

**FY 22-23**

# **ADOPTED BUDGET**



# City of Kannapolis

## Annual Budget

### Fiscal Year 2022-2023



**Prepared by:**

City of Kannapolis Staff

**Special Thanks to:**

City Manager's Office, Communications and Human Resources



# City of Kannapolis

## City Council



Left to right: Mayor Pro Tem Ryan Dayvault, Council Member Doug Wilson, Council Member Jeanne Dixon, Mayor M. Darrell Hinnant, Council Member Darrell Jackson, Council Member Tom Kincaid, and Council Member Dianne Berry.





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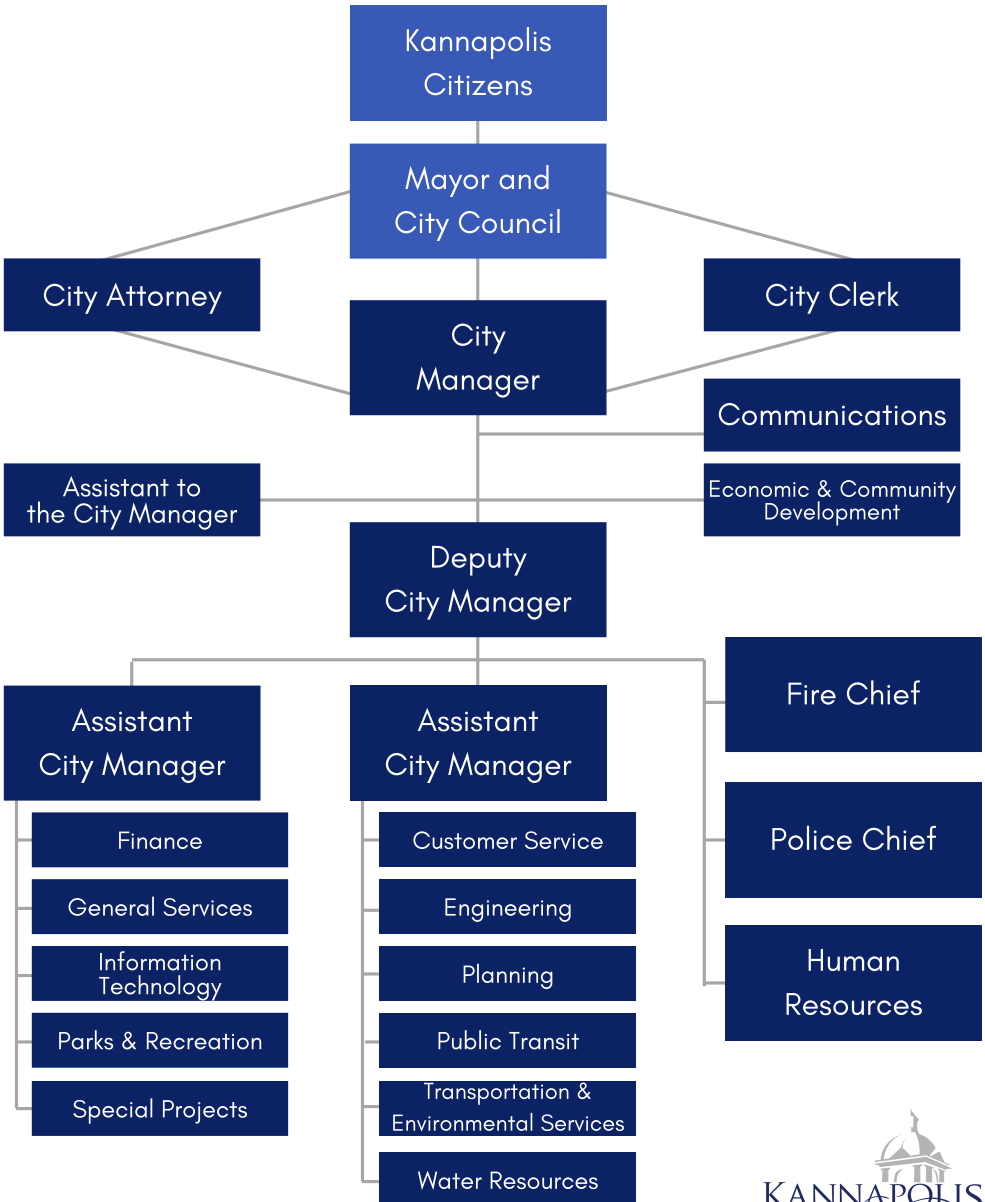
For the Fiscal Year Beginning

**July 01, 2021**

*Christopher P. Morill*

Executive Director

# CITY ORGANIZATION



# CITY OF KANNAPOLIS

## Fiscal Year 2023 Budget

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**May 23, 2022**

**Subject: Proposed FY 2022-23 Budget**

**Dear Mayor Hinnant and Members of the Kannapolis City Council:**

I am pleased to present to you the proposed Fiscal Year 2022-23 Budget for the City of Kannapolis, North Carolina, which begins July 1, 2022, and ends June 30, 2023. 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 2023.

After a tumultuous 16-18 months battling the impacts of the COVID pandemic, the past 6 months have been a slow but refreshing return to normal, albeit a “new normal.” The COVID crisis has lingering good and bad impacts on our community, including the cost of new construction, inflation, worker shortages, supply chain issues and the widespread use of remote communication, including remote work and remote service delivery.

Fortunately, the COVID crisis has had no lingering impact on the City’s growth and development, nor has it had any negative effect on the City’s overall financial health.

The proposed FY 2022-23 Budget is largely focused on employee retention and recruitment with significant investments in the City’s most valuable resource and activity - its employees delivering services to our citizens and the business community. This Budget also continues to invest in the replacement of equipment and vehicles and renovation and upgrades to several city facilities. Additionally, the Budget is designed to continue with numerous economic development activities.

## ***Looking Back: FY 22***

The past fiscal year was full of numerous positive events and changes:

- A full season of baseball at Atrium Health Ballpark which shattered previous attendance records for professional baseball in Kannapolis.
- A return of Jiggy with the Piggy (with record attendance), concerts and movies at Village and Veteran’s parks.
- A thriving downtown far exceeding expectations in both the pace and type of private sector investments. By the time the FY 23 Budget is adopted by City Council, all downtown property except the Gem Theatre and the remaining 15-acre Plant 4 site will be sold or formally committed to a sale. Additionally, more than 80% of the retail spaces downtown are now

occupied with the remaining spaces likely filled by the end of FY 23. Of particular note is the sale of Swanee Theatre – renovations are underway by the new owners with a Fall 2022 opening target.

- Completion of Gem Theatre Phase I Renovations (HVAC replacement, electrical upgrades, marquee refurbishment, new first floor restrooms, flex space and secondary exit).
- Opening of Vida and the Vida Parking Deck. Gates have been ordered for the deck to better manage its use.
- Numerous downtown enhancements are underway or are completed including new traffic bollards, EV charging stations, security camera system installation, purchase of more trash containers.
- Numerous regional and national awards received for the Downtown project including one from the American Planning Association.
- Completion of the water and sewer line extensions to Kannapolis Crossing/Overlook 85 at the new I-85 Exit 65 interchange. Only the construction of the elevated water tank remains to be completed. Grading will be underway in spring/summer 2022.
- Continued significant growth and private sector investment City wide.
- The final conversion of the City’s Customer Service Center to a predominately remote, online service delivery model.
- Highly successful initial year of the Kannapolis Youth Council.
- Water Treatment Plant improvements.
- Mooresville Road Waterline replacement.
- Lane Street Waterline replacement.
- Sale of the 7.25-acre Gateway Business Park property. Development to begin summer 2022.
- Old Stadium property sale to occur May 2022. Demolition and redevelopment to begin summer 2022. Industrial development (with new job opportunities) is the focus.
- Acquisition (by donation) of several Castle and Cooke properties, including the “Horseshoe Property” in front of City Hall.
- Acquisition (by donation) of the Dixie Youth Ballfield property. First phase of improvements completed. Additional improvements proposed for FY 23.
- Completion of the Irish Buffalo Creek Greenway trailhead parking lot on Roger’s Lake Road. The land was donated by Buddy Hilbish (Hilbish Ford).
- Continued discussions with the United States Performance Center regarding a potential path forward for a project in Kannapolis.
- Hiring of a federal lobbyist for the first time in more than a decade. The goal is to bring some funding of the Bipartisan Infrastructure Bill (BIL) home to Kannapolis.
- Bakers Creek Park improvements including parking lot lighting, and handicap access to the building.

- Design and initial phase of renovations to Fire Stations #1 and #4. The projects are proposed to be completed in FY 23 through FY 25.
- New playground equipment installed at Village Park.
- Initial planning completed for a potential skate park, possible Midway revitalization project, and Kannapolis Parkway visual enhancements. The future of these projects (and many more like them) will be determined in FY 23.
- The start of Imagine Kannapolis, a new Strategic Plan for Kannapolis.

## ***FY 2022-23 Budget Overview***

The total proposed FY 2022-23 (FY 23) Budget for the City of Kannapolis is **\$94,916,039** an 11.34% increase (\$9,665,191 actual) from the FY 2022 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, and the Separation Pay Fund. This 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.

<b>Recent Budget History</b>						
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	<b>FY 2023 Proposed</b>
\$64,012,300	\$68,125,000	\$69,679,864	\$77,279,526	\$80,523,452	\$85,250,848	<b>\$94,916,039</b>

Excludes any interfund transfers (as defined by transfers between the annually adopted funds).

The past four annual budgets have been primarily focused on the significant downtown revitalization project. The FY 23 Budget continues the downtown efforts but with a more significant focus on employees and service delivery enhancements.

The following guiding principles have driven the proposed FY 23 Budget:

1. **Budget Process and Structure.** As has been the case in the past two budgets, 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.” These items maintain the same service levels in FY 23 that were included in the adopted FY 22 Budget. 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 employee positions, new capital improvement projects, and new capital outlay items.
2. **Employee Retention and Recruitment.** One of the focal points of the FY 23 Budget is continuing to find ways to retain existing employees and enhance recruitment efforts for new employees. Regarding this effort, the following is included in the proposed Budget:

- **Cost of Living Adjustment (COLA)** for all employees at 5% (\$1.41 million budget impact across all funds).
- **Pay for Performance (Merit)** up to 3% with those employees in the developmental pay range up to 5% (\$866,119 budget impact across all funds).
- **Compensation Study implementation.** This study will be completed in the first or second quarter of the upcoming fiscal year so any additional salary increases to adjust to the market will be a mid-year City Council decision. Approximately \$300,000 in additional funding is set aside in the contingency line for this purpose should it be needed.
- There are **no changes to health insurance costs** to employees (premiums, co-pays or out of pocket expenses).
- **Commercial Driver's License (CDL) incentive pay** of 2.5% for employees where CDLs are required for the job. As might be expected, this primarily impacts employees in Stormwater, Transportation, Environmental, and Water Resources.
- To stay competitive with the market, an **increase in the hiring rate for seasonal part-time employees** in the Parks and Recreation Department from between \$11.00 and \$14.00 per hour (based on the specific job). The previous part-time rates were between \$9.33 and \$11.91. Additionally, current employees that have been with the City less than a year as of April 1<sup>st</sup> will move to the new rate. Those employees that have been with the City 1-3 years will move to 5% above the new hiring rate. Employees that have been employed by the City for more than 3 years will move to 10% above the new hiring rate. All these employees are also eligible for annual merit increases.
- **Increased funding for the State Retirement System** to 12.14% from 11.35% (Law Enforcement Officers 13.10% from 12.10%). This is the fourth year of required contributions by North Carolina cities to the retirement program. This has a \$353,661 FY 23 budget impact. While this is not a direct immediate benefit to employees, keeping the State Retirement System financially strong is certainly a long-term benefit.

The FY 23 Budget also includes continued funding and/or implementation of the following employee benefits:

- 3% match contribution to 401k (5% for police officers).
- \$1,960 (HRA) or \$2,110 (HSA) per employee annual contribution to the medical flex savings accounts.
- Free memberships for all employees to the Cabarrus-Rowan YMCA system (\$125,000 annual budget impact).
- Separation Pay (retirement supplement for those aged 55-62).
- Police Department fixed shift replacing rotating shifts. This change helps with physical and mental health in having a regimented, predictable schedule which promotes a better work-life balance.
- Differential pay in the Police Department and the Water Resources Department:
  - Increase for Telecommunicator and Water Treatment plant operators working night shift by \$0.50/hour (brings the differential pay per hour to \$1.50/hour).
  - Mid-shift workers receive additional \$1/hour.
  - Night-shift workers receive additional \$2/hour.



3. **Spending Caution until Imagine Kannapolis Strategic Plan is completed.** In April 2021 City Council completed a Virtual Planning Retreat which set several City Council project and initiative priorities for the next five years. As part of that process there were 68 projects/initiatives identified with an estimated cost of \$190 million and 28 studies/plans with an estimated \$1 million cost. In the months following the Retreat it became clear that a much broader strategic planning process was needed to chart a new path forward for the City. From that realization, a new strategic planning process **Imagine Kannapolis** was launched in March 2022.

While not every new strategy, initiative, project, or program emerging from the new Strategic Plan will require significant financial commitments, many will. To that end, it is strongly recommended that caution is taken in spending until the Plan is completed which will include a funding strategy for implementation.

The proposed FY 23 Budget has been assembled largely based on this guidance. Some important operational expenditures are included to be funded in the first quarter upon budget adoption, but many are placed on a “Watch List” of which some will be delayed until mid-year after the Strategic Plan is completed.

4. **Cash Reserves/Fund Balance.** A key component of the City’s financial planning for the past decade has been to improve cash reserves. Target percentages of expenditures for each fund have long been established (generally 25% of previous year’s expenditures to be set aside in the City’s “Savings Account”). Additionally, the City’s real estate development activities in recent years has resulted in an infusion of cash which has grown the available fund balance in a substantial way. The tables that follow depict the current cash reserves and fund balance estimates and the cash that is available for appropriation in FY 23. The “available for appropriation” cash balance in the General Fund is a mixture of some land sales but also conservative budgeting over the past several years.

<b>Unrestricted Cash Reserves and Fund Balance</b>				
<b>Fund</b>	<b>Minimum Target %</b>	<b>Projected Total Reserves, June 30, 2022</b>	<b>Available for Appropriation in FY 23</b>	<b>Amount needed to reach Target %</b>
General	25%	\$29,400,164	\$4,919,643	Above Target
Water and Sewer	25%	\$15,246,496	\$1,263,873	Above Target
Stormwater	25%	\$2,620,125	\$1,215,237	Above Target
Environmental	10%	\$1,593,362	\$392,269	Above Target
Transit	NA	\$857,974	\$857,974	NA
<b>Totals</b>		<b>\$49,718,121</b>	<b>\$8,648,996</b>	

One way to improve on these cash reserve numbers is to continue to sell the City’s real estate assets that have been generated from the active economic development programs over the years (predominantly but not exclusively Downtown). This asset divestiture will be a primary resource for funding one-time operational/service delivery investments, capital improvement projects and any new initiative or project that emerges from the Imagine Kannapolis Strategic Plan. Additionally, the ARPA funds from the Federal Government account for a large part of the immediately projected reserves.

The following are the real estate assets that can (and will) strengthen cash reserves which will be available for appropriation beginning in FY 23 likely extending through the second quarter of FY 24. **The total cash availability for appropriation is projected to be \$27.9 million (and as high as \$36.6 million should the remaining real estate assets be sold at market value).**

It should be noted that the proposed FY 23 budget assumes an immediate use of \$753,458 of these reserve funds and an additional \$2,979,500 over the course of the next 12 months (dependent upon the outcomes from the Imagine Kannapolis Strategic Plan). These expenditures are explained in the General Fund overview section of this budget message.

<b>Projected Additions to Fund Balance in FY 23 and early FY 24</b>	
<b>New One-Time Revenue</b>	<b>Projected Amount</b>
Block 1 Main Street Sale Payment #2 (completed)	\$355,801
Gateway Business Park Lot 3 Sale (completed)	\$1,492,935
American Rescue Plan Act (completed)	\$9,300,000
Old Baseball Stadium Sale (May 2022)	\$3,000,000
Swanee Theatre Sale – First Payment (June 2022)	\$100,000
Kannapolis Crossing- Rowan County Payment #1 (June 2022)	\$500,000
Kannapolis Crossing – Developer Payment #2 (Oct 2022)	\$500,000
Block 6 Sale (April 2023)	\$3,450,830
Kannapolis Crossing – Developer Payment #3 (Oct 2023)	\$500,000
Swanee Theatre Sale – Second Payment (Nov 2023)	\$467,000
<b>Total</b>	<b>\$19,666,566</b>

<b>Potential Future Additions to Fund Balance</b>	
<b>New One-Time Revenue</b>	<b>Projected Amount</b>
College Station Outparcels	\$320,000
Plant 4 – 14.66 acres @ \$500,000/acre	\$7,330,000
Wyrick Property	\$300,000
Gateway Business Park Lot 2 Sale (potentially restricted)	\$377,528
<b>Total</b>	<b>\$8,327,528</b>

## ***General Fund Overview***

The proposed FY 23 General Fund Budget is **\$62,487,159** which represents a 10.57% increase over FY 22 Adopted Budget (\$5,972,653 actual).

### **General Fund Revenue Highlights:**

1. The projected total **Property Tax revenue** for FY 23 is \$35,588,732 (which represents an 8.3% increase from FY 22 (\$2,728,574 actual). The projection is based on a collection rate of 98.54%. Property taxes represent 57% of the proposed FY 23 Budget (same as FY 22). This increase is more than double most of the recent budgets.

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 \$567,284 (up from \$515,240 in FY 22, \$495,295 in FY 21 and \$425,107 in FY 20).

2. The City-wide **property tax base** is projected to be \$5,672,838,999 in FY 23 (an increase of \$412,597,907 from FY 22). This increase is nearly *double* the FY 21 to FY 22 increase of \$210,951,347. The full amount of this increase and the corresponding projection of \$2.8 million in property tax revenues is due solely to new private sector investment in our City. However, very conservative revenue projections during the past few COVID-impacted years have also contributed to this increase. This is the seventh consecutive year of greater than \$700,000 in projected new tax revenues from private sector growth.
3. **Sales Tax revenue** is projected to *increase* 22% to \$13,626,161 (\$2,495,079 actual). Similar to the property tax projections, the past two budgets have also included conservative sales tax estimates due to unknown impacts of the COVID pandemic.

More specifically, the proposed sales tax revenue for FY 23 is based on projected FY 22 year-end actual receipts which are projected at \$13,131,082 which results in an over collection of approximately \$2,000,000 from what was included in the FY 22 original budget proposal. As a result, this more accurate calculation results in a 3.6% increase (\$495,079 actual) in sales tax revenue for FY 23. The same calculation from FY 22 from FY 21 resulted in a 1.9% increase (\$207,939 actual)

It is anticipated that double-digit growth will not occur in the coming year, although a drop in revenues is not envisioned either. It is likely that something of a new normal baseline has been established in recent months. The shift to online spending appears to be durable and should continue to benefit cities and towns in North Carolina.

Sales taxes comprise 22% of the FY 23 General Fund revenues; this was 20% in FY 22, 17% in FY 21 (reduction due to the pandemic adjustments) and 21% in FY 20.

4. **Powell Bill** funding is projected to *increase* by 21% which represents a budget impact of \$274,088 in the FY 23 Budget. Similar to sales taxes, the original FY 22 Budget included a 20% reduction in projected revenues which did not materialize. If the state-wide Powell Bill totals stay at the currently appropriated total of \$154.9 million, and there are no changes made by the General Assembly, it is expected that the per capita and mileage-based allocations for FY 23 would be similar to those of FY 22 for nearly all cities in the State.
5. **Franchise Tax** revenues are projected to *remain the same* as the current budget of (\$2,698,000). There has been only very modest growth in this revenue source in the past few years. Weather plays a large role in year-over-year revenue changes but projected coming price increases will impact utility tax revenues as well. Long-term industry predictions indicate increased energy efficiency leading to a decrease in consumption, but population projections and construction trends would indicate that North Carolina's population (and its electricity customer base) will continue to increase for the foreseeable future. Modest to slight growth will be the prudent approach for this revenue source over time.
6. **Ballpark-Related Revenues** include the Temerity lease budgeted at \$450,000 which is unchanged from FY 22. Additionally, the FY 22 Budget includes a payment from the Cabarrus Convention and Visitors Bureau (CCCVB) of \$100,000, an amount that will continue for the next 6 years. These revenues help pay for the annual debt service on the new ballpark.
7. The enterprise fund reimbursement in the form of the **General Fund Management Service Fee** is *decreased* 10% (\$264,789 actual) from FY 22 to \$2,349,702. The Water and Sewer Fund (\$1,922,482) and the Stormwater Fund (\$427,220) "pays back" the General Fund for indirect support throughout the year. The decrease in transfers is attributed to updated audited

figures used in the calculation. Debt rolling off will reduce the allocation across funds until new debt service is added into the calculation.

8. **Planning and Zoning Charges and Fees** are projected to increase by \$40,000 over the FY 22 budget of \$80,000 based on trends.
9. **Parks and Recreation Charges and Fees** are projected be unchanged at \$1,185,545 for FY 23. These charges are comprised of \$735,545 for the Gem Theatre and \$450,000 for all other facilities and programs including recreation. Covid has made the past two years difficult to project and with the Gem Theatre being a new operation, FY 23 will establish a new baseline year.
10. An appropriation of \$753,458 in **Fund Balance** is proposed in the FY 23 General Fund Budget for the following one-time, or short-term purposes (these are described in more detail in the General Fund Expenditures section of this budget message):

\$323,406	Payment in accordance with the <b>Axon agreement</b> for the full replacement of tasers, in-car cameras and body worn cameras in the Police Department.
\$150,000	<b>Gem Theatre - stock purchase</b> – first payment (a second payment of \$150,000 is due in FY 24) in the Parks and Recreation Department.
\$175,000	<b>Gem Theatre - asset purchase</b> (one-time payment) in the Parks and Recreation Department.
\$105,052	<b>City Council 457 Retirement Plan</b> (one-time retroactive “catch-up” contributions)

Note: the use of additional fund balance/cash reserves throughout the year is recommended as previously described Cash Reserves Funding Plan.

## General Fund Expenditure Highlights

On the following pages are key General Fund operating expenditure highlights (increases, decreases or other notable expenditures).

1. The General Fund includes **7 new positions and 14 reclassifications** in ten departments representing a projected total budget impact of \$705,000. These positions are listed on the table below. By comparison, the FY 22 budget included 14 new positions and 1 reclassification in six departments.

NEW POSITIONS	
Position (number)	Notes
Second City Attorney (1) <i>New job class</i>	Succession planning and cross-training. Funding has been added but there are two alternatives: 1) hire a junior level attorney, or 2) hire a new City Attorney about six months prior to the planned retirement of the current City Attorney. More discussion is needed on this course of action.
Assistant Human Resources Director (1) <i>New job class</i>	Succession planning and cross-training.
Community Outreach Coordinator (1) <i>New job class</i>	Part of the FY 22 City Manager’s Watchlist. Assist with environmental educational efforts, litter clean-up campaign, adopt a street, shred it events, FOG (fats, oils & grease) program, recycling, stormwater, water conservation.

Payroll Administrator (1) <i>New job class</i>	Succession planning and cross-training. Hire in January (budgeted at ½ year).
Assistant Parks Director (1)	Assist with either parks operations and grounds maintenance efforts city-wide or recreational programming, special events with the addition of the Gem Theatre. Succession planning.
Police Officer/ Recruiting Officer (1)	Assist with the current high number of vacancies within the Police Department. This position will focus heavily on recruitment and retention efforts within the Department/attend job fairs, etc. Includes an associated vehicle.
GIS Specialist (1)	Due to heavy growth the city is experiencing. This position will assist with internal and external requests for mapping. This position assists in both Planning and Engineering.

<b>RECLASSIFICATIONS</b>	
<b>Position (number)</b>	<b>Notes</b>
Engineering Technician to an Engineer II (1) <i>New job class.</i>	Upward mobility within the department.
Division Chiefs to Assistant Fire Chiefs (2) <i>New job class.</i>	Comparable across city departments serving over multiple divisions.
Admin Support Specialist to Human Resources Technician (1)	Effort to have HR liaisons in every functional area to assist with basic HR functions such as: new hires, onboarding, performance evaluations, timekeeping cleanup, etc.
Fire Dept. Administrative Assistant to Office Manager (1)	Adds additional layer of supervision over the administrative staff as well as part-time employees.
Fire and Life Safety Educator to Community Outreach Coordinator (1) <i>New job class.</i>	Effort to bring consistency across all publication, marketing, and public outreach efforts city-wide.
Fire Inspector to Assistant Fire Marshal (1) <i>New job class.</i>	Serves in the absence of Fire Marshal as well as assisting with inspections.
Building Maintenance Technician III to Crew Chief (1)	Effort to bring additional layer of supervision over janitorial staff and building maintenance staff.
Building Maintenance Technician III to Crew Chief (1)	Effort to bring additional layer of supervision over janitorial staff and building maintenance staff.
Operations Specialist - Concessions to Concessions Manager (2) <i>New job class.</i>	Better alignment of current job duties and accounting for the management of all concession contracts/workers at city parks and facilities.
Administrative Assistant to Recreation Program Assistant (1) <i>Adjust existing job class.</i>	Better alignment of current job duties.
Police Officer to Park Rangers (2) <i>New job class.</i>	Reclassing two sworn vacant police officer positions to start the pilot Explorer/Park Ranger program to recruit high school students to begin training for police officers. A new vehicle purchase is associated with this request. Once the department becomes fully staffed, the original two sworn positions will be needed.

## 2. Cash-Focused Expansion Expenditures.

The FY 23 General Fund Budget includes a cash-focused funding plan for expansion requests by the various departments. These are generally one-time, non-recurring expenditures that will be implemented in three steps: a) City Council adopts the FY 23 Budget, b) departments secure final quotes/revised estimates for the various expenditures on the list, and c) a series of budget amendments will be considered by City Council throughout the year. Funding for these expenditures will come from cash reserves (including one-time land sale proceeds). As noted previously in this budget message, these expenditures are collectively part of a “Watch List” and spending on some of them will proceed cautiously to allow the Strategic Plan to progress.

General Fund: Proposed Expansion Funding (Watch List)		
Police	\$921,500	Replacement of (15) vehicles based on high mileage and maintenance costs.
Communications	\$27,000	Structure to support the addition of a digital sign.
Fire	\$55,000	Replacement of 2002 pick-up truck.
PWOC	\$39,000	Anti-bird netting/completion of project for safety issues at PWOC.
Transportation	\$25,000	Asphalt tack trailer purchase for enhanced street paving.
Transportation	\$45,000	Replacement of a ½ ton truck. Currently has 230,000 miles and is a 2001 model.
Parks	\$150,000	Dixie Youth Facility Improvements: replacing fencing on ballfields, add sod to rectangle, irrigation, fencing on lower side for protection.
Parks	\$9,000	Stand-up blower for Village Park and the cemetery.
Parks	\$12,000	60” Ex-mark mower to replace a 2006 due to age and increasing repair costs.
Parks	\$45,000	Replacement of a F-150 Truck for Bakers Creek, Safrit and Dixie Youth Facility.
Parks	\$35,000	Small delivery van to assist with concession pick-ups and deliveries.
Parks	\$12,000	Ballfield maintenance unit.
Parks	\$9,000	Replace gutter and rotting fascia at Village Park main building.
Parks	\$30,000	Replace 40-year-old backstop at Bakers Creek Park.
Parks	\$160,000	Pickleball courts at Bakers Creek (convert Tennis courts est. \$75,000) or Safrit Park (new courts est. \$160,000).
Parks	\$12,000	Install large capacity ice machine at South Main Street Warehouse.
Parks	\$23,000	Adjustable goals at Carver Elementary for youth basketball program.
Fire	\$891,000	Fire Station #1 interior renovations, bay floor and parking lot improvements. The roof was replaced in FY 22.

<b>General Fund: Proposed Expansion Funding (Watch List)</b>		
Fire	\$179,000	Fire Station #4 improvements to living quarters, interior, kitchen upgrades, failing concrete, paint, carpet, and tile.
Economic Development	\$300,000	Road improvements at the Old Intimidators Stadium. These improvements are part of the negotiated sale of the property for redevelopment as a corporate park. This is offset by the \$3 million sales proceeds.
<b>Total</b>	<b>\$2,979,500</b>	

### 3. Unfunded Expansion Items.

There were several expansion expenditures of note that are not included in the proposed FY 23 Budget. These are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. They are provided in the following table as information.

<b>General Fund: Unfunded expansion items requested in FY 2023</b>		
Communications (recurring)	\$72,000	Communications Specialist to assist with publications and multi-media efforts.
Fire (recurring)	\$70,000	Fire Inspector: Need based on call volume. Was pre-approved for mid-year funding in FY 19, but never funded; Potential PT option, Need more data.
Fire (recurring)	\$860,000	Six (6) Firefighter positions: 3 requested last year and 3 new requests this year. This would put 4 personnel on all engine companies. Minimal current vacancies. No new stations added.
Info. Technology (recurring)	\$65,000	Helpdesk Technician: Needed or is more cross-training of existing staff needed time/resources for better utilization.
General Services (recurring)	\$80,000	Two (2) Building Technicians to assist with growth and expanded duties.
Streets (recurring)	\$60,000	Right of Way Crew Chief for additional field supervision.
Streets (recurring)	\$100,000	Two (2) Construction Maintenance Worker II to assist with ROW mowing and herbicide program.
Info. Technology	\$30,000	Small SUV for transporting equipment.
Police	\$12,000	Mental Health Wellness visit for all Police Personnel.
Police	\$30,000	Honor Guard uniform replacement.
Police	\$30,000	SRT Sustainment Training.
Streets	\$120,000	Enhanced Street Paving.
Communications	\$75,000	Bus for transporting youth council.

General Fund: Unfunded expansion items requested in FY 2023		
Communications	\$15,000	Backup to the backup server for the website.
Fire	\$75,000	Replacement of a 2014 Battalion Chief truck.
Fire	\$48,000	Fire Inspector startup costs and vehicle.
Fire	\$30,000	Firehouse repairs.
General Services	\$50,000	Replacement of F-150 truck.
Public Works	\$200,000	Resurface asphalt area of motor pool at PWOC.
Public Works	\$135,000	Laureate traffic circle repair and paver replacement.
Parks	\$50,000	E-Gaming/E-sporting arena at the Gem Theatre.
Parks	\$40,000	Update of 10-year Masterplan (Phase 1).
Parks	\$11,000	Update Eastside Park Masterplan with PARTF application.
Parks	\$265,000	New train engine and coaches for Village Park (just the engine is \$170,000).
Parks	\$275,000	Repave Safrit parking lot and add lighting.
Parks	\$85,000	Repave walking path at Safrit Park.
Parks	\$12,000	Clean-up of MLK/Cannon Boulevard interchange of underbrush and dead trees.
Parks	\$45,000	Vehicle for Parks Assistant Director. Hold for funding to determine whether the position is assisting with parks operations or event and programming.
<b>Total</b>	<b>\$3,039,000</b>	

4. **General Government Operating Expenditures.**

(City Manager, Human Resources, Legal, Finance, Info. Technology, General Services)

- \$49,396 *decrease* in municipal election expenses for both Rowan and Cabarrus counties (2022 is a non-municipal election year).
- \$5,595 increase in **City Council salaries** (same 5% COLA that as is recommended for employees).
- \$29,374 increase to fund a **457 Retirement Plan** for City Council members (25% of salary). This total is for FY 23 contributions for all seven Councilmembers.
- \$105,052 increase to fund one-time (non-recurring), retroactive “**catch-up**” **contributions to the above-described 457 Retirement Plan**. This total includes 1 year (FY 22) of retroactive contributions for one current Councilmember with only one year of previous service and 4 years (FY 19 through FY 22) of retroactive contributions for six Councilmembers with at least four years of service.
- \$217,000 *decrease* in incentive grant payments (FY 22 was the final incentive year for Amazon). Incentive payments are currently budgeted only for Gordon Foods at \$222,000.



- \$20,000 increase for **employee recruitment** initiatives.
- \$32,640 increase in marketing and branding due to **increased publication and printing costs**.
- \$10,000 increase for **Imagine Kannapolis** strategic planning efforts (consultants, focus group funding).
- \$30,000 increase in **tax collection fees** from both Cabarrus and Rowan Counties.
- \$10,000 increase in **contracted legal services** based on trends.
- \$10,000 increase in medical expenses for **pre-employment testing** based on past trends.
- \$8,000 increase in **tuition reimbursement expenses**. This benefit to employees hasn't been funded in the past few years. Incentive to cover a portion of tuition costs for employees City-wide.
- \$30,582 increase in contracted services for **Employee Assistance Program (EAP)** services, \$10,000 for **employee enrichment efforts** and \$10,000 for continued city-wide **pulse survey efforts** (culture) of the City.
- \$149,347 increase in small tools and equipment for the implementation of a routine **replacement schedule for all citywide technology equipment/devices**. The proposed plan is to replace around 100 devices per year over the next 5 years
- \$11,000 increase for annual maintenance fees for the **VIDA parking gate software**.
- \$266,994 increase in **information technology maintenance** account due to projected 10% increase across all software subscriptions, annual maintenance. This increase also includes data restoration, backup and cloud migration efforts and the addition of 2 new software programs: NeoGov (HR software to help with recruitment, on-boarding, and training efforts) and Debtbook (Finance software to assist with management of debt service obligations and GASB 87 lease obligations).
- \$7,000 increase in **part-time employee funding** due to events coming back online from the pandemic hiatus.
- \$13,000 increase to replace **HVAC unit at Fire Station #5** (aging out and experiencing major performance problems).
- \$10,000 increase for **Stormwater Control Maintenance (SCM)** efforts at city-owned properties.
- \$24,000 increase to replace the **fire alarm panel** at the Public Works Operations Center. The current panel is 23 years old, and parts can no longer be obtained to repair the unit).
- \$7,000 increase for **Dixie Youth building upfits** (new appliances, gutters, security system).
- \$8,100 increase in **maintenance at the train station** (replacing carpet and painting the interior of the facility).

##### 5. **Police Department Operating Expenditures.**

- \$323,406 increase for the second of five **lease payments to Axon** for full replacement of all in-car cameras, body worn cameras and tasers
- \$74,990 increase for an **Internet Crimes Against Children Grant**. This grant is reimbursement based with an offsetting revenue included in the proposed FY 23 Budget. \$11,990 is budgeted for training and the remainder of \$63,000 in public safety supplies for software subscription to Graykey which helps in identifying sexual predators on the internet.
- \$20,000 increase in **recruitment initiatives** to assist with the high number of vacancies in this department. Related to the new position and general supplies for job fairs, publication, and promotional materials.
- \$4,000 increase in small tools and equipment to replace **polygraph equipment**.
- \$27,500 increase in **public safety supplies** based on contractual increases on ballistic gear for the Special Response Team (SRT) unit. This is year 4 of 5 of replacement gear for SRT members and public safety supplies for the new position are estimated at \$16,000.
- \$67,500 increase in capital for a **vehicle/equipment for new Recruitment Officer** position.
- \$30,000 **decrease** in funding for the Project Safe Coordinator position. This was a shared position between the City and Cabarrus County. The County is covering the full cost moving forward for this position.
- \$7,100 increase in **clothing allowance** for 8 felony investigators, Sgt. and Lt. in the Support Services Division.
- \$9,700 increase in **replacement equipment** for software platform Cellbrite which is used to scan cell phones.
- \$3,850 increase in **travel and training** related to Cellbrite for phone detection and forensics training.
- \$135,944 increase in contracted services due significant **changes in the funding source for certain telecommunications operations**. State law changed in 2013 and goes into effect in FY 23 which removes Kannapolis' eligibility to be designated as a primary or secondary Public Safety Answering Point (PSAP). This change also eliminates the City's funding eligibility thru the State 911 Board. Historically Cabarrus County and/or Rowan County have indirectly purchased new equipment and upgraded existing equipment for Kannapolis as needed. This State revenue stream is based on # of 911 calls. Now Kannapolis is considered an unfunded standalone PSAP and therefore certain system improvements must be locally funded.
  - \$5,944 (5%) cost increase on the **P-25 maintenance network** with Cabarrus County for emergency communications.
  - \$30,000 in one-time costs for **equipment at emergency communications center** related to becoming own hosted 911 network (currently/previously part of the Cabarrus County's hosted solutions).
  - \$100,000 in recurring costs is for a **redundancy network** (Kannapolis own 911 lines/software) is so we can take and receive calls from both counties.

- \$161,396 *decrease* in funding for four (4) officer positions assigned to Downtown efforts based on current high number of vacancies in the department. If the department becomes fully staffed, it is recommended that funding again be allocated for these positions.
- \$55,000 increase in **overtime** based on trends.
- \$28,770 increase in **repair and maintenance for vehicles** due to high maintenance costs.
- \$53,000 increase in **motor fuel** costs for entire patrol fleet based on increased costs.
- \$9,000 increase in **public safety supplies** based on contractual increases as well as the addition of the Parks Ranger program.
- \$35,000 for one **vehicle for Parks Ranger** positions.

#### 6. Fire Department Operating Expenditures.

- \$17,000 increase in **motor fuel** costs based on increased costs.
- \$17,626 increase in **contracted services with Odell Fire Department**. Based on a 5% increase in assessed properties.
- \$33,950 increase (7%) in **overtime** based on trends.
- \$95,000 increase in **public safety supplies** to account for added personnel and replacing necessary personal protective equipment (PPE), ballistic vests and hoses. Some of the department's hoses are currently 25 years old and have failed third party tests. This also includes replacing all truck headsets at \$6,000 each. This is used for communication and hearing protection.
- \$6,500 – increase in travel and training to send a staff member to **Municipal and County Administration** at the School of Government. This is a 6-week course in Chapel Hill.

#### 7. Transportation Operating Expenditures.

- \$10,000 increase in contracted services for consultant-led **asset management capital lifecycle model**.
- \$12,000 increase in travel and training for **Commercial Driver's License (CDL) certifications**.
- \$210,620 increase in **street repair and maintenance** based on a projected \$14/ton increase in asphalt.
- \$7,000 increase in **equipment rental** based on FY 22 paver rental prices using the crack sealer machine to preserve additional streets.
- \$50,000 increase in contracted services for **sidewalk repair near A.L. Brown High School** and surrounding neighborhoods.
- \$9,000 increase in **capital machinery and equipment** for a jack hammer attachment.
- \$6,400 increase in **motor fuel** based on increased fuel prices.
- \$81,000 *decrease* in one-time equipment purchased in FY 22 for the new Construction Maintenance worker (zero turn mower, weed eaters, leaf blower, a truck, and a trailer).
- \$100,000 *decrease* for one-time purchase of a sweeper to maintain the parking deck at

VIDA.

**8. Engineering Department Operating Expenditures.**

- \$5,000 increase in part-time funding for a **summer internship**.
- Salary and benefit *decrease* due to the transfer of an administrative position from the Engineering budget to the Environmental Fund as an Operations Manager to assist in managing the solid waste/recycling contract with Waste Management.
- \$25,000 *decrease* in capital machinery and equipment related to the purchase of a new vehicle for the Engineering Technician position that was funded in FY 22 (not repeated in FY 23).

**9. Planning Department Operating Expenditures.**

- \$5,000 increase in **board member fees** (increase from \$25 to \$50 per meeting).
- \$5,000 increase in part-time funding for a **summer intern position**.
- \$25,000 *decrease* in capital machinery and equipment related to the purchase of an electric vehicle in FY 22 for a new code enforcement officer (not repeated in FY 23).

**10. Parks and Recreation Department Operating Expenditures.**

- Operational expenditures related to **Gem Theatre** are included at \$737,795 with significant no change from FY 22. These expenditures are solely related to bringing the Gem Theatre into the City's Parks and Recreation Department per the planned transitional agreement with the current owner of the Theatre. These expenditures are offset by a corresponding revenue. This was included in the FY 22 Budget but neither the revenues nor expenditures materialized due to a delay in the transaction. It is anticipated that this transaction will occur and be effective in the early part of FY 23.
- \$150,000 increase for the first of two payments funding the purchase of the **Gem Theatre stock** (a second payment of \$150,000 is due in FY 24) which facilitates the acquisition of the Gem Theatre business as described above.
- \$175,000 increase for the **Gem Theatre business asset purchases** (one-time, non-recurring payment).
- \$199,239 increase in **part-time employee expenses**:
  - \$8,000 for increase part time coverage for **Dixie Youth facility**.
  - \$12,000 for additional **maintenance and facility coverage** due to the increase in athletic program participation.
  - \$179,239 is due to **part-time pay changes**:
    - The new rate for concession workers and park attendants will be \$11/hr.
    - The new rate for the Operation Specialists will be \$13/hr.
    - Current employees that have been here less than a year as of April 1st will move to the new rate.
    - Current employees that have been here between 1-3 years will move up 5%

above the new hiring amount to \$11.55/hr. for concessions and park attendants and \$13.65/hr. for Operation Specialists. They will also be eligible for annual merit increases.

- Current employees that have been here more than 3 years will move 10% above the new hiring amount to \$12.10/hr. for concessions and park attendants and \$14.30/hr. for Operation Specialists. They will also be eligible for their annual merit increase.
- \$13,500 increase in **credit card fees** based on increased usage and online payments.
- \$17,600 increase in **repair and maintenance** due to increased cost of materials (plant materials, irrigation repairs, seed/fertilizer/greenway supplies).
- \$4,800 increase in **small equipment and tools** based on increased costs and the addition of the Dixie Youth facility.
- \$30,000 increase in **concession supplies** based on increased costs, additional expenses for youth sports and Dixie Youth facility and the Gem Theatre.
- \$7,700 increase in **cleaning supplies** based on increased costs.
- \$76,635 increase in **contracted grounds maintenance** due to contractual increases and the addition of newly acquired properties in the donation from Castle and Cooke (including the horseshoe property in front of City Hall).
- \$11,000 *decrease* in capital outlay for the purchase of a new screen at the Gem Theatre and new Clover (point of sale systems). These are one-time expenditures. The Clover system will likely be purchased prior to the FY 22 budget year. The screen may not be purchased until a later date.
- \$90,000 *decrease* in building and grounds for facility upgrades at the Dixie Youth facility. This was a one-time expenditure in FY 22.
- \$50,000 *decrease* in Gem consultants line item. The FY 23 Budget includes a revised operating agreement which lowered the operating fee to \$75,000 which is reflected in this budget change.
- \$55,000 increase in **Jiggy with the Piggy supplies** based on increased costs and increase in generator rentals.
- \$35,500 increase in **program supplies** based on increased participation and increased costs.
- \$50,000 increase in **Summer Event Series**. NOTE: This is an increase from the originally adopted FY 22 Budget. A mid-year budget amendment by City Council added this amount to the current operating budget to fund the Summer Events Series at the end of the current fiscal year. The amount in the current (FY 22) amended budget (\$320,000) is the same as the amount in the proposed FY 23 Budget.

#### 11. Non-Departmental Operating Expenditures.

- \$1,096,997 increase for a 5% **Cost of Living Adjustment (COLA)** for all employees. The CPI index for March 2022 was 8.5%. 1.5% was adopted for FY 22 and a 4% was adopted

for FY 21 (2.5% upon budget adoption and 1.5% mid-year). The COLA is the Non-Departmental Special Expenses line which represents a 47.6% increase from FY 22.

- \$663,119 increase for **Merit (Performance-Based) Pay** for all eligible employees (based on 2.5% average, up to 3% maximum with those in developmental range qualifying for 5%). Merit increases were funded in FY 22, but no merit increases were funded in FY 21 due to projected revenue shortfalls related to COVID.
- \$300,000 increase in **retiree health insurance** to cover the difference in the out-of-pocket expense (co-insurance, etc.) by the retiree. The City is covering the difference in this cost to ensure that the market plan is equal to the active employee health plan as required by the Bailey Act. This amount is for the retiree's medical spending accounts to cover the difference.

It is expected that there will be a savings in reduced claims with the recent changes to the retiree insurance program. The City will be capping the claims at the maximum out of pocket amount as opposed to the maximum retention amount. Once the retiree's claims hit the out-of-pocket maximum, we are done with future claims for the remainder of the year. Previously, we would continue paying the claims until we met the retention amount for each claim, which is \$150,000 per claim.

- The **YMCA memberships for all eligible employees will continue** with no changes (\$125,000). Currently 40% of our employees that have taken advantage of this opportunity to date which is about half of the 84% in our survey last year that indicated they would do so. About two-thirds of our employees completed the survey at the time. However, it is also important to remember that this expenditure has dual purposes: to provide a new employee benefit and to provide financial support for the YMCA as a health/wellness/recreation service provider for our citizens
- \$88,964 increase in projected 10% greater costs for **insurance premiums** (general liability, public officials, self-insured).
- \$120,000 increase for **building and content insurance** for the Vida Parking Deck and the Gem Theatre contents (in anticipation of the above-described business acquisition).
- \$156,551 increase (34.32%) in **Contingency Funding** from the adopted FY 22 Budget. The contingency line consists of two components
  - \$312,435 per City Council policy which suggests annual contingency funding should be 0.5% of total General Fund expenditures (up about 10% from FY 22).
  - \$300,209 in currently unallocated surplus revenues added to the contingency line item to balance the budget. It is recommended that this funding be set aside to fund any additional salary adjustments that may be needed once the compensation study is completed in the first or second quarter of FY 23. If this funding is not needed, City Council can choose to appropriate this funding for any purpose it so chooses (there are plenty of unfunded needs described in the proposed FY 23 Budget).
- **General Fund Transfers** out to other funds:
  - General Fund to Environmental: Fund \$85,542 (same FY 22 budget)

- General Fund to Separation Pay Fund: \$506,407 (increase of \$22,197 from FY 22 Budget based on 2 employees rolling on to the program).
- General Fund to Transit Fund: \$303,235 based on an increase in operations in contracts, fuel, paratransit/ADA trips and reduced CARES funding that the Transit Fund will no longer receive. As a reminder, the past two years, the Transit Fund transferred money back to the General Fund in the amount of \$200,000 with the CARES subsidy being the funding source. This was done in part to offset past transfers from the General Fund to subsidize the transit system. The FY 23 Budget returns to the previous structure requiring the General Fund subsidies with a half million-dollar swing in the funding model.

11. New **General Fund Debt Service** obligations of \$847,750 from FY 22 Capital Projects have been added to the FY 23 Budget - see table below. The new debt service obligations for FY 23 are shown in **red** and include:

- The first lease payment for **replacing Motorola radios** for the Police Department and Fire Department. This is the first of 4 payments (through FY 26). This project cost was \$2.7 million
- Debt service on **two replacement fire engines** at \$1.7 million (over 10 years at 2% interest). One engine is 28 years old, and the other is 27 years old.

It is important to note that in almost all cases the Local Government Commission approves debt with decreasing payment schedules. The newer debt is going to have the highest payments initially which decrease over time.

Limited Obligation Bonds	Principal	Interest
Fire Stations 2 and 3	\$555,000	\$352,536
City Hall/Police Headquarters	\$1,365,000	\$675,556
NCRC "TIF" Projects	\$2,426,000	\$230,865
Irish Buffalo Creek Greenway	\$92,000	\$26,551
College Station Renovations/Duct Bank/Downtown Streetscape	\$394,999	\$228,783
Stadium (Atrium Health Ballpark)	\$2,600,000	\$1,919,970
Parking Deck at VIDA	\$740,000	\$267,259
Other Debt		
Misc. Equipment Financing	\$42,153	\$6,189
Main Street Warehouse/Fire Truck	\$162,139	\$2,529
Village Park Improvements/Fire Truck	\$447,000	\$171,581
Refinancing Multiple Debt Issuances	\$337,597	\$5,013
Downtown Property Purchase	\$733,000	\$297,195
<b>Motorola Lease Payment</b>	<b>\$677,750</b>	<b>NA</b>
<b>Fire Engines</b>	<b>\$170,000</b>	<b>\$34,000</b>
Total	<b>\$10,742,638</b>	<b>\$4,218,027</b>

## *Water and Sewer Fund Overview*

The proposed FY 23 Water and Sewer Fund Budget is **\$23,370,000** which represents an 11.32% increase from the FY 22 Budget (\$2,377,376 actual increase).

## Water and Sewer Fund Revenue Highlights

The revenue highlights for the FY 23 Budget include the following:

1. **No water or sewer rate increases** are recommended for the FY 23 Budget for the third straight year.
2. **Steady organic growth** is likely on both the residential and commercial side. The budget projects a 9% increase in overall water and sewer charges and fees revenue.
3. **Tap fees** are budgeted \$1,175,000 which includes three components:
  - \$500,000 in natural growth (11%) over FY 22 adopted budget.
  - \$675,000 in a proposed **water and sewer tap fee increase**. FY 23 proposed budget includes a **full cost recovery approach to tap installation**. On average, the City is losing around \$4,000 on tap installations. The FY 23 budget includes a full cost recovery to tap installations. The estimated revenue is based on \$4,500 increased tap fee on an average of 150 taps (from FY 22 actuals). The current combined water and sewer tap fee is \$3,000 (new fee will be \$7,500).
  - \$50,000 for a CPI increase of 7.5% for materials and the price of the meters.
4. **Connection fees** are projected to remain flat from the FY 22 Budget at \$1,250,000.
5. **Wholesale water sales** are expected to decrease of \$55,000 (to \$360,000) based on monthly averages in FY 22. This includes water sales to Landis and Concord.
6. **Other revenues** are budgeted with no increases (reconnection, penalties, miscellaneous revenues, and investment income).

## Water and Sewer Fund Expenditure Highlights:

1. The Water and Sewer Fund includes **4 new positions and 1 reclassification** in two departments representing a projected total budget impact of \$172,000. These positions are listed on the table below. The FY 22 included 3 new positions and one reclassification.

NEW POSITIONS	
Position (number)	Notes
Construction Maintenance Worker II (1)	New position requested for service maintenance, meter repairs and construction.
Construction Maintenance Technician (2)	New technician positions to operate all new infrastructure related to Kannapolis Crossing in addition to maintenance efforts related to system growth. These positions will also assist with some of the maintenance efforts addressed in latest audit.
Customer Service Representative (1)	Based on growth and demand in services. This position will assist with all new customers, business property owners and landlord accounts.



RECLASSIFICATIONS	
Position (number)	Notes
Transfer of one (1) Administrative Support Specialist from Water Treatment Plant to Customer Service	This position was moved during the implementation of the Customer Service Call Center. This moves the funding associated with this position.

2. \$233,000 increase for a 5% **Cost of Living Adjustment (COLA)** for all employees. The CPI index for March 2022 was 8.5%. 1.5% was adopted for FY 22 and a 4% was adopted for FY 21 (2.5% upon budget adoption and 1.5% mid-year). The COLA in the Water and Sewer Fund has been added to each operating division.
3. \$158,000 increase for **Merit (Performance-Based) Pay** for all eligible employees (based on 2.5% average, up to 3% maximum with those in developmental range qualifying for 5%). Merit increases were funded in FY 22, but no merit increases were funded in FY 21 due to projected revenue shortfalls related to COVID.
4. **Customer Service.**
  - \$8,500 increase in small tools and equipment for the purchase of **3 scanners and a new money machine.**
  - \$13,650 increase in **operating expenses** (postage, office equipment maintenance, telephone contracts, banking fees and mailing services) due to trends and contractual increases.
3. **Distribution.**
  - \$100,076 increase in **water and sewer materials** based on trends (20% increase).
  - \$205,000 increase in **contracted services** based on historical trends and contracting work due to high number of vacancies. Also includes \$15,000 for **Forestbrook neighborhood analysis** and \$24,000 for **sewer modeling database management.**
  - \$42,000 increase in travel and training to send 12 employees to **Commercial Driver's License (CDL) school** for certification/testing. This course is estimated at \$3,500/person and takes up to 6-8 weeks.
  - \$730,000 increase in **Operating Capital:**
    - \$125,000 for two vehicles requested for the water maintenance technician positions.
    - \$175,000 for replacement of W22 (2007 and 146,579 miles) - Chevy 5500 Jetter Truck.
    - \$175,000 for replacement of W25 (1998 and hours 6,634) - New Holland Backhoe.
    - \$165,000 for replacement of W2 (2007 and 146,579 miles) - Chevy 4500.
    - \$45,000 for replacement of W1 (2011 and 134,311 miles) - F-150 Truck.
    - \$45,000 for replacement of W-73 Escape (2011 and 103,353 miles).

- \$4,500 *decrease* for the one-time purchase of a new fork spreader in FY 22.

5. **Water Treatment Plant.**

- \$50,000 increase in **bulk water purchases** based on trends.
- \$75,000 increase in **chemical purchases** based on inflation.
- \$175,000 increase in repair and **maintenance for sewer lift stations**. The intent is for this to become a standard yearly investment to make the necessary lift station upfits. Several stations are beyond their expected 25-year life cycle and will need some form of maintenance replacements.

6. **Sewage Treatment (Water and Sewer Authority of Cabarrus County).**

- \$62,869 increase in Interceptor Fixed Rate.
- \$160,920 increase Sewage Treatment Variable rate charges.
- \$856,001 increase in Treatment Fixed Rate charges. This rate increase is driven by the first phase expansion of the Rocky River Wastewater Treatment Plant. The cost of this expansion is shared by Charlotte Water (40% of the total costs), Concord, Kannapolis, Harrisburg, and Mount Pleasant).

7. **Water and Sewer Fund Transfers.**

- \$221,439 *decrease* in the General Management Services Fee based on employee allocation and debt service formula. The retirement/refunding on existing debt service resulted in this fee getting reduced in FY 23.
- No change in the transfer to Environmental Fund (remains \$495,700). This is a transfer needed to subsidize and balance Environmental Fund. This will continue until its fees are raised to fully cover the expenditures in that fund.

8. **Water and Sewer Debt Service.** There are no additions to Water and Sewer Debt Service in the FY 23 Budget. The table below shows the current debt obligations.

<b>Revenue Bonds</b>	<b>Principal</b>	<b>Interest</b>
Vac Truck	\$635,000	\$602,289
Kannapolis Crossing/Lane St/WTP Improvements	\$1,904,000	\$540,626
Downtown Water and Sewer	\$1,303,000	\$760,190
Davidson Road Water	\$287,000	\$171,560
<b>Other Debt</b>		
Equipment	\$76,528	\$11,235
Water Line-NCRC	\$76,633	\$3,134
Afton Run Sewer	\$61,965	\$1,622
Kannapolis Parkway	\$27,896	\$414
Second Creek	\$15,172	\$3,763
<b>Total</b>	<b>\$4,387,194</b>	<b>\$2,094,833</b>

9. There are no new Water and Sewer **Capital Improvement Projects** included in the proposed FY 23 Budget for the Water and Sewer Fund.

10. There is only one **Unfunded Expansion Item** of note that are not included in the proposed FY 23 Budget. This request involved the establishment of a **heavy construction crew** (\$272,000 recurring) and related equipment (\$360,000 one-time). The purpose would be to perform more complex water and sewer replacement work in-house (vs. contracting). Should a future priority emerge to aggressively pursue the replacement of aging water and sewer lines then this approach may have some merit. Additionally, in this current labor environment, finding qualified employees for this program would prove difficult.

