 2020.

Action Plan:

1. Obtain the Financial reporting award from GFOA for the fiscal year ending in June 30, 2020.
2. Issue revenue bonds for Kannapolis Crossing and water and sewer projects.
3. Secure financing for a \$14,000,000 parking deck as part of the VIDA project.

GENERAL GOVERNMENT

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of accounts payable and EFT issued	3,770	3,466	3,500
# of purchase orders processed	558	612	600
# of direct deposit of payroll checks	11,806	12,084	12,100
# of financing applications filed with the LGC	1	2	2
# of accounting entries processed (JE and BA)	681	694	690
# of bank statements reconciled	90	84	84

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$529,184
Operating Expenses	\$302,000
Total Budget	\$831,184

Personnel includes: Finance Director, Senior Accountant (3), Purchasing Agent, Accounts Payable,

Increases:

- \$50,000- Contracted Services to assist with audit compilation (offset by budgeting \$50,000 in p-card rebates)
- \$15,000- Tax collection services based on current year/prior year fees

Reductions/Decreases:

- Reduction in part-time account due to an Accountant position going full-time
- Reduction in salary and benefit accounts due Assistant City Manager position moving from Finance to City Manager’s Office
- \$5,000 reduction in travel due to position moving from Finance to City Manager’s Office

Items of Interest:

- Tax collection is the per listing fee the city pays Cabarrus County for providing and receiving tax bill notification
- Budget Includes:
 - \$43,000 for Audit
 - Required Munis Financial Software system upgrade (Information Technology budget)

GENERAL GOVERNMENT

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	435,115	402,332	(32,783)	-7.53%
41100	Salaries - Part Time	40,000	-	(40,000)	-100.00%
41200	Salaries - Overtime	5,500	5,500	-	0.00%
41300	Longevity Pay	1,766	1,770	4	0.23%
42000	FICA	36,902	30,222	(6,680)	-18.10%
42210	401k	8,848	6,866	(1,982)	-22.40%
42200	State Retirement	43,414	41,220	(2,194)	-5.05%
42300	Medical Insurance	43,383	38,214	(5,169)	-11.91%
42400	Life Insurance	836	900	64	7.66%
42500	Dental Insurance	2,520	2,160	(360)	-14.29%
Sub-Total for Personnel		\$ 618,284	\$ 529,184	\$ (89,100)	-14.41%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
46100	Office Supplies	6,000	6,000	-	0.00%
46300	Dues and Subscriptions	2,500	2,500	-	0.00%
48000	Contracted Services	-	50,000	50,000	100.00%
48410	Tax Collection	165,000	180,000	15,000	9.09%
48420	Audit	43,000	43,000	-	0.00%
51100	Travel and Training	24,000	19,000	(5,000)	-20.83%
51800	Meetings	1,500	1,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 242,000	\$ 302,000	\$ 60,000	24.79%
TOTAL FINANCE					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	618,284	529,184	(89,100)	-14.41%
	Operating Expenditures	242,000	302,000	60,000	24.79%
Total for All Categories of Expenses		\$ 860,284	\$ 831,184	\$ (29,100)	-3.38%

Information Technology 11500

MISSION STATEMENT:

To create a more efficient accessible form of City government and to provide City Departments with a means of obtaining needed information through computer-generated applications.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	257,860	515,391
Operating	1,260,235	-	1,057,993	911,644
Capital	-	-	-	-
Total Expenditures	\$ 1,260,235	\$ -	\$ 1,315,853	\$ 1,427,035
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	0	0	5	5

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Implementing InvoiceCloud and Customer Connect for online utility and departmental bill pay.
2. Network security analysis and improvements
3. Assist departments in implementing online and electronic communication with the community.
4. Implement Zoom meetings for Council and Planning and Zoning
5. Setup teleworking for all departments.

Action Plan:

1. Continuing InvoiceCloud and CC strategy along with other customer service enhancements.
2. Implemented network remote monitoring of servers and switches to enable IT response before departments are impacted.
3. Bolster teleworking strategy as a long term solution for each department.
4. Establish robust video meeting environment with Teams and Zoom along with web cameras for each workstation.
5. Enhanced internet and network speed to support teleworking and remote meetings.

GENERAL GOVERNMENT

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of software applications supported	32	34	34
# of departmental requests answered within 72 hours of receipt	85%	90%	95%
% of hosted technology services vs on premise	20	40	40
% of workers using mobile platform	30	60	75
# applications remote accessible for Kannapolis customers	3	7	10

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$515,391
Operating Expenses	\$911,644
Capital Machinery	\$0
Total Budget	\$1,427,035

Personnel includes: Chief Information Officer, IT techs (3)

Increases:

- \$40,000 – Small tools and equipment for Munis Financial software upgrade
 - Includes purchase of printers for W-2/1099 purposes and additional server
- \$12,000 – Small tools and equipment for new 911 recording software
- \$10,653 – Small tools and equipment for Vision licenses for Police Department.
 - Due to the upgrade to Office 365. Covers 67 licenses.
- \$60,491 – Annual maintenance due to projected 7% increase

Reductions/Decreases:

- \$479,227 – Network Administration due to bringing IT Department in-house

Items of Interest:

- IT Department brought in-house in mid-year FY 20
 - Reduction in network administration
- All annual maintenance city-wide is budgeted in the Information Technology budget

GENERAL GOVERNMENT

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	-	398,181	398,181	100.00%
41600	Vehicle Allowance	-	6,000	6,000	100.00%
42000	FICA	-	29,756	29,756	100.00%
42210	401k	-	40,618	40,618	100.00%
42200	State Retirement	-	6,391	6,391	100.00%
42300	Medical Insurance	-	31,845	31,845	100.00%
42400	Life Insurance	-	800	800	100.00%
42500	Dental Insurance	-	1,800	1,800	100.00%
Sub-Total for Personnel		\$ -	\$ 515,391	\$ 515,391	100.00%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	5,000	5,000	-	0.00%
46100	Office Supplies	500	500	-	0.00%
46200	Small Equipment and Tools	100,000	162,653	62,653	62.65%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
48510	Network Administration	479,527	-	(479,527)	-100.00%
48530	Annual Maintenance	670,000	730,491	60,491	9.03%
51100	Travel and Training	10,000	10,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 1,268,027	\$ 911,644	\$ (356,383)	-28.11%
TOTAL INFORMATION TECHNOLOGY					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	-	515,391	515,391	100.00%
	Operating Expenditures	1,268,027	911,644	(356,383)	-28.11%
	Capital Machinery and Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 1,268,027	\$ 1,427,035	\$ 159,008	12.54%

General Services 11600

MISSION STATEMENT:

The budget for General Services covers utilities, building maintenance expenses, janitorial expenses, non-department specific contracted services, real property rental, maintenance and repair of equipment, etc.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	511,024	548,115	570,115	578,242
Operating	924,035	964,500	964,500	1,031,956
Capital	-	86,400	86,400	-
Total Expenditures	\$ 1,435,059	\$ 1,599,015	\$ 1,621,015	\$ 1,610,198
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	7	10	10	10

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continued to maintain all City buildings and ensure the facilities are in excellent condition.
2. Continued to maintain all City utilities and ensure they were in excellent working order.
3. Replaced the North Communications Tower Generator and Automatic Transfer Switch
4. Update General Services Stand Operating Procedures on cleaning due to Covid pandemic
5. Installed new roofs on several City owned facilities
6. Removed mold from Main Street Building and stabilized facilities so structure would not fail.

Action Plan:

1. Work with all administrative personnel to make sure City administrative facilities are kept in excellent condition and all equipment is maintained and working properly.
2. Respond to departmental requests within 24 hours received? (track this in Facility dude)
3. Increased nightly deep cleanings of facilities to ensure sanitation.
4. HVAC replacement at the GEM theater
5. Restroom replacement at the GEM theater
6. Marquee sign restoration for the GEM theater.

GENERAL GOVERNMENT

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of facilities managed	79	77	77
# of departmental tickets submitted/completed	2,188	2,797	Status quo
% of tickets responded to within 24 hours of receipt	100%	100%	100%
Square footage of facilities managed	877,005	776,645	536,959

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$578,242
Operating Expenses	\$1,031,956
Capital Machinery	\$0
Total Budget	\$1,610,198

Personnel Includes: General Services Director, Facility Manager, Building Maintenance Techs (3), Building Maintenance Tech II (2), Building Maintenance Tech III (3) and Administrative Assistant

Increases:

- \$5,000 – Overtime based on trends
- Standard personnel and benefit increases based on projected year-end FY 20 merits
- \$2,000 – Vehicle maintenance for needed repairs
- \$8,983 – R & M: Buildings and Grounds for battery replacement for the UPS unit
- \$21,382 – R & M: Buildings and Grounds for the installation of a safety platforms at Public Works Operations Center
- \$8,023 – R & M: Buildings and Grounds for the installation of a safety platform at City Hall
- \$2,500 – Small tools and equipment for appliance replacement
- \$6,830 – Contracted Services for preventative maintenance for HVAC at Public Works Operations Center, Water Treatment Plant, Village Park and the Train Station
- \$6,000 – Contracted Services for window cleaning at City Hall
- \$5,713 – Contracted Services for further cleanings at City Hall
- \$10,125 – Contracted Services for stripping and waxing floors at Public Works Operations Center, Trian Station and Water Treatment Plant

Reductions/Decreases:

- \$600– Railroad Depot
- \$86,400 – Capital improvements that were one-time costs incurred in FY 20

Items of Interest:

- Postage covers the cost of all postage for the city with the exceptions of Billing and Police
- Budget Includes:
 - No capital

GENERAL GOVERNMENT

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	394,970	405,896	10,926	2.77%
41100	Salaries - Part Time	-	-	-	0.00%
41200	Salaries - Overtime	15,000	20,000	5,000	33.33%
41300	Longevity Pay	-	-	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	31,363	32,675	1,312	4.18%
42200	State Retirement	36,897	41,407	4,510	12.22%
42210	401k	8,199	4,174	(4,025)	-49.09%
42300	Medical Insurance	51,291	63,690	12,399	24.17%
42400	Life Insurance	795	800	5	0.63%
42500	Dental Insurance	3,600	3,600	-	0.00%
Sub-Total for Personnel		\$ 548,115	\$ 578,242	\$ 30,127	5.50%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	13,000	13,000	-	0.00%
43810	Transaction Fees	7,000	7,000	-	0.00%
44100	Repair & Maintenance: Office	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	1,000	3,000	2,000	200.00%
44300	Repair & Maintenance: Bld & Gds	133,000	168,388	35,388	26.61%
44400	Repair & Maintenance: Equipment	17,000	17,000	-	0.00%
44500	Repair & Maintenance: RR Depot	14,500	13,900	(600)	-4.14%
45220	Electricity	131,000	131,000	-	0.00%
45230	Water & Sewer	210,000	210,000	-	0.00%
45240	Gas Utilities	7,000	7,000	-	0.00%
45250	Telephone	150,000	150,000	-	0.00%
45410	Equipment Rental	100,000	100,000	-	0.00%
45610	Motor Fuel	4,500	4,500	-	0.00%
46100	Office Supplies	15,000	15,000	-	0.00%

GENERAL GOVERNMENT

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
46200	Small Equipment and Tools	2,500	5,000	2,500	100.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
46820	Cleaning Supplies	35,000	35,000	-	0.00%
47100	Uniforms	4,000	4,000	-	0.00%
48000	Contracted Services	105,500	133,668	28,168	26.70%
59400	Improvements	86,400	-	(86,400)	-100.00%
51100	Travel and Training	10,000	10,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 1,050,900	\$ 1,031,956	\$ (18,944)	-1.80%
TOTAL GENERAL SERVICES					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	548,115	578,242	30,127	5.50%
	Operating Expenditures	1,050,900	1,031,956	(18,944)	-1.80%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 1,599,015	\$ 1,610,198	\$ 11,183	0.70%

Non-Departmental 10000

MISSION STATEMENT:

The non-departmental budget is established to provide for expenditures not normally associated with individual department budgets.

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$3,758,547
Total Budget	\$3,758,547

Increases:

- \$4,800– 3% projected increase in workers compensation insurance
- \$625,000 – projected increase in employer paid contribution for health insurance. Estimated employer contribution per employee \$6,369/employee at FY 20 to \$8,013/employee for FY 21
 - Result of high claims history
- \$6,200 – Special Expenses for hearing and lead testing for public safety departments
- \$44,000 – Insurance – Public Officials
- \$56,200 – Insurance – General Liability
 - Based on 5% increase from League of Municipalities
 - \$57,266 moved from Downtown Fund for liability insurance
 - \$16,771 Cyber insurance estimate
- \$25,000 – Insurance – Buildings
 - Based on 5% increase from League of Municipalities
- \$545,855 – Contingency appropriation to help fund the 2.5% Cost of Living (COLA)

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Contingency funding – internal policy is .5% of total General Fund budget

OTHER PROGRAMS

Non-Departmental 10000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
42100	Workers Comp Insurance	160,000	164,800	4,800	3.00%
42310	Medical Plan Expense	-	625,000	625,000	100.00%
42330	Retiree Insurance	300,000	300,000	-	0.00%
42340	HSA & HRA Benefits	860,902	860,902	-	0.00%
42700	Unemployment Insurance	15,000	15,000	-	0.00%
48430	Banking Fees	14,000	14,000	-	0.00%
51300	Special Expenses	-	6,200	6,200	100.00%
51320	Contingency Appropriation	365,140	910,995	545,855	149.49%
51610	Insurance - Public Officials	25,000	69,000	44,000	176.00%
51620	Insurance - General Liability	365,000	421,200	56,200	15.40%
51630	Insurance - Buildings	5,000	30,000	25,000	500.00%
51640	Insurance - Self Insured	325,000	341,250	16,250	5.00%
51650	Encroachment Bond	200	200	-	0.00%
Sub-Total for Operating Expenditures		\$ 2,435,242	\$ 3,758,547	\$ 1,323,305	54.34%
TOTAL NON-DEPARTMENTAL					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	2,435,242	3,758,547	1,323,305	54.34%
Total for All Categories of Expenses		\$ 2,435,242	\$ 3,758,547	\$ 1,323,305	54.34%

OTHER PROGRAMS

General Fund Debt Service 18000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	6,927,547	5,536,252	(1,391,295)	-20.08%
58200	Bond Interest	3,057,583	1,731,059	(1,326,524)	-43.38%
58300	Debt Issuance Cost	-	-	-	0.00%
Sub-Total for Operating Expenditures		\$ 9,985,130	\$ 7,267,311	\$ (2,717,819)	-27.22%
TOTAL GENERAL FUND DEBT SERVICE					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	9,985,130	7,267,311	(2,717,819)	0.00%
Total for All Categories of Expenses		\$ 9,985,130	\$ 7,267,311	\$ (2,717,819)	-27.22%

LOBS	Principal	Interest
Fire Stations 2 and 3	555,000	396,603
City Hall/Police Headquarters	1,370,000	807,556
NCRC Projects	2,370,000	303,583
Irish Buffalo Creek *	200,000	80,000
Other		
Way finding Signs	68,727	1,175
Equipment	42,154	9,603
Warehouse/Fire Truck	162,139	9,274
Village Park Building	52,267	785
Village Park/Fire Truck	250,772	101,189
Refinancing	415,193	17,128
Kannapolis Business Park	50,000	4,163
Total	\$5,536,252	\$1,731,059

*New to FY 2021

Transfers General Fund 19000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41800	Separation Pay	490,000	502,781	12,781	2.61%
57100	Transfer to Transit Fund	104,000	-	(104,000)	-100.00%
57400	Transfer to Environmental Fund	350,000	150,000	(200,000)	-57.14%
57600	Transfer to Downtown Fund	4,714,650	6,809,289	2,094,639	44.43%
Sub-Total for Transfers		\$ 5,658,650	\$ 7,462,070	1,803,420	31.87%
TOTAL TRANSFERS GENERAL FUND					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	5,658,650	7,462,070	1,803,420	31.87%
Total for All Categories of Expenses		\$ 5,658,650	\$ 7,462,070	1,803,420	31.87%

Increases:

- \$12,781– Separation pay
- \$2,094,639 – Transfer to the Downtown Fund due to West Avenue and the baseball stadium expenses budgeted in the Downtown fund.

Reductions/Decreases:

- \$104,000– Transit funding transfer due to CARES Act funding for COVID-19 relief to offset transfer
- \$200,000 – Transfer to Environmental Fund due to Stormwater transfer to offset General Fund transfer

Items of Interest:

- General Fund transfer to Environmental Fund assists with Waste Management contract costs and recycling costs
- General Fund transfer to the Downtown Fund assists with the debt service principal and interest on remaining blocks the City owns and College Station property

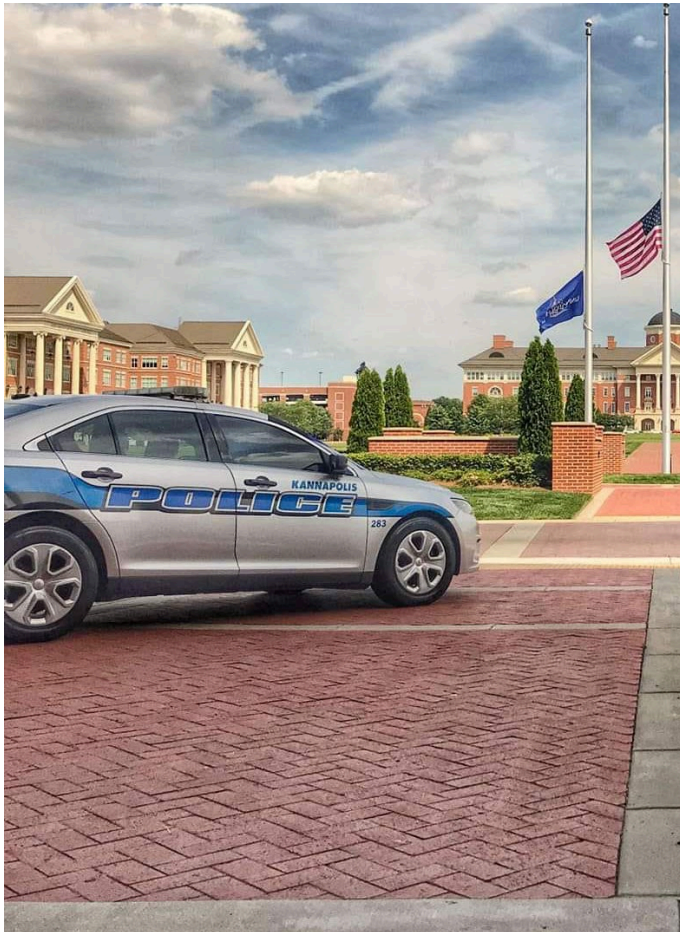
Appropriated Fund Balance 19900

REVENUES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
39200	Appropriated Fund Balance	6,000	-	(6,000)	-100.00%
Sub-Total Appropriated Fund Balance		\$ 6,000	\$ -	\$ (6,000)	-100.00%
TOTAL APPROPRIATED FUND BALANCE GENERAL FUND					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Appropriated Fund Balance	6,000	-	(6,000)	-100.00%
Total for All Categories of Revenues		\$ 6,000	\$ -	\$ (6,000)	-100.00%

Item of Interest:

- No fund balance appropriation proposed for FY 21.

Public Safety



Police – Administration 12010

MISSION STATEMENT:

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. We are committed to the prevention of crime and the protection of life and property; the preservation of peace, order and safety; the enforcement of laws and ordinances; and the safeguarding of constitutional guarantees.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	626,089	634,832	573,832	523,674
Operating	321,017	262,600	422,000	265,000
Capital	-	-	-	-
Total Expenditures	\$ 947,106	\$ 897,432	\$ 995,832	\$ 788,674
Revenues				
Charges and Fees	203,145	97,000	97,000	197,000
Miscellaneous	-	-	-	-
Total Revenues	\$ 203,145	\$ 97,000	\$ 97,000	\$ 197,000
Staffing				
FTE Positions	6	6	6	6

PERFORMANCE MEASUREMENT:

Accomplishments:

1. The Kannapolis Police Department was awarded the International Accreditation by the Commission on Accreditation for Law Enforcement agencies, Inc. (CALEA) for the 20th consecutive year. This is a major accomplishment considering less than 6% of police agencies are accredited.
2. Reported crimes continue to be well below that of similar sized cities in North Carolina, a trend that has proven consistent for more than a decade.
3. Continued to utilize innovative technologies such as Leads Online and CellBrite in the investigation of criminal activity.
4. Continued programmed replacement of agency equipment to include wireless digital patrol vehicle camera systems and speed measuring devices, and body worn cameras.
5. Continued to work close with community partners to address issues such as: opioid epidemic, active shooter in the workplace and enhancing community and police relationships.
6. Implemented an Unmanned Aerial System program which consists of a drone and a team of operators. This program will assist with various police functions to include surveillance and search and rescue operations.

PUBLIC SAFETY

Action Plan:

1. Maintain fully accredited status by the Commission on Accreditation for Law Enforcement agencies, Inc. (CALEA)
2. It has become critical to replace and upgrade the emergency public safety radio system. This upgrade is necessary and could have a negative impact on life saving measures.
3. The Kannapolis Police Department will undergo a full branding campaign to include developing a brand and the creation of a recruitment video. This will be to promote the agency within the community, recruit candidates and assist with retention.
4. With the amount of civil unrest nationally the Kannapolis Police Department will implement a Mobile Field Force and incorporate training and best practices to deal with these types of protests. It will be the goal of the agency to have 100% attendance rate for the training.
5. Develop an Auxiliary Police Force to include policy, procedures and best practices. This phase is to be completed in fiscal year 2021 and fully implemented in fiscal year 2022.
6. Maintain crime rate below the national average for like size cities.

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Homicide	2	0	0
Rape	20	12	10
Robbery	38	27	20
Burglary	12	9	5
Aggravated Assault	33	42	35

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$523,674
Operating Expenses	\$265,000
Capital Machinery	\$0
Total Budget	\$788,674

Personnel includes: Chief of Police (1), Deputy Chief of Police (1), Captains (2), Lieutenant (1), Administrative Assistant (1), and Police Planner/Accreditation Manager (1). 5 Sworn, 2 Civilian

Increases:

- \$2,400 - Contracted Services for standard inflation increases for Project Safe Coordinator position

Reductions/Decreases:

- \$21,000 – Part-time for Project Safe Coordinator position is paid out of Contracted Services

Capital:

- None

PUBLIC SAFETY

Items of Interest:

- Equipment Rental covers text messaging service
- Contracted services include:
 - Kannapolis portion of Project Safe Coordinator position
 - Investigative software programming
- Consultants covers the Police Legal Support
- Public Safety Supplies cover several ad hoc expenses – JCSU recruitment, flowers, plaques, interpreters

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	476,295	411,245	(65,050)	-13.66%
41100	Salaries - Part Time	21,000	-	(21,000)	-100.00%
41300	Longevity Pay	13,272	2,207	(11,065)	-83.37%
42000	FICA	13,255	11,925	(1,330)	-10.03%
42200	State Retirement	46,792	43,236	(3,556)	-7.60%
42210	401K	29,305	13,787	(15,518)	-52.95%
42300	Medical Insurance	31,845	38,214	6,369	20.00%
42400	Life Insurance	908	900	(8)	-0.88%
42500	Dental Insurance	2,160	2,160	-	0.00%
Sub-Total for Personnel		\$ 634,832	\$ 523,674	\$ (111,158)	-17.51%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,000	2,000	-	0.00%
43300	Postage	5,000	5,000	-	0.00%
43710	Repair & Maintenance: Office Equipment	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	5,500	5,500	-	0.00%
44400	Repair & Maintenance: Equipment	1,500	1,500	-	0.00%
45250	Telephone	60,000	60,000	-	0.00%
45410	Equipment Rental	4,000	4,000	-	0.00%
45610	Motor Fuel	6,000	6,000	-	0.00%
46100	Office Supplies	7,600	7,600	-	0.00%
46300	Dues and Subscriptions	2,500	2,500	-	0.00%
46400	Public Safety Supplies	30,000	30,000	-	0.00%
47100	Uniforms	3,500	3,500	-	0.00%
48000	Contracted Services	110,000	112,400	2,400	2.18%
48300	Consultants	12,500	12,500	-	0.00%

PUBLIC SAFETY

51100	Travel and Training	9,000	9,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 262,600	\$ 265,000	\$ 2,400	0.91%

TOTAL POLICE ADMINISTRATION

	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	634,832	523,674	(111,158)	-17.51%
	Operating Expenditures	262,600	265,000	2,400	0.91%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 897,432	\$ 788,674	\$ (108,758)	-12.12%

Police – Support Services 12030

MISSION STATEMENT:

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. We are committed to the prevention of crime and the protection of life and property; the preservation of peace, order and safety; the enforcement of laws and ordinances; and the safeguarding of constitutional guarantees.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	2,630,550	2,848,203	2,819,507	2,985,789
Operating	176,115	327,250	327,250	333,100
Capital	5,330	-	-	39,958
Total Expenditures	\$ 2,811,995	\$ 3,175,453	\$ 3,146,757	\$ 3,358,847
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	43	43	43	44

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Expansion of the agency’s use of crime analysis capabilities using programs such as LeadsOnline and Lexis/Nexis Accurint. These programs continue to develop, and the Kannapolis Police Department’s Criminal Investigations Division assisted LeadsOnline in testing their “Real Time Crime” function before making it available commercially. As a result, these programs and services which were initially used exclusively by the Criminal Investigations Division have now been expanded to the patrol squads.
2. The addition of a second School Resource Officer at A.L. Brown High School. This was warranted due to the number of students at the High School. This also participates with a grant that was applied for and is being managed by the school system.
3. Criminal Investigations Division used a dated surveillance system for undercover work. This system, Callyo, was replaced with Casper and the investigators report substantial increase in productivity and officer safety. The camera utilized by the units Crime Scene Investigator to document crime scenes was outdated. This camera was replaced in order to provide the high-quality crime scene reports that the prosecutors continue to praise.

PUBLIC SAFETY

4. Workstations in records and communications have been updated to include dual monitors where needed and replacement of old and failing monitors where needed. Personnel report increased productivity.
5. The criminal investigations division continues to exceed national overall case clearance rates.

Action Plan:

1. There are currently 4 of the 5 workstations in the communications center that are equipped with the MCC7500 console radio. This radio costs \$65,000 - \$75,000 dollars and is the only thing left to complete that fifth workstation. This workstation will allow for supplemental staff to work during peak times.
2. The communications center has a very good response time from the time a priority call is made to the center to the time the first officer is dispatched. It is noted that over the past few fiscal years this dispatch time has increased by almost 30 seconds. The center will work to reduce this time to under 2 minutes. An addition of a fifth MCC7500 will certainly aid in this objective.
3. The mobile, portable, back-up, and recording radios will be replaced to current models that are serviceable.
4. Currently the criminal investigations division exceeds national case cleared by arrest or exceptional means rates. The criminal investigations division is to continue to exceed the national case clearance rate.

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Dispatch Times	1:56	2:12	< 2:00
Violent Crime Clearance Rates	45.3%	45.6%	55%
Property Crime Clearance Rates	17.6%	50%	55%

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$2,985,789
Operating Expenses	\$333,100
Capital Machinery	\$39,958
Total Budget	\$3,358,847

Personnel includes: Lieutenant (1), Sergeants (4), Investigators (10), Training Officer (1), School Resource Officers (3), DARE Officer (1), Communications Center Manager (1), Telecommunicator Shift Supervisors (4), Telecommunicator (12), Records Supervisor (1), Records Clerks (2), and Administrative Assistant (1). 19 Sworn, 21 Civilian

Increases:

- (1) School Resource Officer (SRO) position to fulfill SRO grant requirements between the State and Kannapolis City Schools
 - This position is offset by budgeting \$100,000 for the SRO grant
- \$750 – Uniforms based on 5% contractual increase

PUBLIC SAFETY

- \$5,100 – Contracted Services based on 4% increase for Accurint Software
 - \$4,500 – projected increase in P-25 radio maintenance contract

Reductions/Decreases:

- None

Capital:

- \$39,958- vehicle for SRO position

Items of Interest:

- Contracted Services funds the City’s portion for P-25 maintenance of the Radio Network Services for the County
- Budget Includes:
 - \$15,750 for uniforms (41 FTEs)

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,954,081	2,056,750	102,669	5.25%
41200	Salaries - Overtime	205,000	225,000	20,000	9.76%
41300	Longevity Pay	1,810	1,169	(641)	-35.41%
41700	Clothing Allowance	11,800	11,900	100	0.85%
42000	FICA	84,934	85,745	811	0.95%
42200	State Retirement	203,555	218,068	14,513	7.13%
42210	401K	108,035	92,194	(15,841)	-14.66%
42300	Medical Insurance	259,929	275,511	15,582	5.99%
42400	Life Insurance	3,579	3,600	21	0.59%
42500	Dental Insurance	15,480	15,852	372	2.40%
Sub-Total for Personnel		\$ 2,848,203	\$ 2,985,789	\$ 137,586	4.83%

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,000	1,000	-	0.00%
44200	Repair & Maintenance: Vehicles	30,000	30,000	-	0.00%
44400	Repair & Maintenance: Equipment	4,000	4,000	-	0.00%
45250	Telephone	25,000	25,000	-	0.00%
45410	Equipment Rental	5,000	5,000	-	0.00%
45610	Motor Fuel	15,000	15,000	-	0.00%
46100	Office Supplies	14,000	14,000	-	0.00%
46200	Small Equipment and Tools	1,000	1,000	-	0.00%

PUBLIC SAFETY

46300	Dues and Subscriptions	1,800	1,800	-	0.00%
46400	Public Safety Supplies	26,000	26,000	-	0.00%
47100	Uniforms	15,000	15,750	750	5.00%
48000	Contracted Services	133,100	138,200	5,100	3.83%
51100	Travel and Training	21,350	21,350	-	0.00%
51300	Special Expenses	32,000	32,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 327,250	\$ 333,100	\$ 5,850	1.79%

TOTAL POLICE SUPPORT SERVICES

	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel Expenditures	2,848,203	2,985,789	137,586	4.83%
Operating Expenditures	327,250	333,100	5,850	1.79%
Capital - Machinery & Equipment	-	39,958	39,958	100.00%
Total for All Categories of Expenses	\$ 3,175,453	\$ 3,358,847	\$ 183,394	5.78%

Police – Field Operations 12035

MISSION STATEMENT:

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. We are committed to the prevention of crime and the protection of life and property; the preservation of peace, order and safety; the enforcement of laws and ordinances; and the safeguarding of constitutional guarantees.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	3,819,354	4,246,401	4,193,151	4,334,821
Operating	481,887	514,700	530,200	521,425
Capital	-	-	104,500	-
Total Expenditures	\$ 4,301,241	\$ 4,761,101	\$ 4,827,851	\$ 4,856,246
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	64	63	63	64

PERFORMANCE MEASUREMENT:

Accomplishments:

1. The national average for response times to calls for service for police agencies is approximately 10 minutes. The Kannapolis Police Department maintained patrol response times to calls for service at 1:41 seconds faster than the national average.
2. The Police Department’s Special Response Team recently went through major upgrades and replaced a portion of the ballistic kits for team members. These upgrades made sure that officers had the best equipment available to help keep them safe during high risk situations. This upgrade is ongoing and will continue through fiscal year 2023.
3. Calls for service were reduced on average by 336 calls per sector. This was a total reduction of 1,344 total calls for the entire city.
4. We maintained adequate staffing during the COVID-19 pandemic by following strict personal protective equipment protocols when facing the public daily.
5. Replaced two of the departments K-9 vehicles which included digital patrol camera system and speed measuring devices.

PUBLIC SAFETY

Action Plan:

1. Leaders will evaluate and create a plan to utilize the department bicycles, T-3s, and utility vehicles in and around the downtown area. The goal is to increase visibility and reduce crime and the fear of crime.
2. Develop staffing plan to address the safety and security concerns associated with the downtown growth.
3. Research and recommend a low speed/electric police vehicle to be utilized at special events and within other areas of the city.
4. Expand the staffing level and service capacity of the police department to compensate for area growth and to decrease patrol response times.
5. Increase officer's presence in and around hotspots to reduce the total number of calls for service.
6. Upgrade outdated technology within the patrol operations officers work areas. This will include upgrading computers and other devices that allow officers to complete reports and paperwork while at the police department.