## ***Stormwater Fund Overview***

### **Stormwater Fund Revenue Highlights:**

The proposed FY 2023 Stormwater Fund Budget is **\$3,291,706**, which represents an 3.00% increase from the FY 22 adopted budget of \$3,195,831 (\$95,875 actual). No fee increase is proposed for FY 23 (the sixth consecutive year with no increased fees).

The Stormwater Fund continues to be fully self-sustaining.

### **Stormwater Fund Expenditure Highlights:**

1. \$63,000 increase for a 5% **Cost of Living Adjustment (COLA)** for all employees. The CPI index for March 2022 was 8.5%. 1.5% was adopted for FY 22 and a 4% was adopted for FY 21 (2.5% upon budget adoption and 1.5% mid-year). The COLA in the Stormwater Fund has been added to the operating budget.
2. \$33,000 increase for **Merit (Performance-Based) Pay** for all eligible employees (based on 2.5% average, up to 3% maximum with those in developmental range qualifying for 5%). Merit increases were funded in FY 22, but no merit increases were funded in FY 21 due to projected revenue shortfalls related to COVID.
3. No new positions are proposed.
4. \$75,000 increase in contracted services for **audit of stormwater system**. This audit of the impervious area and could result in revenue recovery between 8-15% should City Council decide to implement its findings.
5. \$15,000 increase in contracted services for **asset management capital lifecycle model**.
6. \$6,000 increase in **motor fuel** based on increased costs.
7. \$20,000 increase in **repair and maintenance vehicles**.
8. \$12,000 increase in travel and training due to new **CDL requirements/training**.
9. \$95,000 increase to replace **turf maker hydro seeder equipment**.
10. \$43,359 *decrease* in the **General Management Services Fee** (transfer to the General Fund). The retirement/refunding on existing debt service resulted in this fee getting reduced in FY 23.
11. \$227,249 *decrease* in **Stormwater Debt Service**. There are no additions to Stormwater Fund Debt Service in the FY 23 Budget. The table below shows the current debt obligations which are 24% less than the obligations of FY 22 due to the decreasing payment design of the debt.

<b>Installment Debt</b>	<b>Principal</b>	<b>Interest</b>
Equipment	\$17,562	\$2,579
Stormwater various projects	\$505,733	\$205,131
<b>Total</b>	<b>\$523,295</b>	<b>\$207,710</b>

12. There are no new Stormwater **Capital Improvement Projects** included in the proposed FY 23 Budget for the Stormwater Fund.
13. There is only one **Unfunded Expansion Items** of note that are not included in the proposed FY 23 Budget – development of a **Stormwater Master Plan**. This would provide the City with a comprehensive view of needs and aid in planning timeline of maintenance and expansion of service, future needs. It is necessary for future planning after fulfillment of core practices. This scope would cover the completion of the stormwater infrastructure mapping and facilitating a stormwater advisory committee. It is possible that funding from the Federal Bipartisan Infrastructure Bill (BIL) will be pursued for this purpose.

## *Environmental Fund Overview*

### **Environmental Fund Revenue Highlights:**

The proposed FY 2023 Environmental Fund Budget is **\$4,918,080**, which represents a 6.03% increase from the FY 22 adopted budget of \$4,629,129 (\$278,951 actual).

Charges and Fees in the Environmental Fund are expected to experience organic growth (3% growth rate). No fee increase is proposed for FY 23. There is a miscellaneous revenue of \$158,594 budgeted for surcharges for missed pick-ups from Waste Management. This increase was based on six months of missed pick up surcharges in FY 22.

This Fund is still reliant upon inter-fund transfers to support its operations (see below). The Environmental Fund was projected on the City’s 10-year Financial Plan to become self-sufficient by FY 23 with two planned \$2.50 fee increases (one in FY 21 and one in FY 23). The FY 21 adjustment was postponed due to the unknown COVID impacts but it was implemented in FY 22 which brought the fee from \$15.60 to \$18.10. Unfortunately, significant increases in recycling costs prevented this fee increase from achieving the goal of self-sustainability. To make it fully self-sustaining a fee increase of between \$2.50-\$3.00 will still be necessary in the future.

<b>Environmental Fund Transfers In</b>			
<b>Transfer</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
From Stormwater Fund	\$400,000	\$0	\$0
From General Fund	\$150,000	\$85,542	\$85,542
From Water and Sewer Fund	\$495,700	\$495,700	\$495,700
<b>Total Transfers to the Environmental Fund</b>	<b>\$1,045,700</b>	<b>\$581,242</b>	<b>\$581,242</b>

## **Environmental Fund Expenditure Highlights:**

1. The Environmental Fund includes the transfer of an Operations Manager position from the General Fund (Engineering-Admin. Assistant). This position was added to better **manage the solid waste and recycling contract with Waste Management**. No other personnel additions or changes are proposed.
2. \$25,000 increase for a 5% **Cost of Living Adjustment (COLA)** for all employees. The CPI index for March 2022 was 8.5%). 1.5% was adopted for FY 22 and a 4% was adopted for FY 21 (2.5% upon budget adoption and 1.5% mid-year). The COLA in the Environmental Fund has been added to the operating budget.
3. \$12,000 increase for **Merit (Performance-Based) Pay** for all eligible employees (based on 2.5% average, up to 3% maximum with those in developmental range qualifying for 5%). Merit increases were funded in FY 22, but no merit increases were funded in FY 21 due to projected revenue shortfalls related to COVID.
4. \$30,000 increase in **repair and maintenance of vehicles**.
5. \$10,000 increase in **repair and maintenance of streets** (formerly budgeted in Stormwater fund).
6. \$8,000 increase in **motor fuel** based on increased costs.
7. \$13,500 increase in **container purchases** for replacement carts and new carts due to growth.
8. \$8,000 increase in **contracted services** based on trends.
9. \$70,205 increase for the standard **CPI increase per the Waste Management contract** (based on 2.55% CPI).
10. **Environmental Fund Debt Service**. There are no additions to Environmental Fund Debt Service in the FY 23 Budget. The table below shows the current debt obligations which has only changed slightly from FY 22. The only debt is for leaf collection trucks (\$218,398 annual principle +\$13,638 annual interest)
11. There are no new **Capital Improvement Projects** included in the proposed FY 23 Budget for the Environmental Fund.
12. There were several **Unfunded Expansion Items** of note that are not included in the proposed FY 23 Budget. These are all worthy expenditures but were not included due to budget limitations, management priorities or other reasons. They are provided here as information. Perhaps the most important item is the addition of two new positions and rear load truck to be able to better serve citizens with yard waste collection. The other unfunded program is a litter cleanup crew and related equipment. That decision needs more debate and discussion before proceeding.

<b>FY 23 Environmental Fund: Unfunded Expansion Items</b>	
\$110,000	Two Construction Maintenance Techs. Positions would operate a second bag truck which reduces the number of personnel substituted from other divisions and overtime cost.
\$200,000	16-ton rear load truck (Second bag truck)
\$196,587	Litter Crew (crew of 4)
\$60,000	Litter Crew: Crew Chief
\$82,000	F-550 Dump Truck (Litter Crew)
\$46,000	F-250 Crew Cab (Litter Crew)
\$40,000	Mid-size truck for Operations Manager
<b>\$734,587</b>	<b>Total</b>

## ***Separation Pay Fund Overview***

The proposed FY 23 Separation Pay Fund Budget is **\$506,407** which represents a 4.58% increase over the FY 22 adopted budget of \$484,210 (\$22,197 actual)

The full amount of the Separation Pay Fund is projected to be spent on separation pay obligations for retired City employees. From FY 22 to FY 23, four (4) former employees rolled off that are no longer eligible to receive special separation pay because they are over the age of 62. Two new employees rolled on for FY 23.

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

## ***Transit Fund Overview***

The proposed FY 23 Transit Fund budget is **\$1,743,571**, which is a 149% increase over the FY 22 adopted budget of \$700,000 (\$1,043,571 actual).

### **Transit Fund Revenue Highlights:**

The past two fiscal years, the Concord/Kannapolis Transit System (CK Rider) was eligible for Federal CARES Act funding due to impacts of the COVID-19 pandemic. The funding was split between the two municipalities. This federal subsidy helped delay several increases until this budget year.

The current vehicle license tax is \$30 per vehicle with \$20 that goes directly to the Transit Fund to support the public transit system. \$5 goes back to the General Fund and \$5 goes towards road paving/improvements. In FY 23, the vehicle license tax revenue is projected at \$900,000 (based on \$20 for each of the City's estimated 44,000 registered vehicles plus some projected growth). This is a \$400,000 increase from FY 22. Due to the CARES funding in FY 22, the full amount of the vehicle fees was not budgeted, and the excess was rolled into fund balance.

A transfer from the General Fund is also required in the amount of \$303,235 due to the increased costs in operations as well as the reduced CARES subsidy. There is also a Transit Fund - Fund Balance appropriation of \$540,336 to pay for Kannapolis' portion of the capital funding needed.

## **Transit Fund Expenditure Highlights:**

As this a contracted service, there are no direct (city owned) capital, personnel, or operating expenditures.

**Operational expenditure** increases of \$703,235 is related to the following:

1. **Contractual rate increases** to the **fixed route (bus) service**.
2. **Passenger enhancements**. Per new Federal Transit Administration (FTA) 5307 rules at least 1% must be spent on passenger enhancements.
3. **Safety enhancements**. Per new FTA 5307 rules at least 0.75% spent on safety improvements.
4. **Security enhancements**. Per new FTA 5307 rules, at least 1% must be spent on security improvements.
5. **Contractual rate increases** related to **ADA Paratransit program** ridership which is up 25% over the past year.
6. Increase in **fuel costs**.
7. Decrease of \$200,000 transfer to the General Fund (this was only possible due to the federal CARES funding).

**Capital expenditure** increases of \$540,336 includes:

1. \$57,495 in capital and 2021 transit vehicle replacement.
2. \$482,841 for local match to a 5339b federal grant for new bus purchases.

## ***Looking Ahead – FY 2024 and beyond***

At the end of FY 21 heading into FY 22 there was a focus on implementing the recently completed City Council Virtual Retreat. The intent of this Retreat was to prioritize different initiatives and projects which was accomplished. However, soon after the conclusion of the Retreat it became readily apparent that there was a need to take a few steps back and re-examine our City's future from a much broader perspective.

From that conclusion, **Imagine Kannapolis**, a new strategic planning process, emerged. Its purpose is straightforward: 1) understand where we are as a City, 2) develop a vision of what Kannapolis should look like in the immediate and distant future, and 3) then develop a set of strategies to achieve the vision. The planning process will address a wide range of issues including but not limited to affordable housing and homelessness, economic development (USPC? NCRC? Midway? Cannon Blvd? Downtown? Industrial/Office Development?), historic preservation, environmental sustainability, growth management, changing demographics, and enhanced service delivery. While the FY 23 Budget will only marginally be impacted by the conclusions of this Plan, it is nearly certain that FY 24 and many future budgets will be guided by it.

The following is a list of projects and initiatives that are currently under some level of consideration. These will all be addressed in some form as part of **Imagine Kannapolis**. It is highly likely that many more will emerge from the process.

Potential Future Projects and Initiatives	
Skate Park	Cannon Blvd/Mt. Olivet Intersection Improvements
Village Park Phase IV – Green Room	Personnel Additions
Litter Clean-Up Program	Operating Capital Outlay
Irish Buffalo Creek Greenway	Major Utility System Replacements
Community Center	Midway (South Main Street) Revitalization
Additional Downtown Parking Facilities	Transitional Housing/Homeless Shelter Strategy
Western Cabarrus Fire Station - Permanent	Community Appearance and Code Enforcement
Kann. Parkway/Highway 3 Decorative Street Lights Landscaping	Active Seniors - Housing/Marketing Strategy
Cannon Blvd Southern Entryway Aesthetic Improvements	NCRC Organization (Next Decade Growth) Strategy
I-85 Monuments	North Main Street Small Area Plan ( <i>see Midway</i> )
North Loop Road Safety Improvements	Downtown Farmers Market Plan
Bakers Creek Park Improvements	Development Fiscal Impact Model
Westside Park	Affordable Housing Strategy
Gem Theatre Phase II Renovations	Central Energy Plant Operations
Enhanced Street Paving	Downtown Parking Program
Cannon Blvd+DEB Intersection Aesthetic Enhancements	

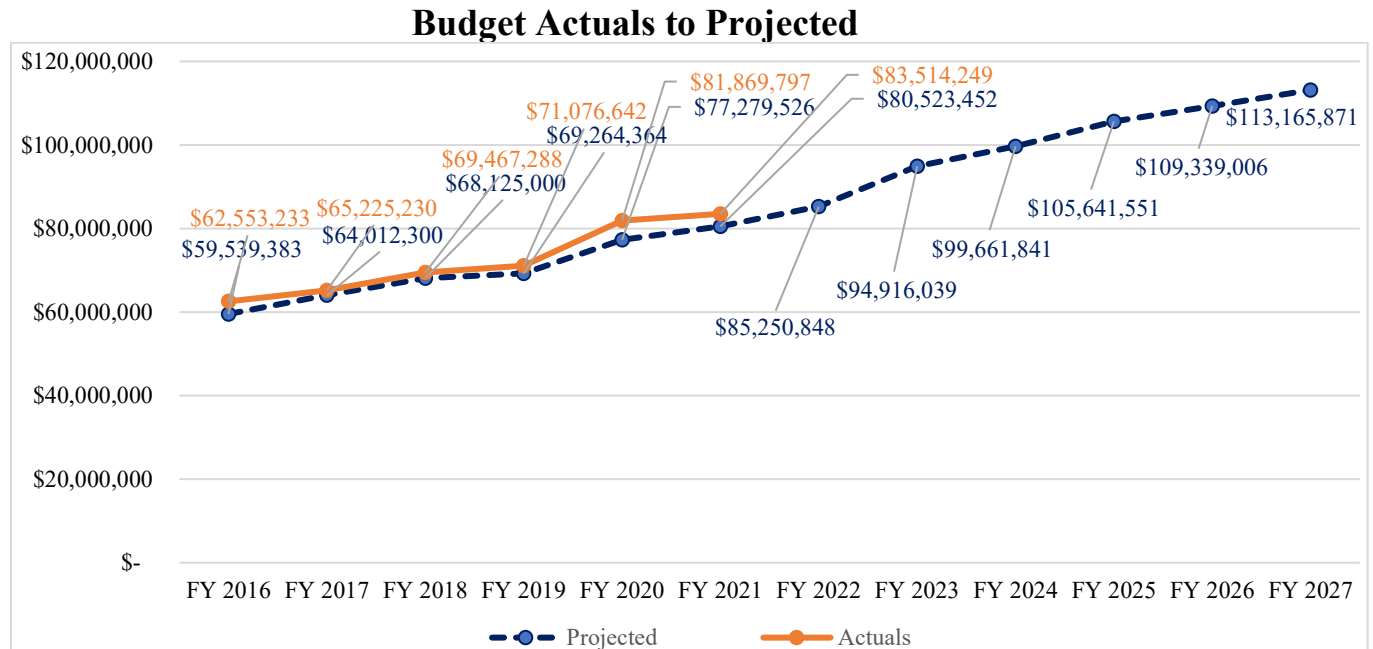
The most valuable City government asset is its employees. The public service arena is heavily weighted towards people who perform the work necessary to keep the City safe, livable, comfortable and vibrant. The current **four-year staffing plan points to a need for approximately 82 new employees with an annual budget impact of more than \$5.2 million.** Eleven of these positions are included in the proposed FY 23 Budget (and 15 reclassifications). These positions are generally intended to enhance service delivery, facilitate succession planning and to keep up with growth. The City has experienced 45% growth over the past 20 years and matching that growth with the ability to serve the population is important. None of the 82 positions include staffing for any new facilities such as parks or fire stations.

Similar to staffing needs, our City departments must have the proper equipment and operating funds to adequately perform their jobs. To that end, **the current four-year operating expansion requests amount to \$25.5 million in needs.** This does not include major capital improvement projects and the operating expenses to support them. It also does not include significant new initiatives like litter clean-up crews. Some of the larger needs such as fire department ladder trucks make up about \$6 million of this number – those expenditures can be financed which will ease the annual budget impact.

As an example of the complexities of the future decision making, should City Council ultimately decide through its strategic planning process to construct the Eastside Park, Westside Park (phase I), two new greenway segments, a community center and renovations to the Gem Theatre, these projects will have a significant budgetary impact. Collectively, they **total an estimated \$38 million in capital costs and \$2.3 million in annual personnel and operating expenditures.** Building and staffing new fire stations will have similar budgetary impacts.



At first glance, these numbers can seem quite daunting, even overwhelming. Indeed, for the public investments described above to be realized, continued healthy private sector investment will be required. The trends from the past decade (post Great Recession) point toward this growth continuing. As depicted on the following graph, the total City budget has increased by 50% since 2015 and is expected to have doubled by about 2027. This graph also shows that we have consistently exceeded budget projections for the past six years.



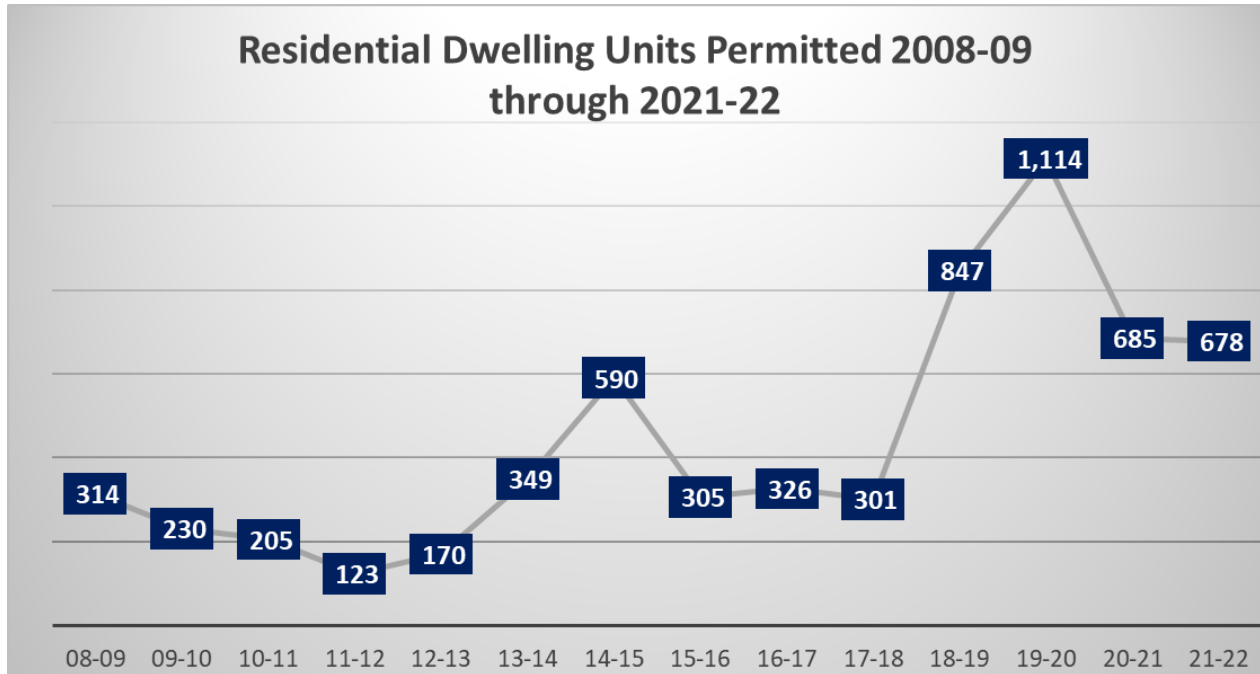
The City’s rapid private sector development trends have continued over the past decade. In the past eight years nearly 5,000 residential dwelling units were permitted with an average of more than 600 units per year. However, this is only the beginning of what is likely an exponentially more rapid growth rate. **More residential dwelling units have been permitted in the past 4 years (3,342) than in the previous 11 years combined.**

As land prices escalate and household sizes decrease, **higher density residential projects will become more of the norm.** The economics of low-density large lot single family development are no longer realistic in most settings. Over the past 12 months, the City has seen 393 multi-family dwelling units with a total tax value of \$63 million. In the same time period, 285 single family permits were issued with total value of \$39 million.

The City’s residential growth trends from the past decade are depicted on the graph below.

Commercial and industrial development has also rapidly grown (\$41.8 million permitted in the past year versus \$13.6 million the year prior). There are several large investments in various stages of development, most notably: Kannapolis Crossing (I-85 exit 65), Mill Creek Crossing (Kannapolis Parkway@NC73), the injection of the NCRC properties into the marketplace, the possibility of the U.S. Performance Center, and the remaining downtown projects. These projects alone could total more than \$1 billion in private investment over the next five years. This is only a sampling of the projects – all of which will have a long-lasting positive revenue impact on the City.

It is likely that more mixed-used projects will emerge in the coming years. Downtown growth will continue. More redevelopment will likely occur in places outside of downtown (e.g., Cannon Blvd and South Main Street). This will be even more likely if the City becomes actively involved in promoting this kind of private investment.



One unavoidable challenge to the City’s growth narrative is related to the **limited wastewater treatment capacity** which will be part of the decision-making process for the better part of the next decade as the Water and Sewer Authority of Cabarrus County (WSACC) facilitates three successive treatment plant expansions; the first one is under construction now with a spring/summer 2024 completion target.

However, we should not lose sight of how significant even a heavily managed growth plan will be. The City’s current wastewater allocation plans are projected to facilitate more than 7,000 dwelling units, more than 10 million square feet of non-residential space and more than 500 hotel rooms. **These developments are projected to generate \$3.5 billion in new private investment** (current City-wide total tax base is \$5.7 billion). This level of investment **will generate \$22 million in new annual property tax revenues and \$12 million new annual water and sewer use revenues**. This level of development alone will generate an estimated 15,000 new residents. How rapidly this all occurs remains to be seen and external factors such as another recession could impact this. Even so, the growth is coming and new revenue streams to help pay for improvements to our City.

### *Closing Thoughts*

Kannapolis’ residential and business citizens have witnessed extraordinary changes in the past 20 years. The first 10-12 years of this period, we witnessed the devastating loss of the Cabarrus-Rowan region’s largest employer, the emergence of the North Carolina Research Campus (NCRC) as a potential economic development game changer and then the nearly immediate downturn of

the economy with the Great Recession. The economic turmoil of 2008-09 significantly changed the trajectory of the NCRC (and not for the better).

However, as has been the case in Kannapolis for decades, the roller coaster of our existence rebounded in a big way. The second half of this period was dominated by three factors, explosive private sector growth (the Charlotte “wave” finally reaching our shores), the bold (and unprecedented) decision to acquire and completely rebuild all of Downtown Kannapolis and the COVID pandemic. Through all the peaks and valleys of prosperity and struggle, Kannapolis has largely transformed itself into an entirely new kind of City.

Irrespective of both the shortcomings and successes over the past two decades, the coming twelve months represents a major crossroads for the City. As noted above, the Imagine Kannapolis Strategic Plan is well underway to help decide which path our City should take to make Kannapolis the best place it can possibly be. It is likely that 20 years from now 2023 will be the year that was the beginning point to another transformation of our already great City.

This proposed FY 2022-23 Budget is balanced in accordance with N.C. Statutes and continues to move our City forward in both its service delivery to our citizens as well as our economic growth and prosperity. This Budget is the result of a lot of hard work from a talented and dedicated team of City employees. For each of those participating I am extremely thankful. Our budget manager, Assistant to the City Manager, Kristin Jones worked tirelessly to oversee a very effective budget process and a very good final product. Our management team and each of our department heads also played key roles in the development of this Budget.



City Council should be commended for its strong leadership and willingness to make very complex and sometime difficult decisions which will have lasting positive impacts on our City. Please accept my appreciation to each of you for your support of City staff in our work to implement City Council’s priorities including the upcoming Strategic Plan.

Without reservation, I respectfully submit this proposed FY 2022-23 Budget to the City Council for its thoughtful consideration.

Sincerely,

A handwritten signature in blue ink that reads 'Mike Legg'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Mike Legg  
City Manager

**AN ORDINANCE ADOPTING A BUDGET FOR THE  
CITY OF KANNAPOLIS, NORTH CAROLINA FOR THE  
FISCAL YEAR BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023**

**BE IT ORDAINED** by the City Council of the City of Kannapolis, North Carolina, meeting in open session this 27<sup>th</sup> day of June 2022, 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, 2022 and ending June 30, 2023:

Ad Valorem taxes	\$ 35,588,732
Sales taxes	13,626,161
Intergovernmental	6,333,541
Other Revenues	6,185,267
Fund Balance Appropriated	<u>753,458</u>
<b>TOTAL</b>	<b><u>\$62,487,159</u></b>

**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, 2022 and ending June 30, 2023:

Charges for Services	\$20,000,000
Other Revenues	<u>3,370,000</u>
<b>TOTAL</b>	<b><u>\$23,370,000</u></b>

**SECTION III – STORM WATER FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Storm Water Fees	<u>\$ 3,291,706</u>
<b>TOTAL</b>	<b><u>\$ 3,291,706</u></b>

**SECTION IV – ENVIRONMENTAL FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2022 and ending June 30, 2023:

User Fees	\$ 4,132,244
Transfer from Other Funds	581,242
Other Revenues	158,594
Solid Waste Disposal Tax	<u>36,000</u>
<b>TOTAL</b>	<b><u>\$ 4,908,080</u></b>

**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, 2022 and ending June 30, 2023:

Motor Vehicle Privilege Tax	\$ 900,000
Transfer from the General Fund	303,235
Fund Balance Appropriated	<u>540,336</u>
<b>TOTAL</b>	<b><u>\$ 1,743,571</u></b>

**SECTION VI – SEPARATION PAY FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Transfer from General Fund	<u>\$ 506,407</u>
<b>TOTAL</b>	<b><u>\$ 506,407</u></b>

**SECTION VII - GENERAL FUND:** A total of \$62,487,159 is hereby authorized to be expended from the departmental accounts of the General Fund as follows:

General Government	\$ 10,219,725
Public Safety	20,265,066
Parks and Recreation	5,650,799
Public Works, incl. Powell Bill	4,853,405
Other	5,924,854
Contingency	612,644
Debt Service	<u>14,960,666</u>
<b>TOTAL</b>	<b><u>\$62,487,159</u></b>

**SECTION VIII - WATER AND SEWER FUND:** A total of \$23,370,000 is hereby authorized to be expended from the Water and Sewer Fund as follows:

General Management Services Fee	\$ 1,922,482
Billing and Collections – Water and Sewer	1,306,070
Distribution - Water and Sewer	5,248,474
WSACC – Sewage Treatment	4,274,460
Water Treatment Plant	3,640,787
Transfer to Other Funds	495,700
Debt Service	<u>6,482,027</u>
<b>TOTAL</b>	<b><u>\$23,370,000</u></b>

**SECTION IX – STORM WATER FUND:** A total of \$3,291,706 is hereby authorized to be expended from the Storm Water Fund as follows:

Personnel	\$ 1,203,061
Operations	930,420
Debt Service	731,005
General Management Services Fee	<u>427,220</u>
<b>TOTAL</b>	<b><u>\$ 3,291,706</u></b>

**SECTION X – ENVIRONMENTAL FUND:** A total of \$4,908,080 is hereby authorized to be expended from the Environmental Fund as follows:

Personnel	\$ 450,262
Operations	4,225,782
Debt Service	<u>232,036</u>
<b>TOTAL</b>	<b><u>\$ 4,908,080</u></b>

**SECTION XI – PUBLIC TRANSIT SYSTEM FUND:** A total of \$1,743,571 is hereby authorized to be expended from the Public Transit System Fund as follows:

Contracted Services	\$1,203,235
Capital Outlay	<u>540,336</u>
<b>TOTAL</b>	<b><u>\$ 1,743,571</u></b>

**SECTION XII - SEPARATION PAY FUND:** A total of \$506,407 is hereby authorized to be expended from the Separation Pay Fund as follows:

Personnel-Separation Pay	\$ <u>506,407</u>
<b>TOTAL</b>	\$ <u>506,407</u>

**SECTION XIII - 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 2022-2023. This rate is based on an estimated valuation of \$5,672,838,999 and an estimated 98.54 percent collection rate, the audited FY 21 collection rate. Allocation of the 2022-2023 tax rate will be as follows:

<b>GENERAL FUND</b>	<b>\$.63</b>
<b>TOTAL TAX RATE</b>	<b>\$.63</b>

**SECTION XIV - 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 XV - SPECIAL AUTHORIZATION – STAFFING AUTHORIZATION:**

Funds allocated in this budget ordinance are meant to fund the employment of 418 Full Time positions for fiscal year 2023.

This Ordinance is approved and adopted this 27<sup>th</sup> day of June 2022.



\_\_\_\_\_  
Milton D. Hinnant, Mayor

ATTEST:



\_\_\_\_\_  
Bridgette Bell, MMC, NCCMC  
City Clerk



## PROFILE OF THE GOVERNMENT

The City of Kannapolis, incorporated in December 11, 1984, is located in the north central portion of Cabarrus County and the south- central portion of Rowan County, North Carolina. These counties are located in the east central part of the state, which is one of the top growth areas in the state. It currently covers approximately 34 square miles and serves a population of 52,053 and the assessed valuation for property tax purposes is \$5,260,241,092. The City of Kannapolis is one of six incorporated municipalities in Cabarrus County and one of ten incorporated municipalities in Rowan County.

The City is governed by the council-manager form of government. The seven-member non-partisan City Council, including the Mayor, is elected at large for four-year alternating terms. The Mayor and Council members serve as the City's policy making body, adopting an annual balanced budget, establishing legislative direction for the City, and appointing various officials including a professional City Manager to serve as chief executive officer to direct the daily activities of the City's departments. The City Council makes extensive use of appointed boards and commissions in the development of policy decisions.

The City provides its citizens with a wide range of services that include law enforcement, fire protection, planning and zoning, recreation , street and storm drainage maintenance, water and sewer service, a bus transit system, street lighting, traffic engineering, recyclables collection, solid waste disposal , code enforcement, and community development assistance. In addition, the City owns a 15 million gallon per day water treatment plant and water distribution lines throughout the City. The City also owns sewer collection lines throughout the City with sewage treatment being provided by the Water and Sewer Authority of Cabarrus County. This report includes all the City's activities related to the City's services.

North Carolina General Statutes require formal budgetary accounting for all funds. The departments of the City are required to submit requests for appropriations to the City Manager no later than April 30 each year. These requests are used as a starting point for developing a proposed budget. The City Manager presents the proposed budget no later than June 1. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30. Budgets are legally enacted by adoption by the governing board of an Annual Budget Ordinance or a Project Ordinance. The Annual Budget Ordinance and Project Ordinances may be formally amended as required by the governing board within the guidelines of the Local Government Budget and Fiscal Control Act. Changes of function and total budgets of any fund require approval of the governing board. The City Manager is authorized to reallocate functional or departmental appropriations, as he considers necessary, and to approve interdepartmental transfers within a fund. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A Project Ordinance is used to establish a budget for a project that extends more than one fiscal year.



Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Encumbrances outstanding at year-end can expire and must again be appropriated by City Council in the subsequent year.

### LOCAL ECONOMY

The City of Kannapolis is a multi-faceted community that combines the stability of long term residents and a steady growth of new subdivisions and multi-family options with an array of businesses and corporations along both major corridors which lead to the newly revitalized downtown area. Enjoying the same growth rates as Durham and Charlotte, Kannapolis is the 21<sup>st</sup> largest city in North Carolina.

The City has contracted with the non-profit Development Finance Initiative (DFI), at the UNC-CH School of Government to assist in the revitalization of downtown Kannapolis. DFI has assisted the City in adopting a long-range strategic plan for the Center City. Currently, the City has entered a public-private partnership with LMG & Associates to redevelop and revitalize three downtown blocks. The initial project, Project Vida, along with the three subsequent projects all focus on mixed-uses including a 285 multi-family apartment complex soon to be occupied, more than 40,000 square feet of retail and restaurant space, of which most are leased and currently being upfitted, along with a 485 space parking deck. The downtown area of Kannapolis has proven to be prime real estate and a major economic development factor. This Demonstration project alone will infuse the downtown revitalization with \$60 million of capital investment.



The new 5,000 seat, \$52 million Sports and Entertainment Venue (SEV) was completed in May. This facility will host other types of civic events, as it is planned to be open 365 days a year. To support all this new development, the City completed a replacement and upgrade of all its below ground infrastructure throughout the Downtown area totaling \$24 million. The highlight of this project is the creation of a new Street Scape, road design, and a Linear park totaling another \$4 million in public investment.



Growth and development in the City have been strong. Currently there are over 40 residential subdivisions in the City with plans to build approximately 7,500 new homes and apartments within the next decade. Amazon is now the City's largest private employer, with about 1,200 employees. Its \$85 million, one million square foot distribution facility opened in 2018. Shoe Show is the City's second largest private employer, with about 750 employees. Stanley Black & Decker, Wayne Brothers, Stewart-Haas Racing, and Gordon Food Service are also significant private sector employers in Kannapolis. During the beginning of 2020, Prime Beverage and Reynolds upfitted existing shell buildings and will soon be bringing in more jobs.

The growing population of the City and Cabarrus and Rowan Counties provides a steady flow of workers into the job market. Unemployment rates stayed steady at or below 4% for both Counties, even thru the

## COMMUNITY PROFILE

COVID-19 pandemic. Job training is made possible by the vocational education programs in public schools and by three neighboring community colleges and technical schools.

Amid the COVID-19 pandemic, The City of Kannapolis cautiously prepared itself by delaying expenditures to guard against fund balance use and closed public access to city hall to protect its employees and its citizens. Sales tax collections were expected to decrease up to 30% but fortunately that was not the case. Sales tax revenue increased \$96,330 from fiscal year 19. In addition, property tax collection rate decreased only .36% from the previous year. In all, hits to revenues were expected to be much worse, but with preemptive protective measures and a healthy growth rate, The City of Kannapolis continues to persevere.

A major initiative in the City over the last decade has been the development of the North Carolina Research Campus (the "NCRC"). Multiple facilities are open and operating on the NCRC, including the David H. Murdock Core Laboratory (the "Core Lab"), the Plants for Human Health Building and the Nutrition Research Building. Rowan Cabarrus Community College's original NC Research Campus building houses their science and nursing programs in a 62,000 square foot facility. Their 55,000 square foot Advanced Technology Center opened in 2019 and is home to the College's Associate in Engineering, Information Technology programs and houses a ground floor flex lab that allows the college to collaborate with industry partners, for example in robotics and the mechatronics. NCRC's private and institutional partners include Atrium Health, Cabarrus Health Alliance, Sensory Spectrum, Standard Process, and NorthState.

### LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

In the spring of 2012, the Kannapolis City Council adopted a ten-year financial forecasting model. This model is updated annually, and it details all significant revenues and expenditures across all funds for the city. In order to determine future revenues and expenditures, the City has compiled twenty prior years' audited data, along with the current year's budget estimates. This data was then used to identify trends that would assist city staff in accurately projecting future financial performance. This financial forecasting model has been integrated with the City's revised Capital Improvement Plan (CIP). The goal is to readily identify future revenue gaps, and to provide city leaders with the knowledge necessary to make changes in the current financial structure, while at the same time effectively planning for infrastructure improvements in order to meet the needs of a growing population.

In conjunction with the financial forecasting model, the Kannapolis City Council also approved several other financial management policies, such as a debt management policy, cash reserve policy, as well as an idle funds investment policy. The goal in adopting all of these policies, as well as the financial forecasting model, is to design parameters stipulating a desired financial position, so that the City can continue to meet the needs of its citizens, while at the same time remaining financially sound.

### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the City of Kannapolis, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2022. The Certificate of Achievement is the highest form of recognition for excellence in state and local government budgeting. To qualify for the Distinguished Budget Presentation Award, the City of Kannapolis budget document had to be judged proficient as a policy document, a financial plan, an operating guide, and a communication device.

## COMMUNITY PROFILE

The top taxpayers and percentage of total assessed valuation for the City of Kannapolis:

1. Castle and Cooke NC LLC - 5.8%
2. Kannapolis Logistics Center - 1.36%
3. Glen Afton LLC - 1.32%
4. Duke Energy – 1.09%
5. Shoe Show Inc - 1.04%
6. Centennial Afton Ridge, LLC – 0.92%
7. Kannapolis Investments LLC - 0.91%
8. Integra POE LP - 0.86%
9. Gateway Afton Ridge Inc – 0.81%
10. Hilltop Copeland Strip LLC - 0.67%

The top ten taxpayers make up a total of 13.15% 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single-Family Residential Permits (Value millions)	183 \$15.8	65 \$7.8	130 \$16.0	434 \$43.9	291 \$51.3	270 \$34.4	301 \$42.9	349 \$55.9	210 \$26.7	329 \$50.8
Commercial /Industrial Building Permit (Value millions)	119 \$17.8	102 \$9.2	102 \$2.1	71 \$73.7	89 \$90.7	94 \$40.3	73 \$114.3	200 \$81.2	82 \$17.7	54 \$53.7
Total Building Permit (Value millions)	302 \$33.6	167 \$17.0	232 \$18.1	505 \$117.6	380 \$142.0	364 \$74.7	374 \$157.2	920 \$139.7	451 \$46.6	383 \$104.5

#### Per Capita Personal Income in Cabarrus and Rowan County

County	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Cabarrus	34,452	38,079	31,576	33,576	37,947	38,142	38,879	43,920	45,220	46,615	49,679
Rowan	37,700	31,365	28,155	29,583	31,209	32,305	32,565	36,994	38,089	40,213	43,724

Source: Access NC

# COMMUNITY PROFILE

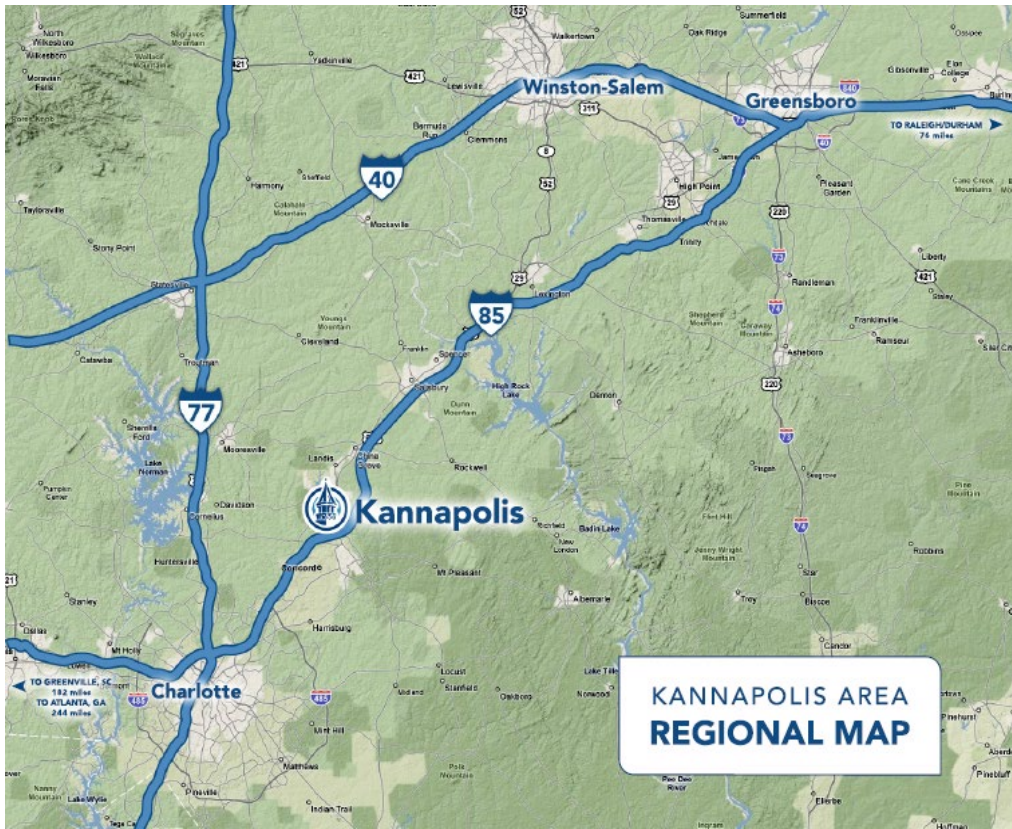
## Unemployment Rate in Cabarrus and Rowan County

County	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*	FY 2020	FY 2021	FY 2022
Cabarrus	9.3%	7.9%	6.8%	4.7%	4.8%	4.0%	3.9%	3.7%	7.8%	7.0%	3.4%
Rowan	10.3%	8.8%	8.0%	5.3%	5.5%	4.4%	4.4%	4.0%	8.4%	7.9%	3.7%

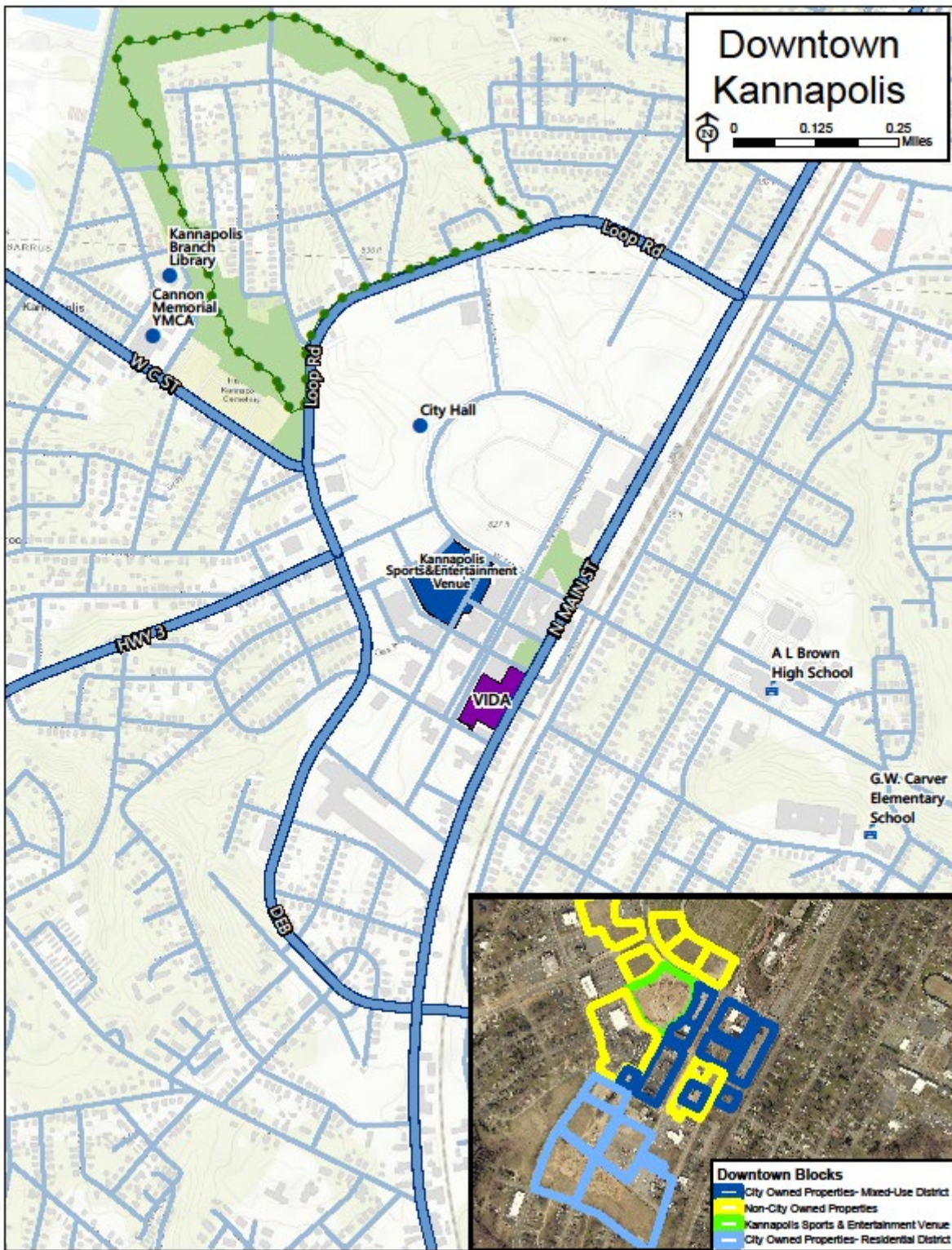
\*Data through June 2022

Source: Bureau of Labor Statistics

## Kannapolis, North Carolina Location Map



### Downtown Kannapolis



City of Kannapolis  
Strategic Plan: Imagine Kannapolis



**Goal:** establish a future vision for Kannapolis, determine focus areas (such as public safety, transportation, and economic development) needed to bring the vision to fruition, set strategic objectives for each focus area, develop a financial and operational plan to achieve the objectives and begin implementation of the strategic plan.

**The Nature of this Strategic Plan:** Dynamic Plan – not a Static Document. It will be adjusted consistently over time. It will be a constant work focus of City Staff for several years into the future. The strategies emerging from the 13 Primary Focus Groups (Phase 1) will develop the foundation for the Plan and represent opportunities to immediately move projects and initiatives forward. Phase 1 strategies will likely be allocated a significant portion of the City’s financial resources for the next several years.

**Situation Report:** resource for strategic decision making. It provided critical data and observations that will serve as the foundation for the strategic plan. It identified factors which will influence Kannapolis both today and into the future. The report focused on events, trends, issues, challenges, observations, and expectations.

**Situation Report- Executive Summary:**



**Demographic Trends and Issues**

Kannapolis is growing, diversifying, becoming younger (and at the same time older), gaining more wealth and becoming more educated. Much of this is due to in-migration of new residents.

- Our strong population growth is driven by **in-migration** and growth in **minority populations**.
- **Hispanics/Latinos** represent a 255% increase from 2000 to 2020 to 8,500 residents.

## STRATEGIC VISIONING PROCESS GOALS

- **In-Migration** is driving local population growth and is likely to remain the primary and potentially **ONLY** source of growth in the coming years.
- **Single parent families** have grown to make up 32% of all households.
- Strong growth is occurring at both ends of the spectrum, **under age 18 and age 60-64**.
- Kannapolis is **significantly younger** than both of its counties and the State. This has an implication on issues like youth recreation programs, childcare, and before/after school programming.
- The growth in **baby boomer retirements** points to opportunities for these individuals to volunteer and become more engaged in the community, but also to the need to adapt our infrastructure and programs for an aging population.
- 42% of our population is **not “from here”** and was born outside of North Carolina.
- **Educational attainment has increased** as more people move into Kannapolis.
- Our median **income has increased** by 50% over the last 20 years.
- Our **poverty rate** was 14.5% in 2019, but is higher for children and minorities, and could be higher as a result of COVID.
- **Housing costs** have increased significantly, and rental units make up a larger proportion of our housing stock (40% vs, 32% in 2000). In some communities, entire subdivisions of single-family houses are being built as rental units.
- Kannapolis residents are **commuting farther for work** than before, still largely along the I-85 corridor to Concord and Charlotte.
- Charlotte (27%) and Concord (18%) represent the largest concentration of **Kannapolis residents’ workplaces**. 9% live and work in Kannapolis. The remainder work all across the region and state.



## Economic Trends and Issues

The current and future economic prosperity of Kannapolis is tied to many external influences including the nation, state, and regional economic growth. North Carolina and the Charlotte region consistently rank at the top of rapidly growing places with strong pro-business climates.

From a local perspective Cabarrus and Rowan counties are both in a strong position with recent major private investment announcements such as Eli Lilly, Red Bull, and Macy’s.

In addition to the regional impacts, Kannapolis’ specific economic future will be tied to the next phases of the NCRC and Downtown, several major speculative industrial projects including Overlook 85, Metro63 and Lakeshore Corporate, as well as continued residential and commercial growth.

Challenges will include workforce skills and availability, lagging entrepreneurial development, and sewer treatment capacity.



## STRATEGIC VISIONING PROCESS GOALS

- **Workforce shortage** will remain an ongoing issue for at least two generations due to Covid impacts, baby boomer retirements, declining fertility rates, declining life expectancy, and foreign immigration-limiting policies. 64% of unemployed men in the 35-year-old range have a criminal record. Second-chance hiring programs are extremely important tools. Women are strongly outpacing men in earning degrees, but also continue to bear the uncompensated jobs of parenting and caregiving for an elderly person, making working even more difficult.
- There is a projected need for 400,000 more workers with **postsecondary degree or credentials** by 2030 in North Carolina.
- Cabarrus County is **under-represented** in manufacturing, technology, and professional services jobs.
- Cabarrus County could be in a situation where workers are **commuting IN for low-wage positions** due to lack of affordability; and residents **commuting OUT for higher wage positions** due to current industry make-up.
- Demand for **warehousing and distributions centers** will likely increase as online shopping continues to grow and companies are increasing inventory to guard against supply chain shortages.
- Downtowns will become more focused on **entertainment, amenities, place-making/experiential** rather than shopping due to continued growth in e-commerce.
- The rise of **pop-up/ghost kitchens** is due to a reliance of food delivery services.
- We continue to transition from traditional media/advertisement/network television to **online social media/streaming services/e-commerce**, affecting the way our citizens consume information, develop social networks, and seek entertainment.
- Major economic development announcements locally and statewide will create **demand for skilled workers and housing**.
- More local and regional focus on **entrepreneurship and innovation** has resulted in new programs and investments. However, more Kannapolis residents need to take advantage of these offerings.
- With continued technology adoption in areas such as cloud computing, big data, security & encryption, artificial intelligence, and automation, an estimated 50% of all **employees will need reskilling**. Also, while jobs are still identified by skills, soft skills like an agile learning mindset, resiliency and adaptiveness, and the ability to collaborate play a bigger role in success.
- Back Office, Hospitality, Personal Services, Logistics, and Manufacturing/Production occupations show the highest risk of **automation** for the Charlotte region. Most are those requiring no formal education or those requiring a high school diploma. Examples include computerized ordering at restaurants or check-in at hotels, customer service chatbots, autonomous trucking, inventory management.
- In addition to workforce training effects, **technology** will continue to affect the way we work and live. Examples include use of drones for delivery service, vertical farms in urban areas and incorporation of the metaverse in our everyday experiences.

- **The Covid-19 pandemic** has had profound impacts on our economy, workforce, and has accelerated technological changes that were already underway. Many of these changes are here to stay.
- **Remote work is here to stay.** An estimated 37% of desks will remain empty. This may present opportunities for small and mid-sized cities to capture this workforce as they have flexibility to choose their location.



## Growth & Development Trends and Issues

There are several areas of development activity in Kannapolis that will set our growth trajectory for the next decade. The City’s ability to influence the quality and nature of development and job creation through our development ordinances and sewer allocation policy, and our public investments will determine what our community looks like in the next 20 years.

- Our **tax base has grown** by an average of 5.16% annually over the last 10 years. The projected \$10.5 million increase in property tax revenue over the next four years translates to about \$100 million in borrowing capacity.
- The **NCRC** is at a point of transition in ownership, which could result in a change in its development trajectory, and the City needs to play an active role in guiding its future. Despite the City’s significant investment, it is currently unclear how much of a presence the **U.S. Performance Center** will have in Kannapolis.
- **Downtown** revitalization has been extraordinarily successful, with more development coming. Along with that will come additional growing pains, including parking management and communication.
- The City is extending utilities for **Kannapolis Crossing**, which is expected to bring as much as \$400 million in new development investment to the City.
- **Kannapolis Parkway** near Afton Ridge has experienced significant development, with more to come in the future. Traffic management and the type/quality of development will need to be monitored with future development. An extension of the Parkway, the new Highway 3 design will change the development potential along that corridor.
- **Dale Earnhardt Blvd** is expected to see mixed-use development and additional multifamily. Increased traffic congestion, noise, and safety are concerns for nearby residents as this area develops.
- The **Lane Street interchange** is experiencing significant change with new industrial and commercial development. The traffic to this area is likely going to drive additional development and change the character of the corridor.
- As an older commercial corridor, **Cannon Boulevard** has functioned as a major thoroughfare and the city’s primary commercial corridor for the majority of the past 50

years. The City has worked on a corridor plan that looks at how the corridor will evolve as redevelopment occurs.

- The **Midway and North Kannapolis** commercial areas represent both a potential threat to the progress Downtown (if nothing is done to change course) and a potential opportunity to expand upon the Downtown successes (with a proactive approach).

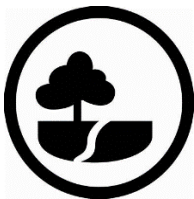


## Infrastructure Trends and Issues

Underlying the City’s continued growth and economic prosperity is the ability to maintain and enhance infrastructure. Our aging infrastructure has a backlog of maintenance needs, in addition to new infrastructure that will be needed to support future growth. Transit is another important aspect of infrastructure and the ability to get our workforce to places of employment.

- City has sufficient **drinking water** for growth needs through 2035. However, an expansion of Albemarle’s Tuckertown Water Treatment Plant will be necessary to maximize the water purchases by Concord and Kannapolis.
- City needs to complete the interconnection with the City of Charlotte to utilize **Catawba River Basin IBT** allocation to supplement western growth area water needs.
- The **sewer treatment capacity limitations** for the Rocky River Regional Wastewater Treatment Plant have resulted in the need to carefully allocate treatment capacity for the foreseeable future, in line with the City’s adopted policy. Finding the balance of allocation to various development types will be an ongoing challenge.
- A recent **Water Main** inventory and modeling exercise recommends a replacement of a water main when the main has reached end of life based on an estimated life expectancy of either 75, 60, or 50 years depending on the main’s pipe material. The model suggests that we currently have a **backlog of \$49.2 million** worth of mains that are at or past their estimated life expectancy. To maintain our network the model currently suggests investing \$3 million per year.
- A similar **Water Hydrant** modeling exercise recommends a replacement when the hydrant has reached end of life based on an estimated life expectancy of 30 years. The model suggests that we currently have a **backlog of \$7.5 million** worth of hydrants that are at or past their estimated life expectancy. To maintain our network the model currently suggests investing \$100,000 per year, to improve the overall service state of our network the model suggests investing \$150,000 per year.
- A **Sewer Main** model recommends a replacement of the sewer main when the main has reached end of life based on an estimated life expectancy of either 75 or 50 years based on the main’s pipe material. The model suggests that we currently have a **backlog of \$172.7 million** worth of mains that are at or past their estimated life expectancy. To maintain our network the model currently suggests investing \$3.5 million per year.

- A **Street Pavement** model suggests that we currently have a **backlog of nearly \$70 million** worth of work that needs to be performed. To maintain our network at its current state the model suggests investing \$1 million per year. To improve the overall state of our network, the model suggests investing \$1.5 million per year to increase the overall condition rating from a 45 to a 53 (based on 100-point scale) within a 30-year period.
- The City has attempted to proactively address **stormwater issues** and should continue to make stormwater a priority to manage and facilitate growth. In order to do this, a comprehensive Stormwater Master Plan that establishes priorities and identifies capital needs is needed. Future funding for stormwater improvements may need to include targeted assessments where the benefitting property owners help pay for the specific projects.
- The **Speedway Landfill** current expected life is 10-years and upon reaching its capacity we will have to transfer waste to other facilities that have capacity. This will most likely involve transfer stations, handling, and transportation costs, all at a significantly higher cost than we enjoy today.
- **Recycling contamination** continues to be a challenge with some loads rejected at Charlotte materials recovery facility (MRF) resulting in fines and increased processing cost. Continued education is the key to solving this problem.
- Ten major **NCDOT transportation projects** are in the pipeline locally in Kannapolis.
- Expansion of **Amtrak service** could enhance commuter options between Raleigh and Charlotte. **Daily Commuter Rail** into Charlotte could be a possibility building on these existing services.
- The **CK Rider** system served 436,000 riders in 2019. Current transit challenges are the need for extended service hours, more frequent service, more fixed route service, and increased demand response service area.