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
All calls for service response times for Patrol Officers (National average is 10 minutes)	8:19	8:03	8:00
Priority 1 response times for Patrol Officers	4:29	4:52	4:15
Calls for service city-wide	44,421	43,077	40,000

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$4,334,821
Operating Expenses	\$521,425
Capital Machinery	\$0
Total Budget	\$4,856,246

Personnel includes: Lieutenants (4), Sergeants (9), Police Officers (51), and (1) Administrative Assistant, 64 Sworn, 1 Civilian

Increases:

- \$6,725 Uniforms - Uniforms based on 5% contractual increase

Reductions/Decreases:

- None

Items of Interest:

- Budget Includes:
 - \$70,500 for uniforms (65 FTEs)

PUBLIC SAFETY

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	2,962,343	2,988,024	25,681	0.87%
41200	Salaries - Part Time	15,500	25,562	10,062	64.92%
41200	Salaries - Overtime	250,000	305,000	55,000	22.00%
41300	Longevity Pay	2,556	1,545	(1,011)	-39.55%
42000	FICA	47,802	49,419	1,617	3.38%
42200	State Retirement	313,348	326,982	13,634	4.35%
42210	401K	225,043	202,033	(23,010)	-10.22%
42300	Medical Insurance	401,248	407,616	6,368	1.59%
42400	Life Insurance	5,521	5,600	79	1.43%
42500	Dental Insurance	23,040	23,040	-	0.00%
Sub-Total for Personnel		\$ 4,246,401	\$ 4,334,821	\$ 88,420	2.08%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,500	1,500	-	0.00%
44200	Repair & Maintenance: Vehicles	150,000	150,000	-	0.00%
44400	Repair & Maintenance: Equipment	3,500	3,500	-	0.00%
45250	Telephone	6,500	6,500	-	0.00%
45410	Equipment Rental	8,000	8,000	-	0.00%
45610	Motor Fuel	140,000	140,000	-	0.00%
46100	Office Supplies	13,000	13,000	-	0.00%
46200	Small Equipment and Tools	4,000	4,000	-	0.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
46400	Public Safety Supplies	95,000	95,000	-	0.00%
47100	Uniforms	70,500	77,225	6,725	9.54%
51100	Travel and Training	20,000	20,000	-	0.00%
51800	Meetings	700	700	-	0.00%
Sub-Total for Operating Expenditures		\$ 514,700	\$ 521,425	\$ 6,725	1.31%
TOTAL POLICE-FIELD OPERATIONS					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	4,246,401	4,334,821	88,420	2.08%
	Operating Expenditures	514,700	521,425	6,725	1.31%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 4,761,101	\$ 4,856,246	\$ 95,145	2.00%

Fire – Administration 12510

MISSION STATEMENT:

The Kannapolis Fire Department is composed of a dedicated, qualified, and diverse group of professionals that exists to provide effective fire & emergency response services. We are committed to meeting the needs of our dynamic community through preparedness, proactive public education, fire prevention, risk reduction, and partnerships with others.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	410,607	428,137	322,540	468,284
Operating	464,633	506,100	506,100	593,782
Capital	-	-	-	28,000
Total Expenditures	\$ 875,240	\$ 934,237	\$ 828,640	\$ 1,090,066
Revenues				
Charges and Fees	4,020	4,000	4,000	4,000
Miscellaneous	-	-	-	-
Total Revenues	\$ 4,020	\$ 4,000	\$ 4,000	\$ 4,000
Staffing				
FTE Positions	5	5	5	6

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Officially awarded an ISO rating of 1, one of 14 class one fire department's in North Carolina and of 635 fire departments in the United States
2. Opened newly constructed Fire Stations #2 and #3.
3. Completed organization re-structuring efforts to recognize skills and strengths of individual personnel to better serve the citizens of Kannapolis
4. Promoted internally to fill the position of Fire Chief and Deputy Fire Chief due to the retirements of Chief Ernie Hiers and Chief Rick Barnhardt.
5. Worked with several other city departments to implement a building Hazard Marking policy to identified "no entry" type structures.
6. Implemented an OSHA complaint secondary container labeling program.
7. Created an OSHA complaint Fall Restraint program for training prop use and purchased needed equipment
8. 50% completion on OSHA compliant SDS system
9. Completed annual testing, tuning, and flash upgrade to latest firmware to all radios.
10. Completed a "needs assessment" to replace our aging communications system.

PUBLIC SAFETY

11. Met as a committee comprised of KFD personnel to evaluate our Personal Protective Equipment spec and compared it to newer materials, options and features which allowed the committee to update our PPE Spec with changes to increase the level of protection with minimal costs
12. Completed inventory of Self-Contained Breathing Apparatus and assigned SCBA to reserve apparatus as well as front line apparatus
13. Completed annual testing of SCBA
14. Several personnel recognized and/or certified in various aspects on a state and national level including several fire instructor awards as well as Maria Bostian named the NFPA 2020 Educator of the Year. With that, the department received funding for fire and life safety education products through the NFPA

Action Plan:

1. Update department's Strategic Plan
2. Establish a 5-year comprehensive financial plan to include recommended replacement schedules of facilities, apparatus and equipment. (FY21)
3. Complete a comprehensive staffing study based on local, state and national standards to ensure an effective response force to various emergency incidents.
4. Increase the number of NFPA Physicals from 1-2-3 to 1-2 and then yearly.
5. Develop improved cancer decon policies based on recognized best practices to reduce firefighter exposure to various carcinogens.
6. Implement traffic safety and calming measures to reduce the risk of personnel while working on roadway incidents.
7. Develop an outreach schedule to ensure a minimum of 1 social media interaction per week.
8. Maintain a frontline apparatus in service time of 90%
9. Improve equipment repair time turnaround to 10 days
10. Decrease the number of work related injuries by 25% from FY20

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Frontline apparatus maintained in service time of 90%	58	80	85
% of equipment repair turned around within 10 days	68	82	85
% of work related injuries to total FTE count resulting in lost time	4	3	0

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$468,284
Operating Expenses	\$593,782
Capital Machinery	\$28,000
Total Budget	\$1,090,066

Personnel includes: Fire Chief (1), Deputy Fire Chief (1), Health Wellness Manager (1), Administrative Assistant (1), Executive Office Assistant (1), PT Executive Office Assistant (1), (1) Fire Mechanic

PUBLIC SAFETY

Increases:

- (1) Fire Mechanic position
 - Offsetting reduction in contracted services for contract mechanic work
- \$18,000 – Electricity increase based on new stations
- \$5,000 – Water and sewer increase based on new stations
- \$3,000 – Gas utilities increase based on new stations
- \$16,124 – Small equipment and tools for new fire mechanic position
- \$1,200 – Uniforms increase for new fire mechanic position
- \$48,358 – Contracted Services for Odell Volunteer Fire Department due to additional homes built and the increase in property tax value due to the Cabarrus County revaluation

Reductions/Decreases:

- None

Capital:

- \$28,000 utility vehicle for Fire Mechanic position

Items of Interest:

- Utilities for all fire stations are found in this department
- Contracted Services covers the contract with Odell VFD

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	333,399	358,740	25,341	7.60%
41300	Longevity Pay	724	724	-	0.00%
42000	FICA	20,813	26,472	5,659	27.19%
42200	State Retirement	33,271	36,669	3,398	10.21%
42210	401k	6,682	4,406	(2,276)	-34.06%
42300	Medical Insurance	30,645	38,245	7,600	24.80%
42400	Life Insurance	803	868	65	8.09%
42500	Dental Insurance	1,800	2,160	360	20.00%
Sub-Total for Personnel		\$ 428,137	\$ 468,284	\$ 40,147	9.38%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,500	2,500	-	0.00%
43300	Postage	1,500	1,500	-	0.00%
43710	Repair & Maintenance: Office Equipment	400	400	-	0.00%
44200	Repair & Maintenance: Vehicles	2,000	2,000	-	0.00%

PUBLIC SAFETY

44400	Repair & Maintenance: Equipment	10,000	10,000	-	0.00%
45220	Electricity	45,000	58,000	13,000	28.89%
45230	Water & Sewer	20,000	25,000	5,000	25.00%
45240	Gas Utilities	12,000	15,000	3,000	25.00%
45250	Telephone	95,000	96,000	1,000	1.05%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	3,500	3,500	-	0.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46200	Small Equipment and Tools	2,000	18,124	16,124	806.20%
46300	Dues and Subscriptions	10,000	10,000	-	0.00%
46400	Public Safety Supplies	2,200	2,200	-	0.00%
47100	Uniforms	3,000	4,200	1,200	40.00%
48000	Contracted Services	275,000	323,358	48,358	17.58%
51100	Travel and Training	8,000	8,000	-	0.00%
51800	Meetings	5,500	5,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 506,100	\$ 593,782	\$ 87,682	17.33%

TOTAL FIRE ADMINISTRATION

	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	428,137	468,284	40,147	9.38%
	Operating Expenditures	506,100	593,782	87,682	17.33%
	Capital Machinery & Equipment	-	28,000	28,000	100.00%
Total for All Categories of Expenses		\$ 934,237	\$ 1,090,066	\$ 155,829	16.68%

Fire – Emergency Services 12540

MISSION STATEMENT:

The Kannapolis Fire Department is composed of a dedicated, qualified, and diverse group of professionals that exists to provide effective fire & emergency response services. We are committed to meeting the needs of our dynamic community through preparedness, proactive public education, fire prevention, risk reduction, and partnerships with others.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	5,970,645	6,299,363	6,398,863	6,413,720
Operating	558,022	554,600	567,600	461,787
Capital	-	-	-	-
Total Expenditures	\$ 6,528,667	\$ 6,853,963	\$ 6,966,463	\$ 6,875,507
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	85	85	85	86

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Initiated a multi-year operational improvement plan.
2. Implemented a COVID response plan which so far, has resulted in no incident related COVID exposures.
3. Received recognition for the number of lives saved as it relates to cardiac arrests through the Hearts and Hero's program.
4. Relocated a ladder company from station 5 to station 3 to enhance response times and efficiency.

Action Plan:

1. Decrease the companies' turnout times which includes dispatch to response.
2. Increase the department's effectiveness as it relates to NFPA 1710 staffing and response models
3. Ensure an initial arriving company of at least 4 personnel to 80% of all structure fires within 4 minutes.
4. Respond to 80% of the department's structure fire incidents with 16 personnel within 8 minutes

PUBLIC SAFETY

5. Improve the department’s Return of Pulse on Cardiac Arrest incidents to 40%

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of reported incidents	9,106	8,846	N/A
% of response to structure fire incidents with 16 personnel within 8 minutes	41%	35%	50%
% of response to structure fire incidents with at least 4 personnel within 4 minutes	38%	26%	50%
% save rate on CPR incidents	29%	30%	35%

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$6,413,720
Operating Expenses	\$461,787
Capital Machinery	\$0
Total Budget	\$6,875,507

Personnel Includes: Division Chief (1), Battalion Chief (3), Fire Captain (21), Fire Engineer (21), Firefighter (36), PT- Firefighter (6), Reserve Firefighter (15), and Quality Assurance Coordinator (1).

Increases:

- \$1,000 – Cleaning Supplies

Reductions/Decreases:

- \$93,813 – Repair and Maintenance: Vehicles reduction in contracted services due to in-house Fire Mechanic position
- \$54,500 – Part-time based on trends

Capital:

- None

Items of Interest:

- Repair and Maintenance: Vehicles reduction in contracted services due to in-house Fire Mechanic position
- All part-time positions in all divisions housed in Emergency Services budget
- Budget includes:
 - \$44,000 for Uniforms (83 FTEs)

PUBLIC SAFETY

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	4,158,426	4,298,964	140,538	3.38%
41100	Salaries - Part Time	214,500	160,000	(54,500)	-25.41%
41200	Salaries - Overtime	485,000	485,000	-	0.00%
41300	Longevity Pay	5,053	5,059	6	0.12%
42000	FICA	372,018	362,552	(9,466)	-2.54%
42200	State Retirement	418,362	435,635	17,273	4.13%
42210	401k	92,970	71,949	(21,021)	-22.61%
512658	Medical Insurance	512,658	554,101	41,443	8.08%
42400	Life Insurance	9,416	9,500	84	0.89%
42500	Dental Insurance	30,960	30,960	-	0.00%
Sub-Total for Personnel		\$ 6,299,363	\$ 6,413,720	\$ 114,357	1.82%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	233,600	139,787	(93,813)	-40.16%
44400	Repair & Maintenance: Equipment	23,000	23,000	-	0.00%
45250	Telephone	24,000	24,000	-	0.00%
45610	Motor Fuel	72,000	72,000	-	0.00%
46100	Office Supplies	800	800	-	0.00%
46200	Small Equipment and Tools	15,000	15,000	-	0.00%
46400	Public Safety Supplies	120,000	120,000	-	0.00%
46820	Cleaning Supplies	11,000	12,000	1,000	9.09%
47100	Uniforms	44,000	44,000	-	0.00%
48000	Contracted Services	7,200	7,200	-	0.00%
51300	Special Expenses	4,000	4,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 554,600	\$ 461,787	\$ (92,813)	-16.74%
TOTAL FIRE EMERGENCY SERVICES					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	6,299,363	6,413,720	114,357	1.82%
	Operating Expenditures	554,600	461,787	(92,813)	-16.74%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 6,853,963	\$ 6,875,507	\$ 21,544	0.31%

Fire – Technical Services 12545

MISSION STATEMENT:

The Kannapolis Fire Department is composed of a dedicated, qualified, and diverse group of professionals that exists to provide effective fire & emergency response services. We are committed to meeting the needs of our dynamic community through preparedness, proactive public education, fire prevention, risk reduction, and partnerships with others.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	386,095	394,140	417,140	416,235
Operating	62,305	70,950	70,950	70,950
Capital	-	-	-	-
Total Expenditures	\$ 448,400	\$ 465,090	\$ 488,090	\$ 487,185
Revenues				
Charges and Fees	26,627	18,000	18,000	25,000
Miscellaneous	-	-	-	-
Total Revenues	\$ 26,627	\$ 18,000	\$ 18,000	\$ 25,000
Staffing				
FTE Positions	5	5	5	5

PERFORMANCE MEASUREMENT:

Accomplishments:

1. 27,199 total training hours department wide
2. Met 100% NC Response Rating System training goals allowing the department to obtain maximum credit towards ISO rate reduction.
3. Restructured and promoted internally to fill the roll of Battalion Chief of Training due to the promotion of Division Chief Summitt
4. Administered 2 hiring processes for firefighters- hired at total of 5 FTE due to resignations and retirements.
5. Administered annual promotion process- Promoted 11 personnel to fill ranks.
6. Relocated Haz Mat 1 to Station 1 to enhance response times and overall efficiency.
7. Implemented a mutual aid training program for hazardous material and technical rescue incidents.
8. Promoted a long-time fire inspector/investigator to the newly created position of Fire Marshall
9. Implemented a Current Construction Projects Organizational Chart/ Listing
10. Completed over 1200 fire inspections and over 50 substantial plan reviews

PUBLIC SAFETY

Action Plan:

1. Increase available training props at each station to accommodate realistic training without having to take primary apparatus out of service or district as often.
2. Increase use of college facilities and acquired structures to aid in boots on the ground style training aiding in the implementation of standardized operational procedures allowing quicker on scene actions and service to citizens.
3. Restructure/establish training committee to assist in guiding department training goals and activities creating buy in at the operational level.
4. Review and modify existing Post Incident Action procedures and develop standard evaluation of emergency incidents to identify areas for improvement to be developed into training plans for the department.
5. Ensure that 100% working incidents are reviewed through a Post Incident Action plan
6. Ensure that 100% of developmental plans are reviewed and returned within 7 days of receipt through Acela
7. Develop a plan to ensure that 100% of the department's officers participate in the Officer Development Program at least once every three years

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
% of working incidents reviewed through a Post Incident Action Plan	6	10	50
% of developmental plans reviewed and returned within 7 days of receipt through Acela	100	100	100
# of officers participating in the Officer Development Program	8	7	15

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$416,235
Operating Expenses	\$70,950
Capital Machinery	\$0
Total Budget	\$487,185

Personnel Includes: Division Chief (1), (1) Fire Marshal, (1) Fire Inspector, (1) Fire and Life Safety Educator, (3) Quality Assurance Coordinator, (1) Training Manager and (1) Part-time Educator

Increases:

- Standard personnel increases
- No new operational increases

Reductions/Decreases:

- None

PUBLIC SAFETY

PERSONNEL

Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	302,745	318,758	16,013	5.29%
41300	Longevity Pay	610	611	1	0.16%
42000	FICA	23,207	23,654	447	1.93%
42200	State Retirement	27,302	32,578	5,276	19.32%
42210	401k	6,066	6,389	323	5.32%
42300	Medical Insurance	31,845	31,845	-	0.00%
42400	Life Insurance	565	600	35	6.19%
42500	Dental Insurance	1,800	1,800	-	0.00%
Sub-Total for Personnel		\$ 394,140	\$ 416,235	\$ 22,095	5.61%

OPERATING EXPENDITURES

Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	5,000	5,000	-	0.00%
44400	Repair & Maintenance: Equipment	150	150	-	0.00%
45250	Telephone	8,500	8,500	-	0.00%
45610	Motor Fuel	9,500	9,500	-	0.00%
46100	Office Supplies	5,000	5,000	-	0.00%
46300	Dues and Subscriptions	2,400	2,400	-	0.00%
46400	Public Safety Supplies	15,000	15,000	-	0.00%
47100	Uniforms	6,400	6,400	-	0.00%
51100	Travel and Training	16,000	16,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 70,950	\$ 70,950	\$ -	0.00%

TOTAL FIRE TECHNICAL SERVICES

	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	394,140	416,235	22,095	5.61%
	Operating Expenditures	70,950	70,950	-	0.00%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 465,090	\$ 487,185	\$ 22,095	4.75%

Public Works



Public Works - Engineering 13000

MISSION STATEMENT:

Ensure high quality workmanship and cost effectiveness in the installation of infrastructure projects that the City will ultimately maintain. This assurance is accomplished by designing; administering, coordinating projects, and working with developers and engineers to be sure contractors maintain a high level of workmanship and construction practices; and by providing technical assistance to citizens and other City departments.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	908,788	981,876	906,376	778,429
Operating	210,882	257,800	252,171	207,800
Capital	-	-	-	-
Total Expenditures	\$ 1,119,670	\$ 1,239,676	\$ 1,158,547	\$ 986,229
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	9	9	9	9

PERFORMANCE MEASUREMENT:

Accomplishments:

1. **Plan Review** : Provided comprehensive site plan review for a total of 57 projects to include: 9 major subdivisions, 20 minor subdivisions, 12 multi-family, 15 commercial, and 1 industrial; reviewed 44 exempt plats; reviewed and permitted 37 private utility encroachment agreements.
2. **In-house GIS Data and Mapping & Civil Design**: Provided GIS utility information and mapping requests from City departments and developers; provided in-house design services for 10 local infrastructure projects including water, sewer, stormwater, sidewalks, and parking lots.
3. **Construction Engineering and Inspection (CEI), Project Management, Right-of-Way**: Provided CEI services for all public infrastructure projects (except the downtown development) and construction inspection services for all private land development projects requiring a grading permit; provided 385 water & sewer verifications for potential development; conducted 514 driveway inspections; serve as City project manager for all NCDOT projects within corporate limits; served as liaison in the acquisition of easements and Right-of-Way for 150 parcels for various projects.

PUBLIC WORKS

4. **Infrastructure Inventory & Assessment:** Provide on-going inventory and condition assessment of all public sidewalks, accessible ramps, and storm drainage culverts.
5. **Standards & Policies:** Completed, adopted, and published the City’s first Land Development Standards Manual and Street Acceptance Policy, and revised the Street Lighting Policy.

Action Plan:

1. Continue on-going inventory and condition assessment of all public sidewalks, accessible ramps, and storm drainage culverts.
2. Provide random quality control checks of state mandated annual inspection reports of all permitted storm water control measures (SCM’s - sand filters, wet ponds, wet detention basins, etc.) which are typically completed through independent 3rd party entities.
3. Provide private land development review comments within the following timeframes:
 - **Commercial Site Plans:** 20 working days, resubmittal 15 working days
 - **Major Subdivision Construction Plans:** 30 working days, resubmittal 20 working days
 - **Multi Family Construction Plans:** 30 working days, resubmittal 20 working days
 - **Minor Subdivisions:** 20 working days, resubmittal 15 working days
 - **Preliminary Plats:** 20 working days, resubmittal 15 working days
 - **Plats/Exempt Plats:** 15 calendar days, resubmittal 10 calendar days
 - **As-Builts:** 10 working days, resubmittal 5 working days
4. Continue towards completion of Stormwater Design Manual.

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
% inventory & assessment of sidewalks, ramps, and culverts	N/A	25%	50%
Provide review land development comments on time	75%	80%	100%
Provide random QC inspections of permitted SCM’s	N/A	N/A	20%
Completion of Stormwater Design Manual	N/A	25%	100%

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$778,429
Operating Expenses	\$207,800
Capital Machinery	\$0
Total Budget	\$986,229

Personnel includes: Director of Engineering (1), Assistant City Engineer (1), Administrative Assistant (1), Engineering Tech (2), and Senior Office Assistant (1).

Increases:

- \$18,000 in Part-time based on trends

Reductions/Decreases:

- \$50,000– Contract – Engineering due to bringing Engineering Services in-house

PUBLIC WORKS

- Decrease in salary and benefits due to Director of Public Works moving from this budget to City Manager’s Office as an Assistant City Manager

Capital:

- None

Items of Interest:

- Contracted Services account continues to decrease over the past few years as the City opted to bring Engineering services in-house which eliminates the need to contract out services

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	761,970	576,347	(185,623)	-24.36%
41100	Salaries- Part Time	-	18,000	18,000	100.00%
41200	Salaries - Overtime	1,000	1,800	800	80.00%
41300	Longevity Pay	960	285	(675)	-70.31%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	58,440	44,602	(13,838)	-23.68%
42200	State Retirement	68,754	58,821	(9,933)	-14.45%
42210	401k	15,279	10,513	(4,766)	-31.19%
42300	Medical Insurance	63,690	57,321	(6,369)	-10.00%
42400	Life Insurance	1,463	1,500	37	2.53%
42500	Dental Insurance	4,320	3,240	(1,080)	-25.00%
Sub-Total for Personnel		\$ 981,876	\$ 778,429	\$ (203,447)	-20.72%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	2,000	2,000	-	0.00%
43300	Postage	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	5,000	5,000	-	0.00%
44400	Repair & Maintenance: Equipment	500	500	-	0.00%
45250	Telephone	10,500	10,500	-	0.00%
45610	Motor Fuel	5,000	5,000	-	0.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46300	Dues and Subscriptions	9,000	9,000	-	0.00%
47100	Uniforms	5,000	5,000	-	0.00%
48800	Contract - Engineering	200,000	150,000	(50,000)	-25.00%
51100	Travel and Training	12,000	12,000	-	0.00%
51800	Meetings	800	800	-	0.00%

PUBLIC WORKS

Sub-Total for Operating Expenditures		\$ 257,800	\$ 207,800	\$ (50,000)	-19.39%
TOTAL ENGINEERING					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	981,876	778,429	(203,447)	-20.72%
	Operating Expenditures	257,800	207,800	(50,000)	-19.39%
Total for All Categories of Expenses		\$ 1,239,676	\$ 986,229	\$ (253,447)	-20.44%

Public Works - Street Lighting 13100

MISSION STATEMENT:

In administering the City's street lighting program, staff works with citizens, developers and utility agencies to evaluate, review, design and coordinate all street lighting requests and installations to ensure adequate and aesthetically pleasing lighting in our community and to provide for the general safety of our citizens.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	579,701	683,000	584,500	730,400
Capital	31,194	-	-	-
Total Expenditures	\$ 610,895	\$ 683,000	\$ 584,500	\$ 730,400
Revenues				
Charges and Fees	116,091	75,000	75,000	-
Miscellaneous	-	-	-	-
Total Revenues	\$ 116,091	\$ 75,000	\$ 75,000	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Revised existing street light policy.
2. Responded to customer complaints regarding street light outages within 48 hours
3. Responded to customer requests for new street light additions within 72 hours.

Action Plan:

1. Continue evaluating existing street light policies.
2. Respond to customer complaints regarding street light outages within 24 hours.
3. Respond to customer requests for new street light additions within 48 hours.

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Respond to customer complaints regarding outages wi 24 hrs	N/A	48 hrs	24 hrs
Respond to customer requests for new installations wi 48 hrs	N/A	72 hrs	48 hrs

PUBLIC WORKS

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$730,400
Total Budget	\$730,400

No Personnel included in this Division.

Increases:

- \$18,400 – Electricity
- \$15,000 – Contracted Services
- \$14,000 – Contracted Services – new lights

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Budget Includes:
 - Contracted Services (installation of new lights)
 - Contract – New Lights (purchase of new lights)
 - Reduced revenue in this budget due to City not being involved when development puts in new streetlights. This is now handled between the developer and Duke Energy directly.

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
45220	Electricity	613,000	631,400	18,400	3.00%
48000	Contracted Services	35,000	50,000	15,000	42.86%
48650	Contract - New Lights	35,000	49,000	14,000	40.00%
Sub-Total for Operating Expenditures		\$ 683,000	\$ 730,400	\$ 47,400	6.94%
TOTAL STREET LIGHTING					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	683,000	730,400	47,400	6.94%
	Capital - Improvements	-	-	-	0.00%
Total for All Categories of Expenses		\$ 683,000	\$ 730,400	\$ 47,400	6.94%

Public Works – Operations Center 13200

MISSION STATEMENT:

To minimize the cost of the daily functions of the Operations Center by contacting various vendors for lower cost of any services rendered; monitor all systems associated with PWOC, whether it be daily or weekly, to keep systems functional and up to standards.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	114,247	138,300	138,300	138,300
Capital	-	-	-	-
Total Expenditures	\$ 114,247	\$ 138,300	\$ 138,300	\$ 138,300
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Action Plan:

1. Automated Motor Pool Gate
2. Paint Interior of facility

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$138,300
Total Budget	\$138,300

No Personnel included in this Division.

Increases:

- None

PUBLIC WORKS

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- No changes to budget from FY 20 budget

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45220	Electricity	50,000	50,000	-	0.00%
45230	Water & Sewer	12,000	12,000	-	0.00%
45240	Gas Utilities	6,000	6,000	-	0.00%
45250	Telephone	35,000	35,000	-	0.00%
45410	Equipment Rental	10,000	10,000	-	0.00%
45610	Motor Fuel	500	500	-	0.00%
46100	Office Supplies	4,000	4,000	-	0.00%
48000	Contracted Services	20,300	20,300	-	0.00%
Sub-Total for Operating Expenditures		\$ 138,300	\$ 138,300	\$ -	0.00%
TOTAL OPERATIONS CENTER					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	138,300	138,300	-	0.00%
Total for All Categories of Expenses		\$ 138,300	\$ 138,300	\$ -	0.00%

Public Works – Signs and Markings 13300

MISSION STATEMENT:

The signs and markings division is responsible for promoting public safety by installing and maintaining regulatory signs, street name signs, pavement markings, construction signs, cones and barricades. Staff also completes minor bridge repairs and clearing of line-of sight and signage obstruction.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	177,479	192,178	192,178	186,235
Operating	215,221	225,200	208,900	227,200
Capital	-	-	21,000	-
Total Expenditures	\$ 392,700	\$ 417,378	\$ 422,078	\$ 413,435
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	3	3	3	3

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Maintained and repaired all signs throughout the City in a timely manner
2. Completed asset GIS mapping

Action Plan:

1. Continue replacing 10% of the street signs in the eastern section of the City
2. Study addition of crosswalk markings

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of street name signs installed or repaired	610	293	400
# of information signs installed or repaired	1,605	1,330	1,300

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$186,235
Operating Expenses	\$227,200
Capital Machinery	\$0
Total Budget	\$413,435

Personnel Includes: Crew Chief (1), Construction Maintenance Technician (1), and Construction Maintenance II (1).

Increases:

- \$2,000 – Travel and training increase to train newly promoted personnel due to organizational restructuring

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Contracted Services covers the cost for mowing and litter clean-up along Cannon Blvd and Kannapolis Parkway
- Budget Includes:
 - \$95,000 for sign supplies
 - \$100,000 for Contracted Services

PUBLIC WORKS

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	130,946	131,458	512	0.39%
41200	Salaries - Overtime	8,000	8,000	-	0.00%
41300	Longevity Pay	227	227	-	0.00%
42000	FICA	17,257	10,406	(6,851)	-39.70%
42200	State Retirement	12,526	13,433	907	7.24%
42210	401k	2,783	2,274	(509)	-18.29%
42300	Medical Insurance	19,107	19,107	-	0.00%
42400	Life Insurance	252	250	(2)	-0.79%
42500	Dental Insurance	1,080	1,080	-	0.00%
Sub-Total for Personnel		\$ 192,178	\$ 186,235	\$ (5,943)	-3.09%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	7,500	7,500	-	0.00%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	6,900	6,900	-	0.00%
45610	Motor Fuel	6,500	6,500	-	0.00%
46100	Office Supplies	2,500	2,500	-	0.00%
46200	Small Equipment and Tools	1,500	1,500	-	0.00%
46810	Sign Supplies	95,000	95,000	-	0.00%
47100	Uniforms	300	300	-	0.00%
48000	Contracted Services	100,000	100,000	-	0.00%
51100	Travel and Training	4,000	6,000	2,000	50.00%
Sub-Total for Operating Expenditures		\$ 225,200	\$ 227,200	\$ 2,000	0.89%
TOTAL SIGNS AND MARKINGS					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	192,178	186,235	(5,943)	-3.09%
	Operating Expenditures	225,200	227,200	2,000	0.89%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 417,378	\$ 413,435	\$ (3,943)	-0.94%

Public Works – Powell Bill 13400

MISSION STATEMENT:

Preserve and maintain safe driving, walking and biking conditions, for the citizens of Kannapolis along with facilities designated as part of the “City System” as accepted by the Kannapolis City Council. Maintain and preserve the storm drainage system along with the “City System”.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	573,493	1,175,500	1,775,500	943,065
Capital	-	-	-	-
Total Expenditures	\$ 573,493	\$ 1,175,500	\$ 1,775,500	\$ 943,065
Revenues				
Powell Bill	1,296,666	1,318,989	1,318,989	1,065,744
Miscellaneous	122,853	-	-	-
Total Revenues	\$ 1,419,519	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$943,065
Capital Machinery	\$0
Total Budget	\$943,065

No personnel in this budget

Increases:

- \$34,000 – Repair and Maintenance: streets based on 17% increase in projected asphalt costs

Reductions/Decreases:

- \$266,435 – Contract for resurfacing of streets due to a projected 20% decline in Powell Bill funding due to COVID-19 impacts

Capital:

- None

PUBLIC WORKS

Items of Interest:

- Budget includes:
 - \$234,000 for R&M: Streets (repairs to existing streets, pothole repair)
 - \$350,000 for Contracted Services (small street repaving projects)
 - \$600,000 for Contract – Resurfacing (Covers the annual resurfacing plan)

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44900	Repair & Maintenance: Streets	200,000	234,000	34,000	17.00%
45220	Electricity	5,000	5,000	-	0.00%
45410	Equipment Rental	3,000	3,000	-	0.00%
46200	Small Equipment and Tools	2,500	2,500	-	0.00%
48000	Contracted Services	350,000	350,000	-	0.00%
48300	Consultants	15,000	15,000	-	0.00%
48850	Contract - Resurfacing	600,000	333,565	(266,435)	-44.41%
Sub-Total for Operating Expenditures		\$ 1,175,500	\$ 943,065	\$ (232,435)	-19.77%
TOTAL POWELL BILL					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	-	-	-	0.00%
	Operating Expenditures	1,175,500	943,065	(232,435)	-19.77%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 1,175,500	\$ 943,065	\$ (232,435)	-19.77%

Public Works – Street Maintenance 13500

MISSION STATEMENT:

Preserve and maintain safe driving, walking and biking conditions, for the citizens of Kannapolis along with facilities designated as part of the “City System” as accepted by the Kannapolis City Council. Maintain and preserve the storm drainage system along with the “City System”.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	582,565	622,521	602,521	673,500
Operating	124,693	130,000	140,000	130,000
Capital	-	-	-	-
Total Expenditures	\$ 707,258	\$ 752,521	\$ 742,521	\$ 803,500
Revenues				
Powell Bill	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	12	12	12	12

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Maintaining of exist streets, 232 miles
2. Maintaining mowing of ROW, curb and gutter throughout the city system

Action Plan:

1. Repair of utility cuts after receiving work order from Water Resources and Stormwater Departments. Increase number due to the growth in housing numbers and Water Resources increased efforts in maintenance.
2. Increase frequency of mowing.
3. Increase prevent maintenance sealant (life cycle increase) of asphalted street.