## Environmental Trends and Issues

While not as tangible as job creation or infrastructure expansion, our City's environmental well-being is an important indicator of the overall health of the community. It is clear that with continued rapid growth impacts on the air we breathe, the water we drink and the landscape we see will occur.

Federal Phase II stormwater regulations have forced the City to pay more attention to point source water degradation. A stormwater fee charged to residential and business property owners helps fund these efforts. Likewise, federal air quality non-attainment laws have the lingering potential to impact future road building. Federal CMAQ funding has helped improve traffic congestion, thus alleviating some level of air pollution. Clearly the rapid advance of electric vehicles will have the largest positive impact on our local air quality.

## STRATEGIC VISIONING PROCESS GOALS

One issue that has become far more of a priority for City Council is the visual attractiveness of the City. Beautification projects and more robust litter clean-up efforts are on the immediate horizon.

- **Air quality** will be an ongoing issue due to increased urbanization, increased development, and growing population, employment, and trucking activity.
- **Stream quality** will be an ongoing issue due to increased urbanization, increased development, and illicit discharges.
- **Litter** is an ongoing issue due to increased population and traffic and limited resources for regular clean up.
- The United Nations **Climate Change** report just issued in 2022 presents a dire warning: without immediate and deep emissions reductions across all sectors, limiting global warming to 2.7 degrees Fahrenheit is beyond reach. Increased heatwaves, droughts, and floods are affecting millions of people across the globe, causing food and water insecurity, and causing significant loss of life, biodiversity, and infrastructure.



## Social, Housing, & Health Trends and Issues

In the world of municipal government, social and health issues are often viewed as “somebody else’s problem.” With North Carolina’s local government structure that is often legally and operationally accurate. Cities don’t often spend time and money on solving these problems. Notable exceptions are housing issues, public safety services and promotion of active living of its citizens. Additionally, topics such as racial equity, mental health and substance abuse, education and early childhood services impact the livability, well-being, and cohesiveness of our City. All of these challenges have solutions that will come through partnerships with both counties, non-profits, school systems and others.

- Access to affordable **early childhood education** is an economic development issue in terms of allowing parents to work and in terms of child welfare and development. Cabarrus County has established an Early Childhood Task Force to work towards some of these issues.
- Kannapolis has a wide range of neighborhoods and housing types. There are some **older neighborhoods** (and a few not-so-old neighborhoods) that have experienced disinvestment and deterioration.
- **Housing affordability** has become a significant issue, with rents and home prices out of reach for those earning less than 80% of area median income. About 4,700 Kannapolis households were cost burdened with housing in the 2014-2018 timeframe – this represents the affordable housing units needed in the community. Nearly 2,000 households in Kannapolis are extremely low income; they can afford less than \$663/month in housing costs.

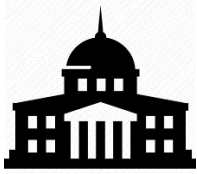
## STRATEGIC VISIONING PROCESS GOALS

- **Homelessness** is an issue that needs to be addressed. In 2000, the Cabarrus County Homelessness Task Force estimated 200 to 300 units of emergency and transitional housing needed; that number has likely grown due to population growth and the rapid rise in housing costs.
- **Racial disparities** are evident in Kannapolis when it comes to income, poverty, housing, educational attainment, health, and ultimately, economic mobility.
- **Mental health** is a significant need in the region, with suicide, substance abuse, and opioid overdoses still being a concern. Cabarrus County established a Mental Health Advisory Board/Task Force to address some of these issues, including starting a regional behavioral health crisis service center.
- An estimated 12% of Kannapolis residents have a **disability**, with the largest population being senior citizens aged 65 and over. However, the proportion of school-aged children aged 5-17 with a disability as well as adults aged 18-34 has ticked up.
- The City's **Discover a Healthy Life** brand has gained traction in both wellness programs and economic development efforts. The City offers a variety of Parks & Recreation events and programs to serve our residents.
- As the City grows, we will need to consider more parks & recreational programming for our **youth and senior citizens**.
- The City has many **arts, entertainment, cultural, and tourism** assets to provide to residents and visitors. However, the City still needs more and a variety of restaurant and social/entertainment establishments for residents and visitors.
- Kannapolis students are served by three **public school systems** that include twelve elementary schools, five middle schools, and five high schools that serve students within Kannapolis boundaries. With increased competition from charter schools, the local school systems have begun to offer magnet programs and academies to allow students to specialize in certain focus areas. The development of these programs is an important selling point for economic development.



## Community Safety Trends and Issues

- Two **replacement Fire Stations** have been constructed in the past two years. Two existing stations are currently undergoing renovations.
- Two new **Fire Stations** (east and west) are on the radar, as is a **Joint Emergency Services Training Center** (partnership with Cabarrus County and the City of Concord).
- Kannapolis is still considered a **safe city** and is ranked 15<sup>th</sup> out of 50 safest cities in North Carolina. **Vacancies** continue to remain high for the Police Department.
- **New age of police services** will focus on diversity of the department, social and mental health focus, significant technological advancements, and “real” community policing.



## City Government Trends and Issues

- The City of Kannapolis currently maintains a total full-time workforce of 373 employees and more than 100 permanent and seasonal part-time employees.
- The **average age** of the current employees is 39.
- The employee team **age distribution** is almost evenly split between those 40 and under (56%) and those over 40 (44%).
- The **average tenure** of the current employees is 8.38 years.
- The **Fire Department** has a much higher tenured employee base (26% with 16+ years of service) than the employee base as a whole (17%).
- Only 30 employees in the entire organization currently have 21 or more **years of service**.
- A City Council Planning Retreat in 2018 concluded with **employee retention and recruitment** being the number one priority of the City Council. Since that time the nearly a dozen new employee benefits and operating improvements have been implemented.
- From FY 22 through FY 25 an additional 51 **new positions** are needed to maintain the current levels of service. These additions to the workforce have an estimated \$3 million annual budget impact when fully implemented.
- From FY 22 through FY 25 an estimated \$12.3 million in funding for **capital outlay** is needed. It is highly unlikely that all of this can be funded in a few short years, but this is the outstanding need. This includes 82 replacement vehicles and pieces of machinery such as: police cruisers, crew trucks, fire engines, mowers, trailers.
- The most daunting **challenges to maintaining current levels of service** include: a) Turnover (esp. police officers and with construction maintenance workers), b) Recruitment (in some departments), c) Labor shortages, d) new Commercial Driving License (CDL) training requirements, e) Employees needing technology training, f) Improved internal communications; g) Enhance Inclusivity in the decision making process h) employee mental health/work-life balance/social well-being, i) the "Great Reshuffle" (totally rethinking the workplace and work experience); j) Pending retirements/succession planning; k) Increased wages; l) Increased reliability on technology, j) Increased demand of police services (mental health calls, civil issues).
- The **General Fund revenues** have increased on average 5% from FY 14 to FY 23 and are conservatively projected to grow by 4% each year for FY 24 to FY 26.
- **Sales Tax** collections continue to be a strong source of revenue for the City, but it can be volatile as it is contingent on the economy. Sales tax collections are projected to double in a 10-year window (FY 14 to FY 24). This revenue stream has increased on average by 7% from FY 14 to FY 23. 7% annual growth rate is also projected for future fiscal years FY 24 to FY 26.

## STRATEGIC VISIONING PROCESS GOALS

- The major rating agencies (Moody’s and S&P) indicate that the City’s **financial position** of Kannapolis is very strong with several key contributing attributes: very good cash balances, strong economy and tax base, stable revenue and expenditures, strong liquidity. A few concerns of note: above average debt burden and below average median family income at 78.4% of the nation as a whole.
- There is a potential **void in future active, positive leadership** in the City as many of the current elected officials may conclude their service to the City in the next several years.
- Kannapolis may not have as many formal opportunities for **citizen service** as similar communities, but engagement opportunities need to be developed in informal settings when appropriate

**Situation Report** presented as a very high level “State of the City” report and **Visioning Exercise** by City Council provided a sense of direction on several basic questions.

- Establishment of 7 **Focus Areas**.
- Each Focus Area includes a set of **Guiding Principles**.
  - 26 **Focus Groups recommended**.
  - 13 of the Focus Groups are considered “Primary” demanding attention immediately.
  - 13 of the Focus Groups are considered “Secondary” and are important community value projects and initiatives but are better suited for long-term implementation.

**The following Citizen- Led Focus Groups were established:** Homelessness and Transitional Housing, Historic Preservation, Environmental Stewardship and Neighborhood Improvement Focus Groups. Other groups will soon follow with all group finishing their work later this year. **The Historic Preservation Focus Group** will include exploring the ideas of a history museum by the Kannapolis History Associates, a request by the Kannapolis African American Museum and Cultural Center for a facility and a Cannon Family Tribute. Consideration of what a museum might look like in today’s era such as online and virtual options versus brick and mortar options for historic preservation and promotion as well as hands on programming versus static displays.

**The Environmental Stewardship Focus Group** will discuss a set of initiatives and investments to make Kannapolis more environmentally sustainable and more physically attractive. Items could include litter cleanup programming, new gateway improvements along I-85 exit corridors, more proactive code enforcement, tree planting, more preservation of natural areas, reestablishing the Beautification Commission, an Adopt-A-Stream Program, stream restoration, and improved recycling participation.

**The Neighborhood Improvement Focus Group** will focus on plans that would help stabilize existing neighborhoods and make them more resilient. This group will discuss what physical investments could help with this process such as sidewalks, street trees, monument signage, enhanced solid waste service, assistance with developing neighborhood groups, proactive code enforcement, rental registration program, policies to limit investor-owned properties and strategies to improve existing manufactured home parks.



## STRATEGIC VISIONING PROCESS GOALS

A fifth focus group, the **Recreation Facilities Focus Group** will be led by the City's existing Parks and Recreation Commission. Over the next four months City staff will also be working with additional focus groups such as Transportation, Infrastructure and Public Safety facilities. These groups will be internal based with staff and stakeholders such as NCDOT participating in the process.

**The Homelessness and Transitional Housing Focus Group** will make recommendations to City Council on the actions the City should take to address assist those in housing crisis. The group will consider the types of populations that need assistance, types of housing solutions, support services needed, and current efforts within the community to address these issues.

### Timeline:

- June 27 City Council Meeting: Formally approve Focus Areas, Guiding Principles and Focus Groups. Staff presents Resource Assessment.
- June 28-July 18: City takes applications for three (3) citizen-led Primary Focus Groups:
  - Historic Preservation
  - Environmental Stewardship
  - Neighborhood Improvement
    - NOTE: Recreation Facilities (Parks & Recreation Commission)
    - NOTE: Homelessness & Transitional Housing (already appointed)
- June 28 – October 24: Staff develops recommendations on eight (8) Primary Focus Groups:
  - Public Safety Facilities
  - Downtown Revitalization
  - Midway/North Kannapolis Revitalization
  - NCRC Sustainability
  - Tourism
  - Infrastructure
  - Transportation
  - General Government Facilities

### Steps:

- July 25: City Council appoints citizen-led Focus Group members
- July 26 – October 24: Focus Groups develop recommendations which will be presented to City Council as they are completed.
- November 14: Staff presents Phase 1 of the Imagine Kannapolis Strategic Plan which will include a recommended Financial Plan (Capital Improvement Program, Staffing and Operational Plan).
- January 2023: Implementation of Phase 1 begins. Secondary Focus Group appointments and work gradually starts to occur.

Focus Areas:



**Focus Area 1:  
Health & Safety**



**Focus Area 2:  
Human & Social Needs**



**Focus Area 3:  
Economic Vibrancy & Employment**



**Focus Area 4:  
Education & Learning**



**Focus Area 5:  
Arts, Tourism & Cultural Vitality**



**Focus Area 6:  
Natural & Built Environment**



**Focus Area 7:  
Government Leadership & Service**



## Focus Area 1: Health & Safety

### **Public Safety Facilities: Primary Focus Group (Staff Driven)**

*Expected Outcomes:* Definition of major capital projects and establish financial impacts.

- Eastside Fire Station.
- Westside Fire Station.
- Cabarrus Regional Public Safety Training Facility.
- Fire Apparatus (new and replacement).
- Fire Training Tower replacement.
- Fire Department Storage Facility.
- Renovations to Fire Station 1 and Fire Station 4

*Likely Cost of Implementation:* Very High

### **Public Safety Service Delivery: Secondary Focus Group (Staff Driven)**

*Expected Outcomes:* Enhancements to Police Department and Fire Department Staffing and Operational Plan:

- Recruitment strategies.
- Park Rangers.
- Auxiliary Officers.
- Mental Health and Social Service Police Officers.
- Examination of a possible merger of telecommunications/911 functions with Cabarrus County.
- Potential financial and operating impacts of establishing Fire Department Medical Units.
- Higher level of collaboration on EMS/medical transportation services.

*Likely Cost of Implementation:* Moderate

### **Safe Community Facilities: Secondary Focus Group (Staff Driven)**

*Expected Outcomes:* Definition of major safety related capital projects and establish financial impacts. Improved accessibility for those with disabilities.

- Sidewalks.
- Bike lanes for pedestrian/bike safety.
- Improved lighting along corridors.
- Smarter traffic lights.
- Intersection improvements.
- Use of technology, safety improvements for streets.

This Focus Group will be a subset of the Infrastructure and Transportation groups focused purely on safety. This may be an important distinction regarding funding and prioritization.

*Likely Cost of Implementation:* High

### **Children and Teens: Secondary Focus Group (Citizen Driven)**

*Expected Outcomes:* Development of programs, initiatives, and facility proposals to support 0-18 aged population and support academic growth including but not limited to:

- After school programs.
- Summer camps.
- Enhanced sports programs.
- Childcare/early childhood education.
- Teen center.
- Inclusive programs for children with autism or other disabilities.
- Exposure to career options and entrepreneurial mindset (e.g., Junior Achievement-type programming).

Consideration should be given to partnerships with non-profits or entities that already provide these type of services (i.e., YMCA).

*Likely Cost of Implementation:* Moderate to High

**Active Seniors: Secondary Focus Group (Citizen Driven)**

*Expected Outcomes:* Recommended strategies to make Kannapolis an attractive place for retirees and active seniors. This may include:

- Age-diverse amenities (e.g., senior center/programming).
- Improved public transportation.
- More walkable areas.
- Opportunities for active seniors to volunteer (e.g., school mentoring) and work part-time in both the public and private sector (e.g., parks & recreation - building monitors/seasonal opportunities).
- Removal of barriers that may prevent multi-generational housing options (e.g., carriage homes).
- Partnership with Cabarrus County on programming at the planned Afton Ridge Senior Center.

*Likely Cost of Implementation:* Moderate to High



**Focus Area 2:  
Human & Social Needs**

**Homelessness and Transitional Housing: Primary Focus Group (Citizen Driven)**

*Expected Outcomes:* Upon completion of due diligence and evaluation provide a recommended project/initiative intended to begin to address the issue. The factors leading up to the recommendation should be:

- Establishment of which demographic target the effort will focus (single men, families, single mothers with children, etc.).
- A decision of the focus of the strategy (emergency or long-term stability/rehabilitation).
- The proposed capital funding strategy (City Staff will do this).
- The viability of the long-term operational plan.

It is important that it be acknowledged that a single project/initiative is all that can be pursued in the short term (and a recognition that the needs are many times greater than can be addressed).

*Likely Cost of Implementation:* High

**Diversity: Secondary Focus Group (Citizen Driven)**

*Expected Outcomes:* Establishment of a list of recommended strategies/initiatives to embrace and celebrate the diverse City we are. Ideas may include:

- Continued diversified Parks & Recreation programming
- Offering services/materials in Spanish.
- Examination of City’s Human Resources and Communication activities and how to embrace diversity in the workplace and in the interaction and service delivery to residents.
- The re-establishment of the Diversity Commission.

The recently established Community BRIDGE effort could be a starting point.

*Likely Cost of Implementation:* Low

**Economic Mobility: Secondary Focus Group (Citizen Driven)**

*Expected Outcomes:* Development of a set of recommendations focused on improving opportunities for economic mobility for all (ability to improve individual economic status/prosperity). Should address:

- Examine City government policies.
- Childcare/early childhood education.
- College/career readiness.
- Affordable housing.
- Public transportation.
- Mental health.
- Criminal justice system.
- Social capital.
- Promotion of minority business development.

This is a very complex Focus Group, one that will take some time to develop. It will take significant partnerships to be successful.

*Likely Cost of Implementation:* Low to Very High



**Focus Area 3:  
Economic Vibrancy & Employment**

**Downtown Revitalization: Primary Focus Group (Staff Driven)**

*Expected Outcomes:* Recommendations for the framework of a Downtown Master Plan Phase 2 which may include:

- A potential path forward for the United States Performance Center.
- A specific link to the growth of the NCRC.
- Parking solutions and new parking investments.
- More active outdoor dining facilitation.
- Attracting more tourism-based projects.
- Other targeted initiatives, and investments.

*Likely Cost of Implementation:* Moderate to Very High

**Midway and North Kannapolis Revitalization: Primary Focus Group (Staff Driven)**

*Expected Outcomes:* Establishment of an overall vision and plan for the redevelopment of both Midway and North Kannapolis including:

- The definition of anchors – especially in Midway (i.e., skatepark, pickleball franchise, museums, other sports-related projects).
- Key public investments (sidewalks, parking facilities, streetscaping)
- Strategy for private investment (existing and future property owners).

*Likely Cost of Implementation:* Very High

**NCRC Sustainability: Primary Focus Group (Staff Driven)**

*Expected Outcomes:* Development of a pathway strategy to:

- Maximize the success of the existing NCRC research structure (organization and operation).
- Future economic development opportunities with the Core Lab and remaining vacant land (university/college and private investments).
- Strengthening the link between the NCRC and the overall health of the community.
- Capitalizing on the opportunities presented by the announcement of Eli Lilly and the Pearl District in Uptown Charlotte (Wake Forest/Atrium Medical School), the existing Food Innovation Lab, the innovation corridor between Charlotte and Winston Salem and potentially the United States Performance Center.

*Likely Cost of Implementation:* Low to Moderate (possibly high)

**Cannon Boulevard Revitalization: Secondary Focus Group (Staff Driven)**

*Expected Outcomes:* Upon City Council adoption of the Cannon Blvd Corridor Plan consider the following follow up implementation steps (most occurring over a long term beyond 5 years):

- Developing a specific implementation plan for revitalization, including determining what public investments are the highest priority and how to fund them. In the immediate term align potential improvements that might be eligible for federal funding through the Bipartisan Infrastructure Bill.
- Determining land assembly approaches or other ways to stimulate redevelopment.
- Developing a marketing and promotion plan (longer-term).

*Likely Cost of Implementation:* Moderate to High (short-term) Very high (long-term)

**Small Business and Entrepreneurship: Secondary Focus Group (Citizen Driven)**

*Expected Outcomes:* Development of programs and initiatives to support traditional small business growth and development. Creation of a strategy to grow the entrepreneurial ecosystem in Kannapolis. These outcomes should include the following:

- A focus of support for downtown, Midway, North Main Street and Cannon Blvd businesses.
- Robust facade/site improvement grant program.
- Removal of regulatory barriers to small business growth.
- Strengthening of the impact of the Cabarrus Center.
- The creation of a shared commercial kitchen for food trucks.
- Development of a kitchen incubator for new restaurant development.

- Creation of a strategy to translate NCRC university-based research into new start-up companies with local investments.

*Likely Cost of Implementation:* Low to Moderate

**Job Creation: Secondary Focus Group-Staff Driven**

*Expected Outcomes:* Refinement of a strategy to attract large corporate employers including professional services, finance, medical, research & technology through:

- Support for higher quality economic development investments with an emphasis on skilled labor force. Support for manufacturing rather than distribution recruitment.
- The continued use of incentives (traditional and creative).
- Stabilizing and maximizing the NCRC.
- Capitalization of regional economic growth priorities such as Eli Lilly and the Charlotte Pearl District (Wake Forest/Atrium Medical School).
- Possible office and headquarters recruitment.
- A remote worker strategy.
- Maximizing the industrial development at I-85 exits 65, 63 and 54.

*Likely Cost of Implementation:* Low



**Focus Area 4:  
Education & Learning**

***K-12 Education: Secondary Focus Group: Citizen Driven***

*Expected Outcomes:* Creation of a strategy to improve the K-12 education for students living in the City of Kannapolis (all schools and districts). This generally means targeted funding for programs design to better equip students for post-graduation and may include:

- Support for after school programs.
- Summer programs.
- Infrastructure for school facilities.
- Direct funding of school activities.

The focus might be on disadvantaged schools in all districts serving Kannapolis students.

*Likely Cost of Implementation:* Moderate to High

***Workforce Development: Secondary Focus Group-Staff Driven***

*Expected Outcomes:* Development of a path forward strategy focused on two key areas:

- Attracting skilled workers to live in Kannapolis through quality of life/lifestyle enhancements (vibrant leisure opportunities, good schools, diverse housing choices).
- Training and re-training our existing workforce to be able to secure “jobs of the future” that largely involve interfacing with technology.

*Likely Cost of Implementation:* Low to Moderate



## Focus Area 5: Arts, Tourism & Cultural Vitality

### **Historic Preservation: Primary Focus Group (Citizen Driven)**

*Expected Outcomes:* Development of specific project(s) for addressing the following:

- The request by the Kannapolis History Associates for a history museum proposed to be operated by the City’s Parks and Recreation Department.
- The request by the Kannapolis African American Museum and Cultural Center (KAA-MaCC) for a facility with on-going City operating support.
- The long-standing desire of many in the community to construct a Cannon Family Tribute.
- Mill Village preservation and enhancement.

Virtual options for preserving and promoting history need exploring. Hands-on programming vs. static displays (what does a museum today look like?).

*Likely Cost of Implementation:* High to Very High

### **Tourism: Primary Focus Group (Staff Driven)**

*Expected Outcomes:* Develop recommended strategies to address:

- The future of the NC Music Hall of Fame (short-term).
- Capitalizing on history and heritage investments that are part of the Historic Preservation Focus Group (short-term).
- The planned renovations to the Gem Theatre (short-term).
- Music festivals and other large special events (longer-term).
- Creation of a part-time professional symphony orchestra (short-term)
- More wayfinding (longer-term)
- Growth Jiggy with the Piggy (longer-term),
- Maximization of the ballpark for events (longer-term).
- Potential support and maximization of the United States Performance Center (longer-term).
- Capitalizing on the efforts of both counties’ CVBs.

*Likely Cost of Implementation:* Moderate to High



## Focus Area 6: Natural & Built Environment

### **Recreation Facilities: Primary Focus Group (Citizen Driven- Parks Commission)**

*Expected Outcomes:* Definition of major capital projects, timing and establish financial impacts. Will include at a minimum a consideration of the following:

- Eastside and Westside parks.
- Skate Park.



## STRATEGIC VISIONING PROCESS GOALS

- Community Center (or YMCA and school facilities partnership).
- Pickleball Courts.
- Irish Buffalo, Rocky River, and Bakers Branch greenways.
- On-Street Sidewalks (prioritized).
- Dog parks.
- Land banking program.
- Accessibility retrofits for park facilities (disabilities).

*Likely Cost of Implementation:* Very High

### **Environmental Stewardship: Primary Focus Group (Citizen Driven)**

*Expected Outcomes:* Establishment a set of initiatives and investments to make Kannapolis an environmentally sustainable and more physically attractive community, which may include:

- Litter clean-up programming.
- New gateway improvements.
- More proactive code enforcement.
- Tree planting, streetscaping and landscaping along corridors.
- Strengthen environmental development standards (tree preserve).
- City construction project standards = environmental stewardship.
- Re-establishment of a Beautification Commission
- Adopt-a-Street (enhance) and Adopt-a-Stream program.
- Improved recycling participation.
- Stream restoration.

*Likely Cost of Implementation:* Moderate to High

### **Infrastructure: Primary Focus Group (Staff Driven)**

*Expected Outcomes:* Definition of major capital projects that create a strong and resilient portfolio of infrastructure, project timing and determining financial impacts with a focus on:

- Enhanced street paving.
- Stormwater improvements (a comprehensive Stormwater Master Plan is a first step).
- Waterline replacement.
- Water hydrant maintenance
- Sewerline replacement.
- Solid waste disposal plan implementation (with local partners).
- Long-term Potable Water Sources.
- Long-term Wastewater Treatment (with local partners).

*Likely Cost of Implementation:* Very High

### **Transportation: Primary focus group (Staff Driven)**

*Expected Outcomes:* The development and implementation of a long-range Transportation Plan which addresses the following issues:

- Traffic congestion.
- Intersection improvements.
- Ridesharing (Uber/Lyft).
- Preparing for the inevitable driverless vehicles.

## STRATEGIC VISIONING PROCESS GOALS

- Potential of a downtown trolley connector.
- “Last mile” transportation (scooters, golf carts).
- Road diets and bike lanes (MLK Avenue? North Loop Road?).
- Path forward strategy on public transit including: CK Rider system; Creative ways to expand the system; Stable transit funding source; Discussions with Charlotte/CATS; Federal funding; Expansion of Amtrak services.

*Likely Cost of Implementation:* Very High

### **Neighborhood Improvement: Primary Focus Group (Citizen Driven)**

*Expected Outcomes:* Development of a plan to stabilize existing neighborhoods and make them more resilient including physical investments such as:

- Sidewalks, Street trees, Monument signage.
- New initiatives such as enhanced solid waste service (e.g., more frequent collection of bulky items in fragile neighborhoods, clean up days with City provided dumpsters).
- Assistance with developing neighborhood associations.
- Proactive code enforcement.
- Rental registration program.
- Policies such as limiting investor-owned properties.
- Strategy to improve manufactured home parks.

*Likely Cost of Implementation:* Moderate to High



## Focus Area 7: Government Leadership & Service

### **General Governmental Facilities: Primary Focus Group (Staff Driven)**

*Expected Outcomes:* Definition of major (non-public safety/non-parks and recreation/non-infrastructure) capital projects, timing and establish financial impacts.

- Second City Warehouse.
- Upfits to Shell Space at City Hall.
- Improvements to Atrium Health Ballpark (per Major League Baseball’s new standards).
- Accessibility retrofits for public facilities for those with disabilities.

*Likely Cost of Implementation:* High

### **Leadership Development: Secondary Focus Group (Citizen Driven)**

*Expected Outcomes:* Development of a series of programs or initiatives focused on:

- Elected official education.
- Elected office candidate education.
- City leadership academy.
- Creation of a pipeline of leadership (youth, boards and commissions, volunteer programming).
- Youth council expansion (purpose not number of participants).

*Likely Cost of Implementation: Low*

**Citizen Engagement: Secondary Focus Group (Citizen Driven)**

*Expected Outcomes:* Development of programs and initiatives including the following:

- Welcoming of newcomers ("Welcome Wagon" type programming).
- Engaging new residents through volunteer opportunities (City/non-profit, e.g., support of schools and litter clean-up).
- Building a connection of residents to their City.
- Improved citizen communication and engagement (perhaps more active social media engagement).
- Growth of Kannapolis 101 and other academies (possibly establish more).

*Likely Cost of Implementation: Low*

### **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 to achieve the departmental goals and objectives.

### **Consolidate Preliminary Budget**

The departmental requests are submitted to the Budget Officer 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 14, 2022	City Manager's Office produces the FY 23 base budget, which is the FY 22 adopted budget less any one-time expenses.	Base budget: starting point. Last year (FY 22) adopted budget less any one-time projects or costs. <a href="#">Munis Level 1: Base budget opens for viewing purposes only.</a>
Tuesday, February 15, 2022	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 are handled by Budget and Human Resources. <a href="#">Munis Level 2: Department Continuation budget</a>
Monday, February 21, 2022,	Budget/Finance reviews and assesses revenue forecasts and provides updated debt service figures.	Budget will enter the estimated revenues related to each department. If
Friday, March 25, 2022	Department continuation budgets <b>DUE</b> .	All proposed adjustments need a brief justification for the proposed change.
Thursday, April 7, 2022	Departmental expansion templates will be distributed. This should include a 3-year forecast of the department's personnel requests, increase in operations outside of contractual obligations, 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. <a href="#">Munis Level 3: Department Expansion budget.</a>
Wednesday, April 20, 2022	Department expansion budgets <b>DUE</b> .	Budget will key all expansion requests in Munis and note any one-time projections and/or initiatives.
Monday, May 2, 2022 - Friday, May 6, 2022 <i>*subject to change</i>	<b>Budget conferences begin.</b> Budget conferences will consist of the City Manager, respective Deputy or Assistant City Manager(s), Assistant to the City Manager and Department staff.	Continuation and Expansion departmental budgets will be discussed in these meetings as well any capital projects. <a href="#">Munis Level 4: Manager recommended budget opens. Any changes suggested in budget conferences will be reflected in this level.</a>

## BUDGET PROCESS AND POLICIES

Date	Deliverables	Description
End of April/Early May 2022	Preliminary budget is prepared and compiled by staff	This includes changes reflected by the City Manager and City Council. <a href="#">Munis Level 5: Board level opens. Any changes suggested during the retreat and up until Board adoption will be reflected in this level.</a>
Monday, May 23, 2022	FY 23 Preliminary Budget is presented to City Council.	Manger presents recommended budget via presentation and the budget message.
Tuesday, May 24 - Friday, June 10, 2022	Staff makes final revisions and recommendations to the budget.	
Monday, June 13, 2022,	City Council holds public hearing on the proposed FY 2023 Budget.	Required by State statute.
Monday, June 13, 2022,	Department program templates are distributed. Departments will be responsible for updating their accomplishments from this past year (FY 22), an action plan for the upcoming year (FY 23) and performance measurement data for 3 years (FY 22 actual, FY 23 estimated and FY 24 target).	Department program templates are used for the final budget document. They provide an overview of each department and/or division. It show's department's mission statements, budget and staffing summary and key performance metric data. Departments will be expected to keep up and update their performance metric data throughout the year.
Monday, June 27, 2022	City Council adopts FY 2023 Budget.	This includes corresponding budget ordinances for all annually adopted funds and any fee schedule changes.
Tuesday, June 28 - Friday, July 1, 2022	FY 23 Adopted Budget is disseminated to Department Heads.	Enables Department Heads to view their FY 23 adopted operating budgets which will note any expansionary items that were adopted with the budget.
Friday, July 15, 2022	Department program templates <b>DUE</b>	
Tuesday, June 28 - Monday, August 1, 2022	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 2022 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.)

**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 23, 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
<p><b>Description:</b> Continuation requests are for funding above FY 22 levels that are required to provide the same level of service. Most often continuation requests include salary and benefit adjustments and contractual increases.</p>	<p><b>Description:</b> 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.</p>
<p>Examples on following page:</p>	<p>Examples on following page:</p>



## BUDGET PROCESS AND POLICIES

Continuation	Expansion
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.
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).
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 form one-line item to another line item within each Fund of said budget except for 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 how 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 six funds: **General Fund, Water and Sewer Fund, Stormwater Fund, Environmental Fund, Transit Fund, and the Separation Pay 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. In the past, the City had a **Downtown/College Station Fund**, which was an Enterprise Fund and accounted for the operations of the 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 accounted for all activity related to the newly named College Station properties. Due to the sale of the remaining properties, FY 22 accounts for the closing of the Downtown Fund any remaining expenses were moved to the **General Fund**

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 like private business enterprises. The intent of the Government Body is that the costs (expenses, including depreciation) of providing goods or services to the 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 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.

## BUDGET PROCESS AND POLICIES

- **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.
- **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 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; Planning and General Services.
- **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:** Expenditures for Parks and Recreation, maintenance, and operations of all city owned parks and greenways, operations related to the Linear Park downtown and all City run programs and events.
- **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 and any debt service related to Downtown (i.e. Atrium Health Ballpark, Parking Deck).
- **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.

## BUDGET PROCESS AND POLICIES

- **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.

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.

### POST ADOPTION

After the budget is adopted by July 1 of the fiscal year, any revisions to the budget are made via budget amendments throughout the year. Approval for the various kinds of budget amendments and levels of approval are found in the budget ordinance section of the document. Budget revisions and amendments are made throughout the year but in accordance with the budget ordinance and always keeping the budget in balance.

**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 2022-2023 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 \$5,672,838,999 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 98.54%, which was the collection rate for FY 21. The prior year tax budget amount is based upon previous historical trends. **Estimate – General Fund – Current year tax - \$35,188,732; prior year tax - \$400,000.**

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 stagnant growth in franchise tax funding, FY 20 actuals the City received is what is projected for FY 23. **Appropriation – General Fund - \$2,698,000.**

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 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. Powell Bill funding

## BUDGET PROCESS AND POLICIES

is projected based on FY 22 actuals. **Estimate – Powell Bill revenues \$1,572,822.**

### 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. The City has experienced strong growth in sales tax even with the COVID-19 pandemic. Sales tax estimates are based off FY 22 actuals/year end projections with a 3% growth rate. **Estimate – General Fund \$13,626,161.**

### Investment Income

Investment or interest income revenues are projected based on 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 \$120,000.**

### Recreation Fees and Charges

Projections are based on comparisons of past operating data and new programs added, such as youth baseball. **Estimate – General Fund \$125,000 (programs budget only).**

### 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 \$397,390; Transit Fund \$900,000.**

## 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 \$84,000; 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, debt service obligations and employee allocations. **Estimate – General Fund \$2,349,702.**

### 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 \$20,000,000; Wholesale \$360,000.**

### 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 \$1,750,000** *(this includes a cost recovery tap fee increase)*

### 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 \$1,328,433.**

### 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.

## FINANCIAL POLICIES

### **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.

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## *Section Contents*

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*Objectives*

*Budget Development Policies*

*Capital Improvement Budget Policies*

*Debt Policies*

*Reserve Policies*

*Cash Management and Investment Policy*

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## **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.

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# **FISCAL POLICY GUIDELINES**

**City of Kannapolis, North Carolina**

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## **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.
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.

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## 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.

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## **FISCAL POLICY GUIDELINES**

**City of Kannapolis, North Carolina**

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### **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.

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## 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. FY22: .5% equates to \$282,572.
  
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%

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# FISCAL POLICY GUIDELINES

## City of Kannapolis, North Carolina

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### 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.

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# FISCAL POLICY GUIDELINES

## City of Kannapolis, North Carolina

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### **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.

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## 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.

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# FISCAL POLICY GUIDELINES

## City of Kannapolis, North Carolina

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### 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.<sup>3</sup>

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## **FISCAL POLICY GUIDELINES**

**City of Kannapolis, North Carolina**

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### **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.

#### **Bond Ratings**

The City's Bond ratings are as follows:

##### **Water and Sewer Revenue Bonds**

Moody's: A1

Standard & Poor's: A+

##### **Limited Obligation Bonds**

Moody's: A1

Standard & Poor's: A+

##### **Issuer Credit Rating**

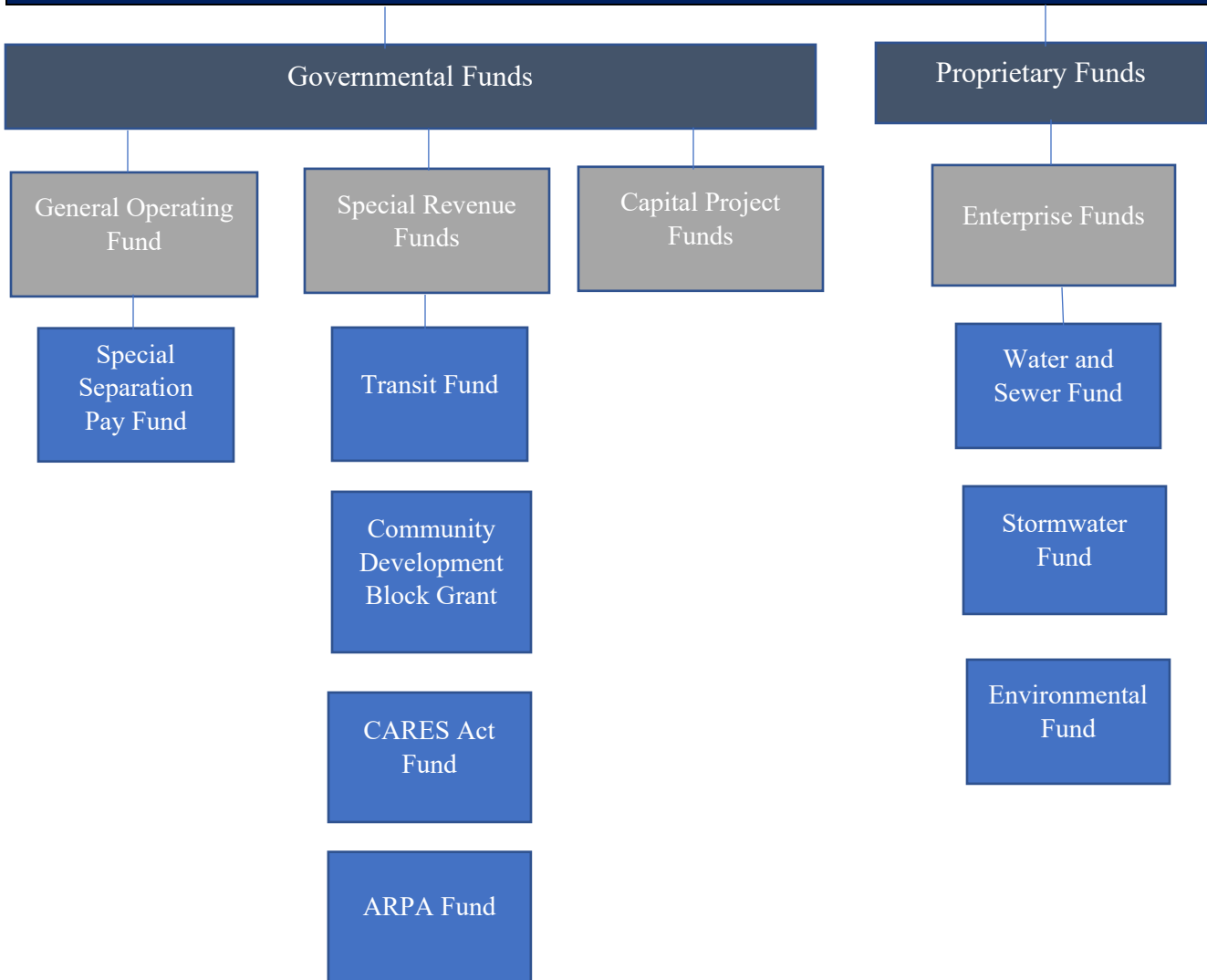
Standard & Poor's: Aa3

Moody's: AA-



# 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
  - Special 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.

**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.

**ARPA Fund:** This fund was established during the COVID-19 pandemic as a means of accounting for the American Rescue Plan Funds received from the Federal Government.

**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.

## FINANCIAL STRUCTURE

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

**Revenue Bonds 2021:** This fund is used to account for the water and sewer improvements financed as part of the 2021 revenue bonds.

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

**LOBS 2021:** This fund is used to account for the debt service associated with the Parking Deck debt issuance.

BUDGET SUMMARY

# City of Kannapolis

## Revenue Summary

### Fiscal Year 2023

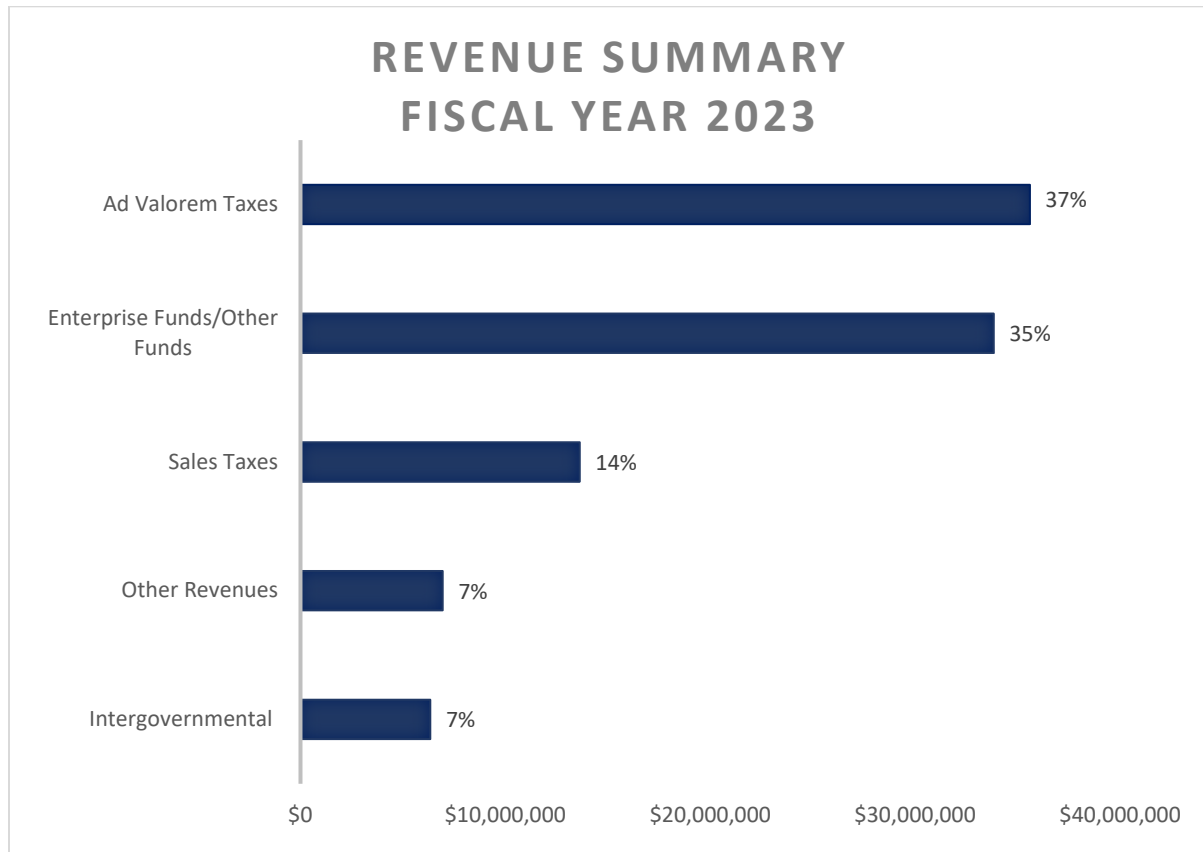
	FY 2021 Adopted	FY 2022 Adopted	FY 2023 Adopted	Difference
Ad Valorem Taxes	31,638,633	32,860,158	35,588,732	5,972,653
Sales Taxes	8,825,121	11,131,082	13,626,161	2,495,079
Intergovernmental	5,586,536	5,917,136	6,333,541	416,405
Other Revenues	5,421,059	6,406,130	6,185,267	(220,863)
Appropriated Fund Balance/Transfers In	200,000	200,000	753,458	553,458
<b>Total General Fund</b>	<b>\$ 51,671,349</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>	<b>\$ 5,972,653</b>
<b>Total Water and Sewer Fund</b>	<b>\$ 20,500,000</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>	<b>\$ 2,377,376</b>
<b>Total Stormwater Fund</b>	<b>\$ 3,500,000</b>	<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>	<b>\$ 95,875</b>
<b>Total Environmental Fund</b>	<b>\$ 4,530,187</b>	<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>	<b>\$ 278,951</b>
<b>Total Separation Pay Fund</b>	<b>\$ 502,781</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>	<b>\$ 22,197</b>
<b>Total Transit Fund</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>	<b>\$ 1,043,571</b>
<b>Total Downtown Fund</b>	<b>\$ 7,676,905</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total All Funds</b>	<b>\$ 89,081,222</b>	<b>\$ 86,516,300</b>	<b>\$ 96,306,923</b>	<b>\$ 9,790,623</b>
<b>Less Inter-Fund Transfers</b>	<b>\$ 8,557,770</b>	<b>\$ 1,265,452</b>	<b>\$ 1,390,884</b>	<b>\$ 125,432</b>
<b>Grand Total All Funds</b>	<b>\$ 80,523,452</b>	<b>\$ 85,250,848</b>	<b>\$ 94,916,039</b>	<b>\$ 9,665,191</b>

\*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 six funds: General Fund, Water and Sewer Fund, Stormwater Fund, Environmental Fund, Transit Fund, and the Separation Pay 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

## BUDGET SUMMARY

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 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 six funds mentioned will be further discussed in each fund summary section of the budget document.



The largest revenue source at **37%** is **ad valorem taxes**, which is the collection of current and prior year tax levied on all property.

Across all funds, the **enterprise funds/other funds** revenue source of primarily charges and fees comprise the total budget at **35%**. Outside of the enterprise funds, the Transit and Separation Pay Funds are also accounted for in this area.

**Sales tax** is the third largest source of revenue for the City at **14%**. 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 next source of revenue at **7%** 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 final source is **intergovernmental revenue**, which is any federal, state, and local assistance that the City receives which comprises **7%** of the total budget. Revenues in this category consist of the following: franchise tax, beer and wine tax, ABC funds, contributions from Cabarrus County and Rowan County, Community Development Block Grant (CDBG) revenue and Powell Bill funds, which come from the State.

The table on the following below shows a historical comparison of the major revenue sources by fund.

### Source of Revenues by Fund

	FY 20 Actual	FY 21 Adopted	FY 21 Actual	FY 22 Adopted	FY 23 Adopted
<b>Revenues</b>					
Ad Valorem Taxes	27,542,509	31,638,633	32,888,681	32,860,158	35,588,732
Sales Taxes	10,232,908	8,825,121	11,635,617	11,131,082	13,626,161
Intergovernmental	6,596,959	5,586,536	5,830,737	5,917,136	6,333,541
Other	4,566,893	5,421,059	4,963,205	6,406,130	6,185,267
Fund Balance	-	-	-	-	753,458
Transfers	-	200,000	200,000	200,000	-
<b>Total General Fund</b>	<b>\$ 48,939,269</b>	<b>\$ 51,671,349</b>	<b>\$ 55,518,240</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>
<b>Total Water and Sewer Fund</b>	22,790,960	20,500,000	21,030,851	20,992,624	23,370,000
<b>Total Stormwater Fund</b>	3,430,485	3,500,000	3,078,995	3,195,831	3,291,706
<b>Total Environmental Fund</b>	4,214,599	4,530,187	4,503,966	4,629,129	4,908,080
<b>Total Separation Fund</b>	490,000	502,781	502,781	484,210	506,407
<b>Total Transit Fund</b>	853,170	700,000	857,338	700,000	1,743,571
<b>Total Downtown Fund</b>	7,616,267	7,676,905	9,616,873	-	-
<b>Grand Total All Funds</b>	<b>\$ 88,334,750</b>	<b>\$ 89,081,222</b>	<b>\$ 95,109,044</b>	<b>\$ 86,516,300</b>	<b>\$ 96,306,923</b>
<b>Less Interfund Transfers</b>	<b>\$ (7,585,474)</b>	<b>\$ (8,557,770)</b>	<b>\$ (8,557,770)</b>	<b>\$ (1,265,452)</b>	<b>\$ (1,390,884)</b>
<b>Grand Total All Funds</b>	<b>\$ 80,749,276</b>	<b>\$ 80,523,452</b>	<b>\$ 86,551,274</b>	<b>\$ 85,250,848</b>	<b>\$ 94,916,039</b>

The following table shows a comparison of revenue sources across all funds for the FY 23 budget.

	FY 23 General Fund	FY 23 Water and Sewer	FY 23 Stormwater	FY 23 Environmental	FY 23 Separation Pay	FY 23 Transit Fund	FY 23 Total All Funds
<b>Source of Funds</b>							
Ad Valorem Taxes	35,588,732	-	-	-	-	-	35,588,732
Sales Taxes	13,626,161	-	-	-	-	-	13,626,161
Intergovernmental	6,333,541	-	-	-	-	-	6,333,541
Investment Income	210,000	30,000	-	-	-	-	240,000
Other	5,577,877	555,000	-	194,594	-	-	6,327,471
Charges for Services	-	20,360,000	3,291,706	4,132,244	-	-	27,783,950
Tap/Connection Fees	-	2,425,000	-	-	-	-	2,425,000
Vehicle License Tax	397,390	-	-	-	-	900,000	1,297,390
Fund Balance	753,458	-	-	-	-	540,336	1,293,794
Transfers	-	-	-	581,242	506,407	303,235	1,390,884
<b>Total Sources</b>	<b>\$ 62,487,159</b>	<b>\$ 23,370,000</b>	<b>\$ 3,291,706</b>	<b>\$ 4,908,080</b>	<b>\$ 506,407</b>	<b>\$ 1,743,571</b>	<b>\$ 96,306,923</b>

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, and Transit Fund.

## BUDGET SUMMARY

### General Fund Detailed Revenue Sources

	FY 20 Actual	FY 21 Adopted	FY 21 Actual	FY 22 Adopted	FY 23 Adopted
<b>Revenues</b>					
Ad Valorem Taxes- Current	27,160,716	31,212,486	32,490,419	32,460,158	35,188,732
Ad Valorem Taxes- Prior	381,793	426,147	398,262	400,000	400,000
<b>Total Ad Valorem Taxes</b>	<b>\$ 27,542,509</b>	<b>\$ 31,638,633</b>	<b>\$ 32,888,681</b>	<b>\$ 32,860,158</b>	<b>\$ 35,588,732</b>
1% Sales Tax (State)	4,136,729	3,587,034	4,689,119	4,520,317	5,458,782
1/2% Sales Tax (Local)	6,096,179	5,238,087	6,946,498	6,610,765	8,167,379
<b>Total Sales Taxes</b>	<b>\$ 10,232,908</b>	<b>\$ 8,825,121</b>	<b>\$ 11,635,617</b>	<b>\$ 11,131,082</b>	<b>\$ 13,626,161</b>
Fire District Sales Tax	235,716	150,000	270,070	215,000	273,000
Franchise Tax	2,697,228	2,660,000	2,601,306	2,698,000	2,698,000
Beer and Wine Tax	206,025	210,000	206,004	210,000	210,000
ABC Funds	97,425	90,000	140,850	90,000	102,296
Cabarrus Contributions	1,522,864	1,336,792	1,347,324	1,331,402	1,328,433
Powell Bill Funds	1,302,822	1,065,744	1,259,163	1,298,734	1,572,822
State Grants	-	-	-	-	-
Police- ICAC Grant	-	-	-	-	74,990
Fire - Rowan County Contributions	4,020	4,000	6,020	4,000	4,000
Build America Bond Subsidy Pay	455,788	-	-	-	-
CDBG Administration Revenues	75,071	70,000	-	70,000	70,000
<b>Total Intergovernmental</b>	<b>\$ 6,596,959</b>	<b>\$ 5,586,536</b>	<b>\$ 5,830,737</b>	<b>\$ 5,917,136</b>	<b>\$ 6,333,541</b>
Vehicle License	400,652	389,559	428,740	393,455	397,390
Vehicle Rental Tax	26,461	20,000	29,356	25,000	25,000
Buildings Rental	68,533	90,000	37,727	90,000	90,000
Tower Rental	87,154	70,000	91,616	84,000	84,000
Commercial Rent/Lease-College Station	-	-	-	401,630	401,630
Enterprise Management Fee	2,084,402	2,614,500	2,614,500	2,614,500	2,349,702
Miscellaneous Revenue	271,041	300,000	970,616	310,000	310,000
Investment Income	701,988	210,000	105,945	210,000	210,000
Police - Charges and Fees	203,148	169,000	208,104	169,000	169,000
Officer Court Reimbursement	14,464	20,000	11,614	20,000	20,000
False Alarm Fees	6,700	8,000	6,658	8,000	8,000
Fire- Technical Services Charges and Fees	40,507	25,000	36,488	25,000	25,000
Street Lighting Fees and Charges	105,169	-	-	-	-
Code Enforcement - Charges and Fees	98,385	80,000	119,480	80,000	120,000
City Code Violations	56,783	65,000	58,860	65,000	65,000
Parks - Charges and Fees	335,987	450,000	174,235	1,185,545	1,185,545
Recreation Programs - Charges and Fees	49,529	110,000	36,791	125,000	125,000
Recreation Programs - Donations	15,990	50,000	32,475	50,000	50,000
CVB Contribution	-	500,000	-	100,000	100,000
Team Lease	-	250,000	-	450,000	450,000
<b>Total Other</b>	<b>\$ 4,566,893</b>	<b>\$ 5,421,059</b>	<b>\$ 4,963,205</b>	<b>\$ 6,406,130</b>	<b>\$ 6,185,267</b>
Transfers In from Other Funds	-	200,000	200,000	200,000	-
Appropriated Fund Balance	-	-	-	-	753,458
<b>Total Transfers/Appropriated Fund Balance</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 753,458</b>
<b>Total General Fund</b>	<b>\$ 48,939,269</b>	<b>\$ 51,671,349</b>	<b>\$ 55,518,240</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>



## BUDGET SUMMARY

### Enterprise/Other Funds Detailed Revenue Sources

	FY 20 Actual	FY 21 Adopted	FY 21 Actual	FY 22 Adopted	FY 23 Adopted
<b>Revenues</b>					
Charges and Fees	17,008,337	18,250,000	18,257,360	18,292,624	20,000,000
Wholesale Water Sales	420,833	415,000	381,996	415,000	360,000
Tap Fees	258,950	250,000	468,400	450,000	1,175,000
Connection Fees	1,092,925	1,000,000	1,444,990	1,250,000	1,250,000
Reconnection Fees	103,930	140,000	124,685	140,000	140,000
Penalties	351,023	400,000	71,130	400,000	400,000
Miscellaneous Revenue	12,387	15,000	279,858	15,000	15,000
Investment Income	119,365	30,000	2,432	30,000	30,000
Transfers In/Other	3,423,210	-	-	-	-
<b>Total Water and Sewer Fund</b>	<b>\$ 22,790,960</b>	<b>\$ 20,500,000</b>	<b>\$ 21,030,851</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>
Charges and Fees	3,038,576	3,100,000	3,078,995	3,195,831	3,291,706
Investment Income	40	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Fund Balance Appropriated	-	400,000	-	-	-
Transfer from Water and Sewer Fund	391,869	-	-	-	-
<b>Total Stormwater Fund</b>	<b>\$ 3,430,485</b>	<b>\$ 3,500,000</b>	<b>\$ 3,078,995</b>	<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>
Solid Waste Disposal Tax	36,249	36,000	36,917	36,000	36,000
Charges and Fees	3,233,691	3,448,487	3,318,845	4,011,887	4,132,244
Miscellaneous Revenue	98,959	-	102,504	-	158,594
Transfers from General Fund	350,000	150,000	150,000	85,542	85,542
Transfers from Water and Sewer Fund	495,700	495,700	495,700	495,700	495,700
Transfers from Stormwater Fund	-	400,000	400,000	-	-
Proceeds from Debt Financing	-	-	-	-	-
<b>Total Environmental Fund</b>	<b>\$ 4,214,599</b>	<b>\$ 4,530,187</b>	<b>\$ 4,503,966</b>	<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>
Transfer from General Fund	490,000.0	502,781	502,781	484,210	506,407
<b>Total Separation Pay Fund</b>	<b>\$ 490,000</b>	<b>\$ 502,781</b>	<b>\$ 502,781</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>
Vehicle License Tax	801,170	500,000	857,338	500,000	900,000
Transfer from General Fund	52,000	-	-	-	303,235
Appropriated Fund Balance	-	200,000	-	200,000	540,336
<b>Total Transit Fund</b>	<b>\$ 853,170</b>	<b>\$ 700,000</b>	<b>\$ 857,338</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>
Charges and Fees	-	-	-	-	-
Common Area Maintenance Fee	49,762	5,000	69,834	-	-
Building Rental	14,813	20,000	4,747	-	-
Commercial Rent/Lease	523,541	473,918	448,092	-	-
Residential Rent/Lease	95,869	105,000	8,730	-	-
Special Event Fees	12,369	-	-	-	-
Miscellaneous Revenue	10,000	-	-	-	-
Sale of Assets	456,000	-	2,234,504	-	-
Investment Income	30,856	-	41,677	-	-
Proceeds from Debt Financing	-	-	-	-	-
Transfers from General Fund	4,714,650	6,809,289	6,809,289	-	-
Transfers from Water and Sewer Fund	1,431,124	-	-	-	-
Fund Balance Appropriated/Other	277,283	263,698	-	-	-
<b>Total Downtown Fund</b>	<b>\$ 7,616,267</b>	<b>\$ 7,676,905</b>	<b>\$ 9,616,873</b>	<b>\$ -</b>	<b>\$ -</b>

# City of Kannapolis

## Expenditure Summary

### Fiscal Year 2023

	FY 2021 Adopted	FY 2022 Adopted	FY 2023 Adopted	Difference
General Government	7,344,675	7,941,379	9,117,500	1,176,121
Planning	809,503	1,013,481	1,102,225	88,744
Public Safety	17,456,525	18,496,645	20,265,066	1,768,421
Parks and Recreation	3,557,789	5,128,222	5,650,799	522,577
Public Works	4,014,929	4,755,278	4,853,405	98,127
Other	11,220,617	4,611,505	6,537,498	1,925,993
General Debt Service	7,267,311	14,567,996	14,960,666	392,670
<b>Total General Fund</b>	<b>\$ 51,679,349</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>	<b>\$ 5,972,653</b>
<b>Total Water and Sewer Fund</b>	<b>\$ 20,500,000</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>	<b>\$ 2,377,376</b>
<b>Total Stormwater Fund</b>	<b>\$ 3,500,000</b>	<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>	<b>\$ 95,875</b>
<b>Total Environmental Fund</b>	<b>\$ 4,530,187</b>	<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>	<b>\$ 278,951</b>
<b>Total Separation Pay Fund</b>	<b>\$ 502,781</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>	<b>\$ 22,197</b>
<b>Total Transit Fund</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>	<b>\$ 1,043,571</b>
<b>Total Downtown Fund</b>	<b>\$ 7,676,905</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total All Funds</b>	<b>\$ 89,081,222</b>	<b>\$ 86,516,300</b>	<b>\$ 96,306,923</b>	<b>\$ 9,790,623</b>

The table above is an expenditure summary for the City’s 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.

## BUDGET SUMMARY

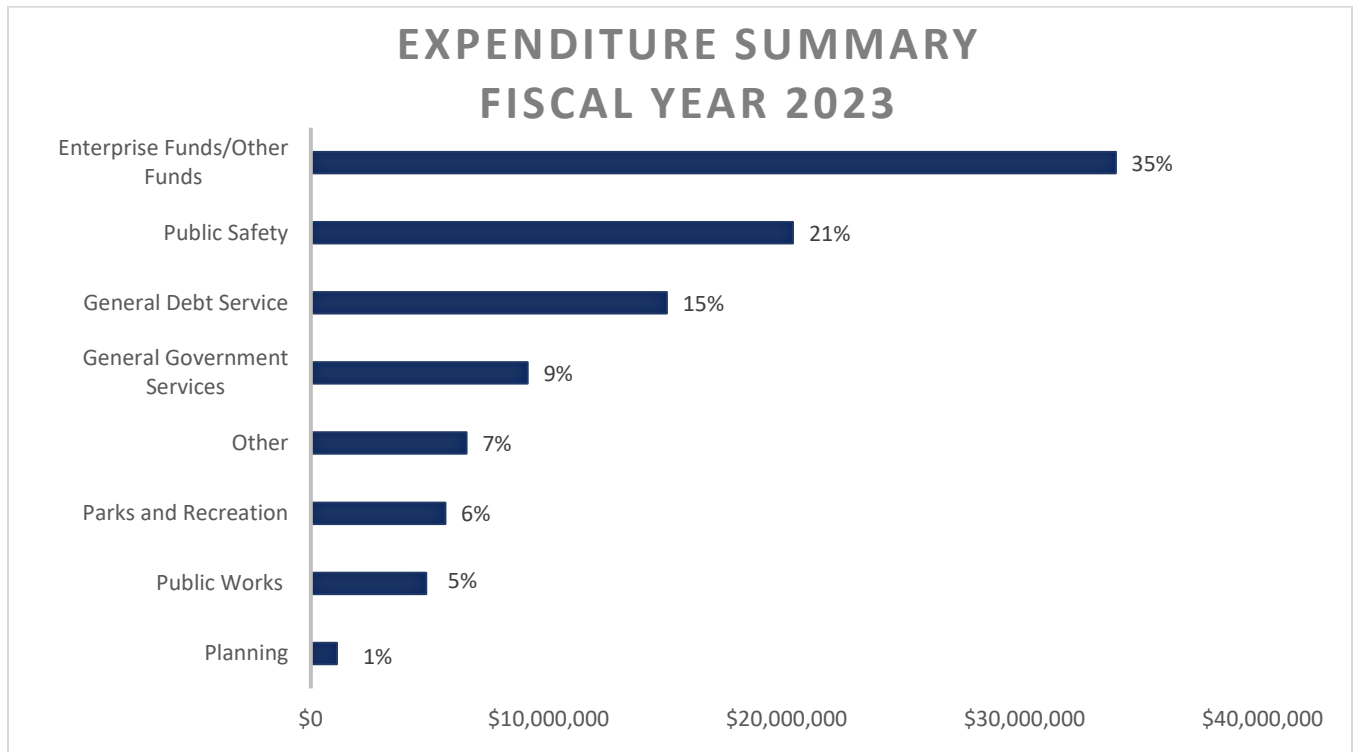
The **public safety** area is comprised of the Police and Fire Departments.

**Public works** includes Engineering, Street Lighting, Operations Center, Signs and Markings, Powell Bill, and Street Maintenance.

**Parks and recreation** include Parks and Recreation, Programs, 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.



The chart above gives a breakdown in expenditures by fund.

- The **Enterprise Funds/Other Funds** category consists of: Water and Sewer, Stormwater, Environmental, Transit and Special Separation pay comprise **35%** of total spending for the City.
- **Public Safety** comprises **21%** of total spending. This includes the Police and Fire Department.
- **General Debt Service** comprises **15%** of total spending. The debt service area includes debt service on City Hall/Police Headquarters, various fire stations and equipment and parks projects. This area also now includes debt service that was formerly in the downtown fund for the liner park and baseball stadium and the new debt service for the downtown parking deck. Further breakdown in the City's debt service payments can be found in the debt service program summary of the budget document.

## BUDGET SUMMARY

- **General Government** services area comprises **9%** of all spending. This includes the following departments: City Council, City Manager’s Office, Economic Development, Communications and Outreach, Human Resources, Legal Services, Finance, Information Technology and General Services.
- **Other service** area comprises **7%** of total spending includes the Non-Departmental budget and any transfers out to other funds.
- **Parks and Recreation** comprises **6%** of total spending and includes: Parks and Recreation, Programs, and expenses related to Atrium Health Ballpark.
- **Public Works** comprises **5%** of total spending and includes the following departments: Engineering, Street Signs, Lightings and Markings, Public Works Operations Center, and Powell Bill.
- **Planning** comprises **1%** of total spending and includes the Planning department and code enforcement efforts.

The table below shows a historical comparison of the major expenditures by fund.

The following table shows a comparison of expenditure uses across all funds for the FY 23 budget.

	FY 20 Adopted	FY 21 Adopted	FY 21 Actual	FY 22 Adopted	FY 23 Adopted
<b>Expenditures</b>					
General Government Services	15,625,815	18,565,292	16,794,943	12,552,884	15,654,998
Planning	994,039	809,503	921,213	1,013,481	1,102,225
Public Safety	16,692,337	17,456,525	18,519,380	18,496,645	20,265,066
Parks and Recreation	2,527,998	3,557,789	3,080,936	5,128,222	5,650,799
Public Works	3,779,742	4,014,929	3,233,053	4,755,278	4,853,405
General Debt Service	3,265,602	7,267,311	7,053,594	14,567,996	14,960,666
<b>Total General Fund</b>	<b>\$ 42,885,533</b>	<b>\$ 51,671,349</b>	<b>\$ 49,603,119</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>
Water and Sewer Fund	19,342,620	20,500,000	15,551,030	20,992,624	23,370,000
Stormwater Fund	3,050,000	3,500,000	3,323,378	3,195,831	3,291,706
Environmental Fund	4,372,140	4,530,187	4,547,656	4,629,129	4,908,080
Separation Pay Fund	463,158	502,781	488,233	484,210	506,407
Transit Fund	771,466	700,000	709,155	700,000	1,743,571
Downtown Fund	7,004,000	7,676,905	5,149,713	-	-
<b>Grand Total All Funds</b>	<b>\$ 77,888,917</b>	<b>\$ 89,081,222</b>	<b>\$ 79,372,284</b>	<b>\$ 86,516,300</b>	<b>\$ 96,306,923</b>

## BUDGET SUMMARY

### General Fund Detailed Expenditures

	FY 20 Actual	FY 21 Adopted	FY 21 Actual	FY 22 Adopted	FY 23 Adopted
<b>Expenditures</b>					
City Council	220,004	219,663	216,476	274,059	327,592
City Manager - Administration	1,111,680	1,421,627	1,541,443	1,498,649	1,683,345
Economic Development	370,773	712,750	363,853	594,250	377,887
Communications	97,801	167,700	112,110	258,700	322,740
Human Resources	501,184	537,560	550,371	566,245	717,750
City Attorney	476,720	416,958	399,276	433,204	628,377
Finance	894,835	831,184	814,159	961,900	1,035,053
Information Technology	1,279,606	1,427,035	1,607,873	1,546,793	2,119,622
General Services	1,529,092	1,610,198	2,021,897	1,807,579	1,905,134
<b>Total General Government</b>	<b>\$ 6,481,695</b>	<b>\$ 7,344,675</b>	<b>\$ 7,627,458</b>	<b>\$ 7,941,379</b>	<b>\$ 9,117,500</b>
Police - Administration	847,856	788,674	845,633	929,250	1,200,317
Police - Support Services	3,061,969	3,358,847	3,303,264	2,833,984	3,102,224
Police - Field Operations	4,705,867	4,856,246	5,548,740	5,199,144	5,806,123
Police - Special Operations	-	-	-	510,042	704,948
<b>Total Police</b>	<b>\$ 8,615,692</b>	<b>\$ 9,003,767</b>	<b>\$ 9,697,637</b>	<b>\$ 9,472,420</b>	<b>\$ 10,813,612</b>
Fire - Administration	785,434	1,090,066	1,098,483	1,150,605	1,246,627
Fire- Emergency Services	6,832,318	6,875,507	7,197,132	7,362,825	7,648,966
Fire- Technical Services	458,893	487,185	526,128	510,795	555,861
<b>Total Fire</b>	<b>\$ 8,076,645</b>	<b>\$ 8,452,758</b>	<b>\$ 8,821,743</b>	<b>\$ 9,024,225</b>	<b>\$ 9,451,454</b>
Public Works - Engineering	1,102,541	986,229	991,376	1,126,255	1,036,308
Public Works - Street Lighting	517,181	730,400	498,295	730,400	740,300
Public Works - Operations Center	106,042	138,300	95,575	118,000	138,700
Public Works - Signs and Markings	352,628	413,435	397,668	432,051	463,006
Public Works- Powell Bill	1,008,118	943,065	468,181	1,249,500	1,513,120
Public Works - Street Maintenance	693,232	803,500	781,958	1,099,072	961,971
<b>Total Public Works</b>	<b>\$ 3,779,742</b>	<b>\$ 4,014,929</b>	<b>\$ 3,233,053</b>	<b>\$ 4,755,278</b>	<b>\$ 4,853,405</b>
Planning	994,039	809,503	921,213	1,013,481	1,102,225
<b>Total Planning</b>	<b>\$ 994,039</b>	<b>\$ 809,503</b>	<b>\$ 921,213</b>	<b>\$ 1,013,481</b>	<b>\$ 1,102,225</b>
Parks and Recreation - Parks	2,073,147	2,698,789	2,700,298	4,090,222	4,470,299
Parks and Recreation - Recreation Programs	330,447	734,000	292,949	788,000	930,500
Stadium	124,404	125,000	87,689	250,000	250,000
<b>Total Parks and Recreation</b>	<b>\$ 2,527,998</b>	<b>\$ 3,557,789</b>	<b>\$ 3,080,936</b>	<b>\$ 5,128,222</b>	<b>\$ 5,650,799</b>
Non-Departmental	3,132,494	3,758,547	1,705,415	4,041,753	5,642,314
Transfers	6,011,626	7,462,070	7,462,070	569,752	895,184
<b>Total Other</b>	<b>\$ 9,144,120</b>	<b>\$ 11,220,617</b>	<b>\$ 9,167,485</b>	<b>\$ 4,611,505</b>	<b>\$ 6,537,498</b>
Debt Service	3,265,602	7,267,311	7,053,594	14,567,996	14,960,666
<b>Total Debt Service</b>	<b>\$ 3,265,602</b>	<b>\$ 7,267,311</b>	<b>\$ 7,053,594</b>	<b>\$ 14,567,996</b>	<b>\$ 14,960,666</b>
<b>Total General Fund Expenditures</b>	<b>\$ 42,885,533</b>	<b>\$ 51,671,349</b>	<b>\$ 49,603,119</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>

## BUDGET SUMMARY

### Enterprise/Other Funds Detailed Expenditures

	FY 20 Actual	FY 21 Adopted	FY 21 Actual	FY 22 Adopted	FY 23 Adopted
<b>Expenditures</b>					
Billing and Collections	818,952	907,348	1,028,198	1,008,472	1,306,070
Distribution	2,842,216	3,334,251	3,809,527	3,946,885	5,248,474
Water Treatment Plant	2,990,389	3,106,448	3,300,221	3,217,924	3,640,787
Sewage Treatment (WSACC)	3,632,835	3,407,618	2,934,389	3,194,670	4,274,460
General Management Services	1,765,800	2,143,921	2,143,921	2,143,921	1,922,482
Transfer to Capital/Other Funds	2,521,824	495,700	495,700	495,700	495,700
Debt Service	4,770,604	7,104,714	1,839,074	6,985,052	6,482,027
<b>Total Water and Sewer Fund</b>	<b>\$ 19,342,620</b>	<b>\$ 20,500,000</b>	<b>\$ 15,551,030</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>
<b>Total Stormwater Fund</b>	<b>\$ 3,050,000</b>	<b>\$ 3,500,000</b>	<b>\$ 3,323,378</b>	<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>
<b>Total Environmental Fund</b>	<b>\$ 4,372,140</b>	<b>\$ 4,530,187</b>	<b>\$ 4,547,656</b>	<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>
<b>Total Separation Pay Fund</b>	<b>\$ 463,158</b>	<b>\$ 502,781</b>	<b>\$ 488,233</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>
<b>Total Transit Fund</b>	<b>\$ 771,466</b>	<b>\$ 700,000</b>	<b>\$ 709,155</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>
<b>Total Downtown Fund</b>	<b>\$ 7,004,000</b>	<b>\$ 7,676,905</b>	<b>\$ 5,149,713</b>	<b>\$ -</b>	<b>\$ -</b>

## FUND SUMMARIES

<b>GENERAL FUND</b>				
	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>				
Ad Valorem Taxes	32,860,158	35,588,732	2,728,574	8.30%
Sales Taxes	11,131,082	13,626,161	2,495,079	22.42%
Intergovernmental	5,917,136	6,333,541	416,405	7.04%
Other Revenues	6,406,130	6,185,267	(220,863)	-3.45%
Appropriated Fund Balance/Transfers In	200,000	753,458	553,458	276.73%
<b>Total</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>	<b>\$ 5,972,653</b>	<b>10.57%</b>
<b>Expenditures</b>				
Personnel	26,992,610	29,108,302	2,115,692	7.84%
Operating	29,179,896	33,167,357	3,987,461	13.67%
Capital	342,000	211,500	(130,500)	-38.16%
<b>Total</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>	<b>\$ 5,972,653</b>	<b>10.57%</b>

The FY 2023 adopted General Fund budget totals \$62,487,159 which is an increase of 10.57% or \$5,972,653 over the FY 2022 adopted budget of \$56,514,506.

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 organic growth in Cabarrus and Rowan based on increases in the total taxable property. There were substantial valuation updates in the real and personal property categories. In the past, personal property was projected to decrease in total values based on uncertainties and demands for adjustments in value because of the pandemic. For FY 23, there was no decrease projected in personal property.

Sales tax is projected to increase by 22% over the FY 22 adopted budget. This is primarily due to conservative budgeting in FY 22 due to unknowns related to the COVID-19 pandemic.

Intergovernmental revenue is estimated to increase by 7.04% primarily due to conservative budgeting in Powell Bill funding from FY 22 based on guidance related to the pandemic. This increase is also related to a new grant within the Police Department. The Internet Crimes Against Children grant is budgeted at \$74,990 and has offsetting expenditures.

The other revenue category is decreasing by 3.45% due to the General Management Services fee that the General Fund receives from the Water and Sewer and Stormwater Funds. This is based on an employee allocation formula as well as existing debt service obligations. This amount is reduced for FY 23 based on the retirement/refunding of prior debt service obligations.

Last, appropriated fund balance/transfers in increased by \$553,458 over the FY 22 budget of \$200,000. This increase is related to a fund balance appropriation in the amount of \$753,458 which is proposed to fund the following: stock/asset purchases at the Gem Theatre and second payment of the Axon lease agreement for the Police Department. This lease agreement replaced all the

## FUND SUMMARIES

agency's in-car cameras, body worn cameras and tasers. The remaining funding of \$105,052, is estimated for 4 years' worth of backpay for Council 457 retirement plan.

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 related to the 1.0% retirement rate increase for all eligible employees. For FY 23, the general government the rate is 12.14% and law enforcement is 13.10%. Another key driver is the new personnel requests for FY 23. There are currently 7 new positions requested in FY 23 across multiple departments in the General Fund (4 new in the Water and Sewer Fund) in addition to 13 reclassifications of positions city-wide.

The operations category includes all the expenses associated to operate that department. Examples include: office supplies, technology equipment, uniforms, contracted services, etc. Also included in this category is debt service obligations and inter-fund transfers. Expenditures in the operations category is projected to increase by 13.67% from the FY 22 adopted budget. The primary increase is related to contractual increases across all departments. This area also includes increases related to new position requests, addition of the Axon lease agreement and Motorola lease agreement for the replacement of all public safety radios as well as new debt service to replace 2 fire engines.

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 23, \$67,500 is budgeted for a vehicle/equipment for the Police Department's new recruiting officer position, \$35,000 for a vehicle purchase for the Police Department's park ranger program, \$9,000 for a jack hammer attachment in the Streets Department and \$100,000 capital expenditure contribution per the agreement between the City and the Team for improvements to the baseball stadium.



## FUND SUMMARIES

<b>WATER AND SEWER FUND</b>				
	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>				
Charges and Fees	18,292,624	20,000,000	1,707,376	9.33%
Wholesale Water Sales	415,000	360,000	(55,000)	-13.25%
Tap Fees	450,000	1,175,000	725,000	161.11%
Connection Fees	1,250,000	1,250,000	-	-
Reconnection Fees	140,000	140,000	-	-
Penalties	400,000	400,000	-	-
Miscellaneous Revenue	15,000	15,000	-	-
Investment Income	30,000	30,000	-	-
<b>Total</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>	<b>\$ 2,377,376</b>	<b>11.32%</b>
<b>Expenditures</b>				
Personnel	4,056,158	4,899,482	843,324	20.79%
Operating	16,704,466	17,740,518	1,036,052	6.20%
Capital	232,000	730,000	498,000	214.66%
<b>Total</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>	<b>\$ 2,377,376</b>	<b>11.32%</b>

The FY 23 adopted Water and Sewer budget totals \$23,370,000, which represents a \$2,377,376 or 11.32% increase over the FY 2022 adopted budget of \$20,992,624.

Charges and fees is projected to increase at 9% over FY 22. This increase is due primarily to conserve budgeting related to the pandemic in the past. Staff is projecting to come in around \$20 million in charges and fees for FY 22, which sets the baseline for FY 23 revenue projections.

Wholesale water sales is projected to decrease by \$55,000 based on trend data in FY 22. This is primarily the water the City sells to Landis and Concord.

The tap fee revenue category is experiencing steady growth, largely attributed to a proposed fee increase. Historically, the City is losing around \$4,000/tap (*based on FY 22 prices*). To recover cost, we are proposing an increase of an additional \$4,500/tap to be charged. This will generate around an additional \$675,000 in tap revenue and will offset the City's cost of installation and materials.

All other revenues are projected to remain flat over the FY 22 budget based on trends.

Personnel increases include: (1) Construction Maintenance Worker II, (2) Construction Maintenance Technicians and (1) Customer Service representative as well as a 5% COLA and merit.

## FUND SUMMARIES

Overall operations is expected to increase around 6%. These primary increases are related to standard increases in materials, contracted services and repair and maintenance efforts, system wide. Other increases include: \$50,000 in bulk water purchases, \$75,000 increase in chemical supplies based on inflation and \$1,079,790 related to increases in sewage treatment costs from WSACC.

<b>STORMWATER FUND</b>						
	<b>FY 2022 Adopted</b>		<b>FY 2023 Adopted</b>		<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>						
Charges and Fees	3,195,831		3,291,706		95,875	3.00%
<b>Total</b>	<b>\$ 3,195,831</b>		<b>\$ 3,291,706</b>		<b>\$ 95,875</b>	<b>3.00%</b>
<b>Expenditures</b>						
Personnel	1,055,989		1,203,061		147,072	13.93%
Operating	2,139,842		1,993,645		(146,197)	-6.83%
Capital	-		95,000		95,000	100.00%
<b>Total</b>	<b>\$ 3,195,831</b>		<b>\$ 3,291,706</b>		<b>\$ 95,875</b>	<b>3.00%</b>

The adopted FY 23 Stormwater budget totals \$3,291,706, which represents a \$95,875 or 3.00% increase over the FY 22 adopted budget of \$3,195,831. For FY 22, charges and fees is projected to increase by \$95,875 or 3% due to organic growth.

Personnel costs increased due to a 5% COLA and merit based on employee performance.

Operations decreased due to the retirement of debt service and a reduced transfer from the Stormwater Fund to the General Fund. This transfer is decreasing by \$43,359 based on the employee allocation and debt service formula across all funds. Included in operations is \$75,000 for an audit of the City's stormwater system. This audit will include all impervious areas and could result in 8-15% revenue recovery in this fund.

Capital increased by \$95,000 for the one-time purchase of a turf maker hydro seeder.

## FUND SUMMARIES

<b>ENVIRONMENTAL FUND</b>						
	<b>FY 2022 Adopted</b>		<b>FY 2023 Adopted</b>		<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>						
Solid Waste Disposal Tax	36,000		36,000		-	-
Charges and Fees	4,011,887		4,132,244		120,357	3.00%
Miscellaneous Revenue	-		158,594		158,594	100.00%
Transfer from General Fund	85,542		85,542		-	-
Transfer from Water and Sewer Fund	495,700		495,700		-	-
<b>Total</b>	<b>\$ 4,629,129</b>		<b>\$ 4,908,080</b>		<b>\$ 278,951</b>	<b>6.03%</b>
<b>Expenditures</b>						
Personnel	318,717		450,262		131,545	20.79%
Operating	4,310,412		4,457,818		147,606	6.20%
Capital	-		-		-	-
<b>Total</b>	<b>\$ 4,629,129</b>		<b>\$ 4,908,080</b>		<b>\$ 278,951</b>	<b>6.03%</b>

The adopted FY 23 Environmental budget totals \$4,908,080, which represents a \$278,951 or 6.03% increase over the FY 22 adopted budget of \$4,629,129.

For FY 22, charges and fees is projected to increase by \$120,357 based on organic growth of new customers based on new development. As a reminder, this fund experienced an increase of \$2.50 fee increase/month based off 18,780 customers in FY 22. This generated an additional \$563,400 in revenue. Another fee increase will be needed to reduce the transfers from the General Fund and Water and Sewer Fund in the future. The final fee increase of around \$2.50-\$3.00/month will close the gap and make this fund fully sufficient as an enterprise fund.

Personnel costs increased due to a 5% COLA and merit based on employee performance. Personnel costs also increased due to the addition of an Operations Manager position that was moved from the General Fund to this budget. This new position was approved mid-year in FY 22 to manage the solid waste and recycling contract with Waste Management.

The primary driver in operational increases in this fund is an increase in recycling and solid waste disposal costs based on a 2.55% CPI increase in our contract with Waste Management. This results in additional \$70,205. Other increases include replacing aging carts, an increase in contracted services for loose leaf collections and repair and maintenance on aging vehicles in the fleet.

No capital funding is proposed for FY 23 in the Environmental Fund.

**FUND SUMMARIES**

<b>SEPARATION PAY FUND</b>						
	<b>FY 2022 Adopted</b>		<b>FY 2023 Adopted</b>		<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>						
Transfer from General Fund	484,210		506,407		22,197	4.58%
<b>Total</b>	<b>\$ 484,210</b>		<b>\$ 506,407</b>		<b>\$ 22,197</b>	<b>4.58%</b>
<b>Expenditures</b>						
Personnel	484,210		506,407		22,197	4.58%
Operating	-		-		-	-
Capital	-		-		-	-
<b>Total</b>	<b>\$ 484,210</b>		<b>\$ 506,407</b>		<b>\$ 22,197</b>	<b>4.58%</b>

The FY 23 Separation Pay Fund is funded through a contribution from the General Fund. For FY 23, the contribution is \$506,407, which is a \$22,197 or 4.58% increase over the FY 22 adopted budget of \$484,210.

The full amount of the Separation Pay Fund is projected to be spent on separation pay obligations for retired City employees.

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.

From FY 22 to FY 23, four (4) former employees rolled off that are no longer eligible to receive special separation pay because they are over 62. For FY 23, (2) new employees rolled on.

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

## FUND SUMMARIES

<b>TRANSIT FUND</b>				
	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>				
Vehicle License	500,000	900,000	400,000	80.00%
Transfer from General Fund	-	303,235	303,235	100.00%
Appropriated Fund Balance	200,000	540,336	340,336	170.17%
<b>Total</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>	<b>\$ 1,043,571</b>	<b>149.08%</b>
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	700,000	1,203,235	503,235	71.89%
Capital	-	540,336	540,336	100.00%
<b>Total</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>	<b>\$ 1,043,571</b>	<b>149.08%</b>

The FY 23 adopted Transit Fund budget totals \$1,743,571, which is an increase of \$1,043,571 over the FY 22 adopted budget of \$700,000.

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. This vehicle license revenue is projected at \$900,00 for FY 23. This is based on \$20 paid on all registered vehicles, which is an estimated 44,000 (*data from Cabarrus and Rowan counties*).

The past two years the City's shared public transit system, CK Rider received federal funding (CARES funding) related to the COVID-19 pandemic. This funding was used to offset operational expenses the past two years and allowed the Transit Fund to transfer funds back to the General Fund based on past transfers/support. This federal funding is no longer available to subsidize operations and therefore, results in the increase in operations.

This year's fund balance appropriation of \$540,336 is directly related to fund one-time capital expenses in the Transit Fund.

- 57,495 in capital and 2021 transit vehicle replacement
- \$482,841 in capital bus purchases

The \$503,235 increase in operations related to the following:

- Contractual rate increases to the fixed route (bus) service.
- Passenger enhancements per FTA 5307 funds- 1% must be spent on these efforts.
- Safety enhancements- per FTA for use of 5307 funds at least .75% spent on safety.
- Security enhancements- per FTA for use of 5307 funds at least 1% spent on security
- Contractual rate increases related to ADA Paratransit program ridership which is up 20-25% over the past year.
- Increase in fuel costs.

**POSITION SUMMARY**

**FULL TIME EMPLOYEES BY DEPARTMENT**

DEPARTMENT	ADOPTED FY2022	BUDGET FY2023	CHANGES/ ADDITIONS	COMMENTS
<b>GENERAL GOVERNMENT</b>				
City Council	7	7	0	
City Manager	9	10	1	New position: Community Outreach Coordinator
Human Resources	5	6	1	New position: Assistant Human Resources Director
Legal Services	2	3	1	New position: Jr. Attorney
General Services	11	11	0	
Planning	10	11	1	New position: GIS Specialist
Finance	7	8	1	New position: Payroll Administrator
Information Tech	5	5	0	
<b>TOTAL GENERAL GOVERNMENT</b>	<b>56</b>	<b>61</b>	<b>5</b>	
<b>PUBLIC SAFETY</b>				
Admin	7	8	1	New position: Recruitment Officer
Support	35	35	0	
Field Ops	69	67	-2	Moved (2) Sworn Officers positions to Special Ops. as (2) Park Rangers
Special Ops	7	9	2	(2) Park Ranger positions moved from Field Ops.
<i>Total Police (all divisions)</i>	<b>118</b>	<b>119</b>	<b>1</b>	Net gain in new positions for Recruitment Officer
Admin	6	6	0	
Emergency	85	85	0	
Technical	5	5	0	
<i>Total Fire (all divisions)</i>	<b>96</b>	<b>96</b>	<b>0</b>	
<b>TOTAL PUBLIC SAFETY</b>	<b>214</b>	<b>215</b>	<b>1</b>	
<b>TOTAL PARKS AND RECREATION</b>	<b>23</b>	<b>24</b>	<b>1</b>	New Position: Assistant Parks Director
<b>PUBLIC WORKS</b>				
Engineering	10	9	-1	(1) Administrative Assistant position moved to Environmental for creation of Operations Manager
Signs	3	3	0	
Street Maintenance	14	14	0	(1) Op Mgr., (1) Crew Supervisor, (1) Crew Chief, (9) CM II, (2) CM Tech
<b>TOTAL PUBLIC WORKS</b>	<b>27</b>	<b>26</b>	<b>-1</b>	
<b>TOTAL GENERAL FUND</b>	<b>320</b>	<b>326</b>	<b>6</b>	

**POSITION SUMMARY**

DEPARTMENT	ADOPTED FY2022	BUDGET FY2023	CHANGES/ ADDITIONS	COMMENTS
<b>WATER &amp; SEWER FUND</b>				
Customer Service				New position: (1) Customer Service Representative + moving (1) Administrative Assistant from WTP budget
	12	14	2	
Water Plant	14	13	-1	
Distribution	40	43	3	New position: (1) CM II and (2) Water Technicians
<b>TOTAL WATER &amp; SEWER</b>	<b>66</b>	<b>70</b>	<b>4</b>	
<b>TOTAL STORMWATER FUND</b>				
	16	16	0	
<b>TOTAL ENVIRONMENTAL</b>				
	5	6	1	Creation of Operations Manager position (used to be Admin. Asst) in Engineering Dept.
<b>TOTAL ALL FUNDS</b>	<b>407</b>	<b>418</b>	<b>11</b>	

This chart does not show part-time, seasonal, auxiliary, or temporary positions.

**NEW POSITIONS**

DEPARTMENT	POSITION REQUESTED	GRADE	POSITIONS REQUESTED	SALARY (15% or job rate)	NOTES
Legal Services	Jr. Attorney <i>(New job class)</i>	TBD	1	\$150,000	Succession planning and cross-training.
Human Resources	Assistant Human Resources Director <i>(New job class)</i>	80	1	\$75,585	Succession planning and cross-training.
City Manager-Communications	Community Outreach Coordinator <i>(New job class)</i>	74	1	\$56,403	Part of the FY 22 City Manager's Watchlist. Assist with environmental educational efforts, litter clean-up campaign, adopt a street, shred it events, FOG's program, Stormwater, etc.
Finance	Payroll Administrator <i>(New job class)</i>	70	1	\$30,000	Succession planning and cross-training. Hire in January (budgeted at ½ year).
Parks	Assistant Parks Director	80	1	\$75,585	Assist with either parks operations and grounds maintenance efforts city-wide or recreational programming, special events with the addition of the Gem Theatre.

**POSITION SUMMARY**

<b>NEW POSITIONS</b>					
Police	Police Officer/ Recruiting Officer	70	1	\$51,466	Assist with the current high number of vacancies within the Police Department. This position will focus heavily on recruitment and retention efforts within the Department/attend job fairs, etc.
Planning	GIS Specialist	74	1	\$56,403	Due to heavy growth the city is experiencing. This position will assist with internal and external requests for mapping. This position assists in Planning and Engineering.
Water Resources-Distribution	Construction Maintenance Worker II	65	1	\$36,359	New position requested for service maintenance, meter repairs and construction.
Water Resources-Distribution	Construction Maintenance Technician	68	2	\$42,088	(2) new technician positions to operate all new infrastructure related to Kannapolis Crossing in addition to maintenance efforts related to system growth. These positions will also assist with some of the maintenance efforts addressed in latest audit.
Customer Service	Customer Service Representative	65	1	\$36,359	Based on growth and demand in services. This position will assist with all new customers, business property owners and landlord accounts.
<b>RECLASSIFICATIONS</b>					
Engineering	(1) Engineering Technician to an Engineer II	72	73 New job class	\$2,642	Upward mobility within the department.
Fire	(2) Division Chiefs to Assistant Fire Chiefs	80	New job class	\$8,000 (total)	Comparable across city departments serving over multiple divisions.
Fire	(1) Admin Support Specialist to Human Resources Technician	70	-	\$7,300	Effort to have HR liaisons in every functional area to assist with basic HR functions such as: new hires, onboarding, performance evaluations, timekeeping cleanup, etc.



**POSITION SUMMARY**

<b>RECLASSIFICATIONS</b>					
Fire	(1) Administrative Assistant to Office Manager	72	-	\$8,200	Adds additional layer of supervision over the administrative staff as well as part-time employees.
Fire	(1) Fire and Life Safety Educator to Community Outreach Coordinator	74	New job class	\$3,262	Effort to bring consistency across all publication, marketing, and public outreach efforts city-wide.
Fire	(1) Fire Inspector to Assistant Fire Marshal	74	New job class	\$2,780	Serves in the absence of Fire Marshal as well as assisting with inspections.
General Services	(1) Building Maintenance Technician III to Crew Chief	70	-	\$7,085	Effort to bring additional layer of supervision over janitorial staff and building maintenance staff.
General Services	(1) Building Maintenance Technician III to Crew Chief	70	-	\$8,700	Effort to bring additional layer of supervision over janitorial staff and building maintenance staff.
Parks	(1) Operations Specialist-Concessions to Concessions Manager	68	New job class	\$6,400	Better alignment of current job duties and accounting for the management of all concession contracts/workers at city parks and facilities.
Parks	(1) Administrative Assistant to Recreation Program Assistant	68	Adjust existing job class	\$4,388	Better alignment of current job duties.
Police	Park Rangers (2)	66	New job class	\$0	Reclassing (2) sworn vacant police officer positions to start the pilot Explorer/Park Ranger program to recruit high school students to begin training for police officers.
Customer Service	Moved (1) Administrative Support Specialist from Water Treatment Plant to Customer Service	63	-	\$0	This position was moved during the implementation of the Customer Service Call Center. This moves the funding associated with this position.

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# 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.

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**GENERAL FUND SUMMARY**

**General Fund Revenues**

Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
Ad Valorem Taxes - Current Year	32,460,158	35,188,732	2,728,574	8.41%
Ad Valorem Taxes - Prior Year	400,000	400,000	-	0.00%
<b>Total Ad Valorem Taxes</b>	<b>\$ 32,860,158</b>	<b>\$ 35,588,732</b>	<b>\$ 2,728,574</b>	<b>8.30%</b>
1% Sales Tax (State)	4,520,317	5,458,782	938,465	20.76%
1/2% Sales Tax (Local)	6,610,765	8,167,379	1,556,614	23.55%
<b>Total Sales Tax</b>	<b>\$ 11,131,082</b>	<b>\$ 13,626,161</b>	<b>\$ 2,495,079</b>	<b>22.42%</b>
Fire District Sales Tax	215,000	273,000	58,000	26.98%
Franchise Tax	2,698,000	2,698,000	-	0.00%
Beer & Wine Tax	210,000	210,000	-	0.00%
ABC Funds	90,000	102,296	12,296	13.66%
Cabarrus Contributions	1,331,402	1,328,433	(2,969)	-0.22%
Police- ICAC Grant	-	74,990	74,990	100.00%
CDBG Administration Revenues	70,000	70,000	-	0.00%
Rowan County Contributions	4,000	4,000	-	0.00%
Powell Bill Funds	1,298,734	1,572,822	274,088	21.10%
<b>Total Intergovernmental</b>	<b>\$ 5,917,136</b>	<b>\$ 6,333,541</b>	<b>\$ 416,405</b>	<b>7.04%</b>
Vehicle License	393,455	397,390	3,935	1.00%
Vehicle Rental Tax	25,000	25,000	-	0.00%
Buildings Rental	90,000	90,000	-	0.00%
Tower Rental	84,000	84,000	-	0.00%
Miscellaneous Revenue	310,000	310,000	-	0.00%
Investment Income	210,000	210,000	-	0.00%
Enterprise Fund Management Fee Reimbursement	2,614,500	2,349,702	(264,798)	-10.13%
Police - Charges and Fees	169,000	169,000	-	0.00%
Officer Court Reimbursement	20,000	20,000	-	0.00%
False Alarm Fees	8,000	8,000	-	0.00%
Fire - Technical Services - Charges and Fees	25,000	25,000	-	0.00%
Code Enforcement - Charges and Fees	80,000	120,000	40,000	50.00%
City Code Violations	65,000	65,000	-	0.00%
Parks - Charges and Fees	1,185,545	1,185,545	-	0.00%
Recreation Programs - Charges and Fees	125,000	125,000	-	0.00%
Recreation Programs - Donations	50,000	50,000	-	0.00%
Commercial Rent/Lease-College Station	401,630	401,630	-	0.00%
CVB Contribution	100,000	100,000	-	0.00%
Team Lease	450,000	450,000	-	0.00%
<b>Total Other</b>	<b>\$ 6,406,130</b>	<b>\$ 6,185,267</b>	<b>\$ (220,863)</b>	<b>-3.45%</b>
Appropriated Fund Balance	-	753,458	-	100.00%
Transfer from Transit Fund	200,000	-	-	-100.00%
<b>Total Fund Balance Appropriation/Transfers In</b>	<b>\$ 200,000</b>	<b>\$ 753,458</b>	<b>\$ -</b>	<b>0.00%</b>
	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>	<b>\$ 5,972,653</b>	<b>10.57%</b>

## GENERAL FUND SUMMARY

### Property (Ad Valorem) Taxes

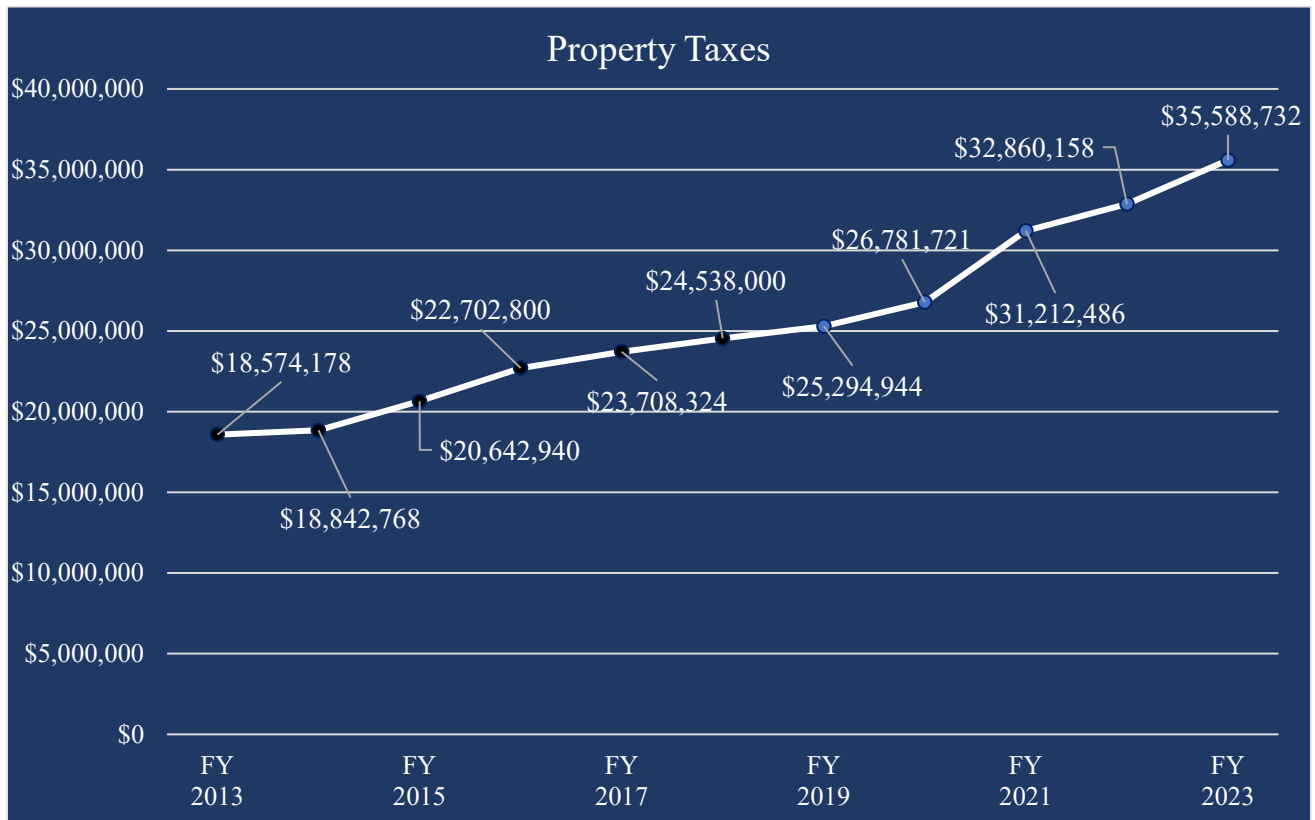
Property valuations are established by the County Tax Assessor. The City of Kannapolis is in two (2) counties, Rowan and Cabarrus and the property values are set by each respective County Tax Assessor

Property taxes are projected to increase by 8.3% or \$2,728,574 in FY 23 over the FY 22 adopted budget. This increase is attributed to organic growth in Cabarrus and Rowan County (both outside revaluation years).

The adopted tax rate for the City remains at 63 cents. The total taxable property value is estimated at \$5,672,838,999, which is a 7.84% over the FY 22 adopted valuation of \$5,260,241,092. The average increase in taxable property was around 4% the past few years. This year's increase doubled, which explains the substantial projected increase in property tax revenue.

The City used a combined collection rate from the FY 21 audit at 98.54%. One penny on the tax rate equates to \$567.284 in property tax revenue. FY 23 proposed property tax revenue is estimated at \$35,588,732 and comprises 57% of all General Fund revenue. This includes \$35,188,732 in current year property taxes and \$400,000 in prior year taxes.

Please note the graph on the following page that shows the increase in property tax revenue over the past 10 years. The City of Kannapolis has experienced consistent growth and continues to do so.



## GENERAL FUND SUMMARY

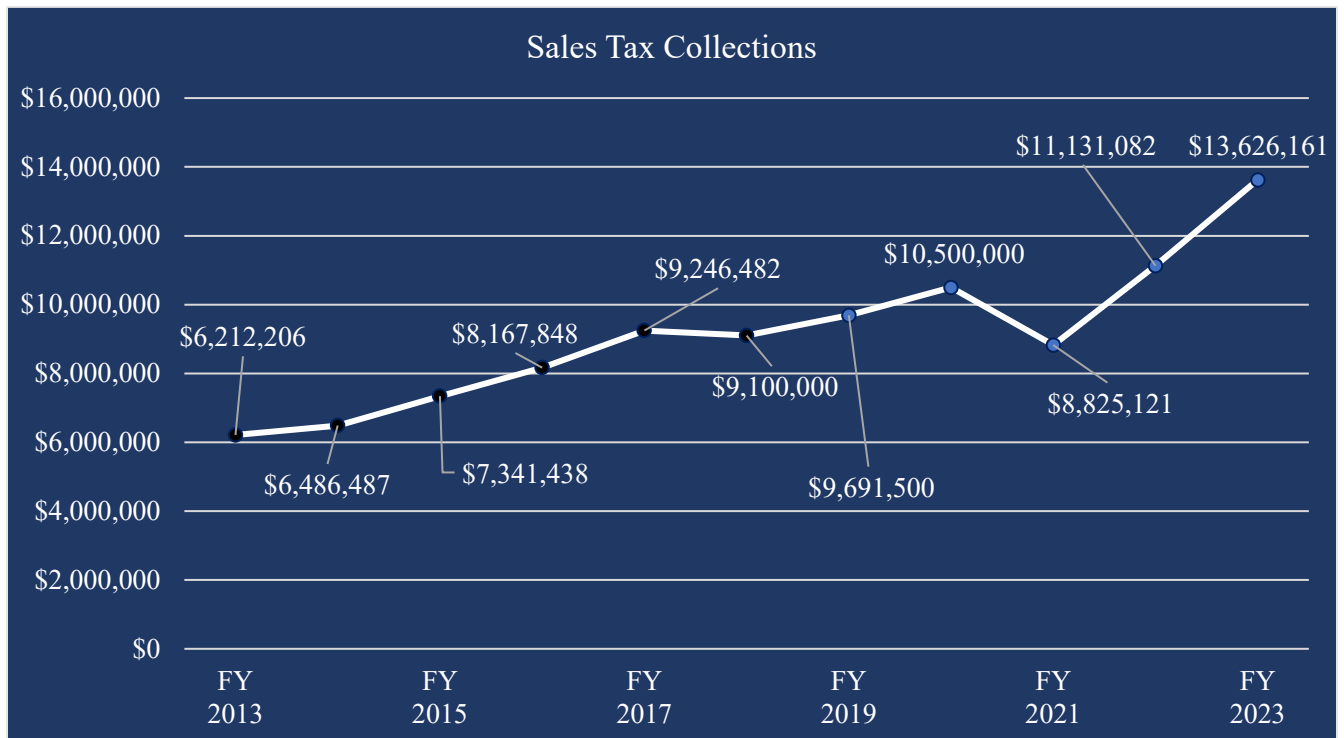
### Sales Taxes

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 22% of the adopted General Fund budget.

The adopted sales tax revenue for FY 23 is based on projected FY 22 year-end actual receipts, which are projected at \$13,131,082, which results in an over collection of approximately \$2,000,000 from what was included in the FY 22 original budget proposal. As a result, this more accurate calculation results in a 3.6% increase (\$495,079 actual) in sales tax revenue for FY 23. The same calculation from FY 22 from FY 21 resulted in a 1.9% increase (\$207,939 actual).

For FY 23, sales tax is budgeted at \$13,626,161, which is an increase of 22% over the FY 22 adopted budget of \$11,131,082.



## GENERAL FUND SUMMARY

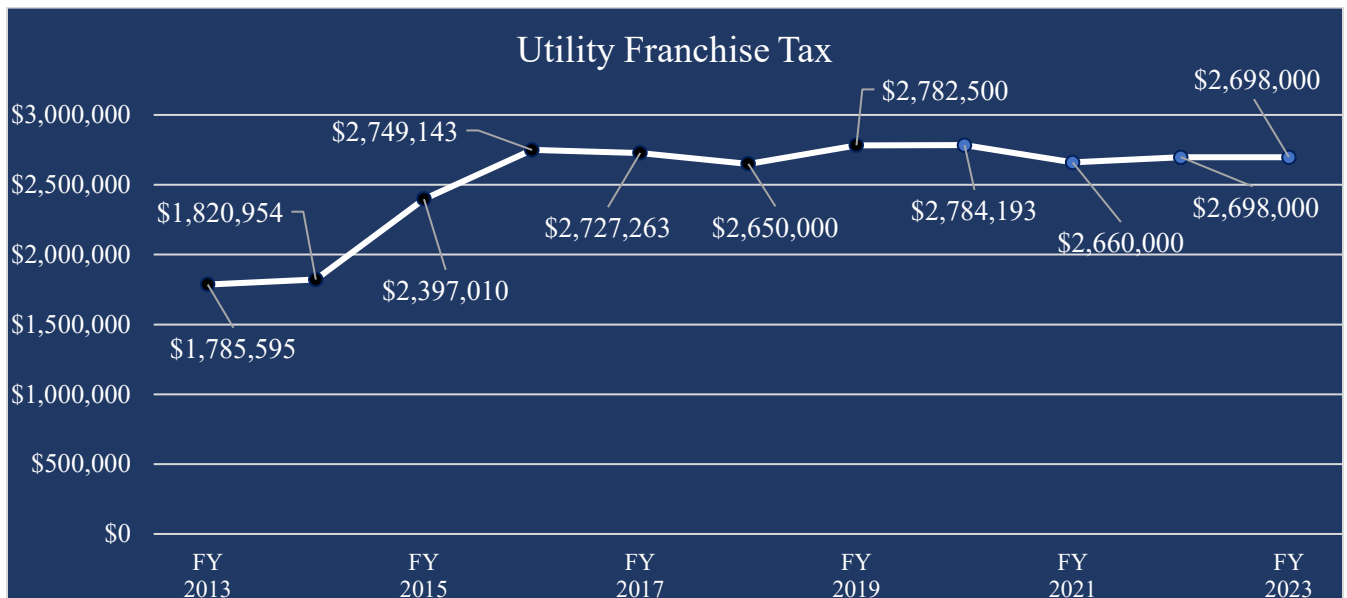
### Intergovernmental Revenue

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. New to this category for FY 23 is a grant received by the Police Department for Internet Crimes Against Children. This grant award is projected at \$74,990 and has corresponding expenses tied to training and public safety supplies in the Police Department-Administration Division budget.

This category comprises 10% of the adopted General Fund budget for FY 23. This is a 7.04% increase over the FY 22 adopted budget.

The primary driver behind the increase is related to Powell Bill funding which is projected to increase by \$274,088 over the FY 22 adopted budget. The FY 23 projected Powell Bill funding is based on FY 22 actual collections received. Franchise tax receipts are the third largest source of revenue for the General Fund and are captured in the intergovernmental area. These receipts have increased for the City in the past, but the source has shown limited growth over the past few years. For FY 23, franchise tax is projected at \$2,698,000 or flat over the FY 22 adopted budget. Other increases are related to fire district sales tax revenues which are projected to increase by \$58,000 based on trends and the \$74,990 related to the Police Department- Internet Crimes Against Children grant.



## GENERAL FUND SUMMARY

### Other Revenues

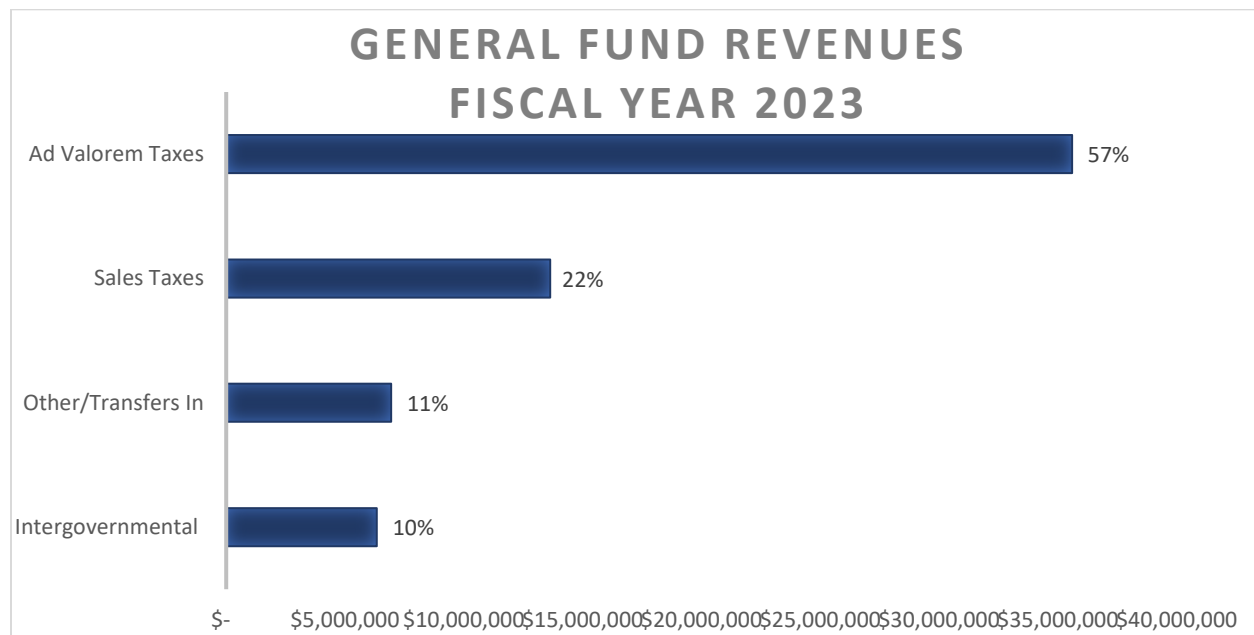
Other revenues are revenues collected for activities of the City that may not be specific in nature and don't fit easily into a previously mentioned revenue category. These revenues comprise 11% of the General Fund budget.

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. This revenue source is projected to decrease by \$264,798 based on the employee allocation and outstanding debt service obligation formula used to calculate this fee across all funds.

For FY 23, the intergovernmental revenue category is budgeted at \$6,938,725 which is an increase of 5% over the FY 22 adopted budget of \$6,606,130. This is primarily attributed to the \$753,458 fund balance appropriation. This fund balance appropriation is used to fund the following one-time/cash focused initiatives: \$325,000 for stock and asset purchases related to the Gem Theatre, \$105,052 in retirement contributions for City Council for the addition of the 457 plan. This amount includes 4 years' worth of backpay for this benefit and last, \$323,406 for the second-year lease payment with Axon for the full replacement of the Police Department's in-car cameras, body-worn cameras and tasers. This lease extends through FY 2026 and was identified on the City's Five-Year Financial Plan to utilize cash as payments. The decision to use cash will be revisited each year during the budget process for this purchase.