PUBLIC WORKS

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of utility cuts repaired	318	320	450
# of pavement repairs (includes potholes)	4900	5,375	5000
Mowing (miles) ROW tractors ran	5322	4,460	4500
Sidewalk maintenance cleaning (feet)	1,268,400	1,039,256	1,000,000
Reconstruction resurfacing (miles)	2.09	.5	0

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$673,500
Operating Expenses	\$130,000
Capital Machinery	\$0
Total Budget	\$803,500

Personnel Includes: Operations Manager (1), Crew Chief (1), Construction Maintenance Technician (2), Construction Maintenance Worker II (7), (1) Crew Supervisor

Increases:

- Standard personnel increases projected for FY 21 for year-end merits for FY 20
- No operational increases

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- None

PUBLIC WORKS

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	448,336	472,992	24,656	5.50%
41200	Salaries - Overtime	24,000	24,000	-	0.00%
41300	Longevity Pay	2,340	2,830	490	20.94%
42000	FICA	36,313	37,317	1,004	2.76%
42200	State Retirement	42,720	48,540	5,820	13.62%
42210	401k	9,494	6,198	(3,296)	-34.72%
42300	Medical Insurance	54,137	76,428	22,291	41.18%
42400	Life Insurance	861	875	14	1.63%
42500	Dental Insurance	4,320	4,320	-	0.00%
Sub-Total for Personnel		\$ 622,521	\$ 673,500	\$ 50,979	8.19%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	45,000	45,000	-	0.00%
44400	Repair & Maintenance: Equipment	40,000	40,000	-	0.00%
45610	Motor Fuel	32,000	32,000	-	0.00%
47100	Uniforms	13,000	13,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 130,000	\$ 130,000	\$ -	0.00%
TOTAL STREET MAINTENANCE					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	622,521	673,500	50,979	8.19%
	Operating Expenditures	130,000	130,000	-	0.00%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 752,521	\$ 803,500	\$ 50,979	6.77%

Planning



Planning 14000

MISSION STATEMENT:

The Kannapolis Planning Department is committed to excellent public service and enhancing the quality of life in the community by guiding its orderly growth and development while preserving its cultural heritage and natural resources. We strive to offer the most efficient service possible in the management of our activities and programs. We always adhere to providing professionally competent advice to officials and citizens on the issues of planning and public policy, land development regulation and community improvement.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	563,113	647,276	667,276	684,103
Operating	173,121	124,050	395,850	125,400
Capital	-	-	-	-
Total Expenditures	\$ 736,234	\$ 771,326	\$ 1,063,126	\$ 809,503
Revenues				
Charges and Fees	183,543	136,000	136,000	145,000
Miscellaneous	-	-	-	-
Total Revenues	\$ 183,543	\$ 136,000	\$ 136,000	\$ 145,000
Staffing				
FTE Positions	8	8	8	8

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Accela electronic permitting – implementation of Accela program for the review and approval of all development proposals.
2. Zoning permit packets – creation of packets to streamline the permitting process, with links to Accela and online payment portal
3. Development plan applications updated – all applications for development plan review updated and posted on Planning web page
4. Plan Review timelines – reduced review times for “Exempt” plats and other development plans
5. Front Counter – reorganized for improved efficiencies
6. Land Development Standards Manual (LDSM) – coordinated effort with Engineering to create LDSM which incorporates engineering and development standards in one document
7. Development Activity Map – online interactive map created which displays development plan activity in City
8. Residential and non-residential plan review 237, SF permits issued; 0, MF permits issued; \$3,862,187 non-residential construction permit value

PLANNING

9. GIS – Support for departments, including (IT, Engineering, Public Works, Communications, Economic Development, Police, Fire and City Manager
10. Development Plan Review Meetings – Schedule implemented for weekly development review meetings with applicants
11. TRC – Weekly TRC meetings for staff discussion and review of development related issues implemented

Action Plan:

1. Development Plan Review – complete all development plan review within established plan review timeframes
2. Accela – improve efficiency or electronic plan review, and coordination process with other city departments and county building standards
3. Complete Cannon Boulevard Corridor Plan (CBCP)
4. Complete Unified Development Ordinance (UDO) Rewrite
5. South Main Street Redevelopment Plan – Prepare “Scope of Work” and RFQ for South Main Street Redevelopment Plan (SMSRP)
6. GIS Training – coordinate needs identification and training of City Departments for ESRI services
7. GIS Support – provide support to all city departments as needed
8. Code Enforcement – respond to all code enforcement complaints within 24 hours
9. Code Enforcement – conduct full windshield survey “sweep” of City to identify potential code violations; along with regular inspection of gateway corridors into City
10. Downtown Redevelopment – support implementation of Downtown Master Plan
11. Boards and Commissions – provide training to Planning and Zoning Commission and Board of Adjustment
12. Kannapolis Development Ordinance (KDO) – implement new Kannapolis Development Ordinance

Long Range Planning Efforts:

1. Text Amendments – text amendments to UDO to allow medical waste facilities in I-1 zoning district, breweries and mobile food vending in CC Zoning District
2. Cannon Boulevard Corridor Plan (CBCP) – prepared RFQ and selected consultant to prepare plan for redevelopment of Cannon Boulevard. Phase 1 (Background research and public input) completed.
3. Unified Development Ordinance (UDO) Rewrite – completed Draft rewrite of UDO.
4. Comprehensive Plan Amendments – 2030 Comprehensive Plan amended to include Kannapolis Crossing project
5. Annexations - completed annexations for Kannapolis Crossing and residential development projects on Moose Road and Jim Johnson Road

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Planning and Zoning Commission			
# of Planning and Zoning Commission meetings held	9	9	10
# of rezoning(s)	11	12	20
# of text amendments	9	1	5
# of comprehensive plan amendments	1	0	3
# of special intensity allocations	2	1	3
Board of Adjustment			
# of variances	6	4	8

PLANNING

# of conditional use permits	10	6	10
# continuation of non-conformity adjustment (CONA)	1	1	4
# of comprehensive sign packages	0	1	4
Code Enforcement			
# of cases processed	2,261	1,663	2,423
# junk cars	154	162	120
# public nuisance	1,951	1,367	2,215
# zoning (UDO)	111	122	114
# minimum housing	59	41	50
# demolitions	2	5	4

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$684,203
Operating Expenses	\$125,400
Capital Machinery	\$0
Total Budget	\$809,503

Personnel includes: Planning Director, (1) Assistant Planning Director (1), Code Enforcement Officer (2), Planning Technician (1), Senior Planner (1), Administrative Assistant (1), and GIS Specialist (1)

Increases:

- \$1,350 Repair and Maintenance vehicles for routine maintenance and repairs

Reductions/Decreases:

- None

Capital:

- None

PLANNING

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	492,782	519,374	26,592	5.40%
41400	Board Member Fees	5,000	5,000	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	37,698	37,406	(292)	-0.77%
42200	State Retirement	44,350	52,980	8,630	19.46%
42210	401k	9,856	8,561	(1,295)	-13.14%
42300	Medical Insurance	47,768	50,952	3,184	6.67%
42400	Life Insurance	942	950	8	0.85%
42500	Dental Insurance	2,880	2,880	-	0.00%
Sub-Total for Personnel		\$ 647,276	\$ 684,103	\$ 36,827	5.69%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	500	500	-	0.00%
43200	Advertising	12,000	12,000	-	0.00%
43300	Postage	300	300	-	0.00%
43610	Demolition Expenditures	75,000	75,000	-	0.00%
44200	Repair & Maintenance: Vehicles	650	2,000	1,350	207.69%
45250	Telephone	6,000	6,000	-	0.00%
45610	Motor Fuel	1,500	1,500	-	0.00%
46100	Office Supplies	7,000	7,000	-	0.00%
46200	Small Equipment and Tools	1,000	1,000	-	0.00%
46300	Dues and Subscriptions	4,000	4,000	-	0.00%
48100	Minute Preparation	100	100	-	0.00%
48610	Contract - Planning	-	-	-	0.00%
51100	Travel and Training	14,000	14,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 124,050	\$ 125,400	\$ 1,350	1.09%
TOTAL PLANNING					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	647,276	684,103	36,827	5.69%
	Operating Expenditures	124,050	125,400	1,350	1.09%
Total for All Categories of Expenses		\$ 771,326	\$ 809,503	\$ 38,177	4.95%

Parks and Recreation



Parks and Recreation - Parks 15010

MISSION STATEMENT:

Provide residents of all ages and abilities positive experiences through a variety of quality activities, facilities and services under the direction of professional and dedicated staff that are responsive to the changing needs of the community.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	1,324,510	1,611,327	1,627,267	1,704,799
Operating	637,280	668,873	682,552	993,990
Capital	-	29,000	58,420	-
Total Expenditures	\$ 1,961,790	\$ 2,309,200	\$ 2,368,239	\$ 2,698,789
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	12	18	18	18

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Began operation and maintenance of West Ave linear parks and Atrium Health ballpark
2. Completed kids zone for Sports and Entertainment complex
3. Managed 168 building reservations, 505 shelter reservations and 222 athletic field reservations
4. Began construction on Irish Buffalo Creek Greenway
5. Completed Masterplans for the Eastside and Westside Parks

Action Plan:

1. Complete construction of the Irish Buffalo Creek Greenway adding 2.5 miles
2. Complete reaccreditation documentation and host CAPRA visit in spring 2021
3. Open kidszone in Sports and Entertainment complex
4. Complete land acquisition of 11 +/- acres for Westside Park
5. Try to rebuild reservation numbers diminished by Covid-19

PARKS AND RECREATION

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of shelter reservations	850	505	300 *
# of ballfield reservations	671	222	200 *
# of building reservations	391	168	150 *
# of greenway miles maintained	2	2	4.5
# of acres maintained	210	219	255

*Estimates skewed based on COVID-19 pandemic

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$1,704,799
Operating Expenses	\$993,990
Capital Machinery	\$0
Total Budget	\$2,698,789

Personnel: Parks and Recreation Director (1), Park Manager II (2), Park Manager I (1), Recreation Program Coordinators (3), Athletics Coordinator (1), Park Maintenance Tech IV (4), Park Maintenance Tech III (3), Operations Specialist – Concessions (1), Senior Administrative Support Specialist (1), Administrative Assistant (1)

Increases:

- \$12,500 – Credit card fees based on trends
- \$23,000 – R&M: Buildings and Grounds moved from Downtown Fund to General Fund
- \$15,000 – Electricity moved from Downtown Fund to General Fund
- \$17,000 – Concession supplies based on trends
- \$150,000 – Contracted Services: Ground Maintenance moved from Downtown Fund to General Fund for all downtown mowing
- \$33,000 – Contracted Services: Grounds Maintenance moved from Downtown Fund to General Fund for the old stadium mowing
- \$25,117 – Contracted Services: Grounds Maintenance for estimated 10% increase in re-bidding contract
- \$6,000 – travel and training for newly promoted employees

Reductions/Decreases:

- \$3,000 – decrease in laundry rentals
- \$29,000 – decrease in capital costs due to one-time vehicle purchase

Items of Interest:

- Grounds Maintenance for all city properties is in Contracted Services
- Moved all West Avenue/Linear park costs from the Downtown Fund to Parks budget
- Moved all Stadium costs from the Downtown Fund to Parks budget

PARKS AND RECREATION

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	724,344	785,722	61,378	8.47%
41100	Salaries - Part Time	541,000	-	(541,000)	-100.00%
41100-BCPK	Salaries - Part Time- Backers Creek Park	-	89,525	89,525	100.00%
41100-BUILD	Salaries - Part Time- Building Monitor	-	78,005	78,005	100.00%
41100- EVENT	Salaries - Part Time- Events	-	48,044	48,044	100.00%
41100- GROUN	Salaries - Part Time- Grounds Maintenance	-	63,500	63,500	100.00%
41100-VILPK	Salaries - Part Time- Village Park	-	296,926	296,926	100.00%
41200	Salaries - Overtime	9,500	9,500	-	0.00%
41300	Longevity Pay	751	752	1	0.13%
41600	Vehicle Allowance	1,800	1,800	-	0.00%
42000	FICA	93,519	109,227	15,708	16.80%
42200	State Retirement	112,014	87,343	(24,671)	-22.02%
42210	401k	14,692	11,933	(2,759)	-18.78%
42300	Medical Insurance	106,734	114,642	7,908	7.41%
42400	Life Insurance	1,398	1,400	2	0.14%
42500	Dental Insurance	5,575	6,480	905	16.23%
Sub-Total for Personnel		\$ 1,611,327	\$ 1,704,799	\$ 93,472	5.80%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,500	1,500	-	0.00%
43200	Advertising	1,500	2,000	500	33.33%
43300	Postage	200	200	-	0.00%
43800	Credit Card Fees	5,000	17,500	12,500	250.00%
44200	Repair & Maintenance: Vehicles	10,000	3,000	(7,000)	-70.00%
44200-BCPK	Repair & Maint: Vehicles – BC	-	4,500	4,500	100.00%
44200- GROUN	Repair & Maintenance: Vehicles - Grounds	-	2,500	2,500	100.00%
44200-VILPK	Repair & Maintenance : Vehicles - VP	-	3,500	3,500	100.00%
44300	Repair & Maintenance: Buildings and Grds	100,000	12,500	(87,500)	-87.50%

PARKS AND RECREATION

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44300-BCPK	Repair & Maint: Buildings and Grounds-BC	-	17,000	17,000	100.00%
44300-GROUN	Repair & Maint: Buildings and Grounds	-	33,000	33,000	100.00%
44300-SAFPK	Repair & Maint: Buildings and Grounds-SP	-	22,000	22,000	100.00%
44300-VILPK	Repair & Maint: Buildings and Grounds-VP	-	48,000	48,000	100.00%
44400	Repair & Maintenance: Equipment	12,300	-	(12,300)	-100.00%
44400-BCPK	Repair & Maintenance: Equipment-BC	-	5,300	5,300	100.00%
44400-GROUN	Repair & Maintenance: Equipment-Grounds	-	5,000	5,000	100.00%
44400-VILPK	Repair & Maintenance: Equipment-VP	-	5,000	5,000	100.00%
45220	Electricity	62,000	84,000	22,000	35.48%
45230	Water & Sewer	41,000	56,000	15,000	36.59%
45240	Gas Utilities	4,000	4,000	-	0.00%
45250	Telephone	36,000	36,000	-	0.00%
45410	Equipment Rental	5,000	5,000	-	0.00%
4540	Laundry	18,000	15,000	(3,000)	-16.67%
45610	Motor Fuel	20,000	22,000	2,000	10.00%
46100	Office Supplies	4,200	5,200	1,000	23.81%
46200	Small Equipment and Tools	5,000	400	(4,600)	-92.00%
46200-BCPK	Small Equipment and Tools-BC	-	1,500	1,500	100.00%
46200-GROUN	Small Equipment and Tools-Grounds	-	400	400	100.00%
46200-VILPK	Small Equipment and Tools-VP	-	1,500	1,500	100.00%
46300	Dues and Subscriptions	1,700	2,200	500	29.41%
46620	Concession Supplies	50,000	67,000	17,000	34.00%
46640	Cemetery Supplies	3,000	3,000	-	0.00%
46820	Cleaning Supplies	7,800	300	(7,500)	-96.15%
46820-BCPK	Cleaning Supplies-BC	-	2,300	2,300	100.00%
46820-GROUN	Cleaning Supplies- Grounds	-	1,500	1,500	100.00%
46820-VILPK	Cleaning Supplies-VP	-	4,500	4,500	100.00%
47100	Uniforms	8,000	12,000	4,000	50.00%
48000	Contracted Services	10,000	10,000	-	0.00%

PARKS AND RECREATION

48220	Contract - Grounds Maintenance	251,173	459,890	208,717	83.10%
51100	Travel and Training	10,000	16,000	6,000	60.00%
51800	Meetings	1,500	1,800	300	20.00%
Sub-Total for Operating Expenditures		\$ 550,673	\$ 993,990	\$ 396,117	71.93%
TOTAL PARKS					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	1,611,327	1,704,799	93,472	5.80%
	Operating Expenditures	668,873	993,990	325,117	48.61%
	Capital Machinery and Equipment	29,000	-	(29,000)	-100.00%
Total for All Categories of Expenses		\$ 2,309,200	\$ 2,698,789	\$ 389,589	16.87%

Parks and Recreation - Programs 15060

MISSION STATEMENT:

Provide residents of all ages and abilities positive experiences through a variety of quality activities, facilities and services under the direction of professional and dedicated staff that are responsive to the changing needs of the community.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	376,188	390,000	432,800	734,000
Capital	-	-	-	-
Total Expenditures	\$ 376,188	\$ 390,000	\$ 432,800	\$ 734,000
Revenues				
Charges and Fees	37,856	45,000	45,000	110,000
Donations	59,910	50,000	50,000	50,000
Total Revenues	\$ 97,766	\$ 95,000	\$ 95,000	\$ 160,000
Staffing				
FTE Positions	-	-	-	-

*Estimates skewed based on COVID-19 pandemic

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Hired new Athletics Coordinator to manage citywide athletics program
2. Began citywide youth athletics program
3. Began programs in new downtown West Ave linear parks
4. Expanded usage agreement with Kannapolis City Schools for use of indoor/outdoor facilities to expand recreational programming opportunities

Action Plan:

1. Offer two new youth athletics programs in FY '21 (Covid permitting)
2. Increase number of adult day trips to area residents and non-residents (Covid permitting)
3. Implement at least four collaboration programs with outside organizations/providers to develop additional health and wellness programs. (FY21) (Covid permitting)
4. Increase participation in the Loop the Loop program by 10%

PARKS AND RECREATION

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of programs offered	340	359	200 *
# of events	25	20	12 *
# of adult day trips	20	26	12 *
# of Run Kannapolis Races held	8	4	4 *
# of concerts presented by the City	10	6	5 *
# of youth athletic participants	0	333	600 *
# of Loop the Loop participants	684	1,262	1,400

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$734,000
Total Budget	\$734,000

Increases:

- \$280,000 – Program Supplies increase due to special event expenses from Downtown Fund moved to General Fund
- \$6,000 - Program Supplies increase due to an increase in the participants attending trips
- \$58,000 – Program Supplies Sports for the increased popularity in youth sports programs

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Program Supplies covers all downtown events (including Jiggy with the Piggy)
- Program Supplies-Sports covers Youth Athletics (basketball and soccer programs implemented in FY 20)

PARKS AND RECREATION

OPERATING EXPENDITURES

Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
46630	Program Supplies	80,000	366,000	286,000	357.50%
46635	Program Supplies-Sports	-	58,000	58,000	100.00%
51441	Summer Event Series	270,000	270,000	-	0.00%
51442	Kannapolis Christmas	40,000	40,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 390,000	\$ 734,000	\$ 344,000	88.21%

TOTAL RECREATION PROGRAMS

	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	390,000	734,000	344,000	88.21%
Total for All Categories of Expenses		\$ 390,000	\$ 734,000	\$ 344,000	88.21%

Parks and Recreation - Stadium 15200

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	260,449	216,000	143,476	125,000
Capital	-	-	-	-
Total Expenditures	\$ 260,449	\$ 216,000	\$ 143,476	\$ 125,000
Revenues				
Charges and Fees	-	-	-	500,000
Donations	-	-	-	250,000
Total Revenues	\$ -	\$ -	\$ -	\$ 750,000
Staffing				
FTE Positions	-	-	-	-

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$125,000
Total Budget	\$125,000

Increases:

- \$10,000 – Repair and Maintenance: Building and Grounds for preventative maintenance efforts

Reductions/Decreases:

- \$66,000 Utility Reimbursement due to the Team paying utilities directly and invoicing the City for half

Items of Interest:

- Team and City each cover ½ of electricity and gas costs
- City pays for all Water and Sewer

PARKS AND RECREATION

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44300	Repair & Maintenance: Buildings and Grounds	10,000	20,000	10,000	100.00%
44450	Repair & Maintenance: Reimbursement	66,000	-	(66,000)	-100.00%
45220	Electricity	-	50,000	50,000	100.00%
45230	Water and Sewer	-	50,000	50,000	100.00%
45540	Gas	-	5,000	5,000	100.00%
45255	Utility Reimbursement	110,000	-	(110,000)	-100.00%
48000	Contracted Services	30,000	-	(30,000)	-100.00%
Sub-Total for Operating Expenditures		\$ 216,000	\$ 125,000	\$ (91,000)	-42.13%
TOTAL STADIUM					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	216,000	125,000	(91,000)	-42.13%
Total for All Categories of Expenses		\$ 216,000	\$ 125,000	\$ (91,000)	-42.13%

WATER & SEWER FUND

The Water and Sewer Fund (W/S Fund) is the second largest fund with the City. The W/S Fund revenue includes monies collected from charges for water and sewer services, fees, sales tax, and other revenue. This fund includes most of the operating services, such as administration, billing and collection, water treatment and distribution, sewage treatment, and general management services.

Water & Sewer Revenue Summary

Fiscal Year 2021

REVENUES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease	% Change
36000	Charges and Fees	17,325,000	18,250,000	925,000	5.34%
36600	Wholesale Water Sales	375,000	415,000	40,000	10.67%
36610	Tap Fees	200,000	250,000	50,000	25.00%
36620	Connection Fees	700,000	1,000,000	300,000	42.86%
36640	Reconnection Fees	150,000	140,000	(10,000)	-6.67%
36650	Penalties	450,000	400,000	(50,000)	-11.11%
37000	Miscellaneous Revenue	15,000	15,000	-	0.00%
38000	Investment Income	60,000	30,000	(30,000)	-50.00%
39900	Appropriated Fund Balance	-	-	-	0.00%
Total Water and Sewer Fund		\$ 19,275,000	\$ 20,500,000	\$ 1,225,000	6.36%

Water & Sewer Expenditure Summary

Fiscal Year 2021

EXPENSES				
Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease	% Change
Water & Sewer - Billing & Collections	928,721	907,348	(21,373)	-2.30%
Water & Sewer - Distribution	2,842,216	3,334,251	492,035	17.31%
Water & Sewer - Water Treatment Plant	3,004,814	3,106,448	101,634	3.38%
Water & Sewer - WSACC	3,185,467	3,407,618	222,151	6.97%
General Management Services - Transfer To General Fund	1,765,800	2,143,921	378,121	21.41%
Transfer to Other Funds	1,926,824	495,700	(1,431,124)	-74.27%
Total Operating	\$ 13,653,842	\$ 13,395,286	\$ (258,556)	-1.89%
Total Debt Service	\$ 5,621,158	\$ 7,104,714	\$ 1,483,556	26.39%
Total Water and Sewer Fund Expenditures	\$ 19,275,000	\$ 20,500,000	\$ 1,225,000	6.36%

Water and Sewer – Billing and Collections 36000

MISSION STATEMENT:

The Water and Sewer Billing and Collection program was established to provide billing, collection, meter reading and installation, and customer service to the individuals in Kannapolis who receive water and sewer services from the City. We are dedicated to effectively and courteously servicing customer accounts by working with individual customers to insure accurate and timely billing, up to date customer records, and a high level of cooperative, knowledgeable, and personal service both at the City offices and at the customer sites.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	605,964	685,021	685,021	663,248
Operating	199,648	243,700	243,700	244,100
Capital	23,823	-	-	-
Total Expenditures	\$ 829,435	\$ 928,721	\$ 928,721	\$ 907,348
Revenues				
Charges and Fees	17,100,278	19,350,000	19,350,000	20,455,000
Miscellaneous	12,357	15,000	15,000	15,000
Donations	1,152,708	-	-	-
Investment Income	162,069	60,000	60,000	30,000
Total Revenues	\$ 18,427,412	\$ 19,425,000	\$ 19,425,000	\$ 20,500,000
Staffing				
FTE Positions	8	9	9	9

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Maintain a high collection rate by continued enforcement of City Cuff Off Procedures for non-payment of past due account
2. Maintained security of customer information as required by law

Action Plan:

1. Maintain high collection rate by continued monitoring of past dues
2. Continue to encourage automatic draft of customer payments
3. Work with City Attorney to increase collections of past due storm water accounts and to identify and collect business license fees from non-compliant businesses

WATER AND SEWER

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$663,248
Operating Expenses	\$244,100
Total Budget	\$907,348

Personnel includes: Customer Service Director (1), Billing and Collections Supervisor (1), Customer Service Rep. (8), Revenue Collection Specialist, and Utility Billing Specialist (2)

Increases:

- \$400 – Uniforms
- Standard personnel and benefit increases based off projected year-end FY 20 merits

Reductions/Decreases:

- \$25,000 – Part-time funding based on trends

Capital:

- none

Items of Interest:

- Banking fees includes: Lockbox and e-box services

WATER AND SEWER

PERSONNEL					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	417,523	423,907	6,384	1.53%
41100	Salaries - Part Time	100,000	75,000	(25,000)	-25.00%
41200	Salaries - Overtime	3,000	3,000	-	0.00%
41300	Longevity Pay	5,714	5,714	-	0.00%
42000	FICA	39,492	39,638	146	0.37%
42200	State Retirement	46,461	43,825	(2,636)	-5.67%
42210	401k	10,325	10,378	53	0.51%
42300	Medical Insurance	57,321	57,321	-	0.00%
42400	Life Insurance	1,225	1,225	-	0.00%
42500	Dental Insurance	3,960	3,240	(720)	-18.18%
Sub-Total for Personnel		\$ 685,021	\$ 663,248	\$ (21,773)	-3.18%
OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	3,500	3,500	-	0.00%
43300	Postage	90,000	90,000	-	0.00%
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45250	Telephone	600	600	-	0.00%
46100	Office Supplies	5,000	5,000	-	0.00%
46200	Small Equipment and Tools	1,500	1,500	-	0.00%
46300	Dues and Subscriptions	1,000	1,000	-	0.00%
47100	Uniforms	1,600	2,000	400	25.00%
48000	Contracted Services	20,000	20,000	-	0.00%
48430	Banking Fees	80,000	80,000	-	0.00%
48440	Mailing Services	30,000	30,000	-	0.00%
51100	Travel and Training	10,000	10,000	-	0.00%
Sub-Total for Operating		\$ 243,700	\$ 244,100	\$ 400	0.16%
TOTAL BILLING AND COLLECTIONS					
	Expense Category	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	685,021	663,248	(21,773)	-3.18%
	Operating Expenditures	243,700	244,100	400	0.16%
Total for All Categories of Expenses		\$ 928,721	\$ 907,348	\$ (21,373)	-2.30%

Water and Sewer – Distribution 36100

MISSION STATEMENT:

The mission of the Water and Wastewater Resources Department is to deliver the highest quality of drinking water and to continue to build and maintain a reliable Water Distribution and Wastewater Collection System. We are also committed to providing a safe environment for our employees and citizens.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	1,903,769	1,879,336	2,116,326	2,126,451
Operating	1,103,406	962,800	1,876,903	1,191,000
Capital	1,609,208	-	1,353,107	16,800
Total Expenditures	\$ 4,616,383	\$ 2,842,136	\$ 5,346,336	\$ 3,334,251
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	33	38	38	38

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Repaired 27 water main breaks
2. Repaired/inspected 633 leaks
3. Installed 237 water services

Action Plan:

1. Review, update, and implement the capital improvements within the Water and Sewer Master Plan.
2. Continue to maintain water system and respond to and repair water main breaks in a timely manner (1 hour response time).
3. Continue to perform all meter turn-on and off requests the same day as scheduled
4. Continue to respond to sewer calls within twenty minutes or less

WATER AND SEWER

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Water services installed	275	157	175
Sewer services installed	265	126	150
Sewer mains jet washed (feet)	196,569	197,323	375,000
# of cut-offs for non-payment	4,874	3,192	3,000
# of reconnects	4,683	2,905	3,000

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$2,126,451
Operating Expenses	\$1,191,000
Capital Expenses	\$16,800
Total Budget	\$3,334,251

Personnel includes: Water Resources Manager (1), Crew Supervisor (1), Crew Chief (5), Construction Maintenance Technician (7), Heavy Equipment Operator (3), Construction Maintenance Worker II (6), Meter Technician (3), Construction Maintenance Worker I (7), and Senior Office Assistant (1).

Increases:

- New crew hired in February 2020 which consisted of: (1) crew chief, (1) heavy equipment operator, (1) construction maintenance technician and (2) construction maintenance workers II.
- \$9,500 – Repair and Maintenance: Vehicles for routine upfits and repairs
- \$6,500 – Repair and Maintenance: Equipment for routine upfits and repairs
- \$45,000 – Repair and Maintenance: Lift Station for repairs to existing generators and Roto-Phase for three lift stations
- \$106,200 – Materials for Water and Sewer increase for replacement materials
- \$50,000 – Contracted services for captains watch manhole replacement
- \$3,500 – Motor fuel standard increase
- \$2,000 – Telephone due to new crew hired in February 2020
- \$2,500 – Small Equipment and Tools due to new crew hired in February 2020
- \$1,500 – Uniforms due to new crew hired in February 2020

Reductions/Decreases:

- None

Capital:

- 16,800 – replacement of an old mower and tapping equipment

Items of Interest:

- Majority of increased costs for FY 21 are due to a new crew hired in February 2020 to assist with tap and connection installation

WATER AND SEWER

PERSONNEL					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,249,907	1,429,382	179,475	14.36%
41200	Salaries - Overtime	153,000	153,000	-	0.00%
41300	Longevity Pay	2,672	973	(1,699)	-63.59%
42000	FICA	107,527	118,006	10,479	9.75%
42200	State Retirement	126,502	145,916	19,414	15.35%
42210	401k	28,112	28,291	179	0.64%
42300	Medical Insurance	197,439	235,163	37,724	19.11%
42400	Life Insurance	2,377	2,400	23	0.97%
42500	Dental Insurance	11,800	13,320	1,520	12.88%
Sub-Total for Personnel		\$ 1,879,336	\$ 2,126,451	\$ 247,115	13.15%
OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	3,000	3,000	-	0.00%
43300	Postage	1,800	1,800	-	0.00%
44200	Repair & Maintenance: Vehicles	87,500	97,000	9,500	10.86%
44300	Repair & Maintenance: Buildings and Grounds	1,800	1,800	-	0.00%
44400	Repair & Maintenance: Equipment	60,000	66,500	6,500	10.83%
44600	Repair & Maintenance: Lift Station	70,000	115,000	45,000	64.29%
44900	Repair & Maintenance: Streets	10,000	10,000	-	0.00%
45220	Electricity	50,000	50,000	-	0.00%
45230	Water and Sewer	5,000	5,000	-	0.00%
45249	Gas Utilities	1,000	1,000	-	0.00%
45250	Telephone	40,000	42,000	2,000	5.00%
45410	Equipment Rental	7,000	7,000	-	0.00%
45610	Motor Fuel	55,000	58,500	3,500	6.36%
46100	Office Supplies	4,000	4,000	-	0.00%
46200	Small Equipment and Tools	7,500	10,000	2,500	33.33%
46300	Dues and Subscriptions	2,500	2,500	-	0.00%
46850	Materials for W&S Services	335,000	441,200	106,200	31.70%
47100	Uniforms	29,500	31,000	1,500	5.08%
48000	Contracted Services	178,600	228,600	50,000	28.00%
51100	Travel and Training	13,600	15,100	1,500	11.03%

WATER AND SEWER

OPERATING EXPENDITURES

Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
Sub-Total for Operating Expenditures		\$ 962,800	\$ 1,191,000	\$ 228,200	23.70%

TOTAL DISTRIBUTION

Expense Category	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel Expenditures	1,879,336	2,126,451	247,115	13.15%
Operating Expenditures	962,800	1,191,000	228,200	23.70%
Capital - Machinery and Equipment	-	16,800	16,800	100.00%
Total for All Categories of Expenses	\$ 2,842,136	\$ 3,334,251	\$ 492,115	17.31%

Water and Sewer – Water Treatment Plant 36200

MISSION STATEMENT:

The mission of the Water Treatment Plant is to protect the public health by producing a continuous, adequate and safe source of potable water for distribution to citizens. Service is provided by ten City employees operating a 15 million-gallon (MG) capacity water treatment plant fed by a 1,356 MG storage capacity lake.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	819,133	918,819	958,819	983,313
Operating	2,110,240	2,085,995	2,235,190	2,123,135
Capital	433,522	-	11,805	-
Total Expenditures	\$ 3,362,895	\$ 3,004,814	\$ 3,205,814	\$ 3,106,448
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	14	15	15	15

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continued bacteriology monitoring – had no violations in FY20
2. Continued to refine WTP process and distribution system water quality – had no violations in FY20
3. Continued to monitor the Kannapolis Lake watershed to improve water quality

Action Plan:

1. Continue operating with 100% compliance of all State and Federal water quality standards. Compliance is verified by routine sampling, testing and reporting of the following:
 - a. Continuous automated monitoring of plant conditions including chemical feed rates, turbidity and chlorine residual supplemented by daily sampling of raw water, water in process and finished water for biological and chemical concentration
 - b. Continue State approved sampling by scheduling routine collection and testing of 64 samples monthly throughout the distribution system for chlorine residual and bacteria.
 - c. Continue annual testing of raw finished water for approximately 150 organic and inorganic chemical compounds

WATER AND SEWER

- d. Submit monthly reporting to the NC Department of Environmental Resources, Water Supply Division
2. Prepare update DDBP and Corrosion Control Plans for new population requirements.
3. Prepare to move into next tier of bacteria monitoring for Shiloh Church Rd due to population growth.
4. Request funding in FY 21 for redundancy study and system improvements to meet demands of population growth.

Measurement	FY 19 Actual		FY 20 Actual		FY 21 Target	
	Billion Gal	MGD	Billion Gal	MGD	Billion Gal	MGD
Total Water Treated	1.5	4.11	1.39	3.799	1.41	3.8
City Water Use	1.31	3.59	1.21	3.443	1.30	3.56
Unit cost of Treatment (\$/1,000 gallons)		\$1.31		\$1.26		\$1.25
% of scheduled routine collection and testing of samples monthly		100%		100%		100%
\$ of annual testing of raw finished water completed		100%		100%		100%

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$983,313
Operating Expenses	\$2,123,135
Capital Expenses	\$0
Total Budget	\$3,106,448

Personnel includes: Director of Water Resources (1), Water Treatment Plant Manager (1), Water Treatment Plant Supervisor (1), Water Treatment Plant Operator I (4), Water Treatment Plant Operator II (2), Water Quality Technician (1), and Senior Office Assistant (1).

Increases:

- \$37,750 – Bulk Water purchases based on trends
- \$18,000 – Repair and Maintenance: Water tanks for tank maintenance efforts
- Standard personnel increases projected for end of FY 20 merit increases

Reductions/Decreases:

- \$19,610 – Contracted Services due to a one-time project that occurred in FY 20

Items of Interest:

- Increase to Bulk Water Purchase is contractual

WATER AND SEWER

PERSONNEL					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	651,742	692,520	40,778	6.26%
41200	Salaries - Overtime	40,000	45,000	5,000	12.50%
41300	Longevity Pay	1,937	1,937	-	0.00%
41600	Vehicle Allowance	-	6,000	6,000	100.00%
42000	FICA	53,067	54,313	1,246	2.35%
42200	State Retirement	62,430	70,841	8,411	13.47%
42210	401k	13,874	11,057	(2,817)	-20.30%
42300	Medical Insurance	89,166	95,045	5,879	6.59%
42400	Life Insurance	1,203	1,200	(3)	-0.25%
42500	Dental Insurance	5,400	5,400	-	0.00%
Sub-Total for Personnel		\$ 918,819	\$ 983,313	\$ 64,494	7.02%
OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	500	500	-	0.00%
43300	Postage	300	300	-	0.00%
44200	Repair & Maint: Vehicles	4,500	4,500	-	0.00%
44400	Repair & Maint: Equipment	128,500	128,500	-	100.00%
44600	Repair & Maint: Lift Station	30,000	31,000	1,000	100.00%
44700	Repair & Maint: Water Tank	74,300	92,300	18,000	100.00%
45220	Electricity	300,000	300,000	-	100.00%
45240	Gas Utilities	1,000	1,000	-	100.00%
45250	Telephone	16,500	16,500	-	100.00%
45610	Motor Fuel	6,000	6,000	-	100.00%
46100	Office Supplies	3,000	3,000	-	100.00%
46200	Small Equipment and Tools	2,500	2,500	-	100.00%
46300	Dues and Subscriptions	12,000	12,000	-	100.00%
46820	Cleaning Supplies	100	100	-	100.00%
46830	Chemicals	290,000	290,000	-	100.00%
46840	Raw Water Purchases	49,000	49,000	-	100.00%
47100	Uniforms	9,000	9,000	-	100.00%
48000	Contracted Services	213,000	193,390	(19,610)	100.00%
48220	Contract: Grounds Maintenance	48,045	48,045	-	100.00%

WATER AND SEWER

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
48240	Bulk Water Purchases	887,250	925,000	37,750	100.00%
51100	Travel and Training	10,500	10,500	-	100.00%
Sub-Total for Operating Expenditures		\$ 2,085,995	\$ 2,123,135	\$ 37,140	1.78%
TOTAL WATER TREATMENT PLANT					
	Expense Category	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	918,819	983,313	64,494	100.00%
	Operating Expenditures	2,085,995	2,123,135	37,140	100.00%
Total for All Categories of Expenses		\$ 3,004,814	\$ 3,106,448	\$ 101,634	3.38%

Water and Sewer – Sewage Treatment 36400

MISSION STATEMENT:

The Water and Sewer Authority of Cabarrus County (WSACC) provides the City’s sewage treatment – WSACC is an independent, incorporated public body funded by user fees with no taxing authority supporting five jurisdictions (Cabarrus County, Concord, Kannapolis, Harrisburg and Mount Pleasant). WSACC may plan for the provision of wholesale water and may, when tasked by its organizing jurisdictions, provide retail water and sewer service.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	3,512,330	3,185,467	4,085,467	3,407,618
Capital	-	-	-	-
Total Expenditures	\$ 3,512,330	\$ 3,185,467	\$ 4,085,467	\$ 3,407,618
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continue to refine the adopted inflow/infiltration (I/I) policy to reduce capital costs for treatment expansion and interceptor upgrades by identifying inflow and infiltration, then repairing the sewer infrastructure.
2. Responded to and unstopped 802 sewer blockages
3. Hydraulically cleaned 197,323 feet of sewer main
4. Performed CCTV inspections of 50,232 feet of sewer main
5. Performed 728 inspections and 46 emergency inspections to the wastewater lift stations within one hour.
6. Repaired 25 sewer mains and laterals
7. Compliant with NCDENR regulations and sewer main cleaning and inspections

WATER AND SEWER

Action Plan:

1. Continue coordination with WSACC staff and management regarding upcoming projects, modifications to policy, procedures and standards
2. Review, update, and implement the capital improvements within the Water and Sewer Master Plan.
3. Continue preventative maintenance to the wastewater collections system through closed circuit television inspection, jetting and rodding that continues to minimize claims
4. Clear and grub sanitary sewer outfall lines and mark manholes with reflective sign markers
5. Plan for I & I reduction measures to reduce the frequency and volume of sanitary sewer spills

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
# of sewer outfall lines cleared	1,325	391,646	450,000

BUDGET AND STAFFING SUMMARY:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$3,407,618
Total Budget	\$3,407,618

No Personnel included in this Division.

Increases:

- \$199,863 – Sewage Treatment Variable (3% increase by WSACC and organic growth)
- \$43,574 – Treatment Fixed Rate based on update from WSACC

Reductions/Decreases:

- \$21,286 – Interceptor Fixed Rate based on update from WSACC

Capital:

- None

Items of Interest:

- None

WATER AND SEWER

OPERATING EXPENDITURES

Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
49020	Sewage Treatment Variable	2,230,362	2,430,225	199,863	8.96%
49030	Treatment Fixed Rate	458,745	502,319	43,574	9.50%
49050	Interceptor Fixed Rate	400,320	379,034	(21,286)	-5.32%
49060	Capital Assessments	31,040	31,040	-	0.00%
49070	Concord Northlite Sewer	65,000	65,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 3,185,467	\$ 3,407,618	\$ 222,151	6.97%

TOTAL SEWAGE TREATMENT (WSACC)

	Expense Category	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 3,185,467	\$ 3,407,618	\$ 222,151	6.97%
Total for All Categories of Expenses		\$ 3,185,467	\$ 3,407,618	\$ 222,151	6.97%

WATER AND SEWER

Water and Sewer – Debt Service 38000

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	2,990,766	4,028,310	1,037,544	34.69%
58200	Bond Interest	1,787,142	2,576,404	789,262	44.16%
58300	Debt Issuance Cost	843,250	500,000	(343,250)	-40.71%
Sub-Total for Operating Expenditures		\$ 5,621,158	\$ 7,104,714	\$ 1,483,556	26.39%
TOTAL WATER AND SEWER DEBT SERVICE					
	Expense Category	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	5,621,158	7,104,714	1,483,556	26.39%
Total for All Categories of Expenses		\$ 5,621,158	\$ 7,104,714	\$ 1,483,556	26.39%

Revenue Bonds	Principal	Interest
Vac Truck*	65,000	26,000
Kannapolis Crossing/Lane St/WTP Improvements*	890,000	867,750
Downtown Water and Sewer	647,000	619,134
Davidson Road Water	270,000	188,964
Reducing Series 2011/2014	1,799,800	837,080
Other		
Jet Vac Truck	77,500	1,325
Equipment	76,528	17,434
Water Line-NCRC	76,633	6,269
Afton Run Sewer	57,834	5,753
Kannapolis Parkway	52,843	2,180
Second Creek	15,172	4,515
Total	\$4,028,310	\$2,576,404

*New debt service for FY 21

Water and Sewer – General Management Services Fee and Transfers 39000

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services	1,765,800	2,143,921	378,121	21.41%
57200	Transfer to Other Funds	1,926,824	-	(1,926,824)	-100.00%
57400	Transfer to Env Fund	-	495,700	495,700	100.00%
Sub-Total for Transfers		\$ 3,692,624	\$ 2,639,621	\$ (1,053,003)	-28.52%
TOTAL GENERAL MANAGEMENT SERVICES WATER AND SEWER/TRANSFERS					
	Expense Category	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	3,692,624	2,639,621	(1,053,003)	-28.52%
Total for All Categories of Expenses		\$ 3,692,624	\$ 2,639,621	\$ (1,053,003)	-28.52%

Increases:

- \$378,121 – General Management Services fee increase as an effort to reduce burden on General Fund for FY 21
- \$495,700 – Transfer to the Environmental Fund to account for the solid waste disposal contract increase and the increase in recycling expenses

Reductions/Decreases:

- \$1,926,824 reduction in transfer to other funds. This was a transfer to the Downtown Fund for FY 20 for water and sewer upgrades. This was a one-time transfer.

Capital:

- None

STORMWATER FUND

The Stormwater Fund is the fourth largest fund. Revenue includes monies collected from monthly fees charged to each citizen based on the amount of impervious area on their property. Generally residential customers pay a fixed fee based on predetermined limits on square footage of these impervious areas which contribute to storm water runoff. The fund includes cost related to a federally mandated educational program plus the annual maintenance of the storm drainage system within the City. Also included is administrative cost provided by the General Fund and the Billing and Collection office.

Stormwater Fund 40000

MISSION STATEMENT:

The Stormwater Division administers the State and Federally mandated program that requires the City to reduce pollution in its waterways as well as the maintenance of over 400 miles of storm water infrastructure. The Division’s focus on water quality includes collecting and analyzing surface waters for contaminants; locating and eliminating illicit discharges; implementing industry standard practices for improvement of storm water quality; educating citizens on pollution issues.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	837,722	900,157	890,157	886,328
Operating	809,565	2,149,843	2,159,843	1,180,179
Capital	334,808	-	-	-
Total Expenditures	\$ 1,982,095	\$ 3,050,000	\$ 3,050,000	\$ 2,066,507
Revenues				
Charges and Fees	3,114,310	3,050,000	3,050,000	3,100,000
Miscellaneous	-	-	-	-
Total Revenues	\$ 3,114,310	\$ 3,050,000	\$ 3,050,000	\$ 3,100,000
Staffing				
FTE Positions	16	16	16	16

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Inspected critical pipe list
2. Reviewed records for NCDENR audit

Action Plan:

1. We are required by the Phase II permit to have in place six (6) minimum measures
 - a. Public education and outreach
 - b. Public participation and elimination
 - c. Illicit discharge detection and elimination
 - d. Construction site runoff control
 - e. Post construction runoff control
 - f. Pollution prevention and good housekeeping
2. Continue review and update of inventory, survey, and mapping of culverts in the City

STORMWATER FUND

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Shoulder work and ditches cleared (miles)	2.4	2.2	5.0
Drainage structures (repaired and constructed)	23	24	25
Linear feet of drainage culvert hydraulically cleaned	2,550	24,400	40,000
# of stormwater complaints resolved within 30 days	783	430	450
Miles of streets swept	1,354	437	1,000
Culvert maintenance performed in-house	0	0	2

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$886,328
Operating Expenses	\$2,613,672
Capital Machinery	\$0
Total Budget	\$3,500,000

Personnel includes: Stormwater Operations Manager (1), Crew Chief (2), Heavy Equipment Operator (3), Construction Maintenance Worker II (4), Construction Maintenance Worker I (3), and Construction Maintenance Technician (3).

Increases:

- \$3,000 – Equipment Rental increase needed due to downtime of equipment
- \$100,000 – Contracted Services to maintain ditching program
- \$151,977 – General Management Services Fee in order to reduce burden on General Fund
- \$2,000 – Travel and Training increase needed to train newly promoted employees through city re-organization efforts

Reductions/Decreases:

- \$25,000 - Consultants

Capital:

- None

Items of Interest:

- No new debt service for FY 21
- Contracted services include culvert replacement jobs, concrete replacement jobs and the ditching program
- Fund balance appropriation of \$400,000 which is then transferred to the Environmental Fund to help offset the increases in solid waste contract and recycling expenses

Stormwater Revenue Summary

Fiscal Year 2021

REVENUES					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease	% Change
36000	Charges and Fees	3,050,000	3,100,000	50,000	1.64%
39900	Fund Balance Appropriation	-	400,000	400,000	100.00%
Total Stormwater Fund		\$ 3,050,000	\$ 3,500,000	\$ 450,000	14.75%

Stormwater Expenditure Summary

Fiscal Year 2021

EXPENSES				
Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease	% Change
Personnel	900,157	886,328	(13,829)	-1.54%
Operations	629,600	709,600	80,000	12.71%
Debt Service	1,201,641	1,033,493	(168,148)	-13.99%
Capital Outlay	-	-	-	0.00%
General Management Services	318,602	470,579	151,977	47.70%
Transfer to Environmental Fund	-	400,000	400,000	100.00%
Total Stormwater Fund	\$ 3,050,000	\$ 3,500,000	\$ 450,000	14.75%

STORMWATER FUND

Stormwater 40000

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	652,549	637,667	(14,882)	-2.28%
41200	Salaries - Overtime	19,195	19,195	-	0.00%
41300	Longevity Pay	1,200	712	(488)	-40.67%
42000	FICA	51,481	48,995	(2,486)	-4.83%
42200	State Retirement	60,565	65,122	4,557	7.52%
42210	401k	13,459	5,723	(7,736)	-57.48%
42300	Medical Insurance	94,335	101,904	7,569	8.02%
42400	Life Insurance	1,253	1,250	(3)	-0.24%
42500	Dental Insurance	6,120	5,760	(360)	-5.88%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	100	100	-	0.00%
44200	Repair & Maintenance: Vehicles	60,000	60,000	-	0.00%
44400	Repair & Maintenance: Equipment	55,000	55,000	-	0.00%
44900	Repair & Maintenance: Streets	170,000	170,000	-	0.00%
45250	Telephone	8,100	8,100	-	0.00%
45410	Equipment Rental	10,000	13,000	3,000	30.00%
45610	Motor Fuel	30,000	30,000	-	0.00%
46100	Office Supplies	3,500	3,500	-	0.00%
46200	Small Equipment and Tools	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
47100	Uniforms	14,000	14,000	-	0.00%
48000	Contracted Services	86,400	186,400	100,000	115.74%
48300	Consultants	175,000	150,000	(25,000)	-14.29%
51100	Travel and Training	5,500	7,500	2,000	36.36%
56000	General Management Service Fee	318,602	470,579	151,977	47.70%
57400	Transfer to the Environmental Fund	-	400,000	400,000	100%
Sub-Total for Operating Expenditures		\$ 948,202	\$ 1,580,179	\$ 231,977	24.46%
	Expense Category	Adopted	Adopted	Decrease (\$)	Change
	Personnel Expenditures	900,157	886,328	(13,829)	-1.54%
	Operating Expenditures	948,202	1,580,179	231,977	24.46%
Total for All Categories of Expenses		\$ 1,848,359	\$ 2,066,507	\$ 218,148	11.80%

STORMWATER FUND

Stormwater Debt Service 48000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	926,876	782,284	(144,592)	-15.60%
58200	Bond Interest	274,765	251,209	(23,556)	-8.57%
Sub-Total for Operating Expenditures		\$ 1,201,641	\$ 1,033,493	\$ (168,148)	-13.99%
TOTAL STORMWATER					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	1,201,641	1,033,493	(168,148)	-13.99%
Total for All Categories of Expenses		\$ 1,201,641	\$ 1,033,493	\$ (168,148)	-13.99%

Installment Obligations	Principal	Interest
Equipment	17,562	4,000
Stormwater various projects	764,722	247,209
Total	\$784,284	\$251,209

- No new debt service for FY 21

Stormwater General Management Services Fee and Transfers 49000

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services Fee	318,602	470,579	151,977	47.70%
57400	Transfer to Env Fund	-	400,000	400,000	100.00%
Sub-Total for Transfers		\$ 318,602	\$ 870,579	\$ 551,977	173.25%
TOTAL STORMWATER GENERAL MANAGEMENT SERVICES FEE/TRANSFERS					
	Expense Category	FY 20 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	318,602	870,579	551,977	173.25%
Total for All Categories of Expenses		\$ 318,602	\$ 870,579	\$ 551,977	173.25%

Increases:

- \$151,977 – General Management Services Fee in order to reduce burden on General Fund
- Fund balance appropriation of \$400,000 which is then transferred to the Environmental Fund to help offset the increases in solid waste contract and recycling expenses

ENVIRONMENTAL FUND

City Council approved a new recycling program in March 2011, which started on July 1, 2011. The fund consists of monies collected from the monthly user fee that all residents must pay, and revenue collected from the Sonoco Facility for material deposited at their facility. To ensure the success of the Recycling Program, staff will undertake an evaluation of the program and implement seminars directed at education and outreach on the recycling program. For FY2013, the Recycling Fund was renamed the Environmental Fund. Solid waste services such as residential refuse collection and yard waste collection were relocated from the General Fund and accounted for here. For FY2021, no fee increase is proposed.

Environmental Fund 50000

MISSION STATEMENT:

The Environmental Division administers the garbage/yard waste and recycling, bulky items, white goods and e-waste pickup for the City.

BUDGET AND STAFFING SUMMARY:

	FY 2019 Actual	FY 2020 Budget	FY 2020 Revised	FY 2021 Adopted
Expenditures				
Personnel	305,130	306,334	350,584	415,825
Operating	3,266,919	3,846,666	3,870,381	3,882,326
Capital	-	-	-	-
Total Expenditures	\$ 3,572,049	\$ 4,153,000	\$ 4,220,965	\$ 4,298,151
Revenues				
Charges and Fees	3,152,622	3,275,000	3,275,000	3,448,487
Miscellaneous	85,779	-	-	-
Solid Waste Disposal Tax	35,124	32,300	32,300	36,000
Total Revenues	\$ 3,273,525	\$ 3,307,300	\$ 3,307,300	\$ 3,484,487
Staffing				
FTE Positions	4	6	6	6

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Increased the number of commercial participants in the recycling program
2. Continued single-stream recycling program for all Kannapolis residents
3. Continued diversion of recyclables from the landfill and reduced waste stream
4. E-waste recycling event collected and diverted from the landfill approximately 3,202 tons of televisions and other electronic waste and approximately 15 tons of shredded paper
5. The electronic waste self-service drop-off at the Public Works Operations Center was replaced with curb side pickup.
6. Continued participation in the recycling program by all Kannapolis City Schools and Cabarrus County Schools within Kannapolis
7. Continued education and outreach through community and school events

Action Plan:

1. Re-educate residents on proper recycling (“Recycle Right”) practices using direct mailers, the website, monthly newsletters, neighborhood meetings and social media, through the COK Communication Department

ENVIRONMENTAL FUND

2. Promote the commercial recycling program direct mailers, the website, monthly newsletters, and social media
3. Continue outreach and education to reduce the cost of solid waste collection with assistance from the COK Communications Department.
4. Increase multi-lingual education and outreach in areas with low participation rates through COK Communication Department.
5. Continue to monitor the performance of the recycling contractor to ensure quality of service in accordance with the contract

Measurement	FY 19 Actual	FY 20 Actual	FY 21 Target
Residential customers served	18,253	18,527	18,897
Commercial customers served	137	152	168
Tons recycled	3,489	3,202.64	3,000
Yard waste tonnage collected	3,251	8,337.6	9,000
# of outreach events held	4	2	4

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$415,825
Operating Expenses	\$4,114,362
Capital Machinery	\$0

Personnel includes: (1) Director of Transportation/Environmental Services, Yard Waste Crew Leader (1) and Yard Waste Technician (4)

Increases:

- Salary and fringe account increase due to the Director of Transportation/Environmental Services moving to this budget due to the city-wide reorganization
- \$15,000 – Repair and Maintenance: Vehicles for an increase for tire cost replacements and impellor routine re-fits
- \$10,000 – Equipment Rental
- \$7,000 – Program Supplies for e-waste pallets
- \$14,000 – Container purchase based on an increase due to cart replacement and new home installations
- \$30,647 – Bulk containers moved from the Downtown Fund
- \$436,173 – Solid Waste contract with Waste Management based on CPI index increase in addition to an increase in new household growth
 - \$310,000 Recycling expense to Mecklenburg Recycling Facility
- \$25,000 – Yard Waste increase

Reductions/Decreases:

- \$20,000 – Contracted Services

ENVIRONMENTAL FUND

- \$50,400 – Landfill based on trends in tipping fee charges/tons
- \$200,000 – Special Expenses was a one-time expense in FY 20 due to the cost savings in negotiating the Waste Management contract

Items of Interest:

- Solid waste increase is due to an increase in tipping fees and accounts for Waste Management contract and recycling expenses
- Bulk container increase is due to an increase in the number of containers and an increase in monthly fees
- Yard waste covers the landfill fees for yard waste collected by city staff
- Contracted services include e-waste disposal, Cartology app and temporary workers
- No new debt service is proposed for FY 21

Environmental Fund Revenue Summary Fiscal Year 2021

REVENUES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease	% Change
32200	Solid Waste Disposal Tax	32,300	36,000	3,700	11.46%
36000	Charges and Fees	3,275,000	3,448,487	173,487	5.30%
39200	Transfers from General Fund	350,000	150,000	(200,000)	-57.14%
39210	Transfers from Water & Sewer Fund	495,700	495,700	-	0.00%
39230	Transfers from Stormwater	-	400,000	400,000	100.00%
Total Environmental Fund		\$ 4,153,000	\$ 4,530,187	\$ 377,187	9.08%

Environmental Fund Expenditure Summary Fiscal Year 2021

EXPENSE SUMMARY					
Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease	% Change	
Personnel	306,334	415,825	109,491	35.74%	
Operations	3,614,631	3,882,326	267,695	7.41%	
Debt Service	232,035	232,036	1	0.00%	
Total Environmental Fund		\$ 4,153,000	\$ 4,530,187	\$ 377,187	9.08%

ENVIRONMENTAL FUND

Environmental Fund 50000

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	202,939	298,394	95,455	47.04%
41100	Salaries - Part Time	25,750	-	(25,750)	-100.00%
41200	Salaries - Overtime	-	10,000	10,000	100.00%
41300	Longevity Pay	1,161	1,161	-	0.00%
41600	Vehicle Allowance	-	6,000	6,000	100.00%
42000	FICA	17,583	23,623	6,040	34.35%
42200	State Retirement	20,687	30,559	9,872	47.72%
42210	401k	4,082	5,214	1,132	27.73%
42300	Medical Insurance	31,845	38,214	6,369	20.00%
42400	Life Insurance	487	500	13	2.67%
42500	Dental Insurance	1,800	2,160	360	20.00%
Sub-Total for Personnel		\$ 306,334	\$ 415,825	\$ 109,491	35.74%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	85,000	100,000	15,000	17.65%
44400	Repair & Maintenance: Equipment	15,000	15,000	-	0.00%
45250	Telephone	5,000	5,000	-	0.00%
45410	Equipment Rental	-	10,000	10,000	100.00%
45670	Motor Fuel	40,000	40,000	-	.
46100	Office Supplies	2,000	2,250	250	12.50%
46200	Small Equipment and Tools	5,000	5,000	-	0.00%
46630	Program Supplies	-	7,000	7,000	100.00%
46860	Container Purchases	96,000	110,000	14,000	14.58%
48000	Contracted Services	100,000	80,000	(20,000)	-20.00%
48910	Solid Waste	2,256,231	2,692,404	436,173	19.33%
48920	Bulk Containers	60,000	90,672	30,672	51.12%
48930	Landfill	700,400	650,000	(50,400)	-7.20%
48940	Recycling	-	-	-	0.00%
48950	Yard Waste - Tipping Fees	50,000	75,000	25,000	50.00%
51300	Special Expenses	200,000	-	(200,000)	-100.00%
Sub-Total for Operating Expenditures		\$ 3,614,631	\$ 3,882,326	\$ 267,695	7.41%
TOTAL ENVIRONMENTAL					

Environmental Debt Service 58000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	212,257	218,398	6,141	2.89%
58200	Bond Interest	19,778	13,638	(6,140)	-31.04%
Sub-Total for Operating Expenditures		\$ 232,035	\$ 232,036	\$ 1	0.00%
TOTAL ENVIRONMENTAL DEBT SERVICE					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	232,035	232,036	1	0.00%
Total for All Categories of Expenses		\$ 232,035	\$ 232,036	\$ 1	0.00%

Special Obligation Bonds	Principal	Interest
Leaf Collection Trucks	218,398	13,638
Total	\$218,398	\$13,638

- No new debt service is proposed for FY 21

SEPARATION PAY FUND

The Separation Pay Fund was set up by the City to set aside funds for future payments to qualified employees who are eligible for retirement and have retired and have reached age 55 but have not reached age 62. For law enforcement officers, the State has made this separation allowance mandatory by Article 12D of the North Carolina General Statute 143. The City has chosen to make this benefit available to all City employees. This benefit is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the employee for each year of creditable service. The Separation Allowance is reported in the City's annual financial report as a Pension Trust Fund.

Separation Pay Fund 60000

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$502,781
Total Budget	\$502,781

Budget:

- \$467,066 - Separation Pay
- \$35,715 - FICA

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Two new employees are projected to receive this benefit for FY 21
- Five new employees are eligible for this supplement in FY 20
- Four employees will receive final supplements in FY 20
- Thirty-two former employees currently receive separation pay benefits

Separation Pay Revenue Summary Fiscal Year 2021

REVENUES				
Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
Transfer from General Fund	490,000	502,781	12,781	2.61%
Total Separation Pay Revenues	\$ 490,000	\$ 502,781	\$ 12,781	2.61%

Separation Pay Expenditure Summary Fiscal Year 2021

EXPENSES				
Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
Separation Pay	465,000	467,066	2,066	0.44%
FICA	25,000	35,715	10,715	42.86%
Total Separation Pay Expenses	\$ 490,000	\$ 502,781	\$ 12,781	2.61%

TRANSIT FUND

The Transit Fund was established by the City to set aside funds for payments for the City's share of expenses related to the new Concord-Kannapolis Local Public Transportation System. The proposed FY 2021 Transit System Fund Budget is \$700,000. This is the twentieth year this fund has existed. This year it will be funded from a combination of revenues from the dedicated Vehicle License Tax and anticipated CARES Act Funds. City Council has adopted a formal inter-local agreement with the City of Concord to establish a jointly supported Urban Area Transit System for our two cities. The largest part of this entire initiative would be funded by the State and Federal governments.

Transit Fund 77500

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$700,000
Total Budget	\$700,000

Increases:

- None

Reductions/Decreases:

- \$364,000 – Contracted Services due to COVID-19 CARES Act funding

Capital:

- None

Items of Interest:

- CARES Act funding reduces the need for a transfer from the General Fund to offset operational funding
 - In conjunction with the City of Concord, Kannapolis should see budget relief from CARES Act funding over the next three fiscal years
- Fund balance appropriation of \$200,000 which will be transferred back to the General Fund
 - Historically, this fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance.
- Vehicle license tax is \$30, \$20 goes directly to the Transit fund to support the public transit system and \$5 goes back to support to the General Fund for support and \$5 goes towards road paving/improvements.
- The Transit Fund does include \$51,771 for the purchase of technology projects that aren't eligible for CARES Act funds. These projects were deferred to FY 21.

Transit Fund Revenue Summary Fiscal Year 2021

REVENUES				
Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
Vehicle License Tax	760,000	500,000	(260,000)	-34.21%
Transfer from General Fund	104,000	-	(104,000)	-100.00%
Appropriated Fund Balance	-	200,000	200,000	100.00%
Total Transit Fund Revenues	\$ 864,000	\$ 700,000	\$ (164,000)	-18.98%

Transit Fund Expenditure Summary Fiscal Year 2021

EXPENSES				
Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
Contracted Services	864,000	500,000	(364,000)	6.93%
Transfer to the General Fund	-	200,000	200,000	100.00%
Total Transit Fund Expenses	\$ 864,000	\$ 700,000	\$ (164,000)	-18.98%

DOWNTOWN/ COLLEGE STATION FUND

City Council approved the purchase of 46 acres of property in Downtown Kannapolis on March 16th, 2015. FY 21 is the sixth year of the Downtown Fund's existence. The fund covers all activity related to the renovation and rejuvenation of these properties. The fund includes revenues from residential and commercial rent, as well as a transfer from the General Fund. The fund will include operational cost, debt service, and capital projects. No personnel costs are included for this fund in FY 21. City support for non-profit or community organizations related to downtown have been moved from this fund. In 2018, City Council approved the purchase of College Station Shopping Center for the purpose of relocating Rowan Cabarrus Community College Cosmetology School. For FY 21, efforts were taken have the Downtown Fund house the remaining blocks and revitalization efforts. The West Avenue Linear Park/downtown events and Baseball Stadium were moved from the Downtown Fund to the General Fund.

Downtown/College Station Fund 80000

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$7,676,905
Total Budget	\$7,676,905

No Personnel cost found in the Downtown Fund.