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



GENERAL FUND SUMMARY

**General Fund Expenditures**

Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
City Council	274,059	327,592	53,533	19.53%
City Manager - Administration	1,498,649	1,683,345	184,696	12.32%
Economic Development	594,250	377,887	(216,363)	-36.41%
Communications	258,700	322,740	64,040	24.75%
Human Resources	566,245	717,750	151,505	26.76%
City Attorney	433,204	628,377	195,173	45.05%
Finance	961,900	1,035,053	73,153	7.61%
Information Technology	1,546,793	2,119,622	572,829	37.03%
General Services	1,807,579	1,905,134	97,555	5.40%
<b>Total General Government</b>	<b>\$ 7,941,379</b>	<b>\$ 9,117,500</b>	<b>\$ 1,176,121</b>	<b>14.81%</b>
Police - Administration	929,250	1,200,317	271,067	29.17%
Police - Support Services	2,833,984	3,102,224	268,240	9.47%
Police - Field Operations	5,199,144	5,806,123	606,979	11.67%
Police - Special Operations	510,042	704,948	194,906	38.21%
<b>Total Police</b>	<b>\$ 9,472,420</b>	<b>\$ 10,813,612</b>	<b>\$ 1,341,192</b>	<b>14.16%</b>
Fire - Administration	1,150,605	1,246,627	96,022	8.35%
Fire - Emergency Services	7,362,825	7,648,966	286,141	3.89%
Fire - Technical Services	510,795	555,861	45,066	8.82%
<b>Total Fire</b>	<b>\$ 9,024,225</b>	<b>\$ 9,451,454</b>	<b>\$ 427,229</b>	<b>4.73%</b>
Public Works - Engineering	1,126,255	1,036,308	(89,947)	-7.99%
Public Works - Street Lighting	730,400	740,300	9,900	1.36%
Public Works - Operations Center	118,000	138,700	20,700	17.54%
Public Works - Signs and Markings	432,051	463,006	30,955	7.16%
Powell Bill	1,249,500	1,513,120	263,620	21.10%
Public Works - Street Maintenance	1,099,072	961,971	(137,101)	-12.47%
<b>Total Public Works</b>	<b>\$ 4,755,278</b>	<b>\$ 4,853,405</b>	<b>\$ 98,127</b>	<b>2.06%</b>
Planning	\$ 1,013,481	\$ 1,102,225	88,744	8.76%
<b>Total Planning</b>	<b>\$ 1,013,481</b>	<b>\$ 1,102,225</b>	<b>\$ 88,744</b>	<b>8.76%</b>
Parks and Recreation - Parks	4,090,222	4,470,299	380,077	9.29%
Parks and Recreation - Recreation Programs	788,000	930,500	142,500	18.08%
Stadium	250,000	250,000	-	0.00%
<b>Total Parks and Recreation</b>	<b>\$ 5,128,222</b>	<b>\$ 5,650,799</b>	<b>\$ 522,577</b>	<b>10.19%</b>
Non - Departmental	4,041,753	5,642,314	1,600,561	39.60%
Transfers	569,752	895,184	325,432	57.12%
<b>Total Other</b>	<b>\$ 4,611,505</b>	<b>\$ 6,537,498</b>	<b>\$ 1,925,993</b>	<b>41.76%</b>
Debt Service Payments (Principal and Interest)	14,567,996	14,960,666	392,670	2.70%
<b>Total Debt Service</b>	<b>\$ 14,567,996</b>	<b>\$ 14,960,666</b>	<b>\$ 392,670</b>	<b>2.70%</b>
<b>Total General Fund Expenditures</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>	<b>\$ 5,972,653</b>	<b>10.57%</b>



## 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 15% of total General Fund spending. This service area increased by 14.81% or \$1,176,121 over the FY 22 adopted budget.**

The primary driver behind this increase is due to a projected 10% increase in annual maintenance costs in the IT Department, implementation of a replacement schedule that includes all devices city-wide (estimated at approximately \$150,000), \$54,000 in repair and maintenance efforts city-wide, \$30,000 increase in tax collection fees based on trends from both counties, \$20,000 in recruitment initiatives to assist with city-wide vacancies and turnover efforts and \$30,000 increase in contracted services related to the Employee Assistance Program (EAP) and employee collaboration efforts.

Other increases are related to the four new positions proposed in this service area, which are: Jr. Attorney, Assistant Human Resources Director, and Community Outreach Coordinator and a Payroll Administrator (budgeted at ½ worth). Two reclassifications are proposed within the General Services budget which also contribute to the increase in this service area.

### 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 four divisions: Administration, Support Services, Field Operations, and the newly developed Special Operations Division. The Fire Department includes three divisions: Administration, Emergency Services and Technical Services.

**This service area comprises 32% of all General Fund spending. This service area increased by \$1,768,421 or 9.56% over the FY 22 adopted budget.**

The Police Department increased by \$1,341,192 or 14% over the FY 22 adopted budget. Included in this increase is the addition of a Recruitment Officer with associated equipment and vehicle purchase. A vehicle purchase for the creation of the Park Ranger program is also included in this area. Other increases are related to the \$323,406 for the second lease payment with Axon for the replacement of the agency's in-car cameras, body-worn cameras and tasers. \$130,000 increase is related to the City's 911 communications center equipment and redundancy line set-up. The City is not a primary or secondary public safety answering point (PSAP) and therefore isn't eligible to receive 911 State Board funding. Other increases are related to standard contractual increases.

The Fire Department increased by \$427,229 or 4.73% over the FY 22 adopted budget. The primary drivers behind this increase is a series of reclassifications across 6 positions to better align with

## GENERAL FUND SUMMARY

the job classification schedule and functions of their job descriptions. Other increases are standard or contractual in nature outside of the \$95,000 increase in public safety supplies to replace outdated ballistic vests, PPE, hoses, and headsets. Some of the department's hoses are currently 25 years old and have failed third party tests. Headsets are estimated at \$6,000/truck and are used for communication and hearing protection

### 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. This service area increased by \$98,127 or 2.06% over the FY 22 adopted budget.**

The major increase in this area is related to Powell Bill funding and the projected increase in asphalt per ton. Other increases are related to standard contractual increases across all divisions. There is a \$50,000 increase in contracted services for sidewalk repairs near AL Brown and surrounding neighborhoods in the Streets Maintenance division. Other increases are related to provide CDL training for staff members, required by the State. The Engineering overall budget decreased due to a position moving to the Environmental Fund. Engineering is requesting one reclassification of an existing position and \$5,000 in part-time funding for the addition of a summer intern.

### Planning

Planning provides for orderly planning of growth and development within the City.

**This area comprises 2% of all General Fund spending. This service area increased by \$88,744 or 8.76% over the FY 22 adopted budget.**

The Planning Department has one position request: GIS specialist which contributes to the increased costs in this service area. There is also \$5,000 budgeted for a summer internship program and \$5,000 increase in board member fees. Other increases are standard contractual increases.

### 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.

**This area comprises 9% of all General Fund spending. This service area increased by \$522,577 or 10.19% over the FY 22 adopted budget.**

## GENERAL FUND SUMMARY

The primary increase is related to the addition of an Assistant Parks Director position that will either oversee all parks operations and grounds contracts or all recreation and special event programming. This department is also requesting the reclassification of two positions. Other increases are related to standard increases in the ground's maintenance contract, which is estimated to cost an additional \$76,635 as well as standard contractual increase related to concessions, credit card fees and cleaning supplies. The programs division is requesting an increase of \$90,000 across all youth athletics and special event programming hosted by the City.

### Other

The other category includes the Non-Departmental department, and transfers to other funds.

**This area comprises 10% of all General Fund spending. This service area increased by \$1,925,993 or 41.76% over the FY 22 adopted budget.**

Expenses in the Non-Departmental budget include:

- \$1,096,997 for a 5% COLA for all eligible employees.
- \$663,119 merit increases for all eligible employees based on a 2.5% average.
- \$125,000 for employee paid memberships to the YMCA.
- \$325,000 associated with stock and asset purchases related to the Gem Theatre.
- \$300,000 increase in retiree health insurance based on the City subsidizing the increase in premium to move all retirees to the open market for health insurance.
- \$208,964 increase in insurance premiums.
- \$156,551 increase in contingency funding. Per internal policy, at least .5% of all total General Fund expenditures should be set aside as contingency funds to be used at the discretion of City Council.
  - Estimated contingency funding is: \$312,435 (.5% of \$62,487,159)
  - Remaining \$300,209 in contingency funding to be used towards salary study implementation efforts or other efforts.

Transfers are:

- \$85,542 from the General Fund to subsidize the Environmental Fund
- \$506,407 from the General Fund to the Special Separation Pay Fund.
- \$303,235 from the General Fund to the Transit Fund based on an increase in operations and reduced subsidy from the Federal Government related to the pandemic.

### Debt Service

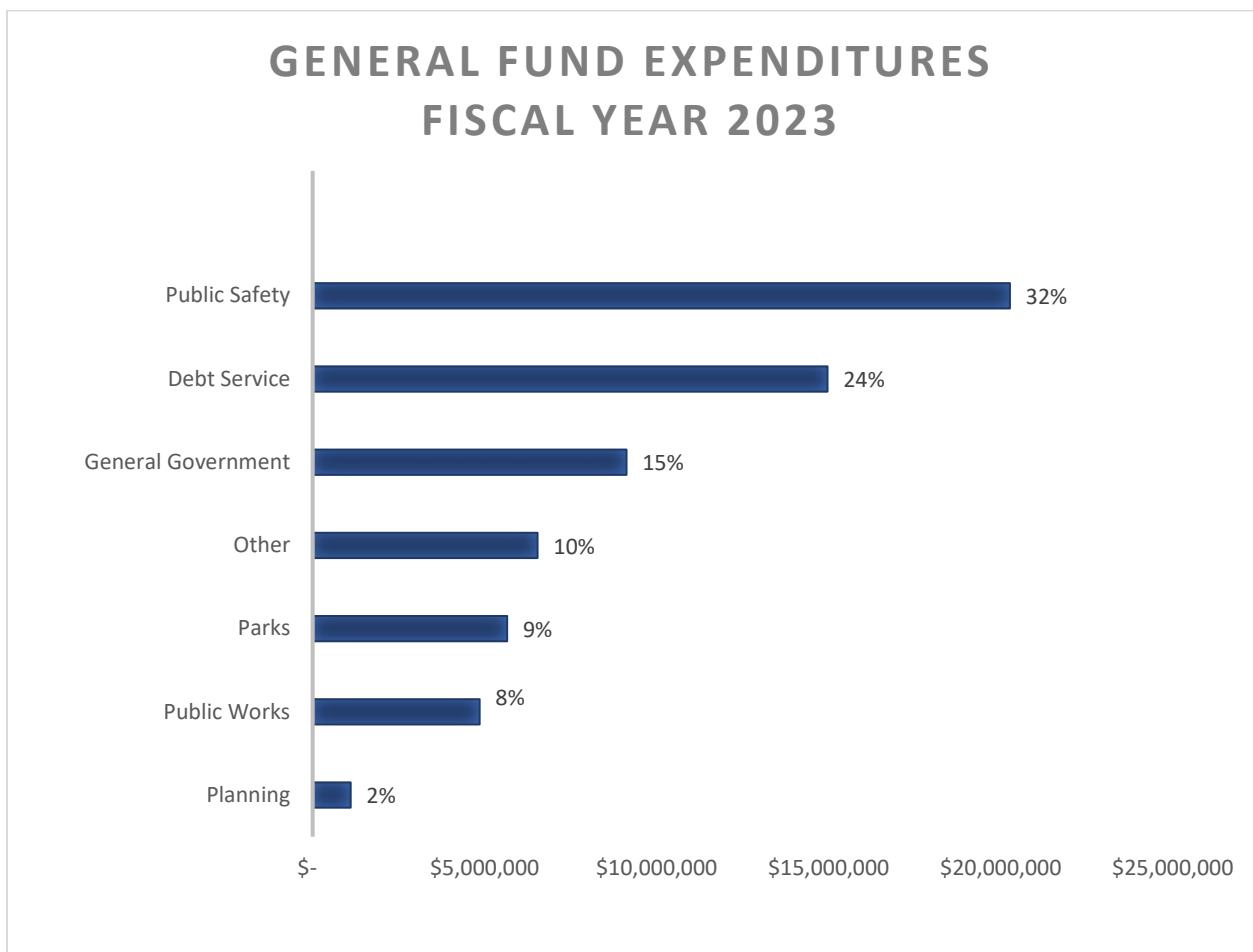
The debt service category accounts for principal and interest payments on debt that is outside of the enterprise fund debt service obligations. Debt service in the General Fund is for greenways, City Hall and Police Headquarters, Fire Stations, and machinery and equipment used to support departments in the General Fund. Also, included is the debt service that was formerly budgeted in the Downtown Fund. This includes debt service payments on the streetscape/linear park, the

## GENERAL FUND SUMMARY

baseball stadium and the first principal and interest payment for the newly constructed parking deck downtown at the VIDA apartment complex.

**This area comprises 24% of all General Fund spending. This service area increased by \$392,670 or 2.70% over the adopted FY 22 budget.**

This area did see an increase in debt service payments related to the addition of the Motorola lease. This is a four-year lease estimated around \$677,750 annually. Also, included is the addition of \$1.7 million in debt to replace two fire engines (*one which is estimated at 27 years old and the other, 28 years old*). Previous debt service related to the Kannapolis Business Park and wayfinding signs retired in FY 2023.



# 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	\$5,642,314
<b>Total Budget</b>	<b>\$5,642,314</b>

**Increases:**

- \$1,892,116– Special Expenses
  - \$125,000 - YMCA memberships for all eligible City employees
  - \$663,119 – Merit for all eligible employees (based on average performance review of 2.5%)
  - \$1,096,997 – 5% Cost of Living Adjustment (COLA) for all eligible employees
  - \$7,000 – hearing tests for select departments, lead testing for PD employees on the range
- \$45,068 – Insurance – General Liability
  - Based on 10% increase from League of Municipalities
- \$7,383 – Insurance – Public Officials
  - Based on 10% increase from League of Municipalities
- \$36,513– Insurance – Self Insured
  - Based on 10% increase from League of Municipalities
- \$120,000– Insurance – Building and Contents
  - Based on estimate from the League of Municipalities
- \$325,000– Special Expenses- Gem
  - 150,000 stock purchase
  - 175,000 asset purchase
- \$300,000 – increase in retiree health insurance based on the City subsidizing the difference in premiums for the retirees. We should see a reduction on the claims side with retirees being on the open market plan.
- \$156,551 – increase in contingency funding.
  - Per policy: at least .5% of all General Fund expenditures should be set aside in contingency funding, which would be an estimated: \$312,435.
  - Remaining \$300,209 was used to balance the budget and can be set aside for the salary study and implementation efforts and/or increase the transfer to the Environmental Fund if the additional bag truck and 2 positions are needed for FY 23 (estimated at \$265,000).

**Items of Interest:**

- Contingency funding – internal policy is .5% of total General Fund budget = \$312,435
- Remaining funding in this line item was used to balance the budget

OTHER PROGRAMS

## Non-Departmental 10000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
42100	Workers Comp Insurance	176,336	176,336	-	0.00%
42310	Medical Plan Expense	-	-	-	0.00%
42330	Retiree Insurance	300,000	600,000	300,000	100.00%
42340	HSA & HRA Benefits	860,902	860,902	-	0.00%
42700	Unemployment Insurance	15,000	15,000	-	0.00%
45220-COLL	Electricity-College Station	7,500	7,500	-	0.00%
45230-COLL	Water and Sewer-College Station	2,000	2,000	-	0.00%
45240-COLL	Gas Utilities-College Station	2,000	2,000	-	0.00%
48000-COLL	Contracted Services-College Station	6,000	6,000	-	0.00%
48430	Banking Fees	14,000	14,000	-	0.00%
51300	Special Expenses	1,282,070	1,892,116	610,046	47.58%
51300-GEM	Special Expenses- GEM	-	325,000	325,000	100.00%
51320	Contingency Appropriation	456,093	612,644	156,551	34.32%
51610	Insurance - Public Officials	73,830	81,213	7,383	10.00%
51620	Insurance - General Liability	450,684	495,752	45,068	10.00%
51630	Insurance - Buildings	30,000	150,000	120,000	400.00%
51640	Insurance - Self Insured	365,138	401,651	36,513	10.00%
51650	Encroachment Bond	200	200	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 4,041,753</b>	<b>\$ 5,642,314</b>	<b>\$ 1,600,561</b>	<b>39.60%</b>
TOTAL NON-DEPARTMENTAL					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
	Operating Expenditures	4,041,753	5,642,314	1,600,561	39.60%
<b>Total for All Categories of Expenses</b>		<b>\$ 4,041,753</b>	<b>\$ 5,642,314</b>	<b>\$ 1,600,561</b>	<b>39.60%</b>

OTHER PROGRAMS

## General Fund Debt Service 18000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	10,048,398	10,742,638	694,240	6.91%
58200	Bond Interest	4,519,598	4,218,028	(301,570)	-6.67%
58300	Debt Issuance Cost	-	-	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 14,567,996</b>	<b>\$ 14,960,666</b>	<b>\$ 392,670</b>	<b>2.70%</b>
TOTAL GENERAL FUND DEBT SERVICE					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	14,567,996	14,960,666	392,670	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 14,567,996</b>	<b>\$ 14,960,666</b>	<b>\$ 392,670</b>	<b>2.70%</b>

LOBS	Principal	Interest
Fire Stations 2 and 3	555,000	352,536
City Hall/Police Headquarters	1,365,000	675,556
NCRC Projects	2,426,000	230,865
Irish Buffalo Creek	92,000	26,551
College Station/ Duct Bank/Street Scape	394,999	228,783
Stadium	2,600,000	1,919,970
Parking Deck at VIDA	740,000	267,259
Other		
Equipment	42,153	6,189
Warehouse/Fire Truck	162,139	2,529
Village Park/Fire Truck	447,000	171,581
Refinancing	337,597	5,013
Downtown Purchase	733,000	297,195
Motorola Lease Payment	677,750	-
Fire Engine(s)	170,000	34,000
<b>Total</b>	<b>\$10,742,638</b>	<b>\$4,218,027</b>

\*New to FY 2023

**NEW:** Debt Service on 2 replacement engines at \$1.7 million over 10 years, 2% interest), first payment in FY 23 at \$170,000. One engine is 28 years old, and the other is 27 years old.

**NEW:** First lease payment for replacing Motorola radios for Police and Fire Department. This is the first of 4 payments (ends in FY 26). This project was \$2.7 million.

## Transfers General Fund 19000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
41800	Separation Pay	484,210	506,407	22,197	4.58%
57100	Transfer to Transit Fund	-	303,235	303,235	100.00%
57400	Transfer to Environmental Fund	85,542	85,542	-	0.00%
<b>Sub-Total for Transfers</b>		<b>\$ 569,752</b>	<b>\$ 895,184</b>	<b>\$ 325,432</b>	<b>57.12%</b>
TOTAL TRANSFERS GENERAL FUND					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	569,752	895,184	325,432	57.12%
<b>Total for All Categories of Expenses</b>		<b>\$ 569,752</b>	<b>\$ 895,184</b>	<b>\$ 325,432</b>	<b>57.12%</b>

### Increases:

- General fund to Separation Pay Fund: \$506,407 (\$484,210 - FY 22 budget), increase based on 2 employees rolling on.
- General fund to Transit: \$303,235 based on an increase in operations in contracts, fuel, paratransit/ADA trips and reduced CARES funding that the transit fund received the past 2 years.
  - As a reminder, the past 2 years, the transit fund transferred money back to the General Fund in the amount of: 200,000 (offset past transfers from the GF), ability to do this due to CARES subsidy in transit.

### Reductions:

- None.

### Items of Interest:

- General Fund transfer to Environmental Fund assists with Waste Management contract costs and recycling costs.
  - General fund to Environmental: \$85,542 (same FY 22 budget).



# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	107,079	102,863	127,863	199,573
Operating	109,396	171,196	185,096	128,019
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 216,475</b>	<b>\$ 274,059</b>	<b>\$ 312,959</b>	<b>\$ 327,592</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	7	7	7	7

Personnel includes: (7) City Council members

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$199,573
<b>Operating Expenses</b>	\$128,019
<b>Total Budget</b>	\$327,592

### Increases:

- \$5,000 – increase in travel
- \$1,219 – increase in dues and subscriptions related to the MPO match increase.
- \$81,900 – increase in retirement due to the addition of the 457 plan for Council. This also includes back pay for up to 2 years (*estimated at \$52,526*).

### Reductions:

- \$49,396 decrease in election expenses for both Counties (*off year*).

GENERAL GOVERNMENT

**Items of Interest:**

- \$32,000 - NC League of Municipalities
- \$4,000 - National League of Cities
- \$9,419 - 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

## City Council 11000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	95,550	109,103	13,553	14.18%
41400	Board Member Fees	-	-	-	0.00%
42000	FICA	7,313	8,570	1,257	17.19%
42200	Retirement	-	81,900	81,900	100.00%
<b>Sub-Total For Personnel</b>		<b>\$ 102,863</b>	<b>\$ 199,573</b>	<b>\$ 96,710</b>	<b>94.02%</b>
<b>OPERATING</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43200	Advertising	5,000	5,000	-	100.00%
45250	Telephone	3,500	3,500	-	0.00%
46100	Office Supplies	1,600	1,600	-	0.00%
46300	Dues and Subscriptions	79,200	80,419	1,219	1.54%
51100	Travel and Training	15,000	20,000	5,000	33.33%
51200	Elections	49,396	-	(49,396)	-100.00%
51300	Special Expenses	17,500	17,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 171,196</b>	<b>\$ 128,019</b>	<b>\$ (43,177)</b>	<b>-25.22%</b>
<b>TOTAL CITY COUNCIL</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	102,863	199,573	96,710	94.02%
	Operating Expenditures	171,196	128,019	(43,177)	-25.22%
<b>Total for All Categories of Expenses</b>		<b>\$ 274,059</b>	<b>\$ 327,592</b>	<b>\$ 53,533</b>	<b>19.53%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	1,478,220	1,428,649	1,503,649	1,550,522
Operating	63,224	70,000	103,233	132,823
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,541,444</b>	<b>\$ 1,498,649</b>	<b>\$ 1,606,882</b>	<b>\$ 1,683,345</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	9	9	9	10

**Personnel includes:** City Manager (1) Deputy City Manager (1), (2) Assistant City Managers, Assistant to the City Manager (1), Communications Director (1) Director of Business and Community Affairs (1) City Clerk (1) and the Community Development Block Administrator (1)

**New:** Community Outreach Coordinator (1)

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$1,550,522
<b>Operating Expenses</b>	\$132,823
<b>Total Budget</b>	\$1,683,345

### Increases:

- Personnel increases related to the addition of a Community Outreach Coordinator which will focus on public outreach and public education regarding litter clean up, stormwater, fats, oils and grease program, etc.
- \$2,500 - increase in smalls tools and equipment for the new position.
- \$5,000 - increase in travel.
- \$55,323 – increase in consultants for work on the strategic plan, staff retreat and consultant work downtown

## City Manager 11100

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	1,073,445	1,156,788	83,343	7.76%
41100	Salaries - Part Time	2,550	2,550	-	0.00%
41300	Longevity Pay	4,964	4,964	-	0.00%
41600	Vehicle Allowance	42,000	42,000	-	0.00%
42000	FICA	77,178	78,577	1,399	1.81%
42210	401k	20,066	31,994	11,928	59.44%
42200	State Retirement	117,550	133,800	16,250	13.82%
42230	Deferred Compensation	11,139	11,871	732	6.57%
42300	Medical Insurance	71,820	79,800	7,980	11.11%
42400	Life Insurance	3,567	3,784	217	6.08%
42500	Dental Insurance	3,456	3,480	24	0.69%
42600	Disability Insurance	914	914	-	0.00%
<b>Sub-Total for Personnel</b>		<b>\$ 1,428,649</b>	<b>\$ 1,550,522</b>	<b>\$ 121,873</b>	<b>8.53%</b>
<b>OPERATING</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
45250	Telephone	10,500	10,500	-	0.00%
46100	Office Supplies	10,000	10,000	-	0.00%
46200	Small Equipment and Tools	-	2,500	2,500	100.00%
46300	Dues and Subscriptions	12,500	12,500	-	0.00%
48300	Consultants	-	55,323	55,323	100.00%
51100	Travel and Training	31,000	36,000	5,000	16.13%
51300	Special Expenses	3,000	3,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 70,000</b>	<b>\$ 132,823</b>	<b>\$ 62,823</b>	<b>89.75%</b>
<b>TOTAL CITY MANAGER</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	1,428,649	1,550,522	121,873	8.53%
	Operating Expenditures	70,000	132,823	62,823	89.75%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,498,649</b>	<b>\$ 1,683,345</b>	<b>\$ 184,696</b>	<b>12.32%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	363,853	594,250	580,105	377,887
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 363,853	\$ 594,250	\$ 580,105	\$ 377,887
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

\*No personnel in this division

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of major, new companies announced in Kannapolis <i>(major defined as 100 or more employees)</i>	TBD
# of total households assisted through Community Development efforts	TBD
<b>Effectiveness Measures</b>	
Ratio of jobs created to incentive grants	TBD
Tax base created to incentive grants	TBD
Average \$ of amount spent on urgent repair per household <i>(HUD Metric)</i>	TBD
Average \$ of amount spent on rehabilitation per household <i>(HUD Metric)</i>	TBD
% of federal dollars spent in year received	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

GENERAL GOVERNMENT

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$377,887
<b>Total Budget</b>	<b>\$377,887</b>

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

**Increases:**

- \$637 – increase in EDC contribution.

**Reduction:**

- \$217,000 – reduction in the incentive grant payment to Amazon. FY 22 was the final year of this incentive grant.

**Items of Interest:**

- \$6,750 – 600 Festival
- \$21,500 – Cabarrus Arts Council
- \$1,000 – Chamber of Commerce Annual Meeting
- \$25,000 – NC Music Hall of Fame
- \$227,000 – Incentive grant for Gordon Foods

## Economic Development 11115

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
43405	EDC Contribution	66,000	66,637	637	0.97%
43415	Economic Development Initiatives	15,000	15,000	-	0.00%
46350	Community Support	74,250	74,250	-	0.00%
51310	Incentive Grant	439,000	222,000	(217,000)	-49.43%
<b>Sub-Total For Operating</b>		<b>\$ 594,250</b>	<b>\$ 377,887</b>	<b>\$ (216,363)</b>	<b>-36.41%</b>
TOTAL ECONOMIC DEVELOPMENT					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	594,250	377,887	(216,363)	-36.41%
<b>Total for All Categories of Expenses</b>		<b>\$ 594,250</b>	<b>\$ 377,887</b>	<b>\$ (216,363)</b>	<b>-36.41%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	194,700	258,700	266,109	322,740
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 194,700	\$ 258,700	\$ 266,109	\$ 322,740
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

\*No personnel in this division

**Performance Measurement:**

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of social media messages that go out	TBD
# of impressions made ( <i>running total</i> )	TBD
# of educational programs presented	TBD
# of environmental posts	TBD
# of eligible adopt the streets within City limits	TBD
# of hours spent on community outreach events	TBD
# of participants in community outreach events	TBD
<b>Efficiency Measures</b>	
Increase in public outreach via communication channels by 5% (social media, web, newsletters, media)	TBD
% of streets that are adopted as part of the Adopt a Street Program	TBD
Increase Cartology app audience members by 5%	TBD
Ratio of Communications Staff to 100 Municipal Employees	TBD

**GENERAL GOVERNMENT**

<b>Effectiveness Measures</b>	
% of participants who attended outreach opportunities that rated the class as exceeds expectations	TBD
% of impressions per \$1,000 spent on marketing and advertising	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$322,740
<b>Total Budget</b>	\$322,740

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

**Increases:**

- \$20,000 – increase in recruitment initiatives. This is city-wide funding to assist with the high number of vacancies experienced by our departments. This money will be used for video, marketing, and promotional advertisements.
- \$32,640 – increase in marketing and branding due to increased publication and printing costs.
- \$10,000 – increase in consultants for strategic planning efforts; focus group funding.
- \$1,400 – increase in academy programs due to catering increases.

**Items of Interest:**

- \$50,000 – Consultants for a shared consultant services with Cabarrus County for the zip code project clean up.
- \$37,820 – Special Events Mailers
- \$25,000 – Economic Development Marketing
- \$9,200 – Everbridge mass communication
- \$64,320 – Kannapolis Matters



## Communications 11120

<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43415	Recruitment Initiatives	-	20,000	20,000	100.00%
43425	Marketing/Branding	148,200	180,840	32,640	22.02%
48300	Consultants	50,000	60,000	10,000	20.00%
48540	Website	7,800	7,800	-	0.00%
51100	Travel and Training	5,000	5,000	-	0.00%
51300	Special Expenses	9,200	9,200	-	0.00%
51421	Academy Programs	14,000	15,400	1,400	10.00%
51422	Outreach Education Programs	14,500	14,500	-	0.00%
51422-YTH	Outreach Education Programs-Yth	10,000	10,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 258,700</b>	<b>\$ 322,740</b>	<b>\$ 64,040</b>	<b>24.75%</b>
<b>TOTAL COMMUNICATIONS</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Operating Expenditures	258,700	322,740	64,040	24.75%
<b>Total for All Categories of Expenses</b>		<b>\$ 258,700</b>	<b>\$ 322,740</b>	<b>\$ 64,040</b>	<b>24.75%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	463,765	452,545	427,545	556,968
Operating	86,606	113,700	142,700	160,782
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 550,371</b>	<b>\$ 566,245</b>	<b>\$ 570,245</b>	<b>\$ 717,750</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	5	5	5	6

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

**New:** Assistant Human Resources Director

**Performance Measurement:**

Measurement	FY 23 Actual
<b>Workload Measures</b>	
Total municipal full time positions per 10,000 population	TBD
Applications processed per 100 municipal employees	TBD
Position requisitions per 100 municipal employees	TBD
# of applications processed	TBD
# of workers compensation claims	TBD
# of visits to health clinic	TBD
<b>Efficiency Measures</b>	
HR cost per Municipal Employee	TBD
Ratio of HR Staff to 100 Municipal Employees	TBD
# of lost time days with workers compensation claims ( <i>capped at 180 days incident rate</i> )	TBD

GENERAL GOVERNMENT

<b>Effectiveness Measures</b>	
% Employees completing probationary period ( <i>New hires</i> )	TBD
Employee turnover rate ( <i>breakdown below</i> )	-
Employee turnover rate (voluntary)	TBD
Employee turnover rate (involuntary)	TBD
Percentage of grievances resolved at department level	TBD
Percentage of full time positions filled	TBD
Average days from postdate to hire date ( <i>first day of employment</i> )	TBD
Hiring Rate	TBD
Dollar in workers compensation claims paid	TBD
Cost per member per month health insurance	TBD
Loss ratio for health insurance ( <i>measure of budget to actual</i> )	TBD
Average cost per visit to the Employee Health Clinic	TBD
Percentage of employees receiving wellness discount	TBD
Percentage of Full time positions utilizing YMCA Memberships	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$556,968
<b>Operating Expenses</b>	\$160,782
<b>Total Budget</b>	\$717,750

**Increases:**

- Personnel increases related to the addition of an Assistant Human Resources Director. This position is vital for cross-training and succession planning.
- \$2,500 - increase in small tools and equipment for the new position.
- \$500 - increase in dues and subscriptions for the new position.
- \$1,000 – increase in travel and training for the new position.
- \$10,000 – increase in medical expenses based on past trends.
- \$8,000 – tuition reimbursement expenses. This benefit to employees hasn’t been funded in the past few years. Incentive to cover a portion of tuition costs for employees.
- \$1,500 – increase in repair and maintenance vehicles.
- \$30,582 – increase in contracted services for: increase in EAP services, \$10,000 for employee enrichment efforts and \$10,000 for continued city-wide pulse survey efforts (culture) of the City.

**Reduction/Decreases:**

- None

**Items of Interest:**

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

## Human Resources 11200

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	339,828	422,492	82,664	24.33%
41200	Salaries - Overtime	2,300	2,300	-	0.00%
41300	Longevity Pay	1,932	1,932	-	0.00%
42000	FICA	25,538	24,643	(895)	-3.50%
42200	State Retirement	37,253	41,008	3,755	10.08%
42210	401k	3,264	5,897	2,633	80.67%
42300	Medical Insurance	39,900	47,880	7,980	20.00%
42400	Life Insurance	610	687	77	12.62%
42500	Dental Insurance	1,920	2,129	209	10.89%
42800	Tuition Reimbursement	-	8,000	8,000	100.00%
<b>Sub-Total For Personnel</b>		<b>\$ 452,545</b>	<b>\$ 556,968</b>	<b>\$ 104,423</b>	<b>23.07%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	500	500	-	0.00%
43200	Advertising	12,000	12,000	-	0.00%
43710	Medical Expenses	30,000	40,000	10,000	33.33%
44200	Repair & Maintenance: Vehicles	500	2,000	1,500	300.00%
45250	Telephone	1,700	2,700	1,000	58.82%
45610	Motor Fuel	1,000	1,000	-	0.00%
46100	Office Supplies	3,000	3,000	-	0.00%
46200	Small Tools and Equipment	-	2,500	2,500	100.00%
46300	Dues and Subscriptions	3,500	4,000	500	14.29%
48000	Contracted Services	49,500	80,082	30,582	61.78%
51100	Travel and Training	10,500	11,500	1,000	9.52%
51110	Departmental Training	1,500	1,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 113,700</b>	<b>\$ 160,782</b>	<b>\$ 47,082</b>	<b>41.41%</b>
<b>TOTAL HUMAN RESOURCES</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	452,545	556,968	69,298	23.07%
	Operating Expenditures	113,700	160,782	28,900	41.41%
<b>Total for All Categories of Expenses</b>		<b>\$ 566,245</b>	<b>\$ 717,750</b>	<b>\$ 151,505</b>	<b>26.76%</b>

# Legal Services 11300

## MISSION STATEMENT:

The City Attorney is a statutory personnel appointment made by the city Council who serves part-time 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	340,072	323,504	353,504	498,677
Operating	59,203	109,700	124,700	129,700
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 399,275</b>	<b>\$ 433,204</b>	<b>\$ 478,204</b>	<b>\$ 628,377</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	2	2	2	3

**Personnel Includes:** City Attorney, Administrative Assistant

**New:** Jr. Attorney

Expense Summary	
<b>Personnel Expenses</b>	\$498,677
<b>Operating Expenses</b>	\$129,700
<b>Total Budget</b>	<b>\$628,377</b>

### Increases:

- Personnel increases related to the addition of a Jr. Attorney. This position is vital for cross-training and succession planning.
- \$1,000 - increase in telephone for the new position.
- \$3,000 - increase in office supplies for the new position.
- \$2,500- increase in small tools and equipment for the new position.
- \$500 - increase in dues and subscriptions for the new position.
- \$3,000 – increase in travel and training for the new position.
- \$10,000 – increase in contracted services based on trends of contracting out legal services.

GENERAL GOVERNMENT

**Reductions/Decreases:**

- None

**Items of Interest:**

- Increased costs related to the addition of a Jr. Attorney to assist with succession planning.

## Legal Services 11300

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	246,740	410,338	163,598	66.30%
41600	Vehicle Allowance	7,200	7,200	-	0.00%
42000	FICA	18,054	15,991	(2,063)	-11.43%
42210	401k	26,896	31,502	4,606	17.13%
42200	State Retirement	2,986	3,654	668	22.37%
42300	Medical Insurance	15,960	23,940	7,980	50.00%
42400	Life Insurance	2,000	2,108	108	5.40%
42500	Dental Insurance	768	1,044	276	35.94%
42600	Disability Insurance	2,900	2,900	-	0.00%
<b>Sub-Total For Personnel</b>		<b>\$ 323,504</b>	<b>\$ 498,677</b>	<b>\$ 175,173</b>	<b>54.15%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43300	Postage	500	500	-	0.00%
45250	Telephone	900	1,900	1,000	111.11%
46100	Office Supplies	1,500	4,500	3,000	200.00%
46200	Small Tools and Equipment	-	2,500	2,500	100.00%
46300	Dues and Subscriptions	4,500	5,000	500	11.11%
48000	Contracted Services	90,000	100,000	10,000	11.11%
51100	Travel and Training	12,000	15,000	3,000	25.00%
51800	Meetings	300	300	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 109,700</b>	<b>\$ 129,700</b>	<b>\$ 20,000</b>	<b>18.23%</b>
<b>TOTAL CITY ATTORNEY</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	323,504	498,677	175,173	54.15%
	Operating Expenditures	109,700	129,700	20,000	18.23%
<b>Total for All Categories of Expenses</b>		<b>\$ 433,204</b>	<b>\$ 628,377</b>	<b>\$ 195,173</b>	<b>45.05%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	537,901	668,900	608,900	705,553
Operating	276,258	293,000	317,750	329,500
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 814,159</b>	<b>\$ 961,900</b>	<b>\$ 926,650</b>	<b>\$ 1,035,053</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	7	7	7	8

**Personnel includes:** Finance Director, Deputy Finance Director, Senior Accountant (2), Accountant (1) Purchasing Agent, (1) Accounts Payable (1)

**New:** Payroll Administrator

**Performance Measurement:**

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of payroll remittances processed on a year	TBD
# of accounts payable and EFT's issued	TBD
# of contracts issued	TBD
# of purchase orders processed	TBD
# of late payments processed	TBD
# of miscellaneous payrolls processed	TBD
<b>Efficiency Measures</b>	
# of p card transactions per FTE reconciled	TBD
Finance cost per Municipal Employee	TBD
Ratio of Finance Staff to 100 Municipal Employees	TBD
% of vendors converted to EFT versus paper checks	TBD

**GENERAL GOVERNMENT**

<b>Effectiveness Measures</b>	
# of duplicate payments processed	TBD
# of GASB Pronouncements implemented in a fiscal year	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$705,553
<b>Operating Expenses</b>	\$329,500
<b>Total Budget</b>	\$1,035,053

**Increases:**

- Personnel increases related to the addition of a Payroll Administrator. This position is vital for cross-training and succession planning. It is slated to start in January and is budgeted at ½ a fiscal year’s worth.
- \$2,500 - increase in small tools and equipment for the new position.
- \$500 - increase in dues and subscriptions for the new position.
- \$30,000 – increase in tax collection fees from both Cabarrus and Rowan Counties.
- \$3,500 – increase in travel and training for CPE and CPA requirements/certifications and for the new position.

**Reductions/Decreases:**

- None.

**Items of Interest:**

- Tax collection is the per listing fee the city pays Cabarrus County for providing and receiving tax bill notification.
- \$50,000- Contracted Services to assist with audit compilation.
- \$44,000 Audit contract with Martin Starnes.



# Finance 11400

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	506,067	529,335	23,268	4.60%
41100	Salaries - Part Time	-	-	-	0.00%
41200	Salaries - Overtime	5,500	5,500	-	0.00%
41300	Longevity Pay	1,472	1,472	-	0.00%
42000	FICA	37,449	36,038	(1,411)	-3.77%
42210	401k	5,286	11,703	6,417	121.40%
42200	State Retirement	53,678	60,601	6,923	12.90%
42300	Medical Insurance	55,860	57,216	1,356	2.43%
42400	Life Insurance	900	1,032	132	14.67%
42500	Dental Insurance	2,688	2,656	(32)	-1.19%
<b>Sub-Total For Personnel</b>		<b>\$ 668,900</b>	<b>\$ 705,553</b>	<b>\$ 36,653</b>	<b>5.48%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
46100	Office Supplies	6,000	6,000	-	0.00%
46200	Small Tools and Equipment	-	2,500	2,500	100.00%
46300	Dues and Subscriptions	2,500	3,000	500	20.00%
48000	Contracted Services	50,000	50,000	-	100.00%
48410	Tax Collection	170,000	200,000	30,000	17.65%
48420	Audit	44,000	44,000	-	0.00%
51100	Travel and Training	19,000	22,500	3,500	18.42%
51800	Meetings	1,500	1,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 293,000</b>	<b>\$ 329,500</b>	<b>\$ 36,500</b>	<b>12.46%</b>
<b>TOTAL FINANCE</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	668,900	705,553	36,653	5.48%
	Operating Expenditures	293,000	329,500	36,500	12.46%
<b>Total for All Categories of Expenses</b>		<b>\$ 961,900</b>	<b>\$ 1,035,053</b>	<b>\$ 73,153</b>	<b>7.61%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	553,173	547,697	567,697	561,885
Operating	1,054,701	999,096	2,118,488	1,557,737
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,607,874</b>	<b>\$ 1,546,793</b>	<b>\$ 2,686,185</b>	<b>\$ 2,119,622</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	5	5	5	5

**Personnel includes:** Chief Information Officer, IT techs (4)

**Performance Measurement:**

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of software applications supported	TBD
Mobile platforms used by employees	TBD
# of MiFi's	TBD
# of City issued cell phones	TBD
# of laptops	TBD
# of printers	TBD
# of scanners	TBD
# of tickets submitted	TBD
# of phishing/breaching attacks	TBD
<b>Efficiency Measures</b>	
IT cost per Municipal Employee	TBD
Ratio of IT Staff to 100 Municipal Employees	TBD
Average number of tickets assigned per IT staff	TBD

## GENERAL GOVERNMENT

<b>Effectiveness Measures</b>	
Percentage of departmental requests cleared within 72 hours of receipt	TBD
Percentage of employee base who successfully identified phishing attempts	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$561,885
<b>Operating Expenses</b>	\$1,557,737
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$2,119,622

### **Increases:**

- \$149,347 – increase in small tools and equipment for the implementation of a routine replacement schedule for all citywide equipment/devices.
  - Estimated to replace around 100 devices per year over the next 5 years
- \$11,000 – increase in annual maintenance for software for the VIDA parking gates.
- \$266,994 – increase in Annual maintenance account due to projected 10% increase across all software subscriptions/ annual maintenance.
  - Price increase also includes: data restoration, backup and cloud migration efforts and the addition of 2 new software programs:
    - NeoGov (HR software to help with recruitment, on-boarding and training efforts)
    - Debtbook (Finance software to assist with management of debt service obligations and GASB 87 lease obligations).

### **Reductions/Decreases:**

- None.

### **Items of Interest:**

- All annual maintenance for IT is in the Information Technology budget.
- New equipment purchases related to new personnel are budgeted in the individual departmental (small tools and equipment) budgets.
- All replacement equipment purchases are budgeted in IT small tools and equipment account.
  - Budgeted an additional \$100,000 to cover the implementation of a routine emplacement schedule for all devices.
  - Estimated at 100 devices per year over 5 years.

## Information Technology 11500

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	414,261	420,474	6,213	1.50%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	31,373	31,563	190	0.61%
42210	401k	45,157	50,880	5,723	12.67%
42200	State Retirement	8,286	11,073	2,787	33.64%
42300	Medical Insurance	39,900	39,287	(613)	-1.54%
42400	Life Insurance	800	868	68	8.50%
42500	Dental Insurance	1,920	1,740	(180)	-9.38%
<b>Sub-Total For Personnel</b>		<b>\$ 547,697</b>	<b>\$ 561,885</b>	<b>\$ 14,188</b>	<b>2.59%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
45250	Telephone	5,000	5,000	-	0.00%
46100	Office Supplies	500	500	-	0.00%
46200	Small Equipment and Tools	150,653	300,000	149,347	99.13%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
48000	Contracted Services	20,000	20,000	-	100.00%
48530	Annual Maintenance	809,943	1,208,237	398,294	49.18%
4853-DECK	Annual Maintenance - DECK	-	11,000	11,000	100.00%
51100	Travel and Training	10,000	10,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 999,096</b>	<b>\$ 1,557,737</b>	<b>\$ 558,641</b>	<b>55.91%</b>
<b>TOTAL INFORMATION TECHNOLOGY</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	547,697	561,885	14,188	100.00%
	Operating Expenditures	999,096	1,557,737	558,641	55.91%
	Capital Machinery and Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,546,793</b>	<b>\$ 2,119,622</b>	<b>\$ 572,829</b>	<b>37.03%</b>

## General Services 11600

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	597,106	644,193	624,193	649,548
Operating	1,424,792	1,163,386	1,514,386	1,255,586
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 2,021,898	\$ 1,807,579	\$ 2,138,579	\$ 1,905,134
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	10	11	11	11

**Personnel Includes:** General Services Director, Administrative Assistant, (1) Building Maintenance Technician I, (3) Building Maintenance Technician II, (5) Building Maintenance Technician III.

**Reclass:** (2) Building Maintenance Technician III to Crew Chief

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of facilities managed	TBD
Square footage of facilities managed	TBD
# of workorders submitted ( <i>breakdown below</i> )	-
# of work orders classified as preventative maintenance	TBD
# of work orders classified as repair	TBD
# of preventative maintenance contracts	TBD
# of apparatus supported by preventative maintenance contracts	TBD
<b>Efficiency Measures</b>	
% of tickets <b>responded</b> to within 24 hours of receipt	TBD
% of priority 1 tickets responded to within 24 hours of receipt	TBD

**GENERAL GOVERNMENT**

% of priority 2 tickets responded to within 24 hours of receipt	TBD
% of work orders <b>completed</b> within 24 hours of receipt	TBD
General Services cost per municipal employee	TBD
Ratio of General Services staff to 100 municipal employees	TBD
# of workorders completed by FTE (10)	TBD
Square footage of facilities maintained per FTE	TBD
<b>Effectiveness Measures</b>	
Average cost per work order completed	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$649,548
<b>Operating Expenses</b>	\$1,255,586
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$1,905,134

**Increases:**

- Personnel increases related to the reclassification of (2) Building Maintenance Technician III to Crew Chiefs to assist with supervision over janitorial and building crews.
- \$7,000 - increase in part-time funding due to events coming back online from the pandemic.
- \$54,000 – increase in Repair and Maintenance: Buildings and Grounds
- \$13,000 - increase to replace HVAC unit at Fire Station #5 unit is very old and having major problems, on borrowed time with this unit.
- \$10,000 for SCM (stormwater control maintenance) efforts at city-owned properties
- \$24,000 for Fire Alarm Panel at PW as the current panel is 23 years old and parts can no longer be obtained to repair the unit.
- \$7,000 for Dixie youth building upfits (new appliances, gutters, security system)
- \$8,100 – increase in maintenance efforts at the train station (replacing carpet and painting the interior of the facility).
- \$5,000 – increase in contracted services for maintenance on all roll-up doors city wide (42 roll up doors total).
- Standard contractual increases and increases to utilities and fuel costs.

**Reductions/Decreases:**

- None

**Items of Interest:**

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

GENERAL GOVERNMENT

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	428,672	434,875	6,203	1.45%
41200	Salaries - Overtime	25,000	32,000	7,000	28.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	35,763	31,845	(3,918)	-10.96%
42200	State Retirement	50,056	50,689	633	1.26%
42210	401k	5,898	4,647	(1,251)	-21.21%
42300	Medical Insurance	87,780	85,146	(2,634)	-3.00%
42400	Life Insurance	800	866	66	8.25%
42500	Dental Insurance	4,224	3,480	(744)	-17.61%
<b>Sub-Total for Personnel</b>		<b>\$ 644,193</b>	<b>\$ 649,548</b>	<b>\$ 5,355</b>	<b>0.83%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
43300	Postage	13,000	13,000	-	0.00%
43810	Transaction Fees	7,000	7,000	-	0.00%
44100	Repair & Maintenance: Office Equip	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	5,000	5,000	-	0.00%
44300	Repair & Maintenance: Buildings & Grounds	198,388	217,388	19,000	9.58%
44300-DECK	Repair & Maintenance: Buildings & Grounds- DECK	53,500	53,500	-	0.00%
44400	Repair & Maintenance: Equipment	17,000	17,000	-	0.00%
44500	Repair & Maintenance: Railroad Depot	13,900	22,000	8,100	58.27%
45220	Electricity	131,000	144,100	13,100	10.00%
45230	Water & Sewer	210,000	230,000	20,000	9.52%
45240	Gas Utilities	7,000	8,000	1,000	14.29%
45250	Telephone	150,000	175,000	25,000	16.67%
45410	Equipment Rental	100,000	100,000	-	0.00%
45430	Real Property Rental	3,600	3,600	-	100.00%
45610	Motor Fuel	4,500	5,500	1,000	22.22%
46100	Office Supplies	15,000	15,000	-	0.00%
46200	Small Equipment and Tools	5,000	5,000	-	0.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
46820	Cleaning Supplies	40,000	40,000	-	0.00%
47100	Uniforms	4,000	4,000	-	0.00%
48000	Contracted Services	170,998	175,998	5,000	2.92%
51100	Travel and Training	10,000	10,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,163,386</b>	<b>\$ 1,255,586</b>	<b>\$ 92,200</b>	<b>7.93%</b>

GENERAL GOVERNMENT

<b>TOTAL GENERAL SERVICES</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	\$ 644,193	\$ 649,548	\$ 5,355	0.83%
	Operating Expenditures	\$ 1,163,386	\$ 1,255,586	\$ 92,200	7.93%
	Capital - Machinery & Equipment	\$ -	\$ -	\$ -	0.00%
	<b>Total for All Categories of Expenses</b>	<b>\$ 1,807,579</b>	<b>\$ 1,905,134</b>	<b>\$ 97,555</b>	<b>5.40%</b>



# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	589,288	692,970	717,970	786,716
Operating	256,345	236,280	265,352	346,100
Capital	-	-	-	67,500
<b>Total Expenditures</b>	<b>\$ 845,633</b>	<b>\$ 929,250</b>	<b>\$ 983,322</b>	<b>\$ 1,200,317</b>
<b>Revenues</b>				
Charges and Fees	187,371	197,000	206,028	271,990
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 187,371</b>	<b>\$ 197,000</b>	<b>\$ 206,028</b>	<b>\$ 271,990</b>
<b>Staffing</b>				
FTE Positions	7	7	7	8

**Personnel includes:** Chief of Police (1), Deputy Chief of Police (1), Captains (3), Administrative Assistant (1), and Police Planner/Accreditation Manager (1). 5 Sworn, 2 Civilian

**New: Recruitment Officer**

## Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of applicants who applied for positions	TBD
# of city events/special events where support was provided	TBD
# of training hours by sworn FTE	TBD
# of training hours by civilians	TBD
# of community outreach events	TBD
# of officers working in reserve officer program	TBD
# of culvert maintenance performed in-house	TBD
<b>Effectiveness Measures</b>	
Percent of new hires who successfully completed BLET and Field Training	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

## PUBLIC SAFETY

Expense Summary	
Personnel Expenses	\$786,716
Operating Expenses	\$346,100
Capital Machinery	\$67,500
<b>Total Budget</b>	<b>\$1,200,317</b>

### Increases:

- Grant: \$74,990 in Internet Crimes Against Children Grant (offsetting revenue and expenditures). This grant is reimbursement based.
  - \$11,990 is budgeted for training
  - \$63,000 in public safety supplies for software subscription to Graykey, which helps in identifying sexual predators on the internet.
- Personnel increases related to the addition of a Recruitment Officer. This position is needed to assist with recruiting and filling the high number of vacancies. PD currently has 13 vacancies across all divisions.
- \$2,500 - increase in small tools and equipment for the new position.
- \$20,000 – increase in recruitment initiatives to assist with the high number of vacancies in this department. Related to the new position and general supplies for job fairs, publication, and promotional materials.
- \$670 – increase in repair and maintenance vehicles
- \$5,000 - increase in motor fuel based on increased prices and new position.
- \$4,000 – increase in small tools and equipment to replace polygraph equipment.
- \$440 - increase in uniforms based on contractual increases
- \$27,500 – increase in public safety supplies based on contractual increases on ballistic gear for the SRT unit.
  - This is year 4 of 5 of replacement gear for SRT members and public safety supplies for the new position estimated at \$16,000.
- \$1,250- increase in consultant legal fees based on trends.
- \$220 – increase in printing based on trends.
- \$500 – increase in postage based on trends.

### Reductions:

- \$30,000 – reduction in funding for the Project Safe Coordinator position. This was a shared position between the City and Cabarrus County. The County is covering the full cost moving forward for this position

### Capital:

- \$67,500 – vehicle and equipment for recruitment officer.

### Items of Interest:

- Contracted services include:
  - Investigative software programming
- Consultants covers the Police Legal Support
- Public Safety Supplies cover several ad hoc expenses – JCSU recruitment, flowers, plaques, interpreters

PUBLIC SAFETY

## Police – Administration 12010

PERSONNEL					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	523,447	593,669	70,222	13.42%
41300	Longevity Pay	2,514	2,827	313	12.45%
42000	FICA	13,997	14,375	378	2.70%
42200	State Retirement	62,266	70,151	7,885	12.66%
42210	401K	31,298	37,953	6,655	21.26%
42300	Medical Insurance	55,860	63,840	7,980	14.29%
42400	Life Insurance	900	1,118	218	24.22%
42500	Dental Insurance	2,688	2,784	96	3.57%
<b>Sub-Total For Personnel</b>		<b>\$ 692,970</b>	<b>\$ 786,717</b>	<b>\$ 93,747</b>	<b>13.53%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
43100	Printing	2,200	2,420	220	10.00%
43300	Postage	5,000	5,500	500	10.00%
43415	Recruitment Initiatives	-	20,000	20,000	100.00%
43710	Repair & Maintenance: Office Equipment	600	600	-	0.00%
44200	Repair & Maintenance: Vehicles	6,700	7,370	670	10.00%
44400	Repair & Maintenance: Equipment	1,700	1,700	-	0.00%
45250	Telephone	60,000	60,000	-	0.00%
45410	Equipment Rental	4,000	4,000	-	0.00%
45610	Motor Fuel	7,500	14,750	7,250	96.67%
46100	Office Supplies	8,600	8,600	-	0.00%
46200	Small Tools and Equipment	-	6,500	6,500	100.00%
46300	Dues and Subscriptions	3,000	3,500	500	16.67%
46400	Public Safety Supplies	31,500	59,000	27,500	87.30%
46400-ICAC	Public Safety Supplies - ICAC	-	63,000	63,000	100.00%
47100	Uniforms	4,400	4,840	440	10.00%
48000	Contracted Services	62,080	32,080	(30,000)	-48.32%
48300	Consultants	12,500	13,750	1,250	10.00%
51100	Travel and Training	23,500	23,500	-	0.00%
51100-ICAC	Travel and Training - ICAC	-	11,990	11,990	100.00%
51800	Meetings	3,000	3,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 236,280</b>	<b>\$ 346,100</b>	<b>\$ 109,820</b>	<b>46.48%</b>
TOTAL POLICE ADMINISTRATION					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	692,970	786,717	93,747	13.53%
	Operating Expenditures	236,280	346,100	109,820	46.48%
	Capital - Machinery & Equipment	-	67,500	67,500	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 929,250</b>	<b>\$ 1,200,317</b>	<b>\$ 271,067</b>	<b>29.17%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	3,051,826	2,557,557	2,502,557	2,664,958
Operating	251,438	276,427	375,627	437,266
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,303,264</b>	<b>\$ 2,833,984</b>	<b>\$ 2,878,184</b>	<b>\$ 3,102,224</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	36	36	36	36

**Personnel includes:** Lieutenant (1), Sergeants (4), Investigators (10), (1) Telecommunications Manager, Telecommunicator Shift Supervisors (4), Telecommunicator (12), Records Supervisor (1), Records Clerks (2), and Administrative Assistant (1). 15 Sworn, 21 Civilian

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
Total calls answered per 1,000 population	TBD
Calls dispatched per 1,000 population	TBD
# of calls answered	TBD
# of calls dispatched for emergency	TBD
<b>Efficiency Measures</b>	
Calls answered per telecommunicator	TBD
Calls dispatched per telecommunicator	TBD
Emergency Communications cost per call dispatched	TBD
<b>Effectiveness Measures</b>	
Average number of seconds from initial ring to answer	TBD
Percent of E-911 calls answered within 20 seconds	TBD

**PUBLIC SAFETY**

Average time in seconds from CAD entry to dispatch for priority one calls	TBD
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\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

Expense Summary	
<b>Personnel Expenses</b>	\$2,664,958
<b>Operating Expenses</b>	\$437,266
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$3,102,224

**Increases:**

- \$7,100 – increase in clothing allowance for 8 felony investigators, Sgt and Lt. in this Division.
- \$20,000 – increase in overtime based on trends.
- \$60 – increase in printing based on trends.
- \$2,100 – increase in repair and maintenance vehicles based on trends.
- \$3,000 – increase in motor fuel based on increased prices.
- \$9,700 – increase in replacement equipment, Cellbrite, which is used to scan cell phones.
- \$2,185 – increase in uniforms based on contractual increases.
- \$3,850 – increase in travel and training related to Cellbrite for phone detection and forensics training.
- \$135,944 – increase in contracted services due the following:
  - 5% cost increase on P-25 maintenance network with Cabarrus County for emergency communications.
  - \$30,000 in one-time costs for equipment at emergency communications center related to becoming own hosted 911 network (*Used to be part of the Cabarrus County’s hosted solutions*).
  - \$100,000 in recurring costs for own 911 line with hosted solutions.