Increases:

- \$9,000 – Residential rent and lease payments
- \$263,698 – Fund balance appropriation
- \$150,000 – Block 1 revitalization efforts for preventative maintenance
- \$105,000 – Block 2 revitalization efforts for preventative maintenance
- \$20,000 – Gem Theatre preventative maintenance efforts
- \$421,500 – USPC contract
- \$2,498,711 – Debt service for the Atrium Health Ballpark

Reductions/Decreases:

- \$187,906 – Commercial Rent/Leases based on 15% reduction due to COVID-19 impacts/some businesses no longer located in downtown
- \$23,000 – Repair and Maintenance: Grounds moved to Parks budget
- \$60,000 – Insurance: General Liability moved to Non-Departmental budget
- \$22,000 – Electricity for remaining blocks. Other electricity costs associated with West Avenue and the baseball stadium are reflected in Parks budget
- \$25,000 – Non-profit contribution moved to Economic Development budget for FY 21
- \$129,088 – Contracts: Grounds Maintenance moved to Parks budget where all contracted grounds maintenance is housed
- \$122,100 – Contract: Development Services for DFI and Corporate Reality for FY 20 since a few blocks remain to be sold
- \$30,000 – Bulk containers is now budgeted in Environmental Services with the rest of the city-wide bulk container purchases
- \$200,000 – Special Event Expenses moved to Parks budget since this is primarily a Parks department function

Capital:

- None

Items of Interest:

- All costs associated with the West Avenue Linear Park and the baseball stadium are now accounted for in the Parks General Fund budget

Downtown/College Station Fund Revenue Summary Fiscal Year 2021

REVENUES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease	%
36150	Common Area Maintenance Fee	5,000	5,000	-	0.00%
36500	Building Rental	20,000	20,000	-	0.00%
36520	Commercial Rent/Lease	661,824	473,918	(187,906)	-28.39%
36530	Residential Rent/Lease	96,000	105,000	9,000	9.38%
36680	Special Event Fees	75,800	-	(75,800)	-100.00%
39200	Transfers from General Fund	4,714,252	6,809,289	2,095,037	44.44%
39210	Transfers from Water and Sewer Fund	1,431,124	-	(1,431,124)	-100.00%
39900	Fund Balance Appropriation	-	263,698	263,698	100.00%
Total Downtown Fund Revenues		\$ 7,004,000	\$ 7,676,905	\$ 672,905	9.61%

Downtown/College Station Fund Expenditure Summary Fiscal Year 2021

EXPENSES				
Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease	% Change
Operations	2,693,422	867,616	(1,825,806)	-67.79%
Debt Service	4,310,578	6,809,289	2,498,711	57.97%
Total Downtown Fund Expenses	\$ 7,004,000	\$ 7,676,905	\$ 672,905	9.61%

DOWNTOWN FUND

Downtown/College Station Fund 80000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
44300	Repair and Maintenance: Buildings	70,000	70,000	-	0.00%
44350	Repair and Maintenance: Grounds	23,000	-	(23,000)	-100.00%
45220	Electricity	62,000	47,500	(14,500)	-23.39%
45230	Water & Sewer	40,000	42,000	2,000	5.00%
45240	Gas Utilities	3,000	3,000	-	0.00%
45250	Telephone	2,000	1,500	(500)	-25.00%
46350	Non-Profit Contributions	25,000	-	(25,000)	-100.00%
48220	Contract-Grounds Maintenance	136,204	7,116	(129,088)	-94.78%
48230	Contract-Developmental Services	122,100	-	(122,100)	-100.00%
48300	Consultants	1,920,118	-	(1,920,118)	-100.00%
48300-B1	Consultants - Block 1	-	150,000	150,000	100.00%
48300-B2	Consultants - Block 2	-	105,000	105,000	100.00%
48300-GEM	Consultants - GEM	-	20,000	20,000	100.00%
48300-USPC	Consultants - GEM	-	421,500	421,500	100.00%
48920	Contract-Environmental Services	30,000	-	(30,000)	-100.00%
51445	Special Events Expenses	200,000	-	(200,000)	-100.00%
51620	Insurance - General Liability	60,000	-	(60,000)	-100.00%
Sub-Total for Operating Expenditures		\$ 2,693,422	\$ 867,616	\$ (1,825,806)	-67.79
TOTAL DOWNTOWN					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	2,693,422	867,616	(1,825,806)	-67.79%
Total for All Categories of Expenses		\$ 2,693,422	\$ 867,616	\$ (1,825,806)	-67.79%

Downtown/College Station Fund Debt Service 88000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	1,384,225	3,984,225	2,600,000	187.83%
58200	Bond Interest	2,926,353	2,825,064	(101,289)	-3.46%
Sub-Total for Operating Expenditures		\$ 4,310,578	\$ 6,809,289	\$ 2,498,711	57.97%
TOTAL DOWNTOWN DEBT SERVICE					
	Expense Category	FY 2020 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	4,310,578	6,809,289	2,498,711	57.97%
Total for All Categories of Expenses		\$ 4,310,578	\$ 6,809,289	\$ 2,498,711	57.97%

Special Obligation Bonds	Principal	Interest
Phase 1 of Duct bank/College Station Land	255,226	102,985
College Station/Duct bank/Street Scape	394,999	257,382
Downtown Purchase	734,000	367,147
Stadium*	2,600,000	2,097,550
Total	\$3,984,225	\$2,825,064

- Principal payment for the baseball stadium is new to the FY 21 budget

CAPITAL PROJECTS, CIP AND FINANCIAL FORECAST

The City of Kannapolis implemented a new financial forecast and new financial policies in FY 2012. A part of the new plan was a 10 year Capital Improvement Plan. Also, a number of goal and individual policies were put into place to better guide the City on how to achieve the long term goals of Council. The City updated the CIP for the General Fund, Water and Sewer and Stormwater Funds, as a result of the downtown purchase in the fall of 2015. A staggered schedule of every 2 weeks will take place to maintain the forecasts relevance to the current needs of the citizenry. Updates were completed in FY 2017 and during the budget preparation process in FY 2019. FY 2021 was set to be updated at the City Council retreat which was cancelled due to the COVID-19 pandemic. The City Council retreat has yet to be rescheduled.

City of Kannapolis Capital Improvement Plan

A capital project is defined using the following criteria:

1. The purchase or acquisition of a City asset, land purchase or the replacement or rehabilitation of an existing asset
2. Has a value of \$100,000 or greater;
3. Has a useful life of five years or more;
4. Spans more than one fiscal year from planning to completion

The Capital Improvement Plan in the pages to follow show the capital projects that will take place this fiscal year and upcoming fiscal years in the City. The General Fund has no new capital improvement projects budgeted for FY 21 based on the revenue shortfalls and unknowns related to the COVID-19 pandemic. The Water and Sewer Fund does have capital improvement projects budgeted for FY 21 as part of a Revenue Bond issuance. These projects include a vac truck, Kannapolis Crossing, Lane Street and Water Treatment Plant Improvements. The other enterprise funds didn't have any new capital improvement projects budgeted for FY 21.

After the CIP section, the following pages outline the City's Financial Forecasting Model for each fund as well as the Capital Improvement Plan. The Financial Forecasting Model enables the City to project future revenues and expenditures for years ahead to analyze the impact of rate adjustments over a period of time. This fiscal year, the City of Kannapolis imposed no rate adjustment for property taxes. The property tax rate remains unchanged at \$0.63 per \$100 assessed valuation. The City is projecting no rate adjustment for FY 2021. In the 10 year Financial Plan, there were scheduled Environmental rate increases set to take place in FY 2021. Due to the COVID-19 pandemic, City Council opted against any rate changes to take place. This rate change will be re-visited in FY 22 and should be the final component to make the Environmental Fund self-sustaining.

CAPITAL IMPROVEMENT PLAN

Project Name	Description	Start Date	Completion Date
Little Texas Road Sidewalk	Construction of 2.1 miles of curb, gutter and sidewalk along the east side of Little Texas Road from Dale Earnhardt Boulevard to Ruth Avenue and from Ruth Avenue to Lane Street. Includes the realignment of Ruth Avenue	Winter 2022	TBD
Bethpage Road Sidewalk	Construct 7-foot sidewalk, curb and gutter, and associated storm drainage along the south side of Bethpage Road from South Main Street to existing sidewalk at Leonard Avenue and along the south side of Bethpage Road from Westgreen Drive to Klondale Avenue	TBD	TBD
Construction of North Main Street Sidewalk	Construction of sidewalk	2025	TBD
Irish-Buffalo Creek Greenway	Phase One (Construction) This is a 2.7 mile; 10 foot wide paved greenway trail which will connect Orphanage Rd. to Rogers Lake Rd. There is also a connection over to Oakwood Ave.	Fall 2019	Fall 2020
Rocky River Greenway	One mile extension of the current greenway. It is a 10ft. wide paved greenway trail which will run along the Rocky River from the Mecklenburg County line to the NC 73 bridge	TBD	TBD
Westside Park	New park on the west side of the City	TBD	TBD
Mooreville Road Water Main Relocation/ Replacement	Relocation of water and sewer as part of the NCDOT Mooreville Highway widening project.	2020	2022
Royal Oaks Rehab	Replace and rehabilitate existing water and sanitary sewer lines.	TBD	TBD
Summit Ridge Sewer	Replacement of an existing portion of sanitary sewer pipe along Chambers Branch on Summit Ridge Lane	TBD	TBD
Water Treatment Plant Alum Residuals Removal	Dewatering and disposals of alum residuals which is a byproduct of the treatment process.	2020	2022
Water Treatment Plant Bulk Storage Tank Replacement	Replacement of chemical storage tanks at the water treatment plant.	2020	2022
Kannapolis Dam Repairs and Improvements	Repairs and upgrades to the concrete chute of the Kannapolis Lake	2020	2022
Rogers Lake Road Bridge Utility Relocations	Relocation of utilities for the future NCDOT elevated grade crossing at Rogers Lake Road.	2020	2022
Lane Street Water Replacement	Replacement of the water main on Lane Street as part of the NCDOT improvements on Lane Street.	2020	TBD
Downtown Sewer Main Improvements	Upgrade to the sewer main within the Irish Buffalo Creek basin.	2020	2022

CAPITAL IMPROVEMENT PLAN

Project Name	Description	Start Date	Completion Date
Kannapolis Crossing: Water and Sewer Extension(I-85 Exit 65)	Water and sewer extension in southern Rowan County for future growth area at the new NCDOT I-85 interchange.	2020	TBD
NCDOT Projects	Information on all NCDOT Projects is located at www.ncdot.gov		
Kannapolis Train Station Improvements	Construction of a new passenger rail platform, pedestrian overpass and new parking adjacent to the station.	2022	TBD
I-3802A NCDOT I-85 Widening Project	Widening of I-85 to an eight-lane divided facility from NC Hwy 73 (Exit 55) to Lane Street (Exit 63) in Cabarrus County.	Underway	Winter 2020
East First Street Bridge	Replacement of the bridge on East First Street over U.S. 29	2022	TBD
Lake Fisher Bridge	Replacement of the bridge on Brantley Road.	TBD	TBD
NC 3 - Mooresville Road Widening	Widening of Highway 3 to a 4-Lane cross-section from Kannapolis Parkway east to Dale Earnhardt Boulevard. This project also includes the extension of approximately 12,300 linear feet of 12-inch waterline. Relocation of utilities is underway as NCDOT prepares for construction.	Spring 2018	Winter 2021
U.S. 29/601	Conversion of the existing interchange to a diverging diamond.	TBD	TBD
NC 3 and US 29/601 Intersection	Install U-turn bulbs on Cannon Blvd to remove left turns at the intersection of NC 3 and US 29/Cannon Boulevard. Includes sidewalk and mast arm utility poles. Improvement to storm drainage through Eastwood neighborhood	TBD	TBD
Lane Street (I-85 to Jackson Park Road)	Reduce the number of travel lanes from four to two with a center turn lane. Bicycle lanes will also be added. The City's portion of the project includes water and sewer work. A new water main is being installed and should be completed at the end of September 2020. Periodic water shutoffs will occur. In October and November 2020 the contractor will complete sewer repairs, driveway repairs, and landscaping. The City's portion of the project should be completed by the end of November and then NCDOT will begin their work in Spring 2021.	2020 City Portion of the Project 2021 NCDOT Begins Work	TBD
NC Rail North Kannapolis Railroad Crossing Work	Construction of separated grade rail crossing at Rogers Lake Road at Main Street and Ridge Avenue.	2022	TBD
N.C. 73 Improvements (Mecklenburg & Cabarrus)	Planning and design are underway to widen a 14-mile stretch of N.C. 73 from two to four lanes between N.C. 115 (Old Statesville Road) and U.S. 29 (Concord Parkway North) in Mecklenburg and Cabarrus counties.	2023	TBD

General Fund Summary

2/27/2020

General Fund Revenues	Budgeted FY 21	Forecasted FY 22	Forecasted FY 23	Forecasted FY 24	Forecasted FY 25	Forecasted FY 26	Forecasted FY 27	Forecasted FY 28	Forecasted FY 29	Forecasted FY 30
Real & Personal Property Tax	\$ 29,413,500	\$ 30,443,354	\$ 31,508,871	\$ 32,769,226	\$ 34,735,380	\$ 35,951,118	\$ 37,209,407	\$ 38,697,783	\$ 41,019,650	\$ 42,455,338
Vehicle Tax	\$ 389,559	\$ 394,428	\$ 399,359	\$ 404,351	\$ 409,405	\$ 414,523	\$ 419,704	\$ 424,951	\$ 430,263	\$ 435,641
Prior Years Collections	\$ 497,524	\$ 509,962	\$ 522,711	\$ 535,779	\$ 549,173	\$ 562,903	\$ 576,975	\$ 591,400	\$ 606,185	\$ 621,339
Local Option Sales Tax	\$ 11,200,000	\$ 12,096,000	\$ 12,700,800	\$ 13,335,840	\$ 14,002,632	\$ 14,702,764	\$ 15,437,902	\$ 16,209,797	\$ 17,020,287	\$ 17,871,301
Franchise Tax	\$ 2,800,000	\$ 2,842,000	\$ 2,884,630	\$ 2,927,899	\$ 2,971,818	\$ 3,016,395	\$ 3,061,641	\$ 3,107,566	\$ 3,154,179	\$ 3,201,492
Beer and Wine Tax	\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101	\$ 255,256	\$ 268,019	\$ 281,420	\$ 295,491	\$ 310,266	\$ 325,779
T.I.F. Debt Contributions	\$ 1,336,792	\$ 1,331,402	\$ 1,328,433	\$ 1,326,113	\$ 1,325,926	\$ 1,322,325	\$ 1,320,865	\$ -	\$ -	\$ -
Powell Bill	\$ 1,332,179	\$ 1,345,501	\$ 1,358,956	\$ 1,372,545	\$ 1,386,271	\$ 1,400,134	\$ 1,414,135	\$ 1,428,276	\$ 1,442,559	\$ 1,456,985
Zoning Fees	\$ 139,400	\$ 142,885	\$ 146,457	\$ 150,119	\$ 153,872	\$ 157,718	\$ 161,661	\$ 165,703	\$ 169,845	\$ 174,091
Permits and Fees	\$ 103,525	\$ 106,113	\$ 108,766	\$ 111,485	\$ 114,272	\$ 117,129	\$ 120,057	\$ 123,059	\$ 126,135	\$ 129,289
Recreation Fees	\$ 580,150	\$ 594,654	\$ 609,520	\$ 624,758	\$ 640,377	\$ 656,386	\$ 672,796	\$ 689,616	\$ 706,856	\$ 724,528
Investment earnings	\$ 210,000	\$ 212,100	\$ 214,221	\$ 216,363	\$ 218,527	\$ 220,712	\$ 2,177,919	\$ 120,695	\$ 120,695	\$ 120,695
Other general revenues	\$ 740,330	\$ 747,733	\$ 755,211	\$ 762,763	\$ 770,390	\$ 778,094	\$ 785,875	\$ 793,734	\$801,671	\$809,688
Transfer from other funds	\$ 2,130,696	\$ 2,234,636	\$ 2,343,669	\$ 2,458,045	\$ 2,578,028	\$ 2,703,893	\$ 2,835,930	\$ 2,974,443	\$3,119,750	\$3,272,186
Fund Balance Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$51,083,655	\$53,221,269	\$55,113,129	\$57,238,388	\$60,111,328	\$62,272,113	\$66,476,289	\$65,622,513	\$69,028,341	\$71,598,351
General Fund Expenditures	Budgeted FY 21	Forecasted FY 22	Forecasted FY 23	Forecasted FY 24	Forecasted FY 25	Forecasted FY 26	Forecasted FY 27	Forecasted FY 28	Forecasted FY 29	Forecasted FY 30
Personnel	\$ 23,293,968	\$ 24,808,076	\$ 26,420,601	\$ 27,807,682	\$ 29,267,586	\$ 30,804,134	\$ 32,421,351	\$ 34,123,472	\$ 35,914,954	\$ 37,800,489
Operations	\$ 12,704,049	\$ 12,958,130	\$ 13,217,293	\$ 13,481,638	\$ 13,751,271	\$ 14,026,297	\$ 14,306,823	\$ 14,592,959	\$ 14,884,818	\$ 15,182,515
Transfer to Other Funds	\$ 1,864,067	\$ 1,880,725	\$ 1,668,539	\$ 1,656,493	\$ 1,644,592	\$ 1,632,844	\$ 1,621,257	\$ 1,609,839	\$ 1,598,598	\$ 1,587,543
Executed Debt Service	\$ 7,267,311	\$ 6,938,633	\$ 6,608,100	\$ 6,111,168	\$ 6,003,243	\$ 5,888,490	\$ 5,736,507	\$ 3,016,234	\$ 2,842,156	\$ 2,763,294
Proposed CIP Debt Service	\$ 258,700	\$ 1,123,480	\$ 2,628,160	\$ 2,784,740	\$ 2,844,020	\$ 3,550,950	\$ 3,466,680	\$ 3,382,410	\$ 3,298,140	\$ 3,213,870
Total Expenditures	\$45,388,095	\$47,709,044	\$50,542,693	\$51,841,721	\$53,510,712	\$55,902,714	\$57,552,617	\$56,724,913	\$58,538,666	\$60,547,711
Revenue over Expenses	\$ 5,695,560	\$ 5,512,225	\$ 4,570,436	\$ 5,396,666	\$ 6,600,616	\$ 6,369,399	\$ 8,923,671	\$ 8,897,599	\$10,489,675	\$11,050,640
Required Rate Adjustment:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ad Valorem Tax Rate:	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6300
Rate Adjustment Revenue:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Margin:	12.55%	11.55%	9.04%	10.41%	12.34%	11.39%	15.51%	15.69%	17.92%	18.25%
Revenue Growth:		4.18%	3.55%	3.86%	5.02%	3.59%	6.75%	-1.28%	5.19%	3.72%
Expense Growth:		5.11%	5.94%	2.57%	3.22%	4.47%	2.95%	-1.44%	3.20%	3.43%

General Fund Revenues

2/27/2020	Cabarrus Revaluation			Rowan Revaluation	Cabarrus Revaluation			Rowan Revaluation	Cabarrus Revaluation		
	Forecasted FY 21	Forecasted FY 22	Forecasted FY 23	Forecasted FY 24	Forecasted FY 25	Forecasted FY 26	Forecasted FY 27	Forecasted FY 28	Forecasted FY 29	Forecasted FY 30	
Real & Personal Property Tax	\$29,413,500 9.08%	\$30,443,354 3.5%	\$ 31,508,871 3.5%	\$ 32,769,226 4.0%	\$ 34,735,380 6.0%	\$ 35,951,118 3.5%	\$ 37,209,407 3.5%	\$ 38,697,783 4.0%	\$ 41,019,650 6.0%	\$ 42,455,338 3.5%	
Vehicle Tax	\$389,559 1.25%	\$394,428 1.25%	\$399,359 1.25%	\$404,351 1.25%	\$409,405 1.25%	\$414,523 1.25%	\$419,704 1.25%	\$424,951 1.25%	\$430,263 1.25%	\$435,641 1.25%	
Prior Years Collections	\$497,524 2.5%	\$509,962 2.5%	\$522,711 2.5%	\$535,779 2.5%	\$549,173 2.5%	\$562,903 2.5%	\$576,975 2.5%	\$591,400 2.5%	\$606,185 2.5%	\$621,339 2.5%	
Local Option Sales Tax	\$11,200,000 6.5%	\$12,096,000 8.0%	\$12,700,800 5.0%	\$13,335,840 5.0%	\$14,002,632 5.0%	\$14,702,764 5.0%	\$15,437,902 5.0%	\$16,209,797 5.0%	\$17,020,287 5.0%	\$17,871,301 5.0%	
Franchise Tax	\$2,800,000 1.5%	\$2,842,000 1.5%	\$2,884,630 1.5%	\$2,927,899 1.5%	\$2,971,818 1.5%	\$3,016,395 1.5%	\$3,061,641 1.5%	\$3,107,566 1.5%	\$3,154,179 1.5%	\$3,201,492 1.5%	
Beer and Wine Tax	\$210,000 5%	\$220,500 5%	\$231,525 5%	\$243,101 5%	\$255,256 5%	\$268,019 5%	\$281,420 5%	\$295,491 5%	\$310,266 5%	\$325,779 5%	
T.I.F. Debt Contributions	\$1,336,792 0.0%	\$1,331,402 0.0%	\$1,328,433 0.0%	\$1,326,113 0.0%	\$1,325,926 0.0%	\$ 1,322,325 0.0%	\$1,320,865 0.0%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%	
Powell Bill	\$1,332,179 1.0%	\$1,345,501 1.0%	\$1,358,956 1.0%	\$1,372,545 1.0%	\$1,386,271 1.0%	\$1,400,134 1.0%	\$1,414,135 1.0%	\$1,428,276 1.0%	\$1,442,559 1.0%	\$1,456,985 1.0%	
Zoning Fees	\$139,400 2.5%	\$142,885 2.5%	\$146,457 2.5%	\$150,119 2.5%	\$153,872 2.5%	\$157,718 2.5%	\$161,661 2.5%	\$165,703 2.5%	\$169,845 2.5%	\$174,091 2.5%	
Permits and Fees	\$103,525 2.5%	\$106,113 2.5%	\$108,766 2.5%	\$111,485 2.5%	\$114,272 2.5%	\$117,129 2.5%	\$120,057 2.5%	\$123,059 2.5%	\$126,135 2.5%	\$129,289 2.5%	
Recreation Fees	\$580,150 2.5%	\$594,654 2.5%	\$609,520 2.5%	\$624,758 2.5%	\$640,377 2.5%	\$656,386 2.5%	\$672,796 2.5%	\$689,616 2.5%	\$706,856 2.5%	\$724,528 2.5%	
Investment earnings	\$210,000 1.0%	\$212,100 1.0%	\$214,221 1.0%	\$216,363 1.0%	\$218,527 1.0%	\$220,712 1.0%	\$2,177,919 1.0%	\$ 120,695 1.0%	\$ 120,695 1.0%	\$ 120,695 1.0%	
Other general revenues	\$740,330 1.0%	\$747,733 1.0%	\$755,211 1.0%	\$762,763 1.0%	\$770,390 1.0%	\$778,094 1.0%	\$785,875 1.0%	\$793,734 1.0%	\$801,671 1.0%	\$809,688 1.0%	
Transfer from other funds	\$2,130,696 2.22%	\$2,234,636 4.88%	\$2,343,669 4.88%	\$2,458,045 4.88%	\$2,578,028 4.88%	\$ 2,703,893 4.88%	\$2,835,930 4.88%	\$2,974,443 4.88%	\$3,119,750 4.89%	\$3,272,186 4.89%	
Total Revenue	\$51,083,655	\$53,221,269	\$55,113,129	\$57,238,388	\$60,111,328	\$62,272,113	\$66,476,289	\$65,622,513	\$69,028,341	\$71,598,351	

General Fund Expenditures

2/27/2020	Cabarrus Revaluation			Rowan Revaluation	Cabarrus Revaluation			Rowan Revaluation	Cabarrus Revaluation		
	Budgeted FY 21	Forecasted FY 22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30	
Personnel Increase	\$ 23,293,968 6.50%	\$ 24,808,076 6.50%	\$ 26,420,601 6.50%	\$ 27,807,682 5.25%	\$ 29,267,586 5.25%	\$ 30,804,134 5.25%	\$ 32,421,351 5.25%	\$ 34,123,472 5.25%	\$ 35,914,954 5.25%	\$ 37,800,489 5.25%	
Operations Increase	\$ 12,704,049 2.00%	\$ 12,958,130 2.00%	\$ 13,217,293 2.00%	\$ 13,481,638 2.00%	\$ 13,751,271 2.00%	\$ 14,026,297 2.00%	\$ 14,306,823 2.00%	\$ 14,592,959 2.00%	\$ 14,884,818 2.00%	\$ 15,182,515 2.00%	
Transfer to Other Funds	\$ 1,864,067	\$ 1,880,725	\$ 1,668,539	\$ 1,656,493	\$ 1,644,592	\$ 1,632,844	\$ 1,621,257	\$ 1,609,839	\$ 1,598,598	\$ 1,587,543	
CIP Debt Service (Prop.)	\$ 258,700	\$ 1,123,480	\$ 2,628,160	\$ 2,784,740	\$ 2,844,020	\$ 3,550,950	\$ 3,466,680	\$ 3,382,410	\$ 3,298,140	\$ 3,213,870	
Executed Debt Service:	\$ 7,267,311	\$ 6,938,633	\$ 6,608,100	\$ 6,111,168	\$ 6,003,243	\$ 5,888,490	\$ 5,736,507	\$ 3,016,234	\$ 2,842,156	\$ 2,763,294	
Total Expenses:	\$ 45,388,095	\$ 47,709,044	\$ 50,542,693	\$ 51,841,721	\$ 53,510,712	\$ 55,902,714	\$ 57,552,617	\$ 56,724,913	\$ 58,538,666	\$ 60,547,711	

General Fund Capital Improvement Plan Fiscal Year 2021 - 2028

2/27/2020					Cabarrus Revaluation		Rowan Revaluation		Cabarrus Revaluation		Rowan Revaluation		
	Interest	Loan Term	Project	Outside Funding	Kannapolis Cost	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	
						FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
FY 20-21:	3.0%	10 Years	Roxie Street Improvements		\$ 135,000	\$ 17,550	\$ 17,145	\$ 16,740	\$ 16,335	\$ 15,930	\$ 15,525	\$ 15,120	\$ 14,715
	3.0%	10 Years	Cannon & D.E. Blvd. Improvements		\$ 375,000	\$ 48,750	\$ 47,625	\$ 46,500	\$ 45,375	\$ 44,250	\$ 43,125	\$ 42,000	\$ 40,875
	3.0%	10 Years	Little Texas Road Sidewalk (Phase 2)		\$ 480,000	\$ 62,400	\$ 60,960	\$ 59,520	\$ 58,080	\$ 56,640	\$ 55,200	\$ 53,760	\$ 52,320
	3.0%	10 Years	I-85 Gateway Monuments		\$ 1,000,000	\$ 130,000	\$ 127,000	\$ 124,000	\$ 121,000	\$ 118,000	\$ 115,000	\$ 112,000	\$ 109,000
FY 21-22:	4.0%	20 Years	Village Park (Phase 4)		\$ 1,075,000		\$ 96,750	\$ 94,600	\$ 92,450	\$ 90,300	\$ 88,150	\$ 86,000	\$ 83,850
	4.0%	20 Years	Eastside Park (Phase 1)		\$ 3,800,000		\$ 387,000	\$ 378,400	\$ 369,800	\$ 361,200	\$ 352,600	\$ 344,000	\$ 335,400
	4.0%	20 Years	Westside Park (Phase 1)		\$ 3,800,000		\$ 387,000	\$ 378,400	\$ 369,800	\$ 361,200	\$ 352,600	\$ 344,000	\$ 335,400
			Little Texas Road Sidewalk	\$ 2,051,000	\$ 513,000								
FY 22-23:	4.0%	20 Years	Kannapolis Parkway Street Lighting		\$ 2,000,000			\$ 180,000	\$ 176,000	\$ 172,000	\$ 168,000	\$ 164,000	\$ 160,000
	4.0%	20 Years	Community Center		\$ 8,500,000			\$ 765,000	\$ 748,000	\$ 731,000	\$ 714,000	\$ 697,000	\$ 680,000
	3.0%	10 Years	Bakers Creek Park Improvements		\$ 900,000			\$ 117,000	\$ 114,300	\$ 111,600	\$ 108,900	\$ 106,200	\$ 103,500
	4.0%	20 Years	Irish Buffalo Creek Greenway (Phases 2 & 3)		\$ 5,200,000			\$ 468,000	\$ 457,600	\$ 447,200	\$ 436,800	\$ 426,400	\$ 416,000
FY 23-24:	4.0%	20 Years	Fire Station #1 Remodel		\$ 2,400,000				\$ 216,000	\$ 211,200	\$ 206,400	\$ 201,600	\$ 196,800
FY 24-25:	3.0%	10 Years	City Hall Pond		\$ 950,000					\$ 123,500	\$ 120,650	\$ 117,800	\$ 114,950
FY 25-26:	4.0%	20 Years	Eastside Park (Phase 2)		\$ 3,800,000						\$ 387,000	\$ 378,400	\$ 369,800
	4.0%	20 Years	Westside Park (Phase 2)		\$ 3,800,000						\$ 387,000	\$ 378,400	\$ 369,800
FY 26-27:			No Projects		\$ -						\$ -		
FY 27-28:			No Projects		\$ -								\$ -
FY 28-29:			No Projects		\$ -								
Total Debt					\$38,728,000	\$258,700	\$1,123,480	\$2,628,160	\$2,784,740	\$2,844,020	\$3,550,950	\$3,466,680	\$3,382,410

Water & Sewer Fund Summary

3/25/2020										
Water & Sewer Fund Revenues	Budgeted FY 21	Forecasted FY 22	Forecasted FY 23	Forecasted FY 24	Forecasted FY 25	Forecasted FY 26	Forecasted FY 27	Forecasted FY 28	Forecasted FY 29	Forecasted FY 30
Retail Water & Sewer Charges	\$18,250,000	\$18,432,500	\$18,616,825	\$18,802,993	\$19,515,023	\$19,710,173	\$19,907,275	\$ 20,106,348	\$ 20,307,411	\$ 20,510,485
Wholesale Water Sales	\$415,000	\$419,150	\$423,342	\$427,575	\$431,851	\$436,169	\$440,531	\$444,936	\$449,386	\$453,879
Tap Fees & Connections	\$1,300,000	\$1,313,000	\$1,326,130	\$1,339,391	\$1,352,785	\$1,366,313	\$1,379,976	\$1,393,776	\$1,407,714	\$1,421,791
Interest on Investments	\$30,000	\$30,300	\$30,603	\$30,909	\$31,218	\$31,530	\$31,846	\$32,164	\$32,486	\$32,811
Other	\$630,000	\$636,300	\$642,663	\$649,090	\$655,581	\$662,136	\$668,758	\$675,445	\$682,200	\$689,022
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$20,625,000	\$20,831,250	\$21,039,563	\$21,249,958	\$21,986,458	\$22,206,322	\$22,428,386	\$22,652,669	\$22,879,196	\$23,107,988
Water & Sewer Fund Expenditures	Budgeted FY 21	Forecasted FY 22	Forecasted FY 23	Forecasted FY 24	Forecasted FY 25	Forecasted FY 26	Forecasted FY 27	Forecasted FY 28	Forecasted FY 29	Forecasted FY 30
Personnel	\$3,637,754	\$3,746,887	\$3,909,293	\$4,026,572	\$4,147,369	\$4,271,790	\$4,399,944	\$4,531,942	\$4,667,901	\$4,807,938
Operations	\$7,264,241	\$7,429,227	\$7,598,499	\$7,772,190	\$7,950,440	\$8,133,397	\$8,321,209	\$8,514,036	\$8,712,039	\$8,915,388
Transfer to Other Funds	\$1,945,722	\$2,039,258	\$2,062,471	\$2,165,595	\$2,273,874	\$2,387,568	\$2,506,946	\$2,632,294	\$2,763,908	\$2,763,908
Executed Debt Service	\$4,755,964	\$4,762,010	\$4,620,685	\$4,522,430	\$4,520,797	\$3,060,213	\$2,979,796	\$2,981,594	\$2,980,846	\$2,976,334
Proposed CIP Debt Service	\$1,309,500	\$1,729,775	\$1,688,013	\$1,646,450	\$2,415,328	\$2,859,833	\$4,165,865	\$4,064,388	\$3,962,912	\$3,861,795
Total Expenditures	\$18,913,181	\$19,707,157	\$19,878,961	\$20,133,237	\$21,307,809	\$20,712,801	\$22,373,760	\$22,724,254	\$23,087,605	\$23,325,362
Revenue over Expenses	\$1,711,819	\$1,124,093	\$1,160,602	\$1,116,721	\$678,649	\$1,493,521	\$54,625	(\$71,585)	(\$208,409)	(\$217,374)
Required Rate Adjustment:	\$ -	\$ -	\$ -	\$ -	\$2.50 Base	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Adjustment Revenue:	\$ -	\$ -	\$ -	\$ -	\$ 524,000	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue over Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Margin:	9.05%	5.70%	5.84%	5.55%	3.18%	7.21%	0.24%	-0.32%	-0.90%	-0.93%

Water & Sewer Fund Revenues

3/25/2020

	Budgeted FY 21	Forecasted FY 22	Forecasted FY 23	Forecasted FY 24	Forecasted FY 25	Forecasted FY 26	Forecasted FY 27	Forecasted FY 28	Forecasted FY 29	Forecasted FY 30
Retail Water & Sewer Charges	\$18,250,000	\$18,432,500	\$ 18,616,825	\$ 18,802,993	\$ 19,515,023	\$ 19,710,173	\$ 19,907,275	\$ 20,106,348	\$ 20,307,411	\$ 20,510,485
Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Avg increase										
Wholesale Water Sales	\$415,000	\$419,150	\$423,342	\$427,575	\$431,851	\$436,169	\$440,531	\$444,936	\$449,386	\$453,879
Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Avg increase										
Tap Fees & Connections	\$1,300,000	\$1,313,000	\$1,326,130	\$1,339,391	\$1,352,785	\$1,366,313	\$1,379,976	\$1,393,776	\$1,407,714	\$1,421,791
Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Avg increase										
Interest on Investments	\$30,000	\$30,300	\$30,603	\$30,909	\$31,218	\$31,530	\$31,846	\$32,164	\$32,486	\$32,811
Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Avg increase										
Other	\$630,000	\$636,300	\$642,663	\$649,090	\$655,581	\$662,136	\$668,758	\$675,445	\$682,200	\$689,022
Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Avg increase										
Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$20,625,000	\$20,831,250	\$21,039,563	\$21,249,958	\$21,986,458	\$22,206,322	\$22,428,386	\$22,652,669	\$22,879,196	\$23,107,988

Water & Sewer Fund Expenditures

3/25/2020										
	Budgeted FY 21	Forecasted FY 22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Personnel:	\$3,637,754 3.00%	\$3,746,887 3.00%	\$3,909,293 3.00%	\$4,026,572 3.00%	\$4,147,369 3.00%	\$4,271,790 3.00%	\$4,399,944 3.00%	\$4,531,942 3.00%	\$4,667,901 3.00%	\$4,807,938 3.00%
Operations:	\$6,607,521 2.00%	\$6,739,671 2.00%	\$6,874,465 2.00%	\$7,011,954 2.00%	\$7,152,193 2.00%	\$7,295,237 2.00%	\$7,441,142 2.00%	\$7,589,965 2.00%	\$7,741,764 2.00%	\$7,896,599 2.00%
Transfers: to other Funds	\$1,945,722	\$2,039,258	\$2,062,471	\$2,165,595	\$2,273,874	\$2,387,568	\$2,506,946	\$2,632,294	\$2,763,908	\$2,763,908
Capital:	\$656,720 5.00%	\$689,556 5.00%	\$724,034 5.00%	\$760,235 5.00%	\$798,247 5.00%	\$838,160 5.00%	\$880,068 5.00%	\$924,071 5.00%	\$970,275 5.00%	\$1,018,788 5.00%
CIP Debt Service (Prop.)	\$1,309,500	\$1,729,775	\$1,688,013	\$1,646,450	\$2,415,328	\$2,859,833	\$4,165,865	\$4,064,388	\$3,962,912	\$3,861,795
Executed Debt Service:	\$4,755,964	\$4,762,010	\$4,620,685	\$4,522,430	\$4,520,797	\$3,060,213	\$2,979,796	\$2,981,594	\$2,980,846	\$2,976,334
Total Expenses:	\$18,913,181	\$19,707,157	\$19,878,961	\$20,133,237	\$21,307,809	\$20,712,801	\$22,373,761	\$22,724,254	\$23,087,605	\$23,325,362

Water & Sewer Fund CIP - Debt Service Plan

3/25/2020						Budgeted FY 21	Forecasted FY 22	Forecasted FY 23	Forecasted FY 24	Forecasted FY 25	Forecasted FY 26	Forecasted FY 27	Forecasted FY 28
	Interest Rate	Loan Term	Project List	Outside Funding	Cost								
FY 20-21	4.0%	20 Years	Lane Street Waterline	Critical	\$ 5,750,000	\$ 517,500	\$ 506,000	\$ 494,500	\$ 483,000	\$ 471,500	\$ 460,000	\$ 448,500	\$ 437,000
	4.0%	20 Years	Water Treatment Plant Improvements	Critical	\$ 2,500,000	\$ 225,000	\$ 220,000	\$ 215,000	\$ 210,000	\$ 205,000	\$ 200,000	\$ 195,000	\$ 190,000
	4.0%	20 Years	Kannapolis Crossing	Opportunity	\$ 13,000,000	\$ 1,170,000	\$ 1,144,000	\$ 1,118,000	\$ 1,092,000	\$ 1,066,000	\$ 1,040,000	\$ 1,014,000	\$ 988,000
			Fire Station #2 Waterline	Cash from CPO	\$250k - \$400K								
FY 21-22			No projects				\$ -						
FY 22-23	4.0%	20 Years	Downtown Sewer Outfall	Critical	\$ 4,750,000		\$ 451,250	\$ 440,463	\$ 429,875	\$ 419,188	\$ 408,500	\$ 397,813	
	4.0%	20 Years	Rogers Lake Road Bridge Improvements		\$ 300,000		\$ 27,000	\$ 26,400	\$ 25,800	\$ 25,200	\$ 24,600	\$ 24,000	
	4.0%	20 Years	Concrete Spillway Chute Repair	Critical	\$ 5,000,000		\$ 450,000	\$ 440,000	\$ 430,000	\$ 420,000	\$ 410,000	\$ 400,000	
	4.0%	20 Years	Mooreville Road Water Main	critical	\$ 3,300,000		\$ 297,000	\$ 290,400	\$ 283,800	\$ 277,200	\$ 270,600	\$ 264,000	
FY 23-24			No projects		\$ -				\$ -				
FY 24-25	4.0%	20 Years	Royal Oaks Water & Sewer Ph. 1	Primary	\$ 1,966,000					\$ 176,940	\$ 173,008	\$ 169,076	\$ 165,144
	4.0%	20 Years	Royal Oaks Water & Sewer Ph. 2	Primary	\$ 1,664,000					\$ 149,760	\$ 146,432	\$ 143,104	\$ 139,776
	4.0%	20 Years	Royal Oaks Water & Sewer Ph. 3	Primary	\$ 2,460,000					\$ 221,400	\$ 216,480	\$ 211,560	\$ 206,640
	4.0%	20 Years	Royal Oaks Water & Sewer Ph. 4	Primary	\$ 2,916,000					\$ 262,440	\$ 256,608	\$ 250,776	\$ 244,944
FY 25-26	4.0%	20 Years	Village area Water & Sewer Improvements	Secondary	\$ 3,083,000						\$ 277,470	\$ 271,304	\$ 265,138
	4.0%	20 Years	A.L. Brown High School Sewer Ph. 1	Secondary	\$ 2,519,000						\$ 226,710	\$ 221,672	\$ 216,634
FY 26-27	4.0%	20 Years	Jackson Park Ph. 1	Secondary	\$ 1,838,000							\$ 165,420	\$ 161,744
	4.0%	20 Years	Jackson Park Ph. 2	Secondary	\$ 2,463,000							\$ 221,670	\$ 216,744
	4.0%	20 Years	Jackson Park Ph. 3	Secondary	\$ 2,874,000							\$ 258,660	\$ 252,912
	4.0%	20 Years	Jackson Park Ph. 4	Secondary	\$ 2,874,000							\$ 258,660	\$ 252,912
	4.0%	20 Years	Lake Fisher Sewer Rehab Ph. 1	Tertiary	\$ 3,183,000							\$ 286,470	\$ 280,104
	4.0%	20 Years	Lake Fisher Sewer Rehab Ph. 2	Tertiary	\$ 2,067,000							\$ 186,030	\$ 181,896
FY 27-28			No Projects		\$ -								\$ -
			Total Debt / Debt Service	\$0	\$64,507,000	\$1,912,500	\$1,870,000	\$3,052,750	\$2,982,263	\$3,722,515	\$4,138,296	\$5,415,602	\$5,285,401

Stormwater Fund Summary

3/24/2020

	Budgeted FY 21	Forecasted FY22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Stormwater Fund Revenues										
Stormwater Fees	\$ 3,100,000	\$ 3,146,500	\$ 3,193,698	\$ 3,241,603	\$ 3,290,227	\$ 3,339,580	\$ 3,389,674	\$ 3,440,519	\$ 3,492,127	\$ 3,544,509
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 3,100,000	\$ 3,146,500	\$ 3,193,698	\$ 3,241,603	\$ 3,290,227	\$ 3,339,580	\$ 3,389,674	\$ 3,440,519	\$ 3,492,127	\$ 3,544,509
Stormwater Fund Expenditures										
Personnel	\$ 927,162	\$ 954,977	\$ 983,626	\$ 1,013,135	\$ 1,043,529	\$ 1,074,835	\$ 1,107,080	\$ 1,140,292	\$ 1,174,501	\$ 1,209,736
Operations	\$ 642,192	\$ 655,036	\$ 668,137	\$ 681,499	\$ 695,129	\$ 709,032	\$ 723,212	\$ 737,677	\$ 752,430	\$ 767,479
Debt Service	\$ 1,033,494	\$ 958,244	\$ 854,415	\$ 559,481	\$ 546,100	\$ 532,718	\$ 502,042	\$ 489,372	\$ 476,702	\$ 464,030
Transfer to General Fund	\$ 331,346	\$ 344,600	\$ 358,384	\$ 372,719	\$ 387,628	\$ 403,133	\$ 419,258	\$ 436,029	\$ 453,470	\$ 471,609
Proposed CIP Debt Service	\$ 122,085	\$ 208,802	\$ 339,881	\$ 332,175	\$ 279,468	\$ 215,662	\$ 87,147	\$ 84,896	\$ 82,645	\$ 80,394
Total Expenditures	\$ 3,056,279	\$ 3,121,659	\$ 3,204,443	\$ 2,959,009	\$ 2,951,854	\$ 2,935,380	\$ 2,838,740	\$ 2,888,266	\$ 2,939,748	\$ 2,993,248
Revenues over Expenditures	\$ 43,721	\$ 24,841	\$ (10,745)	\$ 282,594	\$ 338,373	\$ 404,201	\$ 550,934	\$ 552,253	\$ 552,379	\$ 551,261
Required Rate Adjustment:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Adjustment Revenue:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Margin:	1.43%	0.80%	-0.34%	9.55%	11.46%	13.77%	19.41%	19.12%	18.79%	18.42%

Stormwater Fund Revenues

3/24/2020										
	Budgeted FY 21	Forecasted FY22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Stormwater Fees	\$3,100,000	\$3,146,500	\$3,193,698	\$3,241,603	\$3,290,227	\$3,339,580	\$3,389,674	\$3,440,519	\$3,492,127	\$3,544,509
Increase	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Avg increase										
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase										
Fund Balance Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase										
Interest Earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase										
Avg increase										
Transfer from other funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$3,100,000	\$3,146,500	\$3,193,698	\$3,241,603	\$3,290,227	\$3,339,580	\$3,389,674	\$3,440,519	\$3,492,127	\$3,544,509

Stormwater Fund Expenditures

3/24/2020										
	Budgeted FY 21	Forecasted FY 22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Personnel	\$927,162	\$954,977	\$983,626	\$1,013,135	\$1,043,529	\$1,074,835	\$1,107,080	\$1,140,292	\$1,174,501	\$1,209,736
Increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Avg increase										
Operations	\$642,192	\$655,036	\$668,137	\$681,499	\$695,129	\$709,032	\$723,212	\$737,677	\$752,430	\$767,479
Increase	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Avg increase										
Transfer to Gen. Fund	\$331,346	\$344,600	\$358,384	\$372,719	\$387,628	\$403,133	\$419,258	\$436,029	\$453,470	\$471,609
	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Executed Debt Service:	\$1,033,494	\$958,244	\$854,415	\$559,481	\$546,100	\$532,718	\$502,042	\$489,372	\$476,702	\$464,030
Proposed CIP Debt Service	\$122,085	\$208,802	\$339,881	\$332,175	\$279,468	\$215,662	\$87,147	\$84,896	\$82,645	\$80,394
Total Expenses	\$3,056,279	\$3,121,659	\$3,204,443	\$2,959,009	\$2,951,854	\$2,935,380	\$2,838,740	\$2,888,266	\$2,939,748	\$2,993,248

Stormwater Fund - Capital Improvement Plan

3/24/2020																				
													Budgeted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
													FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	Interest Rate	Loan Term	Project	Outside Funding	Cost															
FY 20-21	4.0%	20 Years	Ashford Street Improvements		\$ 644,000	\$ 57,960	\$ 56,672	\$ 55,384	\$ 54,096	\$ 52,808	\$ 51,520	\$ 50,232	\$ 48,944							
	2.5%	5 Years	Street Sweeper		\$ 285,000	\$ 64,125	\$ 62,700	\$ 61,275	\$ 59,850	\$ 58,425										
FY 21-22	3.0%	10 Years	Laundry Street Improvements		\$ 321,000		\$ 41,730	\$ 40,767	\$ 39,804	\$ 38,841	\$ 37,878	\$ 36,915	\$ 35,952							
	2.0%	3 Years	Tandum Dump Truck		\$ 135,000		\$ 47,700	\$ 46,800	\$ 45,900											
FY 22-23	3.0%	10 Years	Sprucewood Improvements		\$ 627,000			\$ 81,510	\$ 79,629	\$ 77,748	\$ 75,867	\$ 73,986	\$ 72,105							
	3.0%	10 Years	Harding Street Improvements		\$ 416,500			\$ 54,145	\$ 52,896	\$ 51,646	\$ 50,397	\$ 49,147	\$ 47,898							
FY 23-24			No Projects						\$ -											
FY 24-25			No Projects							\$ -										
FY 25-26			No Projects								\$ -									
FY 26-27			No Projects									\$ -								
FY 27-28			No Projects										\$ -							
Total Debt Service:					\$2,428,500	\$122,085	\$208,802	\$339,881	\$332,175	\$279,468	\$215,662	\$87,147	\$84,896							

Environmental Fund Summary

3/17/2020

Environmental Fund Revenues	Forecasted FY21	Forecasted FY22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Income from Fees	\$3,925,000	\$3,974,063	\$4,533,738	\$4,590,410	\$4,647,790	\$4,705,888	\$4,764,711	\$4,824,270	\$4,884,573	\$4,945,631
Solid Waste Disposal Tax	\$36,000	\$36,360	\$36,724	\$37,091	\$37,462	\$37,836	\$38,215	\$38,597	\$38,983	\$39,373
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers from Water & Sewer Fund	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$170,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$4,206,000	\$4,285,423	\$4,570,462	\$4,627,501	\$4,685,252	\$4,743,724	\$4,802,926	\$4,862,867	\$4,923,556	\$4,985,003
Environmental Fund Expenditures	Forecasted FY 21	Forecasted FY 22	Forecasted FY 23	Forecasted FY 24	Forecasted FY 25	Forecasted FY 26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Personnel	\$315,524	\$324,990	\$334,739	\$344,782	\$355,125	\$365,779	\$376,752	\$388,055	\$399,696	\$411,687
Operations	\$3,686,924	\$3,760,662	\$3,835,876	\$3,912,593	\$3,990,845	\$4,070,662	\$4,152,075	\$4,235,117	\$4,319,819	\$4,406,215
Debt Service	\$232,036	\$232,036	\$116,017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$4,234,484	\$4,317,688	\$4,286,632	\$4,257,375	\$4,345,970	\$4,436,441	\$4,528,827	\$4,623,171	\$4,719,515	\$4,817,903
Revenues Over Expenditures	(\$28,484)	(\$32,266)	\$283,830	\$370,126	\$339,282	\$307,283	\$274,098	\$239,695	\$204,041	\$167,100

Environmental Fund Revenues

3/17/2020

	Budgeted FY21	Forecasted FY22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Income from Fees	\$ 3,925,000	\$3,974,063	\$4,533,738	\$4,590,410	\$4,647,790	\$4,705,888	\$4,764,711	\$4,824,270	\$4,884,573	\$4,945,631
Increase		1.25%	14.08%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Solid Waste Disposal Tax	\$36,000	\$36,360	\$36,724	\$37,091	\$37,462	\$37,836	\$38,215	\$38,597	\$38,983	\$39,373
Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase										
Appropriated Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Water & Sewer Fund	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$170,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$4,206,000	\$4,285,423	\$4,570,462	\$4,627,501	\$4,685,252	\$4,743,724	\$4,802,926	\$4,862,867	\$4,923,556	\$4,985,003

Environmental Fund Expenditures

3/17/2020

	Budgeted FY21	Forecasted FY22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Personnel	\$315,524	\$324,990	\$334,739	\$344,782	\$355,125	\$365,779	\$376,752	\$388,055	\$399,696	\$411,687
Increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Operations	\$3,686,924	\$3,760,662	\$3,835,876	\$3,912,593	\$3,990,845	\$4,070,662	\$4,152,075	\$4,235,117	\$4,319,819	\$4,406,215
Increase	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase										
Debt Service	\$232,036	\$232,036	\$116,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt	\$232,036	\$232,036	\$116,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$4,234,484	\$4,317,688	\$4,286,632	\$4,257,375	\$4,345,970	\$4,436,441	\$4,528,827	\$4,623,172	\$4,719,516	\$4,817,903

Downtown Fund Summary

3/17/2020

Downtown Fund Revenues	Forecasted FY 21	Forecasted FY22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Property Tax - City (\$0.63)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax - County (\$0.629)	\$ 19,500	\$ 336,515	\$ 456,025	\$ 550,375	\$ 644,725	\$ 739,075	\$ 786,250	\$ 786,250	\$ 786,250	\$ 786,250
Commercial Rent / Lease	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000
Residential Rent / Lease	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 50,000
Transfer from Other Funds	\$ 1,101,147	\$ 1,065,159	\$ 1,030,195	\$ 995,231	\$ 960,267	\$ 925,303	\$ 890,339	\$ 855,375	\$ 820,411	\$ 785,447
Building / Space Rental	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Special Event Fees	\$ 75,800	\$ 75,800	\$ 75,800	\$ 75,800	\$ 75,800	\$ 75,800	\$ 75,800	\$ 75,800	\$ 75,800	\$ 75,800
Miscellaneous Revenue	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
CVB Assistance	\$ 500,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 50,000	\$ -
Ballpark Lease	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 500,000	\$ 500,000	\$ 525,000	\$ 525,000	\$ 550,000	\$ 550,000
Total Revenues	\$ 2,926,447	\$ 2,807,474	\$ 2,892,020	\$ 2,951,406	\$ 3,060,792	\$ 3,120,178	\$ 3,157,389	\$ 3,122,425	\$ 3,062,461	\$ 2,932,497
Downtown Fund Expenditures	Forecasted FY 21	Forecasted FY 22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$ 1,028,100	\$ 976,695	\$ 925,290	\$ 873,885	\$ 822,480	\$ 771,075	\$ 719,670	\$ 668,265	\$ 616,860	\$ 565,455
Debt Service	\$ 6,809,290	\$ 6,633,414	\$ 6,485,960	\$ 6,335,402	\$ 6,183,155	\$ 6,028,178	\$ 5,870,341	\$ 5,709,515	\$ 5,451,490	\$ 5,451,490
Transfer to General Fund	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Proposed CIP Debt Service	\$ -	\$ 1,157,000	\$ 1,131,650	\$ 1,106,300	\$ 1,080,950	\$ 1,055,600	\$ 1,030,250	\$ 1,004,900	\$ 979,550	\$ 954,200
Total Expenditures	\$ 8,037,390	\$ 8,967,109	\$ 8,742,900	\$ 8,515,587	\$ 8,286,585	\$ 8,054,853	\$ 7,820,261	\$ 7,582,680	\$ 7,247,900	\$ 7,171,145
Revenues over Expenditures	\$ (5,110,943)	\$ (6,159,635)	\$ (5,850,880)	\$ (5,564,181)	\$ (5,225,793)	\$ (4,934,675)	\$ (4,662,872)	\$ (4,460,255)	\$ (4,185,439)	\$ (4,238,648)

Downtown Fund Revenues

3/17/2020											
	Budgeted FY 21	Forecasted FY22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30	
Property Tax - City (\$0.63)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Property Tax - County (\$0.629)	\$ 19,500	\$ 336,515	\$ 456,025	\$ 550,375	\$ 644,725	\$ 739,075	\$ 786,250	\$ 786,250	\$ 786,250	\$ 786,250	
Commercial Rent / Lease Increase	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	\$665,000	
Residential Rent / Lease Increase	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	
Transfer from Other Funds Increase	\$1,101,147	\$1,065,159	\$1,030,195	\$995,231	\$960,267	\$925,303	\$890,339	\$855,375	\$820,411	\$785,447	
Building / Space Rental Increase	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	
Special Event Fees	\$75,800	\$75,800	\$75,800	\$75,800	\$75,800	\$75,800	\$75,800	\$75,800	\$75,800	\$75,800	
Miscellaneous Revenue	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	
CVB Assistance	\$ 500,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 50,000	\$ -	
Ballpark Lease	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 500,000	\$ 500,000	\$ 525,000	\$ 525,000	\$ 550,000	\$ 550,000	
Total Revenue	\$2,926,447	\$2,807,474	\$2,892,020	\$2,951,406	\$3,060,792	\$3,120,178	\$3,157,389	\$3,122,425	\$3,062,461	\$2,977,497	

Downtown Fund Expenditures

3/17/2020

	Budgeted FY 21	Forecasted FY 22	Forecasted FY23	Forecasted FY24	Forecasted FY25	Forecasted FY26	Forecasted FY27	Forecasted FY28	Forecasted FY29	Forecasted FY30
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$1,028,100	\$976,695	\$925,290	\$873,885	\$822,480	\$771,075	\$719,670	\$668,265	\$616,860	\$565,455
Increase										
Avg increase										
Transfer to Other Funds	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Executed Debt Service:	\$ 6,809,290	\$ 6,633,414	\$ 6,485,960	\$ 6,335,402	\$ 6,183,155	\$ 6,028,178	\$ 5,870,341	\$ 5,709,515	\$ 5,451,490	\$ 5,451,490
CIP Debt Service (Prop.)	\$0	\$1,157,000	\$1,131,650	\$1,106,300	\$1,080,950	\$1,055,600	\$1,030,250	\$1,004,900	\$979,550	\$954,200
Total Expenses	\$8,037,390	\$8,967,109	\$8,742,900	\$8,515,587	\$8,286,585	\$8,054,853	\$7,820,261	\$7,582,680	\$7,247,900	\$7,171,145

Downtown Fund - Capital Improvement Plan

3/17/2020					Budgeted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
					FY 21	FY 22	FY23	FY24	FY25	FY26	FY27	FY28
Interest Rate	Loan Term	Project	Outside Funding	Cost								
		No Projects		\$ -	\$ -							
5.0%	20 Years	LMG Parking Deck		\$ 14,500,000		\$ 1,157,000	\$ 1,131,650	\$ 1,106,300	\$ 1,080,950	\$ 1,055,600	\$ 1,030,250	\$ 1,004,900
		No Projects					\$ -					
		No projects		\$ -				\$ -				
		No projects		\$ -					\$ -			
		No projects		\$ -						\$ -		
		No projects		\$ -							\$ -	
		No Projects		\$ -								\$ -
Total Debt Service:				\$14,500,000	\$0	\$1,157,000	\$1,131,650	\$1,106,300	\$1,080,950	\$1,055,600	\$ 1,030,250	\$ 1,004,900

DEBT SERVICE AND FUND BALANCE

DEBT SERVICE AND FUND BALANCE

Debt Service is mandated by General Statute 159-36, 159-25 (a) (5). The debt service cost center is maintained to track the annual principal and interest requirements of General Obligation Bonds (GO), Certificates of Participation (COPS)/Limited Obligation Bonds (LOBS), Revenue Bonds, Notes Payable and Lease and Installment Financing Agreements.

The following tables outline the debt service budgeted for FY 21. Any new debt service is denoted with an (*).

General Fund Debt Service		
LOBS	Principal	Interest
Fire Stations 2 and 3	555,000	396,603
City Hall/Police Headquarters	1,370,000	807,556
NCRC Projects	2,370,000	303,583
Irish Buffalo Creek *	200,000	80,000
Other		
Way finding Signs	68,727	1,175
Equipment	42,154	9,603
Warehouse/Fire Truck	162,139	9,274
Village Park Building	52,267	785
Village Park/Fire Truck	250,772	101,189
Refinancing	415,193	17,128
Kannapolis Business Park	50,000	4,163
Total	\$5,536,252	\$1,731,059

Water and Sewer Debt Service		
Revenue Bonds	Principal	Interest
Vac Truck*	65,000	26,000
Kannapolis Crossing/Lane St/WTP Improvements*	890,000	867,750
Downtown Water and Sewer	647,000	619,134
Davidson Road Water	270,000	188,964
Reducing Series 2011/2014	1,799,800	837,080
Other		
Jet Vac Truck	77,500	1,325
Equipment	76,528	17,434
Water Line-NCRC	76,633	6,269
Afton Run Sewer	57,834	5,753
Kannapolis Parkway	52,843	2,180
Second Creek	15,172	4,515
Total	\$4,028,310	\$2,576,404

DEBT SERVICE AND FUND BALANCE

Stormwater Debt Service		
Installment Obligations	Principal	Interest
Equipment	17,562	4,000
Stormwater various projects	764,722	247,209
Total	\$784,284	\$251,209

Environmental Debt Service		
Special Obligation Bonds	Principal	Interest
Leaf Collection Trucks	218,398	13,638
Total	\$218,398	\$13,638

Downtown Debt Service		
Special Obligation Bonds	Principal	Interest
Phase 1 of Duct bank/College Station Land	255,226	102,985
College Station/Duct bank/Street Scape	394,999	257,382
Downtown Purchase	734,000	367,147
Stadium*	2,600,000	2,097,550
Total	\$3,984,225	\$2,825,064

Legal debt margin: North Carolina General Statute 159-55 limits the City's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the City's net debt outstanding applicable to the limit and represents the City's legal borrowing authority.

See the next page for the City's legal debt margin calculation

DEBT SERVICE AND FUND BALANCE

	Principal Balance	Principal Payment	Interest Payment	Total Payment
General Fund				
Existing Debt at June 30, 2020	52,687,749	5,336,252	1,651,059	6,987,311
New Proposed Debt for FY 21 (Budgeted)	-	200,000	80,000	280,000
Total General Fund Debt	\$ 52,687,749	\$ 5,536,252	\$ 1,731,059	\$ 7,267,311

The \$52,687,749 in the General Fund Debt is 1% of assessed value of property. The legal debt limit is 8.00% City Policy established a debt limit of 4.00%.

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Water and Sewer Fund				
Existing Debt at June 30, 2020	45,280,956	3,073,310	1,682,654	4,755,964
New Proposed Debt for FY 21 (Budgeted)	-	955,000	893,750	1,848,750
Total Water and Sewer Fund Debt	\$ 45,280,956	\$ 4,028,310	\$ 2,576,404	\$ 6,604,714

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Stormwater Fund				
Existing Debt at June 30, 2020	7,485,603	782,284	251,209	1,033,493
New Proposed Debt for FY 21	-	-	-	-
Total Stormwater Debt	\$ 7,485,603	\$ 782,284	\$ 251,209	\$ 1,033,493

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Environmental Fund				
Existing Debt at June 30, 2020	557,898	218,398	13,638	232,036
New Proposed Debt for FY 21	-	-	-	-
Total Environmental Debt	\$ 557,898	\$ 218,398	\$ 13,638	\$ 232,036

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Downtown Fund				
Existing Debt at June 30, 2020	70,185,211	1,384,225	2,825,064	4,209,289
New Proposed Debt for FY 21 (Budgeted)	-	2,600,000	-	2,600,000
Total Downtown Debt	\$ 70,185,211	\$ 3,984,225	\$ 2,825,064	\$ 6,809,289

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Total Debt				
Existing Debt at June 30, 2020	176,197,417	10,794,469	6,423,624	17,218,093
New Proposed Debt for FY 21	-	3,755,000	973,750	4,728,750
Total City Debt for FY 21	\$ 176,197,417	\$ 14,549,469	\$ 7,397,374	\$ 21,946,843

Assessed Value \$5,049,289,745 Taxable Property for Ad Valorem Tax located in the City.

Legal Debt Limit \$403,943,180 The legal debt limit is by law 8.00% of assessed valuation of the taxable property located in the City.

City Debt Subject to Debt Margin \$ 52,687,749 Note: the City's revenue bonds (Water and Sewer, Stormwater, Environmental, and Downtown Debt) are excluded from this calculation.

City Legal Debt Margin \$351,255,431

DEBT SERVICE AND FUND BALANCE

Fund balance is generally defined as the difference between a fund's assets and liabilities. Adequate fund balance is necessary for numerous reasons, such as the availability of funds in an emergency or unprecedented event, to maintain or enhance the City's financial position and bond rating, to provide cash for operations prior to receipt of property tax revenues, and to maximize investment earnings. Not all fund balance is available for appropriation. State statutes define the available amount as "cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts" in Chapter 159-8 of the North Carolina General Statutes. Fund balance may be reserved for specific uses, such as special revenue funds, where fund balance may only be used for a designated purpose.

Unrestricted Cash Reserves and Fund Balance					
Fund	Minimum Target %	Projected % June 30, 2020	Projected Total Reserves June 30, 2020	Available for Appropriation in FY 21	Amount needed to reach Target %
General	25%	22.36%	\$20,660,915	\$0	\$1,185,273
Downtown/College Stadium*	10%	29.61%	\$2,991,488	\$1,024,542	Above Target
Water and Sewer	25%	20.18%	\$10,559,291	\$0	\$934,431
Stormwater*	25%	49.95%	\$2,342,710	\$823,592	Above Target
Environmental	10%	8.68%	\$1,394,573	\$0	\$49,614
Transit*	NA	71.86%	\$620,878	\$620,878	NA
Total of all Funds	NA	NA	\$38,569,855	\$2,469,012	\$2,169,318

* The recommended FY 21 Budget includes an appropriation of \$263,698 in the Downtown/College Station Fund, \$400,000 in the Stormwater Fund, and \$200,000 in the Transit Fund. The table above was presented during the proposed FY 21 budget.

	General Fund	Water and Sewer	Stormwater	Environmental Separation Pay	Transit Fund	Downtown Fund	Total All Funds	
Actual Balance June 30, 2019	22,423,915	11,299,291	2,402,710	1,344,573	-	660,878	4,041,488	42,172,855
Projected Revenues FY 2020	48,359,257	21,237,825	3,065,313	4,334,435	-	853,170	7,228,776	85,078,776
Projected Expenditures FY 2020	48,528,130	21,237,825	3,065,313	4,334,435	-	-	7,860,540	85,026,243
Projected Balance June 30, 2020	22,255,042	11,299,291	2,402,710	1,344,573	-	1,514,048	4,041,488	42,857,152
Budgeted Revenues FY 2021	51,671,349	20,500,000	3,500,000	4,530,187	502,781	700,000	7,676,905	89,081,222
Budgeted Expenditures FY 2021	51,671,349	20,500,000	3,500,000	4,530,187	502,781	700,000	7,676,905	89,081,222
Projected Balance June 30, 2021	22,255,042	11,299,291	2,402,710	1,344,573	-	1,514,048	4,041,488	42,857,152

Note: For the Water and Sewer Fund, bond coverage does not have any effect of the Fund Balance calculation because it is not actually a cash outlay.