**Reductions:**

- None.

**Capital:**

- None

PUBLIC SAFETY

**Police – Support Services 12030**

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	1,685,347	1,751,663	66,316	3.93%
41200	Salaries - Overtime	200,000	220,000	20,000	10.00%
41300	Longevity Pay	1,169	1,467	298	25.49%
41700	Clothing Allowance	11,900	19,000	7,100	59.66%
42000	FICA	81,733	81,591	(142)	-0.17%
42200	State Retirement	193,075	218,595	25,520	13.22%
42210	401K	78,897	69,596	(9,301)	-11.79%
42300	Medical Insurance	287,280	287,280	-	0.00%
42400	Life Insurance	3,600	3,586	(14)	-0.39%
42500	Dental Insurance	14,556	12,180	(2,376)	-16.32%
<b>Sub-Total For Personnel</b>		<b>\$ 2,557,557</b>	<b>\$ 2,664,958</b>	<b>\$ 107,401</b>	<b>4.20%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
43100	Printing	600	660	60	10.00%
44200	Repair & Maintenance: Vehicles	21,000	23,100	2,100	10.00%
44400	Repair & Maintenance: Equipment	3,000	3,000	-	0.00%
45250	Telephone	20,000	20,000	-	0.00%
45410	Equipment Rental	4,000	4,000	-	0.00%
45610	Motor Fuel	10,000	13,000	3,000	30.00%
46100	Office Supplies	11,500	11,500	-	0.00%
46200	Small Equipment and Tools	700	10,400	9,700	1385.71%
46300	Dues and Subscriptions	1,300	1,300	-	0.00%
46400	Public Safety Supplies	18,000	18,000	-	0.00%
47100	Uniforms	11,500	13,685	2,185	19.00%
48000	Contracted Services	124,827	260,771	135,944	108.91%
51100	Travel and Training	16,000	23,850	7,850	49.06%
51300	Special Expenses	32,000	32,000	-	0.00%
51800	Meetings	2,000	2,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 276,427</b>	<b>\$ 437,266</b>	<b>\$ 160,839</b>	<b>58.18%</b>
<b>TOTAL POLICE SUPPORT SERVICES</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	2,557,557	2,664,958	107,401	4.20%
	Operating Expenditures	276,427	437,266	160,839	58.18%
	Capital - Machinery & Equipment	-	-	-	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 2,833,984</b>	<b>\$ 3,102,224</b>	<b>\$ 268,240</b>	<b>9.47%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	4,359,740	4,637,358	4,652,358	4,836,872
Operating	1,189,000	561,786	1,492,689	969,251
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 5,548,740</b>	<b>\$ 5,199,144</b>	<b>\$ 6,145,047</b>	<b>\$ 5,806,123</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	7	66	66	66

**Personnel includes:** Lieutenants (5), Sergeants (8), Police Officers (52), and (1) Administrative Assistant, 65 Sworn, 1 Civilian

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of calls dispatched per 1,000 population ( <i>all including self initiating</i> )	TBD
Self-initiated calls per 1,000 population	TBD
Part 1 Crimes per 1,000 population	TBD
Part 1 Crimes Reported	TBD
# of homicide investigations	TBD
# of rape investigations	TBD
# of robbery investigations	TBD
# of burglary investigations	TBD
# of aggravated assault investigations	TBD
# of larceny investigations	TBD
# of arson investigations	TBD

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# of auto theft investigations	TBD
<b>Efficiency Measures</b>	
Part 1 Crimes Cases Cleared	TBD
% Violent Crime Clearance Rates	TBD
% Property Crime Clearance Rates	TBD
Police Services Cost per Call Dispatched	TBD
Calls Dispatched per Sworn Officer	TBD
Police Services Cost per Part 1 Case Cleared	TBD
Part 1 Cases Cleared per Sworn Officer	TBD
<b>Effectiveness Measures</b>	
Percentage of Part 1 Cases Cleared of Those Reported	TBD
Response Time to High Priority Calls in Minutes	TBD
Priority 1 Response Times for Patrol Officers	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$4,836,872
<b>Operating Expenses</b>	\$969,251
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$5,806,123

**Increases:**

- \$150 - increase in printing based on trends.
- \$35,000 – increase in overtime based on trends.
- \$17,000 – increase in repair and maintenance for vehicles due to high maintenance costs.
- \$45,000 – increase in motor fuel for entire patrol fleet based on increased costs.
- \$333,406 – increase in public safety supplies.
  - \$10,000 – increase in public safety supplies based on contractual increases.
  - \$323,406 – Axon lease payment. This is the second lease payment as part of the full replacement of all in-car and body worn cameras and tasers.
- \$8,109 – increases in uniform costs based on contractual increases.
- \$3,000 – increase in travel and training to send an additional staff member to polygraph training. This will result in 2 employees being licensed polygraphers.

**Reductions/Decreases:**

- Salary and benefit information related to moving 2 budgeted vacant police officer positions to the Special Operations Budget for the establishment of the Parks Ranger Program.

**Capital:**

- None



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## Police – Field Operations 12035

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	3,097,166	3,204,084	106,918	3.45%
41200	Salaries - Overtime	350,000	385,000	35,000	10.00%
41300	Longevity Pay	1,238	940	(298)	-24.07%
42000	FICA	51,888	48,317	(3,571)	-6.88%
42200	State Retirement	374,484	432,880	58,396	15.59%
42210	401K	212,962	209,171	(3,791)	-1.78%
42300	Medical Insurance	518,700	526,680	7,980	1.54%
42400	Life Insurance	5,600	6,832	1,232	22.00%
42500	Dental Insurance	25,320	22,968	(2,352)	-9.29%
<b>Sub-Total For Personnel</b>		<b>\$ 4,637,358</b>	<b>\$ 4,836,872</b>	<b>\$ 199,514</b>	<b>4.30%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	1,500	1,650	150	10.00%
44200	Repair & Maintenance: Vehicles	170,000	187,000	17,000	10.00%
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	150,000	195,000	45,000	30.00%
46100	Office Supplies	13,000	13,000	-	0.00%
46200	Small Equipment and Tools	6,000	6,000	-	0.00%
46300	Dues and Subscriptions	3,500	3,500	-	0.00%
46400	Public Safety Supplies	98,000	431,406	333,406	340.21%
47100	Uniforms	81,086	89,195	8,109	10.00%
51100	Travel and Training	20,000	23,000	3,000	15.00%
51800	Meetings	700	1,500	800	114.29%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 561,786</b>	<b>\$ 969,251</b>	<b>\$ 407,465</b>	<b>72.53%</b>
<b>TOTAL POLICE-FIELD OPERATIONS</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	4,637,358	4,836,872	199,514	4.30%
	Operating Expenditures	561,786	969,251	407,465	72.53%
	Capital Machinery & Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 5,199,144</b>	<b>\$ 5,806,123</b>	<b>\$ 606,979</b>	<b>11.67%</b>

## Police – Special Operations 12070

### 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	-	474,092	464,092	608,158
Operating	-	35,950	44,050	61,790
Capital	-	-	-	35,000
<b>Total Expenditures</b>	\$ -	\$ 510,042	\$ 508,142	\$ 704,948
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	8	8	10

**Personnel includes:** (2) Sergeant, Training Officer (1), School Resource Officers (3), (1) DARE Officer

**New:** (2) Park Rangers

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$608,158
<b>Operating Expenses</b>	\$61,790
<b>Capital Machinery</b>	\$35,000
<b>Total Budget</b>	\$704,948

### Increases:

- Personnel increases related to the addition (2) Park Ranger positions. This is to establish a pilot program to begin recruitment of younger individuals who have a passion to serve in law enforcement but don't meet the minimum age qualifications.
- \$3,500 – increase in overtime based on trends.
- \$40 – increase in printing based on trends.
- \$9,000 – increase in repair and maintenance vehicles based on trends.
- \$1,500 - increase in motor fuel due to increased costs.
- \$9,000 – increase in public safety supplies based on contractual increases as well as the addition of the Parks Ranger program.

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- \$500- increase in uniforms based on contractual increases.
- \$3,000 – increase in travel and training to send SRO division to local conference.

### **Reductions:**

- None

### **Capital:**

- \$35,000 for the purchase of one vehicle for the Park Ranger program.

### **Items of Interest:**

- FY 22 was the first year for this newly created division. This division was created to balance the administrative and operational responsibilities of the Field Operations and Support Services Bureau Commanders the Special Operations Bureau was created. The Special Operations Bureau provides operational support to the Patrol Division and currently consists of three components: Auxiliary/Reserve Officer Program, Community Services and Training.

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## Police – Special Operations 12070

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	322,131	428,203	106,072	32.93%
41200	Salaries - Overtime	35,000	38,500	3,500	10.00%
42000	FICA	5,049	4,197	(852)	-16.87%
42200	State Retirement	38,980	45,527	6,547	16.80%
42210	401K	21,548	24,041	2,493	11.57%
42300	Medical Insurance	47,880	63,840	15,960	33.33%
42400	Life Insurance	1,200	718	(482)	-40.17%
42500	Dental Insurance	2,304	3,132	828	35.94%
<b>Sub-Total For Personnel</b>		<b>\$ 474,092</b>	<b>\$ 608,158</b>	<b>\$ 134,066</b>	<b>28.28%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	400	440	40	10.00%
44200	Repair & Maintenance: Vehicles	900	9,900	9,000	1000.00%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	5,000	5,000	-	0.00%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	5,000	8,500	3,500	70.00%
46100	Office Supplies	2,500	2,500	-	0.00%
46200	Small Equipment and Tools	300	300	-	0.00%
46300	Dues and Subscriptions	500	500	-	0.00%
46400	Public Safety Supplies	8,000	17,800	9,800	122.50%
47100	Uniforms	5,000	5,500	500	10.00%
51100	Travel and Training	5,350	8,350	3,000	56.07%
51800	Meetings	1,000	1,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 35,950</b>	<b>\$ 61,790</b>	<b>\$ 25,840</b>	<b>71.88%</b>
<b>TOTAL POLICE SPECIAL OPERATIONS</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	474,092	608,158	134,066	28.28%
	Operating Expenditures	35,950	61,790	25,840	71.88%
	Capital - Machinery & Equipment	-	35,000	35,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 510,042</b>	<b>\$ 704,948</b>	<b>\$ 194,906</b>	<b>38.21%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	525,573	533,785	573,785	568,831
Operating	572,910	616,820	620,620	677,796
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,098,483</b>	<b>\$ 1,150,650</b>	<b>\$ 1,194,405</b>	<b>\$ 1,246,627</b>
<b>Revenues</b>				
Charges and Fees	6,020	4,000	4,000	4,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 6,020</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>
<b>Staffing</b>				
FTE Positions	5	6	6	6

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

**Reclassification: (2) Administrative positions**

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$568,831
<b>Operating Expenses</b>	\$677,796
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	<b>\$1,246,627</b>

### Increases:

- Personnel increases related to the reclassification of (2) Administrative positions.
- \$250 – increase in printing based on contractual increases.
- \$150 – increase in postage based on contractual increases.
- \$500 – increase in repair and maintenance vehicles based on trends.
- \$700 – increase in motor fuel based on increased prices.
- \$750 – increase in office supplies based on trends.
- \$1,200 – increase in small equipment and tools based on trends.
- \$17,626 – increase in contracted services with Odell Fire Department. Based on a 5% increase

in assessed properties.

- Standard contractual increases related to utilities.

**Reductions:**

- None.

**Capital:**

- None

**Items of Interest:**

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

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## Fire – Administration 12510

PERSONNEL					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	399,059	429,085	30,026	7.52%
41300	Longevity Pay	596	596	-	0.00%
42000	FICA	32,602	29,693	(2,909)	-8.92%
42200	State Retirement	43,565	50,118	6,553	15.04%
42210	401k	6,551	8,516	1,965	30.00%
42300	Medical Insurance	47,880	47,880	-	0.00%
42400	Life Insurance	868	855	(13)	-1.50%
42500	Dental Insurance	2,664	2,088	(576)	-21.62%
<b>Sub-Total For Personnel</b>		<b>\$ 533,785</b>	<b>\$ 568,831</b>	<b>\$ 35,046</b>	<b>6.57%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
43100	Printing	2,500	2,750	250	10.00%
43300	Postage	1,500	1,650	150	10.00%
43710	Repair & Maintenance: Office Equipment	400	400	-	0.00%
44200	Repair & Maintenance: Vehicles	2,000	2,500	500	25.00%
44400	Repair & Maintenance: Equipment	10,000	11,000	1,000	10.00%
45220	Electricity	58,000	69,600	11,600	20.00%
45230	Water & Sewer	25,000	30,000	5,000	20.00%
45240	Gas Utilities	15,000	18,000	3,000	20.00%
45250	Telephone	96,000	115,200	19,200	20.00%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	3,500	4,200	700	20.00%
46100	Office Supplies	7,500	8,250	750	10.00%
46200	Small Equipment and Tools	12,000	13,200	1,200	10.00%
46300	Dues and Subscriptions	10,000	10,000	-	0.00%
46400	Public Safety Supplies	2,200	2,200	-	0.00%
47100	Uniforms	4,200	4,200	-	0.00%
48000	Contracted Services	352,520	370,146	17,626	5.00%
51100	Travel and Training	8,000	8,000	-	0.00%
51800	Meetings	5,500	5,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 616,820</b>	<b>\$ 677,796</b>	<b>\$ 60,976</b>	<b>9.89%</b>
TOTAL FIRE ADMINISTRATION					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	533,785	568,831	35,046	6.57%
	Operating Expenditures	616,820	677,796	60,976	9.89%
	Capital Machinery & Equipment	-	-	-	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,150,605</b>	<b>\$ 1,246,627</b>	<b>\$ 96,022</b>	<b>8.35%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	6,621,183	6,790,738	7,290,738	6,933,052
Operating	575,949	572,087	1,649,139	715,914
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 7,197,132</b>	<b>\$ 7,362,825</b>	<b>\$ 8,939,877</b>	<b>\$ 7,648,966</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	83	83	83	83

**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).

**Reclassification:** (1) Division Chief

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of actual fires per 1,000 population	TBD
# of responses per 1,000 population	TBD
Inspections completed per 1,000 population	TBD
# of medical calls per 1,000 population	TBD
# of in-house workorders performed	TBD
<b>Efficiency Measures</b>	
Cost per Fire Department response (Emergency Services)	TBD
Inspections completed per inspector FTE (Technical Services)	TBD
<b>Effectiveness Measures</b>	
Average response time to priority one call in minutes	TBD



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% of responses met within 5 minutes and 20 seconds ( <i>Standard</i> )	TBD
Percentage of fire code violations cleared within 90 days	TBD
Percentage of full response within 8 minutes travel time	TBD
Percentage of fires for which cause was determined	TBD
Percentage of lost pulse cases recovered pulse at transfer of care	TBD
Percentage of developmental plans reviewed and returned within 7 days of receipt	TBD
Percentage of workorders completed in-house versus contracted out ( <i>Fire Mechanic measure</i> )	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$6,933,052
<b>Operating Expenses</b>	\$715,914
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$7,648,966

**Increases:**

- Personnel increases related to the reclassification of (1) Division Chief position.
- \$33,950 – 7% increase in overtime based on trends.
- \$14,400 – increase in motor fuel costs based on increased costs.
- \$95,000 – increased in public safety supplies to account for added personnel and replacing necessary PPE, ballistic vests and hoses. Some of the department’s hoses are currently 25 years old and have failed third party tests. This also includes replacing all headsets in the trucks at \$6,000/truck. This is used for communication and hearing protection.
- \$6,000 – increase in uniforms based on contractual increases.

**Reductions/Decreases:**

- None.

**Capital:**

- None

**Items of Interest:**

- All part-time positions in all divisions housed in Emergency Services budget

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## Fire – Emergency Services 12540

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	4,438,037	4,503,536	65,499	1.48%
41100	Salaries - Part Time	212,270	212,270	-	0.00%
41200	Salaries - Overtime	485,000	518,950	33,950	7.00%
41300	Longevity Pay	4,994	3,860	(1,134)	-22.71%
42000	FICA	372,961	329,088	(43,873)	-11.76%
42200	State Retirement	483,373	544,925	61,552	12.73%
42210	401k	73,663	112,270	38,607	52.41%
512658	Medical Insurance	678,300	670,320	(7,980)	-1.18%
42400	Life Insurance	9,500	9,297	(203)	-2.14%
42500	Dental Insurance	32,640	28,536	(4,104)	-12.57%
<b>Sub-Total For Personnel</b>		<b>\$ 6,790,738</b>	<b>\$ 6,933,052</b>	<b>\$ 142,314</b>	<b>2.10%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
44200	Repair & Maintenance: Vehicles	214,787	238,414	23,627	11.00%
44400	Repair & Maintenance: Equipment	23,000	23,000	-	0.00%
45250	Telephone	24,000	28,800	4,800	20.00%
45610	Motor Fuel	72,000	86,400	14,400	20.00%
46100	Office Supplies	800	800	-	0.00%
46200	Small Equipment and Tools	22,500	22,500	-	0.00%
46400	Public Safety Supplies	155,000	250,000	95,000	61.29%
46820	Cleaning Supplies	12,000	12,000	-	0.00%
47100	Uniforms	44,000	50,000	6,000	13.64%
48000	Contracted Services	-	-	-	0.00%
51300	Special Expenses	4,000	4,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 572,087</b>	<b>\$ 715,914</b>	<b>\$ 143,827</b>	<b>25.14%</b>
<b>TOTAL FIRE EMERGENCY SERVICES</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	6,790,738	6,933,052	142,314	2.10%
	Operating Expenditures	572,087	715,914	143,827	25.14%
	Capital Machinery & Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 7,362,825</b>	<b>\$ 7,648,966</b>	<b>\$ 286,141</b>	<b>3.89%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	472,740	439,845	504,845	472,061
Operating	53,389	70,950	68,450	83,800
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 526,129	\$ 510,795	\$ 573,295	\$ 555,861
<b>Revenues</b>				
Charges and Fees	36,488	25,000	25,000	25,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ 36,488	\$ 25,000	\$ 25,000	\$ 25,000
<b>Staffing</b>				
FTE Positions	8	8	8	8

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

**Reclassifications:** (1) Division Chief, (1) Fire Inspector and (1) Fire and Life Safety Educator

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$472,061
<b>Operating Expenses</b>	\$83,800
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$555,861

### Increases:

- Personnel increases related to the reclassification of (1) Division Chief position, (1) Fire Inspector and (1) Fire and Life Safety Educator position.
- \$1,900 – increase in motor fuel based on increased costs.
- \$1,800 – increase in public safety supplies based on contractual increases.
- \$600 – increase in uniforms based on contractual increases.
- \$6,500 – increase in travel and training to send a staff member to Municipal and County Administration at the School of Government. This is a 6-week course in Chapel Hill.

**Reductions/Decreases:**

- \$150 – reduction in repair and maintenance equipment (*historically not used*).

**Capital:**

- None.

**Items of Interest:**

- None.

PUBLIC SAFETY

## Fire – Technical Services 12545

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	330,019	352,385	22,366	6.78%
41300	Longevity Pay	313	313	-	0.00%
42000	FICA	24,477	25,263	786	3.21%
42200	State Retirement	36,007	41,469	5,462	15.17%
42210	401k	6,609	10,283	3,674	55.59%
42300	Medical Insurance	39,900	39,900	-	0.00%
42400	Life Insurance	600	708	108	18.00%
42500	Dental Insurance	1,920	1,740	(180)	-9.38%
<b>Sub-Total For Personnel</b>		<b>\$ 439,845</b>	<b>\$ 472,061</b>	<b>\$ 32,216</b>	<b>7.32%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
44200	Repair & Maintenance: Vehicles	5,000	5,500	500	10.00%
44400	Repair & Maintenance: Equipment	150	-	(150)	-100.00%
45250	Telephone	8,500	10,200	1,700	20.00%
45610	Motor Fuel	9,500	11,400	1,900	20.00%
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	16,800	1,800	12.00%
47100	Uniforms	6,400	7,000	600	9.38%
51100	Travel and Training	16,000	22,500	6,500	40.63%
51800	Meetings	3,000	3,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 70,950</b>	<b>\$ 83,800</b>	<b>\$ 12,850</b>	<b>18.11%</b>
<b>TOTAL FIRE TECHNICAL SERVICES</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	439,845	472,061	32,216	7.32%
	Operating Expenditures	70,950	83,800	12,850	18.11%
	Capital - Machinery & Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 510,795</b>	<b>\$ 555,861</b>	<b>\$ 45,066</b>	<b>8.82%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	815,335	893,455	773,455	828,508
Operating	176,041	207,800	309,256	207,800
Capital	-	25,000	25,000	-
<b>Total Expenditures</b>	\$ 991,376	\$ 1,126,255	\$ 1,107,711	\$ 1,036,308
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	6	7	7	7

**Personnel includes:** Director of Engineering (1), Assistant City Engineer (1), Human Resources Technician (1), (1) Senior Engineering Technician, Engineering Technician (2), and (1) Civil Engineer.

**Reclassification:** (1) Engineering Technician to an Engineer II

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of commercial site plans reviewed	TBD
# of major/minor subdivision, townhomes, or apartments construction plans reviewed	TBD
# of major/minor subdivision, recombination, stormwater control measure (SCM) or easement plats reviewed	TBD
# of preliminary plats, sketch plans, rezoning, conditional use, annexation, etc. reviewed	TBD
# of "as built" completed by inspectors/technicians	TBD
# of exempt plats reviewed	TBD
# of resubmittals ( <i>for all categories listed above</i> ) reviewed	TBD

**PUBLIC WORKS**

# of projects managed as a consultant	TBD
# of in-house design projects completed	TBD
# of linear feet of assets inspected	TBD
# of right of way easements completed	TBD
<b>Efficiency Measures</b>	
% of commercial site plans reviewed within 20 working days	TBD
% of major/minor subdivision, townhomes, or apartment construction plans reviewed within 30 working days	TBD
% of major/minor subdivision, recombination, stormwater control measure (SCM) or easement plats reviewed within 20 working days	TBD
% of preliminary plats, sketch plans, rezoning, conditional use, annexation, etc. reviewed within 20 working days	TBD
% of "as built" completed by inspectors/technicians within 10 working days	TBD
% of exempt plats reviewed within 15 days	TBD
% of resubmittals completed within specified time frame ( <i>varies from 10 working days to 20 working days</i> ) based on type of review	TBD
% of providing randomly quality control inspections of permitted stormwater control measures	TBD
% of driveway inspections completed within 16 business hours	TBD
% of erosion control inspections completed within 16 business hours	TBD
% of site grading and drainage inspections completed within 16 business hours	TBD
% of water and sewer verification completed within 32 business hours	TBD
% of street lighting requests inspections completed within 32 business hours	TBD
<b>Effectiveness Measures</b>	
\$ spent on in-house construction projects	TBD
\$ saved on in-house construction projects versus contracting out	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$828,508
<b>Operating Expenses</b>	\$207,800
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	<b>\$1,036,308</b>

**Increases:**

- \$5,000 – increase in part-time funding for a summer internship.

**Reductions:**

- Salary and benefit reductions from an administrative position moving from this budget to Environmental as an Operations Manager to assist in managing the solid waste/recycling contract with Waste Management.
- \$25,000 – reduction in capital machinery and equipment related to the purchase of a new vehicle for the Engineering Technician position that was funded in FY 22.

**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



## Public Works - Engineering 13000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	649,091	592,679	(56,412)	-8.69%
41100	Salaries- Part Time	18,000	23,000	5,000	27.78%
41200	Salaries - Overtime	1,800	2,000	200	11.11%
41300	Longevity Pay	285	285	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	49,519	44,663	(4,856)	-9.81%
42200	State Retirement	70,962	71,717	755	1.06%
42210	401k	12,583	12,683	100	0.79%
42300	Medical Insurance	79,800	71,820	(7,980)	-10.00%
42400	Life Insurance	1,575	1,225	(350)	-22.22%
42500	Dental Insurance	3,840	2,436	(1,404)	-36.56%
<b>Sub-Total For Personnel</b>		<b>\$ 893,455</b>	<b>\$ 828,508</b>	<b>\$ (64,947)</b>	<b>-7.27%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
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	150,000	150,000	-	0.00%
51100	Travel and Training	12,000	12,000	-	0.00%
51800	Meetings	800	800	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 207,800</b>	<b>\$ 207,800</b>	<b>\$ -</b>	<b>0.00%</b>
<b>TOTAL ENGINEERING</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	893,455	828,508	(64,947)	-7.27%
	Operating Expenditures	207,800	207,800	-	0.00%
	Capital Machinery & Equipment	25,000	-	(25,000)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,126,255</b>	<b>\$ 1,036,308</b>	<b>\$ (89,947)</b>	<b>-7.99%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	498,295	730,400	730,400	740,300
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 498,295	\$ 730,400	\$ 730,400	\$ 740,300
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

No Personnel included in this Division.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$740,300
<b>Total Budget</b>	\$740,300

### Increases:

- Standard contractual increases

### Reductions/Decreases:

- None

### Capital:

- None

PUBLIC WORKS

**Items of Interest:**

- Budget Includes:
  - Contracted Services (installation of new lights)
  - Contract – New Lights (purchase of new lights)

## Public Works - Street Lighting 13100

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
45220	Electricity	631,400	631,400	-	0.00%
48000	Contracted Services	50,000	55,000	5,000	10.00%
48650	Contract - New Lights	49,000	53,900	4,900	10.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 730,400</b>	<b>\$ 740,300</b>	<b>\$ 9,900</b>	<b>1.36%</b>
TOTAL STREET LIGHTING					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	730,400	740,300	9,900	1.36%
	Capital - Improvements	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 730,400</b>	<b>\$ 740,300</b>	<b>\$ 9,900</b>	<b>1.36%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	95,575	118,000	133,000	138,700
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 95,575	\$ 118,000	\$ 133,000	\$ 138,700
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

No Personnel included in this Division

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$138,700
<b>Total Budget</b>	\$138,700

**Increases:**

- \$20,700 standard increases in utilities for the Public Works Operations Center.

## Public Works – Operations Center 13200

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45220	Electricity	50,000	60,000	10,000	20.00%
45230	Water & Sewer	12,000	14,400	2,400	20.00%
45240	Gas Utilities	6,000	7,200	1,200	20.00%
45250	Telephone	35,000	42,000	7,000	20.00%
45410	Equipment Rental	10,000	10,000	-	0.00%
45610	Motor Fuel	500	600	100	20.00%
46100	Office Supplies	4,000	4,000	-	0.00%
48000	Contracted Services	-	-	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 118,000</b>	<b>\$ 138,700</b>	<b>\$ 20,700</b>	<b>17.54%</b>
TOTAL OPERATIONS CENTER					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	118,000	138,700	20,700	17.54%
<b>Total for All Categories of Expenses</b>		<b>\$ 118,000</b>	<b>\$ 138,700</b>	<b>\$ 20,700</b>	<b>17.54%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	200,914	198,351	208,351	206,006
Operating	196,754	233,700	261,400	257,000
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 397,668</b>	<b>\$ 432,051</b>	<b>\$ 469,751</b>	<b>\$ 463,006</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	3	3	3	3

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

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of street signs installed or repaired	TBD
# of informational signs installed or repaired	TBD
# of custom signs completed ( <i>internal metric</i> )	TBD
# of street signs installed or repaired that qualify as on-call time	TBD
<b>Efficiency Measures</b>	
% of streetlights maintained in the downtown area	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

## PUBLIC WORKS

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$206,006
<b>Operating Expenses</b>	\$257,000
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$463,006

### **Increases:**

- Standard personnel increases
- \$1,300 - increase in motor fuel due to increased costs.
- \$10,000 - increase in contracted services for WithersRavenel asset management capital lifecycle model.
- \$12,000 - increase in travel and training for CDL certifications.

### **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
  - \$110,000 for Contracted Services

## Public Works – Signs and Markings 13300

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	136,766	142,351	5,585	4.08%
41200	Salaries - Overtime	8,000	8,000	-	0.00%
41300	Longevity Pay	227	227	-	0.00%
42000	FICA	10,716	10,564	(152)	-1.42%
42200	State Retirement	14,934	16,975	2,041	13.67%
42210	401k	2,366	2,616	250	10.57%
42300	Medical Insurance	23,940	23,940	-	0.00%
42400	Life Insurance	250	289	39	15.60%
42500	Dental Insurance	1,152	1,044	(108)	-9.38%
<b>Sub-Total For Personnel</b>		<b>\$ 198,351</b>	<b>\$ 206,006</b>	<b>\$ 7,655</b>	<b>3.86%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
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	7,800	1,300	20.00%
46100	Office Supplies	2,500	2,500	-	0.00%
46200	Small Equipment and Tools	8,000	8,000	-	0.00%
46810	Sign Supplies	95,000	95,000	-	0.00%
47100	Uniforms	300	300	-	0.00%
48000	Contracted Services	100,000	110,000	10,000	10.00%
51100	Travel and Training	6,000	18,000	12,000	200.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 233,700</b>	<b>\$ 257,000</b>	<b>\$ 23,300</b>	<b>9.97%</b>
<b>TOTAL SIGNS AND MARKINGS</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	198,351	206,006	7,655	3.86%
	Operating Expenditures	233,700	257,000	23,300	9.97%
	Capital - Machinery & Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 432,051</b>	<b>\$ 463,006</b>	<b>\$ 30,955</b>	<b>7.16%</b>



## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	468,181	1,249,500	2,296,262	1,504,120
Capital	-	-	-	9,000
<b>Total Expenditures</b>	\$ 468,181	\$ 1,249,500	\$ 2,296,262	\$ 1,513,120
<b>Revenues</b>				
Charges and Fees	1,259,163	1,298,734	1,298,734	1,572,822
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ 1,259,163	\$ 1,298,734	\$ 1,298,734	\$ 1,572,822
<b>Staffing</b>				
FTE Positions	-	-	-	-

No Personnel included in this Division

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$1,504,120
<b>Capital Machinery</b>	\$9,000
<b>Total Budget</b>	\$1,513,120

### Increases:

- \$274,088 increase in Powell Bill funding (*based on FY 22 allocations received*).
- \$210,620 – increase in repair and maintenance: streets based on a projected \$14/ton increase in asphalt.
- \$7,000 – increase in equipment rental based on FY 22 paver rental prices using the crack sealer machine to preserve additional streets.
- \$1,000- increase in small equipment and tools for a new plate tamp.
- \$50,000 – increase in contracted services for sidewalk repair near AL Brown and surrounding neighborhoods.

## PUBLIC WORKS

### Reductions:

- \$15,000 – reduction in consultants line item (*hasn't been used historically*).

### Capital:

- \$9,000 – jack hammer attachment.

### Items of Interest:

- Budget includes:
  - \$484,620 for R&M: Streets (repairs to existing streets, pothole repair)
  - \$400,000 for Contracted Services (small street repaving projects)
  - \$600,000 for Contract – Resurfacing (Covers the annual resurfacing plan)

## Public Works – Powell Bill 13400

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
44900	Repair & Maintenance: Streets	274,000	484,620	210,620	76.87%
45220	Electricity	5,000	6,000	1,000	20.00%
45410	Equipment Rental	3,000	10,000	7,000	233.33%
46200	Small Equipment and Tools	2,500	3,500	1,000	40.00%
48000	Contracted Services	350,000	400,000	50,000	14.29%
48300	Consultants	15,000	-	(15,000)	-100.00%
48850	Contract - Resurfacing	600,000	600,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,249,500</b>	<b>\$ 1,504,120</b>	<b>\$ 254,620</b>	<b>20.38%</b>
TOTAL POWELL BILL					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	-	-	-	0.00%
	Operating Expenditures	1,249,500	1,504,120	254,620	20.38%
	Capital Machinery & Equipment	-	9,000	9,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,249,500</b>	<b>\$ 1,513,120</b>	<b>\$ 263,620</b>	<b>21.10%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	659,596	753,072	733,072	789,271
Operating	122,362	165,000	432,872	172,700
Capital	-	181,000	181,000	-
<b>Total Expenditures</b>	<b>\$ 781,958</b>	<b>\$ 1,099,072</b>	<b>\$ 1,346,944</b>	<b>\$ 961,971</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	13	13	13	13

**Personnel includes:** Operations Manager (1), Crew Chief (1), Construction Maintenance Technician (3), Construction Maintenance Worker II (7), (1) Crew Supervisor

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of mowing miles (ROW) tractors ran	TBD
# of feet sidewalk maintained	TBD
# of reconstruction resurfaced miles ( <i>Powell Bill and in-house</i> )	TBD
<b>Efficiency Measures</b>	
# of lane miles maintained per 1,000 population	TBD
Repaired potholes per lane mile maintained	TBD
Repaired utility cuts per lane mile maintained	TBD
Cost of maintenance per lane mile maintained	TBD
Cost per lane mile for preservation treatment ( <i>"crack sealing method"</i> )	TBD
Cost per lane mile for resurfacing treatment	TBD
Cost per lane mile for rehabilitation treatment	TBD
Cost per ton for contract resurfacing	TBD

**PUBLIC WORKS**

% of response to customer complaints regarding outages w/i 24 hrs.	TBD
<b>Effectiveness Measures</b>	
Percent of lane miles rated 85 or better ( <i>*in-house assessment completed by 1/15</i> )	TBD
Percent of lane miles rated below 45 ( <i>*in-house assessment completed by 1/15</i> )	TBD
Percentage of potholes repaired within 24 hours	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$789,271
<b>Operating Expenses</b>	\$172,700
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$961,971

**Increases:**

- \$6,400 – increase in motor fuel based on increased prices.
- \$1,300 – increase in uniforms based on contractual increases.

**Reductions/Decreases:**

- \$81,000 – reduction in equipment/vehicle for the new Construction Maintenance worker (zero turn mower, weed eaters, leaf blower, a truck, and a trailer) that was funded in FY 22.
- \$100,000 – reduction due to the one-time purchase of a sweeper to maintain the parking deck at VIDA

**Capital:**

- None.

**Items of Interest:**

- None.

## Public Works – Street Maintenance 13500

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	515,177	544,482	29,305	5.69%
41200	Salaries - Overtime	24,000	24,000	-	0.00%
41300	Longevity Pay	712	712	-	0.00%
42000	FICA	40,175	39,480	(695)	-1.73%
42200	State Retirement	56,361	64,340	7,979	14.16%
42210	401k	6,988	6,896	(92)	-1.32%
42300	Medical Insurance	103,740	103,740	-	0.00%
42400	Life Insurance	927	1,097	170	18.34%
42500	Dental Insurance	4,992	4,524	(468)	-9.38%
<b>Sub-Total for Personnel</b>		<b>\$ 753,072</b>	<b>\$ 789,271</b>	<b>\$ 36,199</b>	<b>4.81%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
44200	Repair & Maintenance: Vehicles	45,000	45,000	-	0.00%
44400	Repair & Maintenance: Equipment	40,000	40,000	-	0.00%
444900	Repair & Maintenance: Streets	35,000	35,000	-	0.00%
45610	Motor Fuel	32,000	38,400	6,400	20.00%
47100	Uniforms	13,000	14,300	1,300	10.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 165,000</b>	<b>\$ 172,700</b>	<b>\$ 7,700</b>	<b>4.67%</b>
<b>TOTAL STREET MAINTENANCE</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	753,072	789,271	36,199	4.81%
	Operating Expenditures	165,000	172,700	7,700	4.67%
	Capital Machinery & Equipment	181,000	-	(181,000)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,099,072</b>	<b>\$ 961,971</b>	<b>\$ (137,101)</b>	<b>-12.47%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	734,137	856,381	836,381	959,625
Operating	187,076	132,100	213,310	142,600
Capital	-	25,000	25,000	-
<b>Total Expenditures</b>	\$ 921,313	\$ 1,013,481	\$ 1,074,691	\$ 1,102,225
<b>Revenues</b>				
Charges and Fees	178,339	145,000	145,000	185,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ 178,339	\$ 145,000	\$ 145,000	\$ 185,000
<b>Staffing</b>				
FTE Positions	9	10	10	11

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

**New: GIS Specialist**

### Performance Measurement (Planning and GIS):

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of zoning permits issued per year	TBD
# of site plan reviews	TBD
# of minor subdivision/plat reviews	TBD
# of major subdivision/plat reviews	TBD
# of ordinance/plan amendments (include variances here)	TBD
# of plan reviewers per FTE	TBD
# of sewer allocation plans permitted	TBD

PLANNING

# of exempt plats reviewed	TBD
# of public information requests	TBD
# of long-range plans supported	TBD
# of cases reviewed by Board of Adjustment	TBD
# of cases reviewed by Planning and Zoning Board	TBD
# of maps produced internally	TBD
# of maps produced externally	TBD
# of Frequency of updates (server updates, GIS layers/addressing component)	TBD
<b>Efficiency Measures</b>	
% of zoning permits issued within 48 hours of receipt of application	TBD
% of minor subdivision plat reviews completed within 20 business days	TBD
% of preliminary plat reviewed within 20 business days	TBD
% of commercial site plans reviewed within 20 business days	TBD
% of major subdivision plat reviews completed within 30 business days	TBD
<b>Effectiveness Measures</b>	
% of complaints responded to within 24 hours	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

**Performance Measurement (Code Enforcement):**

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of cases processed	TBD
# of code enforcement cases requiring multiple contacts	TBD
# of junk cars	TBD
# of public nuisance	TBD
# of public nuisance calls rectified by City staff	TBD
# of zoning (UDO)	TBD
# of minimum housing	TBD
# of demolitions	TBD
# of self-generated versus call-in complaints	TBD
<b>Efficiency Measures</b>	
Initial response time to a complaint	TBD
# of cases processed per code enforcement officer (FTE)	TBD
Average response time to a complaint	TBD
<b>Effectiveness Measures</b>	
% of complaints versus valid complaints	TBD
Ratio of property owner resolution versus city resolution	TBD
% of cases cleared within 10 days	TBD
% of total code enforcement cases that are citizen activated versus staff activated	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

## PLANNING

Expense Summary	
Personnel Expenses	\$959,625
Operating Expenses	\$142,600
Capital Machinery	\$0
<b>Total Budget</b>	<b>\$1,102,225</b>

### Increases:

- Personnel increases related to the addition of an GIS Specialist. This position is needed for growth an internal and external demands. Supports/assists Planning and Engineering Departments.
- \$5,000 - increase in part-time funding for a summer internship.
- \$2,500 - increase in small tools and equipment for the new position.
- \$500 - increase in dues and subscriptions for the new position.
- \$40,000 – increase in charges and fees based on trends.
- \$5,000 – increase in board member fees (increase from \$25-\$50/ meeting).
- \$2,500 – increase in uniform budget (*hasn't typically been budgeted in the past*).
- \$600 - increase in telephone costs based on trends.
- \$4,000- increase in travel and training due to new staff members obtaining certifications and continuing education credits and due to the new position.

### Reductions:

- \$100 – reduction in minute preparation. This line item as neve been used.
- \$25,000 – reduction in capital outlay. This was a one- time vehicle purchase for the code enforcement officer position funded in FY 22.

### Capital:

- None.



# Planning 14000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	634,556	703,863	69,307	10.92%
41100	Salaries - Part Time	-	5,000	5,000	100.00%
41200	Salaries - Overtime	-	5,000	5,000	100.00%
41400	Board Member Fees	5,000	10,000	5,000	100.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	44,867	47,690	2,823	6.29%
42200	State Retirement	69,499	77,604	8,105	11.66%
42210	401k	11,733	11,883	150	1.28%
42300	Medical Insurance	79,800	87,780	7,980	10.00%
42400	Life Insurance	1,086	1,325	239	22.01%
42500	Dental Insurance	3,840	3,480	(360)	-9.38%
<b>Sub-Total For Personnel</b>		<b>\$ 856,381</b>	<b>\$ 959,625</b>	<b>\$ 103,244</b>	<b>12.06%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
43100	Printing	1,200	1,200	-	0.00%
43200	Advertising	16,000	16,000	-	0.00%
43300	Postage	300	300	-	0.00%
43610	Demolition Expenditures	75,000	75,000	-	0.00%
44200	Repair & Maintenance: Vehicles	2,000	2,200	200	10.00%
45250	Telephone	6,000	6,600	600	10.00%
45610	Motor Fuel	1,500	1,800	300	20.00%
46100	Office Supplies	7,000	7,000	-	0.00%
46200	Small Equipment and Tools	1,000	3,500	2,500	250.00%
46300	Dues and Subscriptions	5,000	5,500	500	10.00%
47100	Uniforms	-	2,500	2,500	100.00%
48100	Minute Preparation	100	-	(100)	-100.00%
48610	Contract - Planning	-	-	-	0.00%
51100	Travel and Training	15,000	19,000	4,000	26.67%
51300	Special Expenses	2,000	2,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 132,100</b>	<b>\$ 142,600</b>	<b>\$ 10,500</b>	<b>7.95%</b>
<b>TOTAL PLANNING</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	856,381	959,625	103,244	12.06%
	Operating Expenditures	132,100	142,600	10,500	7.95%
	Capital Expenditures	25,000	-	(25,000)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,013,481</b>	<b>\$ 1,102,225</b>	<b>\$ 88,744</b>	<b>8.76%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	1,634,459	2,160,207	1,885,207	2,517,549
Operating	1,065,839	1,919,015	3,003,510	1,952,750
Capital	-	11,000	11,000	-
<b>Total Expenditures</b>	\$ 2,700,298	\$ 4,090,222	\$ 4,899,717	\$ 4,470,299
<b>Revenues</b>				
Charges and Fees	174,235	1,185,545	1,185,545	1,185,545
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ 174,235	\$ 1,185,545	\$ 1,185,545	\$ 1,185,545
<b>Staffing</b>				
FTE Positions	18	23	23	24

**Personnel includes:** Parks and Recreation Director (1), Park Managers (2), Recreation Program Coordinators (3), Grounds Manager, (4) Parks Maintenance Techs IV, Park Maintenance Tech III (3), Athletics Coordinator (1), (1) Administrative Assistant, (1) Operations Specialist-Concessions, (1) Assistant Athletics Coordinator

**New:** Assistant Parks Director and 2 reclassifications

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of total acres maintained per 1,000 residents	TBD
# of park acres maintained	TBD
# of City acres in facilities maintained	TBD
Total acreage maintained	TBD
Land acres of parks per 10,000 population	TBD
Recreation centers per 10,000 population	TBD
Swimming pools per 10,000 population	TBD
Athletic fields per 10,000 population	TBD

**PARKS AND RECREATION**

Playgrounds per 10,000 population	TBD
Miles of land trails per 10,000 population	TBD
# of residents per park	TBD
# of greenway miles maintained	TBD
<b>Efficiency Measures</b>	
Cost per acre for ground maintenance	TBD
Cost per acre for park maintenance	TBD
Acres of park maintained per maintenance FTE	TBD
<b>Effectiveness Measures</b>	
Revenue as percent of total core costs ( <i>Program revenue versus expense</i> )	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$2,517,549
<b>Operating Expenses</b>	\$1,952,750
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$4,470,299

**Increases:**

- Increases related to the reclassification of (2) positions: Operations Specialist and Administrative Assistant.
- Increase in corresponding part-time budgets due to the recent increase in part-time hourly rate.
- \$13,500- increase in credit card fees based on increased usage and online payments.
- \$1,500 – increase in repair and maintenance vehicles due to older vehicle repair.
- \$17,600 – increase in repair and maintenance due to increased cost of materials.
- \$1,700 – increase in repair and maintenance in equipment based on contractual increases.
- \$3,000 – increase in telephone for adding a phone for Dixie youth.
- \$3,000- increase in motor fuel based on increased prices.
- \$1,500 – increase in office supplies based on increased costs.
- \$4,800 - increase in small equipment and tools based on increased costs and the addition of the Dixie Youth facility.
- \$600 – increase in NCRPA and NRPA for staff.
- \$30,000 – increase in concession supplies based on increased costs, additional expenses for youth sports and Dixie facilities and the Gem.
- \$7,700 – increase in cleaning supplies based on increased costs.
- \$6,000 – increase in uniforms based on contractual increases.
- \$76,635 – increase in contracted grounds maintenance due to contractual increases and the addition of newly acquired properties on research campus and near downtown.
- \$4,000 – increase in travel training for additional training for maintenance staff.
- \$2,200 – increase in Planning and Zoning meetings and quarterly staff meetings.

**Reductions:**

- \$11,000 – reduction in capital outlay for the purchase of a new screen at the Gem

## PARKS AND RECREATION

Theatre and new Clover (point of sale systems) funded in FY 22.

- \$90,000 – reduction in building and grounds at the Dixie Youth facility. This was for one time facility upgrades/upfits in FY 22.
- \$50,000 – reduction in Gem consultants line item for agreed upon contracted price.

### Capital:

- None.

### Items of Interest:

- Grounds Maintenance for all city properties is in Contracted Services

PERSONNEL					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	987,091	1,095,663	108,572	11.00%
41100-BCPK	Salaries - Part Time-Bakers Creek Park	70,525	93,225	22,700	32.19%
41100-BUILD	Salaries - Part Time-Building Monitor	78,005	102,740	24,735	31.71%
41100-EVENT	Salaries - Part Time-Events	57,544	71,244	13,700	23.81%
411000-GEM	Salaries - Part Time-Gem	110,000	151,250	41,250	37.50%
41100-GROUN	Salaries - Part Time-Grounds Maintenance	115,000	142,380	27,380	23.81%
41100-VILPK	Salaries - Part Time-Village Park	277,926	347,400	69,474	25.00%
41200	Salaries - Overtime	9,500	11,000	1,500	15.79%
41300	Longevity Pay	752	752	-	0.00%
41600	Vehicle Allowance	1,800	1,800	-	0.00%
41600 - GEM	Vehicle Allowance-Gem	3,600	3,600	-	0.00%
42000	FICA	131,624	139,819	8,195	6.23%
42200	State Retirement	110,817	134,898	24,081	21.73%
42210	401k	13,914	19,835	5,921	42.55%
42300	Medical Insurance	182,927	191,520	8,593	4.70%
42400	Life Insurance	1,502	2,071	569	37.88%
42500	Dental Insurance	7,680	8,352	672	8.75%
<b>Sub-Total For Personnel</b>		<b>\$ 2,160,207</b>	<b>\$ 2,517,549</b>	<b>\$ 357,342</b>	<b>16.54%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
43100	Printing	1,500	1,500	-	0.00%
43100-GEM	Printing-Gem	4,000	4,000	-	0.00%
43200	Advertising	2,000	2,000	-	0.00%
43200-GEM	Advertising-Gem	15,000	15,000	-	0.00%
43300	Postage	200	200	-	0.00%
43300-GEM	Postage-Gem	500	500	-	0.00%
43800	Credit Card Fees	17,500	21,000	3,500	20.00%
43800-GEM	Credit Card Fees-Gem	20,000	30,000	10,000	50.00%
44200	Repair & Maintenance: Vehicles	3,000	3,000	-	0.00%
44200-BCPK	Repair & Maintenance: Vehicles - Bakers Creek Park	4,500	5,000	500	11.11%
44200-GROUN	Repair & Maintenance: Vehicles - Grounds Maintenance	3,000	4,000	1,000	33.33%
44200-VILPK	Repair & Maintenance: Vehicles - Village Park	3,500	3,500	-	0.00%

**PARKS AND RECREATION**

44300	Repair & Maintenance: Buildings and Grounds	12,500	12,500	-	0.00%
44300-BCPK	Repair & Maintenance: Buildings and Grounds-BC	17,000	20,000	3,000	17.65%
44300-DIXIE	Repair & Maintenance: Buildings and Grounds-Dixie	100,000	10,000	(90,000)	-90.00%
44300-GEM	Repair & Maintenance: Buildings and Grounds-Gem	36,000	36,000	-	0.00%
44300-GROUN	Repair & Maintenance: Buildings and Grounds-Grounds	57,500	63,500	6,000	10.43%
44300-SAFPK	Repair & Maintenance: Buildings and Grounds-SP	22,000	25,000	3,000	13.64%
44300-VILPK	Repair & Maintenance: Buildings and Grounds-VP	48,000	53,600	5,600	11.67%
44400	Repair & Maintenance: Equipment	-	-	-	0.00%
44400-BCPK	Repair & Maintenance: Equipment-BC	5,300	6,000	700	13.21%
44400-GEM	Repair & Maintenance: Equipment-Gem	5,500	5,500	-	0.00%
44400-GROUN	Repair & Maintenance: Equipment-Grounds	5,000	5,500	500	10.00%
44400-VILPK	Repair & Maintenance: Equipment-VP	5,000	5,500	500	10.00%
45220	Electricity	144,000	144,000	-	0.00%
45220-GEM	Electricity-Gem	15,000	15,000	-	0.00%
45230	Water & Sewer	94,000	94,000	-	0.00%
45230-GEM	Water & Sewer-Gem	15,000	15,000	-	0.00%
45240	Gas Utilities	24,000	24,000	-	0.00%
45240-GEM	Gas Utilities-Gem	5,000	5,000	-	0.00%
45250	Telephone	38,000	41,000	3,000	7.89%
45250-GEM	Telephone-Gem	4,500	4,500	-	0.00%
45410	Equipment Rental	9,000	9,000	-	0.00%
4540	Laundry	15,000	15,000	-	0.00%
45610	Motor Fuel	24,000	27,000	3,000	12.50%
46100	Office Supplies	5,200	5,700	500	9.62%
46100-GEM	Office Supplies-Gem	14,000	15,000	1,000	7.14%
46200	Small Equipment and Tools	400	2,900	2,500	625.00%
46200-BCPK	Small Equipment and Tools-BC	1,500	2,200	700	46.67%
46200-GEM	Small Equipment and Tools-Gem	15,000	15,000	-	0.00%
46200-GROUN	Small Equipment and Tools-Grounds	5,400	6,500	1,100	20.37%
46200-VILPK	Small Equipment and Tools-VP	1,500	2,000	500	33.33%
46300	Dues and Subscriptions	2,800	3,400	600	21.43%
46300-GEM	Dues and Subscriptions-Gem	5,000	5,000	-	0.00%
46620	Concession Supplies	67,000	90,000	23,000	34.33%
46620-GEM	Concession Supplies-GEM	85,000	92,000	7,000	8.24%
46640	Cemetery Supplies	3,000	3,000	-	0.00%
46820	Cleaning Supplies	300	300	-	0.00%
46820-BCPK	Cleaning Supplies-BC	2,300	3,000	700	30.43%
46820-GEM	Cleaning Supplies-Gem	35,000	38,000	3,000	8.57%
46820-GROUN	Cleaning Supplies-Grounds	3,000	6,300	3,300	110.00%
46820-VILPK	Cleaning Supplies-VP	4,500	5,200	700	15.56%
47100	Uniforms	12,000	17,000	5,000	41.67%
47100-GEM	Uniforms-Gem	2,000	3,000	1,000	50.00%
48000	Contracted Services	12,400	12,400	-	0.00%
48000-GEM	Contracted Services-Gem	200,000	200,000	-	0.00%
48220	Contract - Grounds Maintenance	520,965	597,600	76,635	14.71%
48300-GEM	Consultants-Gem	125,000	75,000	(50,000)	-40.00%
51100	Travel and Training	16,000	20,000	4,000	25.00%
51100-GEM	Travel and Training-Gem	1,000	1,000	-	0.00%
51800	Meetings	2,500	4,700	2,200	88.00%
51800-GEM	Meetings-Gem	250	250	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,919,015</b>	<b>\$ 1,952,750</b>	<b>\$ 33,735</b>	<b>1.76%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	292,949	788,000	914,000	930,500
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 292,949	\$ 788,000	\$ 914,000	\$ 930,500
<b>Revenues</b>				
Charges and Fees	69,266	175,000	175,000	175,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ 69,266	\$ 175,000	\$ 175,000	\$ 175,000
<b>Staffing</b>				
FTE Positions	-	-	-	-

\*No personnel in this division

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of Recreational programs offered ( <i>breakdown below</i> )	TBD
# of Adult programs	TBD
# of Family programs	TBD
# of Senior programs	TBD
# of West Avenue programs	TBD
# of Youth and Teen programs	TBD
# of Athletic Programs participants	TBD
# by Flag Football participants	TBD
# by Basketball participants	TBD
# by Soccer participants	TBD
# by Baseball participants	TBD
# by Softball participants	TBD
# by Tball participants	TBD
# of Special events	TBD

**PARKS AND RECREATION**

# of concerts presented by the City ( <i>overall</i> )	TBD
# of concert attendees	TBD
# of youth athletic participants	TBD
# of greenway miles maintained	TBD
# of Special events	TBD
<b>Efficiency Measures</b>	
Average cost per concert attendee	TBD
Cost per sport participant ( <i>broken out by sport</i> )	TBD
Cost for baseball	TBD
Cost for basketball	TBD
Cost for soccer	TBD
Cost for flag football	TBD
Average cost per baseball participant	TBD
Average cost per basketball participant	TBD
Average cost per soccer participant	TBD
Average cost per flag football participant	TBD
Volunteer hours in FTE's as a percent of paid FTE's ( <i>includes coaches</i> )	TBD
Total youth athletic participants per FTE	TBD
Total special event (concert) attendees per FTE	TBD
<b>Effectiveness Measures</b>	
Revenue as percent of total core costs ( <i>Program revenue versus expense</i> )	TBD
# of reservations/events made (Village Park)	TBD
# of reservations/events made (Bakers Creek Park)	TBD
# of reservations/events made in Shelter C (March - October)	TBD
# of reservations/events made (Jan - Dec)	TBD
# of reservations/events held (Jan - Dec) (internal & external)	TBD
# of hours utilized (Jan - Dec) (internal & external)	TBD
% of shelter reservations that meet or exceed expectations	TBD
# of EOC reservations held (internal & external)	TBD
# of Laureate Center reservations held (internal & external)	TBD
# of Train Station reservations held (internal & external)	TBD
# of Village Park reservations held (internal & external)	TBD
% of customer satisfaction for senior trip participants	TBD
% of customer satisfaction for youth athletic participants	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$930,500
<b>Total Budget</b>	\$930,500

**PARKS AND RECREATION**

**Increases:**

- \$35,000 – increase in program supplies- other based on increased participation and costs.
- \$55,000 – increase in program supplies – based on contractual increases.
- \$50,000 – increase in summer concert series per Council recommendation in FY 22.
- \$2,000 – increased costs in Kannapolis Christmas.