POSITION SUMMARY

Full Time Employees

DEPARTMENT	ACTUAL FY2017	ACTUAL FY2018	ACTUAL FY2019	ACTUAL FY2020	CHANGE/ ADDITIONS	BUDGET FY2021
GENERAL GOVERNMENT						
GOVERNING BODY	7	7	7	7	-	7
CITY MANAGER	6	6	7	9	-	9
HUMAN RESOURCES	5	5	5	5	-	5
LEGAL SERVICES	2	2	2	2	-	2
GENERAL SERVICES	5	7	7	10	-	10
PLANNING & ZONING	8	8	9	9	-	9
FINANCE	8	8	8	6	-	6
INFORMATION TECHNOLOGY	-	-	-	5	-	5
TOTAL GENERAL GOVERNMENT	41	43	45	53	-	53
PUBLIC SAFETY						
POLICE	111	112	113	113	1	114
FIRE	90	94	95	96	1	97
TOTAL PUBLIC SAFETY	201	206	208	209	2	211
TOTAL PARKS AND RECREATION	9	10	12	18	-	18
TOTAL PUBLIC WORKS (INCLUDING POWELL BILL)	21	22	24	24	-	24
TOTAL GENERAL FUND	272	281	289	304	2	306
WATER & SEWER FUND						
BILLING AND COLLECTIONS	8	8	8	9	-	9
WATER TREATMENT PLANT	11	11	14	15	-	15
DISTRIBUTION	29	29	33	38	-	38
TOTAL WATER & SEWER	48	48	55	62	-	62
TOTAL STORMWATER FUND	16	16	16	16	-	16
TOTAL ENVIRONMENTAL	-	4	4	6	-	6
TOTAL TRANSIT	-	-	-	-	-	-
TOTAL SEPERATION PAY	-	-	-	-	-	-
TOTAL DOWNTOWN	-	-	-	-	-	-
TOTAL ALL FUNDS	336	349	364	388	2	390

Note: Two new positions for FY 21 consist of a School Resource Officer (SRO) in the Police Department and a Fire Mechanic in the Fire Department. The SRO position is funded by a grant with Kannapolis City Schools and the Fire Mechanic position is funded by a reduction in a contracted service expense.

This chart does not show part-time, seasonal, auxiliary or temporary positions.

There were no reclassifications or changes in positions as part of the FY 21 budget.

SUPPLEMENTAL INFORMATION

Community Information

City of Kannapolis, NC

Government	
Date of Incorporation	December 11, 1984
Form of Government	Council-manager
Number of Employees (Full Time)	390
County location	Cabarrus and Rowan

Area Statistics	
Population	52,053
Area in square miles	31.94 square miles

Taxes	
NC Retail Sales Tax	4.75%
Cabarrus County Local Sales Tax	2.25%
City of Kannapolis- Property Tax Rate	0.63 cents per \$100 value

Public Safety	
Fire Protection	
Stations	5
Number of fire personnel and officers	97
Police Services	
Number of sworn personnel	89
Number of civilians	25
Number of patrol units	110

Education	
Public School Enrollment *Kannapolis City Schools	5,626
Elementary Schools	6
Middle School	1
High School	1
Graduation Rate	81.6%

Economy	
Unemployment rate	7.8% Cabarrus; 8.4% Rowan
Per capita personal income	\$45,220 Cabarrus; \$38,089 Rowan
Single Family permits issued (July 1-June 30)	237
Non-residential construction permit value	\$3,862,187

SUPPLEMENTAL INFORMATION

City of Kannapolis

Top 10 Taxpayers

Top 10 Taxpayers		Percent of Tax Base
1.	Atlantic American Properties	5.8%
2.	Kannapolis Logistics Center	1.4%
3.	Glen Afton LLC	1.22%
4.	Show Show Inc	1.04%
5.	Duke Energy Corporation	0.86%
6.	Kannapolis Investments LLC	0.83%
7.	Gateway Afton Ridge Inc	0.81%
8.	Centennial Afton Ridge LLC	0.72%
9.	Integra POE LP	0.67%
10.	Wells Fargo	0.66%

SUPPLEMENTAL INFORMATION

CITY OF KANNAPOLIS CLASSIFICATION PLAN EFFECTIVE JULY 15, 2020

*updated based on 2.5% COLA

							Salary Range	
Job Class				Development Range		Merit Range		
Code	Department	Job Classification	Grade	Minimum	15%	Midpoint	Maximum	
			52	\$16,275	\$18,715	\$20,750	\$25,225	
			53	\$17,088	\$19,651	\$21,787	\$26,487	
			54	\$17,943	\$20,634	\$22,877	\$27,811	
1900	Parks	Concession Worker	55	\$18,841	\$21,665	\$24,021	\$29,202	
			56	\$19,781	\$22,749	\$25,221	\$30,662	
1905	Parks	Park Attendant	57	\$20,771	\$23,887	\$26,482	\$32,195	
			58	\$21,810	\$25,081	\$27,807	\$33,805	
			59	\$22,900	\$26,335	\$29,197	\$35,495	
1915	Parks	Park Operations Specialist	60	\$24,045	\$27,651	\$30,657	\$37,269	
			61	\$25,247	\$29,034	\$32,190	\$39,132	
5220	General Services	Building Maintenance Technician I	62	\$26,510	\$30,486	\$33,799	\$41,090	

SUPPLEMENTAL INFORMATION

1910	Parks	Park Maintenance Technician I					
1000	Global	Administrative Support Specialist	63	\$27,835	\$32,010	\$35,490	\$43,144
5215	General Services	Building Maintenance Technician II					
1920	Parks	Park Maintenance Technician II					
1300	Customer Service	Customer Service Representative					
5210	General Services	Building Maintenance Technician III	64	\$29,227	\$33,611	\$37,264	\$45,301
1400	Public Works	Construction Maintenance Worker I					
1925	Parks	Park Maintenance Technician III					
1800	Police	Police Records Specialist					
1930	Parks	Recreation Program Assistant					
1010/ 1100	Global	Senior Administrative Support Specialist					
1310	Customer Service	Senior Customer Service Representative					
1210	Finance	Accounting Technician I	65	\$30,689	\$35,291	\$39,127	\$47,566
1405	Public Works	Construction Maintenance Worker II					
1330	Customer Service	Customer Care Representative					
1445	Public Works	Meter Service Technician					
1320	Customer Service	Utility Billing Specialist					
1710	Fire	Reserve Firefighter					

SUPPLEMENTAL INFORMATION

1450	Public Works	Warehouse Assistant					
1020	Global	Administrative Assistant	66	\$32,222	\$37,056	\$41,084	\$49,944
5205	General Services	Building Maintenance Technician IV					
1408	Public Works	Heavy Equipment Operator					
1926	Parks	Park Maintenance Technician IV					
1220	Finance	Accounting Technician II	67	\$33,834	\$38,909	\$43,138	\$52,442
1345	Customer Service	Revenue Collection Specialist					
1340	Customer Service	Senior Utility Billing Specialist					
1810	Police	Telecommunicator					
1460	Public Works	Water Quality Technician					
1465	Public Works	Water Treatment Plant Maintenance Worker					
1422	Public Works	Construction Maintenance Technician	68	\$35,524	\$40,854	\$45,295	\$55,064
1705/ 1700	Fire	Firefighter/ Firefighter P/T					
1935	Parks	Park Manager I					
1470	Public Works	Water Treatment Plant Operator I					
4030	Planning	Code Enforcement Officer	69	\$37,302	\$42,896	\$47,559	\$57,817
1817	Police	Evidence/Property Control Technician					
4025	Planning	Planning Technician					
1715	Fire	Quality Assurance Coordinator					
1805	Police	Records Supervisor					

SUPPLEMENTAL INFORMATION

1815	Police	Telecommunicator Shift Supervisor					
1110	City Manager	Communications Specialist	70	\$39,166	\$45,042	\$49,937	\$60,708
1951	Parks	Athletic Program Coordinator					
1425	Public Works	Crew Chief					
1830	Police	DARE Officer					
1720	Fire	Fire Engineer					
5400	General Services	Grounds Manager					
1600	Human Resources	Human Resource Technician					
1940	Parks	Park Manager II					
1850	Police	Police Detective					
1820	Police	Police Officer					
1840	Police	School Resource Officer					
1865	Police	Training Coordinator					
1455	Public Works	Warehouse Manager					
1475	Public Works	Water Treatment Plant Operator II					
1816	Police	Police Planner/Accreditatio n Manager	71	\$41,125	\$47,294	\$52,435	\$63,744
1950	Parks	Recreation Programmer/Special Events Coordinator					
1230	Finance	Accountant I	72	\$43,181	\$49,658	\$55,056	\$66,931
1350	Customer Service	Billing and Collections Supervisor					
1430	Public Works	Crew Supervisor					
1490	Public Works	Engineering Technician					
4020	Planning	Planner					
1435	Public Works	Planner/Scheduler					

SUPPLEMENTAL INFORMATION

1730	Fire	Fire & Life Safety Educator	73	\$45,340	\$52,141	\$57,809	\$70,277
1725	Fire	Fire Inspector					
1610	Human Resources	Human Resource Analyst					
1250	Finance	Purchasing Agent					
1260/ 1262	Finance	Senior Accountant / Sr Accountant P/T					
1811	Police	Telecommunications Center Manager					
1480	Public Works	Water Treatment Plant Supervisor					
1120	City Manager	City Clerk	74	\$47,607	\$54,748	\$60,699	\$73,792
1735	City Manager	Communications Multimedia Specialist					
4015	Fire	Fire Captain					
1860	Planning	GIS Specialist					
	Fire	Safety and Logistics Officer					
	Police	Sergeant					
1265	Finance	Budget Analyst	75	\$49,987	\$57,486	\$63,735	\$77,481
5200	General Services	Facility Manager					
1495	Fire	Fire Vehicle Mechanic					
	Public Works	Operations Manager					
1740	Fire	Battalion Chief	76	\$52,487	\$60,360	\$66,920	\$81,355
1491	Public Works	Civil Engineer I					
1728	Fire	Fire Marshal					
1738	Fire	Health and Wellness Manager					
1870	Police	Police Lieutenant					
1615	Human Resource	Risk Manager					
	Information Technology	Software Support Specialist					

SUPPLEMENTAL INFORMATION

1130	City Manager	Community Development Program Administrator	77	\$55,111	\$63,378	\$70,267	\$85,422
1494	Information Technology	Information Technology Systems Engineer					
4010	Public Works	Senior Engineer Technician					
1737	Planning	Senior Planner					
	Fire	Training Manager					
1485	Public Works	Water Treatment Plant Manager	78	\$57,866	\$66,547	\$73,781	\$89,694
1492	Public Works	Civil Engineer II	79	\$60,761	\$69,874	\$77,468	\$94,178
1750	Fire	Division Chief					
	Information Technology	Network Administrator					
1270	Finance	Deputy Finance Director	80	\$63,798	\$73,367	\$81,342	\$98,887
1140		Director of Customer Service					
1880	Police	Police Captain					
	Engineering	Assistant Director of Engineering	81	\$66,988	\$77,036	\$85,410	\$103,831
1155	Planning	Assistant Planning Director					
	City Manager	Communications Director					
1150	City Manager	Director of Economic & Community Development					
5000	General Services	General Services Director					
1755	Fire	Assistant Fire Chief	82	\$70,338	\$80,888	\$89,680	\$109,023
1500		Director of Transportation and					

SUPPLEMENTAL INFORMATION

1161	City Manager Information Technology	Environmental Services Director of Water Resources Assistant to the City Manager Senior Network Administrator					
1955	Parks	Parks & Recreation Director	83	\$73,854	\$84,933	\$94,164	\$114,475
1885 1755	Police Fire	Deputy Chief of Police Deputy Fire Chief					
1620	Human Resource	Human Resource Director	84	\$77,546	\$89,179	\$98,873	\$120,198
1493 4000	Public Works Planning	Director of Engineering Planning Director	85	\$81,424	\$93,638	\$103,816	\$126,207
1280	Finance Information Technology	Finance Director Information Technology Director	86	\$85,495	\$98,320	\$109,007	\$132,518
1890 1760	Police Fire	Chief of Police Fire Chief	87	\$89,771	\$103,236	\$114,458	\$139,144
-	Global	Assistant City Manager	88	\$94,259	\$108,398	\$120,180	\$146,101
-	-	-	89	\$98,972	\$113,818	\$126,189	\$153,407
			90	\$103,921	\$116,594	\$129,267	\$157,148

SUPPLEMENTAL INFORMATION

1160	City Manager	Deputy City Manager	91	\$109,116	\$125,484	\$139,123	\$169,130
			92	\$114,572	\$129,175	\$143,215	\$174,105
			93	\$120,301	\$138,346	\$153,384	\$186,467

SUPPLEMENTAL INFORMATION

CITY OF KANNAPOLIS
TAX RATES AND ASSESSED VALUATION

FISCAL YEAR	TAX RATE PER \$100	ASSESSED VALUATION	TAX LEVY	% INCREASE (DECREASE)
1990	0.38	\$710,502,765	\$2,716,471	22%
1991	0.45	756,215,698	3,402,971	25%
1992	0.37	937,808,108 *	3,469,890	2%
1993	0.39	969,630,566	3,781,559	9%
1994	0.42	1,008,377,099	4,223,979	12%
1995	0.46	1,049,078,046	4,810,874	14%
1996	0.46	1,192,811,135 *	5,491,956	14%
1997	0.46	1,241,130,090	5,709,717	4%
1998	0.49	1,293,059,850	6,345,535	11%
1999	0.49	1,359,260,351	6,666,506	5%
2000	0.49	1,803,928,729 **	8,492,318	27%
2001	.047	1,847,521,353	9,052,855	7%
2002	0.49	1,983,954,396	9,721,377	7%
2003	0.49	2,027,762,094	10,717,459	10%
2004	0.53	1,969,103,832 ???	10,543,899	(1.6)%
2005	0.53	2,178,372,302 ****	10,826,510	3%
2006	0.497	2,270,062,374	11,282,210	4%
2007	0.497	2,375,528,118	12,054,762	7%
2008	0.497	2,560,383,000 ***	12,725,104	6%
2009	0.497	3,540,416,000 ****	17,348,038	36%
2010	0.49	3,699,101,000	18,225,595	4%
2011	0.49	3,733,730,000	18,295,595	0.4%
2012	0.49	3,762,762,000	18,437,534	0.7%
2013	0.56	3,405,337,747 ***	19,069,891	3.4%
2014	0.56	3,468,844,752 ****	19,425,531	1.8%

SUPPLEMENTAL INFORMATION

2015	0.60	3,546,893,759		21,281,363	10%
2016	0.63	3,653,710,000 ***		23,404,948	10%
2017	0.63	3,859,718,981 *****		23,708,300	2%
2018	0.63	3,981,333,560		24,538,000	3.5%
2019	0.63	4,080,738,159		25,294,944	5%
2020	0.63	4,337,823,300 ***		26,781,721	6%
2021	0.63	5,049,289,745 *****		31,212,488	14%

Legend:

*	A Citywide re-valuation of real property was conducted by Rowan County and Cabarrus County
**	In addition to a Citywide re-valuation being conducted, the City annexed ten square miles on its west side.
???	Rowan County re-valued property and the Pillowtex property was de-valued due to bankruptcy.
***	A re-valuation was done in the Rowan County portion of the City.
*****	A re-valuation was done in the Cabarrus County portion of the City.

GLOSSARY

AAP – Atlantic American Properties, a real estate dealer in Kannapolis.

ABC Revenues - Contributions from the local Alcoholic Beverage Control Board. The City is appropriated a portion of the net operating revenue derived from the operation of the local liquor stores.

Accrual Accounting - A basis of accounting in which revenues and expenses are recorded at the time they are incurred, instead of when cash is actually received or disbursed. For example, in accrual accounting, revenue earned between June 1 and June 30, but for which payment was not received until July 12, is recorded as earned on June 30, rather than on July 12.

Activity - A specific service or unit of work performed.

Ad Valorem Taxes - Revenue accounts showing taxes paid on real property, personal property to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue.

Adopted Budget - Term used to describe revenues and expenditures for the upcoming year beginning July 1 as adopted by the City Council.

And procedures necessary to define accepted accounting practices.

Annexation – Method by which a city may expand its boundaries (procedures are set forth in North Carolina General Statute 160A-46)

Appropriation (Budgeting) - An authorization granted by the City Council to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinances.

Appropriation - An authorization made by the City Council which permits the City to incur obligations and to make expenditures of resources.

Assessed Valuation - A value that is established for real or personal property for use as a basis to levy property taxes.

AWWA – American Water Works Association

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.

GLOSSARY

Basis of Accounting - A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities-are recognized in the accounts and reported in the financial statements; the City of Kannapolis uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Biotechnology – A term used to describe any technological application that uses biological systems, living organisms, or derivatives thereof, to make or modify products or processes most commonly related to human health and disease.

Bond - A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Bond Funds - Resources derived from issuance of bonds for specific purposes and related Federal project grants used to finance capital expenditures.

Budget - A statement in dollar terms of the City's program of service delivery for the ensuing fiscal year.

Budget Amendment - A legal procedure utilized by the City staff and City Council to revise a budget appropriation.

Budget Calendar - The schedule of key dates which the City's departments follow in the preparation, adoption and administration of the budget.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Message - The opening section 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 the current and previous fiscal years, and the views and recommendations of the City Manager.

Budget Ordinance - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

GLOSSARY

C.O.P. – Community Oriented Policing

CAD - Acronym for Computer Aided Design.

CAFR – Certificate of Achievement in Excellence for Financial Reporting

CALEA – Commission on Accreditation for Law Enforcement Agencies

Capital Equipment - Vehicles, equipment, software, and furniture purchased by the City which individually amount to a value in excess of \$500 and an expected life of more than one year.

Capital Improvement Program - A plan for major capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

Capital Improvements - Major construction, repair of or addition to buildings, parks, streets, bridges and other City facilities. Capital Improvements projects cost \$10,000 or more, and have a useful life of more than three years.

Capital Improvements Budget - The schedule of project expenditures for the acquisition and construction of capital assets for the current fiscal year.

Capital Outlays - Expenditures for the acquisition of capital assets. Includes the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

Capital Reserve Fund - A special fund used as a clearing house for monies being transferred from General Fund and Water and Sewer Fund operations.

Cash Accounting - A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

Cash Management - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships.

CD – Community Development.

GLOSSARY

CDBG – Community Development Block Grant given by the Federal Department of Housing and Urban Development.

CIP – Capital Improvement Program.

Classification - Assignment of a position title and an associated pay range based on the job skills required for a particular position.

Contingency Account - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Contributed Capital – Donations of capital property to the City. Streets and water and sewer lines installed by developers and turned over to the City in order to be owned and maintained by the City are examples of contributed capital.

D.A.R.E. – Drug Abuse Resistance Education

Debt Services - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Deficit - An excess of expenditures over revenues or expense over income.

Delinquent Taxes - Taxes that remain unpaid on and after the due date on which a penalty for non-payment is attached.

Department - An organizational unit responsible for carrying out a major governmental function.

Depreciation - The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replace. The cost of the fixed assets lost usefulness is the depreciation or the cost to reserve in order to replace tile item at the end of its useful life.

Disbursement - Payment for goods and services in cash or by check.

DS1 – Digital Service broad ban hookup. Telephone line for high speed service measured at 1,544,000 bits per second.

GLOSSARY

DWI – Driving under the influence of drugs or alcohol.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds is to set aside or commit funds for future expenditures.

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.

Enterprise Fund - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Kannapolis are established for services such as water and sewer.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the City Council.

Expenditure - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services regardless of when the expense is actually paid. This term applies to all funds.

Expenses - Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

Fiscal Year - The time period designating the beginning and ending period for recording financial transactions. The City of Kannapolis's fiscal year begins July 1st and ends June 30th.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FPS – Finkbeiner, Pettis & Strout, Inc., Consulting Engineers.

FTO – Field Training Officer.

Function - A group of related programs crossing organizational (department) boundaries and aimed at accomplishing a broad goal or accomplishing a major service.

Fund - An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions.

GLOSSARY

Fund Balance - Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statute declares that a portion of fund balance is not available for appropriation.

FY – Fiscal Year.

GASB - Acronym for Government Accounting Standards Board.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that organizations use to compile their financial statements. GAAP are a combination of authoritative standards set by policy boards and simply the most common ways of recording and reporting accounting information.

General Fund - The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenue include property taxes, licenses and permits, local taxes and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, data processing, public works, and general administration.

General Ledger - A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bonds - Bonds that finance a variety of public projects such as streets, buildings and improvements; the repayment of these bonds is usually made from the General Fund and these bonds are backed by the full faith and credit of the issuing government.

Geographic Information System - A project which will link the City to a county-wide database, including hardware, software, and added personnel. This system is to be utilized as a planning tool by the City departments.

GF – General Fund.

GFOA - Acronym for Government Finance Officers Association.

GHSP – Governors Highway Safety Program.

GIS – Geographic Information System.

GLOSSARY

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Grant - A contribution by a government or other organizations to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed by the grantee.

HACV (HVAC) – heating, Air Conditioning, Ventilation

Interfund Transfers - Amounts transferred from one fund to another.

Intergovernmental Revenue - Revenue received from another government for a specified purpose.

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department to another department on a cost reimbursement basis.

Inventory - A detailed listing of property currently held by the government.

Investment Revenue - Revenue earned on investments with a third party. The City uses a pooled cash system. We pool all funds' cash and invest it in total. The interest earned is then allocated back to individual funds by average cash balance in that fund.

K9 – Police canine program.

KPD – Kannapolis Police Department.

Lease-Purchase Agreement - An agreement that conveys the right to property or equipment for a stated period of item that allows the City to spread the cost of the acquisition over several budget years.

Levy - To impose taxes, special assessments, or service charges for the support of City activities.

LGC – Local Government Commission in the State Treasurer's office. Oversees local government Finance and Debt issuance.

LLEBG – Local Law Enforcement Block Grant.

GLOSSARY

Line Item Budget - A budget that lists each expenditure category (salaries, material, telephone, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Local Government Budget and Fiscal Control Act - This act governs all financial activities of local Governments within the State of North Carolina.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Maturities - The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

Merit Program - An established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

Modified Accrual Accounting - The accounting approach under which revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period, and expenditures are recognized in the accounting period in which a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due.

MPO – Metropolitan Planning Organization

NC ALE – North Carolina Alcohol Law Enforcement

NC SAFIS – North Carolina State Automated Fingerprint Identification System

NCDOT - Acronym for North Carolina Department of Transportation.

NCGS – North Carolina General Statute

NCSBI – North Carolina State Bureau of Investigations

NFPA – National Fire Protection Association

GLOSSARY

North Carolina Research Campus – A 157 acre biotechnology research center including laboratories, offices, housing, parking decks, retail shopping, and other amenities, being built in Kannapolis on the former Fieldcrest Cannon textile industrial plant site.

Object Code - An expenditure category, such as salaries, supplies or vehicles.

Objectives - A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

Operating Budget - The City's financial plan which outlines proposed expenditures for the coming fiscal year and estimates the revenues which will be used to finance them.

Operating Funds - Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

Operating Transfers - Routine and/or recurring transfers of assets between funds.

Operations - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials and travel. Generally, all expenses that do not meet the personal services and capital outlay criteria.

OSHA – Occupational Safety and Health Administration

PARTF – Parks and Recreation Trust Fund. A Trust Fund with the State of North Carolina.

Performance Measures - Descriptions of a program's effectiveness or efficiency (i.e., response time to public requests, frequency of document updates).

Personnel Services - General category that includes salaries and wages, pensions, health insurance and other fringe benefits.

Powell Bill Funds - Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

GLOSSARY

Productivity - A measure of the increase of service output of City programs compared to the per unit of resource input invested.

Program - An organized set of related work activities which are directed toward accomplishing a common goal. Each City department is usually responsible for a number of related service programs.

Property Tax - Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

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. This rate is currently \$.47 per \$100 of assessed valuation.

PWOC – Public Work Operations Center.

Reappropriation - Appropriations which are not expended at the end of a fiscal year that were earmarked for a specific purpose and are funded in the subsequent year.

Reclassification - Change in a position title and /or the associated pay range based on changes in the job skills required for a given position.

Requisition - A written request from a department to the purchasing office for specific goods or services. This action precedes the authorization of a purchase order.

Reserve - A portion of fund balance earmarked to indicate 1) that is not available for expenditure, or 2) is legally segregated for a specific future use.

Resources - Assets that can be used to fund expenditures. These can be such things as Property Taxes, Charges for Service, Beginning Fund Balance or Working Capital.

Restricted Reserve - An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Retained Earnings - An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

GLOSSARY

Re-valuation - Assignment of value to properties, buildings, vehicles, and equipment used for business purposes by the County Tax Assessor's Office; under State law, all property must be revalued no less frequently than once every eight years.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund.

SCADA – Supervisory Control and Data Acquisition. Type of communication system used at the water treatment plant to monitor all plant functions as well as water tanks throughout the City.

Service Level - Services(s) or product(s) which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

SFR – Single Family Residential.

Source of Revenue - Revenues are classified according to their source or point of origin.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a **specific** improvement or service deemed to primarily benefit those properties.

Special Revenue Fund - A fund used to account for the revenues from specific sources which are to be used for legally specified expenditures.

SRO – School Resource Officer.

STEP – Selective Traffic Enforcement Plan

Tax Base - The assessed valuation of all taxable real and personal property within the City's corporate limits.

TEA-21 – Transportation Efficiency Act of the 21st Century.

GLOSSARY

TIF – Tax Increment Financing. This is a type of financing authorized by North Carolina which stipulates that City property taxes received on the incremental value of a development can be pledged to pay debt service related to infrastructure improvements done by the City related to the development.

Transfers - All interfund transactions except loans or advances, quasi-external transactions and reimbursements.

UDO – Unified Development Ordinance.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

WAN – Wide Area Network .

WSACC – Water and Sewer Authority of Cabarrus County.

WTP – Water Treatment Plant.

ALL FUNDS WATCH LIST

All Funds Watch List – FY 22 and FY 23 (not ranked/prioritized) New Positions highlighted			
Fiscal Year 2022			
	Fund (Dept)	Amount	Description:
1	General Fund (Streets)	\$100,000	Bobcat 85 as replacement for Hyundai wheeled excavator
2	General Fund (Streets)	\$16,000	Addition to the Fleet- 12 ton / 20ft Tilt Trailer
3	General Fund (Streets)	\$697,069	Litter Crew (1 Crew Chief and 4 Construction Maintenance Workers) could be phased over FY 22 and FY 23
4	General Fund (Police)	\$566,760	(4) Police Officers requested to compensate for growth (includes benefits, vehicles, public safety supplies, etc.)
5	General Fund (Police)	\$31,000	Replacement of 50 Body Worn Cameras. End of life expectancy for BWC's is 2-years. Initial BWC's purchase made February 2018. This will become part of annual replacement.
6	General Fund (Police)	\$21,000	Replacement of 12 Tasers each year beginning this year.
7	General Fund (Police-Field Operations)	\$540,000	(9) Vehicles selected for replacement meet or exceed established threshold amounts relating to year of vehicle and/or mileage.
8	General Fund (Police)	\$4,000	Cellbrite training for staff member
9	General Fund (Police-Support Services)	\$307,000	(8) Vehicles selected for replacement meet or exceed established threshold amounts relating to year of vehicle and/or mileage.
10	General Fund (Communications)	\$55,720	Fire Station Monument Signage
11	General Fund (Communications)	\$4,800	(9) Nine park rule signs with city brand; updates rules; would be fabricated inhouse by the Sign Shop
12	General Fund (Communications)	\$250,000	Art for (10) public spaces/conference rooms in City Hall
13	General Fund (Parks and Recreation)	\$264,500	Includes all costs associated with the following positions: (1) Recreation Superintendent, (1) Assistant Athletics Coordinator, (1) Park Manager for VVP and (1) Parks Superintendent.
14	General Fund (Parks and Recreation)	\$36,100	(3) mower replacements
15	General Fund (Parks and Recreation)	\$13,000	Trailers to haul equipment and properly secure/store.
16	General Fund (Parks and Recreation)	\$7,300	Debris blower for greenway maintenance
17	General Fund (Parks and Recreation)	\$9,500	Utility vehicle for everyday greenway maintenance.
18	General Fund (Parks and Recreation)	\$72,000	One-ton dump vehicle
19	General Fund (Parks and Recreation)	\$79,800	40' man/boom list to use downtown for installation of materials.