**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 covers basketball, soccer, and baseball programs

## Parks and Recreation - Programs 15060

<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
46630	Program Supplies	366,000	401,500	35,500	9.70%
46635	Program Supplies-Other	104,000	159,000	55,000	52.88%
51441	Summer Event Series	270,000	320,000	50,000	18.52%
51442	Kannapolis Christmas	48,000	50,000	2,000	4.17%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 788,000</b>	<b>\$ 930,500</b>	<b>\$ 142,500</b>	<b>18.08%</b>
<b>TOTAL RECREATION PROGRAMS</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Operating Expenditures	788,000	930,500	142,500	18.08%
<b>Total for All Categories of Expenses</b>		<b>\$ 788,000</b>	<b>\$ 930,500</b>	<b>\$ 142,500</b>	<b>18.08%</b>



## Parks and Recreation - Stadium 15200

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$250,000
<b>Total Budget</b>	<b>\$250,000</b>

**Increases:**

- None

**Reductions/Decreases:**

- None

**Items of Interest:**

- Team and City each cover ½ of electricity and gas costs
  - \$75,000 – electricity based on trends
  - \$5,000 – gas based on trends
- City pays for all Water and Sewer
  - \$50,000 – water and sewer based on trends
- \$20,000 – repair and maintenance: building and grounds
- \$100,000 – capital investment to the Capital “X” funding for capital improvements made to the stadium over time.

## Parks and Recreation - Stadium 15200

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
44300	Repair & Maintenance: Buildings and Grounds	20,000	20,000	-	0.00%
45220	Electricity	75,000	75,000	-	0.00%
45230	Water and Sewer	50,000	50,000	-	0.00%
45540	Gas	5,000	5,000	-	0.00%
59400	Capital - Improvements	100,000	100,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>0.00%</b>
TOTAL STADIUM					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
	Operating Expenditures	150,000	150,000	-	0.00%
	Capital Expenditures	100,000	100,000	-	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>0.00%</b>

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# 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.

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## Water & Sewer Revenue Summary

### Fiscal Year 2023

REVENUES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease	% Change
36000	Charges and Fees	18,292,624	20,000,000	1,707,376	9.33%
36600	Wholesale Water Sales	415,000	360,000	(55,000)	-13.25%
36610	Tap Fees	450,000	1,175,000	725,000	161.11%
36620	Connection Fees	1,250,000	1,250,000	-	0.00%
36640	Reconnection Fees	140,000	140,000	-	0.00%
36650	Penalties	400,000	400,000	-	0.00%
37000	Miscellaneous Revenue	15,000	15,000	-	0.00%
38000	Investment Income	30,000	30,000	-	0.00%
39900	Appropriated Fund Balance	-	-	-	0.00%
<b>Total Water and Sewer Fund</b>		<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>	<b>\$ 2,377,376</b>	<b>11.32%</b>

## Water & Sewer Expenditure Summary

### Fiscal Year 2023

EXPENSES				
Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease	% Change
Water & Sewer - Billing & Collections	1,008,472	1,306,070	297,598	29.51%
Water & Sewer - Distribution	3,946,885	5,248,474	1,301,589	32.98%
Water & Sewer - Water Treatment Plant	3,217,924	3,640,787	422,863	13.14%
Water & Sewer - WSACC	3,194,670	4,274,460	1,079,790	33.80%
General Management Services - Transfer to General Fund	2,143,921	1,922,482	(221,439)	-10.33%
Transfer to Other Funds	495,700	495,700	-	0.00%
<b>Total Operating</b>	<b>\$ 14,007,572</b>	<b>\$ 16,887,973</b>	<b>\$ 2,880,401</b>	<b>20.56%</b>
<b>Total Debt Service</b>	<b>\$ 6,985,052</b>	<b>\$ 6,482,027</b>	<b>\$ (503,025)</b>	<b>-7.20%</b>
<b>Total Water and Sewer Fund Expenditures</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>	<b>\$ 2,377,376</b>	<b>11.32%</b>

# 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	642,382	683,372	768,372	958,320
Operating	385,816	325,100	327,100	347,750
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 1,028,198	\$ 1,008,472	\$ 1,095,472	\$ 1,306,070
<b>Revenues</b>				
Charges and Fees	20,748,826	20,977,624	20,977,624	23,325,000
Miscellaneous/Other	279,858	15,000	15,000	15,000
Investment Income	2,432	30,000	30,000	30,000
<b>Total Revenues</b>	\$ 21,031,116	\$ 20,992,624	\$ 20,992,624	\$ 23,370,000
<b>Staffing</b>				
FTE Positions	9	11	11	14

**Personnel includes:** Customer Service Director (1), (1) Office Manager, (1) Billing & Collections Supervisor, (1) Customer Service Manager, (5) Customer Service Advocates, (2) Utility Billing Specialist/Revenue Collections Specialist, (1) Communications Specialist, (1) Customer Care Representative

**New:** (1) Customer Service Representative

## Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of calls received	TBD
# of calls answered	TBD
# of calls requeued ( <i>transferred</i> )	TBD
# of calls answered	TBD
# of complaints	TBD

## WATER AND SEWER

# of disconnects	TBD
# of reconnects	TBD
# of cut-offs for non-payment	TBD
# of customers past 30 days due	TBD
# of bills per month	TBD
<b>Efficiency Measures</b>	
Calls answered per Customer Service advocate	TBD
% of calls handled on initial phone call by Customer Service advocate ( <i>reduced transfer calls</i> )	TBD
<b>Effectiveness Measures</b>	
Monthly collection rate	TBD
% of water bills not collected	TBD
% of wastewater bills not collected	TBD
Thousands of gallons of billed wastewater per account	TBD
Thousands of gallons of billed water per account	TBD
\$ amount billed per month	TBD
\$ amount collected per month	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

Expense Summary	
<b>Personnel Expenses</b>	\$958,320
<b>Operating Expenses</b>	\$347,750
<b>Total Budget</b>	\$1,306,070

### Increases:

- Personnel increases related to the addition of a Customer Service representative to help with new customer accounts and assistance with the management of landlord and businessowner accounts.
- Personnel costs also includes a budgeted 5% COLA and merit.
- Personnel costs also reflect the addition of (1) Administrative Assistant moved to Customer Service budget to assist with the Customer Call center efforts.
- \$3,000 - increase in postage costs due to an increase in customer base and PDF printing efforts of customer history.
- \$500- increase in repair and maintenance office equipment.
- \$150 – increase in telephone based on contractual increases.
- \$8,500 – increase in small tools and equipment for the purchase of 3 scanners and a new money machine.
- \$3,000- increase in banking fees based on trends.
- \$7,000 – increase in mailing services based on projected increased costs.

### Items of Interest:

- Banking fees includes: Lockbox and e-box services

WATER AND SEWER

## Water and Sewer – Billing and Collections 36000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	486,587	711,270	224,683	46.18%
41200	Salaries - Overtime	3,000	6,000	3,000	100.00%
41300	Longevity Pay	5,714	3,650	(2,064)	-36.12%
42000	FICA	41,908	43,896	1,988	4.74%
42200	State Retirement	50,250	71,023	20,773	41.34%
42210	401k	11,048	5,383	(5,665)	-51.28%
42300	Medical Insurance	79,800	111,720	31,920	40.00%
42400	Life Insurance	1,225	1,202	(23)	-1.88%
42500	Dental Insurance	3,840	4,176	336	8.75%
<b>Sub-Total For Personnel</b>		<b>\$ 683,372</b>	<b>\$ 958,320</b>	<b>\$ 274,948</b>	<b>40.23%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	4,500	5,000	500	11.11%
43300	Postage	100,000	103,000	3,000	3.00%
44100	Repair & Maintenance: Office Equipment	500	1,000	500	100.00%
45250	Telephone	600	750	150	25.00%
46100	Office Supplies	5,000	5,000	-	0.00%
46200	Small Equipment and Tools	1,500	10,000	8,500	566.67%
46300	Dues and Subscriptions	1,000	1,000	-	0.00%
47100	Uniforms	3,000	3,000	-	0.00%
48000	Contracted Services	20,000	20,000	-	0.00%
48430	Banking Fees	144,000	147,000	3,000	2.08%
48440	Mailing Services	35,000	42,000	7,000	20.00%
51100	Travel and Training	10,000	10,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 325,100</b>	<b>\$ 347,750</b>	<b>\$ 22,650</b>	<b>6.97%</b>
<b>TOTAL BILLIING AND COLLECTIONS</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	683,372	958,320	274,948	40.23%
	Operating Expenditures	325,100	347,750	22,650	6.97%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,008,472</b>	<b>\$ 1,306,070</b>	<b>\$ 297,598</b>	<b>29.51%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	3,232,256	2,382,053	2,211,053	2,807,566
Operating	1,688,076	1,348,832	1,986,132	1,710,908
Capital	-	216,000	216,000	730,000
<b>Total Expenditures</b>	\$ 4,4920,332	\$ 3,946,885	\$ 4,413,185	\$ 5,248,474
<b>Revenues</b>				
Charges and Fees	20,748,826	20,977,624	20,977,624	23,325,000
Miscellaneous/Other	279,858	15,000	15,000	15,000
Investment Income	2,432	30,000	30,000	30,000
<b>Total Revenues</b>	\$ 21,031,116	\$ 20,992,624	\$ 20,992,624	\$ 23,370,000
<b>Staffing</b>				
FTE Positions	38	39	39	42

**Personnel includes:** Water Resources Manager (1), Crew Supervisor (3), Crew Chief (5), Construction Maintenance Technician (5), Heavy Equipment Operator (3), Construction Maintenance Worker II (15), Meter Technician (3), Locator (2), Warehouse Assistant (1), Senior Office Assistant (1)

**New:** (2) Water Technicians and (1) Construction Maintenance Worker II

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of miles of main line pipe per square mile of service area	TBD
# of new water services installed (Cityworks)	TBD
# of service lines repaired (Cityworks)	TBD
# of water leak repairs (Cityworks)	TBD
# of gallons produced	TBD
# of gallons purchased	TBD
# of billed water	TBD
<b>Efficiency Measures</b>	
Total cost per 1,000 gallons of billed water (Northstar)	TBD

## WATER AND SEWER

Million gallons of billed water per water service FTE	TBD
Billed water as a percentage of finished water	TBD
<b>Effectiveness Measures</b>	
Cost recovery for tap installation	TBD
Percentage of existing pipeline replaced or rehabbed	TBD
Peak daily demand as a percentage of treatment capacity	TBD
% of taps installed (time meter is purchased to install)	TBD
Target date of 90 days	
% of hydrants maintained per year (maintenance- oil, full replacement, servicing, etc)	TBD
Breaks and leaks per mile of main line pipe	TBD
Customer Complaints about water quality per 1,000 meters	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

Expense Summary	
<b>Personnel Expenses</b>	\$2,807,566
<b>Operating Expenses</b>	\$1,710,908
<b>Capital Expenses</b>	\$730,000
<b>Total Budget</b>	\$5,248,474

### Increases:

- Personnel increases related to the addition of a (3) new positions. (2) Water Technicians to help with system growth and maintenance and (1) Construction Maintenance Worker II for meter repairs and construction.
- Personnel costs also includes a budgeted 5% COLA and merit.
- \$100,076 – increase in water and sewer materials based on trends (20% increase)
- \$205,000 – increase in contracted services based on historical trends and contracting work due to high number of vacancies. Also includes \$15,000 for Forestbrook analysis and \$24,000 for sewer modeling database management.
- \$42,000 - increase in travel and training to send 12 members to CDL school for certification/testing. This course is estimated at \$3,500/person and takes up to 6-8 weeks.

### Reduction:

- \$4,500 – for one time purchase of a new fork spreader in FY 22.

### Capital: \$730,000 total (breakdown below):

- \$125,000- (2) vehicles requested for water maintenance technician positions.
- \$175,000 - Replacement of W22 (2007) (miles 146,579) – Chevy 5500 Jetter Truck
- \$175,000 - Replacement of W25 (1998) (hours 6,634) – New Holland Backhoe
- \$165,000 - Replacement of W2 (2007) (miles 146,579) - Chevy 4500
- \$45,000 – Replacement of W1-F-150 Truck (2011) (134,311)
- \$45,000 – Replacement of W-73 Escape (2011) (103,353)



WATER AND SEWER

## Water and Sewer – Distribution 36100

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	1,570,346	1,988,303	417,957	26.62%
41200	Salaries - Overtime	153,000	153,000	-	0.00%
41300	Longevity Pay	2,618	681	(1,937)	-73.99%
42000	FICA	125,535	114,844	(10,691)	-8.52%
42200	State Retirement	167,845	186,780	18,935	11.28%
42210	401k	26,300	22,023	(4,277)	-16.26%
42300	Medical Insurance	318,587	326,567	7,980	2.50%
42400	Life Insurance	2,462	3,188	726	29.49%
42500	Dental Insurance	15,360	12,180	(3,180)	-20.70%
<b>Sub-Total For Personnel</b>		<b>\$ 2,382,053</b>	<b>\$ 2,807,566</b>	<b>\$ 425,513</b>	<b>17.86%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	3,000	3,000	-	0.00%
43300	Postage	1,800	1,800	-	0.00%
44200	Repair & Maintenance: Vehicles	97,000	97,000	-	0.00%
44300	Repair & Maintenance: Buildings and Grounds	1,800	1,800	-	0.00%
44400	Repair & Maintenance: Equipment	66,500	66,500	-	0.00%
44600	Repair & Maintenance: Lift Station	127,000	127,000	-	0.00%
44900	Repair & Maintenance: Streets	10,000	10,000	-	0.00%
45220	Electricity	50,000	53,000	3,000	6.00%
45230	Water and Sewer	5,750	5,750	-	0.00%
45249	Gas Utilities	1,000	2,000	1,000	100.00%
45250	Telephone	42,000	46,000	4,000	9.52%
45410	Equipment Rental	7,000	7,000	-	0.00%
45610	Motor Fuel	58,500	58,500	-	0.00%
46100	Office Supplies	4,000	4,000	-	0.00%
46200	Small Equipment and Tools	14,500	10,000	(4,500)	-31.03%
46300	Dues and Subscriptions	2,500	5,000	2,500	100.00%
46850	Materials for W&S Services	500,382	600,458	100,076	20.00%
47100	Uniforms	31,000	40,000	9,000	29.03%
48000	Contracted Services	310,000	515,000	205,000	66.13%
51100	Travel and Training	15,100	57,100	42,000	278.15%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,348,832</b>	<b>\$ 1,710,908</b>	<b>\$ 362,076</b>	<b>26.84%</b>
<b>TOTAL DISTRIBUTION</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	2,382,053	2,807,566	425,513	17.86%
	Operating Expenditures	1,348,832	1,710,908	362,076	26.84%
	Capital - Machinery and Equipment	216,000	730,000	514,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 3,946,885</b>	<b>\$ 5,248,474</b>	<b>\$ 1,301,589</b>	<b>32.98%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	1,084,606	990,733	1,118,233	1,133,596
Operating	2,215,614	2,211,191	2,249,549	2,507,191
Capital	-	16,000	16,000	-
<b>Total Expenditures</b>	\$ 3,300,220	\$ 3,217,924	\$ 3,383,782	\$ 3,640,787
<b>Revenues</b>				
Charges and Fees	20,748,826	20,977,624	20,977,624	23,325,000
Miscellaneous/Other	279,858	15,000	15,000	15,000
Investment Income	2,432	30,000	30,000	30,000
<b>Total Revenues</b>	\$ 21,031,116	\$ 20,992,624	\$ 20,992,624	\$ 23,370,000
<b>Staffing</b>				
FTE Positions	14	14	14	14

**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), (1) Maintenance Crew Chief and (2) Maintenance Techs.

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of wastewater gallons treated	TBD
# of miles of sewer main pipe per square mile of service	TBD
# of lift stations per 1,000 accounts (14 lift stations, 20,000 accounts)	TBD
# of new sewer services installed	TBD
# of sewer laterals repaired or replaced (Cityworks)	TBD
# of sewer mains jet-washed in feet (Cityworks)	TBD
<b>Efficiency Measures</b>	

## WATER AND SEWER

Total cost per 1,000 gallons of billed treated wastewater <i>(what City bills to customers)</i>	TBD
Millions of gallons of wastewater per wastewater services FTE	TBD
Customer accounts per wastewater services FTE	TBD
<b>Effectiveness Measures</b>	
% of taps installed (time meter is purchased to meter is installed) *90 day goal	TBD
% of City's average daily flow as % of capacity	TBD
% of main line rehabbed or replaced	TBD
Overflows per 100 miles of main line pipe (Cityworks)	TBD
Backups per 100 miles of main line pipe (Cityworks)	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

Expense Summary	
<b>Personnel Expenses</b>	\$1,133,596
<b>Operating Expenses</b>	\$2,507,191
<b>Capital Expenses</b>	\$0
<b>Total Budget</b>	\$3,640,787

### Increases:

- Personnel costs also includes a budgeted 5% COLA and merit.
- \$50,000 – Bulk Water purchases based on trends
- \$75,000 – increase in chemical order based on inflation.
- \$175,000 – increase in repair and maintenance for lift stations. This would be a standard yearly rate to make the necessary Lift Station upfits. Several pump stations are beyond the expected 25-year life cycle and will need some forms of maintenance replacements. This is requested as a yearly amount and would prioritize based on need. This amount could be reduced to a lower amount, we would just perform less maintenance over a longer period.

### Reductions:

- \$4,400 – reduction in lakeshore clearing efforts.
- Personnel accounts will reflect a reduction due to an Administrative Assistant position moving from this budget to the Customer Service budget to assist with call center efforts.
- \$16,000 – reduction in one-time capital purchases in FY 22 (*turb meter and analytical equipment*)

### Capital:

- None.

### Items of Interest:

- Increase to Bulk Water Purchase is contractual

WATER AND SEWER

## Water and Sewer – Water Treatment Plant 36200

PERSONNEL					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	682,373	808,772	126,399	18.52%
41200	Salaries - Overtime	45,000	45,000	-	0.00%
41300	Longevity Pay	-	1,937	1,937	100.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	53,175	51,230	(1,945)	-3.66%
42200	State Retirement	74,384	85,769	11,385	15.31%
42210	401k	12,118	17,445	5,327	43.96%
42300	Medical Insurance	111,107	111,107	-	0.00%
42400	Life Insurance	1,200	1,464	264	22.00%
42500	Dental Insurance	5,376	4,872	(504)	-9.38%
<b>Sub-Total For Personnel</b>		<b>\$ 990,733</b>	<b>\$ 1,133,596</b>	<b>\$ 142,863</b>	<b>14.42%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	500	500	-	0.00%
43300	Postage	300	300	-	0.00%
44200	Repair & Maintenance: Vehicles	4,500	4,500	-	0.00%
44400	Repair & Maintenance: Equipment	128,500	128,500	-	0.00%
44600	Repair & Maintenance: Lift Station	31,000	206,000	175,000	564.52%
44700	Repair & Maintenance: Water Tank	101,100	101,100	-	0.00%
45220	Electricity	300,000	300,000	-	0.00%
45240	Gas Utilities	1,000	1,000	-	0.00%
45250	Telephone	19,500	19,500	-	0.00%
45610	Motor Fuel	6,000	6,000	-	0.00%
46100	Office Supplies	3,000	3,000	-	0.00%
46200	Small Equipment and Tools	2,500	2,500	-	0.00%
46300	Dues and Subscriptions	12,000	12,000	-	0.00%
46820	Cleaning Supplies	100	100	-	0.00%
46830	Chemicals	290,000	365,000	75,000	25.86%
46840	Raw Water Purchases	49,000	49,000	-	0.00%
47100	Uniforms	12,000	12,000	-	0.00%
48000	Contracted Services	239,691	239,691	-	0.00%
48220	Contract - Grounds Maintenance	50,000	46,000	(4,000)	-8.00%
48240	Bulk Water Purchases	950,000	1,000,000	50,000	5.26%
51100	Travel and Training	10,500	10,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 2,211,191</b>	<b>\$ 2,507,191</b>	<b>\$ 296,000</b>	<b>13.39%</b>
TOTAL WATER TREATMENT PLANT					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	990,733	1,133,596	142,863	14.42%
	Operating Expenditures	2,211,191	2,507,191	296,000	13.39%
	Capital Expenditures	16,000	-	(16,000)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 3,217,924</b>	<b>\$ 3,640,787</b>	<b>\$ 422,863</b>	<b>13.14%</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	2,934,389	3,194,670	3,591,670	4,274,460
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 2,934,389	\$ 3,194,670	\$ 3,591,670	\$ 4,274,460
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
Investment Income	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

No Personnel included in this Division.

Expense Summary	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$4,274,460
<b>Total Budget</b>	\$4,274,460

### Increases:

- \$160,920 – increase in sewage treatment/interceptor variable costs per WSACC.
- \$856,001 – increase in treatment fixed rate costs.
- \$62,869 – increase in interceptor fixed rate costs.

### Reductions:

- None.

## WATER AND SEWER

**Capital:**

- None

**Items of Interest:**

- Doesn't account for I/I that occurs throughout the year due to heavy rainfall that is then treated.
- Large treatment cost increases for the limited sewage capacity/expansion efforts.

## Water and Sewer – Sewage Treatment 36400

<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
49020	Sewage Treatment Variable	2,219,460	2,380,380	160,920	7.25%
49030	Treatment Fixed Rate	481,201	1,337,202	856,001	177.89%
49050	Interceptor Fixed Rate	397,969	460,838	62,869	15.80%
49060	Capital Assessments	31,040	31,040	-	0.00%
49070	Concord Northlite Sewer	65,000	65,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 3,194,670</b>	<b>\$ 4,274,460</b>	<b>\$ 1,079,790</b>	<b>33.80%</b>
<b>TOTAL SEWAGE TREATMENT (WSACC)</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Operating Expenditures	\$ 3,194,670	\$ 4,274,460	\$ 1,079,790	33.80%
<b>Total for All Categories of Expenses</b>		<b>\$ 3,194,670</b>	<b>\$ 4,274,460</b>	<b>\$ 1,079,790</b>	<b>33.80%</b>

WATER AND SEWER

## Water and Sewer – Debt Service 38000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	4,071,348	4,387,194	315,846	7.76%
58200	Bond Interest	2,413,704	2,094,833	(318,871)	-13.21%
58300	Debt Issuance Cost	500,000	-	(500,000)	-100.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 6,985,052</b>	<b>\$ 6,482,027</b>	<b>\$ (503,025)</b>	<b>-7.20%</b>

TOTAL WATER AND SEWER DEBT SERVICE					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	6,985,052	6,482,027	(503,025)	-7.20%
<b>Total for All Categories of Expenses</b>		<b>\$ 6,985,052</b>	<b>\$ 6,482,027</b>	<b>\$ (503,025)</b>	<b>-7.20%</b>

Revenue Bonds	Principal	Interest
Vac Truck	635,000	602,289
Kannapolis Crossing/Lane St/WTP Improvements	1,904,000	540,626
Downtown Water and Sewer	1,303,000	760,190
Davidson Road Water	287,000	171,560
<b>Other</b>		
Equipment	76,528	11,235
Water Line-NCRC	76,633	3,134
Afton Run Sewer	61,965	1,622
Kannapolis Parkway	27,896	414
Second Creek	15,172	3,763
<b>Total</b>	<b>\$4,387,194</b>	<b>\$2,094,833</b>

No new debt service for FY 23

## Water and Sewer – General Management Services Fee and Transfers 39000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services	2,143,921	1,922,482	(221,439)	-10.33%
57200	Transfer to Other Funds	-	-	-	0.00%
57400	Transfer to Env Fund	495,700	495,700	-	0.00%
<b>Sub-Total for Transfers</b>		<b>\$ 2,639,621</b>	<b>\$ 2,418,182</b>	<b>\$ (221,439)</b>	<b>-8.39%</b>
TOTAL GENERAL MANAGEMENT SERVICES WATER AND SEWER					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	2,639,621	2,418,182	(221,439)	-8.39%
<b>Total for All Categories of Expenses</b>		<b>\$ 2,639,621</b>	<b>\$ 2,418,182</b>	<b>\$ (221,439)</b>	<b>-8.39%</b>

**Items of Interest:**

- General Management Services fee reduced by \$221,439 based on employee allocation and debt service formula. The retirement/refunding on existing debt service resulted in this fee getting reduced in FY 23.
- Transfer to Environmental fund is flat over FY 22 budget (\$495,700). This is a transfer needed to subsidize and balance the Environmental Fund.



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# STORMWATER FUND

The Stormwater Fund is the third 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.

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## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	1,262,183	1,055,989	1,067,489	1,203,061
Operating	1,414,935	2,139,942	2,139,942	2,088,645
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 2,677,118	\$ 3,195,831	\$ 3,207,431	\$ 3,291,706
<b>Revenues</b>				
Charges and Fees	3,078,995	3,195,831	3,195,831	3,291,706
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ 3,078,995	\$ 3,195,831	\$ 3,195,831	\$ 3,291,706
<b>Staffing</b>				
FTE Positions	16	15	17	17

**Personnel includes:** (1) Director of Environmental Services, Stormwater Operations Manager (1), (1) Planner, (2) Crew Chiefs, (3) Construction Maintenance Techs, (2) Heavy Equipment Operators and (7) Construction Maintenance Worker II

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
# of miles of shoulder work and ditches cleared	TBD
# of drainage structures ( <i>repaired and constructed</i> )	TBD
# of culvert maintenance performed in-house	TBD
Linear feet of drainage culvert hydraulically cleaned	TBD
# of outreach events held	TBD
<b>Efficiency Measures</b>	
# of stormwater complaints resolved within 90 days	TBD
# of flooded structure complaints	TBD
# of sinkhole complaints	TBD
<b>Effectiveness Measures</b>	

## STORMWATER FUND

Customer complaints about inadequate storm drainage per 10,000 population	TBD
Valid customer complaints within public right of way per 10,000 population	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$1,203,061
<b>Operating Expenses</b>	\$1,357,640
<b>Debt Service</b>	\$731,005
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$3,291,706

### **Increases:**

- Personnel costs also includes a budgeted 5% COLA and merit
- \$75,000 increase in contracted services for audit of stormwater system. This is an audit of the impervious area and could result in revenue recovery between 8-15%.
- \$15,000 increase in contracted services for asset management capital lifecycle model.
- \$6,000 – increase in motor fuel based on increased costs.
- \$20,000 – increase in repair and maintenance vehicles.
- \$12,000 – increase in travel and training due to new CDL requirements/training.

### **Reductions/Decreases:**

- \$3,600 – decrease in the uniform budget. A portion was moved to the Environmental Fund.
- \$43,359 – decrease in the General Management Services fee based on employee allocation and debt service formula. The retirement/refunding on existing debt service resulted in this fee getting reduced in FY 23.

### **Capital:**

- \$95,000 – replace turf maker hydro seeder piece of equipment.

### **Items of Interest:**

- No new debt service for FY 23.
- Contracted services include culvert replacement jobs, concrete replacement jobs and the ditching program

## Stormwater Revenue Summary

### Fiscal Year 2023

<b>REVENUES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease</b>	<b>% Change</b>
36000	Charges and Fees	3,195,831	3,291,706	95,875	3.00%
39900	Fund Balance Appopriation	-	-	-	0.00%
<b>Total Stormwater Fund</b>					
		<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>	<b>\$ 95,875</b>	<b>3.00%</b>

## Stormwater Expenditure Summary

### Fiscal Year 2023

<b>EXPENSES</b>				
<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/ Decrease</b>	<b>% Change</b>
Personnel	1,055,989	1,203,061	147,072	13.93%
Operations	711,020	930,420	219,400	30.86%
Debt Service	958,243	731,005	(227,238)	-23.71%
Capital Outlay	-	-	-	0.00%
General Management Services	470,579	427,220	(43,359)	-9.21%
<b>Total Stormwater Fund</b>				
	<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>	<b>\$ 95,875</b>	<b>3.00%</b>

STORMWATER FUND

# Stormwater 40000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	745,590	871,061	125,471	16.83%
41200	Salaries - Overtime	19,195	19,195	-	0.00%
41300	Longevity Pay	712	712	-	0.00%
41600	Vehicle Allowance	-	6,000	6,000	100.00%
42000	FICA	57,321	57,143	(178)	-0.31%
42200	State Retirement	82,009	92,155	10,146	12.37%
42210	401k	8,827	13,647	4,820	54.61%
42300	Medical Insurance	134,579	135,660	1,081	0.80%
42400	Life Insurance	1,250	1,572	322	25.76%
42500	Dental Insurance	6,506	5,916	(590)	-9.07%
<b>Sub-Total For Personnel</b>		<b>\$ 1,055,989</b>	<b>\$ 1,203,061</b>	<b>\$ 147,072</b>	<b>13.93%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
43300	Postage	100	100	-	0.00%
44200	Repair & Maintenance: Vehicles	60,000	80,000	20,000	33.33%
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	13,000	13,000	-	0.00%
45610	Motor Fuel	30,000	36,000	6,000	20.00%
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	10,400	(3,600)	-25.71%
48000	Contracted Services	187,820	277,820	90,000	47.92%
48300	Consultants	150,000	150,000	-	0.00%
51100	Travel and Training	7,500	19,500	12,000	160.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 711,020</b>	<b>\$ 835,420</b>	<b>\$ 124,400</b>	<b>17.50%</b>
<b>TOTAL STORMWATER</b>					
	<b>Expense Category</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	1,055,989	1,203,061	147,072	13.93%
	Operating Expenditures	711,020	835,420	124,400	17.50%
	Capital	-	95,000	95,000	100.00%
	Transfers	470,579	427,220	(43,359)	-9.21%
	Debt Service	958,243	731,005	(227,238)	-23.71%
<b>Total for All Categories of Expenses</b>		<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>	<b>\$ 95,875</b>	<b>3.00%</b>

STORMWATER FUND

## Stormwater Debt Service 48000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	728,488	523,295	(205,193)	-28.17%
58200	Bond Interest	229,755	207,710	(22,045)	-9.60%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 958,243</b>	<b>\$ 731,005</b>	<b>\$ (227,238)</b>	<b>-23.71%</b>

TOTAL STORMWATER					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	958,243	731,005	(227,238)	-23.71%
<b>Total for All Categories of Expenses</b>		<b>\$ 958,243</b>	<b>\$ 731,005</b>	<b>\$ (227,238)</b>	<b>-23.71%</b>

Installment Obligations	Principal	Interest
Equipment	17,562	2,579
Stormwater various projects	505,733	205,131
<b>Total</b>	<b>\$523,295</b>	<b>\$207,710</b>

No new debt service for FY 23.

## Stormwater General Management Services Fee and Transfers 49000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services Fee	470,579	427,220	(43,359)	-9.21%
57400	Transfer to Env Fund	-	-	-	0.00%
<b>Sub-Total for Transfers</b>		<b>\$ 470,579</b>	<b>\$ 427,220</b>	<b>\$ (43,359)</b>	<b>-9.21%</b>

TOTAL STORMWATER GENERAL MANAGEMENT SERVICES FEE					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	470,579	427,220	(43,359)	-9.21%
<b>Total for All Categories of Expenses</b>		<b>\$ 470,579</b>	<b>\$ 427,220</b>	<b>\$ (43,359)</b>	<b>-9.21%</b>

**Items of Interest:**

- General Management Services Fee decreases by \$43,359 from FY 22 rate due to the employee allocation and retirement of debt service calculation.

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# 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 FY 2022, a \$2.50 fee increase is proposed. The \$2.50 fee increase a month would generate an additional \$563,400 in revenue based on 18,780 customers. There is no fee increase slated in the Environmental Fund for FY 23. There will most likely need to be another fee increase to get this fund to be self-sufficient. It still requires \$581,242 in transfers from the General Fund and Water Sewer Fund combined.

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## 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 2021 Actual	FY 2022 Budget	FY 2022 Revised	FY 2023 Adopted
<b>Expenditures</b>				
Personnel	557,586	318,717	353,217	450,262
Operating	3,990,069	4,078,377	4,287,912	4,457,818
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 4,547,655</b>	<b>\$ 4,629,129</b>	<b>\$ 4,641,129</b>	<b>\$ 4,908,080</b>
<b>Revenues</b>				
Charges and Fees	3,318,845	4,011,887	4,011,887	4,132,244
Miscellaneous/Other	102,504	-	-	158,594
Solid Waste Disposal Tax	36,917	36,000	36,000	36,000
Transfers from GF		150,000	150,000	85,542
Transfers from SW		400,000	400,000	-
Transfers from WS		495,700	495,700	495,700
<b>Total Revenues</b>	<b>\$ 3,458,266</b>	<b>\$ 4,530,187</b>	<b>\$ 4,530,187</b>	<b>\$ 4,908,080</b>
<b>Staffing</b>				
FTE Positions	6	7	7	6

**Personnel includes:** Supervisor (1) and Yard Waste Technician (4) and (1) Operations Manager

### Performance Measurement:

Measurement	FY 23 Actual
<b>Workload Measures</b>	
Residential refuses tons per 1,000 population	TBD
Residential refuse collected per 1,000 collection points	TBD
Ton's recyclables collected per 1,000 population	TBD
Ton's recyclables collected per 1,000 collection points	TBD
Yard waste and leaf tons collected per 1,000 population	TBD
Yard Waste and leaf tons collected per 1,000 collection points	TBD
Yard waste tonnage collected	TBD
<b>Efficiency Measures</b>	
Residential refuse collection cost per ton collected	TBD



**ENVIRONMENTAL FUND**

Residential refuse collection cost per collection point	TBD
Recycling Services cost per ton collected	TBD
Recycling services cost per collection point	TBD
Yard waste and leaf collection cost per collection point	TBD
Yard waste and leaf collection cost per ton collected	TBD
<b>Effectiveness Measures</b>	
Complaints per 1,000 collection points for residential refuse	TBD
Valid complaints per 1,000 collection points for residential refuse	TBD
Community Set out rate	TBD
Tons recycled as percentage of tons refuse and recyclables collected	TBD
Valid complaints per 1,000 collection points for recyclables	TBD
Collection complaints per 1,000 collection points for recyclables	TBD
Valid complaints per 1,000 collection points for yard waste and leaf collection	TBD
Collection complaints per 1,000 collection points for recyclables for yard waste and leaf collection	TBD

\*City of Kannapolis is undergoing updating performance measures and therefore FY 23 is the baseline reporting year for this data.

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$450,262
<b>Operating Expenses</b>	\$4,225,782
<b>Debt Service</b>	\$232,036
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$4,908,080

**Increases:**

- Personnel costs also includes a budgeted 5% COLA and merit.
- Personnel costs also reflect the addition of an Operations Manager position from the General Fund (Engineering-Admin. Assistant). This position was added to better manage the solid waste and recycling contract with Waste Management.
- \$30,000- increase in repair and maintenance vehicles.
- \$10,000 – increase in repair and maintenance of streets (formerly budgeted in Stormwater fund).
- \$8,000 – increase in motor fuel based on increased costs.
- \$13,500- increase in container purchases for replacement carts and new carts due to growth.
- \$5,000 – increase in uniforms (formerly budgeted in Stormwater fund).
- \$8,000- increase in contracted services based on trends.
- \$2,000 – increase in travel and training (formerly accounted for in Stormwater budget).
- \$70,205- Standard CPI increase with Waste Management (based on 2.55% CPI per WM)

**Reductions/Decreases:**

- No reductions included in the FY 23 budget.

**Capital:**

- None

**Items of Interest:**

- Solid Waste increase is due CPI increase with Waste Management contract and recycling expenses.
- Bulk Container increase is due to an increase in the number of containers and increase in monthly fees.
- Yard Waste covers the land fill fees for yard waste collected by city staff.
- Contracted Services includes e-waste disposal, Cartology app and temporary workers used for loose leaf collection efforts.
- No new debt service for FY 23.

## Environmental Fund Revenue Summary

### Fiscal Year 2023

REVENUE SUMMARY					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease	% Change
32200	Solid Waste Disposal Tax	36,000	36,000	-	0.00%
36000	Charges and Fees	4,011,887	4,132,244	120,357	3.00%
37000	Miscellaneous Revenue	-	158,594	158,594	100.00%
39200	Transfers from General Fund	85,542	85,542	-	0.00%
39210	Transfers from Water & Sewer Fund	495,700	495,700	-	0.00%
39230	Transfers from Stormwater	-	-	-	0.00%
<b>Total Environmental Fund</b>		<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>	<b>\$ 278,951</b>	<b>6.03%</b>

## Environmental Fund Expenditure Summary

### Fiscal Year 2023

EXPENSE SUMMARY				
Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease	% Change
Personnel	318,717	450,262	131,545	41.27%
Operations	4,078,377	4,225,782	147,405	3.61%
Debt Service	232,035	232,036	1	0.00%
<b>Total Environmental Fund</b>	<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>	<b>\$ 278,951</b>	<b>6.03%</b>

ENVIRONMENTAL FUND

## Environmental Fund 50000

PERSONNEL					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	216,093	324,177	108,084	50.02%
41200	Salaries - Overtime	15,000	15,000	-	0.00%
41300	Longevity Pay	1,161	1,161	-	0.00%
42000	FICA	16,924	20,827	3,903	23.06%
42200	State Retirement	23,683	33,965	10,282	43.42%
42210	401k	3,536	4,584	1,048	29.64%
42300	Medical Insurance	39,900	47,880	7,980	20.00%
42400	Life Insurance	500	580	80	16.00%
42500	Dental Insurance	1,920	2,088	168	8.75%
<b>Sub-Total For Personnel</b>		<b>\$ 318,717</b>	<b>\$ 450,262</b>	<b>\$ 131,545</b>	<b>41.27%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	100,000	130,000	30,000	30.00%
44400	Repair & Maintenance: Equipment	15,000	15,000	-	0.00%
44900	Repair & Maintenance: Streets	-	10,000	10,000	100.00%
45250	Telephone	5,000	5,000	-	0.00%
45410	Equipment Rental	10,000	10,000	-	100.00%
45670	Motor Fuel	40,000	48,000	8,000	0.00%
46100	Office Supplies	2,250	2,250	-	0.00%
46200	Small Equipment and Tools	5,000	5,000	-	0.00%
46630	Program Supplies	7,000	7,700	700	100.00%
46860	Container Purchases	143,000	156,500	13,500	9.44%
47100	Uniforms	-	5,000	5,000	100.00%
48000	Contracted Services	117,000	125,000	8,000	6.84%
48910	Solid Waste	2,753,155	2,823,360	70,205	2.55%
48920	Bulk Containers	90,672	90,672	-	0.00%
48930	Landfill	665,300	665,300	-	0.00%
48940	Recycling	-	-	-	0.00%
48950	Yard Waste - Tipping Fees	125,000	125,000	-	0.00%
51100	Travel and Training	-	2,000	2,000	100.00%
51300	Special Expenses	-	-	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 4,078,377</b>	<b>\$ 4,225,782</b>	<b>\$ 147,405</b>	<b>3.61%</b>
TOTAL ENVIRONMENTAL					
	Expense Category	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	318,717	450,262	131,545	41.27%
	Operating Expenditures	4,078,377	4,225,782	147,405	3.61%
	Debt Service	232,035	232,036	1	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>	<b>\$ 278,951</b>	<b>6.03%</b>

## Environmental Debt Service 58000

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

No new debt service for FY 23

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# 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.

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## Separation Pay Fund 60000

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$506,407
<b>Total Budget</b>	<b>\$506,407</b>

**Budget:**

- \$470,420- Separation Pay
- \$35,987 - FICA

**Capital:**

- None

**Items of Interest:**

- Four employees will receive final supplements in FY 22
- Thirty-two former employees currently receive separation pay benefits for FY 23

SEPARATION PAY FUND

## Separation Pay Revenue Summary Fiscal Year 2023

REVENUES				
Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
Transfer from General Fund	484,210	506,407	22,197	4.58%
<b>Total Separation Pay Revenues</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>	<b>\$ 22,197</b>	<b>4.58%</b>

## Separation Pay Expenditure Summary Fiscal Year 2023

EXPENSES				
Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
Separation Pay	449,799	470,420	20,621	4.58%
FICA	34,411	35,987	1,576	4.58%
<b>Total Separation Pay Expenses</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>	<b>\$ 22,197</b>	<b>4.58%</b>



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# 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 2023 Transit System Fund Budget is \$1,743,571. This is the twenty second year this fund has existed. The past two years, the Transit Fund has received money from the CARES act related to public transit during Covid. This funding is no longer available to help offset operations. To offset the increase in transit operations, a transfer from the General Fund is needed to supplement in conjunction with the vehicle license fee. 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.

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## Transit Fund 77500

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$1,203,235
Capital Expenses	\$540,336
<b>Total Budget</b>	<b>\$1,743,571</b>

### Increases:

- \$703,235 increase in operations related to the following:
  - Contractual rate increases to the fixed route (bus) service.
  - Passenger enhancements per FTA 5307 funds - 1% must be spent on passenger enhancements
  - Safety enhancements- per FTA 5307 funds - at least .75% spent on safety
  - Security enhancements- per FTA 5307 funds - at least 1% spent on security
  - Contractual rate increases related to ADA Paratransit program ridership which is up 20-25% over the past year.
  - Increase in fuel costs.

### Reductions/Decreases:

- Reduction in CARES Act Funding
  - Funding is not available for public transit in FY 23.

### Capital:

- \$540,336 related to capital, vehicle replacement and the 5339b bus grant purchase.

### Items of Interest:

- Fund balance appropriation of \$540,336
  - This fund balance appropriation will go towards funding the following capital items:
    - \$57,495 in capital and 2021 transit vehicle replacement
    - \$482,841 in capital bus purchases
- 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.

## Transit Fund Revenue Summary Fiscal Year 2023

REVENUES				
Account Description	FY 2022 Adopted	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
Vehicle License Tax	500,000	900,000	400,000	80.00%
Transfer from General Fund	-	303,235	303,235	100.00%
Appropriated Fund Balance	200,000	540,336	340,336	170.17%
<b>Total Transit Fund Revenues</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>	<b>\$ 1,043,571</b>	<b>149.08%</b>

## Transit Fund Expenditure Summary Fiscal Year 2023

EXPENSES				
Account Description	FY 2022 Proposed	FY 2023 Adopted	Actual Increase/ Decrease (\$)	% Change
Contracted Services	500,000	1,203,235	703,235	140.65%
Capital- Machinery and Equipment	-	540,336	540,336	-100.00%
Transfer to the General Fund	200,000	-	(200,000)	-100.00%
<b>Total Transit Fund Expenses</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>	<b>\$ 1,043,571</b>	<b>149.08%</b>

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# CAPITAL IMPROVEMENT PLAN

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. City Council is undergoing “Imagine Kannapolis” Strategic Plan that is set to be finalized in January 2023.

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## CAPITAL IMPROVEMENT PLAN

### 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

Since the City is currently undergoing the Imagine Kannapolis Strategic Plan, a Capital Improvement Plan has not yet been adopted for FY 23. The timeline is to have a recommended Financial plan which will include an updated Capital Improvement Program, Staffing and Operational Plan.

One significant component of the FY 23 Budget is a Cash Focused Funding Plan, which will be a rather unique financial management tool that will be repeated at varying degrees over the next five fiscal years. Kannapolis is in a different place than most municipalities and certainly in a different place when compared to our previous City budgets. The significant cash infusion from active economic and land development activities over the past number of years is going to be a significant driver of the City’s financial administration for the foreseeable future. Cash (coupled with some additional debt) will be the method that funds the majority of City Council priorities and certain operating capital. Some of this cash will also be used to bridge a gap in a few lean years before significant revenue increases are projected to materialize in FY 26.

The table below shows the one-time cash availability breakdown used to fund capital projects.

Projected Additions to Fund Balance in FY 23 and early FY 24	
New One-Time Revenue	Projected Amount
Block 1 Main Street Sale Payment #2 (completed)	\$355,801
Gateway Business Park Lot 3 Sale (completed)	\$1,492,935
American Rescue Plan Act (completed)	\$9,300,000
Old Baseball Stadium Sale (May 2022)	\$3,000,000
Swanee Theatre Sale – First Payment (June 2022)	\$100,000
Kannapolis Crossing- Rowan County Payment #1 (June 2022)	\$500,000
Kannapolis Crossing – Developer Payment #2 (Oct 2022)	\$500,000
Block 6 Sale (April 2023)	\$3,450,830
Kannapolis Crossing – Developer Payment #3 (Oct 2023)	\$500,000
Swanee Theatre Sale – Second Payment (Nov 2023)	\$467,000
<b>Total</b>	<b>\$19,666,566</b>

Potential Future Additions to Fund Balance	
New One-Time Revenue	Projected Amount
College Station Outparcels	\$320,000
Plant 4 – 14.66 acres @ \$500,000/acre	\$7,330,000
Wyrick Property	\$300,000
Gateway Business Park Lot 2 Sale (potentially restricted)	\$377,528
<b>Total</b>	<b>\$8,327,528</b>

## CAPITAL IMPROVEMENT PLAN

From a budget structure standpoint, it is proposed that the implementation of this cash will follow these principles:

- These funds will not be added to the initial proposed annual operating budget as a fund balance transfer. Doing so with such a large amount of funds early in the process is more of an educated guess which is not a very effective way to administer this type of funding plan.
- City Council will be asked to approve budget amendments throughout the FY 23 budget year to implement its priority projects and initiatives (as well as some operating capital requests by department heads).
- The budget amendments will be based on specific budget estimates (in most cases, firm quotes).
- Proceeding with implementing incremental budget amendments allows staff and City Council to monitor both the operating budget but more importantly, the one-time revenue cash flow.
- Since so much of this plan is based on land proceeds it is prudent to not budget the expenditure until the revenue is confirmed.

Below is a list of projects identified to be funded with cash reserves for FY 23:

<b>General Fund: FY 23 Expansion Funding (Watch List)</b>		
<b>Department</b>	<b>Estimate</b>	<b>Description</b>
Police	\$921,500	Replacement of (15) vehicles based on high mileage and maintenance costs.
Communications	\$27,000	Structure to support the addition of a digital sign.
Fire	\$55,000	Replacement of 2002 pick-up truck.
PWOC	\$39,000	Anti-bird netting/completion of project for safety issues at PWOC.
Transportation	\$25,000	Asphalt tack trailer purchase for enhanced street paving.
Transportation	\$45,000	Replacement of a ½ ton truck. Currently has 230,000 miles and is a 2001 model.
Parks	\$150,000	Dixie Youth Facility Improvements: replacing fencing on ballfields, add sod to rectangle, irrigation, fencing on lower side for protection.
Parks	\$9,000	Stand-up blower for Village Park and the cemetery.
Parks	\$12,000	60” Ex-mark mower to replace a 2006 due to age and increasing repair costs.
Parks	\$45,000	Replacement of a F-150 Truck for Bakers Creek, Safrit and Dixie Youth Facility.
Parks	\$35,000	Small delivery van to assist with concession pick-ups and deliveries.
Parks	\$12,000	Ballfield maintenance unit- for Dixie Youth Facility. Need to purchase by Spring.
Parks	\$9,000	Replace gutter and rotting fascia at Village Park main building. This is a safety issue.
Parks	\$30,000	Replace 40-year-old backstop at Bakers Creek Park. Need to do this by the Spring.
Parks	\$160,000	Pickleball courts at Bakers Creek (convert Tennis courts est. \$75,000) or Safrit Park (new courts est. \$160,000). Could be an early spring project. Wait until further in Strategic Planning process.
Parks	\$20,000	Install large capacity ice machine at South Main Street Warehouse. Would like to purchase by early next spring to be prepared for spring/summer events.

## CAPITAL IMPROVEMENT PLAN

<b>General Fund: FY 23 Expansion Funding (Watch List)</b>		
Parks	\$23,000	Adjustable goals at Carver Elementary for youth basketball program. Must be completed by Christmas break due to no school.
Fire	\$891,000	Fire Station #1 interior renovations, bay floor and parking lot improvements. The roof was replaced in FY 22.
Fire	\$179,000	Fire Station #4 improvements to living quarters, interior, kitchen upgrades, failing concrete, paint, carpet, and tile.
Economic Development	\$300,000	Road improvements at the Old Intimidators Stadium. These improvements are part of the negotiated sale of the property for redevelopment as a corporate park. This is offset by the \$3 million sales proceeds.
<b>Total</b>	<b>\$2,987,500</b>	

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# DEBT SERVICE AND FUND BALANCE

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## 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 23. Any new debt service is in red.

### General Fund Debt Service:

Limited Obligation Bonds	Principal	Interest
Fire Stations 2 and 3	\$555,000	\$352,536
City Hall/Police Headquarters	\$1,365,000	\$675,556
NCRC "TIF" Projects	\$2,426,000	\$230,865
Irish Buffalo Creek Greenway	\$92,000	\$26,551
College Station Renovations/Duct Bank/Downtown Streetscape	\$394,999	\$228,783
Stadium (Atrium Health Ballpark)	\$2,600,000	\$1,919,970
Parking Deck at VIDA	\$740,000	\$267,259
Other Debt		
Misc. Equipment Financing	\$42,153	\$6,189
Main Street Warehouse/Fire Truck	\$162,139	\$2,529
Village Park Improvements/Fire Truck	\$447,000	\$171,581
Refinancing Multiple Debt Issuances	\$337,597	\$5,013
Downtown Property Purchase	\$733,000	\$297,195
Motorola Lease Payment	\$677,750	NA
Fire Engines	\$170,000	\$34,000
Total	\$10,742,638	\$4,218,027

### Water and Sewer Fund Debt Service:

Revenue Bonds	Principal	Interest
Vac Truck	\$635,000	\$602,289
Kannapolis Crossing/Lane St/WTP Improvements	\$1,904,000	\$540,626
Downtown Water and Sewer	\$1,303,000	\$760,190
Davidson Road Water	\$287,000	\$171,560
Other Debt		
Equipment	\$76,528	\$11,235
Water Line-NCRC	\$76,633	\$3,134
Afton Run Sewer	\$61,965	\$1,622
Kannapolis Parkway	\$27,896	\$414
Second Creek	\$15,172	\$3,763
Total	\$4,387,194	\$2,094,833

## DEBT SERVICE AND FUND BALANCE

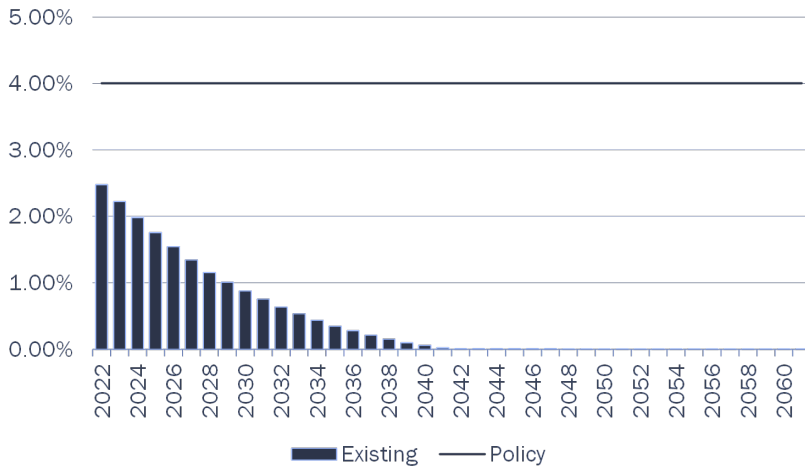
### Stormwater Fund Debt Service:

Installment Debt	Principal	Interest
Equipment	\$17,562	\$2,579
Stormwater various projects	\$505,733	\$205,131
<b>Total</b>	<b>\$523,295</b>	<b>\$207,710</b>

### Environmental Fund Debt Service:

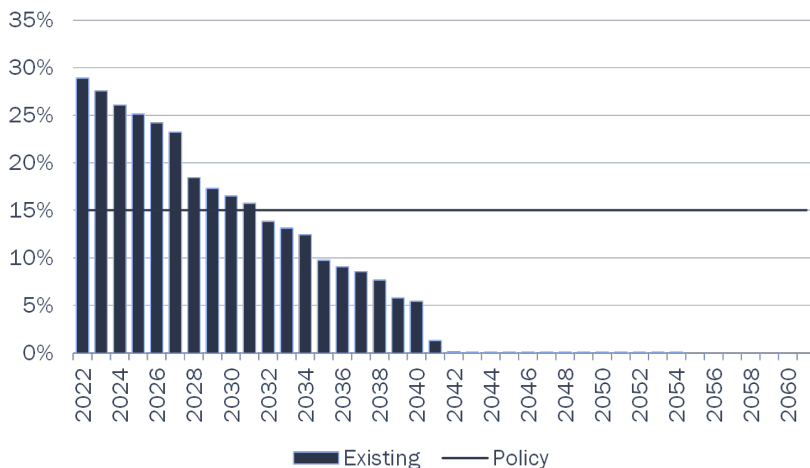
Special Obligation Bonds	Principal	Interest
Leaf Collection Trucks	218,398	13,638
<b>Total</b>	<b>\$218,398</b>	<b>\$13,638</b>

### Key Debt Ratio: Debt to Assessed Valuation



- ✓ Existing Debt to Assessed Value is 2.48%
- ✓ The City has a policy establishing a maximum Debt to Assessed Value Ratio of 4.00%
- ✓ Currently meet this debt policy

### Key Debt Ratio: Debt Service vs. Governmental Expenditures



- ✓ Existing Debt Service vs. Expenditures is 28.87%
- ✓ The City has a policy establishing a maximum Debt Service to Expenditures Ratio of 15.00%
- ✓ Currently **do not** meet this debt policy

## DEBT SERVICE AND FUND BALANCE

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
<b>General Fund</b>				
Existing Debt at June 30, 2022	152,656,567	9,894,888	4,184,027	14,078,915
New Proposed Debt for FY 23 (Budgeted)	-	847,750	34,000	881,750
<b>Total General Fund Debt</b>	<b>\$ 152,656,567</b>	<b>\$ 10,742,638</b>	<b>\$ 4,218,027</b>	<b>\$ 14,960,665</b>

The \$49,896,998 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
<b>Water and Sewer Fund</b>				
Existing Debt at June 30, 2022	74,803,844	4,387,194	2,094,833	6,482,027
New Proposed Debt for FY 23 (Budgeted)	-	-	-	-
<b>Total Water and Sewer Fund Debt</b>	<b>\$ 74,803,844</b>	<b>\$ 4,387,194</b>	<b>\$ 2,094,833</b>	<b>\$ 6,482,027</b>

	Principal Balance	Principal Payment	Interest Payment	Total Payment
<b>Stormwater Fund</b>				
Existing Debt at June 30, 2022	7,680,966	523,295	207,710	731,005
New Proposed Debt for FY 23	-	-	-	-
<b>Total Stormwater Debt</b>	<b>\$ 7,680,966</b>	<b>\$ 523,295</b>	<b>\$ 207,710</b>	<b>\$ 731,005</b>

	Principal Balance	Principal Payment	Interest Payment	Total Payment
<b>Environmental Fund</b>				
Existing Debt at June 30, 2022	232,036	218,398	13,638	232,036
New Proposed Debt for FY 23	-	-	-	-
<b>Total Environmental Debt</b>	<b>\$ 232,036</b>	<b>\$ 218,398</b>	<b>\$ 13,638</b>	<b>\$ 232,036</b>

	Principal Balance	Principal Payment	Interest Payment	Total Payment
<b>Total Debt</b>				
Existing Debt at June 30, 2022	235,373,413	15,023,775	6,500,208	21,291,947
New Proposed Debt for FY 23	-	847,750	34,000	881,750
<b>Total City Debt for FY 23</b>	<b>\$ 235,373,413</b>	<b>\$ 15,871,525</b>	<b>\$ 6,534,208</b>	<b>\$ 22,173,697</b>

**Assessed Value** \$5,672,838,999 Taxable Property for Ad Valorem Tax located in the City.

**Legal Debt Limit** \$453,827,120 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** \$ 152,656,567 Note: the City's revenue bonds (Water and Sewer, Stormwater, and Environmental) are excluded from this calculation.