ALL FUNDS WATCH LIST

All Funds Watch List – FY 22 and FY 23 (not ranked/prioritized) New Positions highlighted			
20	General Fund (Parks and Recreation)	\$30,000	Replacement for hand me down cruiser used to haul trash.
21	General Fund (Parks and Recreation)	\$120,000	Enhancement of summer concert series, Kannapolis Christmas, youth athletics
22	General Fund (Fire-Administration)	\$42,000	Replacement of 2002 staff vehicle pickup truck
23	General Fund (Fire-Emergency Services)	\$161,267	(3) Firefighters due to growth and increased service demands.
24	General Fund (Fire-Emergency Services)	\$150,000	Used Fire light/air/rescue apparatus.
25	General Fund (Fire-Emergency Services)	\$750,000	Replace 25-year-old engine
26	General Fund (Fire-Emergency Services)	\$51,000	Ballistic vests for all sworn personnel
27	General Fund (Information Technology)	\$20,000	Laptops needed for departmental training
28	General Fund (General Services)	\$125,000	(1) Janitorial supervisor to oversee cleaning of all city properties (includes vehicle costs).
29	Environmental Services (Environmental)	\$35,000	Mid-size truck replacement for Crew Supervisor
30	Stormwater Services (Stormwater)	\$192,000	Tandem Dump Truck addition
31	Stormwater Services (Stormwater)	\$152,434	(3) Construction Maintenance Crew for phase II annual catch basin inspections
32	Water Resources (Distribution)	\$85,000	Replace W19 (2003) - currently has 194,000 miles
33	Water Resources (Distribution)	\$95,000	Replace W7 and W9 with two new trucks - currently have 154,000 and 148,000 respectively
34	Water Resources (Distribution)	\$195,000	Replace sewer line along unnamed creek on 22nd Street and install retaining wall to prevent future failure.
35	Water Resources (Distribution)	\$1,300,000	Replace water and sewer lines, our portion of the required participation for DEB/29 left turn project.
36	Water Resources (Distribution)	\$45,000	Warehouse manager

ALL FUNDS WATCH LIST

All Funds Watch List – FY 22 and FY 23 (not ranked/prioritized) New Positions highlighted			
37	Water Resources (Distribution)	\$35,000	Warehouse attendant
Fiscal Year 2023			
	Fund (Dept)	Amount	Description:
38	General Fund (Streets)	\$15,000	Replacement of asset S62 (69 model) limited weight limit trailer
39	General Fund (Streets)	\$192,000	Tandem to replace asset S28
40	General Fund (Police)	\$566,760	(4) Police Officers requested to compensate for growth (includes benefits, vehicles, public safety supplies, etc.)
41	General Fund (Police)	\$31,000	Replacement of 50 Body Worn Cameras. End of life expectancy for BWC's is 2-years. Initial BWC's purchase made February 2018. This will become part of annual replacement.
42	General Fund (Police)	\$21,000	Replacement of 12 Tasers each year beginning this year.
43	General Fund (Police)	\$25,000	Honor Guard Uniform replacement
44	General Fund (Police-Field Operations)	\$595,000	(10) Vehicles selected for replacement meet or exceed established threshold amounts relating to year of vehicle and/or mileage.
45	General Fund (Police-Support Services)	\$142,240	SRO requested to compensate for growth (includes all costs associated with this position including a vehicle).
46	General Fund (Police-Support Services)	\$158,500	(3) Vehicles selected for replacement meet or exceed established threshold amounts relating to year of vehicle and/or mileage.
47	General Fund (Police)	\$64,100	Auxiliary Police Officers (Part- time) (includes all costs)
48	General Fund (Police)	\$74,300	Crime Analyst requested (covers all costs related to this position)
49	General Fund (Police)	\$61,500	Stipends for SRT includes tactical and negotiation and instructor stipends
50	General Fund (Police)	\$5,500	Supplies to start a youth public safety academy
51	General Fund (Parks and Recreation)	\$421,000	Includes all costs associated with the following positions: (1) Park Manager for Eastside park, (1) Park Maintenance Tech

ALL FUNDS WATCH LIST

All Funds Watch List – FY 22 and FY 23 (not ranked/prioritized) New Positions highlighted			
			III, (1) Park Manager III for Westside Park, (2) Maintenance Tech III's for Westside Park, (1) Maintenance Tech III for Buffalo Creek Greenway Phase 3, (1) Community Center Manager, (1) Assistant Community Center Manager
52	General Fund (Parks and Recreation)	\$60,000	(2) vehicles for Westside and Eastside Parks
53	General Fund (Parks and Recreation)	\$71,000	(3) mowers for maintenance efforts
54	General Fund (Parks and Recreation)	\$9,500	Gator Utility vehicle for Westside Park
55	General Fund (Parks and Recreation)	\$391,000	Repair and maintenance for additional parks, greenways and community center
56	General Fund (Parks and Recreation)	\$120,000	Enhancement of summer concert series, Kannapolis Christmas, youth athletics
57	General Fund (Fire-Administration)	\$15,600	Additional administrative assistant
58	General Fund (Fire-Emergency Services)	\$250,000	Fire (Emergency Services) – purchase of a mini pumper
59	General Fund (General Services)	\$80,000	(1) Building Maintenance Tech to accommodate maintenance duties for all city properties (includes vehicle costs).
60	General Fund (Public Works-Operations Center)	\$150,000	Place above ground Stormwater feature below ground for efficiencies/storage in motor pool area
61	Environmental Services (Environmental)	\$58,000	(1) Construction Maintenance Tech
62	Environmental Services (Environmental)	\$225,425	30 yd leaf vac needed due to expanded service AO and downtime of other aging equipment/Additional
63	Environmental Services (Environmental)	\$300,000	(1) Street Sweeper-vac Switzer Hypervac/ Replacement of SW
64	Environmental Services (Environmental)	\$330,000	(2) Boom truck replacements of E2/E3 (over 150,000 miles)
65	Stormwater Services (Stormwater)	\$192,000	Tandem Dump Truck addition
66	Stormwater Services (Stormwater)	\$325,000	Contracted Services for SW System inventory and asset management plan

ALL FUNDS WATCH LIST

All Funds Watch List – FY 22 and FY 23
(not ranked/prioritized)
New Positions highlighted

67	Water Resources (Distribution)	\$110,000	Replace (3) pickup trucks due to high mileage
68	Water Resources (Distribution)	\$175,000	Replace new Holland backhoe



Fiscal Year 2021 Fee Schedule

Adopted June 22nd, 2020

Admin

Public Records

Copies of Documents (per sheet)	10 cents
Copies of Ordinances (each)	\$10
Thumb Drive with Data	\$ 5

Legal Notices

Legal Advertisements & Newspaper Ads.	Fee \$300 or actual cost, Whichever is greater.
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HR

Employee Notices

Wage Garnishment Notice (each)	Fee \$14.35
Employee ID Badge replacement	\$10.00

Police

Police Permits and Services

Fingerprinting	In-Town Residents	Fee \$15.00
	Out-of-Town Residents	\$25.00
Sound Permits		\$25.00
Pawn Brokers Permits		\$275.00

General

Vehicle license fee	Fee \$30.00
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Planning and Zoning

	<u>Fee</u>
Zoning Map Amendment: <i>*plus applicable Legal Ad & Mailed notification fees</i>	\$500.00
Conditional Zoning Map Amendment: <i>*plus applicable Legal Ad & Mailed notification fees</i>	\$600.00
UDO Text Amendment:	\$400.00
Conditional Use Permit: <i>*plus applicable Mailed notification fees</i>	\$600.00
Variance, Appeal, Nonconformity Adjustment: <i>*plus applicable Mailed notification fees</i>	\$300.00
Mailed Notification Fees:	
1-20:	\$25.00
21-50:	\$75.00
50-100:	\$175.00
Over 100:	\$300.00
Grading Permit (<i>without Site Plan</i>): <i>*plus \$25 per additional acre</i>	\$50.00
Driveway Permit:	\$25.00
Zoning Clearance Permit (Fees are for each item separately, even if combined in a single zoning clearance permit application)	
Residential 1F:	\$25.00
Residential 2F:	\$25.00
Multi-family (<i>5 units or less</i>):	\$250.00
Multi-family (<i>more than 5 units & whichever is greater</i>):	\$300.00 or \$.04/SF
Accessory (<i>Residential and Non-Residential</i>)	\$25.00
Non-Residential	\$30.00
Temporary Use	\$50.00
Temporary Construction Trailer	\$50.00
Home Occupation	\$50.00
Signs	\$40.00
Certification Letter	\$25.00
<i>*Zoning, Watershed, Floodplain, etc.</i>	
Site Plan Review (Multi-family Residential & Non-Residential): <i>*plus \$100 per additional acre</i>	\$200.00
Subdivision Fees	
Plat Exception:	No Charge
Minor Subdivision Plat Review:	\$50.00
Minor Subdivision Plat Revision:	\$40.00

Preliminary Major Subdivision Plat Review	\$400.00 (plus \$30 per lot)
Preliminary Major Subdivision Revision	\$50.00 (Minor Amendment)
Final Subdivision Plat Review	\$200.00
Final Subdivision Plat Revision	\$40.00

PUBLICATION FEES.

Land Use Plan	\$25.00
Unified Development Ordinance	\$50.00
Zoning Map	\$20.00

** All fees established are due and payable at the time of product delivery or upon initial submittal of any item or items to be reviewed, processed or approved. All fees are non-refundable with the following exception: 75% of processing and notification fees for map amendments listed in Part 1 of this ordinance may be refunded if an application is withdrawn within seven (7) days following a pre-hearing neighborhood meeting.

** There will be a \$25.00 returned check fee for any check received by the City.

Fire

REQUIRED CERTIFICATE OF COMPLIANCE

	<u>Fee</u>
Certificate of Compliance	
1-1,000 SF	\$20.00
1,001-20,000 SF	\$50.00
20,000-50,000 SF	\$100.00
50,000-70,000 SF	\$200.00
Every 20,000 SF over 70,000 SF is an additional	\$50.00
Certificate of Compliance Re-inspections	\$ 50.00
Plan Review	
Construction	\$50.00+ .025/sf
Up-Fit	\$50.00+ .025/sf
Site Plan	\$50.00
Re-review fee	\$50.00
<i>* applied on third submittal & each re-submittal thereafter</i>	
Hydrant flow test (fee per hydrant)	\$150.00
Temporary Power Inspection	\$50.00
Load Merchandise Inspection	\$50.00
(1) For multi-tenant building, fees are per tenant. (2) For multiple building owned by the same owner(s), fees are per building as defined by the NC Building Code, Vol. 1. (3) Individuals or companies that have not secured permits or Certificates of Compliance prior to beginning work or occupying the structure shall be charged double the listed amount.	

(4) Re-inspections of the sprinkler system, fire alarm system, or building for Certificate of Compliance will result in an additional fee per inspection.

REQUIRED CONSTRUCTION PERMITS

	<u>Permit Fee</u>	<u>Test Fee</u>
Automatic Fire Extinguishing Systems (Ansul/Sprinkler)	\$150.00	\$150.00**
Compressed Gases	\$150.00	\$150.00
Fire Alarm & Detection Systems	\$150.00	\$150.00**
Fire Pumps	\$150.00	\$150.00
Flammable & Combustible liquids	\$150.00	\$150.00
Hazardous Materials	\$150.00	\$150.00
Industrial Ovens	\$150.00	\$150.00
Spraying or Dipping Operations	\$150.00	\$150.00
Standpipe Systems	\$150.00	\$150.00

NOTE: Any system installation prior to plan review and/or a permit being issues will incur a double fee.

Any structure over 70,000 SF x .002 + \$150 **
(DOES NOT INCLUDE HOOD SYSTEM/ANSUL)

REQUIRED OPERATION PERMITS

	<u>Fee</u>
Amusement Buildings	\$150.00
Carnivals and Fairs	\$300.00
Covered Mall Buildings	\$150.00
Exhibits and Trade Shows	\$2,500/yr or \$150.00/event
Explosives (blasting)	\$100/1-day or \$300/90-days
Liquids Use, Dispensing, Storage, Transportation	\$150.00
UGST/AGST Install, Alter, Remove, Abandon	\$250.00/site
Change in Liquid in Tanks	\$150.00
Liquid Dispensing – AGST/UGST to Vehicles	\$150.00
Liquid Dispensing – Tanker to Vehicles	\$150.00
Pyrotechnic Special Effects Material (Fireworks)	\$300.00/day & site
Spraying or Dipping	\$150.00
Tents & Canopies	\$50.00/tent

REQUIRED OTHER CHARGES/FEES

	<u>Fee</u>
Environmental Site Assessment Research	\$25.00 per hour (<i>one hour minimum</i>)
Fire Flow request/Special Request (fee per hydrant)	\$150.00/hydrant
Stand-by firefighters	\$20.00/hr per firefighter
* <i>when required by fire official or requested by occupant</i>	
After Hours Inspection – Special Request	\$35.00/hr (<i>minimum of 2 hours</i>)
After Hour Plan Review – Special Request	\$150.00/submittal
Other inspections by request	\$100.00

Knox/Lock Box Maintenance (Found with incorrect key)	\$100.00
Re-inspections (third visit or additional inspections)	\$50.00
State License Inspection Fee (ABC, State Bar, etc.)	\$100.00
Daycare & Nursing Home License Inspection Fee	\$ 75.00
Group Home License Inspection Fee (annually)	\$75.00
Foster License Inspection Fee (annually)	\$20.00 (<i>second visit \$50.00</i>)
Fire Incident Report Copy(s)	\$1.00 (<i>per report</i>)
Fire Extinguisher Recharge use for class	Current Market Rate per Ext.
Fire Extinguisher Program (Training Class)	\$ 50.00/On-site (Fire Station/City Hall)
Fire Extinguisher Program (Training Class)	\$75.00/Off-site at Requested Business

ANNUAL FIRE INSPECTION PROGRAM

	<u>Fee</u>
First Inspection (initial)	\$0.00
Second Visit Re-inspection	\$0.00
Third Visit Re-inspection	\$50.00
Fourth Visit Re-inspection	\$100.00

Additional Re-inspections will increase at \$50 per inspection until violations are corrected.

HAZARDOUS MATERIALS FEES:

Solids (lbs)	Liquids (gals)	Gases (SCF)	<u>Fee</u>
< 501	< 56	< 201	\$50.00
501 – 5,000	56 – 550	201 - 2000	\$150.00
5,001 – 25,000	551 – 2,750	2,001 – 10,000	\$200.00
25,001 – 50,000	2751 – 5500	10,001 – 20,000	\$250.00
50,001 – 75,000	5501 – 10,000	20,001 – 40,000	\$300.00
>75,000	> 10,000	>40,000	\$300.00
pound ** (plus .01/per gallon//scf in excess of listed amount)			
NOTE: Excluding LPG/Medical gases			
LPG (Excludes LPG used ONLY for heating and cooking)			\$150.00/tank
Medical Gasses			\$150.00/tank
Radioactive Materials any amount			\$125.00

STAND-BY PERSONNEL/EQUIPMENT

	<u>Fee(work hrs.)</u>	<u>Fee(Overtime)</u>
Ladder/Hazmat	\$125.00	\$95.00
Engine/Tanker	\$95.00	
Crash Truck/ Heavy Rescue	\$95.00	
Rescue Units	\$95.00	
Mobile Command Unit/Bus	\$30.00	
USAR	\$28.00	
Light Vehicles (Cars/Pick-ups)	\$17.00	\$27.00
Trailers	\$10.25	

Mules/ATV	\$8.00	
Assistant Chief/Division Chief	\$35.87	\$53.81
Battalion Chief	\$23.39	\$35.08
Fire Captain	\$21.21	\$31.82
Engineer	\$17.45	\$26.18
Firefighter	\$15.07	\$22.61
Risk Reduction Personnel	\$25.49	\$38.24

Based on Stand-by per quarter hour, minimum 2 hours.

HAZMAT SUPPLIES

Item	Rate
Level "A" (enclosed, splash, and vapor protection)	
Large-XLarge	1775.00
2XLarge	1975.00
Level "A" Suits (Flash protection)	
Large – Xlarge	2495.00
XXLarge	2695.00
Level B Suits (Splash protection)	
S- XLarge	170.50
2XL to 4XL	207.00
Tyvek Disposable Coveralls	17.00
Butyl Gloves	76.25 pair
Silver Shield Gloves	10.95 pair
Nitrile Gloves	5.30 pair
Rain fair Latex Nuke Boots (yellow over boots)	6.00 pair
Chem-Tape (for sealing gaps in suits at sleeve, ankle, hood and storm flap)	42.00
Pipettes	1.00 ea
Boom 8 x 10	72.64
Boom 3 x 10	10.77
Boom 3 x 4	6.40
Absorbent	15.00/bag
Absorbent pads 17"x19" (Universal, oil only and Haz-Mat)	.75 ea
Absorbent Pillows 16"	5.07 each
Absorbent Padding Roll (Universal) 30"x150'	105.00 roll
Pail of Acid Neutralizer 40 lb.	132.95
Pail of Base Neutralizer 40 lb.	360.00
Soda Ash 50lb. bag	45.25
55 gallon drums	99.00
Overpack Drum	189.00
20 gallon containment Pool	82.00
66 gallon containment Pool	120.00
100 gallon containment Pool	193.95
150 gallon containment Pool	206.95
Drain seal/inlet guard	78.40
3'x2' Magnet Drain Cover	95.60
2'x2' Magnet Drain Cover	63.80

Item	Rate
Large Wooden Cone Plug	10.00
Small Wooden Cone Plug	5.00
Plug N Dike	28.00
Flow Stop Football	88.00
Flow Stop Golfball	46.00
Foam Class B (Thunderstorm)	37.00/gallon
Foam Class A	12.75/gallon
Drager CMS Chips	
Acetic Acid 2 -50 ppm	77.95
Acetone 40-600 ppm	81.25
Ammonia 2-50 ppm	55.31
Ammonia 10-150 ppm	55.31
Benzene 10-250 ppm	147.91
Benzene 0.2-10 ppm	144.65
Carbon Dioxide 200-3000ppm	55.52
Carbon Dioxide 1000-25000ppm	55.52
Carbon Monoxide 5-150ppm	53.70
Chlorine 0.2-10 ppm	55.31
Formaldehyde 0.2-5 ppm	75.85
Hydrochloric Acid 1-25 ppm	70.17
Hydrogen Peroxide .2-2 ppm	79.49
Hydrogen Sulfide 2-50 ppm	55.31
Methanol 20-500 ppm	89.20
Nitrogen Dioxide .5-25 ppm	55.24
Nitrous Fumes (NO + NO2) 0.5-15ppm	53.70
Perchloroethylene 5-500 ppm	64.74
Petroleum Hydrocarbons 100 – 3000ppm	78.53
Petroleum Hydrocarbons 20-500ppm	79.42
Phosgene .05-2.0ppm	89.20
Phosphine 1-25 ppm	66.91
Sulfur Dioxide 0.4-10 ppm	55.24
Trichloroethylene 5 – 100 ppm	64.00
Vinyl Chloride 0.3-10 ppm	70.87
Drager and GasTec Detector Tubes	
Acetaldehyde 100-1000ppm	66.71
Acetic Acid 5-80ppm	62.81
Ammonia 5-700ppm	55.75
Carbon Dioxide 0.5-20% Vol	88.30
Chlorine 0.3 – 5ppm	66.03
Chlorine 50-500ppm	63.97
Chlorobenzene 5-200ppm	63.97
Clan Lab Simultaneous Test Set	75.92
Cyanogen Chloride .25-5ppm	85.03

Item	Rate
Haz-Mat Simultaneous Test Set 1 (inorganic)	127.16
Haz-Mat Simultaneous Test Set 2 (inorganic)	127.16
Haz-Mat Simultaneous Test Set 3 (organic)	127.16
Hydrocyanic Acid 2-150ppm	58.26
Hydrogen Cyanide 0.36-120 ppm	78.51
Hydrogen Flouride .5-90ppm	67.44
Nitrogen Dioxide 0.1-30ppm	80.12
Nitrogen Dioxide 0.5-125 ppm	52.97
Organic Arsenic Qualitative	80.26
Organic Basic Nitrogen Comp 1mg/ m3	85.73
Phenol 0.4-187 ppm	80.97
Phosphoric Acids Esters Up to .05ppm	104.94
Thioether 1mg/ m3	86.08
Vinyl Chloride 0.25-54 ppm	80.26
Decon Pools/Burms	360.00 ea
Chemical Classifiers Strips	10.00 ea
PH Papers	10.00 roll
Chemical Agent Detection Paper/Tape	50.00 ea
35 gallon trash can	30.00
Drum Sampler Tube	7.00 ea
Decon Solution	88.00/gallon
Tarp	57.00 ea
Mercury Spill Kit	24.00 ea
1 lb of 8p nails	3.47
1 lb of 16p nails	4.20
1 lb of 3" deck screws	9.94
4' x 8' 7/16" OSB Sheathing	7.25
4" x 6" x 12' Lumber	22.00
4" x 4" x 16' Lumber	21.00
2" x 4" x 16' Lumber	7.00

Parks

VILLAGE PARK SHELTERS

	<u>½ Day Rental</u>	<u>Full Day Rental</u>
Shelter A		
Resident	\$25	\$40
Non-Resident	\$32	\$55
Shelter B		
Resident	\$45	\$80
Non-Resident	\$55	\$100
Shelter C		
Resident	\$25	\$40
Non-Resident	\$32	\$55
Shelter C- Saturdays - 2 hour rental		
Resident	\$15	
Non-Resident	\$20	
Shelter D		
Resident	\$35	\$60
Non-Resident	\$45	\$80
Shelter E		
Resident	\$25	\$40
Non-Resident	\$32	\$55
Rental of all 4 shelters		
Resident	\$110	\$144
Non-Resident	\$200	\$270

OTHER FEES

Excessive Cleaning (see policy): \$30/hr

Police Officer: If required, rate will be provided during application submission

HOURS

Business Hours: 8:00AM – 5:00PM (Mon – Fri)

After Business Hours: Nights and Weekends

Holidays: Any designated City holiday

VILLAGE PARK AMPHITHEATER

Refundable Security Deposit: \$500

Resident for-profit:	\$550
Resident non-profit:	\$350
Non-Resident for-profit:	\$1,050
Non-Resident non-profit:	\$800
Staffing (2 staff required):	\$25/per hour (3hr minimum)

Parking:	\$12/per hour per person
EXTRA FEES	
Set-up	\$200
Clean-up	\$300
Sound	\$250
<i>* each additional hour after 5 hours is \$50/hour</i>	
SPLASH PAD	\$1.50/per person per day children 1 year of age and under are free
TRAIN	\$1.50/per person per ride children 1 year of age and under are free
CAROUSEL	\$1.50/per person per ride children 12 months of age and under are free
PUNCH CARDS	
Punch Card of 12	\$15.00
FAST PASS	\$5.00
SENIOR TRIPS	Variable
YOUTH ATHLETICS	\$40 Residential \$60 Non- Residential

Water and Sewer Fees

WATER RATES	Inside City	Outside City
Individual Water Service: (less than 2 inch) (Note 1)		
• Tier 1 per 1,000 gallons (0-7,000 gals)	\$ 6.80	\$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	\$ 7.09	\$ 8.30
• Irrigation per 1,000 gallons	\$ 7.09	\$ 8.30
* Base monthly charge (Note 2)	\$ 6.95	\$ 8.15
* monthly rate for unmetered service – residential only (Note 3)	\$ 47.60	\$ 55.65

Private Water Systems (more than one user):

• Tier 1 per 1,000 gallons (0-7,000 gals)	\$ 6.80	\$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	\$ 7.09	\$ 8.30
• Irrigation per 1,000 gallons	\$ 7.09	\$ 8.30
* base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant	\$ 6.95	\$ 8.15

Commercial Water Service

• Tier 1 per 1,000 gallons (0-7,000 gals)	\$ 6.80	\$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	\$ 6.80	\$ 7.95
• Irrigation per 1,000 gallons	\$ 7.09	\$ 8.30
*base monthly charge	\$ 6.95	\$ 8.15

Fire Line Service :

* monthly service rate (2 inch)	\$ 47.60	\$ 55.65
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SEWER RATES

Inside City

Outside City

Individual Sewer Service:

* per 1,000 gallons water used	\$ 6.70	\$ 6.70
* base monthly charge	\$ 3.80	\$ 3.80
* monthly rate for unmetered service – residential only	\$ 46.90	\$ 46.90

Private Sewer Systems (more than one user):

* per 1,000 gallons based on master meter	\$ 6.70	\$ 6.70
* base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant (Note 2)	\$ 3.80	\$ 3.80

(Note 1) Water rates for customers with 2 inch meter or larger shall pay inside City rates.

(Note 2) All City customers will pay the base charge in addition to the per 1,000 gallon charge. Master metered customers will pay the base charge times the number of units served in addition to the per 1,000 gallon charge. Residential water customers using metered service for irrigation purposes only, shall not (during periods when level II or higher water restrictions are in effect) be billed a minimum bill for zero (-0-) usage.

(Note 3) Unmetered service is based upon an average bill of 7,000 gallons usage within a given month.

WATER TAP AND CONNECTION FEES	Inside City		Outside City	
Individual Water Tap Fees:				
* 3/4" service (installation by City)	\$ 1,300.00	*	\$ 1,300.00	*
* 1" service (installation by City)	\$ 1,500.00	*	\$ 1,500.00	*
* 1-1/2" service (installation by City)	\$ 1,800.00	*	\$ 1,800.00	*
* 2" service (installation by City)	\$ 2,100.00	*	\$ 2,100.00	*
* Larger than 2" (installation by customer or City)	All Cost Borne By Customer		All Cost Borne By Customer	

Fire Line Service Tap:

* All sizes (installation by the customer)	All Cost Borne By Customer		All Cost Borne By Customer
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Tap on of New Water Main to Existing:

* All sizes (installation by the customer)	All Cost Borne By Customer		All Cost Borne By Customer
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Individual Water connection fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note A)

Water meter Size

* 3/4" service	\$ 1,350.00		\$ 1,350.00
* 1" service	\$ 3,000.00		\$ 3,000.00
* 1-1/2" service	\$ 6,000.00		\$ 6,000.00
* 2" service	\$ 9,600.00		\$ 9,600.00
* 3" service	\$ 18,000.00		\$ 18,000.00
* 4" service	\$ 30,000.00		\$ 30,000.00
* 6" service	\$ 60,000.00		\$ 60,000.00
* 8" service	\$ 96,000.00		\$ 96,000.00
* 10" service	\$ 138,000.00		\$ 138,000.00

(Note A)

- (1) Tap fee and connection fee shall be per lot or per unit to be served.
- (2) Master metered developments shall pay a connection fee for each lot or individual unit served or fee for meter size whichever is greater.
- (3) Connection fee due from residential developers shall be paid before issuance of the zoning clearance permit. (Tap fees are waived where developer has installed water systems in accordance with City Ordinance.)
- (4) Connection fee is due from commercial and industrial developers before zoning permits can be issued by the City.
- (5) Connection fee for residential customers where a tap fee is also due shall be paid before tap is installed by the City.
- (6) Residential and commercial developers who have preliminary plats approved by the City before December 18, 2000 shall be exempt from paying the connection fee.
- (7) Commercial and industrial developers who are not required to obtain plat approval shall be exempt from paying the connection fee if zoning permits have been issued by the City prior to December 18, 2000. (Manufactured home parks and multi-family apartment complexes are included as commercial developers).
- (8) All applicable fees must be paid before receiving City water service.

SEWER TAP AND CONNECTION FEES	Inside City	Outside City
Individual Sewer Service Tap Fees:		
* 4" service (installation by the City) (includes any size pumped by customer)	\$ 1,700.00	\$ 1,700.00
* 6" or larger or where utility encasement may be required (installation by customer or City)	All Cost Borne By Customer	All Cost Borne By Customer

Tap on of New Sewer Line to Existing:

* All sizes (installation by the customer)	All Cost Borne By Customer	All Cost Borne By Customer
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Individual Sewer Connection Fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note B)

Water meter Size

* 3/4" service	\$ 1,000.00	\$ 1,000.00
* 1" service	\$ 1,625.00	\$ 1,625.00
* 1-1/2" service	\$ 3,250.00	\$ 3,250.00
* 2" service	\$ 5,200.00	\$ 5,200.00
* 3" service	\$ 9,750.00	\$ 9,750.00
* 4" service	\$ 16,250.00	\$ 16,250.00
* 6" service	\$ 32,500.00	\$ 32,500.00
* 8" service	\$ 52,000.00	\$ 52,000.00
* 10" service	\$ 74,750.00	\$ 74,750.00

(Note B)

- (1) Tap fee and connection fee shall be per lot or per unit to be served.
- (2) Master metered developments shall pay a connection fee for each lot or individual unit served or fee for meter size whichever is greater.
- (3) Connection fee due from residential developers shall be paid before issuance of the zoning clearance permit. (Tap fees are waived where developer has installed sewer systems in accordance with City Ordinance.)
- (4) Connection fee is due from commercial and industrial developers at the time of application for service.
- (5) Connection fee for residential customers where a tap fee is also due shall be paid before tap is installed by the City.
- (6) Residential and commercial developers who have preliminary plats approved by the City before December 18, 2000 shall be exempt from paying the connection fee.
- (7) Commercial and industrial developers who are not required to obtain plat approval shall be exempt from paying the connection fee if zoning permits have been issued by the City prior to December 18, 2000. (Manufactured home parks and multi-family apartment complexes are included as commercial developers).
- (8) All applicable fees must be paid before receiving City sewer service.

SERVICE FEES AND DEPOSITS	Inside City	Outside City
Service Disconnect / Administrative Fee	\$ 30.00	\$ 30.00
Service Deposit (Non-Property Owners)		
* Water or sewer; water and sewer – secured	\$ 75.00	\$ 75.00
* Water or sewer; water and sewer – unsecured	\$ 225.00	\$ 225.00
Returned Payment Item		
* Each	\$ 25.00	\$ 25.00

HYDRANT METER FEES	Inside City	Outside City
Construction Hydrant Meter (refundable)	\$ 750.00	\$ 750.00
Fire Hydrant Use Account (refundable)	\$ 250.00	\$ 250.00
Annual Hydrant Use Permit Fee * Per vehicle	\$ 25.00	\$ 25.00

**NORTHWEST CABARRUS SERVICE AREA
CAPITAL COST RECOVERY FEES**

Water meter Size	Water	Sewer
* 3/4" service	\$ 450.00	\$ 967.00
* 1" service	\$ 1,125.00	\$ 2,418.00
* 1.5" service	\$ 2,250.00	\$ 4,835.00
* 2" service	\$ 3,600.00	\$ 7,736.00
* 3" service	\$ 6,750.00	\$ 14,505.00
* 4" service	\$ 11,250.00	\$ 24,175.00
* 6" service	\$ 22,500.00	\$ 48,350.00
* 8" service	\$ 36,000.00	\$ 77,360.00
* 10" service	\$ 51,750.00	\$ 111,205.00

*The above fees are in addition to the normal capital cost recovery fees (also known as "connection fees") currently charged by the City of Kannapolis for service connection. In the case of new development, the current fees are due at the time of zoning clearance permit issuance. Conversely, the capital cost recovery fees described above for the Northwest Cabarrus Services Areas shall be paid in full to the City of Kannapolis prior to obtaining individual zoning clearance permits. These fees may be modified by City Council at any time without prior notification.

**WATER & SEWER SYSTEM
ADMINISTRATIVE FEES**

Non-payment administrative service disconnect fee	\$ 30.00
Re-connection Fee (after normal business hours)	\$100.00
Physical notification of non-payment bill	\$ 0.00
Unauthorized / illegal connection or re-connection	\$300.00
Locking Devices cut or damaged	\$300.00
Meter Yokes damaged	\$300.00
Tampering, altering, removing, or replacing meter	\$400.00
Water meter bypass	\$300.00
Re-read / No Error	\$ 50.00
Meter Test Fee	\$100.00

**WATER & SEWER SYSTEM
ADMINISTRATIVE FEES**

Continued

Repeat trip fee (starting with trip #3)	\$ 50.00
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MUNICIPAL WATER AND SEWER RATES

City of Concord (<i>Water and Sewer Services</i>)	Per Contract
City of Landis (<i>Water Rate per 1,000 gallons</i>)	Per Contract

Stormwater

STORMWATER RATE TIER SCHEDULE

<u>Impervious Area Size (per Equivalent Residential Unit)</u>	<u>Fee</u>
Tier 1 – < 1,200 square feet	\$5.75
Tier 2 – 1,200 – 3,250 square feet	\$7.25
Tier 3 - > 3,250 square feet	\$8.75
Commercial – Per 3,250 square feet	\$7.25

Environmental

<u>Residential Environmental Fees (per occupied dwelling)</u>	<u>Fee</u>
Recycling/ Solid Waste	\$15.60
Additional Trash Bin Fee	\$2.50
Additional Recycle Cart	\$2.50
Garbage Ordinance Violation	\$50.00

Commercial Environmental Fees

Container Size (MSW)	1X per Wk	2X per Wk	3X per Wk	4X per Wk	5X per Wk
4 Yd	\$93.44	\$177.47	\$265.60	\$354.90	\$432.79
6 Yd	\$111.56	\$213.71	\$321.72	\$429.75	\$536.60
8 Yd	\$125.17	\$250.33	\$375.50	\$500.66	\$625.83
Container Size (Recycle)	1X per Wk				
4 Yd	\$98.87				
6 Yd	\$113.30				
8 Yd	\$128.75				

Event Space Rentals

- A \$100.00 security deposit is required for all meetings
- A \$250.00 security deposit for all parties, receptions, and banquets

Rate Table				
RATES ARE PER HOUR	Reservation Deposit %	Business Hours Rate	After Hours Rate	Security Fee Refundable
CITY HALL & POLICE HEADQUARTERS				
Laureate Center – Section A	25 %	\$ 75	\$ 85	\$ 100 - \$ 250
Laureate Center – Section B	25 %	\$ 75	\$ 85	\$ 100 - \$ 250
Laureate Center – Section C	25 %	\$ 75	\$ 85	\$ 100 - \$ 250
Laureate Center – Section A & B	25 %	\$ 150	\$ 175	\$ 100 - \$ 250
Laureate Center – Section B & C	25 %	\$ 150	\$ 175	\$ 100 - \$ 250
Laureate Center – Section A, B, & C	25 %	\$ 200	\$ 225	\$ 100 - \$ 250
Kitchen	25 %	\$ 25	\$ 35	\$ 100 - \$ 250
Council Conference	25 %	\$ 50	\$ 60	\$ 100 - \$ 250
The Gallery*	25 %	\$ 25	\$ 35	\$ 100 - \$ 250
Shell Space	25 %	\$ 15	\$ 20	\$ 100 - \$ 250
Terrace – Section A**	25 %	\$ 20	\$ 25	\$ 100 - \$ 250
Terrace – Section B**	25 %	\$ 20	\$ 25	\$ 100 - \$ 250
Terrace – Sections A & B**	25 %	\$ 30	\$ 40	\$ 100 - \$ 250
ADDITIONAL FACILITIES				
Cabarrus Bank Building	25 %	\$ 60	\$ 65	\$ 100 - \$ 250
Train Station – Conference A	25 %	\$ 55	\$ 60	\$ 100 - \$ 250
Village Park Multi-Purpose	25 %	\$ 50	\$ 55	\$ 100 - \$ 250
Village Park Patio	25 %	\$ 15	\$ 20	\$ 100 - \$ 250
Public Works Training Room	25 %	\$ 45	n/a	\$ 100 - \$ 250
Veterans Park Gazebo	25 %	\$ 25	\$ 30	\$ 100 - \$ 250
Dale Earnhardt Plaza	25 %	\$ 20	\$ 25	\$ 100 - \$ 250

* Gallery areas cannot be rented unless space in the Laureate Center is rented.

** Outside Terrace Areas cannot be rented unless inside space is rented.

- Extended Time Rental – 15% discount when any room or combinations of rooms are rented for 12+ hours during a single booking
- Multi-Space Rentals – 20% discount when all first floor spaces at City Hall and Police Headquarters are rented. (*Includes: Laureate Center Sections A, B, & C, Kitchen, Council Conference Room, The Gallery, Shell Space and Terrace A & B*)
- Permanent Tenant Rate – 20% discount when any room or combinations of rooms are rented monthly for a time span of two (2) or more hours each month and an annual agreement with twelve (12) monthly meetings scheduled.
- Dance Floor: \$450
- Stage: \$50 per 3'x6' section (\$450 for complete unit)