**City Legal Debt Margin** \$301,170,553

## 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.

<b>Unrestricted Cash Reserves and Fund Balance</b>				
<b>Fund</b>	<b>Minimum Target %</b>	<b>Projected Total Reserves, June 30, 2022</b>	<b>Available for Appropriation in FY 23</b>	<b>Amount needed to reach Target %</b>
General	25%	\$29,400,164	\$4,919,643	Above Target
Water and Sewer	25%	\$15,246,496	\$1,263,873	Above Target
Stormwater	25%	\$2,620,125	\$1,215,237	Above Target
Environmental	10%	\$1,593,362	\$392,269	Above Target
Transit	NA	\$857,974	\$857,974	NA
<b>Totals</b>		<b>\$49,718,121</b>	<b>\$8,648,996</b>	

	General Fund	Water and Sewer	Stormwater	Environmental	Seperation Pay	Transit Fund	Total All Funds
Actual Balance June 30, 2021	29,400,164	15,246,496	2,620,125	1,593,362	-	857,974	49,718,121
Projected Revenues FY 2022	61,026,705	25,089,245	3,132,002	3,890,730	-	700,000	93,838,682
Projected Expenditures FY 2022	54,631,639	20,527,790	3,200,298	4,259,216	-	700,000	83,318,943
Projected Balance June 30, 2022	35,795,230	19,807,951	2,551,829	1,224,876	-	857,974	60,237,860
Budgeted Revenues FY 2023	62,487,159	23,370,000	3,291,706	4,908,080	506,407	1,743,571	96,306,923
Budgeted Expenditures FY 2023	62,487,159	23,370,000	3,291,706	4,908,080	506,407	1,743,571	96,306,923
Projected Balance June 30, 2023	35,795,230	19,807,951	2,551,829	1,224,876	-	857,974	60,237,860

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.

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# LONG RANGE FINANCIAL PLAN

The City of Kannapolis implemented a new financial forecast and new financial policies in FY 2012 and has maintained a long-range financial plan ever since. The long-range financial plan that has spanned from 5 years to 10 years is updated annually through the budget process. The Financial Forecasting plan enables the City to project future revenues and expenditures for years ahead to analyze the impact of rate adjustments over a period. 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. There was a full cost recovery tap fee increase worked into the Water and Sewer budget.

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## LONG RANGE FINANCIAL PLAN

### General Fund Revenue Assumptions:

- Rowan County Revaluation in FY 24 and FY 28 (1% additional growth)
- Cabarrus County Revaluation in FY 25 and FY 29 (9% additional growth)
- Sales Tax: 3.75% organic growth
- Powell Bill: Flat based on FY 22 actuals
- Franchise Tax: Flat based on FY 22 actuals
- Investment Income: Flat
- Fire District Sales Tax: 8% growth rate
- Parks and Recreation Fees: 3% growth rate
- Planning- Permit and Fees: 2.5% growth rate
- Beer and Wine Tax: Flat
- ABC Funds: 5% growth rate
- All other revenues: Flat

### General Fund Expenditure Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
  - Merit, Developmental Range and Cost of Living Adjustment: 3% growth rate
- 7% increase in operational costs (normalized expenditure growth)
- Transfer to Environmental falls off in FY 24

The General Fund Five Year Plan below shows the operational capacity year over year based on organic growth in revenue streams and inflationary costs on personnel and operating expenditures.

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenues	\$ 63,995,862	\$ 68,678,718	\$ 70,941,867	\$ 73,294,905	\$ 75,841,453	\$ 81,389,281
Expenditures	\$ 62,402,552	\$ 64,410,163	\$ 67,104,583	\$ 69,217,117	\$ 69,113,922	\$ 71,846,529
Operational Capacity	\$ 1,593,310	\$ 4,268,555	\$ 3,837,284	\$ 4,077,788	\$ 6,727,531	\$ 9,542,752
Revenue Margin	2.55%	6.63%	5.72%	5.89%	9.73%	13.28%

LONG RANGE FINANCIAL PLAN

**City of Kannapolis: Financial Plan - General Fund**

	2024	2025	2026	2027	2028	2029
REVENUES	2024	2025	2026	2027	2028	2029
	Rowan Reval	Cabarrus Reval			Rowan Reval	Cabarrus Reval
Property Taxes	37,368,169	41,469,451	43,128,229	44,853,359	46,747,493	51,617,393
Sales Tax	14,137,142	14,667,285	15,217,308	15,787,957	16,380,005	16,994,256
Franchise Tax	2,698,000	2,698,000	2,698,000	2,698,000	2,698,000	2,698,000
Powell Bill	1,572,822	1,572,822	1,572,822	1,572,822	1,572,822	1,572,822
Stadium Fees	550,000	550,000	550,000	550,000	550,000	550,000
Enterprise Management Fee	2,349,702	2,349,702	2,349,702	2,349,702	2,349,702	2,349,702
Investment Income	210,000	210,000	210,000	210,000	210,000	210,000
Fire Districts Sales Tax	294,840	318,427	343,901	371,413	401,127	433,217
Vehicle License: \$15 GF; \$15 Transit	401,363	405,377	409,431	413,525	417,660	421,837
TIF Contribution (Cabarrus County TIF contribution)	1,326,113	1,325,926	1,325,926	1,325,926	1,325,926	1,325,926
Parks and Rec Fees	463,500	477,405	491,727	506,479	521,673	537,324
Permits and Fees	189,625	194,366	199,225	204,205	209,311	214,543
Beer and Wine Tax	210,000	210,000	210,000	210,000	210,000	210,000
ABC Funds	107,411	112,782	118,421	124,342	130,559	137,087
Other Revenues	2,117,175	2,117,175	2,117,175	2,117,175	2,117,175	2,117,175
<b>Total Revenues</b>	<b>63,995,862</b>	<b>68,678,718</b>	<b>70,941,867</b>	<b>73,294,905</b>	<b>75,841,453</b>	<b>81,389,282</b>
<b>Personnel Costs</b>	31,000,418	32,539,185	34,119,614	35,742,956	37,410,499	39,123,568
Merit increase	455,145	468,799	482,863	497,349	512,269	527,637
Developmental Range	227,868	234,704	241,745	248,997	256,467	264,161
Cost of Living Adjustment	705,754	726,927	748,734	771,196	794,332	818,162



**LONG RANGE FINANCIAL PLAN**

Health Insurance increases (includes retirees)	150,000	150,000	150,000	150,000	150,000	150,000
<b>Sub- total Personnel Costs</b>	<b>32,539,185</b>	<b>34,119,614</b>	<b>35,742,956</b>	<b>37,410,499</b>	<b>39,123,568</b>	<b>40,883,529</b>
<b>Operational Costs</b>	15,366,734	16,442,406	17,593,374	18,824,910	20,142,654	21,552,640
<b>Sub- total Operating Costs</b>	<b>15,366,734</b>	<b>16,442,406</b>	<b>17,593,374</b>	<b>18,824,910</b>	<b>20,142,654</b>	<b>21,552,640</b>
<b>Debt</b>						.
Existing Debt Service	13,818,883	13,170,393	12,886,503	12,777,708	9,643,700	9,206,360
Ladder Truck Replacement	-	-	204,000	204,000	204,000	204,000
Motorola Lease for Police and Fire Radio Replacement	677,750	677,750	677,750	-	-	-
<b>Sub- total Debt Service</b>	<b>14,496,633</b>	<b>13,848,143</b>	<b>13,768,253</b>	<b>12,981,708</b>	<b>9,487,700</b>	<b>9,410,360</b>
<b>Total Expenditures</b>	<b>62,402,552</b>	<b>64,410,163</b>	<b>67,104,583</b>	<b>69,217,117</b>	<b>69,113,922</b>	<b>71,846,529</b>
<b>Revenues over (under) Expenditures</b>	<b>1,593,310</b>	<b>4,268,555</b>	<b>3,837,284</b>	<b>4,077,788</b>	<b>6,727,531</b>	<b>9,542,752</b>

## LONG RANGE FINANCIAL PLAN

### Water and Sewer Revenue Assumptions:

- Budget capacity is based on conservative growth year over year in the operating budget.
- Charges and Fees: 5% organic growth in system
- Wholesale Water Sales: Flat
- Tap Fees includes tap fee increase of \$7,500 full cost recovery for all six years
- Connection Fees: 1% growth rate based on sewer constraints
- All other revenues: Flat

### Water and Sewer Expense Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
  - Merit, Developmental Range and Cost of Living Adjustment: 3% growth rate
- 7% increase in operational costs (normalized expenditure growth)
- Assumes increase of 30% for Water Treatment Plant Expansion in FY 26
- Transfer to Environmental Fund falls off in FY 24

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenues	\$ 24,034,250	\$ 25,108,743	\$ 26,235,980	\$ 27,418,590	\$ 28,659,331	\$ 29,961,099
Expenditures	\$ 23,483,218	\$ 24,420,915	\$ 25,533,617	\$ 26,234,929	\$ 27,525,788	\$ 28,899,023
Operational Capacity	\$ 551,032	\$ 687,828	\$ 702,363	\$ 1,183,661	\$ 1,133,542	\$ 1,062,076
Revenue Margin	2.35%	2.82%	2.75%	4.51%	4.12%	3.68%

The Water and Sewer Fund Financial Plan below shows the operational capacity year over year based on organic growth in revenue streams and inflationary costs on personnel and operating expenditures.

### City of Kannapolis: Financial Plan - Water and Sewer Fund

	2024	2025	2026	2027	2028	2029
<b>REVENUES</b>						
Charges and Fees	21,000,000	22,050,000	23,152,500	24,310,125	25,525,631	26,801,913
Wholesale Water Sales	360,000	360,000	360,000	360,000	360,000	360,000
Tap Fees	1,186,750	1,198,618	1,210,604	1,222,710	1,234,937	1,247,286
Connection Fees	1,262,500	1,275,125	1,287,876	1,300,755	1,313,763	1,326,900
Reconnection Fees	140,000	140,000	140,000	140,000	140,000	140,000
Penalties	400,000	400,000	400,000	400,000	400,000	400,000
Miscellaneous Revenue	15,000	15,000	15,000	15,000	15,000	15,000

## LONG RANGE FINANCIAL PLAN

Investment Income	30,000	30,000	30,000	30,000	30,000	30,000
<b>Total Revenues</b>	<b>24,034,250</b>	<b>25,108,743</b>	<b>26,235,980</b>	<b>27,418,590</b>	<b>28,659,331</b>	<b>29,961,099</b>
Personnel Costs	5,144,456	5,401,679	5,671,763	5,955,351	6,253,119	6,565,774
Operational Costs	10,240,231	10,957,047	13,294,959	14,225,606	15,221,399	16,286,897
Debt	6,176,049	6,139,707	4,644,413	4,131,490	4,128,789	4,123,870
Transfer to General Fund	1,922,482	1,922,482	1,922,482	1,922,482	1,922,482	1,922,482
<b>Total Expenditures</b>	<b>23,483,218</b>	<b>24,420,915</b>	<b>25,533,617</b>	<b>26,234,929</b>	<b>27,525,788</b>	<b>28,899,023</b>
<b>Revenues over (under) Expenditures</b>	<b>551,032</b>	<b>687,828</b>	<b>702,363</b>	<b>1,183,661</b>	<b>1,133,542</b>	<b>1,062,076</b>

The table below shows the list of capital projects for the Water and Sewer Fund.

Project	Priority	Total Project Cost	Fiscal Year
Downtown Sewer Outfall	Critical	\$3,100,000	TBD
Spillway Concrete Upgrade	Critical	\$4,300,000	TBD
Clearwell Rehab	Critical	\$1,100,000	TBD
HWY 136 Lift Station Abandonment	Opportunity	\$180,000	TBD
Kannapolis Crossing	Opportunity	\$13,400,000	TBD
Nathan Avenue Waterline Loop	Critical	\$260,000	TBD
DEB and Cannon Water and Sewer Replacement	Primary	\$538,000	TBD
Midlake Lift Station Improvements	Primary	\$450,000	TBD
Brantley Lift Station Improvements	Primary	\$275,000	TBD
Irish Creek Improvements	Opportunity	\$1,000,000	TBD
Charlie Walker Lift Station Abandonment	Secondary	\$2,500,000	Post FY 26
Royal Oaks Water & Sewer- Phase 1	Secondary	\$1,966,000	Post FY 26
Royal Oaks Water & Sewer- Phase 2	Secondary	\$1,664,000	Post FY 26
Royal Oaks Water & Sewer- Phase 3	Secondary	\$2,460,000	Post FY 26
Royal Oaks Water & Sewer- Phase 4	Secondary	\$2,916,000	Post FY 26
Village Area Water & Sewer Improvements	Secondary	\$3,083,000	Post FY 26
A.L. Brown High School Area Sewer (CW-3A)	Secondary	\$2,519,000	Post FY 26
Jackson Park Sewer (CW-1) Rehabilitation, Phase 1	Secondary	\$1,838,000	Post FY 26

**LONG RANGE FINANCIAL PLAN**

Jackson Park Sewer (CW-1) Rehabilitation, Phase 2	Secondary	\$2,463,000	Post FY 26
Jackson Park Sewer (CW-1) Rehabilitation, Phase 3	Secondary	\$2,874,000	Post FY 26
Jackson Park Sewer (CW-1) Rehabilitation, Phase 4	Secondary	\$2,874,000	Post FY 26
Waterline Bore Under RR 8th Street and Main St	Secondary	\$950,000	Post FY 26
North Kannapolis Primary Water Loop - Phase 2	Secondary	\$2,300,000	Post FY 26
Wellington Chase Water Pump Station (redundancy project)	Secondary	\$700,000	Post FY 26
Forestbrook Lift Station Improvements	Secondary	TBD	Post FY 26
Ballpark Waterline and Lift Station Improvements	Secondary	\$900,000	Post FY 26
Lake Fisher (CW-6) Sewer Rehabilitation, Phase 1	Tertiary	\$3,183,000	Post FY 26
Lake Fisher (CW-6) Sewer Rehabilitation, Phase 2	Tertiary	\$2,067,000	Post FY 26
Sycamore Water & Sewer Replacement	Tertiary	\$4,572,000	Post FY 26
Chambers Branch (Summit Ridge) Replacement Sewer	Tertiary	\$2,497,000	Post FY 26
North Kannapolis Primary Water Loop - Phase 3	Tertiary	\$2,200,000	Post FY 26
Charlotte Water Interconnection	Tertiary	\$2,200,000	Post FY 26
20th Street Sewer Rehab	Tertiary	\$400,000	Post FY 26
East Side Tank	Tertiary	\$2,000,000	Post FY 26
Dichlorination Building	Tertiary	\$400,000	Post FY 26
Albemarle WTP Improvements	Secondary	TBD	Post FY 26
Dovefield Lane Water Extension	Tertiary	\$1,063,098	Post FY 26
Tranquility-Gathering Lane Sewer Extension	Tertiary	\$835,974	Post FY 26
Copper Creek Water and Sewer Extension	Tertiary	\$2,000,000	Post FY 26
Dogwood Sewer Extension	Tertiary	\$1,800,000	Post FY 26
Mountain Vine Water and Sewer Extension	Tertiary	\$4,900,000	Post FY 26
Esther Circle SSO Reduction Slip lining	Tertiary	Yearly slip lining Allocations	TBD
Rocky River WWTP Improvements	Secondary	TBD	TBD

## LONG RANGE FINANCIAL PLAN

### Stormwater Revenue Assumptions:

- Budget capacity is based on conservative growth year over year in the operating budget.
- Charges and Fees: 3% organic growth in system

### Stormwater Expense Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
  - Merit, Developmental Range and Cost of Living Adjustment: 3% growth rate
- 7% increase in operational costs (normalized expenditure growth)

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenues	\$ 3,390,457	\$ 3,492,171	\$ 3,596,936	\$ 3,704,844	\$ 3,815,989	\$ 3,930,469
Expenditures	\$ 3,245,462	\$ 3,364,931	\$ 3,492,434	\$ 3,611,179	\$ 3,756,997	\$ 3,912,446
Operational Capacity	\$ 144,995	\$ 127,240	\$ 104,502	\$ 93,665	\$ 58,993	\$ 18,023
Revenue Margin	4.47%	3.78%	2.99%	2.59%	1.57%	0.46%

## City of Kannapolis: Financial Plan - Stormwater Fund

	2024	2025	2026	2027	2028	2029
<b>REVENUES</b>						
Charges and Fees	3,390,457	3,492,171	3,596,936	3,704,844	3,815,989	3,930,469
<b>Total Revenues</b>	<b>3,390,457</b>	<b>3,492,171</b>	<b>3,596,936</b>	<b>3,704,844</b>	<b>3,815,989</b>	<b>3,930,469</b>
Personnel Costs	1,263,214	1,326,375	1,392,693	1,462,328	1,535,445	1,612,217
Operational Costs	995,549	1,065,238	1,139,805	1,219,591	1,304,962	1,396,310
Debt	559,479	546,098	532,716	502,040	489,370	476,700
Transfer to General Fund	427,220	427,220	427,220	427,220	427,220	427,220
<b>Total Expenditures</b>	<b>3,245,462</b>	<b>3,364,931</b>	<b>3,492,434</b>	<b>3,611,179</b>	<b>3,756,997</b>	<b>3,912,446</b>
<b>Revenues over (under) Expenditures</b>	<b>144,995</b>	<b>127,240</b>	<b>104,502</b>	<b>93,665</b>	<b>58,993</b>	<b>18,023</b>

## LONG RANGE FINANCIAL PLAN

### Environmental Revenue Assumptions:

- Budget capacity is based on conservative growth year over year in the operating budget.
- Charges and Fees: 3% organic growth in system
- Assumes \$3.00 rate increase take effects in FY 24

### Environmental Expense Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
  - Merit, Developmental Range and Cost of Living Adjustment: 3% growth rate
- 7% increase in operational costs (normalized expenditure growth)
- Deficits in FY 25 on. Assumes no transfers to subsidize.

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenues	\$ 5,139,563	\$ 5,292,670	\$ 5,450,370	\$ 5,617,801	\$ 5,780,105	\$ 5,952,428
Expenditures	\$ 4,994,362	\$ 5,334,512	\$ 5,697,999	\$ 6,086,434	\$ 6,501,539	\$ 6,945,153
Operational Capacity	\$ 145,201	\$ (41,842)	\$ (247,629)	\$ (473,633)	\$ (721,434)	\$ (992,725)
Revenue Margin	2.91%	-0.78%	-4.35%	-7.78%	-11.10%	-14.29%

## City of Kannapolis: Financial Plan - Environmental Fund

	2024	2025	2026	2027	2028	2029
<b>REVENUES</b>						
Charges and Fees	5,139,563	5,292,670	5,450,370	5,612,801	5,780,105	5,952,428
<b>Total Revenues</b>	<b>5,139,563</b>	<b>5,292,670</b>	<b>5,450,370</b>	<b>5,612,801</b>	<b>5,780,105</b>	<b>5,952,428</b>
Personnel Costs	472,775	496,414	521,235	547,296	574,661	603,394
Operational Costs	4,521,587	4,838,098	5,176,765	5,539,138	5,926,878	6,341,759
<b>Total Expenditures</b>	<b>4,994,362</b>	<b>5,334,512</b>	<b>5,697,999</b>	<b>6,086,434</b>	<b>6,501,539</b>	<b>6,945,153</b>
<b>Revenues over (under) Expenditures</b>	<b>145,201</b>	<b>(41,842)</b>	<b>(247,629)</b>	<b>(473,633)</b>	<b>(721,434)</b>	<b>(992,725)</b>

## 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)	418
County location	Cabarrus and Rowan

Area Statistics	
Population	52,053
Area in square miles	31 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	96
Police Services	
Number of sworn personnel	93
Number of civilians	26
Number of patrol units	119

Education	
Public School Enrollment *Kannapolis City Schools	5,362
Elementary Schools	6
Middle School	1
High School	1
Graduation Rate	82%

Economy	
Unemployment rate	3.4% Cabarrus; 3.7% Rowan
Per capita personal income	\$49,679 Cabarrus; \$43,724 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.	Castle and Cooke NC LLC	5.8%
2.	Kannapolis Logistics Center	1.4%
3.	Glen Afton LLC	1.32%
4.	Duke Energy Corporation	1.09%
5.	Shoe Show Inc	1.04%
6.	Centennial Afton Ridge, LLC	0.92%
7.	Kannapolis Investments LLC	0.91%
8.	Integra POE LP	0.86%
9.	Gateway Afton Ridge Inc	0.81%
10.	Hilltop Copeland Strip LLC	0.67%



SUPPLEMENTAL INFORMATION

CITY OF KANNAPOLIS CLASSIFICATION PLAN - EFFECTIVE JUNE 30, 2022							
				Salary Range			
Job Class				Development Range		Merit Range	
Code	Department	Job Classification	Grade	Minimum	15%	Midpoint	Maximum
			52	\$16,767	\$19,282	\$21,377	\$25,987
			53	\$17,605	\$20,246	\$22,446	\$27,287
			54	\$18,485	\$21,258	\$23,568	\$28,651
1900	Parks	Concession Worker	55	\$19,411	\$22,322	\$24,747	\$30,085
			56	\$20,381	\$23,438	\$25,985	\$31,589
1905	Parks	Park Attendant	57	\$21,399	\$24,609	\$27,282	\$33,168
			58	\$22,469	\$25,839	\$28,648	\$34,827
			59	\$23,593	\$27,132	\$30,080	\$36,567
1915	Parks	Park Operations Specialist	60	\$24,772	\$28,488	\$31,584	\$38,395
			61	\$26,010	\$29,470	\$33,163	\$40,315
5220	General Services	Building Maintenance Technician I	62	\$27,312	\$31,408	\$34,821	\$42,332
1910	Parks	Park Maintenance Technician I					

**SUPPLEMENTAL INFORMATION**

<b>Job Class</b>				<b>Development Range</b>	<b>Merit Range</b>		
<b>Code</b>	<b>Department</b>	<b>Job Classification</b>	<b>Grade</b>	<b>Minimum</b>	<b>15%</b>	<b>Midpoint</b>	<b>Maximum</b>
1000	Global	Administrative Support Specialist	63	\$28,677	\$32,978	\$36,562	\$44,448
5215	General Services	Building Maintenance Technician II					
1920	Parks	Park Maintenance Technician II					
1300	Customer Service	Customer Service Advocate					
5210	General Services	Building Maintenance Technician III	64	\$30,110	\$34,626	\$38,390	\$46,671
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 Advocate					
1210	Finance	Accounting Technician I	65	\$31,616	\$36,359	\$40,310	\$49,003
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					
1450	Public Works	Warehouse Assistant					

**SUPPLEMENTAL INFORMATION**

<b>Job Class</b>				<b>Development Range</b>	<b>Merit Range</b>		
<b>Code</b>	<b>Department</b>	<b>Job Classification</b>	<b>Grade</b>	<b>Minimum</b>	<b>15%</b>	<b>Midpoint</b>	<b>Maximum</b>
1020	Global	Administrative Assistant	66	\$33,196	\$38,175	\$42,326	\$51,453
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	\$34,857	\$40,086	\$44,442	\$54,027
1340	Customer Service	Senior Utility Billing Specialist					
1810	Police	Telecommunicator					
1460	Public Works	Water Quality Technician					
1465	Public Works	Water Treatment Plant Maintenance Worker					
1952	Parks	Assistant Athletics Coordinator	68	\$36,598	\$42,088	\$46,664	\$56,728
1422	Public Works	Construction Maintenance Technician					
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	\$38,430	\$44,194	\$48,996	\$59,564
1817	Police	Evidence/Property Control Technician					
1423	Public Works	Locator					
4025	Planning	Planning Technician					

**SUPPLEMENTAL INFORMATION**

<b>Job Class</b>				<b>Development Range</b>	<b>Merit Range</b>		
<b>Code</b>	<b>Department</b>	<b>Job Classification</b>	<b>Grade</b>	<b>Minimum</b>	<b>15%</b>	<b>Midpoint</b>	<b>Maximum</b>
1715	Fire	Quality Assurance Coordinator					
1805	Police	Records Supervisor					
1815	Police	Telecommunicator Shift Supervisor					
1349	Customer Service	Billing and Collections Manager	70	\$40,349	\$46,402	\$51,446	\$62,543
1110	City Manager	Communications Specialist					
1348	Customer Service	Customer Service Manager					
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					
1951	Parks	Athletic Program Coordinator	71	\$42,368	\$48,723	\$54,020	\$65,671
1816	Police	Police Planner/Accreditation Manager					
1950	Parks	Recreation Programmer/Special Events Coordinator					

**SUPPLEMENTAL INFORMATION**

<b>Job Class</b>				<b>Development Range</b>	<b>Merit Range</b>		
<b>Code</b>	<b>Department</b>	<b>Job Classification</b>	<b>Grade</b>	<b>Minimum</b>	<b>15%</b>	<b>Midpoint</b>	<b>Maximum</b>
1230	Finance	Accountant I	72	\$44,486	\$51,159	\$56,720	\$68,954
1350	Customer Service	Office Manager					
1430	Public Works	Crew Supervisor					
1490	Public Works	Engineering Technician					
4020	Planning	Planner					
1435	Public Works	Planner/Scheduler					
1730	Fire	Fire & Life Safety Educator	73	\$46,710	\$53,717	\$59,556	\$72,401
1725	Fire	Fire Inspector					
1610	Human Resources	Human Resource Analyst					
1250	Finance	Purchasing Agent					
1260/1262	Finance	Senior Accountant / Sr Accountant P/T					
1480	Public Works	Water Treatment Plant Supervisor					
1120	City Manager	City Clerk	74	\$49,046	\$56,403	\$62,533	\$76,022
	City Manager	Communications Multimedia Specialist					
1735	Fire	Fire Captain					
4015	Planning	GIS Specialist					
	Fire	Safety and Logistics Officer					
1860	Police	Sergeant					
1265	Finance	Budget Analyst	75	\$51,498	\$59,223	\$65,661	\$79,823
5200	General Services	Facility Manager					
	Fire	Fire Vehicle Mechanic					
1495	Public Works	Operations Manager					

**SUPPLEMENTAL INFORMATION**

<b>Job Class</b>				<b>Development Range</b>	<b>Merit Range</b>		
<b>Code</b>	<b>Department</b>	<b>Job Classification</b>	<b>Grade</b>	<b>Minimum</b>	<b>15%</b>	<b>Midpoint</b>	<b>Maximum</b>
1740	Fire	Battalion Chief	76	\$54,073	\$62,184	\$68,943	\$83,814
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					
1811	Police	Telecommunications Center Manager					
1130	City Manager	Community Development Program Administrator	77	\$56,777	\$65,294	\$72,391	\$88,004
	Information Technology	Information Technology Systems Engineer					
1494	Public Works	Senior Engineer Technician					
4010	Planning	Senior Planner					
1737	Fire	Training Manager					
1485	Public Works	Water Treatment Plant Manager	78	\$59,615	\$68,557	\$76,011	\$92,405
1492	Public Works	Civil Engineer II	79	\$62,597	\$71,987	\$79,809	\$97,025
1750	Fire	Division Chief					
6002	Information Technology	Network Administrator					
1270	Finance	Deputy Finance Director	80	\$65,726	\$75,585	\$83,800	\$101,876

SUPPLEMENTAL INFORMATION

1140		Director of Customer Service					
1880	Police	Police Captain					
	Engineering	Assistant Director of Engineering	81	\$69,013	\$79,365	\$87,991	\$106,969
	Planning	Assistant Planning Director					
1155	City Manager	Communications Director					
1150	City Manager	Director of Economic & Community Development					
5000	General Services	General Services Director					
1755	Fire	Assistant Fire Chief	82	\$72,464	\$83,333	\$92,390	\$112,318
1500		Director of Transportation and Environmental Services					
		Director of Water Resources					
1161	City Manager	Assistant to the City Manager					
	Information Technology	Senior Network Administrator					
1955	Parks	Parks & Recreation Director	83	\$76,086	\$87,499	\$97,010	\$117,935
1885	Police	Deputy Chief of Police					
1755	Fire	Deputy Fire Chief					
1620	Human Resource	Human Resource Director	84	\$79,890	\$91,873	\$101,861	\$123,831
1496	Public Works	Director of Engineering	85	\$83,885	\$96,467	\$106,954	\$130,022
4000	Planning	Planning Director					

**SUPPLEMENTAL INFORMATION**

<b>Job Class</b>				<b>Development Range</b>	<b>Merit Range</b>		
<b>Code</b>	<b>Department</b>	<b>Job Classification</b>	<b>Grade</b>	<b>Minimum</b>	<b>15%</b>	<b>Midpoint</b>	<b>Maximum</b>
1280	Finance	Finance Director	86	\$88,079	\$101,290	\$112,302	\$136,524
	Information Technology	Information Technology Director					
1890	Police	Chief of Police	87	\$92,485	\$106,357	\$117,918	\$143,349
1760	Fire	Fire Chief					
-	Global	Assistant City Manager	88	\$97,108	\$111,674	\$123,813	\$150,517
-	-	-	89	\$101,964	\$117,258	\$130,003	\$158,044
			90	\$107,062	\$123,122	\$136,504	\$165,945
1160	City Manager	Deputy City Manager	91	\$112,414	\$129,276	\$143,328	\$174,242
			92	\$118,035	\$135,741	\$150,495	\$182,954
			93	\$123,938	\$142,528	\$158,020	\$192,102



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%
2022	0.63	5,260,241,092	32,860,158	4%
2023	0.63	5,672,838,999	35,588,732	8.3%

**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.

**Audit** – an official inspection of an organization’s accounts, typically by an independent body.

**ARP**- American Rescue Plan funding that was part of the Biden administration that offered federal relief funds as a result of the COVID-19 pandemic.

## GLOSSARY

**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.

**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.

## GLOSSARY

**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.

**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.

## GLOSSARY

**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.

**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

## GLOSSARY

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.

**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.

## GLOSSARY

**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.

**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.



## GLOSSARY

**GFOA** - Acronym for Government Finance Officers Association.

**GHSP** – Governors Highway Safety Program.

**GIS** – Geographic Information System.

**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.

**Governmental Fund.** – Money, assets or property of the government used to account for activities primarily supported by taxes, grants and other various form of governmental activity.

**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.

## GLOSSARY

**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.

**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.

## GLOSSARY

**NCGS** – North Carolina General Statute

**NCSBI** – North Carolina State Bureau of Investigations

**NFPA** – National Fire Protection Association

**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).

## GLOSSARY

**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.

**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.

**Proprietary Fund** – Funds like those in the private sector. They are used to account for activities that receive significant support from fees and charges. There are two types: enterprise funds and internal service funds.

**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.

## GLOSSARY

**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.

**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.

## GLOSSARY

**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 21<sup>st</sup> Century.

**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.



# Adopted Fiscal Year 2023 Fee Schedule

Amended July 25th, 2022

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## Admin

### Public Records

	<u>Fee</u>
Copies of Documents (per sheet)	10 cents
Copies of Ordinances (each)	\$10
Thumb Drive with Data	\$ 5

### Legal Notices

	<u>Fee</u>
Legal Advertisements & Newspaper Ads.	\$300 or actual cost, Whichever is greater.

## HR

### Employee Notices

	<u>Fee</u>
Wage Garnishment Notice (each)	\$14.35
Employee ID Badge replacement	\$10.00

## Police

### Police Permits and Services

	<u>Fee</u>
Fingerprinting	
In-Town Residents	\$15.00
Out-of-Town Residents	\$25.00
Sound Permits	\$25.00
Pawn Brokers Permits	\$275.00

## Transportation

	<u>Fee</u>
Vehicle license fee	\$30.00 (annually)

## Downtown Parking

	1 <sup>st</sup> Vehicle	2nd Vehicle	3rd Vehicle
Guaranteed Parking Permit (Vida Deck)	Vida Issued	\$30.00 (monthly)	\$60.00 (monthly)
Non-Guaranteed Parking Permit (Surface Lots Only)	Vida Issued	\$15.00 (monthly)	\$30.00 (monthly)
Lost Permit Replacement Fee	\$5.00 (each)	\$5.00 (each)	\$5.00 (each)

Grace Period: 30 minutes

Non-Peak Rate: Everyday 1am to 4pm: (No partial charges) \$1 / Hr.

Peak Rate: Everyday 4pm to 1am: (No partial charges) \$3 / Hr.

Daily Rate: Starts after 5 hours: \$25

Multi Day Rate: For resident guests: \$10 / Day

“Pass back” Penalty: \$100

## Planning and Zoning

	<u>Fee</u>
Zoning Map Amendment: <i>*plus applicable Legal Ad &amp; Mailed notification fees</i>	\$500.00
Conditional Zoning Map Amendment: <i>*plus applicable Legal Ad &amp; Mailed notification fees</i>	\$600.00
UDO Text Amendment:	\$400.00
Special 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> ):	\$50.00
<i>*plus \$25 per additional acre</i>	
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 &amp; 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, demo permits, etc.</i>	
Change of Use permits:	\$30.00
Site Plan Review (Multi-family Residential & Non-Residential):	\$200.00
<i>*plus \$100 per additional acre</i>	
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 ( <i>plus \$30 per lot</i> )
Preliminary Major Subdivision Revision	\$50.00 ( <i>Minor Amendment</i> )
Final Subdivision Plat Review	\$200.00
Final Subdivision Plat Revision	\$40.00
<b>PUBLICATION FEES.</b>	
Land Use Plan	\$25.00
Kannapolis Development Ordinance	\$50.00
• Map – Extra Large: (36”X48”)	\$20
• Maps – Large: (24”X36”)	\$15
• Maps - Medium: (18”X24”)	\$10
• Maps – Small: (8.5”X11”)	\$5

\*\* 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>
<b>Certificate of Compliance</b>	
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
<b>Plan Review</b>	
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 &amp; 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**

	<b><u>Fee</u></b>
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/FEEES**

	<b><u>Fee</u></b>
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**

	<b><u>Fee</u></b>
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:**

<b>Solids (lbs)</b>	<b>Liquids (gals)</b>	<b>Gases (SCF)</b>	<b><u>Fee</u></b>
< 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 <b>**</b> ( <i>plus .01/per gallon//scf in excess of listed amount</i> )			
<b>NOTE:</b> 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**

	<b><u>Fee(work hrs.)</u></b>	<b><u>Fee(Overtime)</u></b>
Ladder/Hazmat	<b>\$125.00</b>	<b>\$95.00</b>
Engine/Tanker	\$95.00	
Crash Truck/ Heavy Rescue	\$95.00	
Rescue Units	<b>\$95.00</b>	
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	<b>\$35.87</b>	<b>\$53.81</b>
Battalion Chief	<b>\$23.39</b>	<b>\$35.08</b>
Fire Captain	<b>\$21.21</b>	<b>\$31.82</b>
Engineer	<b>\$17.45</b>	<b>\$26.18</b>
Firefighter	<b>\$15.07</b>	<b>\$22.61</b>
Risk Reduction Personnel	<b>\$25.49</b>	<b>\$38.24</b>

*Based on Stand-by per quarter hour, minimum 2 hours.*

**HAZMAT SUPPLIES**

<b>Item</b>	<b>Rate</b>
<b>Level “A” (enclosed, splash, and vapor protection)</b>	
Large-XLarge	1775.00
2XLarge	1975.00
<b>Level “A” Suits (Flash protection)</b>	
Large – Xlarge	2495.00
XXLarge	2695.00
<b>Level B Suits (Splash protection)</b>	
S- XLarge	170.50
2XL to 4XL	207.00
Tyvek Disposable Coveralls	17.00

Item	Rate
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
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
<b>Drager CMS Chips</b>	
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

Item	Rate
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
<b>Drager and GasTec Detector Tubes</b>	
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
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



Item	Rate
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

### Descriptions of Shelter Areas:

#### Village Park Shelter A – use by reservation only

Shelters A & C hold approximately 36 people and have 6 picnic tables. These shelters offer power receptacles and grills. They are located close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter A is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40.

Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**Village Park Shelter B – use by reservation only**

Shelter B holds approximately 96 people and has 16 picnic tables. Shelter B offers power receptacles and a grill. This shelter is close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter B is \$45 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$80. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**Village Park Shelter C – use by reservation only**

Shelters A & C hold approximately 36 people and have 6 picnic tables. These shelters offer power receptacles and grills. They are located close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter C is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. BIRTHDAY PARTY TIME BLOCKS: On Saturdays, Shelter C may be reserved in 2-hour time blocks. (9:30 – 11:30, 12:00 – 2:00, 2:30 – 4:30, 5:00 – 7:00). Cost for residents to reserve a 2-hour time block is \$15.00. Two Hour time blocks and half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**Village Park Shelter D – use by reservation only**

Shelter D holds approximately 60 people and has 10 picnic tables. Shelter D offers power receptacles and a grill. This shelter is close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter D is \$35 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$60. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**Village Park Shelter E – use by reservation only**

Shelter E holds approximately 24 people and has 4 picnic tables. Shelter E offers power receptacles and a grill. This shelter is located adjacent to the playground and close to the splash pad, carousel and train. Cost for a resident to reserve Shelter E is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**BAKERS CREEK PARK SHELTERS**

	<u>½ Day Rental</u>	<u>Full Day Rental</u>
Shelters 1, 2 &3		
Resident	\$40	\$65
Non-Resident	\$47	\$72
Shelter 4		
Resident	\$25	\$45
Non-Resident	\$32	\$52
Shelter (930 West 8 <sup>th</sup> Street)	\$50	
<i>Individual Picnic Sites:</i>		
Site A (3 tables, 1 grill, seats 20 - 24)	\$15	\$30
	<u>½ Day Rental</u>	<u>Full Day Rental</u>
Site B (2 tables, 1 grill, seats 12 - 15)	\$10	\$20
Site C (2 tables, 1 grill, seats 12 - 15)	\$10	\$20
Site D (1 table, 1 grill, seats 8-10)	\$5	\$10

**Descriptions of Shelter Areas:**

**Bakers Creek Park Large Picnic Shelters – use by reservation only**

Shelters 1 & 2 hold up to 90 people and Shelter 3 holds up to 125 people. These large picnic shelters

offer water, lights, receptacles, grills and horseshoe pits.

**Bakers Creek Small Shelter Picnic Site (Shelter #4) – use by reservation only**

This one covered picnic site is available that holds up to 30 people. Four large picnic tables and a grill are included. No power, water or horseshoe pits are available. Located adjacent to playground.

**Mountain Street Park (Bakers Creek Park Expansion) Shelter – use by reservation only**

The Expansion Park, located at the corner of **930 West 8th St. and Mountain St.**, offers four picnic tables, a grill, playground, two sand volleyball courts, horseshoe pits and restrooms. Limited parking is available. Good for small groups under 30 people. For use only daily, no half-day rentals.

**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

*\* each additional hour after 5 hours is \$50/hour*

**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

\*10% off for the purchase of 10 tickets or more for the train/carousel; or 10% off the purchase of 10 wristbands or more for the splashpad

**CAROUSEL/TRAIN PHOTO SHOOTS** \$30/hr. (1 hour minimum)  
*\*Only permitted during non-operational hours for both*  
*\*No earlier than 8 am and not later than 9 pm*

**FAST PASS** \$5.00

**SENIOR TRIPS** Variable

**YOUTH ATHLETICS** \$40 Residential

\$60 Non- Residential

**GYM RENTALS** (*KMS city schools*)

- \$30/ per hour Residential
- \$40/per hour Non-Residential

**CEMETERY FEES**

- Transfer of burial rights within a family: \$25.00
- Transfer of burial rights outside of immediate family members: \$200.00/per plot
- Transfer of vacant plots to the City: No Charge
- Burial Fee (must be paid prior to burial): \$150.00/per plot
- Security deposit to ensure marker (must be paid prior to burial): \$250.00

**GEM THEATRE**

**Movie Tickets**

Before 6pm (*all tickets*) \$4.00  
 After 6pm:  
     Children and Seniors: \$4.00  
     Adults: \$5.00

**Special Event Room:** \$200

**Special Events for whole theater:** \$1,000  
*(Example: PTA event for children)*

**School Groups for special movie showing:** \$200 *minimum*  
*(\$2.00 per person afterwards)*

**Theater for shows (outside normal hours):** \$250 *minimum*  
*(\$4.00 per person afterwards)*

**Special Message on the Marquee:** \$50.00

	<b>Kannapolis Based Organization (Resident)</b>	<b>Non-Kannapolis Based Organization (Non-Resident)</b>
Softball field without lights	\$10.00 per hour per field	\$15.00 per hour per field
Softball field with lights	\$20.00 per hour per field	\$30.00 per hour per field
*There will also be a \$15.00 per field/per time that fields are lined and dragged.		
Soccer field without lights	\$15.00 per hour per field	\$20.00 per hour per field
Soccer field with lights	\$26.00 per hour per field	\$35.00 per hour per field

<b>Fields available for reservations:</b>			
	Fence distance Field size	Base distance options	Pitching distance options
Bakers Creek Park softball field (1 available)	285 ft	65'	50'
Safrit Park softball fields (2 available) 1415 Bethpage Road	300 ft	60', 65', or 90'	46' or 54'
Safrit Park soccer field (1 available) 1415 Bethpage Road	225 x 360	N/A	N/A
Kannapolis Middle School (baseball field) 1445 Oakwood Avenue	305 ft	90'	mound
Kannapolis Middle School (softball field) 1445 Oakwood Avenue	225 ft	65'	
Kannapolis Middle School (football & soccer field) 1445 Oakwood Avenue			

<b>Rainout Hotline &amp; Program Information number: 704-920-4344</b>
In cases of inclement weather, the Kannapolis Parks and Recreation Department reserves the right to close any athletic field for safety or maintenance concerns. The hotline will be updated at 4:00 p.m. on each questionable day. Please call the number above to see if your games are being played or not.

<b>Rate</b>	<b>Lining</b>	<b>Turf</b>	<b>Additional Fees</b>	<b>Lights</b>	<b>Deposit</b>
\$150/day per field	one free lining then \$15/prep	\$12/bag	\$75 gate, 100% concession	\$15/hr. per field	\$100

**Tournament Cancellations:**

A tournament that is cancelled after 5:00 PM on Wednesday (non-weather related) will be charged \$100 for the first cancellation, \$100 for a second cancellation and \$100 for a third cancellation. Aside from the \$100 cancellation fee, all remaining tournaments will be removed if the user has canceled a tournament for a third time.

A tournament that is cancelled after 5:00 PM on Wednesday (weather-related) will be credited with the rental fee for a future date. Please note all weather-related cancellation will be subject to approval.

If the tournament is cancelled by the Parks and Recreation department due to weather after it has begun, the following format will be used to determine the amount of credit for future field rentals:

Less than ½ of the tournament has been played, 100% of remaining tournament fees will be credited

More than ½ of the tournament has been played, 50 % of remaining tournament fees will be credited

<b>Kannapolis Based Organization (Resident)</b>	<b>Non-Kannapolis Based Organization (Non-Resident)</b>
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Tennis court	\$3.00 per hour per court	\$5.00 per hour per court
Tennis court lights	\$4.00 per hour	\$4.00 per hour
*Light fee covers all lights at tennis complex.		

### Special Event Fees

*Police:* The Special Events Committee, in consultation with the Kannapolis Police Department, shall determine the number of police officers required to appropriately manage street closures and for internal security, as well as the time when such services shall commence and end. Applicants will be invoiced before the event at the rate of \$35.00 per hour per police officer assigned to the event. These fees are due one (1) week before the event.

*Fire and EMS:* The Special Events Committee, in consultation with the Kannapolis Fire Department will determine the number of Emergency Medical Personnel required as well as the time when such services shall commence and end. Applicants will be invoiced before the event at the rate of \$35.00 per hour per firefighter/EMS assigned to the event. These fees are due one (1) week before the event.

*Street Closure Equipment:* The Special Events Committee, in consultation with the Kannapolis Public Works Department, shall determine the need for traffic control equipment to appropriately manage street closures. Applicants will be notified of the recommended controls. The applicant may rent the equipment at the rate of \$175.00 per event. These fees are due one (1) week before the event.

*Greenway Event Usage:* For events held on a Kannapolis Parks and Recreation maintained Greenway usage must be pre-approved by the Special Events Committee.

*Insurance:* If an event requires a street or sidewalk closure then Comprehensive General Public Liability Insurance is required: \$1, 000,000 per person per occurrence with a \$2,000,000 aggregate naming the City of Kannapolis as additionally insured. \*\*Certificate should be specifically worded: “The City of Kannapolis, its officers, employees, and agents are additionally insured”. If alcohol is being served at the event, Liquor Liability is required to be included in the Certificate of Insurance. Proof of insurance is required at least 30-days before the event.

*Current Special Events Permit Fee Schedule:* Fees for special events and neighborhood block parties will utilize the below fee schedule.

Permit fees are non-refundable and are subject to change.

Parade, Walk, or Run:	\$125
Festival/Exhibition Shows:	
Non-Profit without Sales	\$100
For- Profit Organizations	\$200

Neighborhood Block Parties: \$50

*Fees are not applicable if the event is contained to private property and requires no City resources.*

# 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: (incremental charge based on size of line)

monthly service rate (4 inch or less) *no increase	\$ 47.60	\$ 55.65
monthly service rate (6 inch) \$16 increase	\$ 63.60	\$ 71.65
monthly service rate (8 inch) \$24 increase	\$ 71.60	\$ 79.65
monthly service rate (10 inch) \$42 increase	\$ 89.60	\$ 97.65
monthly service rate (12 inch) \$73 increase	\$ 120.60	\$ 128.65

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
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* 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
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(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.

<b>WATER TAP AND CONNECTION FEES</b>	<b>Inside City</b>		<b>Outside City</b>	
<b>Individual Water Tap Fees:</b>				
* 3/4" service (installation by City)	\$	3,250.00	*	\$ 3,250.00 *
* 1" service (installation by City)	\$	3,450.00	*	\$ 3,450.00 *
* 1-1/2" service (installation by City)	\$	3,750.00	*	\$ 3,750.00 *
* 2" service (installation by City)	\$	4,050.00	*	\$ 4,050.00 *
* 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. Commercial Customers shall be all cost borne by customer and the tap fee is waived.
- (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.

<b>SEWER TAP AND CONNECTION FEES</b>	<b>Inside City</b>	<b>Outside City</b>
<b>Individual Sewer Service Tap Fees:</b>		
* 4" service (installation by the City) (includes any size pumped by customer)	\$ 4,250.00	\$ 4,250.00
* 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. Commercial Customers shall be all cost borne by customer and the tap fee is waived.
- (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.

<b>SERVICE FEES -AND DEPOSITS</b>	<b>Inside City</b>	<b>Outside City</b>
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

<b>HYDRANT METER FEES</b>	<b>Inside City</b>	<b>Outside City</b>
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 ( <i>1 inch or less</i> )	\$100.00

**WATER & SEWER SYSTEM  
ADMINISTRATIVE FEES**

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

**WATER AND SEWER SERVICE RELOCATION AND DAMAGE**

Any relocation of service and/or apparatus, adjustment of grade or elevation, and/or damage to City equipment or infrastructure shall be performed at cost (All Cost Borne By Customer). This will include the cost of labor, equipment, and materials.

## Environmental

**Residential Environmental Fees (per occupied dwelling)**

**Fee**

Recycling/ Solid Waste	\$18.10
Additional Trash Bin Fee	\$2.50
Additional Recycle Cart	\$2.50
Garbage Ordinance Violation	\$50.00

**Commercial Environmental Fees** *(reflects a 2.55% CPI increase per Waste Management)*

<b>Commercial (City Bulk Pick Up)</b>	<b>1X per Wk</b>	<b>2X per Wk</b>	<b>3X per Wk</b>	<b>4X per Wk</b>	<b>5X per Wk</b>
4 Yd	\$51.92	\$103.85	\$155.77	\$207.70	\$259.63
6 Yd	\$78.30	\$156.60	\$234.89	\$313.19	\$391.49
8 Yd	\$104.52	\$209.05	\$313.57	\$418.11	\$522.64
<b>Commercial (Business)</b>	<b>1X per Wk</b>	<b>2X per Wk</b>	<b>3X per Wk</b>	<b>4X per Wk</b>	<b>5X per Wk</b>
4 Yd	\$102.79	\$195.22	\$292.16	\$390.41	\$476.09
6 Yd	\$122.72	\$235.09	\$353.90	\$472.75	\$590.28
8 Yd	\$137.69	\$275.38	\$413.07	\$550.73	\$688.44
<b>Container Size (Recycle)</b>	<b>1X per Wk</b>				
4 Yd	\$102.79				
6 Yd	\$122.72				
8 Yd	\$137.69				

\*8-yard cardboard only 3x/week \$342.76

# 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

## 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 and C, Kitchen, Council Conference Room, The Gallery, Shell Space and Terrance A and 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)

## Private Use Zones

Private Use Zone ID	Hourly Rate	After Hours Hourly Rate	Annual License Fee
1A	\$10.00	\$15.00	\$181
1B	\$5.00	\$10.00	\$77
1C	\$10.00	\$15.00	\$189
1D	\$5.00	\$10.00	\$77
1E	\$10.00	\$15.00	\$210
1F	\$5.00	\$10.00	\$32
1G	\$10.00	\$15.00	\$308
2A	\$5.00	\$10.00	\$66
2B	\$5.00	\$10.00	\$65
2C	\$5.00	\$10.00	\$86
2D	\$5.00	\$10.00	\$24
2E	\$10.00	\$15.00	\$204
3A	\$5.00	\$10.00	\$12
3B	\$5.00	\$10.00	\$24
3C	\$5.00	\$10.00	\$63

Private Use Zone ID	Hourly Rate	After Hours Hourly Rate	Annual License Fee
3D	\$10.00	\$15.00	\$140
3E	\$5.00	\$10.00	\$68
3F	\$5.00	\$10.00	\$88
3G	\$10.00	\$15.00	\$175
3H	\$5.00	\$10.00	\$59
3I	\$5.00	\$10.00	\$63
3J	\$5.00	\$10.00	\$63
3K	\$5.00	\$10.00	\$99
6B	\$5.00	\$10.00	\$30
6C	\$5.00	\$10.00	\$88
7A	\$20.00	\$25.00	\$425
7B	\$5.00	\$10.00	\$61
7C	\$5.00	\$10.00	\$11
7D	\$10.00	\$15.00	\$263
7E	\$5.00	\$10.00	\$88
8A	NA	NA	\$1,013
Reserved Parking Space (1)	\$5.00	NA	\$162
Reading Room	\$20.00	\$25.00	NA
Event Lawn	\$25.00	\$30.00	NA
Platform 1	\$25.00	\$30.00	NA
Platform 2	\$30.00	\$35.00	NA
Pergola	\$20.00	\$25.00	NA
Pump House Patio	\$25.00	\$30.00	NA
Reading Room Terrace	\$20.00	\$25.00	NA
Putting Green	\$20.00	\$25.00	NA

**NOTES:**

1. Annual License Fees (except reserved parking) are based on \$0.25 per square foot of space. The actual square footage calculation will be included as part of the license issuance.
2. All hourly rentals require a 50% reservation deposit and refundable security deposit of \$100.
3. Hourly Rates are Monday Through Friday 7:00 AM to 6:00 PM. All other times will be subject to the After Hours Rate.

\*See Private Use Zone Ordinance for map of Zone ID designations

**PERSONNEL**

**Full Time Employees**

DEPARTMENT	ACTUAL FY2018	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	BUDGET FY2022	CHANGE/ ADDITIONS
<b>GENERAL GOVERNMENT</b>						
GOVERNING BODY	7	7	7	7	7	-
CITY MANAGER	6	7	9	9	9	-
HUMAN RESOURCES	5	5	5	5	5	-
LEGAL SERVICES	2	2	2	2	2	-
GENERAL SERVICES	7	7	10	10	11	1
PLANNING & ZONING	8	9	9	9	11	2
FINANCE	8	8	6	6	7	1
INFORMATION TECHNOLOGY	-	-	5	5	5	-
<b>TOTAL GENERAL GOVERNMENT</b>	<b>43</b>	<b>45</b>	<b>53</b>	<b>53</b>	<b>57</b>	<b>4</b>
<b>PUBLIC SAFETY</b>						
POLICE	112	113	113	114	118	4
FIRE	94	95	95	96	96	0
<b>TOTAL PUBLIC SAFETY</b>	<b>206</b>	<b>208</b>	<b>208</b>	<b>210</b>	<b>214</b>	<b>4</b>
<b>TOTAL PARKS AND RECREATION</b>	<b>10</b>	<b>12</b>	<b>18</b>	<b>18</b>	<b>23</b>	<b>5</b>
<b>TOTAL PUBLIC WORKS (INCLUDING POWELL BILL)</b>	<b>22</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>26</b>	<b>2</b>
<b>TOTAL GENERAL FUND</b>	<b>281</b>	<b>289</b>	<b>303</b>	<b>305</b>	<b>320</b>	<b>15</b>
<b>WATER &amp; SEWER FUND</b>						
BILLING AND COLLECTIONS	8	8	9	10	12	2
WATER TREATMENT PLANT	11	14	15	15	15	-
DISTRIBUTION	29	33	38	39	40	1
<b>TOTAL WATER &amp; SEWER</b>	<b>48</b>	<b>55</b>	<b>62</b>	<b>64</b>	<b>67</b>	<b>3</b>
<b>TOTAL STORMWATER FUND</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>-</b>
<b>TOTAL ENVIRONMENTAL</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>-</b>
<b>TOTAL ALL FUNDS</b>	<b>349</b>	<b>364</b>	<b>387</b>	<b>391</b>	<b>409</b>	<b>18</b>

This chart does not show part-time, seasonal, auxiliary, or temporary positions.